



LOCAL CONTROL FUNDING FORMULA (LCFF)

May 14, 2024

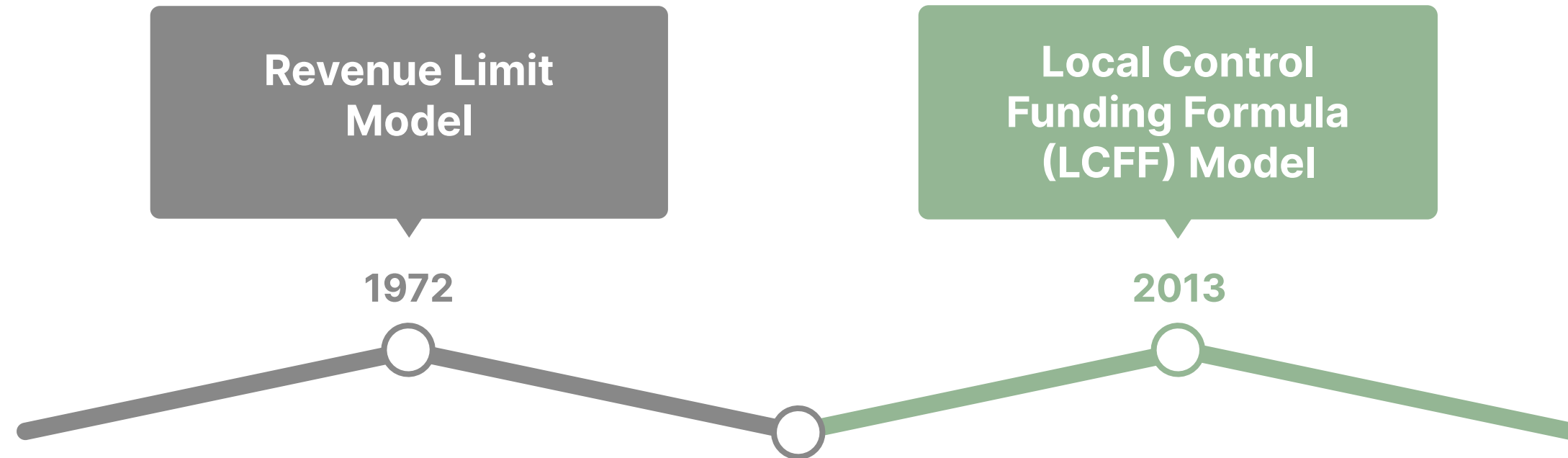
Presented by:

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Jose Velazquez, Accountant

Overview

- **History of the State Funding**
- **Local Control Funding Formula (LCFF)**
- **Equity in LCFF**
- **LCFF Accountability**
- **District Funding**

