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Local Control Funding Formula Overview

Information about the funding provisions of the Local Control Funding Formula.

Funding Provisions

The local control funding formula (LCFF) was enacted in 2013–14, and it replaced the previous kindergarten through grade 12 (K–12) finance system which had been in existence for roughly 40 years. For school districts and charter schools, the LCFF establishes uniform grade span grants in place of the myriad of previously existing K–12 funding streams, including revenue limits, general purpose block grants, and most state categorical programs (see [School District and Charter School LCFF Entitlement](#) below). For county offices of education (COEs), the LCFF establishes funding for oversight activities and instructional programs (see [County Office of Education LCFF Entitlement](#) below).

Full implementation of LCFF required additional funding allocations over a multi-year period and a transition formula to bridge the gap between prior funding levels and the new LCFF target levels. The 2018–19 Budget Act fully funded the LCFF gap bringing all LEAs to their LCFF Target level.

LCFF funding is allocated through the [Principal Apportionment](#) and is funded through a combination of local property taxes and state funding from the State School Fund and Education Protection Account.

For information on other components of the LCFF including accountability and system of support refer to the [Local Control Funding Formula](#) web page.

School District and Charter School LCFF Entitlement

All school districts and charter schools receive the LCFF entitlement comprised of the components described in Figure 1 below, as applicable.

Figure 1: LCFF Entitlement Components for School Districts and Charter Schools

LCFF Component	Description
LCFF Grade Span Base Grant	Uniform base grant for each school district and charter school based on the grade span of pupils, i.e. kindergarten through grade 3 (K-3), grades 4-6, grades 7-8, grades 9-12, multiplied by units of average daily attendance (ADA). For school districts, funded ADA is equal to the greater of current or prior year ADA.

K-3 Grade Span Adjustment of 10.4 percent	As a condition of receiving these funds, school districts are required to maintain an average class enrollment of no more than 24 pupils in K-3 classes, unless the district has collectively bargained alternative average class enrollment in those grades for each school site. Charter schools receive the adjustment but do not have to comply with this condition.
Grades 9-12 Adjustment of 2.6 percent	There are no compliance requirements associated with this adjustment.
Supplemental Grant	Equal to 20 percent of the adjusted base grant multiplied by ADA and the unduplicated percentage of targeted disadvantaged pupils. Targeted pupils are those classified as English learners (EL), meet income requirements to receive a free or reduced-price meal (FRPM), foster youth, or any combination of these factors (unduplicated count).
Concentration Grant	Equal to 65 percent of the adjusted base grant multiplied by ADA and the percentage of targeted pupils exceeding 55 percent of a school district's or charter school's enrollment.
Necessary Small School (NSS) Allowance	Funding for school districts with qualifying schools that serve a small population of students and are geographically isolated. NSS funding is provided in lieu of LCFF Base Grant funding.
Add-on Funding	Funding equal to Home-to-School Transportation and Targeted Instructional Improvement Block Grant funding received by school districts in 2012–13; requires that 2012–13 expenditure levels continue to be maintained for Home-to-School Transportation.
Economic Recovery Target	Additional funding for those LEAs that would have received a higher level of funding under revenue limits and various categorical programs, based on certain assumptions.
Additional State Aid to Meet the Minimum Guarantee	Amount based on the state aid school districts and charter schools received in 2012–13. Portions of the calculation is adjusted for changes in local revenue and ADA.

A summary of the current and historical LCFF grant amounts, as well as other funding information, can be found on the [Funding Rates and Information web page](#).

County Office of Education LCFF Entitlement

All COEs receive the LCFF entitlement comprised of the components described in Figure 2 below, as applicable.

Figure 2: LCFF Entitlement Components for County Offices of Education

LCFF Component	Description
Operations Grant	Oversight responsibilities are funded through a COE operations grant, with amounts based on (1) a minimum grant per county, (2) the number of school districts in the county, and (3) the ADA in the county attributable to school districts and charter schools.
Alternative Education Grant	COE instructional programs are funded through an Alternative Education Grant allocated on the basis of ADA for students in juvenile court schools and county program students that are on probation, probation referred or expelled under certain provisions. COEs also receive supplemental and concentration grants based on this ADA and the unduplicated percentage of targeted students (percent thresholds differ from school districts and charter schools). Other pupils served by the COEs are funded based on the LCFF funding of their school district of residence.
Add-on Funding	Funding equal to Home-to-School Transportation and Targeted Instructional Improvement Block Grant funding received in 2012–13; requires that 2012–13 expenditure levels continue to be maintained for Home-to-School Transportation.
Additional LCFF State Aid to Meet the Minimum Guarantee	Additional State Aid is provided to meet the level of Minimum Guarantee equal to the amount of categorical funding received by each COE in fiscal year 2012–13.

COEs that received revenue limit and categorical program funding at a higher level than their LCFF entitlement are subject to the hold harmless provisions that hold their funding at the 2012–13 levels, adjusted by current year Alternative Education Grant ADA, until their LCFF Entitlement grows and surpasses the 2012–13 funding levels.

Additional LCFF State Aid for COEs

Commencing with the 2017–18 fiscal year, additional funding is provided to COEs in recognition of their new responsibilities under the LCFF for oversight of school districts' Local Control and Accountability Plans and support of school districts' continuous improvement, as follows:

- The 2017–18 Budget Act authorized additional LCFF state aid for 24 COEs funded at the LCFF Entitlement (Target) as of the 2016–17 Second Principal Apportionment, based on the number of school districts under each COE's jurisdiction.
- The 2018–19 Budget Act authorized a base allowance for each COE with more than one school district under its jurisdiction plus an additional allowance for each school district identified for differentiated assistance.

A summary of the current and historical COE LCFF grant amounts, as well as other funding information, can be found on the [Funding Rates and Information web page](#).

Contact Information

For all LCFF funding questions, contact the Principal Apportionment Section at PASE@cde.ca.gov.
For all LCFF program questions, contact the Local Agency Systems Support Office at LCFF@cde.ca.gov.

Questions:

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