


DRAFT

Per Pupil Funding Model

Board of Education Special Meeting
Budget Deep Dive

11/28/2017



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Comparison Of School Districts' School Resource Allocation Methods

School District	Enrollment-based (Norm)	Per Pupil Funding Model	Weighted Student-Funding Formula
Los Angeles USD	✓	✓	
Boston Public Schools			✓
Chicago Public Schools			✓
Denver Public Schools			✓
Long Beach USD	✓		
New York City Dept. of Education			✓
Oakland USD	✓		
San Diego USD	✓		
San Francisco USD			✓

Comparison Of School Districts' School Resource Allocation Methods

Boston Public Schools – “Weighted Student Formula;” schools receive a per student allocation with weights added for grade-level, poverty, students with disabilities, English Language Learners, emotional impairment, and vocational students.

New York City DOE – “Fair Student Funding;” schools receive allocation based on the grade level, number of students, and academic needs of students at the schools with various weights for English Language Learner students.

Long Beach USD - "Norm Funding;" schools receive staffing allocations based on enrollment and are allocated funds for materials and supplies based on a rate per student. This is similar to LAUSD.

History Of LAUSD's Per Pupil Funding Model

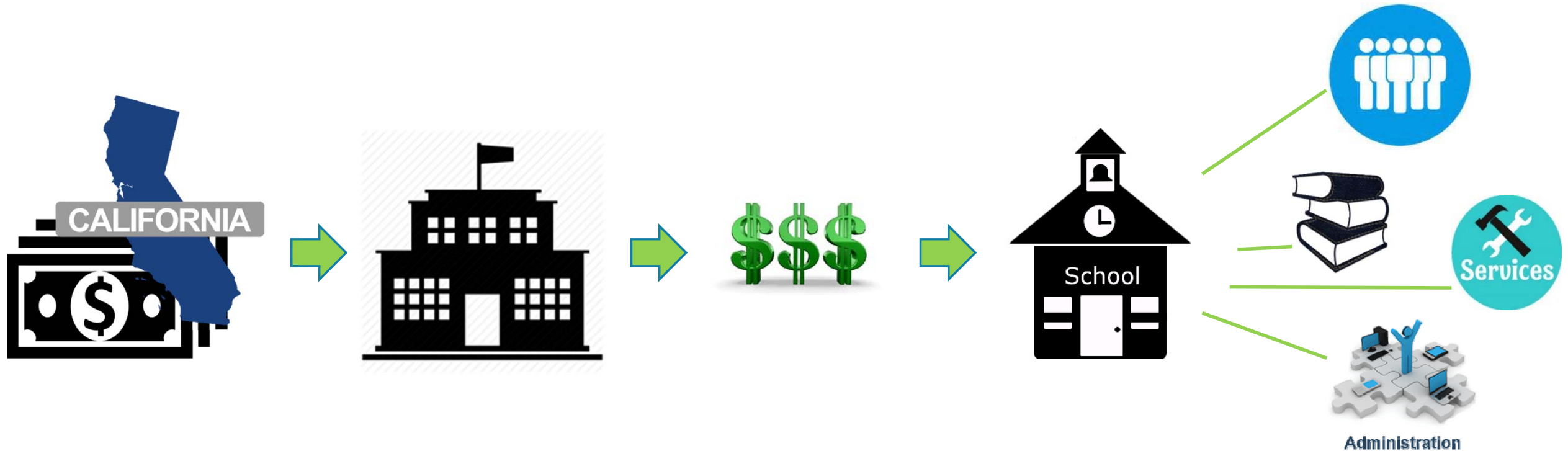
- The number of participating schools has increased yearly, although available funding has leveled off.

Year	Participating Schools	Total Per Pupil Funding Allocation
2014-2015	73	\$33M
2015-2016	75	\$40M
2016-2017	78	\$47M
2017-2018	83	\$47M

- As schools join the funding model, the additional allocations per school decrease.
- Expanding the Per Pupil model to all District schools would require an additional \$211 million.

“Pure” Per Pupil Funding Model

- Revenues are allocated directly to schools.
- School decides what resources to purchase – school-based and/or Central Office support.