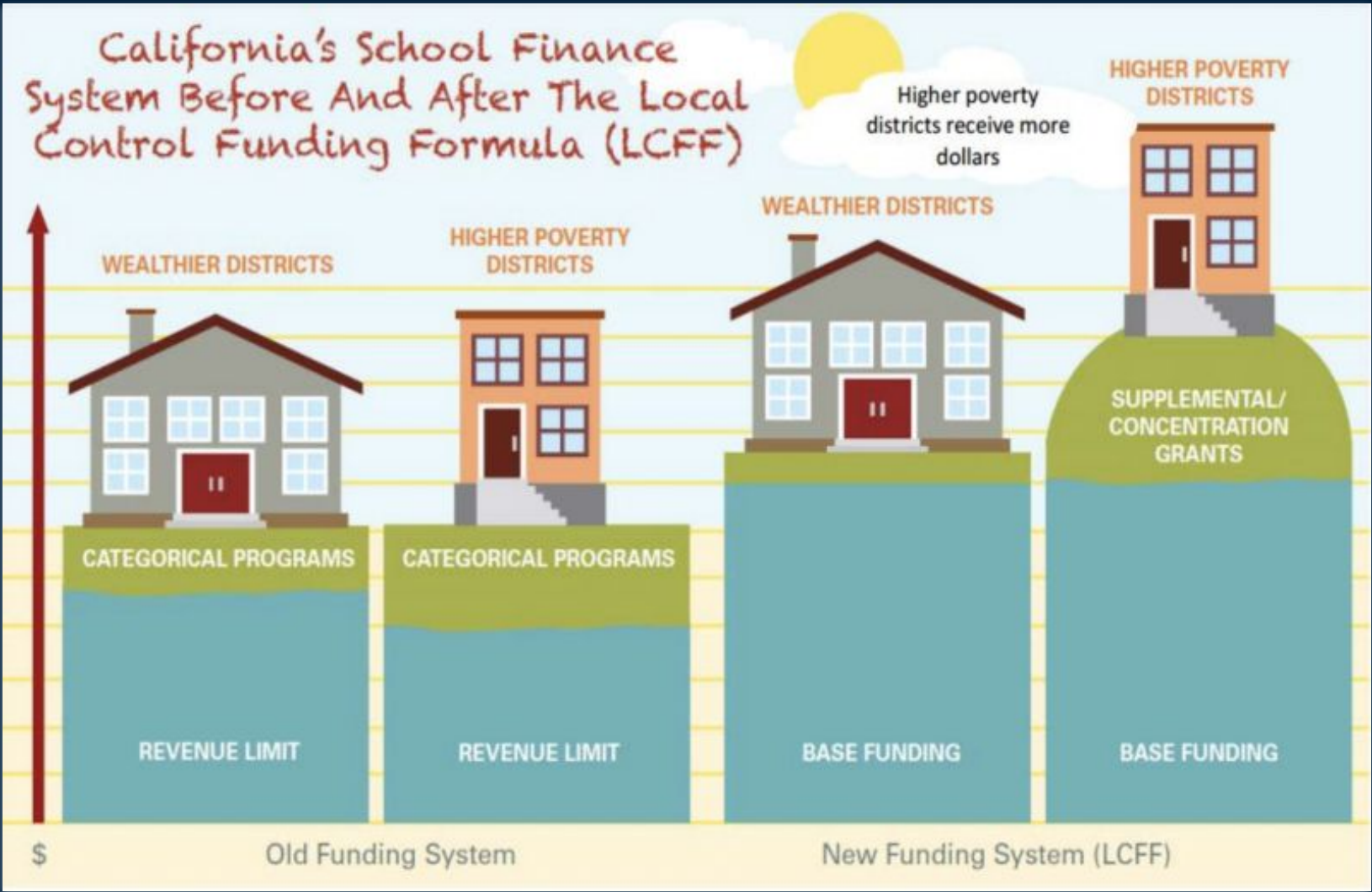
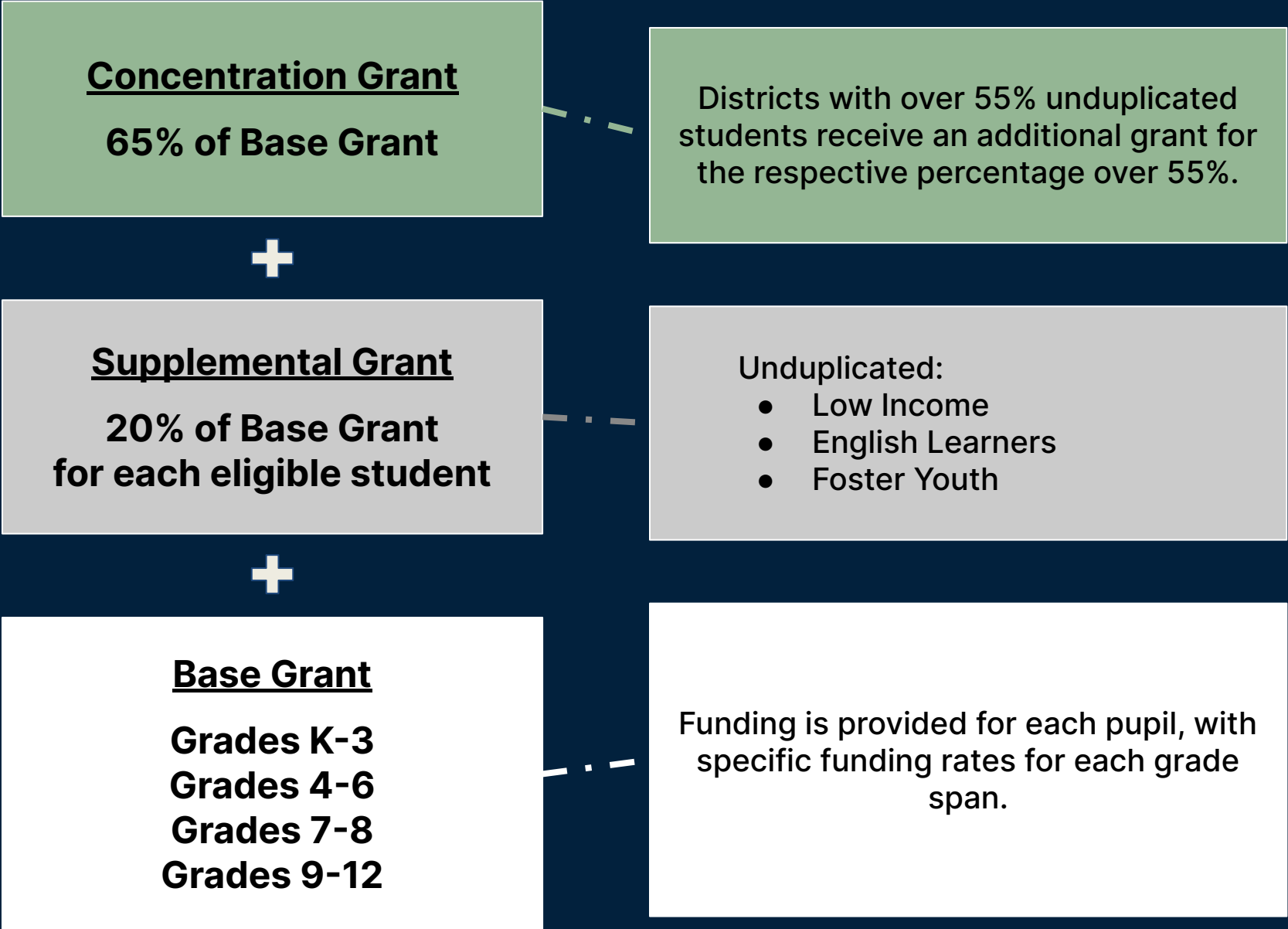
History of State Funding



