

## **Funding Formula Projections**

### **Notes and Caveats**

With support from the Kabcenell Family Foundation and the Hewlett Foundation, the California Department of Education (CDE) has developed, a model to simulate proposals to change California's school funding system. At the request of the Legislature's budget subcommittees, the CDE has used the model to project local educational agency (LEA) funding under the Governor's Local Control Formula (LCFF), as proposed in January 2013, and compare those funding levels to projected funding levels under current law (the current-law projections assume restoration of deficits and a flat increase per average daily attendance, as described below). The projections reflect funding for school districts and charter schools only. not county offices of education.

Funding projections are illustrative only, and are not an exact projection of what any individual school district or charter school can expect to receive under any funding formula simulated. The actual Principal Apportionment calculations are extraordinarily complex and include some factors and adjustments that are not included in the data.

These projections do not constitute a commitment on the part of the state or the California Department of Education to provide the level of funding projected.

Please note the caveats below.

### **Notes on LCFF projections**

LCFF funding is calculated based on full funding of target funding levels, i.e. at the end of the phase-in period. This includes a cost-of-living adjustment (COLA) for 2013-14 but not for any subsequent years.

The supplemental/concentration factor is calculated based on free and reduced-price meals percentage plus 0.258 times the English Learner percentage, because unduplicated counts are unavailable for the 2011-12 fiscal year.

Under the LCFF, necessary small school average daily attendance (ADA) is funded at the greater of their target funding or the existing necessary small school formula.

County office funds transfers and associated ADA are shown at the district level, consistent with the LCFF proposal.

The projections are of state entitlements and do not account for property taxes, except that under the LCFF, minimum state aid is calculated to equal state categorical aid in the base year plus \$200 per ADA (Prop. 30).

[Information is available on the Governor's Local Control Funding formula proposal at the Department of Finance Web site.](#)

### **Notes on current law projections**

Current law projections are based on a restoration of deficits including Control Section 12.42 cuts, plus a 2013-14 COLA. The total amount of funding needed to restore funding and provide a COLA for 2013-14 is less than the total amount of the target amounts provided under the LCFF, so around \$1,200 per average daily attendance (ADA) was added to each entity's funding level so that totals match LCFF totals statewide.

County office funds transfers and associated ADA are shown at the district level, to provide a basis for comparison with the LCFF proposal.

The projections are of state entitlements and do not account for property taxes.

### **Notes on data sources**

Most of the data used in the model are for 2010-11.

The data are point-in-time and do not represent the final information for a given fiscal year.

The data represent state funding allocations data and may not match data submitted by LEAs in their annual financial reports. Some major reasons for differences include: (1) the fiscal year the state counts funding may be different from the fiscal year that revenue is recorded at the local level and (2) the local agency may not receive all the funding to which Regional programs, such as Beginning Teacher Support and Assessment, are not allocated to constituent jurisdictions.

Locally funded charters are shown separately rather than being rolled up into the authorizing school district's data. This will be a problem for some categorical programs, where funds for charter schools flow to the school district, not to the charter schools (Arts and Music Block Grant is the biggest of the affected programs).

Data for programs operated by the Commission on Teacher Credentialing has not been loaded.

Portions of appropriations may be unallocated, so some totals may not match the appropriation.

For ADA, most data are from the Annual Apportionment, but grade level data are from the P-2 Apportionment (last certified date).

Enrollment data, including FRPM and EL counts, are from 2011-12, not 2010-11. Thus, closing charters will have funding and ADA data in 10-11 but no enrollment data, while new charters will have enrollment data but no funding or ADA data. These charters are excluded from the model.

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