

Widening the View

Proposals to push California's LCFF from revolutionary to transformational

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Education Resource Strategies is a national non-profit dedicated to transforming how urban school systems organize resources—people, time, technology, and money—so that every school succeeds for every student.

Introduction and Executive Summary

California's Local Control Funding Formula (LCFF) represents a revolutionary break with the past 40 years of school funding law. In place of dozens of categorical grants and budgets decimated by the recession, it promises more money, targeted to students with high needs, and increased local control over those resources—in exchange for transparency and accountability for improved student outcomes. Its aims are laudable, ambitious, and widely popular.

But as many groups have observed, implementation is still a work in progress. Advocacy groups raise concerns over whether targeted students—low income, English learners, and foster youth—are getting the “increased and improved” services they deserve. Districts try to include the community in decision making, but it's hard to make that process inclusive and productive. District leaders lament that the main accountability tool—the Local Control Accountability Plan (LCAP)—often turns into a time-consuming, confusing compliance document, rather than a helpful tool in strategic planning. At the same time, California students face increasingly rigorous academic standards, and the achievement gap is widening.¹

How can we use the LCFF as an opportunity to transform education for all of California's students? How can we evolve the practices of districts, county offices of education, and technical assistance providers, as well as state policy itself, so that districts are not just restoring cuts or adding on programs, but rather investing in the strategies most likely to lead to student success?

We can do it if we widen our view—of the LCFF, but also beyond it. This means many things, but three key points include:

- **Districts should be supported to reconsider the “whole pie” of their resources**—not just the “narrow slice” of supplemental and concentration funds
- **Districts should be supported in using that “whole pie” in new, transformational ways**—i.e., by addressing issues like recruiting, developing, and retaining great teachers, or restructuring school schedules to provide more individual attention for struggling students and more collaborative planning time for teacher teams. This means widening our view from the typical solutions of adding more programs or personnel, and looking at the fundamental drivers of student success.
- **The state should address the context within which the LCFF functions**—for example, by identifying state policies that inhibit innovative local decisions, and supporting best practices to help districts follow through on their plans and make the best use of their resources day by day. Even an effective planning and accountability process (under the LCAP or otherwise) is not enough to get results.

This does not mean that the state should increase the scope or requirements under the LCFF, or that it should mandate particular strategies over others. The LCFF rightfully places decisions in the hands of the community. But there are many ways that the state, county offices of education, and technical assistance providers can change policy and encourage innovation and knowledge-sharing, without increasing mandates. Some proposals we suggest include:

- **Providing highly relevant peer benchmarks** for performance accountability data and goals
- **Narrowing the number of goals** districts must define in a three-year cycle, to enable focus
- **Fostering the creation of Resource Snapshots** to help communities understand how resources are *currently* used and to support better day-to-day decision-making
- **Streamlining LCAP or replacing it** with a set of criteria that district strategic plans must meet
- **Replacing Section 3 of the LCAP** with resource data tied to goals
- **Providing opportunities for whole district teams** and district peer networks to learn about transformational resource strategies such as:
 - Rethinking teacher compensation and career path to reward leadership, shifting one-size-fits-all school schedules to more personalized models, and reworking school funding and support systems to provide principals more flexibility and funds to meet their unique needs
- **Reviewing state** policies to determine which unnecessarily constrain districts' flexibility

Many California-based organizations have already offered valuable recommendations for evolving the LCFF. They bring a deep knowledge of the state; we at Education Resources Strategies hope to build on their work and contribute a national perspective. Over the past 10 years, we have partnered with dozens of districts around the country to analyze data and help them fundamentally redesign how they use resources—including people, time, and money—to meet student needs. In California, we have worked with Los Angeles, Sacramento, and Oakland unified school districts. In 2014, The Charles and Helen Schwab Foundation funded ERS to create online tools to support California districts with strategic planning, and in the fall of 2015, we applied the grant to go on a listening tour to understand the perspective of district and county leaders. In total, we spoke to superintendents and other district leaders from 16 school districts, three county offices of education, and two charter school networks.

In this brief, we build on the substantial work done by others, our listening tour in California, and our national experience to offer actionable proposals. Instead of looking at the narrow slice of the pie, we need to widen the lens—to see all resources, and all options for using them, and to see how the LCFF and the LCAP fit into a wider vision for strategic resource use. Only this approach can ensure that *all* students get the education they deserve.

LCFF versus LCAP

All quotes in this report are drawn from our November 2015 listening tour.

“We are huge supporters of LCFF. We believe that this is the right way to distribute funds.”

—Superintendent of a small rural district

“The first year it was much more locally driven, but then the compliance cops started creeping in. Now there’s this mentality of ‘Watch ’em. Don’t trust ’em.’”

