

# Implementing LCFF:

## Building Capacity to Realize the Promises of California's New Funding System

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### Author

Joel Knudson  
*American Institutes for Research*

### About the California Collaborative on District Reform

The California Collaborative on District Reform, an initiative of the American Institutes for Research, was formed in 2006 to join researchers, practitioners, policymakers, and funders in ongoing, evidence-based dialogue to improve instruction and student learning for all students in California's urban school systems.

California's Local Control Funding Formula (LCFF) has dramatically changed the way in which state funds flow to local school districts and the ways in which the state expects districts to make programmatic decisions and allocate resources. The new funding system departs from California's traditional approach of allocating the same amount of funding for every student. Distributing additional money to students with greater needs—who are generally more costly to serve—can provide more equitable learning opportunities for California's students. LCFF also eliminates most of the categorical funding streams through which the state mandated programmatic and spending decisions for districts. By relaxing these restrictions, the new system creates the conditions for districts to develop more coherent approaches to serving their schools and their communities.

The changes introduced by LCFF alter the conditions under which educators, administrators, and community leaders approach their roles in the K–12 education system. Consequently, leaders at all levels may currently lack the capacity—both the knowledge and skills and the resources—that they need to fulfill the potential to improve educational quality that LCFF offers. Education systems will succeed only to the extent that organizations and the individuals within them master the new demands of their evolving roles. Capacity building is therefore an integral component of LCFF implementation. This brief, the second in a series emerging from an April 2014 meeting of the California Collaborative on District Reform that explored LCFF implementation issues, identifies some of those capacity-building needs.

This brief is the second in a series from the California Collaborative on District Reform exploring key issues of LCFF implementation. It draws primarily on conversations that took place during an April 2014 meeting of the California Collaborative and explores some of the key issues that emerged from districts' early LCAP development efforts. For additional resources on LCFF, please visit <http://www.cacollaborative.org/topics/school-finance>.

## Capacity Needs in District Central Offices

District central offices have long borne the responsibility of designing programs to meet student learning needs and allocating funding to support these programs. The approaches that individual districts take can vary widely. Many districts, however, have traditionally operated in silos, with limited interaction on district plans between the budget office and the department of curriculum and instruction. Categorical program requirements,<sup>1</sup> not district goals, have often shaped central office roles, responsibilities, and spending decisions.

The transition to LCFF creates the opportunity and the expectation for districts to engage in a planning process with their communities that will lead to a more responsive and coherent approach to serving the students in their charge. The required product of this process is the Local Control Accountability Plan (LCAP). Developing the LCAP suggests a new way of thinking about education programming and resource allocation at the local level. Whereas decisions in the past often reflected the requirements of categorical funding streams, decisions now must align with the district's priorities and goals for curriculum and instruction, simultaneously addressing eight broad priorities set by the California

State Board of Education. Developing a coherent approach that appropriately connects these goals, priorities, and strategies represents new territory for many district teams. Leaders may need to increase their skill at strategic thinking. They also may need to coordinate more effectively across departments in the central office. For example, coordination between the budget office and leaders of curriculum and instruction, not traditionally strong in many districts, is critical in the pursuit of greater coherence and alignment in the context of LCFF.

In addition, the requirement for community engagement through the LCAP development process creates the opportunity for districts to foster collaborative decision-making relationships—not only with organized groups, but with parents and others who may not be informed or feel empowered. This proactive outreach to a range of community partners implies a new mindset and skillset for many central office leaders and will require attention to both communication and decision-making strategies.

Beyond the LCAP itself, new expectations and processes may call for a shift in the mindset of central office administrators in other ways as well. Many supervisors have grown accustomed to issuing verdicts on school-level actions according to clearly established criteria that have been used for many

<sup>1</sup> Categorical funding programs, often mandated by the state or federal government, are designed for specific purposes or to serve specific student populations, with constraints placed on the way that funds are spent to ensure that districts allocate money according to the program's intended purpose.



years. These same people now may need to not only tolerate but also encourage innovation and to incubate creativity while helping site leaders make decisions grounded in evidence. Successful LCFF implementation may therefore involve hiring, training, and supporting individuals in central office roles with the intent of fostering this change in mindset.

