



# WORTH IT:

EIGHT WAYS TO PRIORITIZE EQUITY  
IN LA UNIFIED'S BUDGET



**PARTNERSHIP**  
FOR LOS ANGELES SCHOOLS



### ABOUT THE PARTNERSHIP FOR LOS ANGELES SCHOOLS AND THIS PARTNERSHIP POLICY BRIEF

The Partnership is a non-profit, in-District partner to the Los Angeles Unified School District (LA Unified), not a charter network. An independent nonprofit organization, the Partnership serves 14,200 students across 19 LA Unified schools in Watts, Boyle Heights and South Los Angeles. The Partnership works within the LA Unified context, which includes honoring all collective bargaining agreements for its teachers and school staff. Our mission is to transform schools to revolutionize school systems, empowering all students with a high-quality education. The content of this paper is based on our experience working with school-site budgets and advocating for policies that support schools in communities that have been historically under-resourced. 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 our partners in the Equity Alliance for LA’s Kids – Advancement Project California, Community Coalition, and InnerCity Struggle. The Partnership thanks all those who took the time to discuss these important issues, share their expertise, and who share our commitment to increasing equity in school funding.





# INTRODUCTION

Schools serving historically under-resourced communities continue to be underfunded, resulting in school systems that fail to provide Black and Latinx students the instruction and learning opportunities necessary to properly support their academic and social-emotional growth. Adding to this ongoing crisis, recessions and budget cuts disproportionately impact Black and Latinx communities. The recent defeat of the Schools and Communities First Initiative (Proposition 15) on the November 2020 ballot, which was backed by a strong coalition of community-based organizations, labor groups and education non-profits, and which would have brought several hundred million dollars of new revenue to the Los Angeles Unified School District (“LA Unified”) by closing property tax loopholes, also reinforces yet again how public education is underfunded and undervalued in California – a state that is still at the bottom nationally when it comes to education funding, class sizes, and access to guidance counselors.<sup>1</sup>

There may be some better news on the horizon. A recently released California Legislative Analyst’s Office report is now projecting an unexpected \$13.1 billion in one-time revenue for K-12 schools and community colleges for the upcoming fiscal year, with slow and steady annual growth in education funding through 2024-25.<sup>2</sup> Further, the social and political will is continuing to build for racial and social justice *and* for budgets that reflect these values, as evidenced by the passage of policies

such as Measure J and the People’s Budget LA, which will invest several hundred million dollars annually toward a variety of social services in marginalized communities disproportionately harmed by systemic racism. Amidst this change, it is clear – the current times serve as a call to action for LA Unified to continue to seek out new revenue and funding, and also to rethink how it can invest its current \$8.9 billion operating budget more equitably and effectively to close longstanding opportunity gaps so that Black and Latinx students have the opportunity to pursue higher education and a rewarding career.

Fortunately, LA Unified has already laid the initial groundwork to ensure that its highest-need schools receive the resources they need, and has the opportunity to take a leading role in this effort across the state and the nation. In April 2018, LA Unified brought together community members, parents and longstanding equity advocates such as Advancement Project California, Community Coalition and InnerCity Struggle to collectively build the framework for a new Student Equity Need Index (SENI) that measures and ranks schools by level of need. Importantly, LA Unified also developed a new funding formula that tied the distribution of \$282 million to a school’s ranking on SENI, while at the same time using SENI to inform some decisions around staffing and other intervention programming.

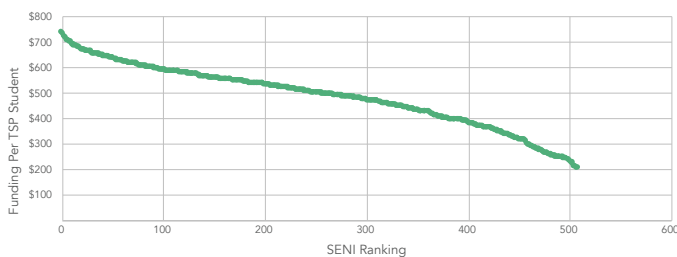
LA Unified must now find a way to scale the successful SENI funding formula, and to further expand upon these efforts to

integrate SENI's equitable approach into a more significant portion of its budget and resource allocation. The \$282 million of SENI investments show a clear arc of equity when looked at in isolation, which is an undeniable success for LA Unified. However, when put into the broader perspective of the whole \$8.9 billion budget – or even in the context of the \$1.1 billion LA Unified receives annually from the State to support its highest-need students – the progress toward equity quickly dissipates (Figure 1). The conclusion is undeniable: despite best efforts and the initial beginnings of a new path toward equity, the vast majority of LA Unified's \$8.9 billion operating budget is still being distributed inequitably, without regard to varying levels of student and community needs. (Figure 2).

An equitable budget isn't just about fairness. Sending more resources to the highest-need schools will result in more supports – counselors, social workers, nurses and intervention specialists – that will immediately impact students, and begin to address the many years of inconsistent funding and underinvestment that has plagued the highest-need schools. The stakes are high. Thousands of Black and Latinx students have been unable to meaningfully engage in distance learning since last Spring, and the potential exists for COVID-19 and disparities in distance learning to further widen academic outcomes across the district.<sup>3</sup> LA Unified must rectify this disparity now, and the first step toward doing so is building a more equitable and effective budget. Building this budget will require LA Unified to commit hundreds of millions of additional dollars to SENI. It will also require a greater focus on school flexibility and autonomy, transitioning closer to an