—Superintendent of a small rural district

As we spoke to California education leaders, we asked them to “grade” the LCFF and the LCAP on a scale from A to F. Overall, the **LCFF got responses from A to B-, with B+** the most common. Leaders appreciated the additional money, tied to high-needs students; the opportunity for local control; and the requirement to engage the community. Everyone we spoke with felt it was an improvement over the old funding system.

But the **LCAP got grades from C to D, with C** the most common. Some concerns were that it’s time-consuming to make, long, duplicative, unclear, and treated as a compliance document by the district and/or the county office of education. On the other hand, some districts did feel that the LCAP had positive effects, like forcing district leadership teams to work together across silos (Finance with Academics, for example), and that aligning strategies to goals forced them to think more deliberately about their investments.

These findings are not unique. A litany of California organizations (including Policy Analysis for California Education, The Education Trust—West, and the California Collaborative on District Reform) have already done extensive studies of the LCFF and the LCAP, and found the same themes.¹ In addition to the above, the biggest observations presented in those reports include:

- **The LCAP presents an “incomplete” or “incoherent” picture of districts’ actions and expenditures**—both in general and specifically for targeted students (i.e., low income, English learners, or foster youth)
- **Districts struggle to respond to competing demands from various community groups**—And the “loudest voices” often get heard
- **Districts lack the capacity—the right people, the time, and the data systems**—to treat the LCAP not as a compliance exercise, but as the outcome of a truly strategic planning process

It is important to remember that the LCAP is only one aspect of a law with much to recommend it. When we widen the lens, we discover ways to build on the possibilities uncovered by the LCFF. It is only natural

¹ See References at the back of this paper for a full list of reports we consulted.

that the implementation of such a new and complex reform will continue to be refined as the field gathers experience. We offer proposals to help in that evolution.

“Today, I’m signing a bill that is truly revolutionary. We are bringing government closer to the people, to the classroom where real decisions are made, and directing the money where the need and the challenge is greatest. This is a good day for California, it’s a good day for school kids, and it’s a good day for our future.”

—Gov. Jerry Brown, upon signing the law establishing the Local Control Funding Formula, July 1, 2013

Widening the Lens Within the Strategic Planning Process

LCFF is based on an implicit theory of action, which we would summarize as follows:

If we foster these conditions:	Then, resource use in LEAs will be:	And therefore:
<ul style="list-style-type: none"> • Equity and increased funding: Allocate more resources, tied to student need • Local control and engagement: Empower local communities to set priorities and require evidence that strategies and resources align with them • Outcomes accountability: Focus more on how much students learn and rely less on mandating inputs 	<ul style="list-style-type: none"> • More equitably allocated, targeted to high-need students • More strategic and effective, tied to meaningful goals and deliberately rooted in best practices for increasing student learning 	<ul style="list-style-type: none"> • Student achievement will increase—especially for targeted high-need students

This is a reasonable but ambitious theory, with many cause-and-effect steps. What factors need to be in place to ensure these transformational aspirations are attained?

Fundamentally, we need to ensure that local decision-makers, along with the community, actually use their resources in strategic and equitable ways in order to see better outcomes. This doesn’t just include the increased funding, but all the resources at the district’s disposal. Thus, the LCFF should encourage strategic resource planning AND day-to-day decision making. We describe this process in four steps:

- **Step 1:** Set Priorities and Goals
- **Step 2:** Align Strategies and Resources with Goals
- **Step 3:** Act on the Plan and Monitor Progress
- **Step 4:** Adjust Strategies and Goals as Needed

The LCAP is the current vehicle to foster, document, and share the results of this process. But it is certainly not the only way to achieve this end. In this brief, we will walk through this ideal strategic planning process and note where the LCFF or the LCAP does or does not yet meet the need.

Step 1: Set Priorities and Goals

The first step of any strategic planning process should be defining a small number of key goals that guide the rest of the district's actions. Here the LCFF begins to get it right, but there are also pitfalls that can be addressed.

Findings from the ERS study

Strengths of the current system

“The LCFF gave us permission to use money in those priorities that we didn’t have permission to use it for in the past.”

—Superintendent of a small rural district

“The LCAP isn’t irrelevant—it’s been a good reminder of why we budget. We need to make that more transparent to our parent groups.”

—Superintendent of a large urban district

Across the district and county leaders we interviewed, there was broad agreement that the eight state priorities are an improvement over the narrow focus on academic achievement during the No Child Left Behind era. Additionally, district leaders felt it was beneficial that the LCAP requires community engagement—a practice that some had incorporated for years, and which for others was new and rewarding (though difficult). It is useful that the LCAP template asks for goals to be clearly stated, and that the evaluation rubric currently under development will allow districts to see where they fall against performance metrics.

