



# EQUITY MULTIPLIER

Budgeting for Educational Equity is made possible by support from both the Sobrato Family Foundation and the California Association of School Business Officials (CASBO). Budgeting for Educational Equity is a podcast series that explores how education resources can be allocated to better meet the needs of all students. This brief is designed to provide opportunities for the listener to engage in tangible, practical application of the lessons derived from each podcast episode. The brief can serve as a launching point for cultivating discussions about equity within communities and school district administrative offices. Episodes can be found on the [Budgeting for Educational Equity Podcast Series webpage](#).

In Episode 8 of Budgeting for Educational Equity, Natalie Wheatfall-Lum, Director of P-16 Policy at the Education Trust-West, and Sara Petrowski, Policy Director at the California State Board of Education, discuss the Equity Multiplier initiative with host Jason Willis. The Equity Multiplier aims to allocate additional funds to high-need schools in California. Understanding the rationale behind and implications of this initiative is essential for educators, policymakers, and interest holders in the education system, as it directly impacts resource allocation and support for students in California schools.

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## INTRODUCTION

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California's current mechanism for funding local education agencies (LEAs), the Local Control Funding Formula (LCFF), has been in place for a decade. The funds are allocated to LEAs based on the principle that these local agencies are best positioned to determine how to spend them. Although research indicates improvements in equity and outcomes post-LCFF implementation, studies show the funds have not necessarily trickled down proportionately to the *schools* and *students* that generate them.<sup>1</sup> Building on the LCFF commitment to enhance outcomes and equity, the Equity Multiplier targets new supplemental funds directly to schools based on their needs rather than through their LEAs.





## ORIGINS OF THE EQUITY MULTIPLIER

The LCFF currently allocates additional dollars to LEAs based on their unduplicated count\* of English Learners, students eligible for free or reduced-price meals, and foster youths in California. In 2022, Assemblymember Akilah Weber authored a bill<sup>2</sup> aiming to expand the LCFF unduplicated pupil definition. The proposal would have added students from the lowest performing student group who are not already identified for supplemental per pupil funding through the LCFF or other state funds.

Historically, in California, this group<sup>†</sup> has been Black students. California statistics from 2022 indicate that only 30 percent of Black students met or exceeded English language arts (ELA) standards, and 16 percent met or exceeded math standards, as compared to 36 percent and 21 percent of Latine students, 61 percent and 48 percent of White students, and 75 percent and 69 percent of Asian students, respectively.<sup>3</sup> Assemblymember Weber’s original proposal notes that these

performance disparities cannot be fully explained by socioeconomic differences alone.<sup>4</sup> One estimate suggests that Assemblymember Weber’s bill would have directed additional dollars to districts serving the 27 percent of Black students currently unfunded based on current supplemental and concentration eligibility, which includes socioeconomic status, with the goal of addressing persistent opportunity gaps.<sup>5</sup>

However, concerns arose that funding based on race or ethnicity, even by way of targeting the lowest-performing student group, potentially violates the 14th amendment and California’s Proposition 209.<sup>‡</sup> In response, the governor’s office proposed the LCFF Equity Multiplier as an alternative way to enhance equity. Estimates of the percent of Black students who attend schools that would receive this funding range from 5 percent to 10 percent.<sup>6</sup>

## EQUITY MULTIPLIER IN ACTION

In the 2023–24 school year, a \$300 million Equity Multiplier was adopted to drive additional dollars to high-need schools. The Equity Multiplier

provides unrestricted funds that must be used to supplement, not supplant, current services to school sites (rather than districts) with prior year nonstability<sup>§</sup> rates greater than 25 percent and prior year socioeconomically disadvantaged<sup>¶</sup> pupil rates greater than 70 percent. Non-classroom-based charters are not eligible. In Episode 8, the guests discuss why these indicators were chosen to direct the new Equity Multiplier funding.

Schools eligible for Equity Multiplier funds based on the indicators receive additional funding per pupil, with a minimum of \$50,000 awarded to each eligible school.<sup>7</sup> Schools have flexibility to target Equity Multiplier funds in any way they see fit as long as the dollars are spent on evidence-based programs or services. Districts with Equity Multiplier schools are also required to set performance-improvement goals in their Local Control and Accountability Plan (LCAP). The goals must target support to the schools’ lowest performing student groups as measured by California School Dashboard indicators.<sup>8</sup> In the episode, guest Sara Petrowski explains this requirement will benefit the

\* For the purposes of LCFF, each student is counted only once even if they meet multiple criteria.

† Foster youth, English Learners, and students eligible for free and reduced-price meals are funded through the LCFF unduplicated student count. Students with disabilities receive state funding outside the LCFF.

‡ Enacted in 1996, Proposition 209, California Constitution, Article 1, Section 31, says, “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.”

§ The nonstability rate is the percent of students who do not complete a “full year” of learning at one school, and California has determined that to be 245 calendar days for the purpose of this measurement. More information is available at <https://www.cde.ca.gov/ds/ad/srinfo.asp>.

¶ Students at a socioeconomic disadvantage meet at least one of the following criteria: The student has no parent with a high school diploma or is eligible for free or reduced-price meals, is eligible for the Title 1 Part C Migrant program, is experiencing homelessness, is foster program eligible, is directly certified, is enrolled in a juvenile court school, or is a tribal foster youth.





approximately 95 percent of African American students who are in districts where African American student performance is at the lowest level on at least one dashboard indicator.

