

Seizing the Opportunity: Equitable School Funding in Los Angeles



PARTNERSHIP
FOR LOS ANGELES SCHOOLS



About the Partnership for Los Angeles Schools and this Partnership Policy Brief

The Partnership for Los Angeles Schools is an independent non-profit managing 18 Los Angeles Unified School District (LA Unified) schools serving 14,000 students in Boyle Heights, South Los Angeles, and Watts. Our mission is to transform schools and revolutionize school systems to empower all students with a high-quality education. Our work fits into two categories—capacity building and advocacy—which help advance our mission. Capacity building allows us to deepen the expertise and leverage the leadership of our educators and families so that we can transform schools together. Advocacy helps us amplify the voices of our stakeholders in order to remove barriers to an equitable and quality education for all students in LA Unified. Taken together, these measures represent a unique and powerful opportunity to revolutionize our nation’s second largest school system and to influence policy and practice across our nation.

The content of this paper is based on our experience working with school-site budgets and advocating for policies that will support schools in communities that have been historically underserved. The paper relies on independent research as well as our experience and conversations with LA Unified’s budget office, other district and school staff, administrators, parents and students. In addition, this paper builds on the work of community partners, particularly The Advancement Project, Community Coalition, InnerCity Struggle, The United Way of Greater Los Angeles and the Communities for Los Angeles Student Success (CLASS) Coalition. The Partnership thanks all those who took the time to discuss these important issues and who share our commitment to increasing equity in school funding.



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I. Introduction

Almost five years ago, California ushered in a new era of education funding with the adoption of the Local Control Funding Formula (LCFF). LCFF created a funding formula that provides districts with supplemental funding for their highest-need students and more control over how these dollars are spent. With this change, state and local leaders recognized what educators, parents and community members have long known and acutely felt: equality is not equity and students with greater needs require greater support.

Reflecting these values, Los Angeles Unified School District (LA Unified) passed the Equity is Justice Resolution in 2014, which mandated that the district adopt an equity-based student need index that ranks all LA Unified schools according to need (referenced in this report as the “Student Equity Need Index”) and then use that index to target new LCFF funds to the highest-need schools. Last year, the Partnership for Los Angeles Schools (Partnership) published a policy brief, “Making Equity the Foundation of LA Unified Budgeting,” which sought to answer a key question: Has LA Unified’s implementation of the Equity is Justice Resolution resulted in the targeting of more funds to the district’s highest-need schools?

Figure 1. *The Promise of the Equity is Justice Resolution*



Last year’s report concluded that LA Unified has not yet reached the potential of the Equity is Justice Resolution, mainly for two reasons: the Student Equity Need Index adopted by LA Unified did not accurately measure student and community needs, and only a quarter of a percent of LA Unified’s \$8 billion operating budget was allocated based on a school’s ranking on the Student Equity Need Index. In fact, in many cases in 2016-17, schools ranked as having lower needs on LA Unified’s Student Equity Need Index received more supplemental funding per student than several of the highest-need schools in the district.



As a result, last year's report recommended three specific actions for LA Unified to pursue:

1. Fix the current Student Equity Need Index by adopting a new index that more accurately identifies the district's highest-need schools
 2. Use this new index to ensure supplemental funding is targeted to the district's highest-need schools
 3. Ensure more meaningful community input is incorporated into the budget decision-making process
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The good news is that LA Unified is now in the process of taking the first step — fixing the Student Equity Need Index. In June 2017, Superintendent Michelle King announced that LA Unified plans to adopt a new Student Equity Need Index (referred to as "SENI 2.0") that will more accurately identify LA Unified's highest-need schools. It is expected that this will occur sometime during the 2017-18 school year. We applaud LA Unified for its commitment to adopt SENI 2.0, and in particular for its recent work to ensure that this new index provides a more comprehensive assessment of need as compared to the district's current Student Equity Need Index. This is consistent with the recommendations of the civil rights groups who championed the original index and who are now working to improve it, including The Advancement Project, Community Coalition, and InnerCity Struggle.

Adopting a new SENI 2.0 will be a significant achievement, and LA Unified should be commended for this as well as their continued collaboration with partners during this process. However, it's also important to recognize that it's just the first step on a longer path toward equity. In order to improve outcomes for students facing the