Summary of Strengths:

- The eight state priority areas offer a welcome range of possible goals beyond academics
- Community engagement in the goal-setting stage is important
- The LCAP puts clear emphasis on goals as the driving force of actions

Challenges

“We needed to engage the community on gaps that we have, but instead we engaged them on every pet project they had.”

—Superintendent of a small rural district

“If we both agreed to focus on progress for kids, not spending on kids, that’s the way we can best get on the same page with advocates.”

—Assistant superintendent of a large urban district

Many interviewees, however, said that eight priorities are too many for any district to focus on in a three-year period. This encourages districts to set low or meaningless goals on “priorities” that simply cannot be a real priority, given the district’s needs. Researchers with Policy Analysis for California Education (PACE) also found that district and county leaders wished for more flexibility to focus within the list of eight, quoting a county official saying, “You should focus on the things first that will have the greatest impact, but we’re asked to do every priority and every metric up front. It sure makes it seem like compliance.”ⁱⁱ Allowing districts to focus on a few goals within the list of eight was also a key recommendation of the Legislative Analyst’s Office in January 2015.ⁱⁱⁱ

Additionally, many districts spoke about the challenges of community engagement in the LCAP process—also a common concern that’s been cited by PACE, The Education Trust—West, and the California Collaborative on District Reform, among others. There are basic issues, like the difficulty of finding times and venues that all parents can attend, or of presenting a district budget and LCAP proposals in a clear, engaging, and culturally sensitive way.

But the most fundamental problem was that districts struggled to know how to engage the various constituencies—from parents, to advocacy groups, to unions—in a productive conversation about how to raise achievement for all students. Understandably, each group pushes for its own interests. One superintendent spoke of vocal parents who wanted to limit AP classes to high-achieving students; another told of parents who wanted to maintain a behavioral intervention program that cost \$200,000 for five students and did not fit the district’s restorative justice model; others mentioned that unions pushed hard for across-the-board raises, or that various advocacy groups were active in community meetings, each rooting for their particular issue.

To be clear, these groups aren’t wrong—it is a parent’s right to advocate for what he or she thinks best. The problem is that every constituency has its own narrow focus, and goes after its own piece of the pie. This encourages a budgeting process that is about giving each group its narrow slice, rather than stepping back to reevaluate “the whole pie” and the fundamental educational practices it represents.

Summary of Challenges:

- **Districts focus on too many priorities:** The LCFF statute says that districts must “address” all eight state priorities; most districts set a goal in all eight, even if many are unambitious “placeholders”
- **Districts struggle to lead amidst diverse community voices:** Advocacy groups, unions, loud parents—many don’t trust the district and each seeks dollars for their singular interests

How can districts lead a productive communal conversation about the things that matter most for student success? One district superintendent lamented that there was not a good dashboard of data available to ground these conversations. Thus, many districts started by asking the community what they wanted, rather than starting with a clear picture of their needs and successes. When the evaluation rubrics are ready, those are slated to include a dashboard of performance metrics that will give districts a better starting place. But there may be other kinds of data that would support these conversations.

Proposals

The community has a crucial role in setting priorities and narrowing goals, but districts need more support in how to have productive conversations with diverse stakeholders.

There is no right answer here, but our interviews, our reading of other sources, and our own experience suggest a few key proposals. They are:

1. **Provide highly relevant, peer district benchmarks for performance accountability and goals:** The current draft of the evaluation rubric contains a dashboard of performance accountability metrics, tied to the eight state priorities, and compared to state averages. We propose that the rubric provide comparisons to a specific set of peer districts, chosen because they are similar in size, student need, or other salient characteristics. These dashboards could also report districts' goals. This comparative database will help districts level-set on what "reasonable" goals are, both for their current relative performance and for the kinds of goals that others are setting.
2. **Narrow the number of goals:** The state should clarify that districts do not have to set goals in all eight priority areas, but rather can choose three to four from the eight to focus on in each three-year LCAP. The state should ask districts to justify their choices with reference to data (either performance metrics or the outcomes of community meetings), and charge counties to investigate if a district consistently neglects a state priority area on which they also have low outcomes. This allows districts to truly focus their efforts in stages and increase the chance of success, rather than spreading their efforts too thin or inauthentically.
3. **Foster the creation of Resource Snapshots:** Even if districts and communities know where they stand vis-a-vis performance metrics like student achievement and graduation rate, they are still missing key pieces of information. *To understand where to effectively put their resources, districts need a clear picture of how they currently use their resources—not just money, but also talent and time—across types of students and schools, and compared to peer districts.* Without this clear picture, districts risk piling new programs and spending on top of ineffective base services.