### WHAT DOES RESEARCH SAY ABOUT TARGETED FUNDING?

The Equity Multiplier is an example of targeted funding that sends additional dollars to schools based on student characteristics that are indicative of need and that builds upon LCFF unduplicated student count indicators. There is a robust research base that supports the importance of funding, particularly for high-need students, but causal research on the impacts of providing concentrated funding to particular student groups can be difficult to conduct and is an area ripe for further inquiry.

**Financial resources are essential, especially for students from low-income families:** Research indicates that school funding has a positive impact on student outcomes, including test scores, graduation rates, and college-enrollment rates.<sup>9</sup> Moreover, evidence suggests that increased spending may benefit low-income students the most.<sup>10</sup> In particular, states that have implemented reforms to allocate more dollars

to high-poverty school districts have observed a narrowing of achievement gaps *between districts*.<sup>11</sup>

**Targeting funds by district is impactful but may not be enough:** While allocating more funds to high-need districts shrinks performance gaps between high-income districts and low-income districts, evidence suggests that it does not shrink the gap *between students* from high-income families and students from low-income families. This discrepancy arises because many low-income students live in more affluent districts.<sup>12</sup> In California, a quarter of high-need schools are located within school districts affluent enough to not qualify for an LCFF concentration grant.<sup>\*\* 13</sup> To close performance gaps *between student groups*, research suggests funding that is more targeted would be required. LaFortune<sup>14</sup> estimates that in California, additional annual funding of \$7,200 per student is needed to bridge the gap between students from high-income families and students from low-income families, while between \$7,700 and \$11,000 per student is needed to close the gaps between Black students and White students. However, the current per-student spending differential in California stands at \$1,917 between low-income students and non-low-income students and \$807 between Black students and White students.<sup>15</sup>

### Limited research exists on how funds targeted to schools impact equity:

Insights can be gleaned from how districts allocate dollars to schools. Districts that allocate a share of funds using a per-student dollar amount based on specific student characteristics are often referred to as weighted student funding or student-based allocation districts. Research on these districts provides emerging evidence that school-based funding allocation methods improve achievement and reduce racial disparities in testing performance.<sup>16</sup> However, researchers caution that these trends are a continuation of pre-weighted student funding trends.<sup>17</sup> Additionally, ample causal research remains limited.

### PLANNING AND EVALUATING YOUR SCHOOL'S USAGE OF EQUITY MULTIPLIER FUNDS

When considering the different ways to use Equity Multiplier funds effectively and with the most impact, school leaders can consider the following guiding questions. In addition, they can refer to [resources](#) provided by the Los Angeles County Office of Education for supporting African American learners mentioned in the podcast episode. Leaders can consider the following questions when planning how to utilize Equity Multiplier funds, followed by suggestions to support their implementation.

\*\* The LCFF provides “concentration grants” to districts that have the largest proportion of unduplicated students (students who are classified as English Learners, are eligible for free and reduced-price meals, or are foster youth). Concentration funding provides additional funding to districts where more than 55 percent of students are considered unduplicated. The amount of additional funds is 65 percent of the base grant above the 55 percent threshold. The based grant is determined by number of pupils in each grade band.





**Which student groups are identified as performing at the lowest performance level on California State Dashboard Indicators?**

- Consider all indicators included in the California State Dashboard: academic proficiency in ELA and math, progress of English Learners, chronic absenteeism rates, graduation rates, suspension rates, and college/career readiness measures.
- Examine the student groups represented in the data: English Learners, socioeconomically disadvantaged students, foster youths, homeless youths, students with disabilities, and individuals from diverse racial/ethnic backgrounds.

**What support systems are available for academically struggling students who do not qualify for designated services?**

- Consider that while many schools offer push-in or pull-out services tailored to students who are English Learners or who have Individualized Education Programs (IEPs), academically struggling students outside these groups may lack designated services despite their need for support.

**What types of services could effectively support underserved student groups in improving their performance on identified indicators?**

- Reflect on the needs and strengths of student groups identified as performing at the lowest performance levels on one or more indicators.

- Analyze data to uncover the underlying reasons why student groups may be at the lowest performance level on a given indicator. For instance, a student experiencing low attendance may require various services such as an attendance coach, adjustments to transportation or school schedules, outreach to parents and families, or initiatives aimed at improving the overall school climate.

**How can I leverage additional funding streams to support progress among identified student groups on specific indicators?**

- Equity multiplier funds are unrestricted and thus offer flexibility to blend or braid with other funding sources like LCFF dollars or state and federal grants.
- This blending or braiding allows for the implementation of programs or the hiring of personnel that may not be fully funded by the equity multiplier supplement alone.

**What forms of community input are most valuable for informing decisions regarding equity multiplier spending?**

- Assess past engagement with different groups within the school community and identify perspectives that may be underrepresented.
- Facilitate active and genuine conversations among staff, students, and parents to gather insights and garner support for spending decisions.

- Seek the valuable input of community organizations serving low-performing student groups, leveraging their expertise and resources in decision-making and service provision.

**How might we adjust usage of funds in the upcoming year based on program evaluation and LCAP requirements?**

- Evaluate the usage of equity multiplier funds annually to ensure targeted supports are provided and progress is made on relevant indicators.
- Identify and adjust programs with low attendance or inconsistent implementation and services lacking sufficient intensity.
- Revise any investments deemed unsuccessful after 3 years in accordance with LCAP requirements.





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