Pros and Cons of “Pure” Per Pupil Funding Model

Pros

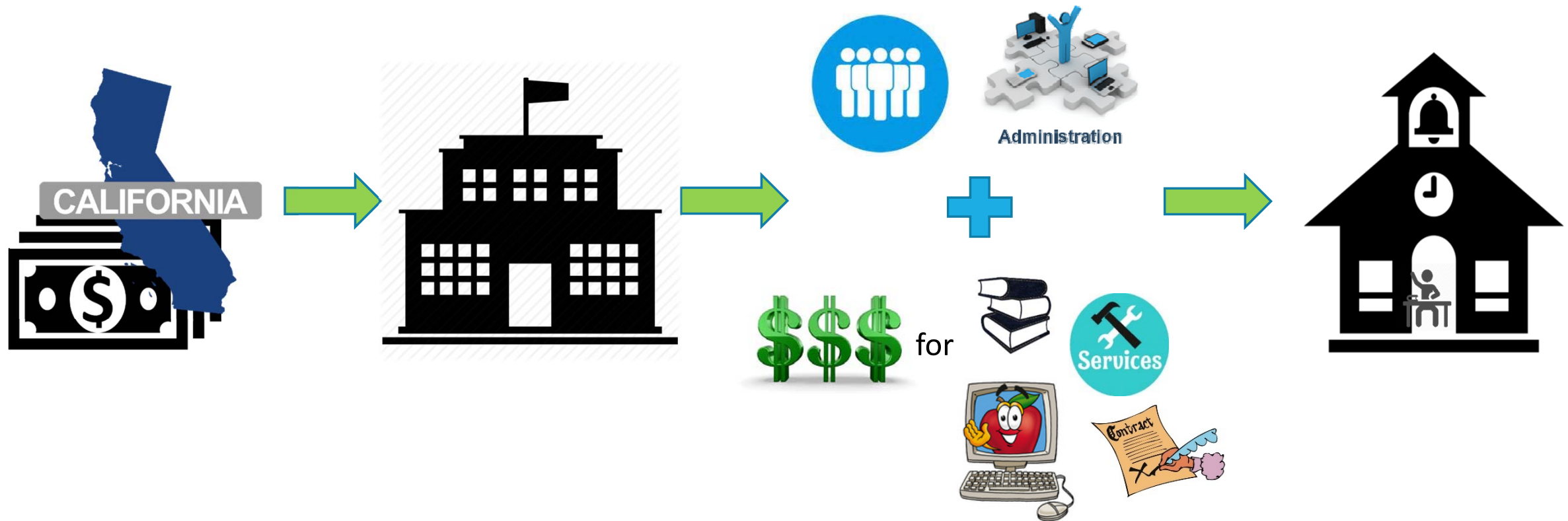
- Direct funding
- School-site local control
- Local accountability
- Staffing levels and salaries

Cons

- Some schools would receive less funding
- Lack of common standards
- Staffing levels and salaries
- Risk pooling

Norm-based Funding Model

- Resources are allocated based on student enrollment.



Pros and Cons of Norm-Based Funding Model

Pros

- Funding to meet all legal requirements
- Class size consistency
- Flexibility over non-legally required resources
- Protects small schools

Cons

- Funding not based on revenues generated
- One size fits all
- Large schools subsidize small schools
- Local accountability with limited control

California's Local Control Funding Formula (LCFF)

➤ Differentiated per pupil rates by grade span

- K-3
- 4-6
- 7-8
- 9-12
- Add-ons:
 - K-3 Class Size Reduction
 - 9-12 Career Technical Education



➤ Supplemental and Concentration Grants

➤ Transportation (fixed amount)

➤ Targeted Instructional Improvement Block Grant (fixed amount)

How LAUSD Allocates Resources To Schools

NON-PER PUPIL SCHOOLS

- Based on enrollment, norm tables
- Bargaining unit agreements, Education Codes, court orders, federal and state laws
- Magnet and affiliated charter schools receive additional resources

PER PUPIL SCHOOLS

- Based on enrollment, norm tables
- Bargaining unit agreements, Education Codes, court orders, federal and state laws
- Magnet and affiliated charter schools receive additional resources
- Calculated revenue is compared to budgeted expenditures
- Possible additional per pupil allocation if calculated revenue exceeds budgeted expenditures

LAUSD's Per Pupil Funding Model

Calculated Revenue: Mirrors the LCFF. Revenue is calculated based on grade span per pupil rates times projected ADA, and includes Base, Supplemental & Concentration Grants, Transportation, and Targeted Instructional Improvement Block Grant.