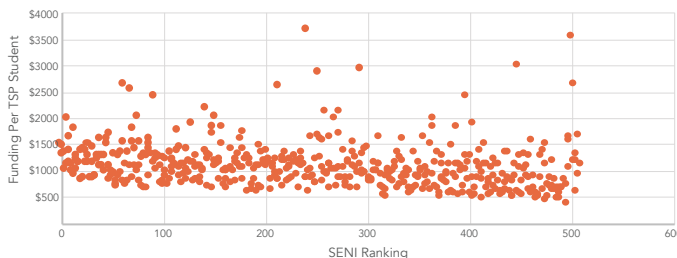
**FIGURE 1:**

**LA UNIFIED ELEMENTARY SCHOOL SENI\* INVESTMENTS (\$282 MILLION)**



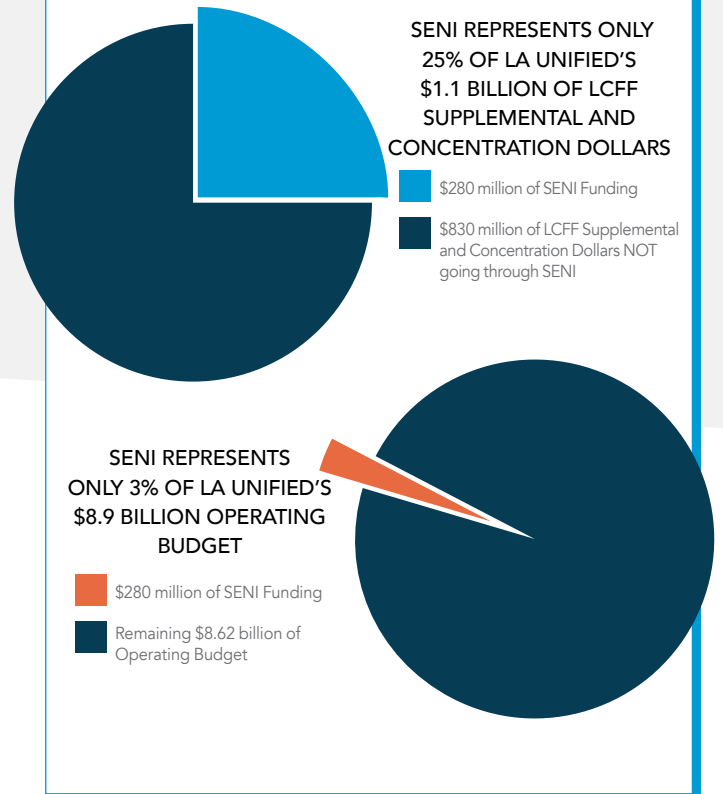
\*The SENI funding formula is equitable, sending more dollars per targeted student population (TSP) student to schools ranked as higher need on SENI.

**LA UNIFIED ELEMENTARY SCHOOL LCFF\* SUPPLEMENTAL AND CONCENTRATION FUNDING**



\*In the context of the LCFF supplemental and concentration funding that is allocated directly to schools, however, that equity disappears, with minimal connection between dollars per TSP student and a school's ranking on SENI. The dots above represent individual LA Unified elementary schools.

**FIGURE 2:**



equitable per pupil funding model where budget decisions are decentralized to empower communities.

The purpose of this paper is to show that while LA Unified still has significant work to do to achieve these goals, it has already built the foundation for success through the adoption of SENI. A more equitable and effective budget is not only possible, but within reach. The eight recommendations contained in this report are intended to serve as a roadmap to get there – a path that is both ambitious and actionable. While the long-term goal should be to realign the entire \$8.9 billion operating budget through an equity lens and seek out new revenue to grow the budget overall, as a first step this report's recommendations intentionally focus on the \$1.1 billion of supplemental and concentration equity dollars that LA Unified receives under the Local Control Funding Formula ("LCFF"). This \$1.1 billion is generated by LA Unified's highest-need students (low-income, English Learner, and foster youth) and is intended by the State to support these students. Importantly, within this constraint, LA Unified has discretionary power to determine how it distributes these equity dollars, and could implement the proposed recommendations beginning immediately, benefitting hundreds of thousands of the district's most vulnerable students and families.

# THE STUDENT EQUITY NEED INDEX ADDRESSES LONG-STANDING RESOURCE INEQUITIES



The Student Equity Need Index (SENI), which was adopted in 2018, is a research-based index that uses a comprehensive approach to rank LA Unified's schools according to need. SENI is a significant improvement over LA Unified's first attempt at an equity index, previously adopted in 2014, which only used a narrow set of four demographic factors to measure need. Unlike its predecessor, SENI exemplifies the broad local and national consensus that identifying student need must take into account a wide variety of factors both on campus (academic proficiency of incoming students, school climate) and in the community (neighborhood conditions, health outcomes, exposure to violence) to more accurately assess need (Figure 3). If the importance of using community indicators to assess need wasn't readily apparent before, these issues have come into greater focus with the alarming disparities of COVID-19 on the health outcomes of Black and Latinx families, as well as the digital divide preventing these same families from regularly accessing distance learning.<sup>4</sup>

SENI's impact has been two-fold: both creating a more accurate need assessment of LA Unified's schools, and at the same time creating the initial seeds of an equitable per-pupil funding model by investing \$282 million in a funding formula that provides schools ranked as higher-need more dollars per student than schools that are considered moderate or lower-need. Instead of funding every school and student equally, or even worse, focusing resources on more affluent communities, SENI allows LA Unified to follow a methodologically sound way to differentiate student needs and target funding where it will have the most equitable impact. In fact, in the last school year the high- and highest-need schools on SENI collectively received an additional \$17 million because of this initial investment in SENI – resources that will continue as long as SENI is maintained.


