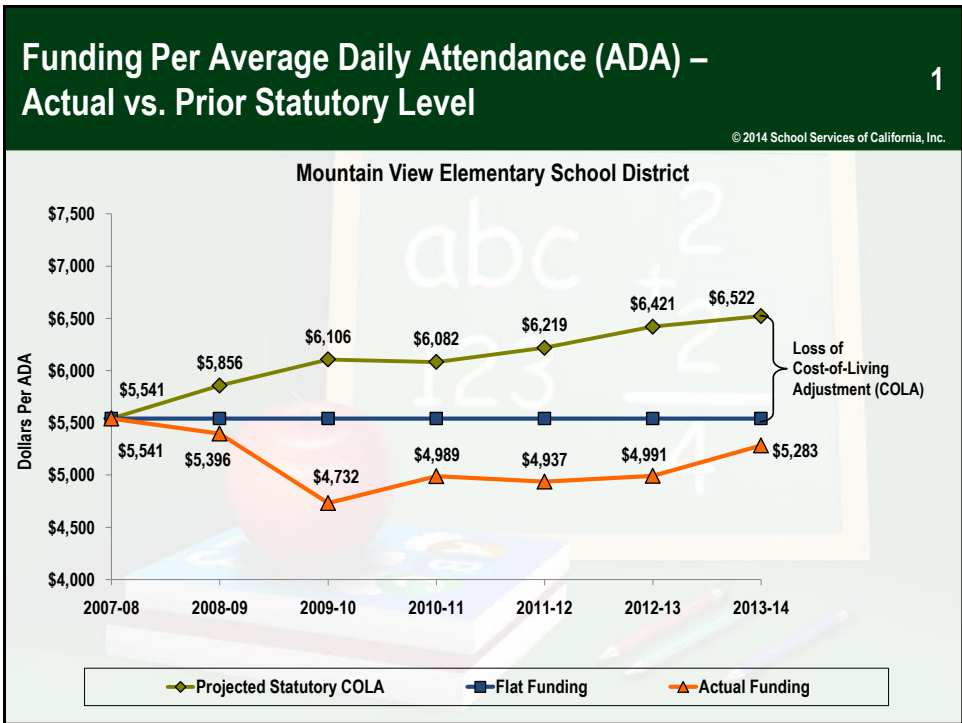
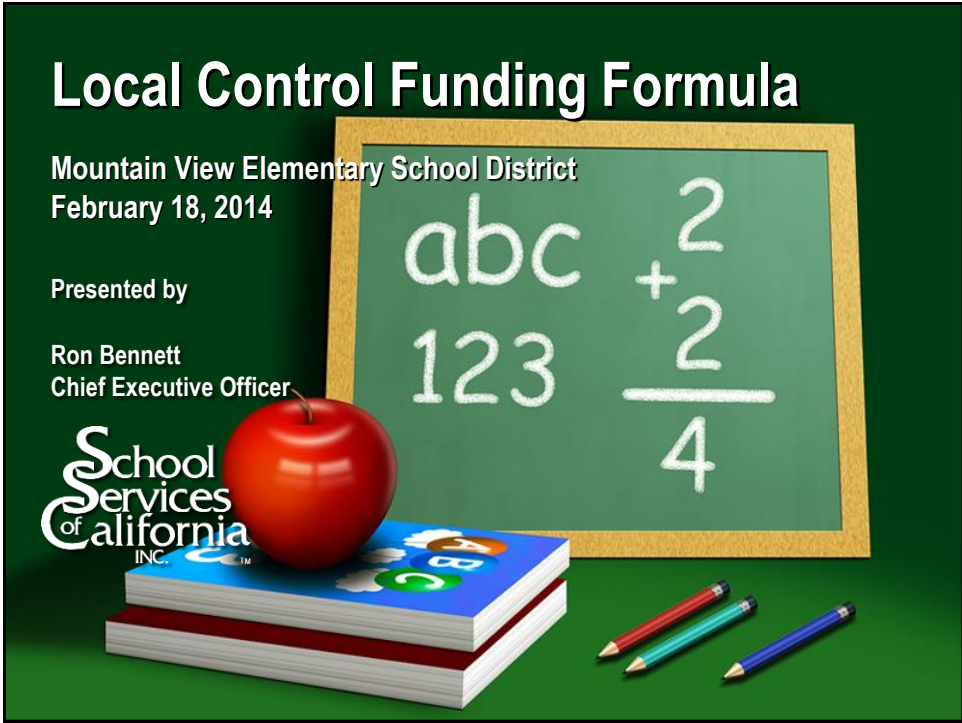


Local Control Funding Formula
Mountain View Elementary School District
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The State Budget

