

Date of Hearing: April 27, 2022

ASSEMBLY COMMITTEE ON EDUCATION
Patrick O'Donnell, Chair
AB 2774 (Akilah Weber) – As Introduced February 18, 2022

SUBJECT: Education finance: local control funding formula: supplemental grants: lowest performing pupil subgroup or subgroups

SUMMARY: Augments the definition of “unduplicated pupil” for Local Control Funding Formula (LCFF) purposes by adding a pupil who is classified as a member of the lowest performing subgroup or subgroups, as defined, commencing with the 2023-24 fiscal year. Specifically, **this bill:**

- 1) Requires, for school districts, charter schools, and county offices of education (COE), the LCFF definition of “unduplicated pupil” to include a pupil who is classified as a member of the lowest performing subgroup or subgroups.
- 2) Requires the Superintendent of Public Instruction (SPI) to annually identify the lowest performing subgroup or subgroups based on the most recently available mathematics or English language arts results on the California Assessment of Student Performance and Progress (CAASPP).
- 3) Requires the SPI to use 2019 CAASPP results for the 2023-24 fiscal year.
- 4) Excludes the following subgroups from being identified pursuant to this calculation:
 - a) A subgroup already identified for LCFF supplemental funding (English learners, low-income pupils, and foster youth); and
 - b) Any subgroup specifically receiving supplemental funding on a per-pupil basis through state or federal resources received from a source other than LCFF (pupils with disabilities).
- 5) Requires county superintendents of schools to annually report the enrollment of pupils in schools operated by them who are classified as members of the lowest performing group or subgroups.
- 6) Provides that a subgroup identified in the 2023–24 fiscal year as a lowest performing subgroup shall continue to receive supplemental funding until its performance meets or exceeds the highest performing subgroup of pupils in the state.

EXISTING LAW:

Establishes the LCFF, which provides school districts, charter schools, and COEs with a base level of funding plus additional funding based on the enrollment of pupils who are either English learners, low income, or in foster care. Pupils that fall into more than one category are counted only once for LCFF purposes, hence the term “unduplicated pupil.”

FISCAL EFFECT: Unknown

COMMENTS:

Need for the bill. According to the author, “2019 statewide testing data shows that African American students are the lowest performing subgroup with 67% not meeting English Language Arts Standards and 79% not meeting Math Standards. The achievement gap for African American students is pervasive whether they are low-income or not. Low-income White students outperform non-low income Black students in math and science.

80,000 African American students, or just over a quarter are not receiving additional supplemental funding or accountability through the LCFF. Unfunded African American students are the only subgroup performing below the statewide average on ELA and Math that is not already receiving an LCFF supplement. That is to say that while the entirety of the current subgroups in the unduplicated pupil count receives supplemental funding, only a portion of the lowest-performing subgroup realizes this benefit.

A recent UC Berkeley study found that ‘schools in districts receiving concentration grants during the initial two years of Local Control Funding did engage in organizational change that parallels gains in pupil achievement, compared with schools in almost identical districts not receiving concentration grants. These benefits were largely experienced by Latino students and not by other groups at significant levels.’ (Lee & Fuller 2017, 2) The authors also note that their ‘inability to detect gains for Black students is worrisome.’ (Lee & Fuller 2017, 24) These early findings suggest that while LCFF supplements may be improving outcomes for Latino students, as intended, a notable gap remains for African American students.

AB 2774 would create a new supplemental grant category in the LCFF to include the lowest performing subgroup of students statewide (currently African American students) that is not already receiving supplemental state or federal funding. This would ensure that every student in the lowest-performing subgroup as defined in AB 2774, is generating additional supplemental funding to provide resources to increase their academic performance. AB 2774 would additionally ensure that local educational agencies (LEAs) including county offices of education, school districts, and charter schools are held accountable to provide additional services and improve academic performance for these students through their Local Control Accountability Plan where the LEA will describe how they plan to assist these high needs students in order to elevate their performance.”

