July 28, 2014

Debra Thacker, Regulations Coordinator
Legal, Audits and Compliance Branch
Administrative Support and Regulations Adoption Unit
California Department of Education
1430 N Street, Suite 5319
Sacramento, CA 95814

RE: Comments regarding proposed changes to regulations: Proposed Section 15479.5 (LCAP
        Template and Annual Update)

Dear Ms. Thacker:

We are writing as a coalition of local education agencies (LEAs) and statewide organizations representing school administrators, school board members, county superintendents and school business officials to provide feedback on the proposed regulations for the LCAP.

Our comments are based on the following premises:

The LCAP was not intended to be an expenditure document – its purpose was to be transparent about the goals/services/actions for all students within the context of the eight state priorities, including the cost of implementing these services/actions.

Since the passage of LCFF in June 2013, LEAs have embarked on a sea change in the form of both funding and accountability. In many respects, the funding formula is easier for LEAs to adjust to because the manner in which funding is distributed (i.e., base grant, supplemental, or concentration) is straightforward. Accountability, in the form of the LCAP Template, is a more complicated prospect for all involved – LEAs, parents, and stakeholders. Coupled with the fact the template only became law in January, LEAs have worked diligently, along with all parties involved, to make this process successful while at the same making it meaningful. As such, we would caution the SBE to not make many significant changes to the types of information required in the LCAP because the more information, including budget expenditures, that is required the more the focus shifts from a document about the vision/goals, services, and outcomes for students to one that is overly complex and emphasizes fiscal inputs rather than student achievement and learning.

The LCAP was never intended to be an expenditure document that a lay person could pick up to see the LEA's *entire* budget in black and white. Its purpose was to provide transparency about the goals/services/actions for all students within the context of the eight state priorities, including the cost

of implementing these services/actions. Likewise, when the SBE adopted expenditure regulations in January, the LCAP was intended to be transparent about the "increased or improved services" provided to unduplicated pupils. Also, as part of this standard, the regulations make clear demonstration of "increased or improved" services can be measured both quantitatively *and* qualitatively, meaning that a budget expenditure is not always involved.

In addition, LEAs are subject to many expenditure requirements outside of the LCAP process, including annual audits and the AB 1200 annual budget requirements. In fact, the 2014-15 K-12 Audit Guide was recently adopted to reflect expenditure requirements under LCFF, including its interaction with the LCAP Template. Therefore, we ask that your deliberations regarding changes to the template be considered in the context of all of the other expenditure/budget requirements LEAs must meet.

We also caution against major changes to the requirements of the LCAP due to the simple fact that the evaluation rubric has not been developed yet and is not expected to be until October 2015. This rubric will guide county superintendents of education in their evaluation of LCAPs. This rubric may include more detailed academic or budget information, but that will not be determined until the rubric is finished.

Positive student outcomes and closing achievement gaps should be the focus of the LCAP.

In January 2013, Governor Brown released his proposed budget and as part of his summary document, he described his proposed K-12 funding formula – which became the LCFF – as follows:

> "The proposal will increase local control, reduce state bureaucracy, and ensure that student needs drive the allocation of resources. The new funding formulas will also greatly increase transparency in school funding, empowering parents and local communities to access information in a more user‑friendly manner and enhance their ability to engage in local school financial matters. The goal is to ensure sufficient flexibility and accountability at the local level so those closest to the students can make the decisions."

Whether representing school districts or county offices of education, all of us shared and supported the Governor's vision for this funding system. In particular, we strongly agreed with the Governor's concepts regarding transparency, flexibility, and accountability at the local level. It is this premise that has guided our work over the last six months in developing over 1,000 LCAPs.

Many of us expressed concerns regarding the readability and transparency of Sections 2 [Goals/Actions] and 3 [Expenditures] of the template that was adopted via emergency regulations in January 2014. The proposed changes to these two sections are an improvement, from both an administrative and user standpoint. The proposed template places the goals, services, and expenditures in one document, which will allow for true transparency and a more robust stakeholder engagement process during the LCAP annual revision process.