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- The Legislature passed and Governor Jerry Brown signed an on-time Budget for 2013-14, the third time in as many years
 - Passage of Proposition 30 in November of 2012 provides stability for the State Budget – but only temporarily – the taxes are temporary
 - The majority party Democrats control the entire Budget process, and the Budget was passed without much drama
- Temporary taxes and additional revenue from a slightly stronger economy eliminated the need for gimmicks and overly aggressive assumptions
- This year, the Local Control Funding Formula (LCFF) is the Governor's big win
 - The last major revision of the education funding system was 40 years ago when Senate Bill (SB) 90 (Chapter 1406/1972) established revenue limits and categorical programs
 - LCFF is evolving, but will have a huge impact on negotiations

Proposition 30 – The Schools and Local Public Safety Protection Act of 2012

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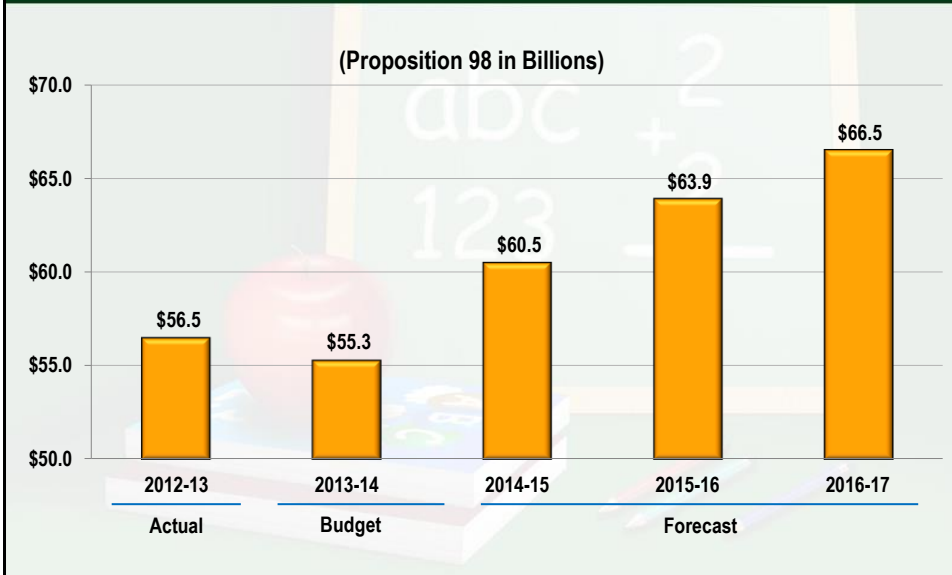
- Proposition 30, the Schools and Local Public Safety Protection Act is sponsored by Governor Jerry Brown
- Education organizations that supported the measure include: California Teachers Association, California Federation of Teachers, California School Boards Association, and Association of California School Administrators
- Temporarily increases the state sales tax and personal income tax for high-income earners
 - Sales tax increase of 0.25% will expire in 2016
 - Personal income tax increase will expire in 2018
- Generates \$6.8 billion to \$8.5 billion in 2012-13 and \$5.4 billion to \$7.6 billion each year thereafter
- Revenues from tax increases will fund the Education Protection Account, which will offset state aid toward school district funding
- Will also make permanent the sales tax shift to fund county government realignment

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Proposition 98 Forecast

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LCFF – Supplemental and Concentration Grants Per ADA

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- 2013-14 target entitlement calculation
 - 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	\$7,675	\$7,056	\$7,266	\$8,638
20% supplemental grant	\$1,535	\$1,411	\$1,453	\$1,728
50% concentration grant (for eligible students exceeding 55% of enrollment)	\$3,838	\$3,528	\$3,633	\$4,319

Local Control Funding Formula

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LCFF – Minimum and Maximum Target Grants Per ADA

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● 2013-14 target entitlement calculation

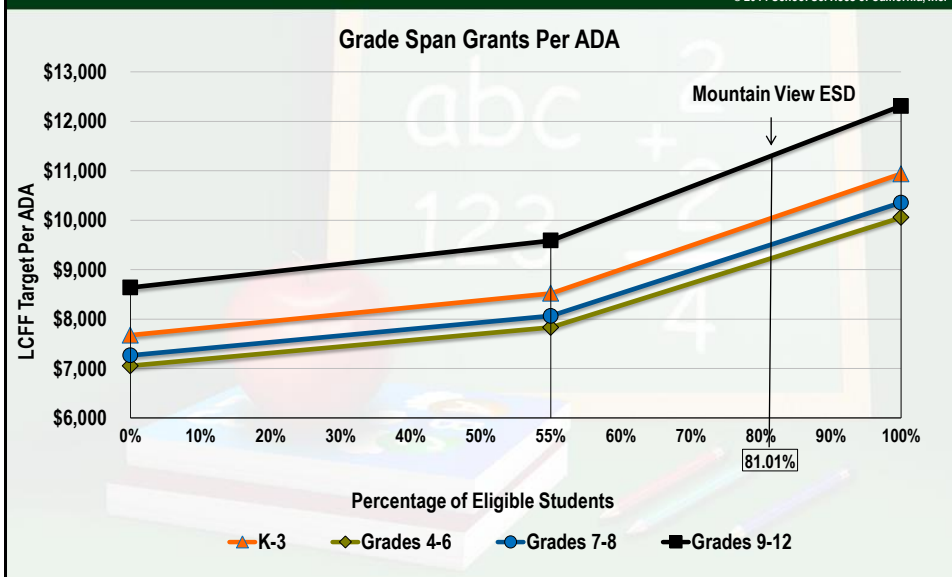
- Grant amounts vary from a minimum based on no students eligible for supplemental and concentration grants to 100% of student enrollment qualifying