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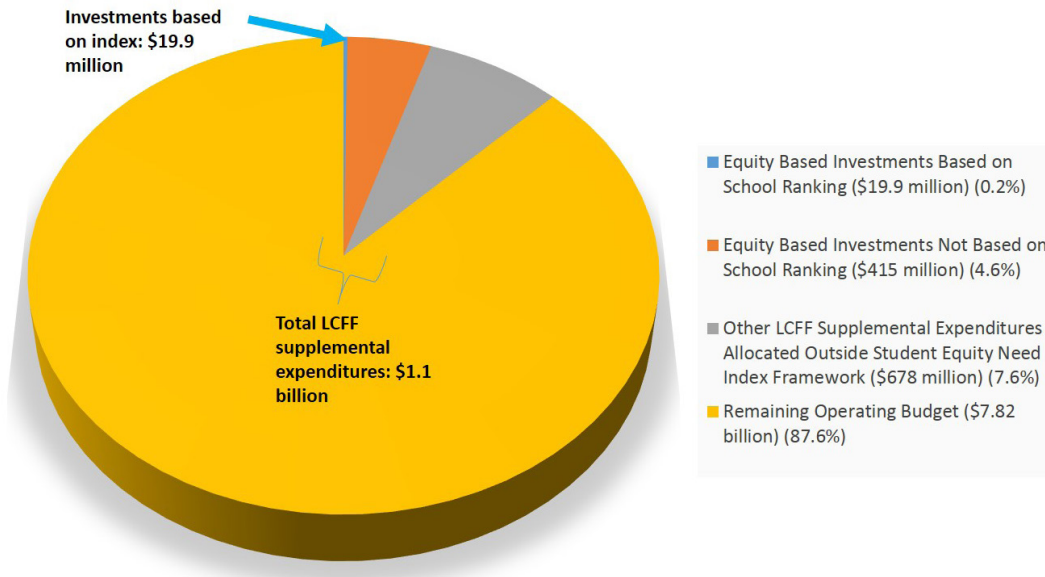
greatest challenges and ensure the new SENI 2.0 is a meaningful document, it's vital that LA Unified now focus on how the new SENI 2.0 can be used to target funds to the highest-need schools. To achieve this goal, this report recommends that LA Unified use the newly adopted SENI 2.0 to develop an equity-based funding formula that sends more dollars to its highest-need schools, and to do so in a way that allows school communities to make budget decisions that reflect their unique circumstances and vision. We also recommend targeting new funding anticipated from the state for the 2018–19 school year to support high-need elementary schools, which provide the foundation for students' academic careers but currently have the least amount of supplemental resources to address student needs. This recommendation to focus on high-need elementary schools also recognizes positive progress LA Unified has made to better serve high-need secondary schools in the current school year, most notably with the *Frias Innovation Schools* program (launched as part of a settlement of a lawsuit brought by civil rights activists). This investment of approximately \$150 million across three years at the 50 highest-need secondary schools is a prime example of LA Unified's renewed focus on equity and supporting high-need schools.

There is no way around it: K–12 education funding levels in California are far too low, leaving districts with looming deficits and long-term structural issues that will imperil our shared goal of academic success for all children. The changes recommended in this report are just one part of what should be a broader strategy to ensure more local, state and federal funding goes to LA Unified and other high-need districts across the state. We stand ready, along with other organizations across the city, to partner with and support LA Unified in these efforts. If successful, LA Unified will be an example that large urban districts across the country can look to. More importantly, these efforts will dramatically improve outcomes for students across the district, and particularly those at schools serving our city's highest-need communities.

II. Using a Revised Student Equity Needs Index

Our analysis of the 2017-18 budget results in the same conclusion as last year's report: the Student Equity Need Index still does not play a significant role in LA Unified's funding decisions. In 2017-18, LA Unified's budget reflects \$1.13 billion in LCFF "supplemental and concentration" funds, which are intended to be targeted in support of its highest-need students (known as the "Targeted Student Population", or "TSP").¹ Of these funds,

Figure 2. LA Unified 2017–18 Operating Budget (\$8.95 billion)