Many district administrators also will find that their very roles have changed. Under the new funding system, central office teams accustomed to implementing categorical programs must evaluate and design strategies that are based on evidence of effectiveness and alignment with district goals, not with state mandates. Likewise, individuals formerly charged with ensuring compliance with categorical spending and programmatic requirements may now find themselves in the new position of providing support to school sites. For example, administrators accustomed to training principals on the proper assignment of budget codes may need to shift to offering their professional judgment on programmatic budgeting and planning in order to support a coherent instructional program. This new role implies a change in specific job responsibilities and the skills needed to carry them out.

## Capacity Needs at the School Site

Some districts have chosen to pass on the greater flexibility provided through LCFF to school sites by giving school leaders the autonomy to make budget and programmatic decisions. School-level LCAPs are even part of the budgeting process in some of these districts. This approach can position schools to respond more effectively to their local contexts by

placing decision-making authority in the hands of those closest to students (just as LCFF attempts to do by granting more autonomy to districts). It also can shift responsibility to the site level for tasks like teacher selection, vendor contracts, and alignment of the school budget with academic plans. As a result, principals in these schools may find themselves taking on a greater workload without the experience, skills, time, or support they need to manage work that has traditionally fallen under the purview of the central office.

This expanded role may prove to be particularly challenging in schools where, as a consequence of the budget cuts that preceded LCFF, principals lack the support of an assistant principal or administrative staff. Districts that push resource allocation decisions down to the school site, then, must also ensure that they provide sufficient support and oversight to enable school-level success. This includes both the knowledge and skills needed to master new responsibilities and the staff time required to carry them out.

## Capacity Needs in County Offices of Education

County offices of education serve as an intermediary level of support and governance between the California Department of Education and school districts. County offices always have been responsible for reviewing district budgets, as well as for ensuring compliance with regulations on issues like class size and provision of textbooks. LCFF legislation expands this role into the programmatic sphere by requiring county approval for all district LCAPs.

Under LCFF, county offices now must oversee programmatic and academic goals and their connections with district budgeting decisions, especially to address the needs of the disadvantaged students who generate increases in funding. To help support the process, the California County Superintendents Educational Services Association (CCSESA) created an LCAP approval manual (and delivered associated training) that specifies the legal requirements on the county role and made recommendations for fulfilling this role effectively.<sup>2</sup> The manual also suggests that effective oversight requires collaboration across departments. Curriculum and instruction staff, for example, may best understand the resources required to implement a particular strategy identified in the LCAP, whereas business staff are better positioned to assess the cost of those resources. Just as in district central offices, this level of interaction may represent a departure from traditional practice, and this requires new skills, mindsets, and structures.

Perhaps most important, LCFF calls upon county offices to provide technical assistance to any district that requests it and to all districts for which LCAPs are not approved. Some counties already have embraced this role by providing extensive training and feedback to districts prior to LCAP submission. Nevertheless, all these changes call for many county administrators to apply new knowledge, skills, and professional judgment in areas for which they have received little formal training.

It remains to be seen how the LCAP approval guidelines will evolve over time. County offices had the luxury in the first year of relying on three criteria for approval that addressed legal compliance, but not issues of quality in a district's process or plans.<sup>3</sup> If, as anticipated, revised guidelines ask reviewers to evaluate the *quality* of a district's plan, or to assess progress toward anticipated outcomes, the need for administrators to exercise professional judgment will only increase. Comments from California Collaborative members during the April 2014 member meeting suggest that county offices vary widely in the scope and quality of services they provide. Resources, training opportunities, and vehicles for sharing best practices may represent important steps to build county office capacity and ensure that each district receives the support it needs.

## Capacity Needs in Community Organizations

In some districts, organized community groups have long played an active role in advocating for the interests of specific student and adult populations in district decisions. Strategies like campaigning for school board candidates, orchestrating citizen turnout at school board meetings, and raising awareness through media outreach and grassroots organizing have helped inform and, in some cases, put pressure on central office and school decision makers.