Budgeted Expenditures: Includes school site allocations (i.e. teachers, school administrative assistants, and instructional materials) and a proportional share of centrally-administered resources (i.e. School Police, Facilities, Central Office).

If Calculated Revenue > Budgeted Expenditures:

If Calculated Revenue < Budgeted Expenditures:

Norm-based resources

+ Additional Funds*

*(% of excess of calculated revenue over budgeted expenditures)

Norm-based resources

(budgeted expenditures are not reduced; schools are held harmless)

Example

Calculated Revenue	\$5.5 M
Budgeted Expenditures	4.6 M
Difference	\$0.9 M

Non-Per Pupil School

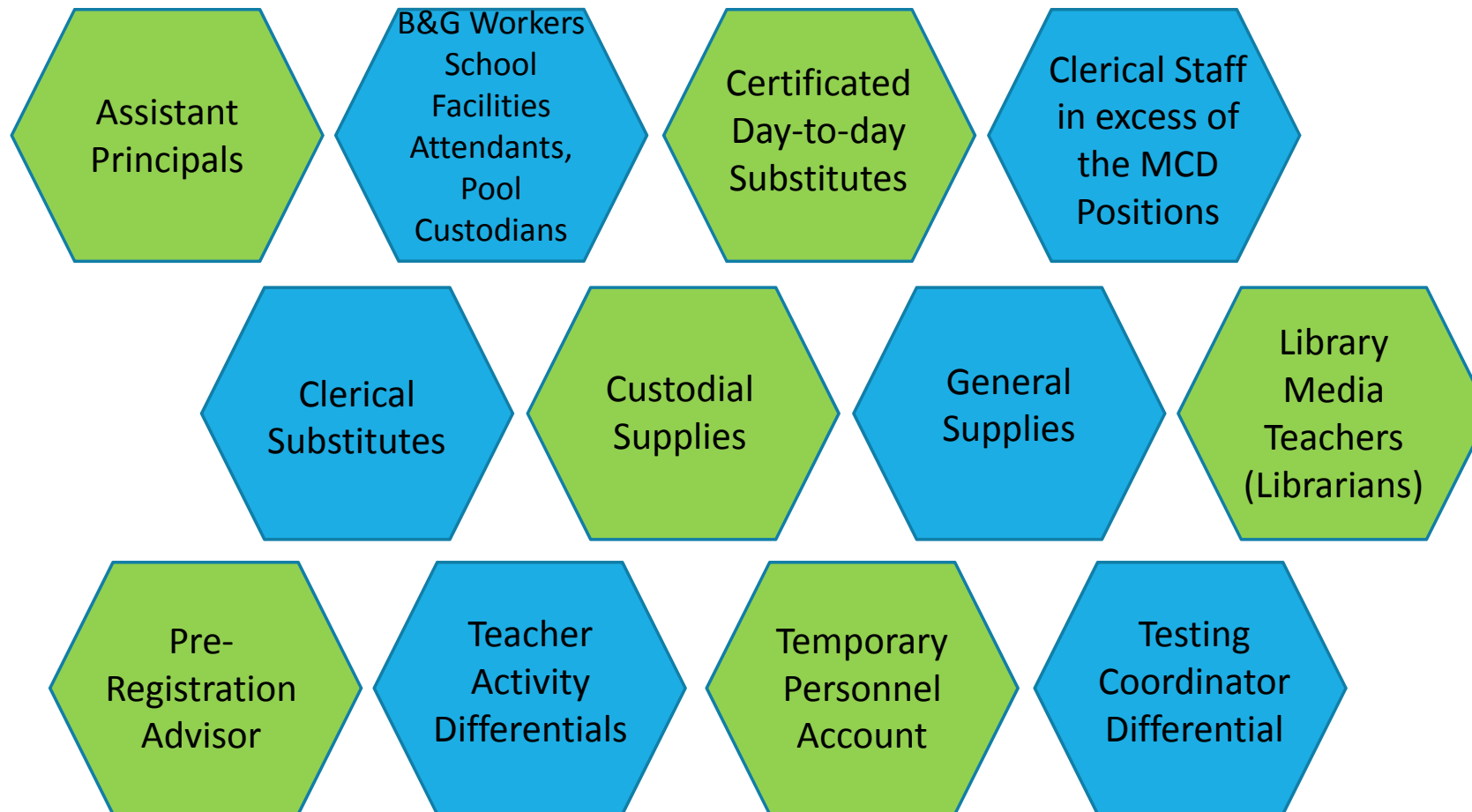
Total Budgeted Expenditures = \$4.6 M

Per Pupil School

Budgeted Expenditures = \$4.6 M
+ Additional Allocation = 0.5 M*
Total Budgeted Expenditures = \$5.1 M