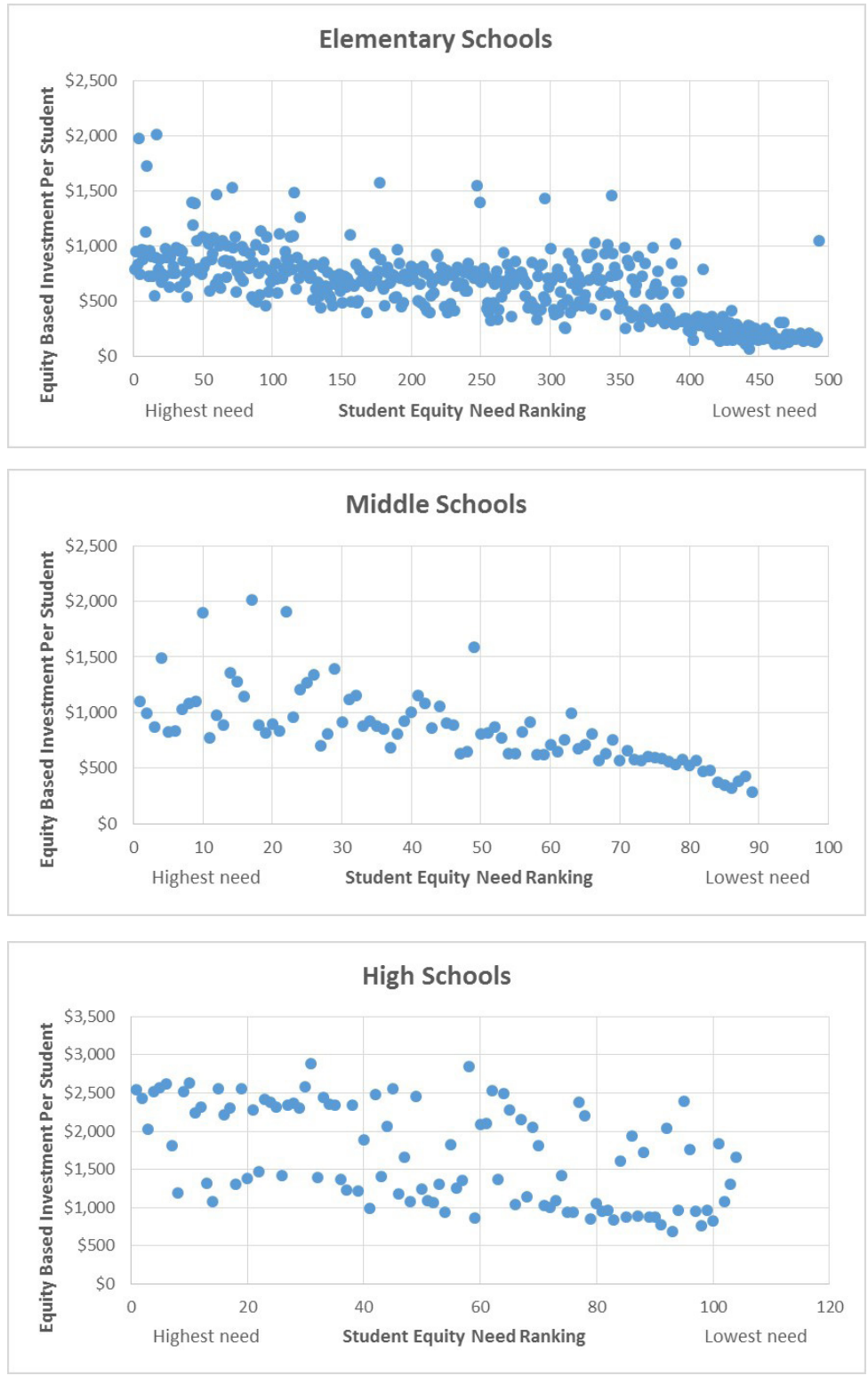


LA Unified identified \$435 million as “Equity Based Investments,” as reflected on the Student Equity Need Index. These Equity Based Investments include dozens of school supports, ranging from extra staff to supplemental programs. However, our analysis found only three of these Equity Based Investments (totalling \$19.9 million) were allocated based on a school’s rank on the index. This accounts for approximately 1.8% of the \$1.13 billion in supplemental and concentration expenditures and less than 0.25% of LA Unified’s \$8.95 billion operating budget² (Figure 2). It is important to note that there are other valuable programs that take into account need using criteria other than a school’s rank on the index (e.g, the *Reed* Investment Schools Program, the Targeted Student Population program [also known as Program 10183], and the Per Pupil Funding Pilot). However, even accounting for such programs there is still no consistent relationship between a school’s rank on the Student Equity Need Index and the amount of Equity Based Investments received on a per student basis — meaning many lower need schools continue to receive more of these supplemental dollars per student than their higher-need counterparts (Figure 3).

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Figure 3. Equity-Based Investments Per Student (2017-18 Budget)

Each dot on the charts below represents one school. These charts highlight the inconsistent relationship between a school's rank on the index (horizontal axis) and the amount of Equity Based Investment received per student (vertical axis), with many lower need schools receiving more funding per student than higher need schools.





This is why it is vital to emphasize that the new SENI 2.0 only becomes impactful if LA Unified uses it to make budget decisions that ensure more funds are targeted toward its highest-need schools. As discussed in more detail below, this starts with LA Unified investing any new LCFF funds it receives for the 2018-19 budget in the district's highest-need elementary schools using each school's ranking on the new SENI 2.0. Building upon this change, we also recommend that LA Unified reassess its current allocation of over \$1 billion in supplemental LCFF funds, as well as its broader \$8 billion operational budget, to ensure that the allocation of all dollars is aligned with student need as reflected on the new SENI 2.0.

1) Use the new index to invest in elementary schools

Not only is LA Unified planning to adopt a new Student Equity Need Index (SENI 2.0) this year, it is also widely believed that LA Unified will receive approximately \$80 million in additional LCFF funding in next year's budget, and that this funding will continue annually henceforth (subject to enrollment and other trends). This is a result of the state moving to full implementation of its LCFF funding model two years ahead of schedule. As the *Los Angeles Times* editorial board recently concluded, for this new funding it's vital that "[t]here should be some evidence that the expenditures are not being spent on business as usual, but will mainly benefit disadvantaged students."³

As discussed in this document, LA Unified's highest-need elementary schools need an immediate infusion of funding and resources. Given these circumstances, there is no better time than now for LA Unified to make a significant targeted investment that reflects the values and promises of the Equity is Justice Resolution. We recommend that LA Unified distribute these new LCFF funds to its highest-need elementary schools through an equity-based funding formula based on the new SENI 2.0.