Local Control Funding Formula. The LCFF was established in the 2013-14 fiscal year to address the achievement gap by providing more equitable funding among local education agencies (LEAs), that is, to provide a higher level of funding to LEAs that enroll larger numbers of unduplicated pupils so they could provide those pupils with additional services and support. The LCFF consists of three primary components:

- A base grant of the following amounts in 2021-22:
 - \$8,935 for grades K-3, which includes a 10.4% grade span adjustment for class size reduction;
 - \$8,215 for grades 4-6;
 - \$8,458 for grades 7-8; and

- \$10,057 for grades 9-12, which includes a 2.6% grade span adjustment for college and career readiness.
- A supplemental grant equal to 20% of the base grant for each unduplicated pupil.
- A concentration grant, equal to 65% of the base grant, based on the number of unduplicated pupils in excess of 55% of the district or charter school total enrollment.

This bill adds a pupil who is classified as a member of the lowest performing subgroup or subgroups as defined by EC 52052 to the definition of unduplicated pupil. That section defines subgroups to include the following:

- Ethnic subgroups
- Socioeconomically disadvantaged pupils
- English learners
- Pupils with disabilities
- Foster youth
- Homeless youth

However, the bill also exempts the following subgroups from its expanded definition of unduplicated pupil:

- A subgroup already identified for supplemental funding under LCFF (this includes socioeconomically disadvantaged pupils, English learners, Foster youth, and homeless youth); and
- Any subgroup specifically receiving supplemental funding on a per-pupil basis through state or federal resources received from a source other than the LCFF (this includes pupils with disabilities)

In effect, then, an ethnic subgroup is the only subgroup that would be added to the LCFF definition of unduplicated pupil.

The California Department of Education (CDE) reports test scores for the following subgroups:

- Black or African American
- American Indian or Alaska Native
- Asian
- Filipino
- Hispanic or Latino
- Native Hawaiian or Pacific Islander
- White
- Two or more races

According to data provided by the California Department of Education (CDE) and the author's office, the lowest-performing ethnic group is Black/African American. Therefore, this bill would add Black/African American pupils to the unduplicated pupil count for LCFF purposes.

Tables 1 and 2 show the 2018-19 test results in English/language arts and mathematics for all pupil subgroups.

Table 1: Mean Scale Score for English Language Arts/Literacy by Subgroup, 2018-19

Subgroup	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 11
All	2425.2	2466.1	2502.4	2524.8	2547.5	2560.8	2596.6
Economically Disadvantaged	2399.6	2438.7	2473.9	2496.8	2517.5	2530.9	2567.3
English Learners	2362.8	2396.6	2417.6	2432.3	2445.2	2451.7	2458.0
Students with Disabilities	2358.6	2386.3	2414.0	2425.9	2445.5	2458.8	2478.8
American Indian or Alaska Native	2398.2	2435.2	2469.7	2492.9	2514.3	2527.0	2563.3
Asian	2479.8	2527.5	2568.7	2590.9	2619.7	2634.3	2669.6
Black or African American	2386.4	2422.7	2458.1	2479.9	2500.9	2513.8	2542.3
Filipino	2464.4	2510.1	2547.5	2571.9	2599.0	2611.5	2645.8
Hispanic or Latino	2404.0	2443.2	2478.1	2501.1	2521.3	2534.3	2570.0
Native Hawaiian or Pacific Islander	2406.4	2448.0	2485.0	2509.3	2535.6	2543.7	2574.2
Two or More Races	2458.3	2500.1	2536.7	2559.7	2585.7	2598.9	2630.7
White	2455.1	2498.4	2536.9	2557.6	2583.5	2594.9	2630.7

Source: CDE

Table 2: Mean Scale Score for Mathematics by Subgroup, 2018-19

Subgroup	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Grade 11
All	2434.3	2472.0	2495.3	2513.8	2526.6	2539.9	2563.9
Economically Disadvantaged	2410.9	2446.9	2467.2	2481.6	2490.7	2501.2	2527.1
English Learners	2385.4	2418.4	2426.1	2422.6	2424.8	2425.2	2442.5