The previous Revenue Limit system was complex and rigid, with numerous categorical funding streams and limited flexibility for districts to allocate resources based on local needs.

LCFF simplifies the funding structure, providing a base grant for all students along with supplemental and concentration grants to support high-need student populations. In addition, LCFF brought accountability measures through the Local Control Accountability Plan (LCAP).

Local Control Funding Formula (LCFF)



"Equal treatment for children in unequal situations is not justice."
-Former Governor Jerry Brown



Equity in LCFF

01. Revenue Limit Era

Prior to LCFF, California's school funding system was based on a Revenue Limit model, which provided a fixed amount of funding per student, regardless of their individual needs.

02. Inequitable Funding

The Revenue Limit system led to significant disparities in funding between school districts, creating an uneven playing field and limiting opportunities for many students.

03. Shift to LCFF

The LCFF was introduced to address these inequities, providing a more flexible and targeted approach to education funding in California.

District Funding

California school district enrollment and average daily attendance (ADA) are interconnected.

1. Enrollment refers to the total number of students registered or enrolled in a school/district. It represents the student population within a specific timeframe.
2. Average Daily Attendance (ADA) represents the average number of students present in school on any given day. It is calculated by dividing the number of days each student attends by the total number of school days in a given period.
3. District funding is based on ADA rather than enrollment.

The following sample is a simplified version of how ADA is calculated.

| Name | Student Attendance | School Days | Average Daily Attendance (ADA) | Entitlement |
|---------------|--------------------|-------------|--------------------------------|-------------|
| Student A | 180 | 180 | 1.0 | \$12,391 |
| Student B | 90 | 180 | 0.5 | \$6,196 |
| Cost of 1 day | 1 | 180 | 0.0056 | \$69 |

Student A represents a student who showed up to school everyday earning the full entitlement.

Student B represents a student who showed up to school half of the days earning half of the entitlement.

4. To determine funding, attendance is collected for all individual students by grade and then input in the Local Control Funding Formula (LCFF) State's calculator.