Elementary schools are the foundation for students' future academic careers, but have the least capacity to meet student needs

The elementary school years serve as the foundation for a students' academic career, and in many ways set the path for whether students will be on track to graduate or drop-out. It

is a time during which students are rapidly acquiring experiences, skills and knowledge that impact and inform the rest of their academic career, and outcomes in these early years are a strong predictor of subsequent school, and later employment, outcomes.⁴ According to the National Research Council, a student who is not a “modestly skilled reader” by third grade is unlikely to graduate from high school.⁵ The bottom line is simple: if we don’t act with urgency to ensure elementary school students are on track, we are “cementing educational failure and poverty into the next generation.”⁶



However, as currently structured, LA Unified’s elementary schools have the least capacity to address their students’ needs. The standard allotment of positions and supports provided to an elementary school does not include many essential resources for schools serving high-need populations — supports such as a nurse, a psychologist, a counselor or instructional coach, or intervention programs for struggling students. Compounding this issue, outside of this standard allotment of resources, elementary schools have the fewest additional discretionary funds to address these gaps, and have the least amount of discretion over their broader budget.⁷

One reason that elementary schools lack sufficient discretionary funding is that class sizes at the elementary school level are considerably smaller than at secondary schools. While valuable, this means that even with equal funding levels, elementary schools have less money available for alternative supports. Unfortunately, elementary age students are also funded by the state at lower levels, which further compounds the funding squeeze at elementary schools.⁸



Moreover, in large part because of this difference in funding levels, LA Unified provides fewer resources for non-classroom supports at elementary schools as compared to secondary schools. For example, elementary schools must have 1,109 students to automatically earn an assistant principal from the district, whereas middle and high schools only need to have 800. To put this in perspective, only 3 of 492 elementary schools are large enough to earn an assistant principal position based on enrollment. Similarly, secondary schools earn a counselor for every 800 students, but even the largest elementary school does not receive any allocation of counselor positions.

Further compounding this disparity, the “Equity Based Investments” reflected on the Student Equity Need Index indicate a much greater investment in secondary schools than elementary—the average amount of these supplemental dollars provided to elementary schools was only \$628 per student, as compared to \$858 per student for middle schools and \$1,698 per student for high schools.⁹ Finally, as noted earlier, following the publication of the 2017–18 budget, LA Unified implemented the Innovation Schools Program as part of the *Frias* settlement, which will provide a significant amount of funding for 50 of the highest-need secondary schools. No analogous program exists to provide support for LA Unified’s highest-need elementary schools.

The result is that during these formative years when students are building foundational skills that will shape their entire lives, high-need elementary schools lack many critical supports needed for their students to thrive. Students at the highest-need elementary schools have elevated health needs, including asthma rates far above average, but only have a school nurse for one day per week. These students are significantly more likely to have experienced trauma, but are not served by a psychiatric social worker or a full-time psychologist. As a result, these students are less likely to meet

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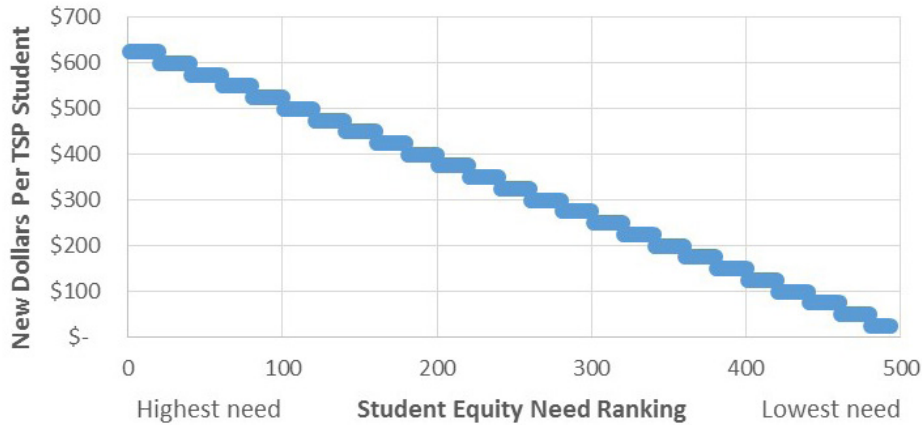
grade level standards, but lack adequate intervention programs or technology. Finally, these students have the least amount of community resources available outside of school, and are the least likely to have engaging extracurricular programs while in school. Providing the funding necessary for elementary schools to meet these needs will not only improve outcomes at elementary schools, but also throughout these students' lives.

