

SB 98 (Portantino)

Additional Education Funding based on Average Daily Membership (Enrollment)

PROBLEM

California is one of six states that does not consider enrollment figures for determining state aid to school districts. Districts plan their budgets and operations on enrollment but receive funds based on attendance. For example, if a school district enrolls 100 students but their attendance rate is 95%, the school district must still prepare as if 100 students will attend class every day.

While school districts are morally and legally required to comply with compulsory education laws and conduct outreach to re-engage students who are chronically absent or habitually truant, California funds schools based on average daily attendance (ADA). As such, school districts do not receive funding if a student does not attend school on any given day despite having fixed educational, programmatic and operational costs.

BACKGROUND

California has been using the Average Daily Attendance (ADA) method for calculating school funding for more than five decades. ADA is the total attendance divided by the number of school days in session. Only days in which a student is under the guidance and direction of certificated teachers are considered “days in session.” ADA is always equal to or less than enrollment because students may be absent (whether excused or unexcused). ADA is only used by California and five other states (Idaho, Kentucky, Mississippi, Missouri, and Texas) and is perhaps the most inequitable method used to fund public education.

Average Daily Membership (ADM, or enrollment) is the current counting method

used by most states. ADM is an average of the number of students enrolled in the public school system over a period of time. Some states take an enrollment census over a period of a certain number of days during the school year and some count every instructional day.

California compulsory education law requires everyone between the ages of six and eighteen years of age to attend school. Some students, however, have a pattern of unexcused absences. Current law includes robust accountability requirements, including an annual review of chronic absenteeism data and consideration of the services and programs to support students who are chronically absent or habitually truant. School districts are also required to provide truancy notifications to a parent or legal guardian when students are absent from school.

School districts are also required to implement a system to accurately track pupil attendance to raise the awareness of the effects of truancy and chronic absenteeism, identify and address factors contributing to habitual truancy and chronic absenteeism, and ensure that pupils with attendance problems are identified as early as possible to provide applicable support services and interventions. School attendance review boards (SARBs) also exist composed of school and community members who meet regularly to diagnose and resolve persistent student attendance or behavior problems.

Over the last decade, there have been several legislative efforts to move away from attendance-based funding system to one taking student enrollment into consideration. In 2013, the Legislature explored a bill that sought to move in that direction. However, since it was the same year the Local Control Funding

Formula (LCFF) was adopted, the bill did not move forward. In 2020, a bill proposed to create a supplemental payment to school districts on top of their LCFF allocation by taking into account a school district's enrollment figures. As a result of the COVID-19 pandemic, the Legislature did not hear the bill. In 2022, SB 830 (Portantino) was introduced and would provide additional funding based on ADM. SB 830 passed the Senate but never received a hearing in the Assembly.

SUMMARY

SB 98 would define "average daily membership" as the quotient of the aggregate enrollment days for all pupils in a school district or county office of education, from transitional kindergarten to grade 12, divided by the total number of instructional days for the local educational agency (LEA) in an academic year. LEA includes school districts, county office of educations and charter schools.

SB 98 would require a LEA to receive as additional education funding the difference between what it would have received under the LCFF based on average daily membership and what it would have received under the LCFF based on average daily attendance for that fiscal year. This includes the LCFF base grant and both supplemental and concentration grants. The data used to calculate additional funding provided by this bill would be from the same year or years that the LEA used to determine their funding based on ADA.

In order for a LEA to be eligible for additional educational funding, SB 98 would require they submit to the SPI the average daily membership for the prior academic year and to demonstrate a maintenance of effort to address chronic absenteeism and habitual truancy.

SB 98 would require LEAs to use at least 30% of their additional education funding to existing LEA expenditures to address chronic absenteeism and habitual truancy.

EXISTING LAW

Existing law establishes a public school financing system that requires state funding for LEAs to be calculated pursuant to LCFF, that includes ADA as a component of that calculation.

Existing law requires the SPI, on or before February 20 of each year, to make a first principal apportionment of funds and, on or before July 2 of each year, to make a 2nd principal apportionment of funds to each LEA.

SUPPORT

California School Employees Association
(Sponsor)
Los Angeles Unified School District (Sponsor)
State Superintendent of Public Instruction Tony
Thurmond (Co-Sponsor)

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