

# SAN MATEO UNION HIGH SCHOOL DISTRICT



## 2014-15 Governor's Budget

January 23, 2014

# Themes

- “Prudent and measured” = conservative projections
- Focused on “Wall of Debt” and long term liabilities
- Proposed new “Rainy Day” fund
- Strong investment in education
- Five-year infrastructure plan
- Implement federal health care reform
- Proposes plan to address prison over-crowding

# Governor's Overall Budget Proposal

- \$106.8 billion budget
- \$2.5 billion reserve
- State expenditures
  - K-12 42.4%
  - Health 20.4%
  - Higher Education 11.6%
  - Corrections 9.0%
  - Human Services 6.5%
  - Natural Resources 2.0%
  - Other 8.1%

# State Revenues

- Revenue assumptions 6% growth
  - Personal Income tax 8.5%
  - Sales and Use tax 5.0%
  - Corporation tax 8.9%
- Proposition 30 revenues are helping
  - Sales and Use tax expires in 2016
  - Personal Income tax (top bracket) expires 2018
- Capital Gains revenues volatile
  - Governor wants to capture high growth in these revenues in the future

# California Long-Term Liabilities

• Proposition 98 Maintenance Factor	\$ 4.5
• Unemployment Insurance Debt	\$ 8.8
• Wall of Debt	\$ 24.9
• Unfunded Retirement Liability	\$ 217.8
• Deferred Maintenance	\$ 64.6
• Unissued Bonds	\$ 33.9
<b>Total</b>	<b>\$354.5</b>

# K-12 Proposal

- K-12 overall Prop 98 funding of \$61.6 billion
- \$5 billion in ongoing funding for categorical programs outside the LCFF
- K-12 Deferrals-\$5.6 billion to eliminate remaining inter-year funding deferrals
- LCFF - \$4.5 billion for school districts and charter implementation and \$25.9 million for COE implementation
- COLA Increases - provides .86% increase to LCFF base grants and some remaining categorical programs
- Proposition 39 energy efficiency - \$316 million for second of a 5-year program
- \$46.5 million increases for state testing programs
- Independent study reform
- School facility finance - fund shifts and reform
- Special Education - adjustments for growth and COLA
- Emergency Repair Program - increase of \$188.1 million (one time)

# Stand-Alone Categorical Budgets

## Proposed for Ongoing Funding (no COLA)

# Stand-Alone Categorical Budgets

## Proposed for Ongoing Funding (COLA)

- Special Education \$3.3 B
- Foster Youth Program \$15.2 M
- American Indian Education Centers \$4.5 M
- Child Nutrition \$155.4 M
- Adults in Correctional Facilities \$15.0 M



# LCFF Entitlement Target

- Entitlement Target = Base Grant + Supplemental Grant + Add-ons
- Base Grant per ADA (with annual COLA)

**9-12 = \$8,492**

- Supplemental Grant – additional 20% of Base Grant for each EL, low income and foster pupil (by enrollment)
- Add-ons – Home-to-School Transportation and Targeted Instructional Improvement Grant (TIIG) – No COLA
- Maximum per pupil allocation:
  - Base Grant \$ 8,492
  - 20% Supplemental Grant \$ 1,698
  - 50% Concentration Grant \$ 4,246

# Calculate LCFF Phase-In Entitlement

Local Control Funding Formula Target		\$ 73,168,373
Local Control Funding Formula Floor		\$ 52,336,088
Difference or Gap		\$ 20,832,285
LCFF Phase-In Entitlement		\$ 54,826,402
LCFF Sources:		
State Aid		\$ 3,705,980
Property Taxes		\$ 97,074,145
	LCFF Total Sources	\$100,780,125
Difference		\$ 45,953,723
Amount we have to prove we spent on this group:		
EL, low income & foster pupil (Supplemental)		\$ 4,136,600

# LCAP Timeline

## **January 31, 2014**

- SBE regulations on use of supplemental/concentration grant funds

## **March 31, 2014**

- SBE template for LCAPs

## **May 2014**

- District must adopt LCAPs for 2014-15

## **June 2014**

- District must adopt Budget for 2014-15

# Local Control Accountability Plan

## State Priorities

- 1) Compliance with Williams criteria – instructional materials, teacher assignments and credentials, facilities
- 2) Implementation of SBE adopted academic content standards, including programs & services for ELs to access the common core and ELD standards
- 3) Parental involvement
- 4) Pupil achievement – statewide assessments, API, completion of A-G requirements, CTE sequences and AP Courses, EL progress toward proficiency, college preparation
- 5) Pupil engagement – attendance, dropout and graduation rates
- 6) School climate – suspension and expulsion rates
- 7) Access, including for subgroup, to a broad course of study in specified subject areas
- 8) Pupil outcomes in specified subject areas

## Next Steps

- Begin work on the LCAP
- State Budget is balanced
- Time to be conservative
- Average school district retains a 14% Reserve for Economic Uncertainty
- Evaluate expenditures funded with one-time monies and determine which programs will continue when funding is fully expended
- Monitor Property Taxes
- Monitor Enrollment