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<sup>2</sup> California County Superintendents Educational Services Association. (2014). *Local Control Accountability Plan (LCAP) approval manual: 2014–15 edition*. Retrieved from [http://ccsesa.org/wp-content/uploads/2014/04/CCSESA-LCAP-Approval-Manual-2014-15\\_May22.pdf](http://ccsesa.org/wp-content/uploads/2014/04/CCSESA-LCAP-Approval-Manual-2014-15_May22.pdf)

<sup>3</sup> California Education Code Section 52070 directs county superintendents to approve LCAPs for 2014–15 on the basis of (1) adherence to the SBE-approved LCAP template, (2) allocation of sufficient funding to implement the strategies described in the LCAP, and (3) compliance with SBE regulations for allocating funding to students in poverty, English learners, and foster youth.



LCFF introduces a new role for these community organizations—that of a partner with the district. The LCAP template requires districts not only to describe the process used to engage parents, pupils, and the community, but also to identify the ways in which district plans reflect this stakeholder input. For community organizations to play the role of active partners with districts implies an expansion in responsibility from educating stakeholders and advocating for specific causes to helping to create solutions and strategies within a broader set of competing district demands. If districts pass resource allocation decisions down to the school level, partnership with school leaders also may be important.

In cases where districts and community groups embrace the opportunity for active partnership, new roles may require new skills and a new orientation for community leaders. An effective LCAP will reflect the wide range of community needs; developing proficiency in building coalitions and finding areas of convergence across organizations can help groups maximize their effectiveness. In addition, LCFF frees districts to dedicate funding for programs that not only are *designed* to improve opportunities for students targeted with supplemental funds—as the old system of categorical programs did—but build on an evidence base demonstrating that the programs actually can produce better outcomes. In districts that prioritize evidence-based decision making, one opportunity for community organizations to partner more effectively with districts may be as a broker of good ideas, building capacity to judge the effectiveness of particular strategies and suggest approaches that are linked to student achievement.

## Considerations for Building Capacity

Developing strategies to effectively resolve the capacity issues identified here will take time. Organizations and individuals alike are only beginning to learn what works and what does not. Two considerations may be useful as stakeholders throughout the K–12 education community look to build the knowledge and skills needed to implement LCFF.

### Seek Feedback on Progress

Ongoing feedback is an important element of continuous improvement. As administrators, principals, and community leaders develop new skills and approaches, their work will directly affect those who need and use their services. The new strategies employed by a central office leader, for example, will influence a principal's ability to do his or her job well. Systematic feedback from service recipients can help leaders and organizations assess and refine their strategies to maximize their effectiveness.

Peers also represent a valuable source of information for individuals adapting to new circumstances and expectations. The new funding system creates an opportunity for innovation, which will produce both successes and failures. District leaders can draw on the experiences and tools of other district leaders, principals on their peers across the district, community leaders on other organized groups within and across districts, and county administrators on other counties to inform their own work. At the same time, organizations can

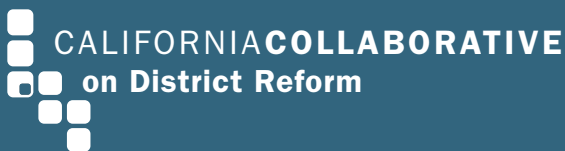
create the conditions for this capacity building by creating time and systems to foster learning and the sharing of information. By replicating good ideas and avoiding mistakes that others have made, all stakeholders can help accelerate the learning process.

## Tolerate but Overcome Early Challenges and Mistakes

The training and support required for individuals to adapt to their new roles are substantial. It therefore will be important to tolerate the inevitable early stumbles as people at all levels struggle, learn, and improve. Without sacrificing high expectations for districts to meet student needs—especially the traditionally disadvantaged students targeted with LCFF funding—stakeholders can help accelerate progress by supporting the learning process at all levels of the system.

## Conclusion

LCFF positions districts to more equitably and coherently meet the needs of the students they serve. The opportunity for positive change is exciting and inspiring. With change, however, comes new expectations for adults at all levels of the K–12 education system. In these early stages of implementing the new funding system, there likely are individuals without adequate preparation in the knowledge, skills, and supports to meet the new expectations they face. As the state implements LCFF, attention to the capacity needs across the system will be essential for achieving success with the new funding system.



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