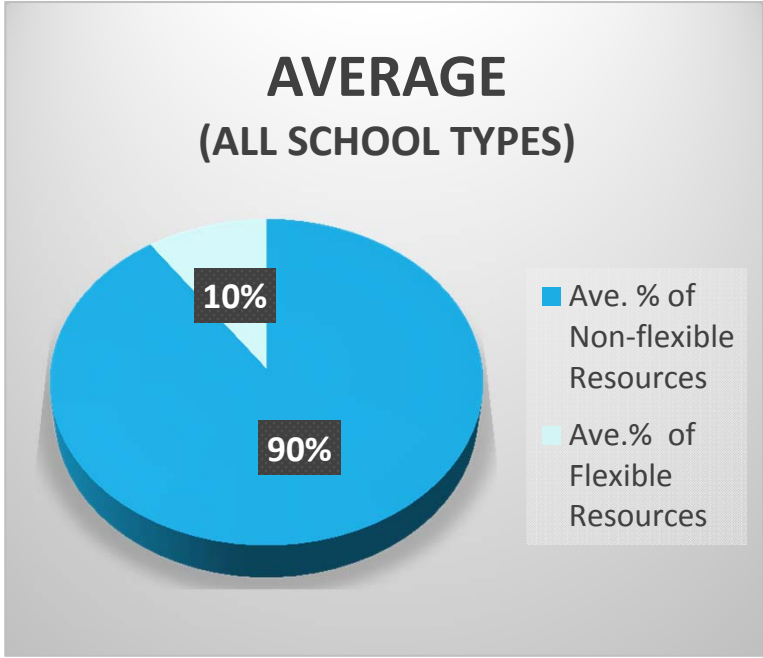
*Funded at 55% of the excess of revenue over expenditures

Flexibilities In Per Pupil Funding Model



Percent of Flexible/Non-Flexible Funds

Type of School	Average % of Flexible Resources	Average % of Non-flexible Resources
Elementary	7.2%	92.8%
Middle	11.4%	88.6%
Senior High	9.4%	90.6%
Span	11.0%	89.0%
AVERAGE	10.0%	90.0%



How Much Does LAUSD Spend Per Pupil?

General Fund – Unrestricted

❖ Beginning Balance	Per ADA	
❖ Base Revenue	\$ 662	
❖ Supplemental & Concentration	9,446	
❖ Other Unrestricted Revenues	2,561	
❖ Total Available	547	
	<u>\$ 13,216</u>	
❖ Total Budgeted Expenditures	<u>\$ 13,216</u>	

SUBJECT TO CHANGE

Los Angeles Unified School District
2017-18 UNRESTRICTED REVENUE AND EXPENDITURES
(BASED ON 2017-18 FINAL BUDGET AS OF 3/9/2017)

Revenue	Budget Amount
Local Control Funding Formula (LCFF) Revenue	\$5,414,482,895
Other Revenues Used To Balance General Fund	
Lottery (Unrestricted)	\$72,229,536
Other Local (Interest Income)	\$8,326,470
Other Local (Rentals, Miscellaneous, Fees)	\$110,721,482
Federal Revenue	\$7,861,114
Other State Revenue	\$47,363,644
Sub-Total	<u>\$246,502,246</u>
Total Revenue	\$5,660,985,141
Sources of Funds	
Beginning Balance	\$704,112,466
Other Financing Sources (IFTIN, Adult, Other Financing)	\$20,000,000
Total Sources of Funds	<u>\$724,112,466</u>
Less: Ending Balance	\$425,583,434
Total Revenue & Sources of Funds	\$5,959,514,173
Expenditures	Budget Amount
School-Site General Fund School Program Resources (TABLE A)	\$2,198,366,970
Special Education Support	\$961,263,342
Supplemental Programs (TABLE E)	\$1,154,991,368
Other School Site Resources (TABLE B)	\$1,396,897,989
Total School Site Resources	\$5,711,519,669
School Site Percent of Expenditures to Revenue:	95.8%
Central Office/Local District Costs (TABLE C)	\$181,377,220
Non-School Site Resources	\$181,377,220
Non-School Site Percent of Expenditures to Revenue:	3.0%
Matching Revenue Programs (TABLE D)	\$66,617,284
Matching Revenue Percent of Expenditures to Revenue:	1.1%
Total Expenditures	\$5,959,514,173
Total Sources less Total Uses	\$0