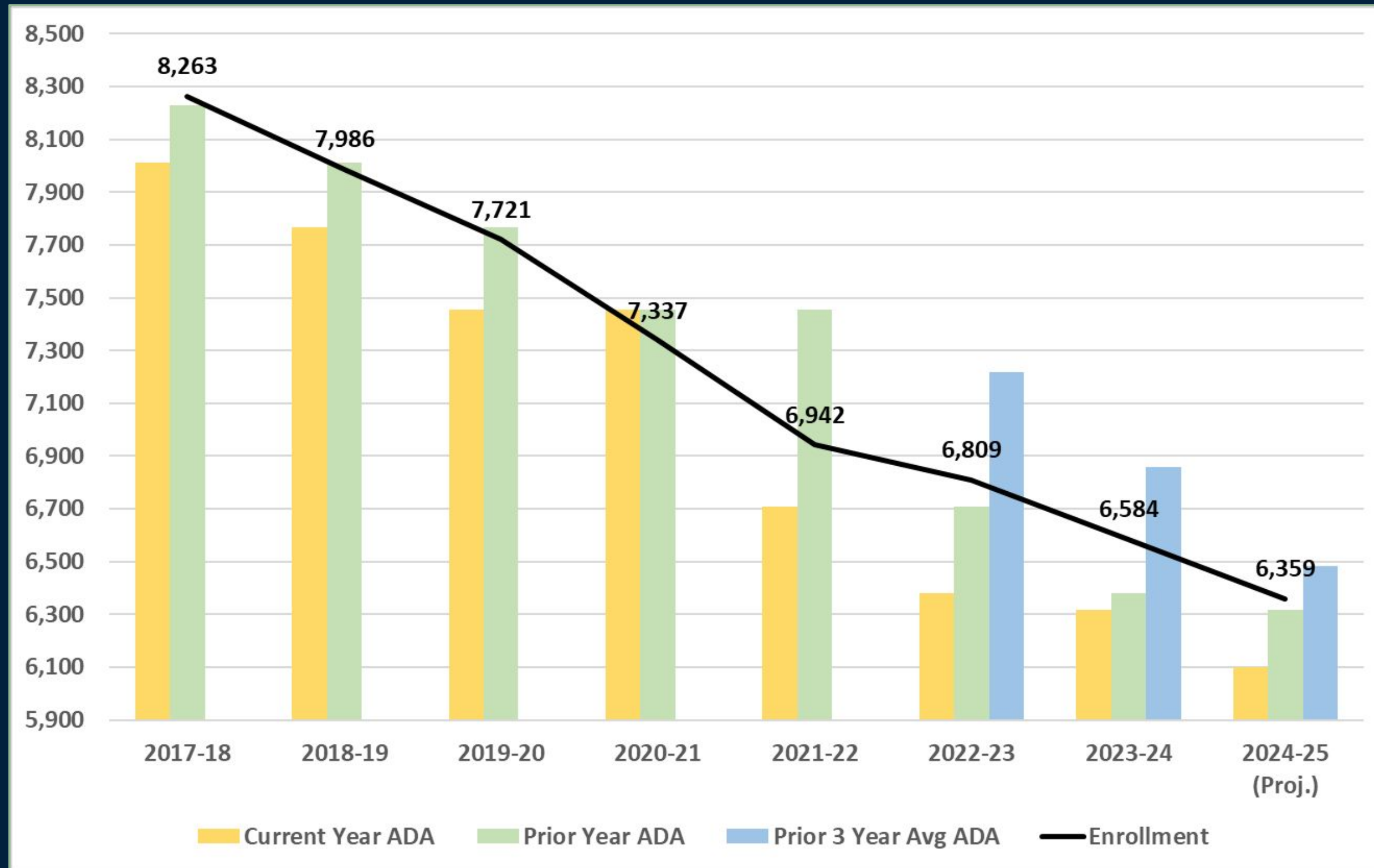
District Funding

The exhibit below depicts the mathematical calculations for OVSD's LCFF funding from the 2023-24 second interim reporting period.