For example, ERS partnered with Oakland Unified School District to perform an analysis of their resources in the 2015-2016 school year. We looked at school funding and equity patterns, human capital trends such as the distribution of novice and experienced teachers across schools and grades, and analyzed course schedules to see if teachers have enough time for collaborative planning, or to see whether below-proficient students get more instructional time.

One of our analyses showed that OUSD high schools are not set up to ensure that the average student gains the course credits to graduate. This is because of several factors—students are often "under-scheduled," meaning that they are not signed up for enough credits in a semester; students only complete about 87% of attempted credits; and only 73% of attempted credits are A-G aligned. In addition, we discovered that the current master schedule in most high schools—a seven-period day—made it impossible for many of these students to ever earn the needed credits in four years even if they did sign up for the right coursework. All of these factors combine to make it difficult for students to graduate college and career ready and impel district and school leaders to craft a multi-pronged solution.

With only performance data, a district may see that its students are not completing A-G requirements, but it won't know why. With the right data focused on course schedules and completion rates, districts can uncover the fundamental misalignments that might be driving a

performance outcome. This puts the focus on reforming fundamental district practices rather than patching holes.

There are many different types of resource metrics. Some illustrative examples include:

Type	Resource metric
Dollars	Dollars per pupil: broken down by function, such as instruction, supervision, pupil services, etc.
People	Staffing ratios: including all major school-based positions like teachers, teaching assistants, and providers of other school support or pupil services, from all funding sources
	Distribution of highly-effective teachers: drawing from teacher evaluation systems, not simply counts of credentialed teachers
Time/Attention	Time spent in core instructional classes: i.e., looking at whether students who were below proficient in math receive extra time the following year
	Class size: Targeted to see whether below-proficient or at-risk students receive smaller class sizes

Importantly, to be most useful, these metrics must be drawn from *student-level* data. They can then be rolled up (so that no individual student or teacher data is shared) to look at trends across student groups and school types. For example:

- **Student groupings**—Looking at low income, English learners, and foster youth; student performance (e.g., below proficient, proficient, advanced) and/or demographic factors such as race, gender, grade level, etc.
- **School groupings**—by quartile of performance, percent of high-need students, and potentially by geography

These sorts of metrics are useful within internal district conversations, but they can also be useful as part of the community engagement process. They should not be used for accountability but rather to help the community identify priorities and goals by highlighting where there might be under- or overinvestment. Coupled with performance metrics, Resource Snapshots suggest areas of priority. Some questions that they raise:

- Are some schools receiving more resources than others after we account for differences in populations? Which? Why?
- What is the distribution of highly-effective teachers across schools? Is there an imbalance?
- Do students who are not proficient in math or English language arts receive extra time or attention (via smaller classes) the following year?
- How does the experience of English learners, low income, or foster youth compare to that of other groups of students with respect to access to highly-effective teachers, pupil services staff, and teacher's assistants?

It may seem like a daunting task to ask districts to share yet more data about themselves. Yet in Oakland, ERS and OUSD have been working closely with a number of community groups, sharing resource data as a part of a conversation about district improvement. Handled the right way, these types of data can be a welcome source of direction rather than causing friction.

It will take time to figure out exactly which resource metrics are most helpful, and time to invest in data systems and processes that reliably generate such reports. Rather than mandate anything now, the state (or others, like technical assistance providers or philanthropic groups) can promote experimentation and small-scale success through a pilot model, perhaps supported by the California Collaborative for Educational Excellence. Districts could apply to be a part of a cohort that would work together to identify and create Resource Snapshots. Such a cohort would make use of the peer-learning model, which district leaders told us was their preferred way to learn. These districts could then use the reports in priority-setting conversations with their communities, and submit them along with their LCAPs. If successful, the lessons learned could be spread to many more districts.

Step 2: Align strategies and resources with goals

Once the district has set a number of priority goals in partnership with the community, it's time to make choices about how to use their resources—current and new—to meet those goals.

Findings from the ERS study

Strengths of the current system

“We are much more results-based and needs-based because of this. And we have greater discussions, not in silos, but with our finance side, personnel side, and instruction, all together.”

—Superintendent of a small rural district

“It used to be, here’s what money you got, go develop the program, whether it worked or not....Now, I’m looking at it from an approach that says, let’s define the problem, let’s define what some potential solutions are, and we need to get the research base to show it works.”

—Assistant superintendent of a large urban district

“I think the LCAP forces you to drill down to the essence of how you are really spending your money—and is it really aligned to your priorities.”

