

Date of Hearing: May 18, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Chris Holden, Chair
AB 2774 (Akilah Weber) – As Introduced February 18, 2022

Policy Committee: Education

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill changes the Local Control Funding Formula (LCFF) definition of "unduplicated" student to include students who are classified as members of the lowest performing subgroup or groups, excluding subgroups that already are counted as unduplicated students or specifically receive other funding on a per student basis.

FISCAL EFFECT:

Ongoing annual Proposition 98 (GF) costs of about \$662 million to provide additional LCFF funding for the lowest performing subgroup or groups. (Costs would be higher if this bill and AB 1948 [Ting], which is pending in this committee, are both enacted. AB 1948 increases the LCFF base by 15%, which would add to the cost of this bill.) Additional ongoing funding in the hundreds of millions of dollars if multiple subgroups qualify for funding in future years.

COMMENTS:

- 1) **LCFF.** The state established the LCFF in the 2013-14 school year. The LCFF provides schools with a base level of funding per student, plus additional funding based on the number of students who are either English learners, low income, or in foster care. Students that fall into more than one category are counted only once for LCFF purposes, hence the term "unduplicated" student.

The LCFF consists of three primary components: (a) A base grant for each of four different grade spans, (b) a supplemental grant equal to 20% of the base grant for each unduplicated student, and (c) a concentration grant based on the number of unduplicated students in excess of 55% of the district or charter school total enrollment.

- 2) **Student Subgroups.** The state's accountability system requires that data about student performance be broken down by student subgroups to ensure their performance is not masked by overall averages. Current law defines subgroups to include ethnic subgroups, socioeconomically disadvantaged students, English learners, students with disabilities, foster youth, and homeless youth.
- 3) **Which Subgroup Does This Bill Apply To?** Because all the other subgroups defined by law already count toward unduplicated counts or receive other funding on a per-student basis (as is the case for students with disabilities), this bill applies only to the lowest-performing ethnic subgroup. The California Department of Education reports scores for the following

ethnic subgroups: Black or African American; American Indian or Alaska Native; Asian; Filipino; Hispanic or Latino; Native Hawaiian or Pacific Islander; White; and two or more ethnic subgroups. State test scores indicate that the lowest-performing ethnic group is Black/African American. Therefore, this bill would add Black/African American students to the unduplicated student count for LCFF purposes.

- 4) **How Many Students Would Be Added to the Unduplicated Count?** About 299,000 students in K-12 schools identify as Black/African American, comprising about 5% of the total K-12 population. According to the CDE, about 83,000 students identified as Black/African American are not already identified as unduplicated students. Accordingly, this bill would add about 83,000 students to the total number of unduplicated students for purposes of the LCFF.
- 5) **Future Implications.** This bill provides that the subgroup identified for the 2023-24 fiscal year based on 2018-19 state test scores shall be included within the unduplicated student count until its scores equal or exceed the highest performing subgroup, while other subgroups that may be identified in future years would generate additional funding only if they remain the lowest scoring group. This means that Black/African American students could be the second-highest performing subgroup and still receive additional funding on the basis of their prior status as the lowest performing subgroup.
- 6) **California Constitution.** Section 31, Article I of the California Constitution states, in part, "The state shall not discriminate against, or grant preferential treatment to, any individual or group on the basis of race, sex, color, ethnicity, or national origin in the operation of public employment, public education, or public contracting," and defines "state" to include school districts. Although the bill does not name a specific ethnic group that would receive additional funding, it uses test scores to identify an additional category of students from only among ethnic groups. The committee may wish to consult with Legislative Counsel on the constitutionality of this bill.

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