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July 25, 2014

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Concerns re: Prior Year Expenditure Calculations in Antioch's Proposed LCAP & Its Adverse Impact on Increased/Improved Services Due High-Need Students

Superintendent Donald Gill and Superintendent Joseph Ovick:

On behalf of Public Advocates, as well as CCISCO: Contra Costa Interfaith Supporting Community Organization, GRIOT (Greatness Rediscovered In Our Time), and the NAACP - East County Chapter, we raise a major concern regarding Antioch Unified School District's Local Control Accountability Plan (LCAP). As a nonprofit law firm that has pushed for greater equitable funding in education for the past 42 years, Public Advocates is working to ensure the foundational principles of the Local Control Funding Formula (LCFF) are reflected in district LCAPs. We appreciate the transparency the district has provided in Section 3.D of its LCAP regarding its proportionality calculation. However, we have strong concerns regarding the district's improper inclusion of many expenses in its estimate of prior year (FY 2013-14) services for high-need or "unduplicated" pupils. This action has resulted in a significant under-calculation of the funds allocated to "increase or improve services for unduplicated pupils" by approximately \$6 million. We urge the district to correct this error immediately.

AUSD Overestimates Its Expenditures on Prior Year Unduplicated Pupil Services by Roughly \$20 Million.

The district's proportionality calculation under the regulations adopted by the State Board of Education in January (5 C.C.R § 15496) is

flawed due to its inclusion of roughly \$20 million of services adopted for all pupils as part of its estimate of prior year services for unduplicated pupils.

Under 5 C.C.R. § 15496(a)(2), an LEA may only count as prior year expenditures “funds expended . . . on services *for unduplicated pupils* that is in addition to *what was expended on services provided for all pupils.*” Antioch Unified has not followed these regulations. Instead of counting only services *for unduplicated pupils*, Antioch has included expenses that appear to be *for all pupils*. To highlight some of these errors:

- **Share of deficit spending, \$8.5 million:** Deficit spending is not only not a service exclusively for unduplicated pupils, but it is not a “service.” Counting over \$8 million as a prior expenditure “for unduplicated pupils” is clearly erroneous.
- **Highly qualified teachers, \$3.925 million:** The cost of highly qualified teachers does not constitute a service specifically for unduplicated pupils. Under state law, *all pupils* are entitled to fully credentialed and appropriately assigned teachers as part of the district’s basic instructional program; under federal law, all students in districts accepting Title I funds, as AUSD does, are specifically entitled to “highly qualified” teachers already. An earlier draft of the district’s prior year spending listed \$3.3 million for teacher salary increases and \$625,000 for a reformed health package. To the extent that this “highly qualified teacher” expenditure merely accounts for across-the board salary increases and increased health benefits for teachers, they arguably do not qualify as “services” for pupils at all as they represent higher compensation to *teachers* but result in *no different level of service for pupils*. Yet, even putting that major concern aside, such costs flow evenly across the district and in no way constitute a prior year service “for unduplicated pupils.”
- **Flex computer lab hours, \$1.99 million:** Computer lab hours appear to be a service districtwide for *all pupils*—and not just unduplicated pupils.
- **Sufficient textbooks & materials, \$1.7 million, Instructional materials, \$1.1 million, Clean & safe facilities, \$500,000:** Like the provision of fully credentialed and appropriately assigned teachers, the district is required by state law to provide *all pupils* with sufficient textbooks and instructional materials as well as clean and safe facilities independent of LCFF and regardless of unduplicated pupil status.¹

¹ The expenditures discussed here are based on page 2 of the attached Budget Addendum document to the AUSD LCAP listing the breakdown of the \$24,048,494.31 in supplemental and concentration funding for 2013-14. That document is available online: <http://antioch-ca.schoolloop.com/file/1240064366129/1241325309507/741792334920137893.pdf>. The district provided preliminary information on Antioch Unified’s prior year expenditures in a document dated June 19, 2014 (also attached). While the document is labeled “DRAFT FOR DISCUSSION AND PLANNING ONLY” and some of the listed actions and services are different, the total amount matches the final amount provided in Section 3.D of the adopted LCAP and Totals provided in the Budget Addendum document.

