After years of painful budget cuts, new revenues will begin to flow to California school districts in 2014. Thanks to the voters’ approval of Proposition 30 and the adoption of the Local Control Funding Formula (LCFF), nearly all districts can expect budget increases over the next several years. Districts that educate the most challenging students will see the largest gains. When the LCFF is fully implemented many schools and districts will receive 50 to 75 percent more revenue per pupil than they do now. (See Table 1 on the next page.)

The implementation of LCFF invites education leaders to look forward to 2020 rather than back to 2007 as they think about budget priorities. The prospect of steadily increasing revenues over several years makes it possible to think big about what they aim to accomplish for their students, and to develop long-term strategies for their schools and school districts. Being strategic rather than reactive in the implementation of LCFF is the key to long-term improvements in the performance of California schools and students.

Decisions about LCFF implementation should be guided by a vision of where the district aims to be in 2020, based on evidence and developed in consultation with teachers, parents, political and business leaders and community members. The political pressure to raise salaries, restore programs, and reverse budget cuts is naturally intense, but a unique opportunity will be squandered if LCFF rev-
Table 1. LCFF: Revenue Projections

<table>
<thead>
<tr>
<th>COUNTY</th>
<th>DISTRICT</th>
<th>2013-14 $/ADA*</th>
<th>FULL IMPLEMENTATION $/ADA*</th>
<th>% INCREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alameda</td>
<td>Oakland USD</td>
<td>$7,362</td>
<td>$10,951</td>
<td>49</td>
</tr>
<tr>
<td>Contra Costa</td>
<td>West Contra Costa USD</td>
<td>$6,885</td>
<td>$10,836</td>
<td>57</td>
</tr>
<tr>
<td>Fresno</td>
<td>Sanger USD</td>
<td>$6,999</td>
<td>$11,383</td>
<td>62</td>
</tr>
<tr>
<td>Kern</td>
<td>Richland Union ESD</td>
<td>$6,816</td>
<td>$11,761</td>
<td>73</td>
</tr>
<tr>
<td>Kings</td>
<td>Corcoran Joint USD</td>
<td>$6,696</td>
<td>$11,839</td>
<td>77</td>
</tr>
<tr>
<td>Los Angeles</td>
<td>Baldwin Park USD</td>
<td>$7,495</td>
<td>$12,312</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>Los Angeles USD</td>
<td>$7,837</td>
<td>$11,993</td>
<td>53</td>
</tr>
<tr>
<td></td>
<td>Long Beach USD</td>
<td>$6,601</td>
<td>$11,057</td>
<td>67</td>
</tr>
<tr>
<td></td>
<td>Whittier Union HSD</td>
<td>$7,557</td>
<td>$9,518</td>
<td>26</td>
</tr>
<tr>
<td>Riverside</td>
<td>Corona-Norco USD</td>
<td>$6,246</td>
<td>$9,483</td>
<td>52</td>
</tr>
<tr>
<td>Sacramento</td>
<td>Elk Grove USD</td>
<td>$6,540</td>
<td>$9,883</td>
<td>51</td>
</tr>
<tr>
<td></td>
<td>Sacramento City USD</td>
<td>$7,120</td>
<td>$10,939</td>
<td>54</td>
</tr>
<tr>
<td>San Diego</td>
<td>Coronado USD</td>
<td>$6,138</td>
<td>$8,472</td>
<td>38</td>
</tr>
<tr>
<td>Santa Clara</td>
<td>Milpitas USD</td>
<td>$7,259</td>
<td>$9,342</td>
<td>29</td>
</tr>
<tr>
<td>Tulare</td>
<td>Lindsay USD</td>
<td>$7,037</td>
<td>$10,316</td>
<td>47</td>
</tr>
</tbody>
</table>

*Note: Revenue per pupil in Average Daily Attendance


Envelopes are used only to backfill cuts or fund miscellaneous pet projects. Realizing the vision will require the establishment of clear and measurable goals for addressing specific problems and supporting specific groups of students.

In this report, PACE offers guidance on research-based strategies for LCFF implementation. We begin with three key principles that in our view must guide any long-term strategy for improvement in California’s education system. We then identify four key areas for the investment of new resources where research suggests that additional spending can produce real gains in the performance of schools and students.

Our report does not offer a standard template for LCFF implementation. The research evidence on which we draw points to strategies that promise positive results, but it cannot support firm prescriptions that would be equally effective in all California schools. The LCFF gives local leaders the autonomy and flexibility they need to adapt their budgets and plans to local circumstances and capacities. We therefore suggest some ways in which new resources can make a difference, but leave it to local leaders and their communities to decide which of these—alone or in combination—will lead to the greatest gains for local students.

GUIDING PRINCIPLES FOR LCFF IMPLEMENTATION

Since 2007, PACE has put forward three main recommendations for state education policy in California:

1. Target resources to the schools and students who need them most to reach state proficiency standards.
2. Reduce the administrative burden imposed by state mandates and categorical funding rules, giving local educators greater flexibility to experiment and innovate.
3. Construct a comprehensive education data system, and design and implement policies in ways that support learning about what works and what does not.

Two of these recommendations were largely realized with the adoption of the LCFF. The new formula targets additional resources to school districts that serve large numbers of poor children and English learners. It practically eliminates categorical funding programs, and greatly reduces the compliance burdens that school districts previously faced in accounting for their use of resources. The goal of building data and implementation systems that can support continuous improvement in policy and practice remains as distant as ever, for now.
In our view, the local implementation of LCFF should be guided by the same three principles that led state officials to adopt the LCFF in the first place.

