

Governor's Proposals for the 2014-15 State Budget and K-12 Education

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Twin Rivers Unified School District: *Inspiring each student to extraordinary achievement every day!*



Themes for the 2014 Budget

- What a difference a year makes!
 - Only 14 months ago we were facing deep cuts if Proposition 30 didn't pass
- The Proposition 98 entitlement skyrockets even while the California economy as a whole only improves at a moderate rate
- Governor Jerry Brown is proposing the greatest increase in per-student average funding since 2000-01
- He eliminates the "wall of debt" by buying down the remaining K-14 deferrals
- To protect public education during the eventual downturns, the Governor proposes two rainy day funds: one for education and one for the rest of the State Budget
- The Governor is proposing a continuous appropriation for the Local Control Funding Formula (LCFF)



What's Not in the Budget?

- What the Budget does not address:

- No proposal for a statewide school facilities bond
- No new funding to address the unfunded liability in the California State Teachers' Retirement Systems fund
- No new funding to address special education shortfalls
- No new funding for early childhood education
- No payments on the prior-year state mandate credit card (over \$25 million is owed to Twin Rivers from State Mandate reimbursement claims)



Proposition 98: How Much in 2014-15?

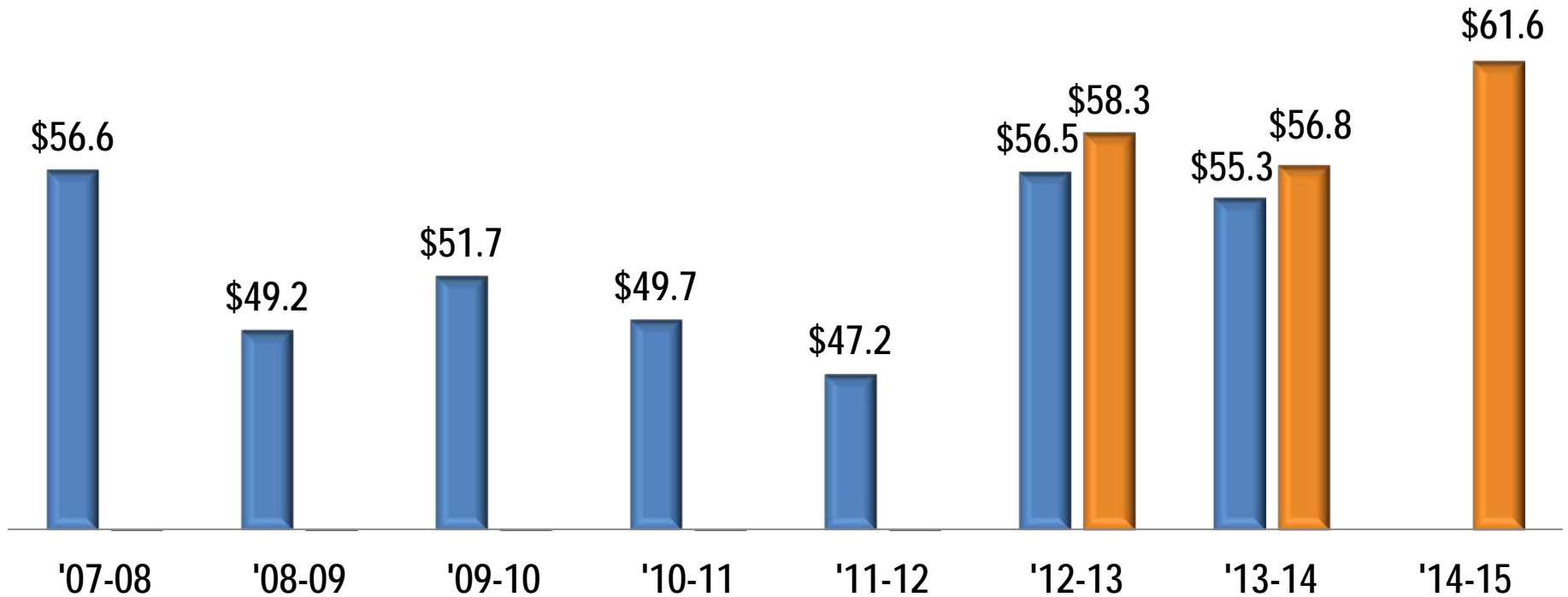
- \$61.6 billion in K-14 Proposition 98 funds are available for 2014-15
- This is a \$6.3 billion increase – 11.4% over the 2013-14 budgeted level
 - On average, \$751 per average daily attendance (ADA) ongoing is K-12 education's share
- In addition, \$3.3 billion more is provided in one-time funding from prior years to go towards the elimination of K-14 deferrals
 - \$1.8 billion from 2012-13
 - \$1.5 billion from 2013-14