- A. LCFF Base Rate: The State has created a base rate amount per grade span that is increased or decreased based on the Cost of Living Allowance (COLA) as part of the Governor's State Budget.

| Grade Span | Prior Year Base Rate | X | Funded COLA | = | Current Year Base Rate |
|------------|----------------------|---|-------------|---|------------------------|
| Grades K-3 | \$9,166 | | 8.22% | | \$9,919 |
| Grades 4-6 | \$9,304 | | 8.22% | | \$10,069 |
| Grades 7-8 | \$9,580 | | 8.22% | | \$10,367 |

District Funding - Enrollment and Average Daily Attendance (ADA)



District Funding

The exhibit below depicts the mathematical calculations for OVSD’s LCFF funding from the 2023-24 second interim reporting period.

B. Funded ADA: To determine the calculation the State allows districts to use the greater of:

- a. Current year ADA,
- b. Prior year ADA, or
- c. Prior 3 year average ADA *(New option starting 2022-23)*

With years of declining enrollment option “c” results in the highest ADA for OVSD.

| Average Daily Attendance | 2020-21 | 2021-22 | Prior Year 2022-23 | Prior 3 Year Average* | Current Year 2023-24 |
|--------------------------|----------|----------|--------------------|-----------------------|----------------------|
| Grades K-3 | 3,186.11 | 2,744.40 | 2,715.47 | 2,886.02 | 2,691.04 |
| Grades 4-6 | 2,502.74 | 2,319.48 | 2,127.32 | 2,320.23 | 2,108.18 |
| Grades 7-8 | 1,765.74 | 1,642.36 | 1,537.20 | 1,653.00 | 1,523.37 |
| Subtotal | | | 6,379.99 | 6,859.25 | 6,322.60 |

*When using the prior 3 year average, you must add the current year Non-Public School and County Operated Program ADA.

District Funding

C. LCFF Base Grant: This calculation takes the greater of Funded ADA (section B) and multiplies it by the LCFF Base Rate (section A) to calculate the LCFF Base Funding Entitlement.

| A | B | C | D | E | F |
|--------------------------------------|-----------|------------|-----------------------|-----------------|---------------------------------------|
| Grade Span | Base Rate | Grade Span | Prorated Base (B + C) | *Funded ADA | LCFF Base Funding Entitlement (D x E) |
| Grades K-3 | \$9,919 | \$1,032 | \$10,951 | 2,886.02 | \$31,604,805 |
| Grades 4-6 | \$10,069 | | \$10,069 | 2,320.23 | \$23,362,396 |
| Grades 7-8 | \$10,367 | | \$10,367 | 1,653.00 | \$17,136,651 |
| LCFF Base Funding Entitlement | | | | 6,859.25 | \$72,103,852 |

*Prior 3 year average (Funded ADA)

District Funding

D. Unduplicated Percentage: This uses the District’s unduplicated percentage of English learners, income eligible for free or reduced price meals, and foster youth pupils to calculate two more funding sources (Supplemental and Concentration grants). Although a student can fall into one or more of these categories, unduplicated means that the student is counted only once. The calculation creates a 3 year average.

| Factors | 2021-22 | 2022-23 | 2023-24 | 3-Year Total |
|--|---------|---------|---------|--------------|
| Unduplicated Pupil Count (UPC), incl. County Office of Ed. (COE) | 4,092 | 4,000 | 4,020 | 12,112 |
| Total Enrollment, including COE | 6,949 | 6,785 | 6,724 | 20,458 |
| Unduplicated Pupil Percentage, UPP (UPC as % of Enrollment) | 58.89% | 58.95% | 59.79% | 59.20% |
| 2023-24 UPP - Total 3 years UPC/Total 3 years Enrollment | | | | 59.20% |

E. LCFF Supplemental and Concentration Grant: The grant uses the LCFF Base Funding Entitlement (section C) and the 2021-22 UPP (section D) with the formulas below to create Supplemental and Concentration funding.

| | | | | |
|---|--------------|--------|-----|--------------|
| Supplemental - Base funding x 59.2%(UPP) x 20% | \$72,103,852 | 59.20% | 20% | \$8,537,096 |
| Concentration - Base funding x (59.2%(UPP) - 55%) x 65% | \$72,103,852 | 4.20% | 65% | \$1,968,435 |
| Supplemental & Concentration Grant Funding Entitlement | | | | \$10,505,531 |