While the expenditures above constitute some of the district's largest prior year expenses, the overwhelming majority of the other identified expenditures—aside from a handful including Economic Impact Aid and Trained District Foster Youth liaison²—do not appear to be services provided specifically “for unduplicated pupils” as opposed to simply constituting general core programming provided “for all pupils.” For example, such general program expenditures as “Summer Bridge/Algebra Academy,” “ongoing professional development,” “accredited induction program” for teachers, and “District-wide Data tracking,” obviously touch unduplicated pupils by serving “all pupils” or being districtwide in nature, but cannot be characterized *post hoc* as services provided specifically for the unduplicated subset of the district's students.

Indeed, Antioch Unified identifies many of these expenditures as services for all pupils given that—according to the LCAP Budget Addendum document—the vast majority are reported in Section 3.A of the LCAP template, which is reserved for “annual actions . . . to be performed to meet the goals . . . for ALL pupils and the goals specifically for subgroups of pupils . . . not listed in Table 3B below.” In comparison, Table 3B is reserved for identifying “additional annual actions . . . above what is provided for all pupils that will serve low-income, English learner, and /or foster youth pupils . . .” Thus, actions and services for unduplicated pupils are reported in Section 3.B, rather than Section 3.A of the template. By counting as prior year expenditures numerous actions and services that it reported as continuing services in Section 3.A (i.e., services for all pupils or for pupil subgroups other than unduplicated pupils), Antioch Unified appears to concede that it is attributing prior year funds spent on services for all pupils to services for unduplicated pupils.

If the district believes it is justified in treating any of its designated prior year expenditures (other than EIA, the foster youth liaison, and those services described in footnote 1 above) as “funds expended. . . on services for unduplicated pupils that is in addition to what was expended on services provided for all pupils” please provide us with your rationale.

AUSD's Overestimate of Prior Year Expenditures Deflates Its Obligation to Increase or Improve Services for Unduplicated Pupils by Approximately \$6 Million.

The State Board's LCFF expenditure regulations set forth a 7-step formula for determining the proportional increase or improvement in services due high need students in the LCAP year.³ *The district's current adopted LCAP errs in its application of this 7-step formula*

² While it is hard to tell absent further information, it is possible that the following represent legitimate expenditures for services on unduplicated pupils: counselors to focus on high need students (which appears listed twice), trained bilingual site liaison, highly qualified CLAD/BCLAD teachers, and “CCSS and ELD Standard and EDI”. Of course, these amounts and whether the funds were actually used as proposed to focus on unduplicated pupils would be subject to verification in the annual update next year. These expenditures, including the foster youth liaison, total at most \$1,489,112.

³ See 5 C.C.R. § 15496(a).

and, thereby, underestimates the amount of supplemental and concentration dollars Antioch needs to spend on increasing or improving services in 2014-15 by approximately \$6 million. Even accepting that those expenditures identified in Footnote 1 should all properly be counted as prior year expenses on services for unduplicated pupils (which we may contest), the first four steps (where the district's key errors take place) are as follows:

1. Determine the district's target supplemental and concentration spending at full LCFF implementation. **\$26,365,785.**
2. Determine the prior year funds expended on services for unduplicated pupils, at a minimum using the 2012-13 Economic Impact Aid funding level. **\$2,262,290 (EIA expenditures) + \$1,489,112 (counting all services identified in footnote 1) = \$3,751,402**
3. Subtract from the target in step 1 the prior year unduplicated expenditures in step 2 to determine the current gap between unduplicated pupil spending and the full implementation target. **\$26,365,785 – \$3,751,402 = \$22,614,383.**
4. Multiply the current gap of \$22.6 million by 29.56%, the percent step toward full LCFF funding the State is taking in 2014-15, to determine the additional supplemental and concentration funds for the district in 2014-15. **\$22,614,383 x .2956 = \$6,684,812.**

In contrast, Antioch Unified's calculation at Section 3.D of its adopted LCAP has very different figures. At step 2, Antioch Unified dramatically overstates expenses on prior year services by including an additional \$20 million in spending (above the district's \$2.3 million on EIA funding and \$1.5 million of potentially targeted services) for a total of \$24 million in prior year spending on services for unduplicated pupils. Carrying this amount forward, Antioch Unified claims it has already reached 94% of its target supplemental and concentration funding of \$26 million. As a result, the district provides for only \$650,000 of additional supplemental and concentration funding to increase or improve services for unduplicated pupils in the next year (Step 4). This is far less than the required \$6,684,812, as shown above. By overstating the amount of funding Antioch Unified is already spending for unduplicated pupils, the district deprives its high-need students of more than \$6 million in increased or improved services for 2014-15. Left uncorrected, this deprivation of services will replicate itself anew and compound, every year, in perpetuity.