Factors	K-3	4-6	7-8	9-12
Minimum grant per ADA	\$7,675	\$7,056	\$7,266	\$8,638
Maximum grant per ADA	\$10,937	\$10,055	\$10,354	\$12,310
Difference (\$)	\$3,262	\$2,999	\$3,088	\$3,672
Difference (%)	42.5%	42.5%	42.5%	42.5%

LCFF – Grade Span Grants Per ADA

7

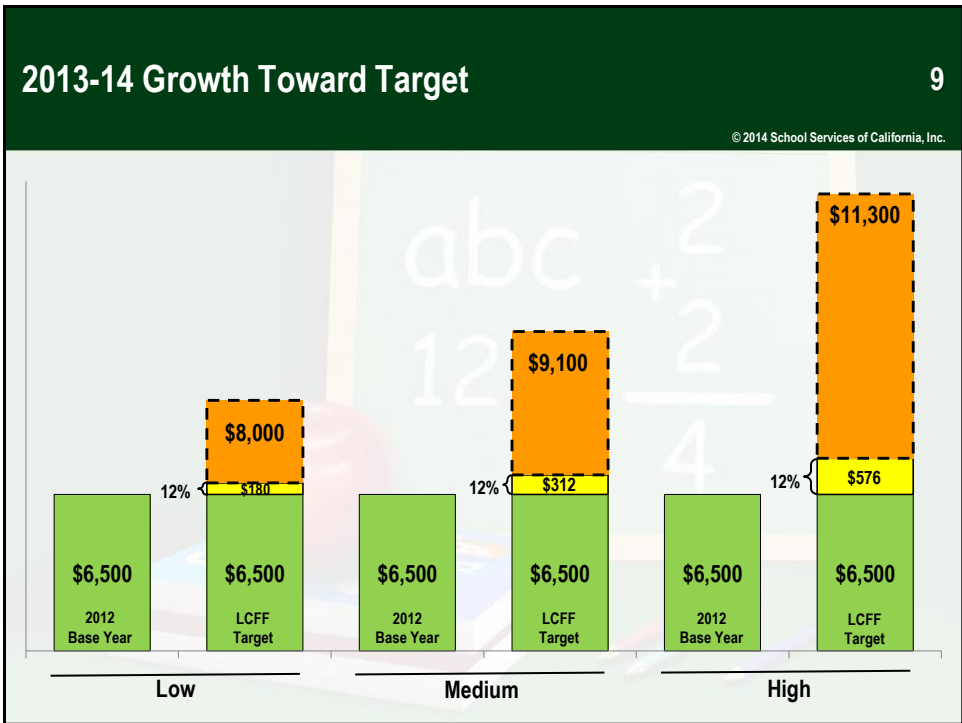
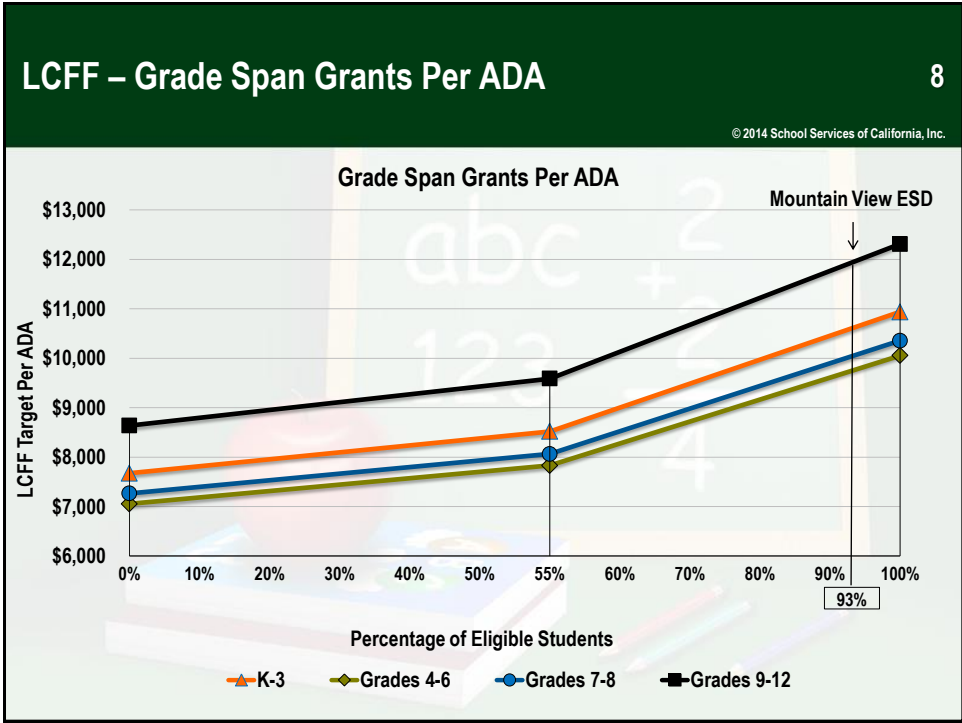
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Local Control Funding Formula