Recommended Formula for \$80 million of new LCFF funds

This report recommends that LA Unified use the newly adopted SENI 2.0 to target the projected \$80 million in new LCFF funds to the district's highest-need elementary schools. Using these funds, LA Unified could provide an additional \$625 per TSP student to the top 20 highest-need elementary schools on SENI 2.0, reducing this amount by approximately \$25 per TSP student for the next 20 highest-need schools, and continuing this formula for the remaining 492 of its elementary schools (see Appendix for details on the proposed formula). Using this model, even the 20 lowest-need elementary schools in the district would still receive \$50 in additional funding per qualifying TSP student.

We recommend an approach like this for several reasons. First, it is most likely to dramatically improve student outcomes. As California recognized in creating LCFF, schools (and districts) serving a high concentration of students in need require additional resources in order to be successful. Several recent studies have indicated that providing additional funding to high-need schools can improve student outcomes significantly.¹⁰ Second, this proposed funding formula follows the equitable guideline that similarly situated schools should be treated similarly, and differently situated schools should be treated differently. This formula would result in no funding cliffs separating two schools on the basis of a single student, but also avoid simply spreading the dollars equally, without regard for need (*Figure 4*). Third, providing flexible dollars to schools holds the promise of allowing for parents and school community members to have a more meaningful say in how the dollars are spent. As discussed in more detail later in this document, it is very difficult for community members to influence budget decisions made centrally across a district that serves more than 500,000 students and oversees nearly 1,000 schools. However, when budget autonomy is pushed to schools, processes can be created (such as School Site Councils, which oversee Title I funding) that enhance the ability of community members to understand and influence their school's budget.

Figure 4. Proposed Equity Based Funding Formula for Elementary Schools (\$80 million)



The investment would have an immediate and significant impact on LA Unified’s highest-need elementary schools. A medium-sized elementary school in the top tier of need serving 450–500 students would receive nearly \$300,000 in additional dollars in its 2018-19 budget. With full-time positions typically costing between \$100,000–\$150,000, these additional dollars would provide such a school with the ability to address several of their current unmet needs, such as purchasing a full-time psychologist and psychiatric social worker as well as additional professional development and/or teacher planning time. Larger elementary schools in this top tier of need could receive closer to \$400,000–500,000 additional dollars, meaning those schools could potentially purchase additional positions, and also additional resources such as an instructional coach, technology and software licenses, and/or other intervention support services.

While this funding model is weighted toward sending additional dollars to the highest-need schools, it also acknowledges that need exists across the spectrum at the elementary school level and would send significant dollars to schools ranked in the “middle tier” of need as well (as many of these schools still have a low-income population of over 80%). An average size elementary school in this “middle tier” of need could still receive between \$125,000–\$150,000 additional dollars through this formula.

Coupled with an extension of the *Reed* program and the *Frias* Innovation School funding available for 50 secondary schools, this \$80 million investment in elementary schools would



ensure that there are meaningful funding programs based on student need available for students at all grade levels.

2) Align distribution of all supplemental funds with new index rankings

Looking beyond the \$80 million of additional projected LCFF funds described above, and with five years of experience implementing LCFF, now is a good time for LA Unified to set even more ambitious goals to ensure every allocation made with supplemental and concentration funds (over \$1 billion) is done so based on school need. As a first step toward this goal, this report recommends, similar to our report last year, that LA Unified realign all Equity Based Investments identified on the Student Equity Need Index that were allocated based on enrollment or other criteria not related to need.

As currently structured, LA Unified distributes the \$1.13 billion of supplemental and concentration funding it receives from the state in a piecemeal fashion. Within this \$1.13 billion of investments, there are impactful programs for high-need schools such as *Reed* and the *Frias* settlement dollars, and we endorse continuing these programs with an open eye to how LA Unified can continue to strengthen and align these programs to the needs of the schools they support.

However, there are also several other investments of these supplemental and concentration funds that are allocated equally across schools, not tailored to meet the needs of the highest-need schools, and/or are used to cover programs and positions more appropriately funded through “base” funds (e.g., “norm allocations” such as a counselor position for all high schools). As set forth in more detail below, the end result is that over \$1 billion of funding meant to support high-need students is spent each year without a unified strategy to improve student outcomes.

Coupled with an extension of the *Reed* program and the *Frias* Innovation School funding available for 50 secondary schools, this \$80 million investment in elementary schools would ensure that there are meaningful funding programs based on student need available for students at all grade levels.



Over the next three years, we believe it is both practical and essential that LA Unified reinvest the majority of supplemental and concentration funds — at least \$1 billion — by distributing these funds through one unified equity-based funding formula tied to the rankings on SENI 2.0 (similar to the formula described above in Section II.1 and Appendix).¹¹ This formula would allow LA Unified to differentiate funding levels based on need, provide an opportunity to align funding with local input and needs, and allow schools to strategically allocate resources rather than managing piecemeal budgets split across several programs.