District Funding

F. LCFF Add-Ons: Additional State funding for specific purposes.

| | |
|--|--------------------|
| Add-on: Targeted Instructional Improvement Grant | \$680,066 |
| Add-on: Home-to-School Transportation | \$938,421 |
| Add-on: Transitional Kindergarten | \$764,710 |
| Total LCFF Add-on Funding Entitlement | \$2,383,197 |

District Funding

G. Total LCFF Entitlement is made up of base funding, additional supplemental and concentration funding from the unduplicated percentage, and additional entitlements.

| | |
|--|---------------------|
| LCFF Base Funding Entitlement (Section C) | \$72,103,852 |
| Supplemental and Concentration Grant Funding Entitlement (Section E) | \$10,505,531 |
| LCFF Add-on Funding Entitlement (Section F) | \$2,383,197 |
| Total LCFF Entitlement (Section C + Section E + Section F) | \$84,992,580 |

H. LCFF Entitlement per ADA

$$\begin{aligned} & \text{Total LCFF Entitlement (section G)} \div \text{Total Funded ADA (section C)} \\ & \$84,992,580 \div 6,859.25 = \$12,391 \\ & \text{LCFF Entitlement per ADA} = \$12,391 \end{aligned}$$

District Funding

| OCEAN VIEW SCHOOL DISTRICT MULTI YEAR PROJECTION | | | | | | | | | | |
|---|-------------------------------|--------------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|-----------------------------|-------------------------|--|
| 2023-2024 | | | | | | | | | | |
| Combined Budget | 8.22% COLA | | 8.22% COLA | | 0.76% COLA | | 2.73% COLA | | 3.11% COLA | |
| Description | 2023-2024 First Interim | 2023-2024 Second Interim | Percent Of Change | 2024-2025 Est. Budget | Percent Of Change | 2025-2026 Est. Budget | Percent Of Change | 2026-2027 Est. Budget | Percent Of Change | |
| Beginning Balance July 1 | \$ 42,868,135 | \$ 42,868,135 | 0.0% | \$ 40,003,913 | -6.7% | \$ 30,454,736 | -23.9% | \$ 24,037,706 | -21.1% | |
| Restatements | \$ - | \$ - | | \$ - | | \$ - | | \$ - | | |
| Total Beg. Balance | \$ 42,868,135 | \$ 42,868,135 | 0.0% | \$ 40,003,913 | -6.7% | \$ 30,454,736 | -23.9% | \$ 24,037,706 | -21.1% | |
| Revenue | | | | | | | | | | |
| LCFF | \$ 84,992,580 | \$ 84,992,580 | 0.0% | \$ 81,050,582 | -4.6% | \$ 80,943,700 | -0.1% | \$ 82,546,976 | 2.0% | |
| Federal Revenue | \$ 8,753,670 | \$ 8,627,471 | -1.4% | \$ 3,589,900 | -58.4% | \$ 3,589,900 | 0.0% | \$ 3,589,900 | 0.0% | |
| Other State Revenue | \$ 13,440,010 | \$ 13,440,010 | 0.0% | \$ 13,440,010 | 0.0% | \$ 13,440,010 | 0.0% | \$ 13,440,010 | 0.0% | |
| Other Local Revenue | \$ 9,716,473 | \$ 9,911,425 | 2.0% | \$ 8,171,617 | -17.6% | \$ 8,331,930 | 2.0% | \$ 8,716,723 | 4.6% | |
| Total Revenues: | \$ 116,902,733 | \$ 116,971,486 | 0.1% | \$ 106,252,109 | -9.2% | \$ 106,305,540 | 0.1% | \$ 108,293,609 | 1.9% | |
| Expenditures | | | | | | | | | | |