Critically, the addition of community indicators to SENI also corrected for the underrepresentation of schools serving the highest percentage of Black students on LA Unified's first equity index. For example, 42nd Street Elementary (63% Black students) had a 3% proficiency in math and 8% proficiency in English Language Arts in 2018-19. On LA Unified's first equity index, despite being one of the lowest performing elementary schools in the district, 42nd Street Elementary was considered the 296th highest-need elementary school (i.e. moderate need). On SENI,

**FIGURE 3:**

INDICATORS	FIRST LA UNIFIED EQUITY INDEX	SENI
Targeted Students (Foster Youth, Low-Income, English learners)	✓	✓
Students Experiencing Homelessness	✓	✓
Student achievement (incoming test scores)		✓
School Climate (suspensions, expulsions, dropout rates, administrative reports)		✓
Neighborhood conditions (asthma, non-fatal gunshot injuries)		✓

it was identified as one of the highest-need schools in LA Unified (21st highest-need), resulting in a SENI funding allocation that is almost 40% higher than it would have been under the prior rankings.<sup>5</sup> Schools such as Century Park Elementary (51% Black students) and Avalon Gardens Elementary (51% Black students), which also warranted greater investments based on academic proficiency and availability of community resources, saw similar gains. Each school moved from lower-need to the highest-need category on SENI, moving up around 260 rankings.<sup>6</sup> In fact, of the 40 elementary schools serving the highest percentage of Black students, 85% of these schools' rankings moved up significantly on the revised SENI – on average over 120 spots – resulting in more resources for these campuses.

SENI has also been a powerful tool for LA Unified to implement other policies in a way that is informed by data and aligned to LA Unified's commitment to racial equity. LA Unified has successfully used SENI to prioritize resources through its Primary Promise literacy intervention program, to prioritize high-need schools and lower class sizes in the last collective bargaining agreement, to make staffing decisions, and for targeting resources to battle food insecurity during distance learning. The adoption and initial implementation of SENI has been a success, and importantly, it also provides a roadmap for how LA Unified can continue to allocate resources equitably, even in a time of austerity.



# BUILDING A MORE EQUITABLE AND EFFECTIVE BUDGET IS WORTH IT

Despite the initial success of SENI, there is still a long way to go to embed more equitable and effective funding practices into LA Unified's broader budget. SENI funding represents only approximately 4% of a school's budget, with the vast majority of funding that a school receives (including teachers, administrative staff, and other general resources) coming through a "norm allocation" based primarily on enrollment and grade level, and which does not differentiate resource allocation based on student need.<sup>7</sup> This practice is compounded by the fact that lower-need schools often draw the most experienced teachers, who cost more and drive significant funding disparities when compared to higher-need schools.<sup>8</sup> That is, two elementary schools with the same enrollment – one low-need and one high-need – may receive a similar amount of teacher positions from the district, but the teachers who fill those positions may vary widely as far as experience, and thus salary. These factors, among so many others, have led to conclusions such as those recently made by the Edunomics Lab at Georgetown University, which found that higher-need schools are actually receiving a smaller percentage of the LCFF dollars they generate than many of their lower-need counterparts.<sup>9</sup>

Even when one takes a more narrow focus on LA Unified's \$1.1 billion of LCFF supplemental and concentration dollars, which are the district's "equity dollars" intended for its highest-need students, significant inequities remain. A deeper dive into LA Unified's \$1.1 billion of equity dollars shows that a significant portion is spread equally across schools, or in many cases even inequitably. Because so much of that \$1.1 billion is either going toward central programming, or toward uses that benefit all schools – such as maintenance and operations costs and uniform allocations such as librarians and library aides – our analysis found that many lower-need schools actually receive more of these equity dollars per "targeted student population" ("TSP")<sup>10</sup> student than the highest-need schools.

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SENI HAS BEEN A VITAL PART OF LA UNIFIED'S PATH TOWARD EQUITY, TAKING BOLD AND INNOVATIVE STEPS TO BRING MUCH NEEDED RESOURCES TO HIGH- AND HIGHEST-NEED SCHOOLS. AS THE COVID-19 CRISIS MAGNIFIES RACIAL AND ECONOMIC DISPARITIES IN OUR EDUCATION SYSTEM, IT ALSO AMPLIFIES THE IMPORTANCE OF DOUBLING DOWN ON SENI'S EQUITABLE APPROACH IN A BROADER WAY.

— Vickie Ramos Harris, Director of Educational Equity,  
Advancement Project California

For example, in 2019-20<sup>11</sup>, when looking at the LCFF supplemental and concentration equity dollars that were allocated directly to schools, some of the lowest-need elementary schools in LA Unified, Lanai Road Elementary (\$4,638 per TSP student), Roscomare Road Elementary (\$2,653 per TSP student), and Fairburn Elementary (\$1,373 per TSP student) received far more per TSP student than two of the highest-need elementary schools, Holmes Avenue Elementary (\$1,230 per TSP student) and Florence Griffith Joyner Elementary (\$1,111 per TSP student).<sup>12</sup> Similarly, Taft Charter High (\$2,630 per TSP student), one of the lowest-need high schools in LA Unified, received more of these dollars per TSP student than Dymally High (\$1,898 per TSP student), one of the highest-need high schools in LA Unified.

To begin to address these disparities, this report outlines eight steps that LA Unified can take to ensure continual progress on the path to equity.



## Recommendation 1: Double SENI funding by moving an additional \$282 million into the SENI funding formula for 2021-22, and commit to a plan to move all \$1.1 billion of LCFF supplemental and concentration dollars into SENI by 2024.