However, some of the proposed changes to the LCAP template that were discussed at the July 2014 SBE meeting suggest an erosion of the governor's original vision and instead move the template towards becoming *a document driven by compliance rather than student outcomes and closing achievement gaps*. For example, the proposed template displayed on page 8 of the LCAP Template document

suggests LEAs must account for every dollar expended for each pupil subgroup, with particular reference to unduplicated pupils. As such, we offer the following comments and suggested revisions to the template. The proposed revisions are displayed in the attached versions of the primary LCAP Template and the Annual LCAP Template Update, and are intended to replace pages 8 and 10, respectively.

Comments on Proposed Section 15479.5 (LCAP template)

As proposed, the template [page 8] emphasizes the amount of funding expended on each pupil subgroup rather than the amount expended on the action/service aligned to the goal the LEA, along with their stakeholders' input, determined will improve student outcomes. *The LCAP Template should clearly align the expenditure with the action/service and indicate the appropriate pupil subgroup this action/service will benefit.*

LEAs want to be transparent with their stakeholders and display the amount of funding they are expending on the action/service. Most importantly, they want their stakeholders to know why this expenditure will benefit students and close achievement gaps. *By proposing to tie expenditures to pupil subgroups, the template creates an impossible accounting challenge that cannot be reconciled.* For example, an LEA receives supplemental or concentration grant funding based on whether the pupil is either an English learner (EL), low-income (LI), or a foster youth. The LEA receives only one allocation regardless if the pupil is both an EL and LI, hence the term unduplicated. The proposed template indicates expenditures are to be detailed by subgroup and for an unduplicated pupil a dollar may be counted twice, which does not accurately reflect expenditures.

RECOMMENDATION:

We request the State Board adopt the attached revised template that more clearly ties expenditures to the action/service, while at the same time clearly delineating the pupil subgroups this action/service will benefit. We believe the template we are submitting is easier to read and refocuses the discussion on the action/service that has been determined will lead to better outcomes for students.

Comments on Proposed Section 15479.5 (LCAP Template Annual Update)

The use of the term "Actual Expenditures" in the annual update chart is problematic. The term "actual" creates a problem in that when the LCAP is adopted LEAs will not have their final "actual" expenditures to report. Given the new audit requirements outlined in the 2014-15 Audit Guide, the use of this term may have significant consequences for LEAs. To be clear, we have no problem reporting this information when it is final and accurate [usually in the fall/winter], but asking LEAs to guess and report this information on their LCAP in June is unworkable and may leave them open to statutory penalties.

RECOMMENDATION:

We request the State Board adopt the revised "Annual Update Template Chart," which incorporates the changes referenced above and deletes the term "actual," replacing it with the term *"Budgeted Expenditures for Action/Services."*

Conclusion

Each of the LEAs and statewide organizations are committed to working with all of the collective stakeholders toward a successful implementation of LCFF, including the LCAP process. We embrace the challenge to be held accountable for student goals and services/actions, including the expenditures necessary to successfully implement the services/actions. We wholeheartedly want our community stakeholders, particularly our parents, to provide input and be able to easily answer the following questions in the annual update template:

- Did LEAs do what they said they were going to do?
- Did they expend X amount of dollars on the specific service/action to serve the identified subgroups?
- Most importantly, did the goals and their corresponding services/actions lead to better outcomes and close the achievement gap for students?

Ultimately, the LCFF regulatory process should be focused on students and establishing a process that supports providing access to quality services for them to achieve at high levels. This is the promise of LCFF. In order to fulfill this promise, local educators need to have the flexibility to work with their stakeholders to implement services that best meet the needs of their students.