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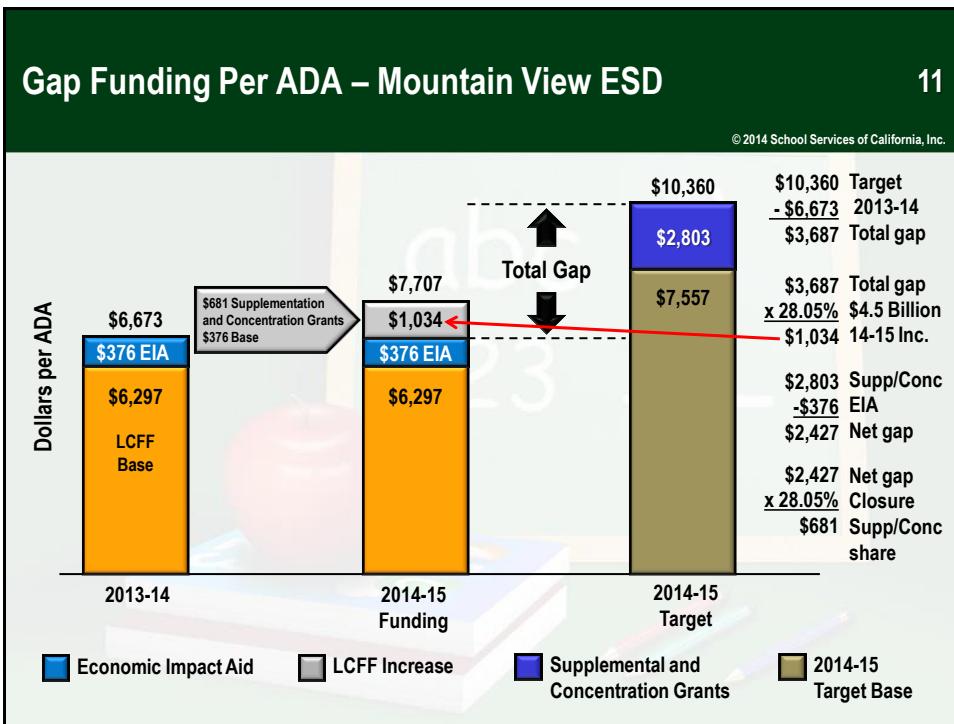
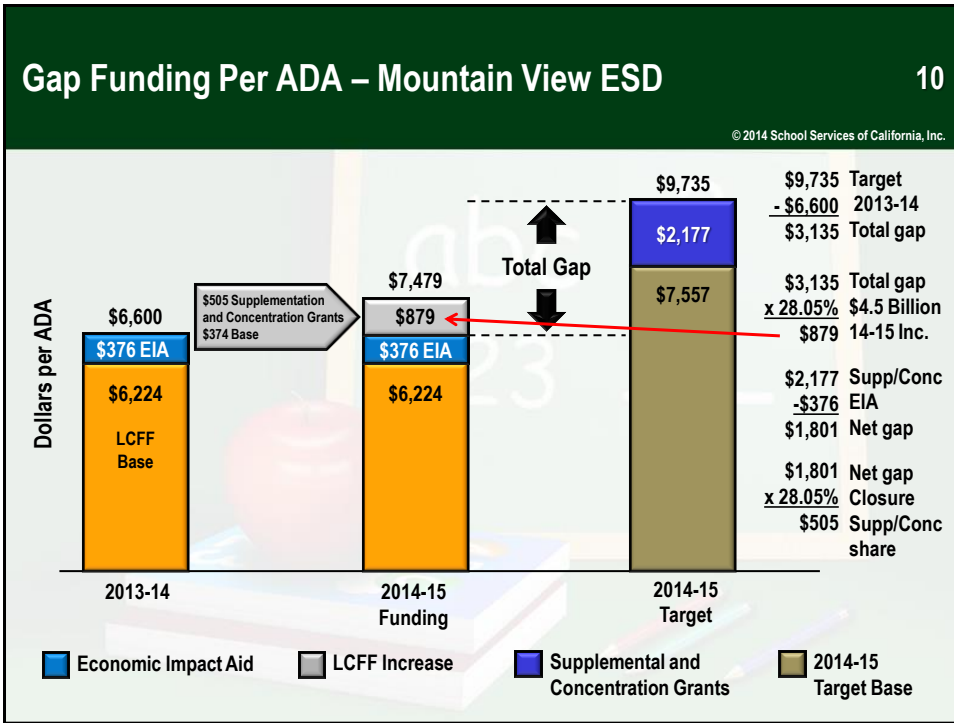
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Proposition 98 and LCFF

