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<th>Common Message Subcommittee Members</th>
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<tr>
<td>Ted Alejandre, San Bernardino County Superintendent of Schools</td>
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<tr>
<td>Mary Barlow, Kern County Office of Education</td>
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<td>Wendy Benkert, Orange County Department of Education</td>
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<td>John Caudle, Tulare County Office of Education</td>
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<td>Geri Cox, Madera County Office of Education</td>
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<td>Gretchen Deichler, Trinity County Office of Education</td>
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<td>Marlene Dunn, Los Angeles County Office of Education</td>
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<td>Lora Duzyk, San Diego County Office of Education</td>
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<td>Tami Ethier, Tuolumne County Office of Education</td>
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<td>Don Gatti, Stanislaus County Office of Education</td>
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<td>Richard Hanger, Humboldt County Office of Education</td>
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<td>Mary Hart, Santa Cruz County Office of Education</td>
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<td>Mary Jarvis, San Luis Obispo County Office of Education</td>
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<td>Paul Jessup, Riverside County Office of Education</td>
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<td>Misty Key, Ventura County Office of Education</td>
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<td>Terena Mares, Marin County Office of Education</td>
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<td>Richard Martin, Fresno County Office of Education</td>
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<td>Robbie Montalbano, El Dorado County Office of Education</td>
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<td>Micaela Ochoa, Santa Clara County Office of Education</td>
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<td>Debbie Pendley, Siskiyou County Office of Education</td>
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<td>Denise Porterfield, San Mateo County Office of Education</td>
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<td>Arnold Preciado, Imperial County Office of Education</td>
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<td>Janet Riley, Merced County Office of Education</td>
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<td>Tammy Sanchez, Sacramento County Office of Education</td>
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<td>Joshua Schultz, Napa County Office of Education</td>
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<td>Damon Smith, Alameda County Office of Education</td>
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<td>Jim Thomas, San Joaquin County Office of Education</td>
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<td>Vicki Todd, Mendocino County Office of Education</td>
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<td>John Von Flue, Kern County Superintendent of Schools</td>
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Introduction
On June 20, 2014 Governor Brown signed the 2014-15 budget bill (SB 852) and related trailer bills. The final budget package resolved the differences between the Assembly and Senate budget proposals, and the additional $2.4 billion in higher state revenues projected by the Legislative Analyst was not included in the final state budget.

The overall budget includes the following major provisions:

- $108 billion in total General Fund expenditures for 2014-15
- $60.9 billion K-14 Proposition 98 total expenditures
- $5.1 billion to reduce K-14 education cross-year cash deferrals
- $2.1 billion in General Fund state reserves

This edition of the Common Message is intended to provide concise information on changes since the May Revision so that LEAs may change their budgets as necessary.

Education Code Section 42127(i)(4) states: Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

LCFF Calculations
The adopted state budget provides $4.7 billion in funding for LCFF implementation. This is $250 million more than was anticipated at the time of the May Revision. The larger allocation of LCFF implementation funds has resulted in a higher than expected gap funding percentage for 2014-15.

Base Grants/Grade Span Adjustments (GSA) for 2014-15
The following amounts should be used for target base grants and grade span adjustments for 2014-15:

<table>
<thead>
<tr>
<th>Grade Level</th>
<th>Base Grant</th>
<th>GSA</th>
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<tbody>
<tr>
<td>Grades TK-3</td>
<td>$7,012</td>
<td>$729</td>
</tr>
<tr>
<td>Grades 4-6</td>
<td>$7,116</td>
<td></td>
</tr>
<tr>
<td>Grades 7-8</td>
<td>$7,328</td>
<td></td>
</tr>
<tr>
<td>Grades 9-12</td>
<td>$8,491</td>
<td>$221</td>
</tr>
</tbody>
</table>

The listed base grant and GSA figures include the estimated 2014-15 COLA and can be found preloaded in the latest version of the FCMAT LCFF Calculator (version 15.2b), available at http://fcmat.org/local-control-funding-formula-resources/.
**Gap Funding Factors**

On July 3, 2014, the Department of Finance (DOF) released the following estimated gap factors and COLA percentages for 2013-14 through 2016-17:

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<tbody>
<tr>
<td>LCFF Gap Funding Percentage</td>
<td>11.78%</td>
<td>12.00%</td>
<td>29.56%</td>
<td>20.68%</td>
<td>25.48%</td>
</tr>
<tr>
<td>Annual COLA</td>
<td>1.57%</td>
<td>1.57%</td>
<td>0.85%</td>
<td>2.19%</td>
<td>2.14%</td>
</tr>
</tbody>
</table>

A few key points about gap funding factors:

- Gap factors cannot be added together for a total percentage of LCFF gap that has been funded. Gap funding factors are based on each LEA’s annual LCFF target (after adjusted to reflect revised enrollment, demographics, and COLAs). The percentage of gap that is funded must be calculated as a percentage of the specific year’s revised and remaining LCFF gap.