Lastly, we would like to thank the State Board of Education (SBE) and its staff for establishing an inclusive tone throughout the Local Control Funding Formula (LCFF) and LCAP regulatory process. In particular, we commend the SBE staff for being accessible and exemplifying a willingness to address concerns of K-12 education stakeholders as they developed the regulatory package. We look forward to continuing our work with the Board as it moves forward in the regulatory process.

Thank you for your consideration of these recommended amendments to the LCAP Template and Annual Update Template Chart. Please see enclosed document that details these revisions. If you have questions, please feel free to contact Kimberly Rodriguez, Legislative Advocate for the Association of CA School Administrators at krodriguez@acsa.org, Patti Hererra, Chief Governmental Relations Officer for Riverside County Schools at patti@rcsaa.com, or Jeff Vaca, Deputy Executive Director of Governmental Relations, California School Business Officials at jvaca@casbo.org.

cc: State Superintendent Tom Torlakson
        Karen Stapf Walters, Executive Director, State Board of Education
        Judy M. Cias, Chief Counsel, State Board of Education
        Elisa Wynne, Project Manager, Local Control Funding Formula
        Brooks Allen, State Board of Education
        Cathy McBride, Office of the Governor

Guiding Questions:

1) What are the LEA's goal(s) to address state priorities related to "Conditions of Learning"?

2) What are the LEA's goal(s) to address state priorities related to "Pupil Outcomes,"**including improving deficiencies in positive outcomes for numerically significant pupil subgroups, redesignated fluent English proficient students, and unduplicated pupils (i.e., English learners, low-income, and foster youth)**?

3) What are the LEA's goal(s) to address state priorities related to parent and pupil "Engagement" (e.g., parent involvement, pupil engagement, and school climate)?

4) What are the LEA's goal(s) to address any locally-identified priorities?

5) How have the unique needs of individual school sites been evaluated to inform the development of meaningful district and/or individual school site goals (e.g., input from site level advisory groups, staff, parents, community, pupils; review of school level plans; in-depth school level data analysis, etc.)?

6) What are the unique goals for unduplicated pupils as defined in Education Code sections 42238.01 and **numerically significant** subgroups as defined in section 52052 that are different from the LEA's goals for all pupils?

7) What are the specific **expected** outcomes, metrics, **and measurable** changes associated with each of the goals annually and over the term of the LCAP?

8) What information (e.g., quantitative and qualitative data/metrics) was considered/reviewed to develop goals to address each state or local priority?

9) What information was considered/reviewed for individual school sites?

10) What information was considered/reviewed for **numerically significant** subgroups identified in Education Code section 52052?

11) What actions/services will be provided to all pupils, to **numerically significant** subgroups of pupils identified pursuant to Education Code section 52052, to specific school sites, to **unduplicated students** (English learners, to low-income pupils, and/or to foster youth) to achieve goals identified in the LCAP?

12) How do these actions/services link to identified goals and performance indicators?

13) What expenditures support changes to actions/services as a result of the goal identified? Where can these expenditures be found in the LEA's budget?

GOAL:		
Expected Annual **Measurable** Outcomes (In each year, must include all metrics as applicable, pursuant to Education Code sections 52060 and 52066 **and any local metric**:		
LCAP Year 1: xxxx-xx	LCAP Year 2: xxxx-xx	LCAP Year 3: xxxx-xx
Describe the need(s)identified, including a description of the supporting data, to develop the goal:		
Applicable **Numerically Significant** Pupil Subgroups pursuant to Education Code section 52052:		
Schools Affected:		
Related State and/or Local Priorities:		
Action/Services and Related Expenditures		
LCAP Year 1: xxxx-xx	**Budgeted Expenditures for each Action/Service**	**Targeted Pupils (excluding Unduplicated Pupils)**
		□ All Pupils □ Numerically significant subgroups. Specify:

2 Attachment of Revised LCAP Template per ED Management Coalition Ltr dated 7/28/14

	Budgeted Expenditures for each Action/Service	Targeted Unduplicated Pupils
LCAP Year 1: xxxx-xx		
		□ Low-Income Pupil □ English Learners □ Foster Youth □ RFEP