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- It is important to remember that Proposition 98 establishes the minimum funding level for K-14 education
 - The Legislature and the Governor decide on an annual basis at what level to fund the various education programs
 - In most cases, state statutes specify districts' entitlements to state funding based on the delivery of educational services
- The LCFF is the model by which state funds are allocated to school districts, charter schools, and county offices of education (COEs)
 - Unlike revenue limits and Tier III categorical programs, there are no state statutes that specify an annual appropriation to support the LCFF
 - This makes multiyear planning very difficult
 - A district's annual LCFF entitlement will be determined by "any available appropriations" (Education Code Section 42238.03[b][3])

Funding for Common Core

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- \$1.25 billion in one-time funding for Common Core State Standards (CCSS) implementation
- Distributed to districts, charters, and COEs on a per pupil basis
- For professional development, instructional materials, and technology enhancement
- \$1 billion scored in 2012-13 budget year; \$250 million in 2013-14
- Will have longer encumbrance/expenditure period

Local Control Funding Formula

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Common Core State Standards Funding

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- The State Budget provides approximately \$200 per student in one-time funds to implement the CCSS
 - Funding is restricted in nature
 - Cash is apportioned in August 2013 (50%) and October 2013 (50%)
 - Local educational agencies (LEAs) can encumber funds any time during the 2013-14 and 2014-15 school years
 - Remember: this is one-time money
 - Don't spend one-time money on things that eat!

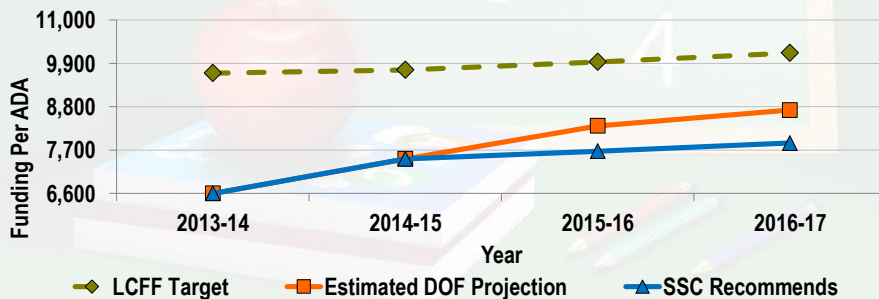


What Does the Future Look Like for Mountain View ESD?

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Multiyear Projections Analysis				
	2013-14	2014-15	2015-16	2016-17
LCFF Target	\$9,652	\$9,735	\$9,939	\$10,165
Estimated DOF Projection	\$6,600	\$7,479	\$8,314	\$8,716
SSC Recommends	\$6,600	\$7,479	\$7,671	\$7,881
Net Change Per ADA	\$408	\$879	\$192	\$209
Net Percent Change	6.58%	13.32%	2.56%	2.73%