Proposition 98 Revenues

Proposition 98 (In Billions)

■ Enacted Budget ■ 2014-15 Governor's Budget



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K-12 Proposition 98 Proposals for 2014-15

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- \$5.5 billion of one-time and ongoing Proposition 98 to fully eliminate interyear K-12 apportionment deferrals in 2014-15
- \$4.472 billion in additional funding for school districts and charter schools to continue implementation of the LCFF
- \$25.9 million to complete the implementation of the county office of education LCFF
- \$316.5 million to support Proposition 39 energy efficiency projects
- \$33.3 million to fund a 0.86% statutory cost-of-living adjustment (COLA) for categorical programs that remain outside of the LCFF
- \$74.3 million to fund projected growth in charter school ADA
- \$46.5 million for assessment costs associated with implementation of Common Core State Standards
- \$188.1 million for the Emergency Repair Program from one-time Proposition 98 funds

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2014-15 Local Control Funding Formula

- Budget proposes \$4.5 billion for continued implementation of the LCFF
- New funding is estimated to close the gap between 2013-14 funding levels and LCFF full implementation targets by 28.05%
- Combined with elimination of 11.78% of the gap in 2013-14, the new formula would be over one-third of the way toward implementation in the first two years
- 2014-15 LCFF growth provides an average increase in per-pupil funding of 10.9%, or \$751 per ADA
 - Individual local educational agency experiences will vary



LCFF – A Quick Review

- The LCFF makes fundamental changes to how we allocate state Proposition 98 revenues to schools
- At full implementation, the LCFF will fund every student at the same base rate
- The LCFF provides two weighting factors applied against the LCFF base grant
 - 20% on behalf of each eligible student
 - An additional 50% for the eligible students exceeding 55% of total enrollment
- Each school district receives at least as much state aid in future fiscal years as the district received in 2012-13
- The LCFF continues the necessary small school funding adjustment for eligible school districts
- The LCFF provides an Economic Recovery Target to assure district funding is restored to 2007-08 levels, adjusted for inflation



LCFF – Base Grant Entitlement Calculation

- 2014-15 target entitlement calculation

 - Grade span per-pupil grants are increased annually for the COLA

Factors	K-3	4-6	7-8	9-12
2013-14 Base Grant per ADA	\$6,952	\$7,056	\$7,266	\$8,419
COLA @ 0.86%	\$60	\$61	\$62	\$72
Base grants – 2014-15	\$7,012	\$7,117	\$7,328	\$8,491



LCFF – K-3 CSR and CTE Adjustments

- K-3 Class-Size Reduction (CSR) and 9-12 Career-Technical Education (CTE) Grade Span Adjustments are additions to the base grant

- CTE is unrestricted; CSR requires progress toward maximum site average of 24 students enrolled in each class

Factors	K-3	4-6	7-8	9-12
Base grants – 2013-14	\$7,012	\$7,117	\$7,328	\$8,491
Adjustment percentage	10.4% CSR	-	-	2.6% CTE
Adjustment amount	\$729	-	-	\$221
Adjusted grant per ADA	\$7,741	\$7,117	\$7,328	\$8,712



LCFF – Supplemental and Concentration Grants Per ADA

- Supplemental and concentration grant increases are calculated based on the percentage of total enrollment accounted for by English learners, free and reduced-price meal program eligible students, and foster youth

Factors	K-3	4-6	7-8	9-12
Adjusted grant per ADA	\$7,741	\$7,117	\$7,328	\$8,712
20% supplemental grant	\$1,548	\$1,423	\$1,466	\$1,742
50% concentration grant (for eligible students exceeding 55% of enrollment)	\$3,871	\$3,559	\$3,664	\$4,356



Next Steps

- 2013/14 Second Interim Budget revision including Multi Year Projections
- Developing the 2014/15 Local Control Accountability Plan (LCAP)
 - The first stakeholder meeting will be in mid to late February
- The Governor's May Revision for the 2014/15 State Budget
- State adoption of the final LCFF spending requirements and LCAP template and requirements
- Adopt school district 2014/15 LCAP
- Adopt school district budget
- 2014/15 State Budget adopted
- Revise school district budget based on final State Budget adoption



Questions?