	Budgeted Expenditures for each Action/Service	Targeted Pupils (excluding Unduplicated Pupils)
LCAP Year 2: xxxx-xx		
		□ All Pupils □ Numerically significant subgroups. Specify:

	Budgeted Expenditures for each Action/Service	Targeted Unduplicated Pupils
LCAP Year 2: xxxx-xx	**Budgeted Expenditures for each Action/Service**	**Targeted Unduplicated Pupils**
		□ Low-Income Pupil □ English Learners □ Foster Youth □ RFEP
LCAP Year 3: xxxx-xx	**Budgeted Expenditures for each Action/Service**	**Targeted Pupils (excluding Unduplicated Pupils)**

4 Attachment of Revised LCAP Template per ED Management Coalition Ltr dated 7/28/14

		□ All Pupils □ Numerically significant subgroups. Specify:

LCAP Year 3: xxxx-xx	**Budgeted Expenditures for each Action/Service**	**Targeted Unduplicated Pupils**
		□ Low-Income Pupil □ English Learners □ Foster Youth □ RFEP

Complete a copy of this table for each of the LEA's goals. Duplicate and expand the fields as necessary.

Annual Update

Annual Update Instructions: For each goal in the prior year LCAP, review the progress toward the expected annual outcome(s) based on, at a minimum, the required metrics pursuant to Education Code sections 52060 and 52066. The review must include an assessment of the effectiveness of the specific actions. Describe any changes to the actions or goals the LEA will take as a result of the review and assessment. In addition, review the applicability of each goal in the LCAP.

Guiding Questions:

1) How have the actions/services addressed the needs of all pupils and did the provisions of those services result in the desired outcomes?

2) How have the actions/services addressed the needs of all numerically significant subgroups of pupils identified pursuant to Education Code section 52052, including, but not limited to, unduplicated students (English learners, low-income pupils, and foster youth); and did the provision of those actions/services result in the desired outcomes?

3) How have the actions/services addressed the identified needs and goals of specific school sites and were these actions/services effective in achieving the desired outcomes?

4) What information (e.g., quantitative and qualitative data/metrics) was examined to review progress toward goals in the annual update?

5) What changes in actions, services, and expenditures will be made as a result of reviewing past progress and/or changes to goals? What changes/progress have been realized and how do these compare to changes/progress predicted? ~~What modifications are being made to the LCAP as a result of this comparison?~~

Original GOAL from prior year LCAP:	
Expected Measurable Outcomes (Must include all metrics, as applicable, pursuant to Education Code sections 52060 and 52066 and any local metric):	
Anticipated Measurable Outcomes:	Actual Measurable Outcomes:
Planned Action/Services and Related Expenditures	**Actual Action/Services and Related Expenditures**

LCAP Year xxxx-xx:	Budgeted Expenditures for each Action/Service	Targeted Pupils (excluding Unduplicated Pupils)	LCAP Year xxxx-xx:	Estimated Expenditures for each Action/Service	Targeted Pupils (excluding Unduplicated Pupils)
		□ All Pupils □ Numerically significant subgroups. Specify:			□ All Pupils □ Numerically significant subgroups. Specify:

LCAP Year xxxx-xx:	Budgeted Expenditures for each Action/Service	Targeted Unduplicated Pupils	LCAP Year xxxx-xx:	Estimated Expenditures for each Action/Service	Targeted Unduplicated Pupils
		□ Low-Income Pupil □ English Learners □ Foster Youth □ RFEP			□ Low-Income Pupil □ English Learners □ Foster Youth □ RFEP

What changes in actions, services, and expenditures will be made as a result of reviewing past progress and/or changes to goals?

Complete a copy of this table for each of the LEA's goals in the prior year LCAP. Duplicate and expand the fields as necessary.