

Understanding the District's Cost of Living Adjustment (COLA)

Every year, school districts receive a Cost of Living Adjustment (COLA) from the state, which is meant to help cover rising costs due to inflation. This adjustment is applied to the amount of money the district receives based on student attendance, called Average Daily Attendance (ADA).

Why Less Funding Even with COLA?

In simple terms, even though the state increases the amount we receive for each student, the total number of students we have is decreasing. This means that, despite the increase per student, the overall money we receive can still go down.

Here's an example: Imagine a store giving its workers a small raise per hour. However, if the workers are given fewer hours to work, their total paycheck might actually be smaller than before, despite the raise. This is similar to what's happening with our funding.

The Impact of Enrollment Decline

In our case, because we have fewer students, the total amount of money we receive is decreasing, even though the state is giving a COLA. In fact, for the next couple of years, we're looking at what we call a "negative COLA" because the drop in enrollment is larger than the increase from the state.

Below is an illustration of how Santa Ana Unified School District is receiving less LCFF funding in 2024-2025 than it received in 2023-2024. For purposes of simplifying the illustration, we are only showing the funding for grades 4-6; however, there is reduced funding for all grade levels.

Santa Ana Unified School District

ADA for Grades 4-6 = 8982.96 in 2023-2024 and 8249.16 in 2024-2025

UPP = 83.86% in 2023-2024 and 86.69% in 2024-25

COLA in 2024-2025 = 1.07%

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2023-2024	ADA	Base Grant	Grade Span Adjustment (GSA)	Base + GSA	Supplemental Grant	Concentration Grant	Total Per ADA Amount	LCFF Funding
				b + c	d * .20 * .8386	d * .65 * .2886	d + e + f	a * g
Grades 4-6	8982.96	\$10,069		\$10,069	\$1,689	\$1,889	\$13,647	\$122,587,009

COLA

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
2024-2025	ADA	Base Grant	Grade Span Adjustment (GSA)	Base + GSA	Supplemental Grant	Concentration Grant	Total Per ADA Amount	LCFF Funding
				b + c	d * .20 * .8669	d * .65 * .3169	d + e + f	a * g
Grades 4-6	8249.16	\$10,177		\$10,177	\$1,764	\$2,096	\$14,038	\$115,800,038

Even though the base grant, along with the supplemental and concentration grants are increasing by the COLA percentage of 1.07%, the decrease in ADA has caused a subsequent decrease in LCFF from \$122.6 million to \$115.8 million. We refer to this decrease as effective COLA. Even though the State is providing a

COLA, SAUSD is receiving less money. We have an effective COLA that is less than the State COLA; and in some cases, we have a negative effective COLA.

The severe decline in enrollment at SAUSD has caused lower effective COLAS in all the years shown below, and negative effective COLAS in both 2024-2025 and 2025-2026.

	2023-2024	2024-2025	2025-2026	2026-2027
Prior Year LCFF Revenue	\$597,188,247	\$611,931,574	\$585,498,126	\$582,492,096
COLA Calculations	x 1.0822 =	x 1.0107 =	x 1.0293 =	x 1.0308 =
LCFF Revenue (without change in ADA)	\$646,277,121	\$618,479,242	\$602,653,221	\$600,432,853

Actual LCFF Revenue	\$611,931,574	\$585,498,126	\$582,492,096	\$587,684,405
Actual Increase/Decrease in LCFF	\$14,743,327	(\$26,433,448)	(\$3,006,030)	\$5,192,309
Effective (Funded) COLA	2.47%	-4.32%	-0.51%	0.89%