| Certificated Salaries | \$ 45,666,076 | \$ 45,900,333 | 0.5% | \$ 46,443,109 | 1.2% | \$ 45,652,577 | -1.7% | \$ 46,218,917 | 1.2% | |
| Classified Salaries | \$ 18,287,888 | \$ 19,027,384 | 4.0% | \$ 19,150,874 | 0.6% | \$ 18,919,448 | -1.2% | \$ 19,203,879 | 1.5% | |
| Employee Benefits | \$ 29,977,292 | \$ 30,275,922 | 1.0% | \$ 30,465,635 | 0.6% | \$ 30,104,092 | -1.2% | \$ 30,275,241 | 0.6% | |
| Books & Supplies | \$ 3,837,698 | \$ 4,321,242 | 12.6% | \$ 5,549,471 | 28.4% | \$ 3,610,324 | -34.9% | \$ 3,693,499 | 2.3% | |
| Services, Other Operating Expenses | \$ 15,313,832 | \$ 15,752,631 | 2.9% | \$ 13,316,059 | -15.5% | \$ 13,555,599 | 1.8% | \$ 14,194,744 | 4.7% | |
| Capital Outlay | \$ 3,427,420 | \$ 3,828,421 | 11.7% | \$ 146,363 | -96.2% | \$ 150,754 | 3.0% | \$ 159,934 | 6.1% | |
| Other Outgo | \$ 477,322 | \$ 477,322 | 0.0% | \$ 477,322 | 0.0% | \$ 477,322 | 0.0% | \$ 477,322 | 0.0% | |
| Support Costs | \$ (105,088) | \$ (247,547) | 135.6% | \$ (247,547) | 0.0% | \$ (247,547) | 0.0% | \$ (247,547) | 0.0% | |
| Other Adjustments | | | | | | | | | | |
| Total Expenditures: | \$ 116,882,440 | \$ 119,335,708 | 2.1% | \$ 115,301,286 | -3.4% | \$ 112,222,569 | -2.7% | \$ 113,975,989 | 1.6% | |
| Other Financing Sources/Uses: | | | | | | | | | | |
| Interfund Transfers In/(Out) | \$ (500,000) | \$ (500,000) | 0.0% | \$ (500,000) | 0.0% | \$ (500,000) | 0.0% | \$ (500,000) | 0.0% | |
| Other Sources/Uses | \$ - | \$ - | | \$ - | 0.0% | \$ - | 0.0% | \$ - | 0.0% | |
| Contribution | \$ - | \$ - | | \$ - | 0.0% | \$ - | 0.0% | \$ - | 0.0% | |
| Total Expenditures & Other Sources/Uses | \$ 117,382,440 | \$ 119,835,708 | 2.1% | \$ 115,801,286 | -3.4% | \$ 112,722,569 | -2.7% | \$ 114,475,989 | 1.6% | |
| Net Inc. (Dec.) in Fund Balance | \$ (479,707) | \$ (2,864,222) | 497.1% | \$ (9,549,177) | 233.4% | \$ (6,417,029) | -32.8% | \$ (6,182,380) | -3.7% | |
| Ending balance | \$ 42,388,428 | \$ 40,003,913 | -5.6% | \$ 30,454,736 | -23.9% | \$ 24,037,706 | -21.1% | \$ 17,855,326 | -25.7% | |
| Components of Ending Balance: | | | | | | | | | | |
| Revolving Cash | \$ 53,000 | \$ 53,000 | | \$ 53,000 | | \$ 53,000 | | \$ 53,000 | | |
| Stores | \$ 55,000 | \$ 55,000 | | \$ 55,000 | | \$ 55,000 | | \$ 55,000 | | |
| Legally Restricted Balance | \$ 19,062,938 | \$ 16,837,160 | | \$ 8,942,060 | | \$ 7,682,149 | | \$ 5,549,931 | | |
| Board Commitments | \$ 17,680,068 | \$ 17,447,708 | | \$ 15,914,704 | | \$ 10,849,978 | | \$ 6,747,196 | | |
| Assignments (Unrestricted Lottery) | \$ 2,009,775 | \$ 2,009,775 | | \$ 2,009,775 | | \$ 2,009,775 | | \$ 2,009,775 | | |
| 3% Economic Uncertainties Reserve | \$ 3,527,647 | \$ 3,601,270 | | \$ 3,480,197 | | \$ 3,387,804 | | \$ 3,440,424 | | |
| Unassigned/Unappropriated Amount | \$ - | \$ - | | \$ - | | \$ - | | \$ - | | |

THANK YOU!

QUESTIONS?