The County Superintendent Is Responsible for Ensuring AUSD Properly Calculates Its Supplemental and Concentration Funds.

The County Superintendent is responsible for ensuring the district properly calculates its supplemental and concentration funds. To approve the LCAP, the county must determine that the plan "adheres to the expenditure requirements adopted pursuant to [Ed. Code § 42238.07]," which include the 7-step proportionality calculation at 5. C.C.R. § 15496(a).⁴ Indeed, the California County Superintendents Education Services Association (CCSESA) instructs counties that "Adherence to SBE Expenditure Regulations," including verification of the proportionality

⁴ See Ed. Code § 52070(d).

Superintendent Donald Gill
Superintendent Joseph Ovick
July 25, 2014
Page 5 of 6

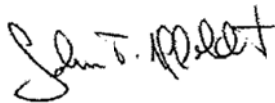
percentage calculation, is one of three key criteria for LCAP approval.⁵ Thus, prior to approving the district LCAP and budget, the county must ensure that the district has done its proportionality calculation correctly, including the underlying step of estimating its prior year expenditures on services for unduplicated pupils.

Conclusion and Request for Action

We urge the district to amend its LCAP to recalculate its prior year expenditures and adjust its new supplemental and concentration spending for 2014-15 without further delay. Should Antioch Unified fail to do so, the county must disapprove the district's LCAP and budget by August 15th and ensure the LCAP complies with the law. Given the significant impact on the opportunities of high-need students, we will consider any and all means, including legal recourse, to ensure compliance with the law. Please confirm your mutual compliance with the LCFF statute and expenditure regulations by August 15th.

I will be out of the office until August 11th, please contact Senior Staff Attorney Angelica Jongco at the number below or ajongco@publicadvocates.org should you wish to discuss this matter further prior to my return.

Respectfully,



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⁵ See CCSESA LCAP Approval Manual (2014-15 Ed.), at pp. 2, 33, available at <http://ccsesa.org/special-projects/lcap-approval-manual/>.

Superintendent Donald Gill
Superintendent Joseph Ovick
July 25, 2014
Page 6 of 6

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Antioch Unified School District LCAP Budget Projected Expenditures Addendum