We recommend that LA Unified start by identifying all Equity Based Investments reflected on the 2017-18 Student Equity Need Index that were allocated based on criteria other than need, and immediately reinvest these funds for the 2018-19 school year through such an equity-based formula as described above. To be clear, we are not suggesting that the positions allocated with these funds (e.g, counselors, assistant principals, library aides) are not important. However, we believe that allocating dollars based on need (rather than positions based on enrollment, as is the general rule now) will be more flexible, fair, and effective. There are several examples of position-based allocations that could be immediately realigned, a few of which include:

- a library aide position allocated to every elementary school, regardless of need or enrollment (\$6.95 million total cost)



- a half-time Assistant Principal position provided on the basis of enrollment thresholds instead of student need (\$13.9 million total cost)¹²
- counselor support provided to only a selection of secondary schools, not including many of the district’s highest-need schools (\$14.1 million total cost)
- an elective teacher distributed to all secondary schools, without regard to need (\$24.1 million total cost)
- Math and ELA class size reduction funding allocated without evident relationship to rank on the Student Equity Need Index (\$13.3 million)
- adviser registration and parent involvement funding was allocated primarily based on enrollment and without regard to a school’s rank (\$8.98 million total cost)
- many of the highest-need schools received the same or a smaller arts allocation than the lowest need schools on the Student Equity Need Index (\$20.4 million total cost)

Together, these allocations account for approximately \$100 million in annual spending with no relation to a school’s ranking on the Student Equity Need Index or a unified theory of how these allocations will address the needs of a specific school.

The remaining \$1.13 billion of supplemental and concentration expenditures not reflected on the Student Equity Need Index (close to \$700 million) were allocated to a variety of priorities outside of the Student Equity Need Index, and thus cannot be traced to assess the correlation between these funds and student need. In subsequent years, we recommend

that LA Unified continue to incrementally reinvest all supplemental and concentration funds so that by no later than the 2021-2022 school year the majority of supplemental and concentration funds are distributed through a unified equity-based funding formula tied to the rankings on SENI 2.0. Not only would this approach send more dollars directly to schools, and in particular the highest-need schools, this approach also would align more with the goal of LA Unified’s strategic plan to decentralize budgeting and bring decision-making closer to schools.¹³

Rethinking the way LA Unified distributes over \$1 billion in supplemental and concentration funds is no small task, as these funds are tied up in various programs and positions across several hundred schools, and there are inherent trade-offs in making these decisions. Moreover, with the structural challenges caused by declining enrollment and rising healthcare and pension costs, many believe now is not the time for LA Unified to be expanding programs or realigning funds. We acknowledge the need for LA Unified to be fiscally responsible as it charts its course over the next several years. However, the way to address these large structural issues is not to cut programs that would improve outcomes at the highest-need schools, but rather to address those issues head on. Simply put, there is nothing fiscally irresponsible about targeting dollars provided by the state to serve the district’s highest-need students on programs that support those students.

3) Distribute General Funds using student need as a criteria

Finally, while the majority of this report focuses on the state’s supplemental and concentration funds that are intended to be targeted to support the district’s highest need students, it is also vital that LA Unified also begin to rethink its broader \$8 billion operating budget, and in particular how General Funds are distributed to schools. Most money allocated to schools comes in a “norm allocation” that is based primarily on enrollment and grade level (referred to here as “General Fund” allocations at the school site).¹⁴ A school’s “General Fund” allocation, which includes a standard allotment of teaching, administrative, and other staff position and resources, constitutes a significant portion of the funding that each school receives.¹⁵ Because veteran teachers receive roughly twice the compensation of teachers with one or two years of experience, a school that fills all of its positions with veteran teachers will receive considerably more funding than schools employing less-



experienced teachers. Junior teachers tend to be more highly concentrated in high-need communities. As a result, in some cases these high-need schools may receive fewer General Fund dollars per student than schools in more affluent communities.

This lack of equity in the General Fund allocation is particularly pronounced at the elementary school level. For example, Weigand Elementary, one of the highest-need elementary schools in the city, serving a community of almost 100% low-income students, received between \$500-1,000 less per student of General Fund dollars than several of the most affluent elementary schools in the district (e.g., Roscomare Elementary, Overland Elementary, and Lanai Elementary) where less than 10% of students are low-income (Figure 5).

Figure 5. Comparison of General Fund Allocation for Elementary Schools

| | Florence Griffith Joyner ES | Weigand ES | Flournoy ES | Roscomare ES | Lanai ES | Overland ES |
|--------------------------------------|-----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Low Income Population | 96.55% | 94.53% | 91.38% | 6.67% | 5.22% | 8.72% |
| General Fund allocation per student* | \$4,794 per student | \$4,759 per student | \$4,190 per student | \$5,729 per student | \$5,242 per student | \$5,616 per student |

*LA Unified's School Budgets by Funding and Major Programs Report 2017-18

We urge LA Unified to engage labor partners and other interested parties this year in a meaningful and open dialogue on potential reforms and a timeline to implement changes to how its General Fund dollars are distributed. LA Unified should consider creating a detailed analysis of options to reform the distribution of General Funds, including the: 1) creation of new and differentiated norm tables and staff/student ratios for the highest-need schools; and 2) options for moving to an equity-based per pupil funding model for the distribution of an increasingly large portion of the General Funds.



