

# Michael Kirst, father of new school funding formula, looks back and at the work ahead

LOCAL CONTROL FUNDING FORMULA

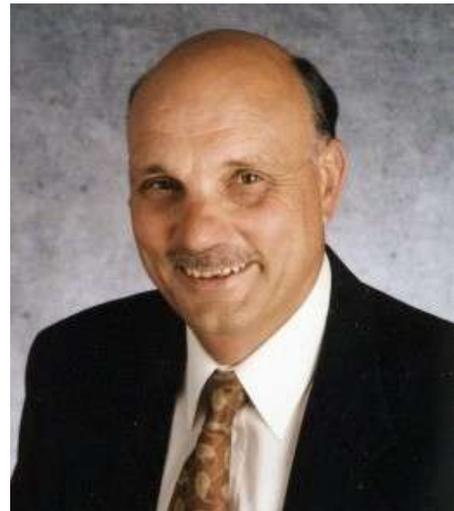
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It was the morning after the evening of the last revision, and the father of the Local Control Funding Formula looked upon all that the governor and Legislature had made, and declared, “Hey, not bad.”

Michael Kirst is relishing the all-but-certain passage later this week of the comprehensive school funding reform that he co-designed. That was five years ago, and, after many twists and iterations, the final version, negotiated over the weekend by Gov. Jerry Brown, Assembly



*Michael Kirst*

Speaker John Pérez, D-Los Angeles, and Senate President pro Tem Darrell Steinberg, D-Sacramento, ended up quite like the one published in April 2008. The framework – with base funding, a supplemental grant for every low-income student and English learner, and extra dollars again to districts with the highest concentrations of those targeted students – was in the paper that Kirst co-wrote with former California Secretary of Education Alan Bersin and then Berkeley Law Center professor and now state Supreme Court Justice Goodwin Liu.

“It is extremely rare in policy analysis that 80 percent of what you recommend is put into law,” Kirst, a professor emeritus at Stanford, said Tuesday. “Usually you hope policy makers will consider half or less.”

But in this case, paternity won’t end with conception. Kirst, who’s also president of the State Board of Education, confirmed that the State Board is expected to be given a key role in implementing the Local Control Funding Formula. In rushing to agree on the LCFF in time for passage with the budget by the June 15 statutory deadline, staff for the Assembly, Senate and Brown administration apparently have left key requirements dealing with local control for the State Board to regulate. The State Board will help frame how to hold local districts accountable for the extra dollars that districts will receive under the LCFF for low-income students and English learners. It will be a new role for the Board, which already has a tight schedule involving deadlines for the Common Core standards and a new academic accountability system.

The language of the accountability piece of the LCFF, which will be part of the budget trailer bill, laying out statutory changes, was still being drafted on Tuesday and may not be ready until late Wednesday, said Rick Simpson, Pérez’s deputy chief of staff. Advocates for low-income students, who have been arguing for tight controls over districts’ use of the money, and district administrators, who have been lobbying for more latitude in shifting dollars around, agree the precise wording will be critical. Among the issues:

- How detailed will be the plan that each district has to write specifying how LCFF dollars will be used?
- To what extent must parents and the community be consulted in creating the plan?
- Must the extra dollars for high-needs students be spent at the schools they attend?
- What are the spending restrictions for the supplemental and concentration dollars?
- What measures will the state use, besides test scores and the state’s API score, to determine if the dollars are bringing results?
- What will happen to districts whose results don’t grow quickly enough?

The Kirst-Liu-Bersin plan, “Getting Beyond the Facts: Reforming California School Finance,” didn’t deal with these issues. They expected the Legislature would take them up upon passage of a new finance system.

“Never in my wildest dreams did I think then that I would be in the center of this now,” Kirst said.

But state deregulation of education programs, the end of most categorical programs and the transfer of decision making to local districts was one of the five underlying principles of the system they envisioned, Kirst said.

The others were:

- Establishing an underlying rationale for a new system with a repeal of spending formulas that had accumulated for 30 years though “historical accretion;”
- Creating a financing system that is relatively easy to understand, with a few basic components;
- Allocating money guided by student needs;
- Instituting a new system with new money going forward without reducing the current allocation to districts.

The Kirst-Liu-Bersin plan also called for adjusting payments to school districts based on regional costs of living – a factor that Brown didn’t include in his formula. But it was the last goal that proved the most difficult for Brown and legislators. Brown had claimed that the Local Control Funding Formula would hold districts harmless, but it was only after he agreed to raise the base per-student funding by an average of \$537 following protracted negotiations that it actually assured it.

Kirst and the others researched their paper in 2006 and 2007, when it looked like revenues would continue to rise. The paper included three scenarios, with supplemental grants for low-income students and English learners from 25 to 40 percent of base funding and concentration grants of up to double the base starting in schools with 50 percent high-needs students. Brown proposed the LCFE after five years of budget cuts; holding districts harmless by restoring schools to 2007-08 spending levels forced Brown to reduce the percentages of targeted assistance below what Kirst and the other authors suggested.

Justice Liu will have to keep whatever satisfaction he feels about the LCFF to himself. Assuming he does not have to recuse himself, he may eventually hear two cases – Robles-Wong v. State of California and Campaign for Quality Education v. State of California – challenging the adequacy of the level of California’s school funding, which are winding their way through the courts.