As a first step toward addressing the inequities described previously, LA Unified should commit to allocating all of the \$1.1 billion of supplemental and concentration equity dollars using SENI by 2024. This would bring LA Unified much closer to giving schools the autonomy and funding required to strategically address the needs of their school communities, creating an equitable per-pupil funding model that distributes a significant portion of funding out to schools. At the same time it would ensure that any of these funds that remain for centralized programming are equitably and impactfully distributed to schools, including equity-centered investments proposed in the Equity Alliance for LA's Kids' recently released report "Towards a Racial Justice Equity Approach During the COVID-19 Pandemic" (e.g., enhanced social-emotional resources, additional English Learner supports, targeted interventions for Black students, and greater early childhood education funding for the high- and highest-need schools on SENI).

Acknowledging that a phased approach is necessary to reach this goal, LA Unified should take the first step of moving another \$282 million into the SENI funding formula for the 2021-22 school year, doubling the current amount going through the SENI funding formula. Even just taking this first step and moving an additional \$282 million into the SENI funding formula would double the amount of funding schools receive through SENI, meaning an average size high-need elementary school might move from currently receiving \$400,000 through SENI to nearly \$800,000 next year, and a high-need high school currently receiving roughly \$1 million to nearly \$2 million. Importantly, these additional flexible dollars through a SENI funding formula would be in addition to the norm-based staffing of teachers and administrative positions that schools currently receive pursuant to the collective bargaining agreement and based on enrollment.

Appendix I (pp. 13) has a breakdown of how the \$1.1 billion of supplemental and concentration dollars are currently being spent. As it can be seen, a significant portion of these dollars are spent on important programming, but not necessarily in ways that are targeted and/or equitable. To be clear, this report is not advocating for cuts to all of these programs, many of which are essential to schools and communities. Rather, where expenses are not targeted equitably, the point is that these funds should not be coming out of the \$1.1 billion of LCFF supplemental and concentration funds, but rather other sources of LA Unified's budget.

For example:

- \$50 million is spent on non-targeted central office supports such as Maintenance & Operations and technology support.
- Nearly \$58 million is spent on non-targeted allocations of counselors, social workers and attendance counselors that are distributed equally across schools and/or without regard to need, meaning these funds have not resulted in additional positions at the highest-need schools.

- \$25 million is spent on the allocation of a librarian and library aide to every school.
- \$58 million is spent on mostly non-targeted nursing services, which do not appear to have been distributed with a strong correlation to need – e.g., one of the lowest-need elementary schools (Fairburn Avenue Elementary) received four days of nursing time per week, and some of the highest-need elementary schools (e.g., 42nd Street Elementary and 59th Street Elementary) received two days of nursing time per week.
- Nearly \$15 million of funding for Expanded Transitional Kindergarten goes to schools ranked as low and lowest-need on SENI – dollars that would be more equitably distributed to schools using SENI, and which would allow for a deeper investment in early education at the high and highest-need schools on SENI. It is also recommended that LA Unified reassess – and similarly realign as needed – the nearly \$82 million it spends on the PreSchool for All (PALS) program to ensure those resources are being equitably targeted to the high and highest-need schools on SENI.

For most of these expenditures and the remainder described in Appendix I, it is evident that the following is true: (1) the use of these dollars would be more equitable and impactful if provided directly to schools based on the SENI funding formula; and/or (2) while important, the program or resources need to be realigned to ensure the dollars are targeted more equitably using SENI, or if they cannot be allocated equitably, paid for out of the district's General Fund.

Some of these changes simply require giving school sites more discretion over dollars; others may require that LA Unified advocate at the State level for more programmatic funds so that it doesn't need to use LCFF supplemental and concentration equity dollars to cover these costs; and many of these changes may require that LA Unified take a harder look at its broader operating budget to look for inefficiencies, including changes to central budgets that will free up funds to support these changes. Regardless, this path would lead to a more equitable and flexible distribution of LA Unified's resources – but most importantly, better supports and outcomes for the most vulnerable students.



**INADEQUATE PUBLIC EDUCATION FUNDING HAS BEEN A PERPETUAL AND DEVASTATING PROBLEM IN COMMUNITIES OF COLOR AND AREAS OF CONCENTRATED POVERTY FOR DECADES.**

— Maria Brenes, Executive Director,  
InnerCity Struggle



## Recommendation 2: Phase out the \$24 million SENI “hold harmless” and reinvest those funds in the SENI funding formula for the 2021-22 school year.

As noted above, \$282 million of LA Unified’s \$1.1 billion of supplemental and concentration equity funding is currently invested in the SENI funding formula, which has brought more funding to LA Unified’s highest-need schools. However, it’s also important to note that nearly \$24 million of this \$282 million of SENI dollars are used as a “hold harmless” (meaning lower-need schools receive additional funds so that they do not lose funding in comparison to the previous, less equitable funding formula).<sup>13</sup> Unfortunately this means LCFF supplemental and concentration equity dollars, intended for uses that support LA Unified’s highest-need students, are being used toward a hold harmless to ensure lower-need schools remain whole after implementation of the SENI funding formula.

In fact, with the hold harmless included, some of the lowest-need schools on SENI are still receiving more SENI dollars per TSP student than the highest-need schools. For example, when factoring in the hold harmless, one of the lowest-need middle schools in LA Unified (Paul Revere Middle) received the fourth highest amount of SENI funding per TSP student of all middle schools in LA Unified (\$1,692 per TSP Student), and significantly

more than the ten highest-need middle schools. Similarly, with the hold harmless factored in, the 500th highest-need elementary school (Carpenter Community Elementary, \$1,390 per TSP student) actually received more SENI funding per TSP student than each of the 75 highest-need elementary schools.