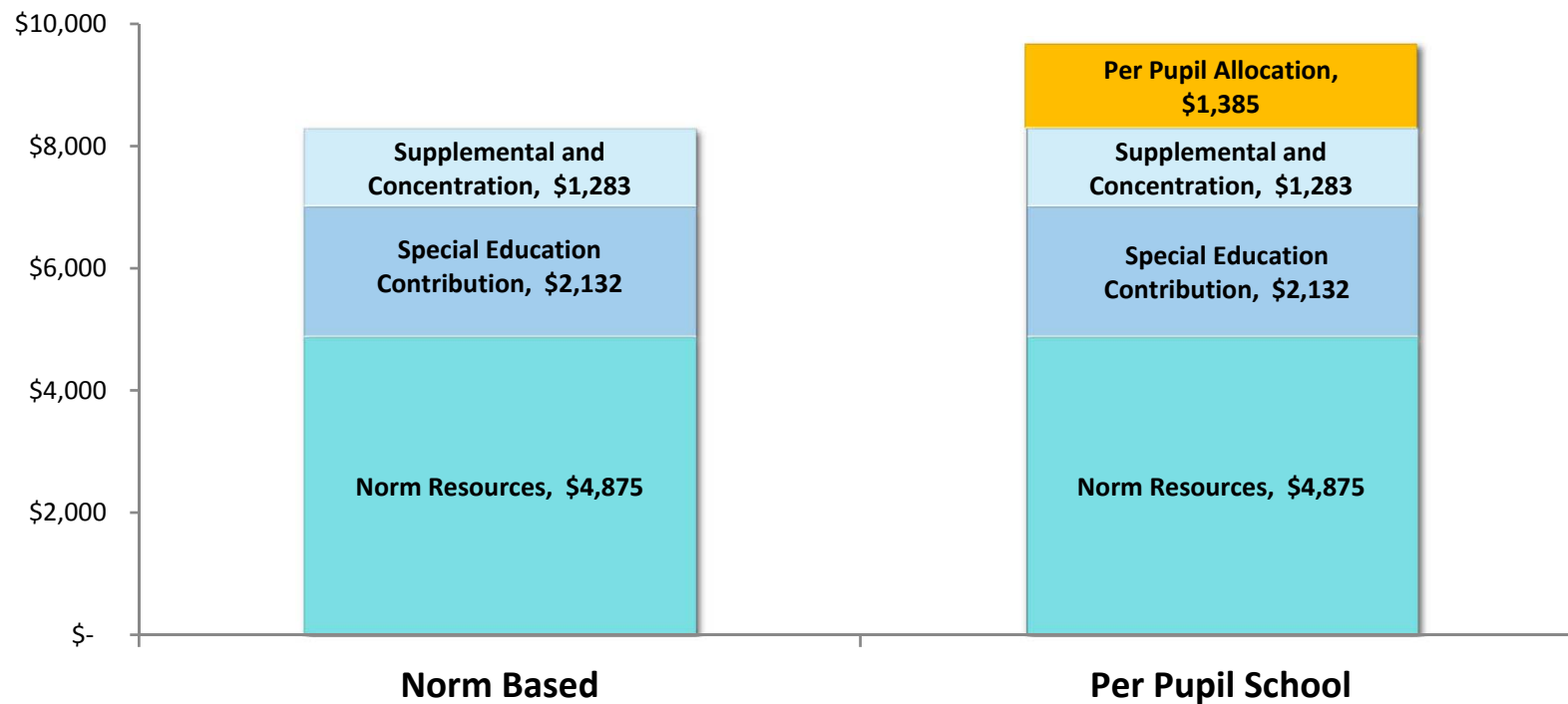
*EMS - Regular education K-12 schools, including Elementary, Middle, Senior High, and Span schools. / ADA - Average Daily Attendance