—Superintendent of a midsize suburban district

One of the most positive findings of the listening tour is that many districts reported real—and enthusiastic—changes to how they approach resource planning because of the LCAP. Several district

leaders told us that departments are working together more now, such as academics, finance, and school supervision—something that The Education Trust—West and the PACE researchers also found some evidence of, at least in the first year of the LCFF.^{iv} Districts also noted a change in their approach to resource allocation, with a focus on cause-and-effect, research-backed strategies, and more frequent conversation about whether current or proposed spending will truly meet their goals.

For the listening tour we focused on process, and thus did not study how districts intend to spend their resources. However, anecdotally, we also found several examples of districts using their LCFF dollars in ways that research suggests will yield improvements in student outcomes:

- Targeting priority student subgroups with academic intervention (e.g., by academically focused, trained interventionists)
- Higher teacher pay in exchange for longer work days
- More collaborative planning time for teachers

While many district leaders felt that their LCAPs were duplicative or unhelpful, a number of them felt the LCAP is justified (given the amount of authority districts receive from the state), helpful, and a definitive change from past practice. Clearly, some form of documentation of the district’s strategic plan, with some of the same key elements, should be a part of the LCFF system—even if it looks different from how the LCAP looks today.

Summary of Strengths:

- **Some district leadership teams are “breaking down silos”** between departments (such as budgeting, academics, etc.)
- **Districts report that their planning is much more “needs-based”** and focused on aligning the budget with goals
- **LCFF dollars sometimes go to strategic, research-backed strategies**

Challenges

“We’re flying the plane as we’re building it. We’ve lived in the era of categorical programs, where it was all compliance and monitoring, but to be told, here’s the money, figure it out, and do it within the context of having everything cut, and the template changing...it’s hard.”

—Superintendent of a small rural district

“There was really no professional development on how to develop a strategic plan, or on how do you adequately allocate resources so that you can do the things you want to do.”

—Superintendent of a midsize suburban district

On the other hand, plenty of district, county, and charter leaders agreed that the LCAP as currently written is problematic. This finding is widespread, and is at the core of why The State Board of Education is reviewing the LCAP in the summer of 2016. The core concerns are that the LCAP is long, difficult to read, time consuming to create, divorced from other important planning documents (such as the budget),

and doesn't present a coherent narrative of what a district is doing to meet its important goals or to serve low-income students, English learners, and foster youth.

The districts we interviewed also complained of a lack of capacity, time, and staff to run community meetings and complete the LCAP. Some had positive experiences with their County Offices of Education, who provided useful trainings and feedback. But many districts felt that county offices reinforced a "compliance" mindset around the LCAP. Their trainings focused on how to fill out the form properly, and feedback on the LCAP was often limited to small wording changes or requests to fill in more detail around funding sources.

Finally, we heard of several districts that were using their new dollars in what could be called "unstrategic" ways. This includes:

- Restoring small cuts to class sizes across-the-board (without a firm theory for how that would improve instruction)
- Raising teacher compensation when there was not clear evidence that it was needed to retain top talent, or without negotiating anything in exchange
- Bowing to community pressure to invest in services that did not align with district priorities
- Paying down deferred maintenance mostly out of fears that LCFF money will go away

In many cases, leaders had an understandable fear that the LCFF would not last long, and either their new money or their new autonomy would be taken away. Therefore, they were hesitant to make significant changes. Most leaders seemed to understand the basic intention of LCFF, but at least one called it simply "repackaged funding" and presented it to his community in terms of the old categoricals. Many districts were hesitant to get into battles with the teachers' unions over the contract, and kept such issues like compensation, career path, teacher leadership roles, etc., out of the public conversation. While all of these are reasonable reactions, they stand in the way of seeing LCFF as a transformational opportunity.

Summary of Challenges:

- **LCAP is "too much"**
 - Too long, complex, time consuming, and duplicative of other plans
- **LCAP paints a fractured picture of district strategy**
 - Not a holistic picture of district activities
 - Dollars are hard to track back to budget
 - Wide variation in which dollars are included in the LCAP, and how
 - There is too much focus on tying dollars to programs rather than on outcomes
- **Districts lack capacity/time for community engagement and strategic planning**
 - Unsure how to manage diverse community input and keep focus on students
 - Not skilled in process, assessing impact of strategies, looking beyond programmatic changes
- **County Offices of Education focus on compliance, not strategy**
 - Training and approval process focus on compliance
- **Districts misunderstand or mistrust local control**
 - Districts may think of LCFF as categoricals in new packaging
 - Districts may be afraid that funds or flexibility will be taken away, so they act conservatively

Proposals

A lot of the momentum for change in California comes from the prospect of growing budgets and “new” money. But what about once LCFF has entirely kicked in? What force or internal process will keep districts focused on continuous improvement?