				All Expenditures Pending LCAP Approval			
				2013-14	2014-15	2015-16	2016-17
				Supplemental	Estimated Cost of	Estimated Cost of	Estimated Cost of
				and Concentration Services	Supplemental/ Concentration	Supplemental/ Concentration	Supplemental/ Concentration
<u>Section</u>	<u>Service #</u>	<u>Brief Description</u>		<u>New Services</u>	<u>New Services</u>	<u>New Services</u>	<u>New Services</u>
A	3.2	Additional computer teachers and staff		700.00	143,300.00	250,000.00	
A	4.1, 4.2, 9.2	Ongoing professional development		8,700.00	10,000.00	15,000.00	
A	4.2	Professional development training		8,700.00	10,000.00	15,000.00	
A	8.2	Student assessment upon enrollment		2,000.00	2,000.00	2,000.00	
A/B	8.3, 8.5	Targeted intervention for high need students		15,000.00	10,000.00	10,000.00	
A	8.4	Preschool		-	12,000.00	12,000.00	
A	9.1	Algebra 1 support courses		700.00	-	-	
A	10.2	Mandatory CAHSEE pretest		1,000.00	1,000.00	1,000.00	
A	11.1, 15.6, 21.5	African American Male Achievement Initiative		90,000.00	93,000.00	142,000.00	
A	11.2	District-wide Data Tracking		25,000.00	50,000.00	100,000.00	
A/A/B/B/B	11.3, 6.3, 7.3, 19.1, 19.2	Increase counselors to focus on high need students		-	91,000.00	91,000.00	
A	11.6	Career Centers		2,500.00	10,000.00	20,000.00	
A	11.8	California Seal of Biliteracy		1,700.00	1,700.00	1,700.00	
A	15.1	Community Involvement Coordinator/ LCAP Accountability		130,000.00	130,000.00	180,000.00	
A	15.4	Trained site bilingual liaison		84,000.00	112,000.00	140,000.00	
A	16.1	Extended Day Opportunities for Arts/High interest		-	50,000.00	95,800.00	
A	17.2	District Attendance bilingual liaison		65,000.00	65,000.00	65,000.00	
A	20.3	Restorative Practices and PBIS		10,500.00	10,500.00	25,000.00	
A	21.3	Transition Program		-	-	10,000.00	
A	22.1	Cultural Humility training/FHAO/NCBI		5,000.00	6,000.00	12,000.00	
A	22.2	School-site summit		500.00	500.00	500.00	
B	4.7	Summer School		-	75,000.00	75,000.00	
B	5.1	Core teachers ELD Knowledge		2,500.00	3,000.00	4,000.00	
B	5.3	Long Term English Learners		-	50,000.00	100,000.00	
B	7.1	Highly qualified CLAD/BCLAD teachers		2,500.00	3,000.00	4,000.00	
B	7.2	7th Period for English Learners		-	100,000.00	275,000.00	
B	9.3	Site-based math mentoring/tutoring		15,000.00	15,000.00	15,000.00	
B	11.9	Trained District Foster Youth liaison		91,000.00	91,000.00	91,000.00	
B	12.3	ELD teacher focus		2,500.00	3,000.00	4,000.00	
B	12.4	CCSS and ELD Standard and EDI		2,500.00	3,000.00	4,000.00	
B	12.5	Increase Data Technician hours for EL		82,000.00	82,000.00	82,000.00	
B	15.8	Develop Foster Parent Advisory Group		1,000.00	1,000.00	1,000.00	
B	19.1	Counselors focus on high need students		-	91,000.00	182,000.00	
Totals				650,000	1,325,000.00	2,025,000.00	

Current Expenditures						
A	4.1, 4.2, 9.2	Ongoing professional development	43,362.98	43,362.98	43,362.98	43,362.98
A	4.2	Professional development training	21,681.49	21,681.49	21,681.49	21,681.49
A/B	8.3, 8.5	Targeted intervention for high need students	91,950.18	91,950.18	91,950.18	91,950.18
A	11.2	District-wide Data Tracking	90,134.93	90,134.93	90,134.93	90,134.93
A/A/B/B/B	11.3, 6.3, 7.3, 19.1, 19.2	Increase counselors to focus on high need students	1,095,591.05	1,095,591.05	1,095,591.05	1,095,591.05
A	15.4	Trained site bilingual liaison	64,868.24	64,868.24	64,868.24	64,868.24
B	7.1	Highly qualified CLAD/BCLAD teachers	21,681.49	21,681.49	21,681.49	21,681.49
B	11.9	Trained District Foster Youth liaison	64,446.53	64,446.53	64,446.53	64,446.53
B	12.4	CCSS and ELD Standard and EDI	21,681.49	21,681.49	21,681.49	21,681.49
B	19.1	Counselors focus on high need students	128,893.07	128,893.07	128,893.07	128,893.07
A	10.1	CAHSEE Preparation	90,134.93	90,134.93	90,134.93	90,134.93
A	22.3	School Loop	38,287.96	38,287.96	38,287.96	38,287.96
A	3.4	Library technicians (library research DB)	48,886.87	48,886.87	48,886.87	48,886.87
A	1.3	Accredited Induction Program	21,681.49	21,681.49	21,681.49	21,681.49
A	1.4	Sufficient textbooks and materials	1,721,777.31	1,721,777.31	1,721,777.31	1,721,777.31
A	1.5	Facilities will be clean, safe	499,577.01	499,577.01	499,577.01	499,577.01
A	3.3	Flex Computer Lab Hours	1,991,540.06	1,991,540.06	1,991,540.06	1,991,540.06
A	4.3	Special classes/programs	1,158,051.10	1,158,051.10	1,158,051.10	1,158,051.10
A	4.4	Coaching model of professional dev.	303,540.89	303,540.89	303,540.89	303,540.89
A	4.5	Research-based assessments	70,181.60	70,181.60	70,181.60	70,181.60
A	15.7	Communication strategies	38,287.96	38,287.96	38,287.96	38,287.96
A	17.1	Building relationships/Home visits	111,880.90	111,880.90	111,880.90	111,880.90
B	9.4	Summer Bridge/Algebra Academy	134,500.00	134,500.00	134,500.00	134,500.00
A	15.5	Parents/students computer resource	230,000.00	230,000.00	230,000.00	230,000.00
A	16.3	School-site Student Advisory Committees	90,134.93	90,134.93	90,134.93	90,134.93
A	6.1	Parent/student info workshops	90,134.93	90,134.93	90,134.93	90,134.93
A	11.4	Career Tech courses	22,865.48	22,865.48	22,865.48	22,865.48
A	3.1	Instructional materials	1,090,592.44	1,090,592.44	1,090,592.44	1,090,592.44
Subtotal			9,396,347	9,396,347.31	9,396,347.31	9,396,347.31
A	2.1	School Site LCAP funding (EIA)	2,262,290.00	2,262,290.00	2,262,290.00	2,262,290.00
A	1.1	Highly qualified teachers	3,925,000.00	3,925,000.00	3,925,000.00	3,925,000.00
N/A	N/A	Share of Deficit Spending	8,464,857.00			
		Total 2013-14	24,048,494.31			