III. Revise Decision-Making Structures

We consistently hear from principals and their school-site leadership teams about the difficulty of managing a budget where dollars are spread across various programs with restricted uses. This can result in piecemeal budgets at the school-site, where there are not enough funds in any one program to invest in the resources needed to address their students' needs. In fact, this point was addressed by LA Unified's Board of Education during their "budget deep dive" in November 2017, where Board members were informed that a school's flexible resources make-up a minimal portion of their budget (7.2% for elementary, 11.4% middle, 9.4% high). This restricts the ability of principals and their school teams to strategically address students' needs, and also limits the school-site leadership teams' ability to make decisions based on the input of stakeholders that are closest to the needs of the student and community, such as school staff and parents.

Increasing discretion at the school site presents an opportunity to provide parents with a more meaningful voice in the budget decision-making process, and would provide LA Unified a unique opportunity to rethink the Local Control and Accountability Plan (LCAP) community engagement process. We commend LA Unified for its continued collaboration with partners on this process, but also believe it is important to acknowledge that a district serving 500,000 students cannot meaningfully incorporate feedback from all stakeholders with the current format of the LCAP.

LA Unified is not alone in this regard. Districts across the state have struggled to create a substantive LCAP process that is responsive to parent and community feedback and that meaningfully influences budget decisions at a local level. As noted by Policy Analysis for California Education (PACE), an independent, non-partisan research center based at Stanford University, the University of Southern California, and the University of California- Davis, the result is that for almost all districts "the LCAP has become more about compliance than about local choices."¹⁶

This is why in implementing an equity-based funding formula to distribute supplemental and

concentration funds directly to schools, LA Unified could also shift its LCAP community engagement process to a school-based model. This would ensure accountability across schools in exchange for more local control and flexibility. This is in line with the intent behind the passage of LCFF and presents LA Unified with a unique opportunity to pioneer a purposeful, outcome-driven, and restorative process that fosters more local control and accountability for equity-based investment decisions. It is our view that the voice of all stakeholders is important in decision-making, and parents are uniquely positioned to support efforts to close gaps and implement local accountability measures through LA Unified's existing infrastructure of school-based councils and committees.

IV. Conclusion

From the beginning, LCFF sought to reimagine how districts make education and funding decisions through the targeting of additional funds to the highest-need students and the engagement of parent and community stakeholders to support making these critical decisions. Building upon its last five years of experience in trying to implement this vision, LA Unified should continue to embrace the bold ambitions of LCFF to bring about even more change to ensure the highest-need students receive the support they need. This means moving away from categorical and restricted funding that is spread across schools without consideration of need, and moving toward a model that differentiates funding based on need and shifts decision-making authority to the local level so schools and the communities they serve can make decisions to address their unique needs.

A school-based model is in line with the intent behind the passage of LCFF and presents LA Unified with a unique opportunity to pioneer a purposeful, outcome-driven, and restorative process that fosters more local control and accountability for equity-based investment decisions.



There are tangible steps that LA Unified can take to achieve this goal, and such steps will go a long way toward addressing many of the obstacles that LA Unified’s highest-need schools face today. This means acting with urgency in not only adopting SENI 2.0, but by also ensuring that SENI 2.0 is used in a meaningful way as LA Unified makes decisions on how to allocate funding, starting with the 2018-19 budget. Connecting a school’s rank on SENI 2.0 to an equity-based funding formula would allow LA Unified to more precisely target funds to its highest-need schools.

The prioritization of equity is reflected throughout LA Unified’s strategic plan, where LA Unified’s commitment that the “[d]istribution of resources will be based on the needs of students, schools and community” is highlighted as a core belief. In the past year, LA Unified has taken some positive steps toward reaching this goal, most notably with the *Frias* Innovation Schools program for secondary schools. With the planned adoption of SENI 2.0 this year, and with LCFF becoming fully funded two years ahead of schedule, now is the time to take bold steps to ensure new and existing dollars are more effectively targeted to the district’s highest-need students. Implementing this vision could transform both the opportunities and outcomes for its highest-need students, and set the district on a path toward truly making equity the foundation of its budget.