**Target resources to the schools and students who need them most**

The LCFF steers additional resources to districts facing the greatest educational challenges, but leaves it up to district leadership to make sure that these new resources are used to benefit the students who need them most. This need not and should not require a new set of accounting rules to track dollars to the school or student level. Instead, districts will need to establish policies, goals and metrics that focus squarely on programs and practices that will expand opportunities and improve outcomes for the students that LCFF aims to support.

**Give local educators greater flexibility to experiment and innovate**

The LCFF dramatically reduces state control in California’s education system. Local educators have far more autonomy and responsibility for decisions about the use of resources and the design of policies now than they have had in recent decades. Increased flexibility will only make a difference for students if education leaders adopt plans and strategies that target the specific needs and problems of local schools and students. The authority to innovate, experiment and learn from one another should be given to principals and teachers, rather than guarded in the superintendent’s office.

**Design and implement policies in ways that support learning about what works and what does not**

Local policies should be designed and implemented to support continuous improvement in performance. Local educators should respond to the increased flexibility that they now enjoy not with random acts of innovation, but rather with systematic efforts to collect data, evaluate programs, and track results in order to learn what policies and practices work best for local schools and students.

Investments in local data systems and learning capacity will pay big dividends over the life of the LCFF, and far into the future. Some California school districts are working to strengthen their internal capacity to collect and use data, and other districts can learn from and build on their experiences.

**LCFF supports a long-term strategy**

The revenue targets foreseen in the LCFF will only be fully achieved in 2020, with the flow of resources increasing steadily over time. The resources that LCFF provides can be used to leverage the kinds of long-term institutional changes that are otherwise difficult to bring about in local education systems.
Hire master teachers and instructional coaches

Increase support for students, teachers, and school leaders:
- Assistant principals
- Counselors, especially in high schools
- Librarians

**Community Engagement**

The successful implementation of the LCFF relies on schools and school districts to engage parents and the broader community in decisions about the use of LCFF resources. Involving parents and community members in the challenges that districts face can help to build their trust and support, and this in turn can have a significant impact on the performance of schools and students.

**Reach out to parents:**
- Make parents welcome in schools
- Give parents timely and useful information about their children's performance
- Provide meeting materials and other reports in multiple languages

**Engage the community:**
- Involve parents and community organizations in decisions about budget priorities and district strategy
- Build partnerships with local businesses and community organizations
- Provide health and other services in schools
- Establish community schools
- Use LCFF revenues to leverage additional local resources

**Information, Data Systems, and Technology**

Districts can build data systems to track the implementation and impact of local innovations under LCFF. They can also develop strategies to ensure that information is shared with those who can make best use of it, including teachers, parents, and the broader community, and to strengthen the capacity of these groups to produce, use, and share information.

**Invest in organizational learning and continuous improvement:**
- Track student performance across schools, programs, and sub-groups
- Expand use of formative assessment
- Design pilot programs and policy experiments
- Evaluate new programs and practices to measure their impact

**Share information widely:**
- Focus IT staff on producing information that is useful to teachers and parents
- Provide easy access to school report cards and data dashboards
- Develop budget systems that track resources to the school level

**Invest carefully in new technology:**
- Adopt a flexible and adaptable strategy
- Hire instructional coaches to help teachers make use of new technology
- Ensure adequate technical support for schools and teachers

**LINK LCFF RESOURCES TO COMMON CORE STATE STANDARDS**

California’s adoption of the Common Core State Standards (CCSS) promises better teaching and deeper learning for all California students. Full implementation of the CCSS will unfold over several years, which coincide with the rollout of LCFF. The simultaneous implementation of LCFF and CCSS gives school districts a unique opportunity to engage in long-term strategic planning that ties growing resources to a vision of where the district aims to be in 2020. Leveraging the resources and flexibility that LCFF provides to support CCSS implementation is the key to improving teaching and learning in classrooms throughout the state.

**CONCLUSION**

The implementation of the LCFF over the next few years provides an unprecedented opportunity for local educators. Greatly increased autonomy and flexibility allows them to work in partnership with their communities to make lasting improvements in the quality and effectiveness of the instruction and other services that they provide for their students. A steadily increasing flow of resources over several years can support long-term strategies for change. In this report we have identified four critical areas where the thoughtful expenditure of LCFF revenues can bring about real gains in performance for schools and students. By thinking long-term and investing in these areas education leaders can take full advantage of the opportunity that the LCFF offers.
SPECIAL THANKS

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Policy Analysis for California Education (PACE) is an independent, non-partisan research center based at Stanford University, the University of California Berkeley, and the University of Southern California. PACE seeks to define and sustain a long-term strategy for comprehensive policy reform and continuous improvement in performance at all levels of California’s education system, from early childhood to post-secondary education and training. To accomplish this goal, PACE bridges the gap between research and policy, working with scholars from California’s leading universities and with state and local policymakers to increase the impact of academic research on educational policy in California.

Founded in 1983, PACE:

- Publishes policy briefs, research reports, and working papers that address key policy issues in California’s education system.
- Convenes seminars and briefings that make current research accessible to policy audiences throughout California.
- Provides expert testimony on educational issues to legislative committees and other policy audiences.
- Works with local school districts and professional associations on projects aimed at supporting policy innovation, data use, and rigorous evaluation.