

Marin County School District LCFF Proposal Talking Points

February 24, 2013 - REVISED

California Department of Finance (DOF) February 2013 Estimates

- The DOF data represents very preliminary estimates of implementation of the LCFF as currently written. Because this information is preliminary it should not be used for planning purposes.
- The DOF data uses revenue sources from 2011-12 and ADA from 2010-11. This distorts per ADA amounts and does not reflect ADA growth experienced in many Marin districts.

LCFF Transition per ADA Amounts Included with the DOF Estimates

- Per ADA dollar amounts included in the DOF estimates are based on state aid and property taxes plus categorical funding divided by ADA. However, revenues used are from 2011-12 and ADA appears to be from 2010-11. Therefore, per ADA dollar amounts are distorted. Additionally, these amounts do not reflect ADA growth in many Marin districts causing amounts included for basic aid districts to appear higher than reality.
- The transition from the existing funding system into a new and locally controlled funding formula while holding some schools districts at their current funding levels will be complex. Because of this, the fiscal impact of the transition to the LCFF will be unique to each district.

Hold Harmless

- Based on the proposed LCCF's definition of "hold harmless," no district will receive less in 2013-14 than it did in 2012-13.
- Basic aid districts, whose local property tax revenues are higher than their Formula funding entitlement, would continue to retain all of their local property taxes, including all future growth in their local property tax revenues. In addition, they would continue to receive categorical funding that they received in 2012-13 as part of the Formula's hold harmless mechanism.

2013-14 Budget Planning and Beyond

- Recognize that all calculation estimates are subject to change as this proposal makes its way through legislative committee hearings.
- The LCFF proposes to move every district, on a pro-rata basis each year, from its current total funding level, or starting point, to its eventual LCFF funding target. Districts like many basic aid districts will not receive additional state aid funding.
- Districts with low starting points and high funding targets will receive larger increases every year than districts with high starting points and low funding targets.
- Implementation funding will come from the annual Proposition 98 guarantee. This funding is estimated to provide approximately 10% of the gap each year towards eventual full funding of individual district formula targets. The funding gap amount could vary each year.
- With local control comes local responsibility, and governing boards will have greater flexibility to direct funds according to local priorities.
- Implementation of the LCFF will be situational for each district. Some districts may receive no additional funding, while others may receive a significant down payment toward their LCFF targets

Local Control Accountability Plans

Beginning in 2014-15, the proposed LCFF requires that all school districts produce and adopt a District Plan for Student Achievement concurrent and aligned with each district's annual budget and spending plan. While school districts have some discretion regarding the content of the plan, all plans are required to address how districts will use state funding received through the new funding formula toward improvement in the following categories:

- Basic conditions for student achievement (qualified teachers, sufficient instructional materials, and school facilities in good repair).
- Programs or instruction that benefits low-income students and English language learners.
- Implementation of Common Core content standards and progress toward college and career readiness (as measured by the Academic Performance Index, graduation rates, and completion of college-preparatory and career technical education courses).

The LCFF trailer bill eliminates most programmatic and compliance requirements that school districts and charter schools are currently subject to under the existing system of school finance. Other important requirements remain, including Federal accountability, API and AB1200.