



2013 Congressional Staff Briefing

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Governor's Budget Highlights

- Continued commitment to deferral buy down
 - \$1.8 billion in new deferral buy down
 - Reduces outstanding deferrals to \$5.6 billion in 2013-14
 - Plan is to zero deferrals out by end of 2016-17
 - Deferral high in 2011-12 was \$9.262 billion

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - Proposal renamed Local Control Funding Formula (LCFF)
 - Similar to before:
 - Base grant with grade level adjustments (K-3, 4-6, 7-8, 9-12)
 - Supplemental grants for unduplicated counts of English Learners, Free & Reduced Price Meals, Foster Care
 - Concentration factor for each supplemental grant student above 50% of student population
 - Transportation and Targeted Instructional Improvement Grant (TIIG) outside of formula as add-ons
 - Special Education, Afterschool, QEIA, Indian Ed not included

Governor's Budget Highlights

- Redesigned proposal on funding distribution

Different than before:

- Base grant target higher
 - Average statewide undeficitated revenue limit (\$6816)
- K-3 CSR targeted to K-3 grades as add-on
- Career Tech (CTE) targeted to 9-12 grades as add-on
- Foster Care added as Supplemental Grant Factor
- Limit on EL to five years
- Hold harmless from going below current year funding
- COLA intended on base grant only (not the add-ons)
- Revenue limit deficit factor intended to be repaid
- County offices of education included with own formula

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - How it would work:

Base Grants

- K-3 = \$6342 per ADA (CSR add-on = 11.2% or \$710)
- 4-6 = \$6437 per ADA
- 7-8 = \$6628 per ADA
- 9-12 = \$7680 per ADA (CTE add-on = 2.8% or \$215)

Supplemental Grants

- K-3 = \$2220 per qualifying student
- 4-6 = \$2253 per qualifying student
- 7-8 = \$2320 per qualifying student
- 9-12 = \$2688 per qualifying student

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - How it would work:

Base grant by grade level + CSR and CTE add-on x ADA for each grade level
 - + Supplemental grant equal to unduplicated student count of EL, FRPL and Foster Youth x 35% of each student's grade level base grant (not counting add-on)
 - + Concentration factor equal to 35% of base grant for each unduplicated student count of EL, FRPL and Foster Youth above 50% of student population (not counting add-on)
 - + 2012-13 funding received for Transportation and TIIG

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - How it would work:
 - K-3 = \$6342 x K-3 ADA + (CSR add-on = 11.2% or \$710)
 - 4-6 = \$6437 x 4-6 ADA
 - 7-8 = \$6628 x 7-8 ADA
 - 9-12 = \$7680 x 9-12 ADA (CTE add-on = 2.8% or \$215)
 - + Supplemental grant equal to unduplicated student count of EL, FRPL and Foster Youth x 35% of each student's grade level base grant (not counting add-on)
K-3 = \$2220 4-6 = \$2253 7-8 = \$2320 9-12 = \$2688
 - + Concentration factor equal to 35% of base grant for each unduplicated student count of EL, FRPL and Foster Youth above 50% of student population
K-3 = \$2220 4-6 = \$2253 7-8 = \$2320 9-12 = \$2688
 - + 2012-13 funding received for Transportation and TIIG

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - Every district's current revenue (revenue limit + included programs) is to be compared to the entitlement from the new formula
 - Each district's share of the \$1.6 billion in new money would vary depending on distance below the amount provided in the new model
 - Estimated time to full implementation: 7 years (2020-21)

Governor's Budget Highlights

- Redesigned proposal on funding distribution
 - Basic Aid districts redefined based on new model
 - All funds discretionary although intent is that supplemental money is to benefit students generating that money
 - Requires adoption of District Plan for Student Achievement
 - K-3 class size limit of 24:1 with ability to exceed by agreement
 - Charter schools treated same but cannot receive a higher concentration grant than the school district in which it is located

- Ongoing flexibility defined/expanded
 - Permanent flexibility proposed:
 - Elimination of routine maintenance contribution
 - Elimination of deferred maintenance match
 - Elimination of restriction on use of proceeds from sale of surplus property
 - Stakeholder discussions on:
 - Phase-in of return to 180-day school year
 - Return to budget reserve requirements

- **Adult Education**

- Adult Education & Apprenticeship Programs to Community Colleges
- School districts would not lose their current Adult Education money
- Governor identifies \$315.7 million in new money to Community Colleges

- **Mandate Block Grant**

- 50% increase proposed for Mandate Block Grant (\$300 million total)
- Purpose is to fund Behavioral Intervention Program (BIP) and High School Graduation Requirements
- BIP restructure to be proposed with the aim of eliminating reimbursable costs
- Governor assumes Graduation Requirements costs “have run their course in the almost 30 years since the inception of this program.”
- Grant amount in 2013-14 = \$45 per ADA

- **Special Education**

- Eliminate integration of federal funds in the AB 602 funding stream
 - Removes level of complication in the funding formula
 - Helps equalize funding
- Consolidates several separate add-ons into the AB 602 formula and merges others
- COLA of 1.65% proposed
- Funding for mental health services for Special Education proposed at \$357 million in state funds and another \$69 million in federal funds. About same as current year.

- Online Learning

- Proposes to allow school districts to provide asynchronous online courses
- Outcomes-based Independent Study contracts rather than seat-time base.

- School Facilities

- No school construction bond proposed for 2014 ballot
- Hints at consideration of school bond debt in relation to total state general obligation (GO) bond debt
- Hints at state GO debt being outside of operational funds
- Statements about state role in school construction and need for local control

- **Proposition 39**

- About \$1 billion in new General Fund revenue from tax on multi-state corporations
- Prop. 98 benefit: \$520 million in 2013-14
- Proposal to spend \$450 million in 2013-14 and \$550 million annually through 2017-18
- Allocated per-pupil
- To be used to reduce energy use (construction, modernization, equipment, renewable energy projects)
- Vs. AB 39 (Skinner) and SB 39 (De Leon)
- Interpretation of Prop 39 impact on General Fund, schools and project money



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