The 2020-21 budget, which has already been allocated to schools, represents the second year of a hold harmless being in place. Going into the 2021-22 budget cycle, and in particular given the elevated need at the highest-need schools, it is vital for LA Unified to phase out the hold harmless, and reinvest those \$24 million dollars in the more equitable SENI funding formula. LA Unified didn’t hold high-need schools harmless when equity-based programs such as Reed<sup>14</sup> and the Innovation Fund Schools<sup>15</sup> program recently phased out, removing millions of dollars from LA Unified’s highest-need schools. It shouldn’t continue to do so for the lowest-need schools in LA Unified, in particular at a time when more resources, social-emotional supports and intervention are needed to support students who have fallen behind due to distance learning.



## Recommendation 3: Use SENI as the basis to distribute new resources or funding streams that come to LA Unified this year and beyond.

Despite the current economic downturn, LA Unified will continue to have new revenue coming in and new programs to implement. For example, in recent months, LA Unified received about \$781 million from federal and state sources for emergency education spending, current talks suggest that the incoming Biden administration may provide \$88 billion to stabilize education funding, and as noted above, California’s Legislative Analyst’s Office is now projecting potentially \$13.1 billion in one-time revenue for education.<sup>16</sup> In addition, continued advocacy for changes to the LCFF formula are needed, whether to further enhance the supplemental and concentration funding levels for high-need students (or at least to shield such levels from any cuts

during an economic downturn), or to adequately fund special education and early education instruction. And notwithstanding the state-wide defeat of Proposition 15, it’s also important to note that there was strong local support for the measure – in Los Angeles County, Proposition 15 had a majority support of over 53% of the electorate – and Measure RR (a \$7-billion bond to modernize campuses) passed with an exceedingly strong support of 71% approval.<sup>17</sup> LA Unified, alongside other districts, partner organizations and advocates, must continue to galvanize this support and look for ways to supplement its budget locally – whether through service and tourism taxes, infrastructure bonds, broadband bonds, or even utility surcharges to supplement funding for technology and broadband access. This new revenue is vital if LA Unified is going to continue its path toward equity.

But it’s also vital that any new dollars that are secured make it to school sites – and in particular the schools sites of the highest-need students. LA Unified must not only seek out this new revenue, but also commit that SENI will be the basis for equitably allocating any such new revenue that comes into LA Unified. This commitment should start with new federal dollars generated as a part of any additional relief packages this year and beyond, and continue through as LA Unified pivots to seeking new local revenue sources in upcoming years. SENI is the right tool to ensure these much-needed dollars reach the schools and students that need the resources most in a way that is informed by equity and need, and in particular to ensure new dollars reach those communities and neighborhoods that have been disproportionately impacted by COVID-19.



WE NEED AND DESERVE THE BASICS NEEDED FOR BASIC EDUCATION, BUT WE SHOULD ALSO BE AIMING TO GET THE RESOURCES TO HELP STUDENTS DEAL WITH AND PROCESS THE THINGS WE MANAGE WITHIN OUR NEIGHBORHOODS, BECAUSE OUR PROBLEMS OUTSIDE OF SCHOOL BECOME PROBLEMS IN SCHOOL...THE SENI IS A STEP IN THE RIGHT DIRECTION.

— Junior Kamarie Brown, Crenshaw High School, LA Unified Student School Board Member





### Recommendation 4: Use SENI as the basis for distribution when cuts are made to other areas of LA Unified’s budget.

SENI should also be the basis for how funds get distributed when there are cuts to LA Unified’s budget. As it currently stands, not enough of the dollars generated by students make it to the school sites that support those students. For example, in 2019-20, Roosevelt High School’s students generated over \$17 million of State LCFF funds for LA Unified. However, when compared to the base resources that actually make it to the school site, Roosevelt is actually only receiving \$15.7 million of those funds<sup>18</sup>. That is, Roosevelt’s students are being underfunded by *nearly \$1.3 million annually*. Further, research from the Edunomics Lab at Georgetown University found that schools are underfunded compared to what their students generate. It also found that higher-need schools are actually receiving a smaller percentage of the dollars they generate than many of their lower-need counterparts – with the highest-

need schools receiving only 72% of the dollars their students generate, as compared to many of their lower-need counterparts receiving in many cases over 85% of the funds their students generate.<sup>19</sup> This is problematic in the best of times, let alone in the face of a broader health and economic crisis.

As LA Unified continues to realign its budget to adjust to declining enrollment and rising expenses, it must continue to look for any and all areas where inefficiencies can be removed to cut costs and push more dollars out to the school site. As many have pointed out, this may mean realigning district office services or other central supports, especially those that are not necessary during distance learning. LA Unified must also continue to align its budget with its values. In making these decisions, LA Unified must continue to use SENI as the basis for where and how funds are reallocated when cuts to the budget are made.



### Recommendation 5: Use SENI as the basis for redistribution when equitable programs sunset.

New programs and short-term investments in high-need schools that sunset three years later can have a destabilizing effect on those schools. There is just no way around it – a cliff in funding results in significant cuts that can quickly reverse progress that has been made. A system is needed that not only guarantees adequate funding at the school site, but also locks that funding in so that schools can strategically hire and build their staff knowing that the funds will be there in future years.

on the following pages), such peaks and valleys disproportionately harm LA Unified’s most vulnerable students across the district, resulting in the loss of important resources, staff and interventions at the school-site.