School Resources Per ADA

➤ General Fund Norm Resources	\$4,875
➤ Other School-Site Resources:	3,098
<ul style="list-style-type: none"> • Settlements • Magnet • Affiliated Charters • Districtwide programs (school police, afterschool programs, etc.) 	
➤ Targeted Student Population	2,561
<ul style="list-style-type: none"> • Reed • Per Pupil • ACLU 	
➤ Special Education Support	2,132
➤ Central Office Support/Local Districts	402
➤ Matching Revenue and Expenditure	<u>148</u>
	<u>\$13,216</u>



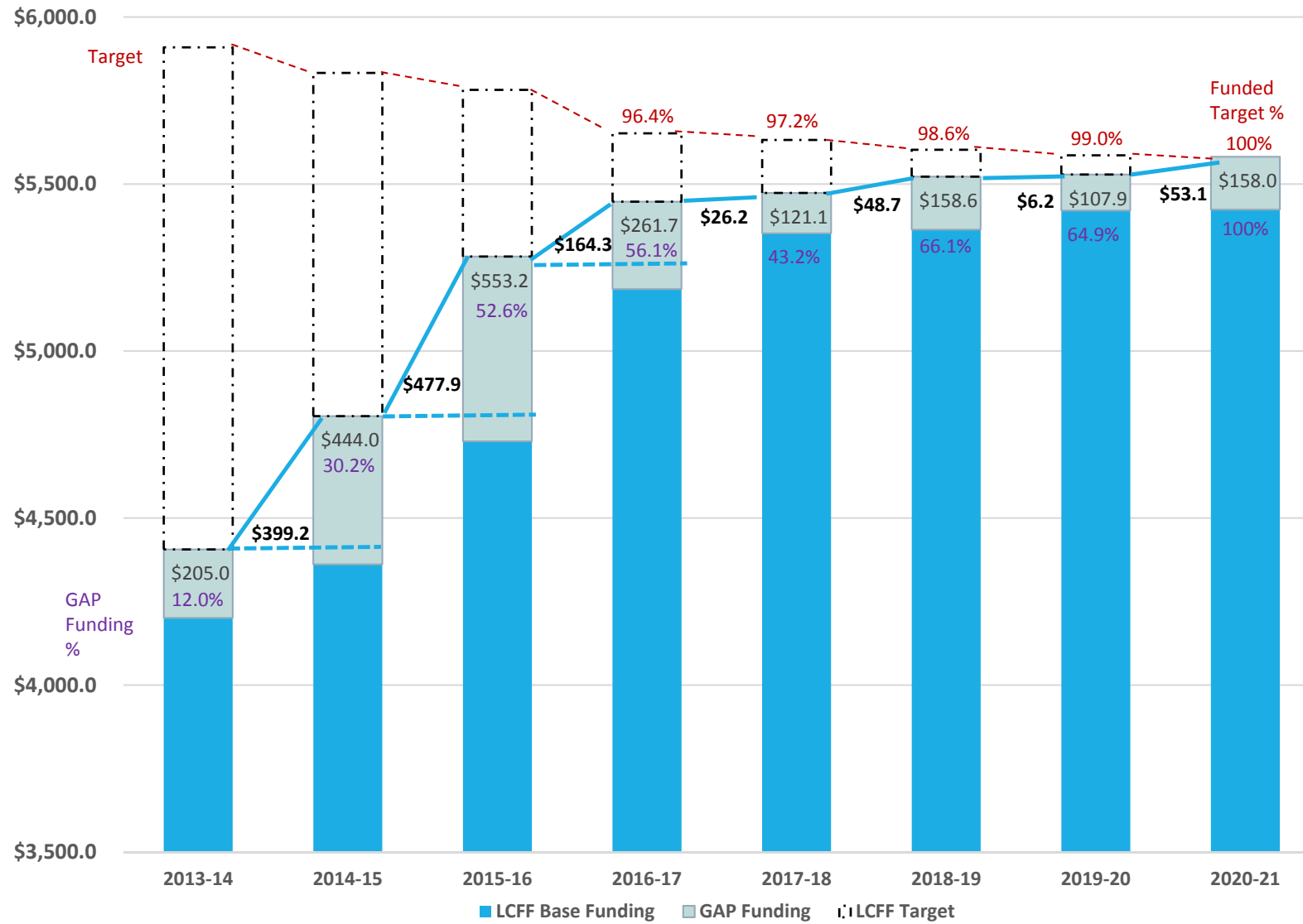
School Resources: Average Cost Per ADA



- ACLU Settlement Funds \$1515
- Affiliated Charter Block Grants \$840
- Magnet Schools \$211
- Reed Schools \$713

