

SAN MATEO UNION HIGH SCHOOL DISTRICT



**State Budget
January 29, 2015**

Themes

- Cautious on spending, loads up on one-time
- Education to receive most of General Fund revenue growth
- Anticipates strong revenues
- Budgeting for a downturn and focusing on long-term liabilities
- State General Fund revenues grow by 4.9%
 - Personal income tax 4.9%
 - Sales Use tax 7.4%
 - Corporate tax 5.8%
- Prop 30 revenues beneficial and will taper off beginning in 2016
- State General Fund expenditures for K-12 41.6%

State Budget Proposal

- Proposes an increase of \$7.8B for K-14 schools. \$4B will be distributed under the Local Control Funding Formula
- Budget eliminates all remaining deferrals
- References Proposition 2 (Rainy Day Fund)
 - Does not anticipate fiscal conditions that would require a deposit into the Rainy Day Fund through 2018-19.
 - Trigger for school districts reserve caps would not be invoked until a contribution to Rainy Day Fund is made (\$10.8B) and maintenance factor paid off

State Budget Proposal Components Include:

- **Local Control Funding Formula**

- \$4B (8.7%) increase
- New monies eliminate 32% of LCFF funding gap
- 9-12 base grant increase by \$134

- **K-12 Deferrals**

- \$897M in one time monies to eliminate all remaining deferral debt for K-12

- **Emergency Repair Program**

- Increase of \$273.4 M in one time monies for emergency repair program. Funding will retire the State's facilities funding obligation under the terms of the Williams lawsuit settlement agreement

- **Charter Schools**

- Increase of \$59.5 M to support projected charter school ADA growth

State Budget Proposal Components Include:

- **Special Education**

- Increase of \$15.3M to support projected ADA growth

- **Cost-of-Living Adjustment Increases**

- Increase of \$71.1 M to support a 1.58% cost-of-living adjustment for categorical programs that remain outside of the Local Control Funding Formula. This includes Special Education, Child Nutrition, Foster Youth, Preschool, American Indian

- **Local Property Tax Adjustment**

- A decrease of \$11.4M Proposition 98 General Fund for school district and county office of education in 2014-15 as a result of higher offsetting property tax revenues and a decrease of \$1.7B Proposition 98 General Fund for school districts and county offices of education in 2015-16 as a result of increased offsetting local property taxes.

State Budget Proposal Components Include:

- **Average Daily Attendance**

- Increase of \$197.6M in 2014-15 for school districts and county offices of education as a result of an increase in projected ADA from the 2014 Budget Act
- Decrease of \$6.9M in 2015-16 for projected decline in ADA

Major Programmatic Proposals

- **K-12 Facilities**

- Increased assessed valuation caps for specific bond measures and total caps on local bonded indebtedness at minimum by the rate of inflation since 2000
- Restructure developer fees
- Expand allowable uses of Routine Restricted Maintenance Funding
- Proposes funding to the neediest schools for projects associated with health and safety or over crowding

- **Adult Education**

- Two year planning period for regional consortia ending March 1, 2015
- \$500M Adult Education Block Grant to fund programs in adult education. A report is due March 1, 2015 to outline accountability framework for delivery of education and any other remaining policy considerations.
- First year distribution to school districts equal to 2014-15 MOE

Major Programmatic Proposals

- **Career Technical Education**
 - \$250M in new CTE Incentive Grant Programs to accelerate the development of new and expanded high quality CTE programs
 - Funding will be provided for three years
 - Dollar for dollar match from school districts required
- **Common Core and Mandates**
 - \$1.1B in discretionary one-time funding to further the implementation of the Common Core
 - New English Language Development (ELD) standards
 - New Generation Science Standards (NGSS)
 - New responsibilities required under the evolving accountability
- **Technology Infrastructure**
 - \$100M in one-time funding to support internet connectivity and infrastructure

Major Programmatic Proposals

- **Energy Efficiency**
 - \$368M of energy efficiency funds available in 2015-16 for projects