As educational researcher Michael Fullan has called it, the LCFF represents a “golden opportunity” for districts to not just fill back the cuts that were made during the Great Recession, but to reevaluate the way they do business.^v In 2005, before the recession, just 21% of 4th grade students were proficient in reading on the National Assessment of Educational Progress (NAEP); in 2015, after five years of cuts, their performance had crept up to 28%.^{vi} California students were not succeeding before the recession; why should districts merely return to that world and add more programs on top?

But there are other ways for districts to organize their resources, and for counties to support them in learning about these new ways. Some of this can be done with the current LCAP model, but in the long run, a new model is needed. We propose that the state:

1. **Streamline or replace LCAP:** Many other observers have noted that the LCAP is unwieldy, and could come in a better format. But one superintendent suggested another method: instead of updating the LCAP form every year, give districts a set of criteria that their “LCAP” must meet, and then allow districts to hand in any strategic plan that meets the criteria. A similar idea was discussed at The California Collaborative for District Reform meeting in November 2015, with the Baldrige Criteria as a guiding framework.^{vii} Researcher Michael Fullan also advocates for a simpler approach to LCAP, in which districts submit any document that clearly explains:
 - a. **What actions they are taking**
 - b. **Why** they chose these
 - c. **What success looks like** if they take these actions, and
 - d. **What evidence** will they use to judge if the actions taken are having the intended and desired results

Regardless of the exact form, such criteria would need to ask districts to clearly state goals, describe how the district’s action and strategies will meet those goals, describe how the community provided input, and explain expenditures. But freed of the form, districts might be able to accomplish this by using the other strategic plans they have already created.

2. **Consider replacing Section 3 of the LCAP with resource use metrics:** Even if the LCAP remains for a while or morphs into a list of criteria, one section deserves revisiting: Section 3, which asks districts to describe their proportionally higher investment in high-need students. That section encourages districts to target only their supplemental and concentration funds at serving targeted students, rather than forcing districts to rethink how they use even base funds to “increase and improve” services. While the legislation rightfully directs districts to spend proportionally more money on high need students, that doesn’t have to come in the form of extra programs laid on top of mediocre basic education. If districts invest to move highly effective teachers to high-need schools, help schools rearrange the school day to provide job-embedded support focused on Common Core and analysis of student data, give school leaders more flexibility over their staff and time at their unique school, and put in place a handful of other fundamental resource shifts, that can change the game for underserved students more than extra programs. The next generation of the

LCAP (or its replacement) should encourage districts to tell a holistic story of how resources are shifting to support students.

Our proposal then would be to remove Section 3 and substitute resource data like the Resource Snapshots so that districts get clear about how low income, English learners and foster youth are being served, and ensure that districts describe how their fundamental educational program meets the goal of increasing and improving services for those students.

3. **Provide opportunities for district teams to learn about the broad range of potential resource transformations**—beyond adding or cutting programs. This means taking a hard look at fundamental cost drivers such as teacher compensation and career path; use of time for students and teachers; and support structures like principal training and cross-departmental teams. In [“Seizing the Moment for Transformation.”](#) ERS Executive Director Karen Hawley Miles lays out seven potential areas of transformation:

- Restructure one-size-fits-all teacher **compensation and job structure**
- Realign **investments in professional development** to focus on expert support and time for teaching teams to learn and implement Common Core
- Rethink **rigid class sizes** and one-teacher-per-classroom models
- Optimize **existing time** to meet student and teacher needs
- Leverage **technology and outside partners** to personalize and expand access to diverse educational opportunities
- Redirect **special education spending** to early intervention and targeted individual attention for all students
- Support and develop school **leadership teams**

This does not mean that the state should mandate, incentivize, or promote any particular strategy. Local control is still a core tenet of the LCFF. Yet at least some districts are hungry to take advantage of their new autonomy, and looking for research-backed best practices. The state and philanthropic organizations can play a role in facilitating access to new information by:

- Promoting and supporting peer networks for mutual sharing
- Supporting trainings on these topics, geared to the entire leadership team
- Incorporating information about transformational resource strategies into the evaluation rubric or the materials that accompany it

One tool that districts can use to test out new ways of using resources is [School Budget Hold'em](#), a free, interactive online tool that helps districts consider different investments and savings to reach a budget target or desired student impact. Though it's hard, districts can also learn to take a [“return-on-investment” approach](#) to understand what works in their district—not just for one-off programs, but even for fundamental investments and structural changes.

