



LCFF Gap and COLA

Information on historical and prospective Local Control Funding Formula (LCFF) cost-of-living adjustment (COLA) percentages, gap budget allocations and percentage factors since 2013–14, the inception of LCFF.

To help school districts and charter schools develop budgets and perform long range planning, the State Department of Finance (DOF), provides estimates of COLA as part of the annual budget process (see <http://www.dof.ca.gov/fisa/bag/documents/budgetprocessoverview.pdf> for description of the budget process). The COLA is final as of the May Revision, the May before the budget is enacted (see COLA table below).

The DOF also provides estimates of the percentage of gap funding (see DOF Gap Estimates table below). Gap funding represents the amount of new funding allocated each year to school districts and charter schools to reduce the difference between their prior year funding level and their LCFF Target. The actual gap percentage is calculated by the California Department of Education (CDE) and is final as of the Second Principal Apportionment (P-2) certification, in June after the annual budget is enacted (see Actual Gap Certified by CDE table below).

The Statewide Gap Funding Rate may also be used by school districts to determine progress toward maintaining an average Kindergarten through grade three (K–3) class enrollment of not more than 24 pupils as a condition of receiving the K–3 grade span adjustment grant, unless the district has agreed to a collectively bargained alternative to the statutory K–3 GSA requirements. See the LCFF FAQ’s available at <http://www.cde.ca.gov/fg/aa/lc/lcfffaq.asp> for more information.

For purposes of calculating the minimum proportionality percentage, school districts, charter schools and county offices of education shall use the most recent Statewide Gap Funding Rate calculated by DOF to determine the percentage by which services for unduplicated pupils must be increased or improved, as required by 5 California Code of Regulations 15496(a).

COLA	FY 2013–14	FY 2014–15	FY 2015–16	FY 2016–17	FY 2017–18
Estimated COLA (at Governor's Budget)	1.65%	0.86%	1.58%	0.47%	1.48%
Statutory COLA (set at May Revise)	1.57%	0.85%	1.02%	0.00%	TBD

DOF Gap Estimates	FY 2013–14	FY 2014–15	FY 2015–16	FY 2016–17	FY 2017–18
Governor's Budget (January of the preceding FY)	Not Applicable ¹	\$4,471,970,000 28.05%	\$4,048,448,000 32.19%	\$2,824,669,000 49.08%	\$744,385,000 23.67%
May Revise (May of the preceding FY)	Not Applicable ¹	\$4,471,970,000 28.06%	\$6,175,703,000 53.08%	\$2,978,789,000 54.84%	TBD
Enacted Budget (June of the preceding FY)	\$2,067,140,000 ² 11.78%	\$4,721,970,000 ² 29.56%	\$5,994,417,000 ² 51.52%	\$2,941,980,000 ² 54.18%	TBD

Actual Gap Certified by CDE	FY 2013–14	FY 2014–15	FY 2015–16	FY 2016–17	FY 2017–18
Preliminary at P-1 (February)	Not Applicable ¹	29.27267659%	50.49926763%	54.47212602%	TBD
Actual at P-2 (June)³	12.00169574%	30.16016166%	52.55761597%	TBD	TBD

¹ LCFF was not enacted until the 2013–14 Budget Act; entitlement calculations per LCFF were implemented at 2013–14 P-2.

² This is the estimate provided as of the Budget Act and may be updated by the DOF at the following year’s Governor’s Budget and May Revise; however, any change will not be reflected in this chart.

³ While the dollar amount an LEA receives in gap funding can change after P-2, the gap percentage will not change.



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DOF Projected COLA and Gap Rates

To assist school districts and charter schools in preparing their budgets and multiyear projections, the following table provides the estimated COLA and LCFF Gap percentages based on the latest estimates from the DOF; previous DOF estimates are not provided.

DOF Estimate (As of 2017–18 Governor’s Budget)	FY 2018–19	FY 2019–20	FY 2020–21
COLA	2.40%	2.53%	2.66%
Gap Percentage	53.85%	68.94%	100%