V. Appendix

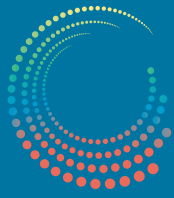
Proposed Per Pupil Funding Formula for Targeted Student Population (TSP) in Elementary Schools
(\$80 million in new LCFF funds)

| ELEMENTARY SCHOOL SENI 2.0 RANKING OF HIGHEST TO LOWEST NEED SCHOOLS | ADDITIONAL INVESTMENT IN LCFF FUNDS |
|----------------------------------------------------------------------------|----------------------------------------|
| 1–20 | \$625 per TSP student |
| 21–40 | \$600 per TSP student |
| 41–60 | \$575 per TSP student |
| 61–80 | \$550 per TSP student |
| 81–100 | \$525 per TSP student |
| 101–120 | \$500 per TSP student |
| 121–140 | \$475 per TSP student |
| 141–160 | \$450 per TSP student |
| 161–180 | \$425 per TSP student |
| 181–200 | \$400 per TSP student |
| 201–220 | \$375 per TSP student |
| 221–240 | \$350 per TSP student |
| 241–260 | \$325 per TSP student |
| 261–280 | \$300 per TSP student |
| 281–300 | \$275 per TSP student |
| 301–320 | \$250 per TSP student |
| 321–340 | \$225 per TSP student |
| 341–360 | \$200 per TSP student |
| 361–380 | \$175 per TSP student |
| 381–400 | \$150 per TSP student |
| 401–420 | \$125 per TSP student |
| 421–440 | \$100 per TSP student |
| 441–460 | \$75 per TSP student |
| 461–492 | \$50 per TSP student |

References

- ¹ These funds are based on the number of low-income, English Language learner, and foster youth students in the district. LA Unified also received \$3.59 billion in “base” funds in 2017-18, which are state funds provided for all students in a district regardless of status. (LAUSD Superintendent Final Budget, Local Control Funding Formula, page 7). LA Unified invests the majority of “base” funds in teaching, administrative, and staff positions at the school-site.
- ² LA Unified’s total operating budget is approximately \$8.95 billion if one includes the General Fund, Adult Education Fund, Child Development Fund and Cafeteria Fund (2017-18 Superintendent’s Final Budget at a Glance).
- ³ <http://www.latimes.com/opinion/editorials/la-ed-brown-low-income-schools-2018013-story.html>.
- ⁴ “Early Warning! Why Reading by the End of Third Grade Matters”, A KIDS COUNT Special Report from the Annie E. Casey Foundation, page 7 (2010).
- ⁵ Burns, S., et al., Preventing Reading Difficulties in Young Children. National Research Council. National Academy Press, 1998, 21.
- ⁶ “Early Warning! Why Reading by the End of Third Grade Matters”, A KIDS COUNT Special Report from the Annie E. Casey Foundation, page 7 (2010).
- ⁷ On average, only 7.2% of elementary school budget consists of flexible resources. (Per Pupil Funding Model Presentation, Board of Education Special Meeting Budget Deep Dive, November 28, 2017).
- ⁸ High schools receive the most funding per student under the LCFF funding formula, with other grade ranges funded at lower rates. Grades 4-6 are funded at the lowest rate per student. (Base Grant Funding, Education Code (EC) Section 42238.02(d)).
- ⁹ 2017-18 Student Equity Need Index.
- ¹⁰ “It Turns Out Spending More Probably Does Improve Education”; New York Times, December 12, 2016; School Finance Reform and the Distribution of Student Achievement. NBER Working Paper No. 22011, Issued in February 2016, Revised in July 2016 (Julien Lafortune, Jesse Rothstein, Diane Whitmore Schanzenbach).
- ¹¹ We have intentionally selected \$1 billion, rather than the full \$1.13 billion, in recognition that some impactful existing programs may not be realigned as they arise from lawsuit settlement agreements and/or the continuation of programming related to previous settlements.
- ¹² Carpenter Community Charter, where only 9% of students qualify for Free and Reduced Lunch, received this allocation, and several of the highest-need schools in LA Unified (Charles White Elementary, Florence Griffith Joyner Elementary, Hoover Street Elementary) did not.
- ¹³ LA Unified Strategic Plan, 2016-2019.
- ¹⁴ LA Unified staffing norm tables make a distinction between schools classified as “Predominantly Hispanic, Black, Asian, or Other Non-Anglo” (“PHBAO”) and non-PHBAO schools, with PHBAO schools receiving slightly more resources on a per-student basis. However, almost 70% of LA Unified schools are PHBAO, meaning that the vast majority of schools are staffed using the same norm tables.
- ¹⁵ Per Pupil Funding Model Presentation, Board of Education Special Meeting Budget Deep Dive, November 28, 2017.
- ¹⁶ “Two Years of California’s Local Control Funding Formula: Time to Reaffirm the Grand Vision”, Policy Analysis for California Education, December 2015.





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20th Street Elementary School • 99th Street Elementary School • 107th Street Elementary School • Carver Middle School • Figueroa Elementary School • Grape Street Elementary School • Florence Griffith Joyner Elementary School • Hollenbeck Middle School • Huerta Elementary School • Jordan High School • Markham Middle School • Math, Science & Technology Magnet Academy at Roosevelt • Mendez High School • Ritter Elementary School • Roosevelt Senior High School Santee Education Complex • Stevenson Middle School • Sunrise Elementary School

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