Widening the Lens Beyond Strategic Planning: Policy Context and Day-to-Day Decision Making

So districts have chosen their priorities, consulted resource data, and written strategic plans that incorporate the community perspective and align resources to goals—in other words, Steps 1 and 2 of the strategic planning process that have been a primary focus of the LCAP and of this project.

But everyone knows that excellent student results don't flow automatically from a plan. For the LCFF to succeed, we must widen the lens one more time and start to consider the context within which the funding law functions. This means thinking about two ends of the spectrum:

- State policies that foster or constrain local innovation under the LCFF
- Supports to ensure that districts follow through on their plans and actually change how they use their resources day to day

In other words, we need to step back and look at the big picture surrounding the LCFF, and then zoom in to see the detailed picture of how a strategic plan connects to reality on the ground. In part, this involves looking more closely at the parts of the strategic planning process that we have named Step 3: Act on Plan and Monitor Progress (which the current LCFF does not significantly touch), and Step 4: Adjust Strategies and Goals as Needed (which is supposed to happen through yearly updates to the LCAP, but which needs much more support than is currently provided).

This also requires a new vision for how the state can become a true partner to districts, and not a compliance cop. In general, states have three main roles in shaping how districts use their resources. They can:

- Allocate funding
- Regulate district action
- Catalyze district improvement

California has already made significant changes to its allocation formula. Moreover, the LCFF also removed many “regulations” on funding—by eliminating dozens of categorical funding streams, it removed strings from state money and put the “local” in local control. Yet there may still be many state policies that unwittingly constrain what districts can actually do to meet their community's needs. In our work with other states, we have identified possible constraints around issues like class size mandates, teacher evaluation systems, teacher compensation, seat-time-based graduation requirements, or teacher certification and professional development requirements. Often, state rules are built around a commendable goal, like ensuring that all students graduate career and college ready, or that teachers have access to professional development. But by mandating inputs, these “legacy” policies hold districts back from true innovation. The LCFF moves us toward outcomes accountability; other state policies must follow suit.

Additionally, the state can embrace its role as catalyzer of district innovation and improvement. Being a catalyzer means using its reach and scale to connect districts, spread best practice, and make life easier for districts. Some examples include:

- **Fostering innovation** by linking districts to peer networks, research on resource strategies, and technical assistance
- **Ensuring access to data** that supports strategic decision making

- **Intervening with intensive support** for chronically struggling districts, **or broadcasting the successes** of those beating the odds.

The LCFF already provides a foundation for this through the accountability system, regulations around intervening with persistently failing districts, and by setting up the California Collaborative for Educational Excellence. These supports are primarily based around the strategic planning and accountability processes.

But the state can also be a catalyzer of district success by supporting the hard work districts do to turn their plans into reality. Every month, district administrators, principals, and even teachers make many resource allocation decisions that often aren't guided explicitly by a plan:

- Budgeting and purchasing
- Portfolio management
- School allotments
- Leadership and management staffing
- Teacher hiring and assignment
- Teacher teaming
- Professional development for teachers
- Workforce management
- Compensation and career path structure
- Program placement
- Scheduling
- Student grouping

To ensure these decisions are actually strategic, districts need to make many difficult structural changes such as bringing together different central office departments, better aligning timelines, and providing ample guidance and support to principals. But one key piece of this puzzle is access to the right kind of data. For a more complete description of the potential state role in providing districts access to such data, see [“Spinning Straw into Gold: How State Education Agencies Can Transform Their Data to Improve Critical School Resource Decisions.”](#)

Earlier in this report we introduced the concept of Resource Snapshots, which show data such as teacher effectiveness, class size, and spending across student and school types. This kind of data can help a district identify trends, highlight areas that are underinvested, and choose new strategies. It can also be shared with the community to help define priorities.

That same resource data can be broken down further as Resource Snapshots for Managing. These track resource data down to the individual principal, teacher, and students, and should be used by district staff *only* to make managerial decisions—never shared publically. For example, let's take teacher effectiveness and experience data. A district might publically release data showing that highly effective teachers are not evenly distributed across the district, or aren't placed at key transition years, like 6th grade. This data could be used as part of a public process to identify teacher assignment as an important resource priority. But a principal supervisor would later use a more detailed report to identify which of her principals is better at distributing effective teachers throughout teacher teams. She could then provide more support to those leaders who are not skilled in this area, or ask the skilled principals to guide others. Resource Snapshots for Managing allow principals and principal supervisors to make more informed decisions that hew closer to the district's stated goals and strategies.

ERS supported Charlotte-Mecklenburg Schools to make these reports (called School Resource Use Reports) for every principal, which we explain in [“Another Year, Another School Plan?”](#)

Importantly, these reports are most useful when they contain comparative metrics across districts, so that leaders can see their data points in context of how their peers are performing. This is impossible for each district to accomplish on its own, creating a clear justification for the state to ensure that such reports are available to local decision makers.