For example, Jordan High School, consistently ranked as one of the highest-need high schools on SENI, benefited from intervention programs such as Reed and the more recent Innovation Fund Schools program, which invested a significant sum of staffing supports and funding in Jordan. However, two years ago, just as the school’s staffing and enrollment stabilized leading to improvements in school culture and academic outcomes, the Reed program expired. This resulted in the loss of nearly \$400,000 of annual resources and positions. One year later, the Innovation Fund Schools program, which invested another \$650,000 annually in Jordan over three years, sunsetted as well. In totality, this means Jordan’s funding and support, even with the additional equity brought by SENI, has decreased nearly \$2,100 per student (and nearly \$1.1 million total) from its peak in 2017 to the current budget of 2020<sup>20</sup>. While Jordan was able to stem some of these losses through carryover funds (as discussed more

Broadly speaking, LA Unified should move away from one-time investments in programs that result in pendulum swings in a school’s budget. Instead, dollars should be permanently invested in the SENI funding formula, which will ensure sustainability and stability in how the funds are allocated. However, it is important to recognize that despite this best practice, there will be times when valuable programs such as Reed and the Innovation Fund Schools program will be implemented, both of which were enacted as part of settlement agreements related to legal matters. In these circumstances, when these programs sunset, LA Unified should reinvest the program’s dollars back into the SENI funding formula, which will ensure those dollars continue to be targeted equitably and also help mitigate significant declines in a school’s funding. As an example, if the \$50 million of annual funding for the Innovation Fund Schools program had been invested back into the SENI funding formula, schools like Jordan would have seen a much less significant drop off in funding compared to the cliff that transpired. Equity dollars should continue to be distributed out equitably, and not used to offset general operating costs – the way to do this is to keep dollars going through SENI.



## Recommendation 6: Commit to protecting carryover for the highest- and high-need schools on SENI moving forward.

In years past, most of what a school has not spent carries forward to the following year, allowing schools to supplement the subsequent year's budget with these savings, or "carryover dollars." LA Unified recently agreed to release these dollars to schools for the 2020-21 school year – a move that should be commended and one that resulted in \$165 million going back out to all schools to be directly invested in students. However, it is also vital that LA Unified make a commitment that these dollars will be protected moving forward and going into subsequent school years, particularly for the high- and highest-need schools. Taking away carryover in any year will reverse gains made under SENI, and redistribute funds away from the high- and highest-need schools on SENI at a time when these schools need more resources. By not making a firm commitment now, LA Unified risks injecting more uncertainty into school budgeting, with schools left in the dark of how or whether they will be able to spend this funding each year.

There are four important reasons why protecting carryover for the high- and highest-need schools on SENI is vital:

- 1. Carryover dollars are not the result of schools "sitting on" or purposefully saving dollars.** A significant portion of carryover comes from vacant positions, unused health benefits and other funds throughout the year that a school cannot necessarily access, or even see, until the end of the year. For example, a school may purchase a full-time nurse to start the year, but later that year the nurse may be transferred or end up splitting time with another school out of necessity. Teachers may transfer or go on leave mid-year, health benefits may go unused, and filling a teaching assistant role at a high-need school can often take weeks, if not months. All of these changes result in incremental savings throughout
- 2. Carryover is an equity issue.** Higher-need schools have more carryover dollars than lower-need schools, a direct result of the higher rates of turnover, vacant positions, and other obstacles that these schools experience.<sup>21</sup> In most years, taking away carryover would mean taking away over \$100 million from the highest- and high-need schools on SENI, a significant sum of dollars that would dramatically impact resources and staffing at those schools.
- 3. Cutting carryover would have the same effect of taking away all Title I funds or a significant portion of SENI funds for most schools.** At most high-need schools, using carryover dollars allows schools to make up for gaps and purchase positions and resources that simply are not possible with the standard budget allocations. Taking away carryover dollars will mean significant cuts to school budgets in the 2021-22 school year, and in future years – cuts to important support positions, reductions to professional development and planning time, less supplemental resources and materials, and elimination of some interventions at a time when a deeper investment is needed in these areas.
- 4. Carryover is often one of the sole sources of flexibility in a school's budget, allowing schools to adjust or realign in real time throughout the school year.** In most cases schools only have flexibility over roughly 10% of their budget. Taking away carryover dollars goes beyond just losing dollars. It also means losing autonomy and the flexibility to adapt during the school year that is so vital to a school community's work.



### Recommendation 7: Commit to maintaining the Primary Promise literacy intervention program for the highest- and high-need schools on SENI for no less than five years.

LA Unified is in the midst of rolling out its Primary Promise literacy intervention program, which is designed to provide early and differentiated literacy support for elementary students. LA Unified did an excellent job of targeting the initial rollout of this Primary Promise program, bringing the earliest phase to many of the highest-need elementary schools using factors such as SENI, the number of Black students served by the school and current academic performance. These schools are all slated to receive an intervention literacy position to support kindergarten through second grade students.

LA Unified must now resist the urge to spread the next phases of the program equally across its nearly 600 elementary schools, and must do whatever it can to ensure these resources

stay with these same highest-need schools beyond just one year – even if this means modifying the program or changing how many schools ultimately receive resources under this program.<sup>22</sup> Spreading the program across all of the district’s elementary schools would be a move that is both anti-equity and one which risks spreading investments so thinly that any impact of the new dollars will be muted.

The Primary Promise program has the potential to move literacy outcomes for LA Unified’s highest-need students, a vital result that is even more important given distance learning. However, sustainability is vital to changing outcomes, and LA Unified should make at least a five-year commitment to maintaining this investment for schools currently receiving the resources.



### Recommendation 8: Support school leadership teams to seek out and work closely with parents, students and staff to ensure budgets reflect meaningful community input.

