

# The Principle of Equity in the Local Control Funding Formula:

## Assessing the Supplemental Grant and Options for Improving Its Fiscal Design



# The LCFF Supplemental Grant: A Stride Toward Equity

- ▷ The fiscal design of the supplemental grant:
  - ❖ Recognizes that money matters for student outcomes.
  - ❖ Establishes students' education needs as a foundational principle of California's K-12 education finance system.
  - ❖ Targets additional funding for student groups with greater needs.



# The Supplemental Grant Has Helped Achieve Desired Outcomes

- ▷ LCFF-induced increases in per pupil spending:
  - ❖ Improved students' math and reading achievement.
  - ❖ Reduced the probability of grade repetition.
  - ❖ Increased the likelihood of high school graduation and college readiness.
  - ❖ Decreased suspensions and expulsions.



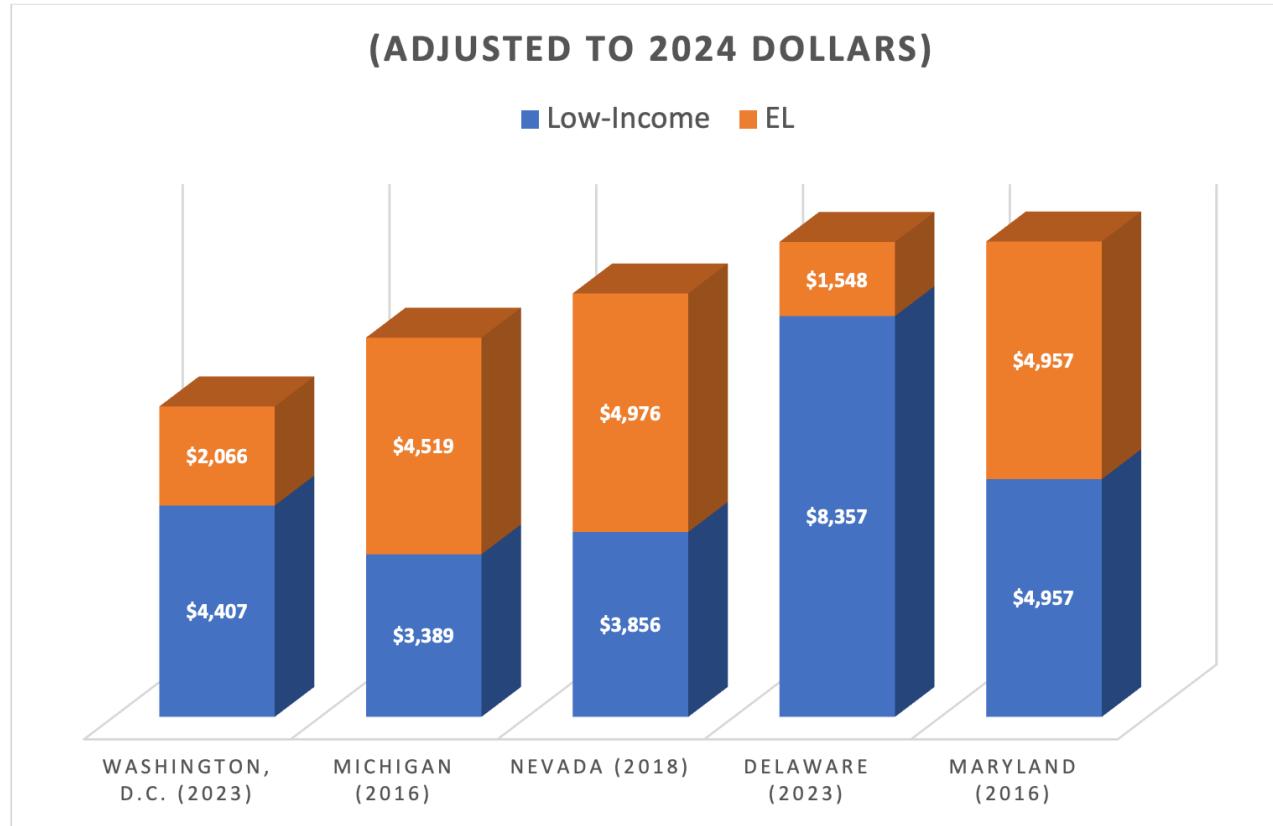
# Challenges in the fiscal design of the supplemental grant



# Is the Supplemental Grant Weight Adequate?

- ▶ Adequacy studies conducted in 5 states between 2016 and 2023 show the LCFF 20% supplemental grant weight is comparatively:
  - ❖ At the lower end of weights recommended for English learners that ranged from 15% to 40%.
  - ❖ Below the lowest recommended weight for “at-risk” students that ranged from 30% to 81%.

## Recommended Additional Funding for Both Low-Income/At-Risk and EL Students



Source: Augenblick, Palaich & Associates. (2016). *Final Report of the Study of Adequacy of Funding for Education in Maryland*. Authors; Augenblick, Palaich & Associates. (2016). *Michigan Education Finance Study*. Authors; Augenblick, Palaich & Associates, Education Commission of the States, & Picus Odden and Associates. (2018). *Nevada School Finance Study*. Authors; Afton Partners, Augenblick, Palaich & Associates, & Metropolitan Strategies & Solutions. (2023). *2023 School Funding Study Final Report*. District of Columbia Office of the Deputy Mayor for Education; Atchison, D., Levin, J., Fatima, S., Trauth, A., Srikanth, A., Heberle, C., Gannon-Slater, N., Junk, K., Wallace, L., & Baker, B. (2023). *Assessment of Delaware Public School Funding*. American Institutes for Research.

# How Does the Supplemental Grant Weight Compare to Other States?

- ▶ The LCFF supplemental grant weight of 20% is at the lower end of the range of states that use grant weights for English learners and “at-risk” students
- ▶ California is 1 of only 6 states that provide funding based on the unduplicated number of English learners and students from low-income families

# The Supplemental Grant Is Not Duplicated to Support Students with Multiple Needs

- ▶ Students categorized in more than one group targeted for supplemental grants generate the same funding as students who belong to only one group
- ▶ Students that generate supplemental grants are diverse and have distinct needs for achieving desired outcomes
- ▶ The supplemental grant does not recognize that students in more than one group identified for additional support often face compounded challenges





# Options for improving the fiscal design of the supplemental grant

# Improving the Supplemental Grant to Meet Student Needs

- ▶ Increase the supplemental grant weight
- ▶ Calculate the supplemental grant based on duplicated counts of students categorized in more than one group targeted for supplemental grants
- ▶ Recognize student groups with additional needs not currently targeted to receive support from supplemental grants