Students with Disabilities	2371.2	2402.0	2414.3	2406.1	2417.2	2421.1	2438.2
American Indian or Alaska Native	2408.9	2442.2	2462.7	2476.4	2488.0	2500.6	2520.5
Asian	2497.1	2541.4	2575.7	2607.0	2632.1	2656.2	2687.1
Black or African American	2393.2	2427.4	2445.9	2456.8	2467.9	2473.6	2497.8
Filipino	2469.7	2510.8	2538.4	2566.9	2586.6	2601.9	2621.9
Hispanic or Latino	2414.1	2449.9	2470.1	2484.9	2492.6	2502.9	2526.5
Native Hawaiian or Pacific Islander	2419.3	2459.1	2480.7	2499.2	2515.5	2520.4	2543.8
Two or More Races	2463.6	2501.9	2527.7	2552.8	2571.0	2587.1	2602.4
White	2459.7	2500.4	2527.8	2550.2	2569.1	2583.8	2603.1

Source: CDE

About 298,000 pupils in K-12 schools identify as Black/African American, comprising about 5.1% of the total K-12 population in the 2021-22 school year. According to the CDE's DataQuest, about 82,000 pupils identified as Black/African American are not also low income. Accordingly, this bill would add about 82,000 pupils to the total number of unduplicated pupils for purposes of the LCFF.

The Black-White achievement gap. Studies show that the Black-White achievement gap has persisted, but changed over time. According to a 2014 Handbook of Research in Education Finance and Policy article, *Patterns and Trends in Racial/Ethnic and Socioeconomic Academic Achievement Gaps*, it narrowed in both reading and math from the early 1970s to the late 1980s, then widened in the early 1990s, but has been narrowing consistently since 1999. Tables 1 and 2 (below) show that the scores of Black/African American pupils are the lowest among the reported racial subgroups. In addition, even though the Black/African American subgroup includes pupils at all income levels, its scores are below the scores of economically disadvantaged pupils, which suggests that poverty alone does not explain this outcome. According to the 2014 Handbook of Research in Education Finance and Policy article,

A relatively common question addressed in studies of racial/ethnic achievement gaps (particularly the Black-White gap) is the extent to which the observed gaps can be explained by socioeconomic differences between the groups. [Research shows] that socioeconomic factors explain almost all (85%) of the Black-White math gap, and all of the reading gap at the start of kindergarten....By the third grade, however, ...the same socioeconomic factors account for only about 60 percent of both the math and reading Black-White gaps. This finding suggests that socioeconomic factors explain, in large part, the Black-White differences in cognitive skills at the start of formal schooling, but do not account for the growth of the lack-White gap as children progress through elementary school.

The academic achievement gap has consequences beyond school. According to a 2018 report from the Equality of Opportunity Project at Stanford University, *Race and Economic Opportunity in the United States*, “Black children born to parents in the bottom household income quintile have a 2.5% chance of rising to the top quintile of household income, compared with 10.6% for Whites,” and “American Indian and Black children have a much higher rate of *downward* mobility than other groups [emphasis in original].”

The subgroup identified in year one is treated differently than other subgroups that may be identified in future years. This bill provides that the subgroup identified for the 2023-24 fiscal year based on 2018-19 CAASPP scores (which is the Black/African American subgroup) shall be included within the unduplicated pupil count until its scores equals or exceeds the highest performing subgroup (Asian, in 2018-19). Other subgroups that may be identified in future years would generate additional funding only if they remain the lowest scoring group. This means that Black/African American pupils could be the second-highest performing subgroup and still receive additional funding on the basis of their prior status as the lowest performing subgroup.

Low-Performing Students Block Grant. The Budget Act of 2018 established the Low-Performing Students Block Grant (LPSBG) as a state education funding initiative with the goal of providing grant funds to LEAs serving pupils identified as low-performing on state English-language arts or mathematics assessments who are not otherwise identified for supplemental grant funding under the LCFE or eligible for special education services as defined in Education Code section 41570(d). For the 2018-19 school year, \$300 million in one-time funds was appropriated to establish the block grant, available for expenditure or encumbrance during fiscal years 2018-19, 2019-20, and 2020-21. The final per pupil allocation was \$1,998.02.