When empowered with autonomy over budget decisions, school communities can more impactfully design and adjust to meet the needs of their student population. Based on our experience, devolving significant decision-making power to schools empowers them to more effectively align budgets, balance trade-offs and invest in the interventions necessary to meet the needs of their students. When schools have control over less than 10-15% of their budget, there is little that can be done beyond filling in the gaps of the broader, predetermined budget.<sup>23</sup> Just as importantly, this minimal flexibility leaves little space for meaningful community input on budget decisions, which is a key focus of LCFF.

Increasing discretion at the school site through increasing SENI dollars presents an opportunity to provide parents, students and staff with a more meaningful voice in the budget decision-making process. LA Unified should also couple this increased discretion with more infrastructure to support the local decision-making process, including the creation of a “menu of options” that is benchmarked off of best practices and research to move student outcomes, and which reflects community input on what targeted supports students and families believe are important. LA Unified should also invest in more tools and opportunities to make budget data more accessible and transparent at the community level, lifting up more tools such as “WeBudget”, an online platform recently released by Advancement Project California that allows parents to see how schools and the broader district are investing dollars to improve student outcomes.<sup>24</sup>

The voice of all community stakeholders is important in decision-making, and parents and students are uniquely positioned to provide input and support around budget decisions and allocations of limited resources. When more voices are at the table, and when schools have the budget autonomy to actually respond to the input of those voices, more impactful decisions get made around the targeted investment of resources.



RESIDENTS OF SOUTH LA BELIEVE THAT, AT THE BARE MINIMUM, THEY SHOULD HAVE THE SAME QUALITY OF EDUCATION AS ANY OTHER FAMILY IN THE SCHOOL DISTRICT. THE SENI IS A COMMUNITY-CENTERED AND COMMUNITY INFORMED POLICY THAT HELPS US GET CLOSER TO THIS VISION BY TARGETING DOLLARS TO SCHOOLS AND COMMUNITIES THAT ARE HISTORICALLY AND CURRENTLY UNDER-RESOURCED AND UNDER-INVESTED IN. NOW, MORE THAN EVER, WE MUST MAKE THE CHOICE TO CONTINUE TO INVEST IN HIGH-NEED SCHOOLS AND COMMUNITIES THAT HAVE STEPPED UP FOR OUR CITY AND OUR COUNTRY.

— Miguel Dominguez, Director of Education and Youth Policy, Community Coalition



# CONCLUSION

Our current moment requires clarity of values and a commitment to racial and social justice, as LA Unified is approaching a crossroads, and potentially a precipice. Within months it could see cuts to some of its existing funding streams, while at the same time receiving a significant infusion of state and federal dollars. If LA Unified continues to use its approximately \$8.9 billion budget to fund all schools equally, or in many respects to actually underfund schools serving low-income communities of color, then unacceptable racial disparities will continue to plague future generations of students. As noted above, this may require LA Unified to make difficult decisions about its operating budget, thinking differently about how and where it invests its funding.

Status quo is not acceptable in the best of times, let alone in the face of this broader health and economic crisis. Adopting SENI has been a significant achievement for LA Unified, one that has been celebrated by community advocates, school sites, community leaders and parents. Because of this, LA Unified is well positioned to capitalize on this momentum and progress to become a national leader in the movement to build equity into how dollars are allocated to schools. LA Unified must act with urgency now to achieve this goal, but must also ensure that it has a sustainable long-term plan to continue its path toward an equitable and effective budget. Simply put, the academic and career outcomes of the city's Black and Latinx students depend on it.

## Endnotes

- 1 California's Education Funding Crisis Explained in 12 Charts, PACE (Carrie Hahnel), October 2020.
- 2 "2021-22 Budget: California's Fiscal Outlook", LAO, Gabriel Petek, November 2020; "In 'remarkable' turnaround, California schools can expect huge one-time windfall next year, LAO Says", EdSource (John Fensterwald), November 18, 2020.
- 3 "Student Engagement Online During School Facilities Closures: An Analysis of LA Unified Secondary Students' Schoology Activity from March 16 to May 22, 2020", Independent Analysis Unit, LAUSD, July 2020.
- 4 Partnership for Los Angeles Schools Equity and Justice Alert, Bridging LA's Digital Divide (April 2020).
- 5 If 42nd Street Elementary had remained ranked on SENI at 296, the school would have received \$476 per TSP student. Instead, as the 21st highest-need elementary school, it received \$668 per TSP student, a 40% increase.
- 6 The deciding factor for most schools on the first index was the proportion of students classified as "English Language Learners," which does not typically include many Black students. As a result, the greater proportion of Black students, the fewer resources that school was likely to receive on the first index.
- 7 LAUSD Fiscal Overview, Board of Education (November 2020).
- 8 "New data: Even within the same district some wealthy schools get millions more than poor ones", October 31, 2020, Hechinger Report, Tara Garcia Mathewson.
- 9 "Are California Districts Giving Highest-Needs Schools Their Share of LCFF Money?" Edunomics Lab at Georgetown University (November 2020).
- 10 LCFF targets additional allocations (i.e., "Targeted Student Population") to low-income students, English language learners, and foster youth.
- 11 Our analysis is based on the 2019-20 TSP allocations chart, which shows how roughly \$500 million of these funds were allocated to schools (our assumption is the majority of the remaining supplemental and concentration costs are allocated to centralized programming). The data for the 2020-21 school year has not been published yet. However, we expect there would not be significant changes between the data.
- 12 School Allocations for Targeted Student Population, 2019-20, <https://achieve.lausd.net/cms/lib/CA01000043/Centricity/Domain/185/TSP%20School%20Allocation%202019-20%203.15.19.pdf>.
- 13 FY 2021 SENI Allocation Summary by Local District chart.
- 14 Significant investments were made in schools participating in the Reed Investment program after the settlement of the Reed v. LA Unified lawsuit. Participating schools were selected due to high rates of teacher turnover and low academic achievement.
- 15 LA Unified implemented the Innovation Fund Schools Program as part of the Frias settlement, which provided \$50 million annually to 50 high-need secondary schools.
- 16 "LA Unified Budget Considerations in Light of COVID-19 Related Fiscal Situation", June 12, 2020, Independent Analysis Unit
- 17 <https://results.lavote.net/#year=2020&election=4193>.
- 18 Based on December 20, 2019 Roosevelt High School Recalculation of Per Pupil Funding.
- 19 "Are California Districts Giving Highest-Needs Schools Their Share of LCFF Money?", Georgetown Edunomics Lab (November 2020)
- 20 For purposes of this analysis, budget programs that the school has discretion over were all TSP funds, Title I Funds, Reed funding, and Innovation Fund Schools program funding.
- 21 For example, on a per student basis, the highest-need secondary schools have nearly double the carryover as lower-need secondary schools.
- 22 We also know that it will be difficult for LA Unified to fill the new intervention positions, and that it may result in pulling teachers from the classroom to fill in these new intervention literacy positions. The unintended consequence of pulling teachers out of the classroom to fill these roles is that there may be more teaching vacancies at hard to staff schools.
- 23 "Per Pupil Funding Model Presentation", Board of Education Special Meeting Budget Deep Dive, November 28, 2017
- 24 <https://www.webudgetla.org/>