Proposals

The state can play an important role in addressing the context within which the LCFF functions—but it's important to note that it's not *just* the state's job—foundations, technical assistance providers, and county offices of education can also step up to offer funding, creating networks, host data, spread best practices, and research state policies. Regardless of who, exactly, funds/implements these initiatives, the important activities are:

1. **Review state policies to determine which foster or constrain district innovation:** This involves looking closely at the policy, but also talking to county leaders, district leaders, principals, teachers, and community members about how the policies end up affecting resource decisions, perhaps in unexpected ways. The list of possible policies to consider include class size mandates, teacher evaluation systems, teacher compensation, seat-time-based graduation requirements, or teacher certification and professional development requirements—or others, as applicable to California specifically.
2. **Support districts in using Resource Snapshots for ongoing decision-making, and in gaining access to peer data for benchmarking:** This does not mean that the state needs to collect and distribute vastly more data—there are many ways to support district action and collaboration. Some ideas include:
 - County Offices of Education could help districts collect, clean up, and share data with each other, perhaps with state funding
 - The California Collaborative for Educational Excellence could convene a pilot network of districts interested in doing this work, perhaps as a part of the pilot suggested earlier.
 - The state can grant policy waivers to districts that invest to create new data systems and support structures
 - The state could build off the formidable and useful [Ed-Data.org](https://www.ed-data.org) platform to provide a space for districts to submit more granular data used for decision making. Any data that should not be made public could be protected behind a password but be accessible to administrators—and still comparable to peers.

In the ideal world, the state and districts would evolve to become true strategic partners, with the state taking advantage of its wide lens to provide comparative data, promote cross-district sharing of best practices, and enact regulations that maximize local flexibility while maintaining accountability.

Conclusion

LCFF is about to enter its third year of existence, already ahead of projections in terms of the funding. Districts are eager to keep their flexibility, their increased revenues, and even the requirement to engage the community. But the question now is, can we support them to move to the next level—past the stage of filling out a template, and toward an integrated strategic planning process based on clear data about where a district's resources are currently deployed? Can we spark innovation and get districts to look beyond the typical budget line items, to reconsider some of their fundamental cost drivers? And beyond the "plan"—to change the way we hire, support, and retain teachers, the way we organize course schedules, and distribute other precious resources—every day? If we widen our lens to see possibilities, we can.

Related Reports and Tools by ERS

“Seizing the Moment for Transformation in California”, Karen Hawley Miles and Randi Feinberg, Education Resource Strategies, May 2014

This publication explores how California districts can seize the moment of opportunity offered by LCFF to think strategically, think transformation, and think school leader empowerment. It offers seven ideas for how districts can transform the way they use resources by connecting their people, time, and money to student and teacher needs.

http://www.erstrategies.org/library/seizing_the_moment_for_transformation_in_CA

“Fulfilling the Promise of the LCFF: How a System-Strategy Return on Investment Approach Can Transform Education Spending in California”, Stephen Frank and Melissa Galvez, Education Resource Strategies, May 2015

This publication argues that education leaders need to take a new approach to return-on-investment thinking, starting with the fundamental student need and looking at all resources that could be redirected to meet that need. It lays out five steps to take a “system-strategy” approach, including advice for how to find the right data and consider the right questions.

https://www.erstrategies.org/library/fulfilling_the_promise_of_lcff

School Budget Hold'em: California

This interactive exercise allows school districts to choose among a set of savings and investments in order to reach their budget goals. Tailored to the California context, the exercise allows groups of stakeholders to consider the possibilities and tradeoffs of working with the resources you have.

<http://www.erstrategies.org/hold-em-california>

Resource Check: California

This short self-assessment allows district leaders to identify where they are using their resources strategically, and where they have room for improvement. It is a good first step to starting a new LCAP. http://www.erstrategies.org/assessments/resource_check_ca

Resource Check: Parents/ Padres

This self-assessment can be used by parents to offer input on topics such as teachers, funding, and leadership. Also offered in Spanish:

http://www.erstrategies.org/library/california_tools

Acknowledgments

This brief was made possible by The Charles and Helen Schwab Foundation, which has supported our work to help California districts make the most of LCFF. We are grateful to Kristi Kimball for being a valuable thought partner and advocate for this work; to the numerous district, county, and charter leaders who shared their experiences; and to several thoughtful peers at California organizations who read drafts of this report. We also gratefully acknowledge Marcus Johnson and Jason Willis, who contributed greatly to the research and writing. ERS is solely responsible for all ideas presented in this paper and for any errors.

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End Notes

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