LCFF Proportionality Calculation for 2014-15 LCAP year (Antioch Unified School District)			
Steps for Calculation			
1	The amount of the LCFF target attributed to supplemental and concentration grants for the 2014-15 LCAP year.		26,365,785.00
2	The total amount of LCFF funds expended on services for unduplicated students in 2012-13.		24,048,494.00
	a. How much was spent on Economic Impact Aid in 2012-13?		2,262,290.00
	b. What additional programs/services are included in this estimate for 2012-13 spending on unduplicated pupils? (Describe/name each program and also include the dollar amount for each)		21,786,204.00
3	Difference between Step 1 and 2		2,317,291.00
4	Step 3 multiplied by the most recent percentage calculated by the Department of Finance that represents how much of the statewide funding gap between current funding and full implementation of LCFF is eliminated in this fiscal year floor which the LCAP is adopted.	28.05%	650,000.00
5	Step 2 plus Step 4		24,698,494.00
6	Subtract Step 5 from the total amount of LCFF funding, excluding add-ons for the Targeted Instructional Improvement Grant program and the Home to School Transportation program for the 2014-15 LCAP year.		101,980,013.00
7	Divide Step 5 by Step 6 to yield a percentage		24.2%
8	If Step 3 yields a number less than or equal to zero, determine the percentage by dividing the amount of the LCFF target attributed to the supplemental and concentration grant by the remainder of the LEA's LCFF funding, excluding add-ons for the Targeted Instructional Improvement Grant program and the Home to School Transportation program.		N/A

ANTIOCH UNIFIED SCHOOL DISTRICT
(DRAFT FOR DISCUSSION AND PLANNING ONLY)

<u>Category</u>	<u>Amount</u>
Counseling	1,288,931
Custodial	181,395
Elementary Vice Principals	450,675
Additional Student Support for Special Education	1,158,051
Additional School Program/Instructional Oversight and Accountability Support	433,630
Interpreters and Translation Services	64,868
Career Centers	22,865
Technology Helpdesk Support	71,540
Security - Contracted Security Service	318,182
Technology - Student Attendance Tracking System	111,881
Technology - District- Wide Technology Upgrades	4,600,000
Technology - Measured Progress	70,182
Technology - STAR AR	1,815
Technology - Communication – i.e. SchoolLoop, Autodialer	76,576
Summer Academies	134,500
Library Research Software	48,887
Student and Teacher Instructional Materials	362,370
Salary Increase	3,300,000
Reformed Health Package	625,000
Share of Deficit Spending	8,464,857
Total	21,786,204