## LA UNIFIED SUPPLEMENTAL AND CONCENTRATION FUNDS TO SUPPORT TARGETED STUDENT POPULATIONS (AMOUNTS IN MILLIONS)

		Investment 2020-21	Investment 2021-22	Investment 2022-23
1	4-Year-Old TK Program	\$57.78	\$57.78	\$57.78
2	A – G Dropout Intervention	\$10.43	\$10.43	\$10.43
3	Access Equity, Instruction and Local District	\$27.83	\$29.65	\$29.65
4	Advance Placement	\$1.90	\$1.90	\$1.90
5	Afterschool Program	\$7.34	\$7.34	\$7.34
6	Allocation to Schools TSP	\$27.07	\$29.16	\$29.16
7	Arts Plan and Program	\$34.59	\$34.59	\$34.59
8	Bilingual Differential	\$1.00	\$1.00	\$1.00
9	Breakfast in the Classroom Incentive	\$1.60	\$1.60	\$1.60
10	Campus Aides	\$9.06	\$9.06	\$9.06
11	Class Size Reduction Grades 4-12	\$63.92	\$125.45	\$210.52
12	Counselors	\$31.88	\$38.84	\$38.84
13	Diploma Project	\$2.29	\$2.29	\$2.29
14	Early Education Support	\$36.08	\$41.63	\$42.62
15	Early Language and Literacy Plan	\$1.50	\$1.50	\$1.50
16	Reduction	\$12.45	\$11.88	\$13.42
17	English Learner Coaches	\$4.89	\$4.89	\$4.89
18	Collaborative Expansion	\$10.35	\$10.35	\$10.35
19	Family Source System	\$1.52	\$1.52	\$1.52
20	Foster Youth Achievement Program	\$14.85	\$14.85	\$14.85
21	Health and Student Supports	\$2.84	\$2.84	\$2.84
22	Homeless Program	\$2.39	\$2.39	\$2.39
23	Instructional Technology Support (VLC)	\$3.21	\$3.21	\$3.21
24	Local Control Accountability Support	\$0.22	\$0.22	\$0.22
25	M&O and Routine Maintenance	\$1.50	\$1.50	\$1.50
26	More Than a Meal Campaign	\$0.52	\$0.52	\$0.52
27	National Board for Professional Teaching Standards	\$2.01	\$2.01	\$2.01
28	Nurses – High School	\$7.77	\$7.77	\$7.77
29	Nursing Services	\$58.38	\$95.13	\$95.13
30	On-going Major Maintenance	\$33.01	\$33.01	\$33.01
31	Options Program	\$1.50	\$1.50	\$1.50
32	Per Pupil Schools – Targeted Support	\$47.00	\$47.00	\$47.00
33	Pre-school for All Expansion (PAL)	\$81.95	\$81.95	\$81.95
34	PSA/PSW/Secondary Counselors	\$26.67	\$26.67	\$26.67
35	Reduce Math and EL	\$5.00	\$5.00	\$5.00
36	Regional Occupancy Programs	\$19.37	\$19.37	\$19.37
37	School Climate and Restorative Justice	\$2.00	\$2.00	\$2.00
38	School Enrollment Placement & Assessment	\$0.20	\$0.20	\$0.20
39	School Librarians	\$24.68	\$24.68	\$24.68
40	School Technology Support (MCSA)	\$12.31	\$12.31	\$12.31
41	Pre-school Collaborative	\$4.95	\$4.95	\$4.95
42	Standard English Learner	\$1.53	\$1.53	\$1.53
43	Student Engagement	\$0.25	\$0.25	\$0.25
44	Student Equity Needs Index	\$284.41	\$284.41	\$284.41
45	Teacher Instruction for Targeted Student Population	\$187.59	\$238.10	\$238.10
46	Transition Services for Target Student	\$6.64	\$6.64	\$6.64
	<b>Total</b>	<b>\$1,176.21</b>	<b>\$1,340.84</b>	<b>\$1,428.44</b>

Source: Los Angeles Unified School District Revised Budget 2020-21



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