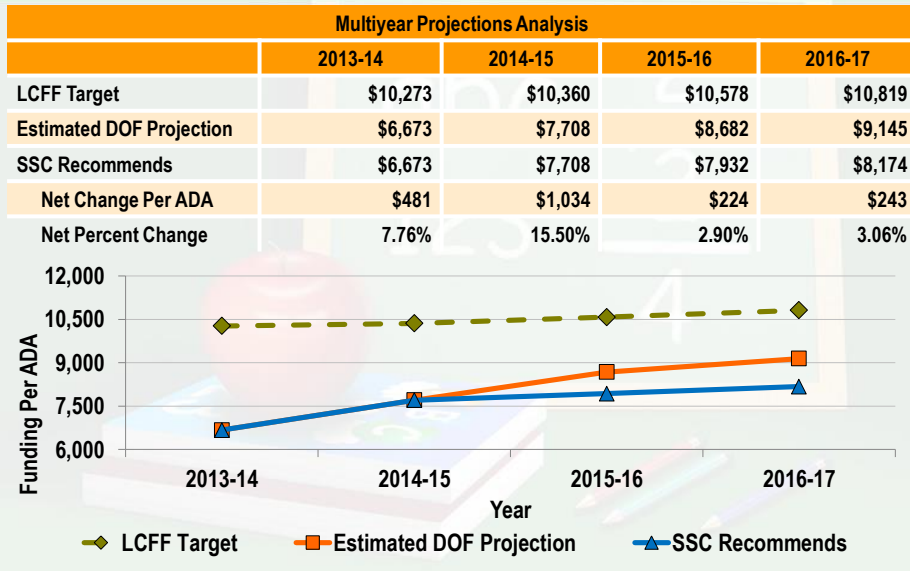
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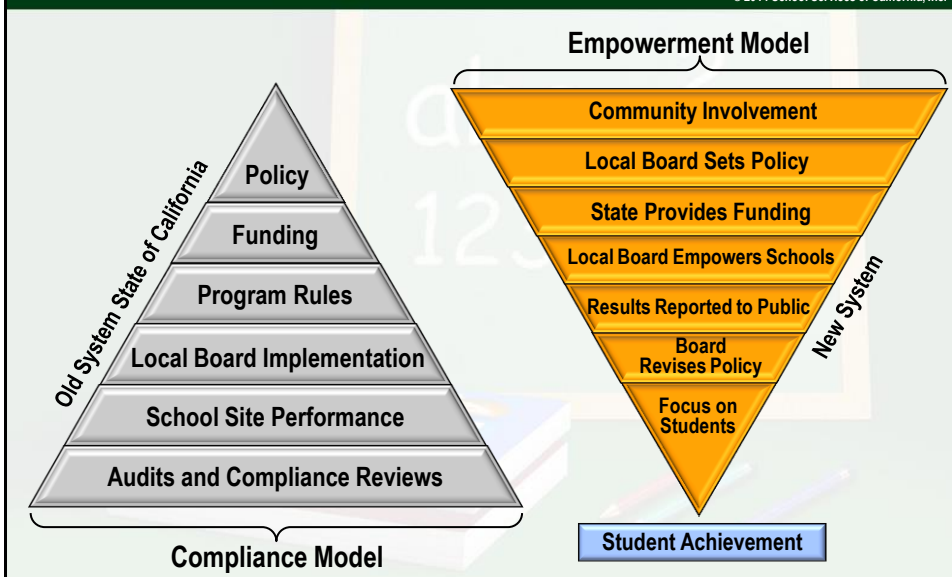
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To Act Differently We Must Think Differently 17

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Proportionality and Targeted Funds

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- The LCFF statutes direct the State Board of Education (SBE) to develop regulations by January 31, 2014, to require LEAs to:
 - Increase or improve services for eligible pupils in proportion to the increase in funds apportioned on the basis of the number and concentration of eligible pupils
- LEAs are also required to include in their LCAP a description of expenditures that serve pupils eligible to generate supplemental and concentration grants
 - Goals, activities, and services that increase or improve support for eligible students is a local decision
- The proportion of the increase in funds attributable to the number of eligible pupils enrolled is a calculation
 - It is important to keep this distinction in mind, and it is why we are calling supplemental and concentration grant funding targeted, rather than restricted

SBE Regulations

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- SBE regulations provide a method of calculating the proportional share of LCFF dollars that are attributable to supplemental and concentration grants each year
- Proportionality calculation and the LCAP was approved by the SBE on January 16, 2014
- Calculation of proportional increase for supplemental and concentration grants is specific
- LCAP is flexible, providing significant local control over services, activities, and plan content

Use of Supplemental/Concentration Grants

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- The LCFF regulations provide districts varying degrees of latitude in the expenditure of supplemental/concentration grant funds, depending upon the percentage of eligible students
- If the district has unduplicated counts of the following:
 - Greater than 55%, then these funds may be spent on a districtwide basis, provided the district
 - Identifies the districtwide services
 - Describes how these services meet the district's goals for the targeted students in the state priority areas
 - Less than 55%, districtwide expenditure of these funds is authorized, provided the district
 - Identifies the districtwide services
 - Describes how these services meet the district's goals for the targeted students in the state priority areas
 - Describes how these services are the most effective use of the funds

Use of Supplemental/Concentration Grants

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- The regulations also address school site enrollment and the authorized use of these funds
 - A district that has a school with an enrollment of eligible pupils in excess of 40% of the school's total enrollment, the district may expend the targeted funds on a schoolwide basis, provided the district:
 - Identifies the schoolwide services
 - Describes how these services meet the district's goals for the targeted students in the state priority areas
 - A district that has a school with an enrollment of eligible pupils less than 40% of the school's total enrollment, the district may expend the targeted funds on a schoolwide basis, provided the district:
 - Identifies the schoolwide services
 - Describes how these services meet the district's goals for the targeted students in the state priority areas
 - Describes how these services are the most effective use of the funds