LEAs were required to use LPSBG funds for evidence-based services that directly supported pupil academic achievement, including professional development activities for certificated staff; instructional materials; and additional supports for pupils. According to the CDE’s legislative report on the LPSBG,

The CDE reviewed submission data from 10 LEAs that were allocated the largest amount of LPSBG funding. Below is a summary of findings regarding their LPSBG plan implementation, the strategies used, and whether or not those strategies increased the academic performance of the pupils identified.

LEAs reported on the comprehensiveness of their LPSBG plan and the integration of multiple supports and evidence-based strategies for students and staff. However, once the pandemic began and schools closed, LPSBG plan implementation waned primarily because students became virtual learners, yet most of the planned services and strategies required in-person attendance for both staff and students.

Even with these challenges and the return to in-person learning in the 2020–21 school year, LEAs reported improvements in culture and climate (increased attendance and a reduction in referrals and suspensions), while others discussed increases in student achievement related to English language arts and mathematics based on LEA local assessment data, reports from computerized programs, and other anecdotal information collected by LEAs. Additionally, LEAs also reported on increased and improved competencies and instructional delivery relating to core subjects and culturally-responsive teaching amongst their staff.

However, the overarching theme from the submission data was that due to the COVID-19 pandemic and the impact that it had on the implementation of the LPSBG plans, there is little to no comparable assessment data or analyses to truly determine the effectiveness of this block grant on student achievement. Since student eligibility was determined based on the CAASP, comparative data from the 2020–21 school year is not available as the CDE received a waiver from the U.S. Department of Education waiving the requirement to administer the state-wide assessment to all eligible students.

Arguments in support. The California State Parent Teachers Association (PTA) writes, “The California State PTA has a long history of supporting legislation and public policies that improve academic achievement for all students and eliminate the achievement gap. We believe this bill will move us closer to adequate funding for every student.”

Related legislation. AB 1948 (Ting) of the 2021-22 Session would require, commencing with the 2022–23 fiscal year, numerous changes to the calculation of the LCFF.

AB 2685 (Weber) of the 2019-20 Session would have augmented the definition of “unduplicated pupil” for LCFF purposes by adding a pupil who is classified as a member of the lowest performing subgroup or subgroups, as defined. This bill was held in the Assembly Education Committee.

AB 575 (Weber) of the 2019-20 Session would have augmented the definition of “unduplicated pupil” for LCFF purposes by adding a pupil who is classified as a member of the lowest performing subgroup or subgroups, as defined. This bill was held in the Assembly Education Committee.

AB 1840 (Committee on Budget), Chapter 31.5, Statutes of 2018, established the LPSBG as a state education funding initiative with the goal of providing grant funds to LEAs serving pupils identified as low-performing on state English-language arts or mathematics assessments who are not otherwise identified for supplemental grant funding under the LCFF or eligible for special education services. For the 2018-19 school year, \$300 million was appropriated to establish the block grant.

AB 1015 (Gipson) of the 2019-20 Session would have established the Opportunity Youth Reengagement Program as a grant add-on the LCFF, based on the number of reengaged opportunity youth enrolled in the LEA, as defined. This bill was held in the Assembly Education Committee.

AB 1215 (Carrillo) of the 2019-20 Session would have added pupils experiencing homelessness, as defined, to the categories of unduplicated pupils for the purposes of the LCFF. The bill requires that pupils experiencing homelessness who are also classified as foster youth be counted twice for purposes of the LCFF. This bill was held in the Assembly Education Committee.

AB 2635 (Weber) of the 2017-18 Session would have augmented the definition of “unduplicated pupil” for LCFF purposes by adding a pupil who is classified as a member of the lowest performing subgroup or subgroups, as defined. This bill was held in the Senate Education Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

California State Parent Teacher Association
Los Angeles County Office of Education

Opposition

None on file

Analysis Prepared by: Marguerite Ries / ED. / (916) 319-2087