

NOVEMBER 30, 2021

Attendance-Based Funding for Schools

PRESENTED TO:

Assembly Committee on Education
Hon. Patrick O'Donnell, Chair

Assembly Budget Subcommittee No. 2 on Education Finance
Hon. Kevin McCarty, Chair



LEGISLATIVE ANALYST'S OFFICE

Attendance-Based Funding

State Funding for Schools Mainly Based on Attendance

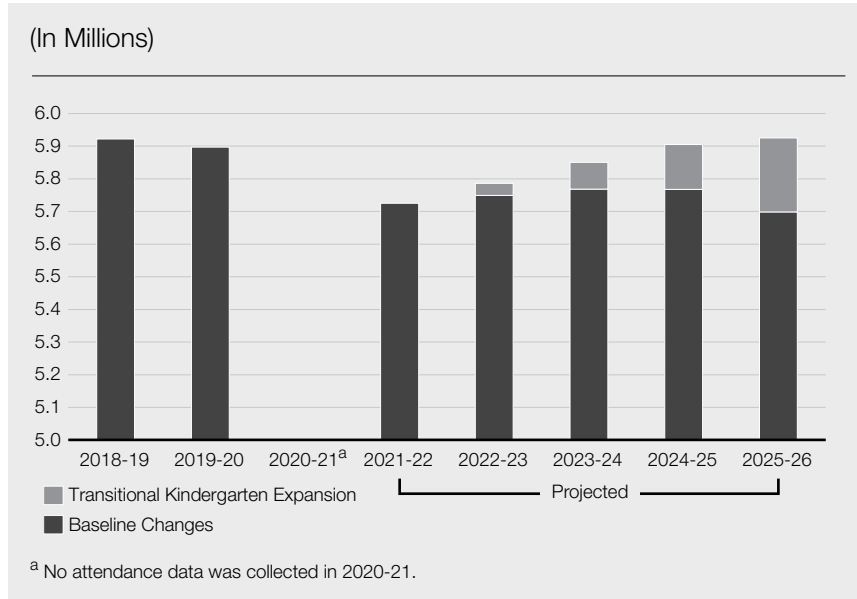
- Allocations from the Local Control Funding Formula are primarily based on grants per unit of average daily attendance (ADA).
- Students enrolled in independent study programs also generate attendance-based funding. For these students, attendance is calculated based on a teacher's determination of the "time value" of work submitted.
- The state typically provides districts a one-year "hold harmless" by funding districts based on the higher of their prior- or current-year ADA. Charter schools are funded based on current-year ADA only.

State Temporarily Modified Attendance Calculations During Pandemic

- For 2019-20, attendance funding based only on attendance through February, rather than mid-April.
- In 2020-21, no attendance data was collected. Districts and charter schools funded based on 2019-20 levels. State created process for providing additional growth funding if districts or charter schools could demonstrate they had budgeted for growth in attendance.
- In 2021-22, the state returned to its longstanding policy. For funding purposes, the state will credit districts with their average daily attendance in 2021-22 or 2019-20, whichever is higher.



LAO Fiscal Outlook Attendance Projections



Three Major Drivers of LAO Projected Attendance Changes

- Longstanding declines in the school aged population. Project a reduction of 170,000 students by 2025-26.
- Recovery of pandemic-related declines. Assume increase equivalent to 140,000 students by 2025-26.
- Increased Transitional Kindergarten enrollment. Assume 230,000 additional students by 2025-26.