Local Control Funding Formula

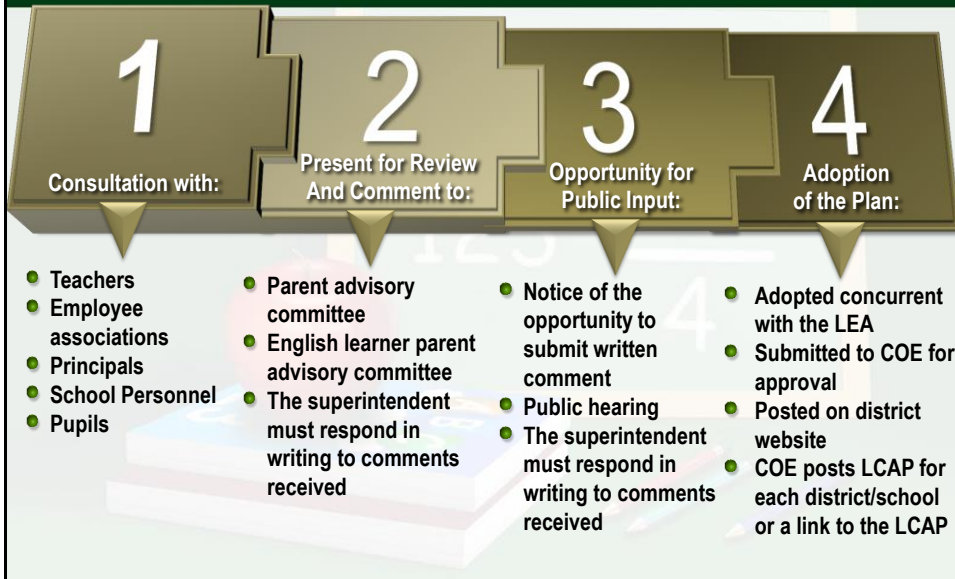
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Adopting and Updating the LCAP

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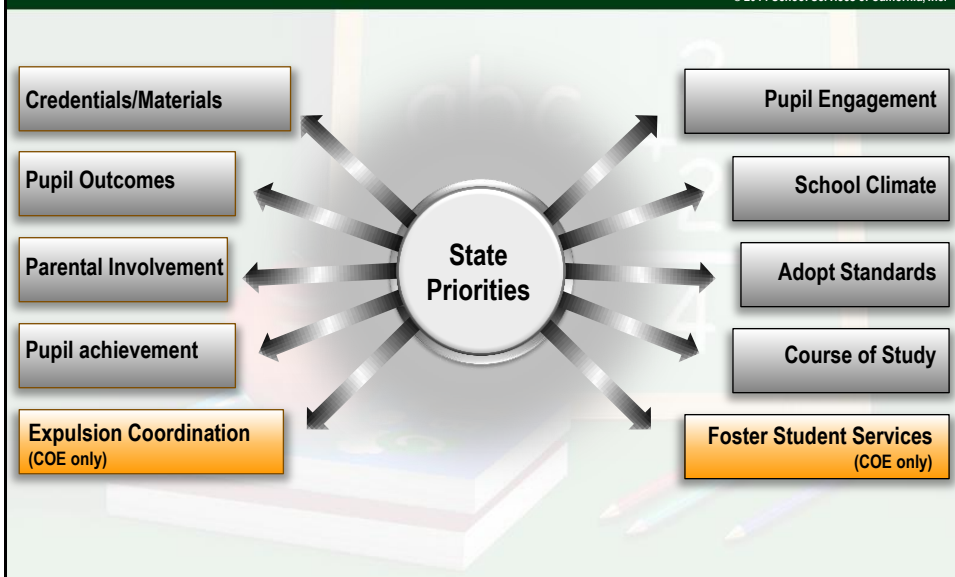
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State Priorities