Specific School Site Programs

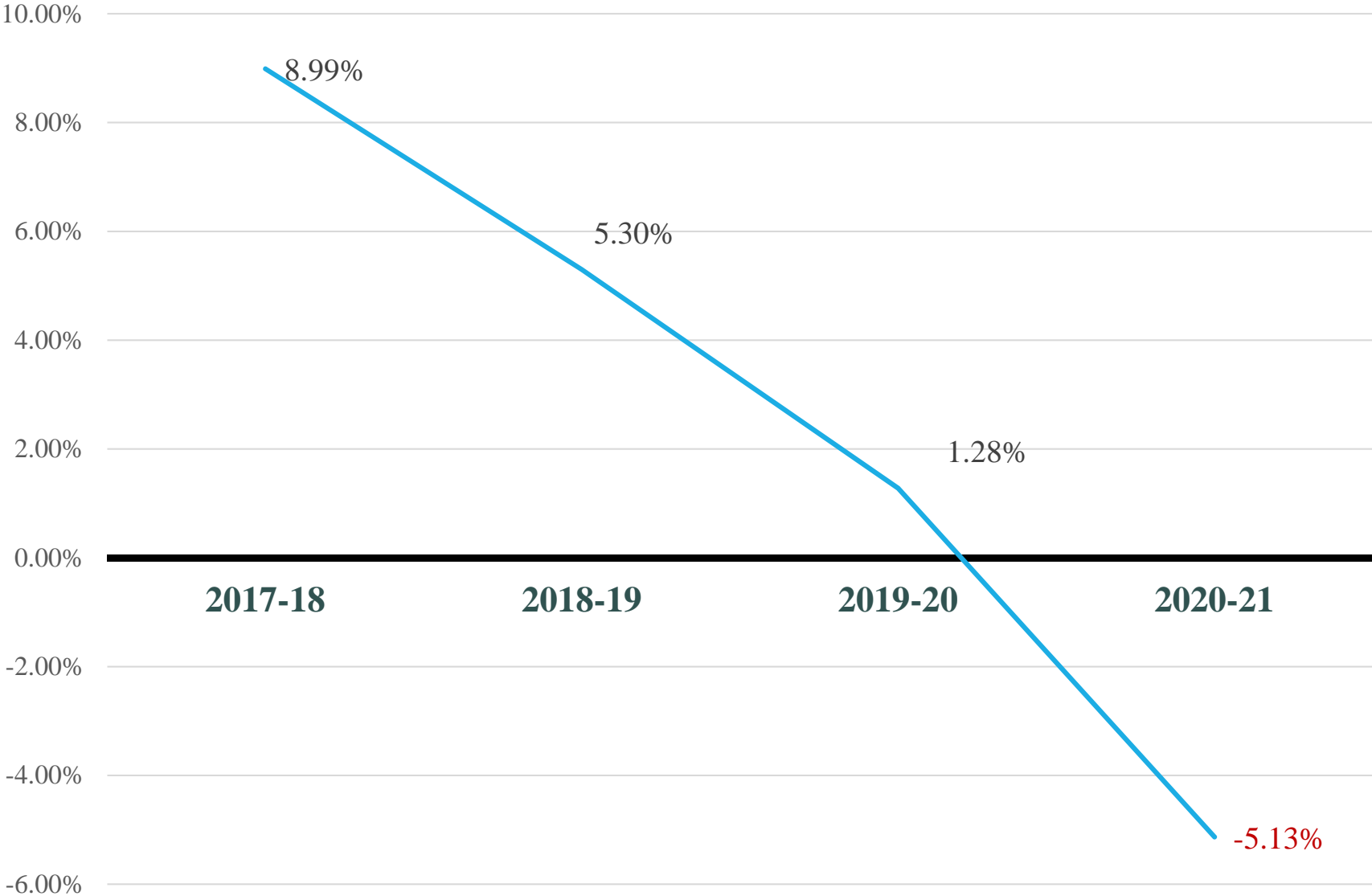
LCFF Revenues from 2013-14 to 2020-21 (Traditional Schools and Affiliated Charter Schools)
(In Millions)



- State funding increases are slowing.
- Declining enrollment reduces revenue.

Ending Balance Reserve Percentages

Unaudited Actuals - September 2017



- LAUSD has a structural deficit.

Q&A