

West Contra Costa
Unified School District
January 29, 2014



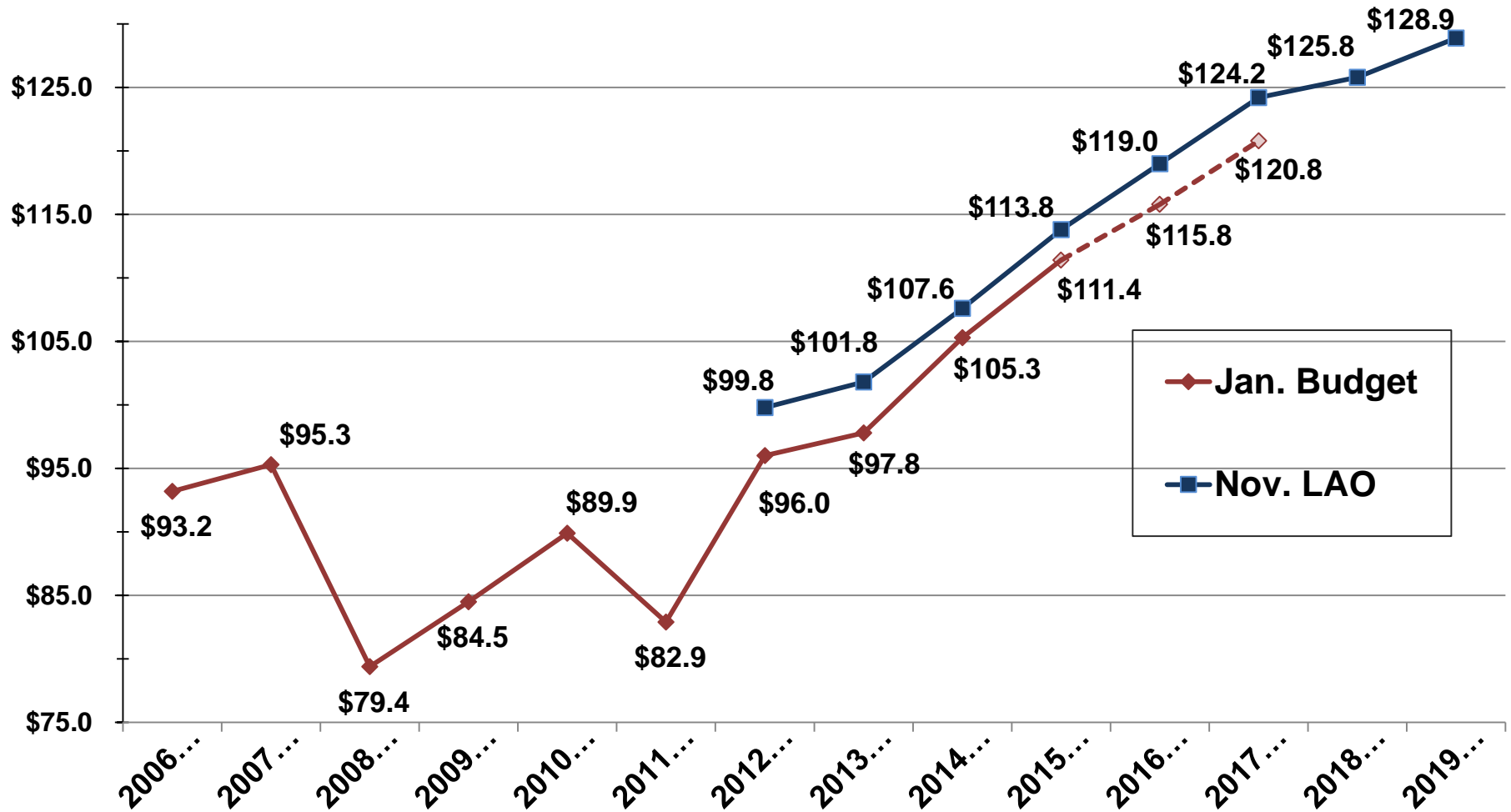
Budget Update

Governor's Budget Proposal

- Governor assumes about 6% growth in overall revenues at the State level
 - Personal Income tax 8.5%
 - Sales and Use tax 5.0%
 - Corporation Tax 8.9%
- Prop 30 revenues helping, but not permanent
 - Sales and Use tax expires in 2016
 - Personal Income tax (on high-earners) expires in 2018
- Capital Gains revenue extremely volatile
 - Governor wants to capture high growth in these revenues in the future – but the future is uncertain

State General Fund Revenues

(Estimate in Billions of Dollars)



Major State K-12 Program Notes

- K-12 overall Prop 98 funding of \$61.6 billion
- \$5 billion in ongoing funding for categorical programs outside Local Control Funding Formula (LCFF)
- K-12 Deferrals - \$5.6 billion to eliminate remaining inter-year funding deferrals

Major State K-12 Program Notes

- Prop 39 energy efficiency - \$316 million for the second of a 5-year program
- \$46.5 million increase for state testing programs (Does not go to Local Districts)
- Independent study reform
- Special Education - adjustments for growth and COLA
- Emergency Repair Program - increase of \$188.1 million (one-time grants may be available)

State Proposed COLA

- LCFF base grant, and Supplemental and Concentration Grants:
 - .86% for 2014-15
 - Affects LCFF target only
- Selected Categorical Programs (Special Education, Child Nutrition, and Early Childhood Education Programs)
 - .86% for 2014-15

Local Control Funding Formula

- 2014-15 target entitlement calculation
 - K-3 CSR and 9-12 CTE Grade Span Adjustments are additions to the base grant
 - CTE is unrestricted; CSR requires progress toward a school site average of 24 students in grades K-3

Factors	K-3	4-6	7-8	9-12
Base grants – 2014-15	\$7,012	\$7,117	\$7,328	\$8,491
Adjustment percentage	10.4% CSR	-	-	2.6% CTE
Grade Span Adjustment	\$729	-	-	\$221
Adjusted grant per ADA	\$7,741	\$7,117	\$7,328	\$8,712

Estimated Adjustments to 2014-15

- LCFF - Local Control Funding Formula
- \$9 million more than estimated at First Interim
- Expense Increases
 - Must increase proportional share of expenses for Supplemental and Concentration
 - Employee Salary and Benefits agreement will be added to Second Interim Multi Year Projection
- Proportionality
 - A new calculation launched with the State Board Emergency Regulations
 - Initial estimates indicate that Supplemental and Concentration identified expenses and activities must increase by \$14 million
 - There are still many unanswered questions regarding how proportionality will work

Supplemental and Concentration Grants

- LEAs must “increase or improve services” for grant generating students “in proportion to the increase in funds apportioned on the basis of the number and concentration” of those students
- SBE regulations - January 16, 2014

The LCFF Funding Gap

- Full implementation will occur over 8 years
- Calculation of progress toward full implementation is critical to determining Supplemental and Concentration grant expenditure requirements and proportionality

How far away is our target?

- The LCFF has an 8 year implementation plan
- The 2014-15 Funding Target is \$276 million
- The 2013-14 Estimated Funding \$216 million
 - **The Funding “Gap” is \$60 million**
- Each year the LCFF base grants are adjusted, but not necessarily funded. That will be a decision of the State Legislature based upon funds available
- LCFF is tied to the annual unduplicated pupil counts, which will vary

Next Steps

- Second Interim Report
 - March 12, 2014 Board Meeting

- Financial Reports are on our website
www.wccusd.net