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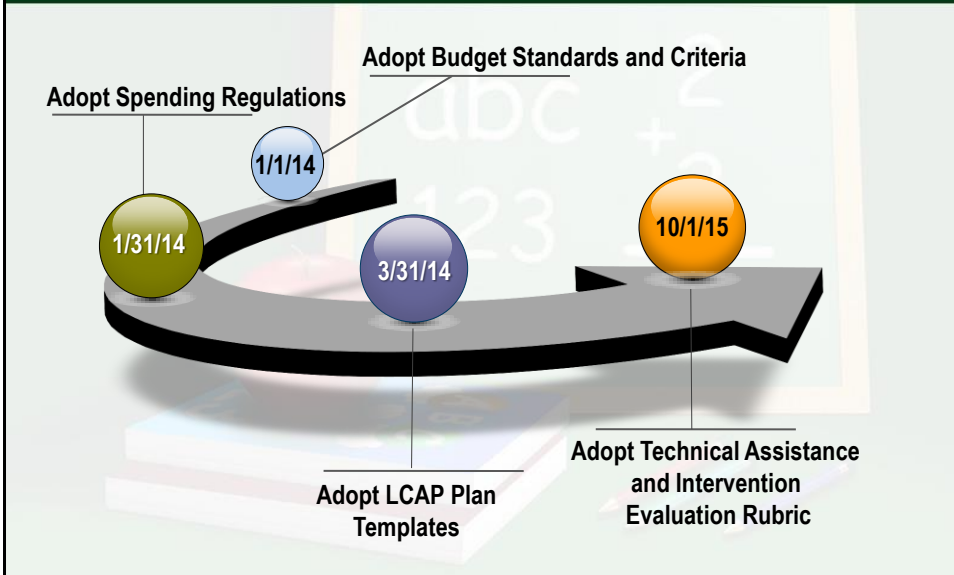
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SBE Actions and Timeline

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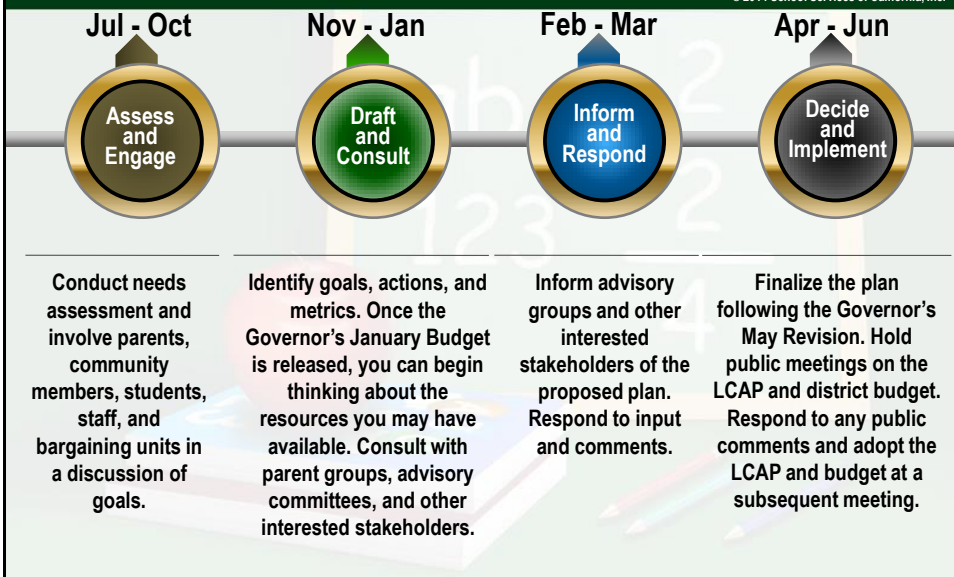
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A 12-Month Planning and Adoption Process

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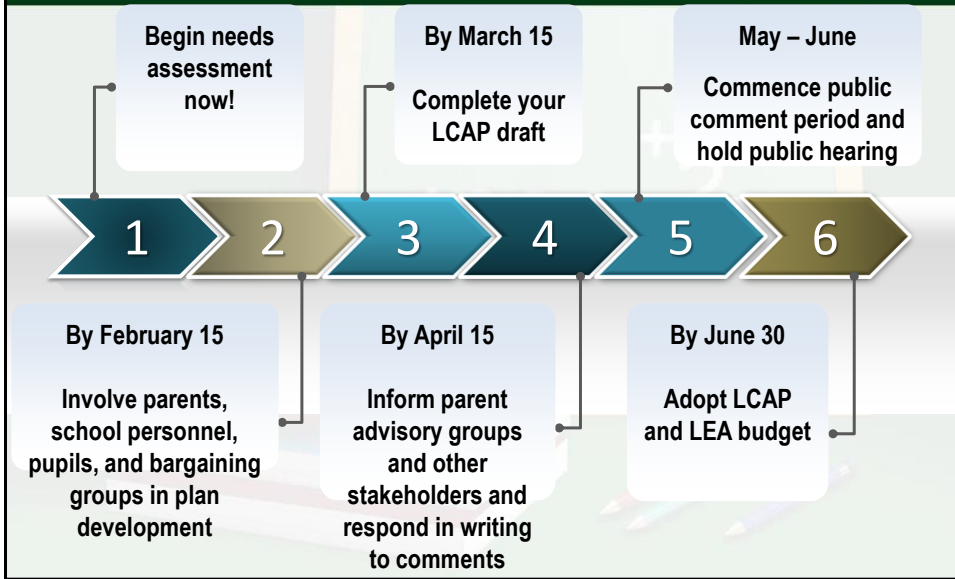
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A Sample Timeline for the Current Year

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Linkage Between Policy and Performance

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