- The gap funding factors listed above are estimates prepared by the DOF. For 2013-14, the DOF estimate was 11.78%. On June 25, 2014 at the P-2 certification, the California Department of Education (CDE) certified the 2013-14 gap funding percentage at 12.0017%. LEAs should recognize there may be changes from estimated to certified gap funding factors. Gap factors are adjusted based on the actual P2 certification and the percentage is locked upon the actual P2 calculation.

- The gap funding factors are also dependent on the current year state budget appropriation for LCFF implementation and future year projections of such. The current projections of state level gap funding that determine the percentages are: $4.722 billion in 2014-15, $2.583 billion in 2015-16, and $2.837 billion in 2016-17.

**LCAP – Proposed Changes**

On July 10, 2014, the State Board of Education (SBE) gave preliminary approval to proposed changes to the LCAP regulations and template. The SBE scheduled a public meeting to gather input on the proposed changes for July 22, 2014 (see [http://www.cde.ca.gov/be/pn/pn/lcappubmeeting22jul2014.asp](http://www.cde.ca.gov/be/pn/pn/lcappubmeeting22jul2014.asp)). The public is also invited to submit written comments through July 28, 2014, as noticed at [http://www.cde.ca.gov/be/ag/ag/yr14/documents/jul14item11a1.doc](http://www.cde.ca.gov/be/ag/ag/yr14/documents/jul14item11a1.doc). To view the proposed changes to the regulations and the template, see agenda item 11 at [http://www.cde.ca.gov/be/ag/ag/yr14/agenda201407.asp](http://www.cde.ca.gov/be/ag/ag/yr14/agenda201407.asp). Districts are encouraged to submit their written comments to the SBE regarding the proposed changes to the LCAP.

**Reserves**

The education trailer bill (SB 858) contains changes in district reserves. SB 858 creates new transparency requirements and contains a provision that would place a hard cap on the combined assigned and unassigned unrestricted ending fund balance if ACA 1 (Proposition 44,
Rainy Day Fund) is approved by voters in November. Details of the new reserve requirements are listed below.

Public Hearing Requirements for Reserves in Excess of Minimum Reserves

Beginning with budgets adopted by a school district for the 2015-16 fiscal year, SB 858 amends Education Code Section 42127 to require that a district’s public hearing for budget adoption include the following for review and discussion:

- The minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget.
- The combined assigned and unassigned ending fund balances that are in excess of the minimum recommended reserve for economic uncertainties for each fiscal year identified in the budget, pursuant to Education Code Section 33128(a). The fund balances included are Fund 01, General Fund, and Fund 17, Special Reserve Fund for Other Than Capital Outlay Projects.
- A statement of reasons that substantiates the need for an assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties for each fiscal year.

The governing board of a school district shall include this information each time it files an adopted or revised budget with the county superintendent of schools. The county superintendent of schools shall determine whether a school district’s adopted or revised budget complied with these requirements.

Rainy Day Reserve Deposit Triggers Cap on District Reserves

If voters approve Proposition 44 in November 2014, it would create a Public School System Stabilization Account (Prop. 98 Rainy Day Reserve). Even if the measure passes, contributions to the reserve are unlikely to happen for several years, and are likely to be infrequent. For a contribution to the reserve to occur, all of the following must be true:

1. All Prop. 98 owed maintenance factor amounts outstanding as of 2013-14 ($6.6 billion) must have been paid to schools.
2. Capital gains taxes must be greater than 8% of state general fund revenue (capital gains taxes have exceeded 8% seven times in the past 16 years).
3. Prop. 98 must be calculated using Test 1 (Since the passage of Prop. 98 in 1988, Test 1 has been used in 1988-89, 2011-12, and 2012-13).
4. Prop. 98 must not be suspended (Prop. 98 has been suspended twice: 2004-05 and 2010-11).

If all of the conditions above are met, and a transfer is made to the Public School System Stabilization Account, then SB 858’s reserve cap provisions come into effect. In the fiscal year immediately after a transfer is made, a school district’s adopted or revised budget is prohibited from containing a combined assigned or unassigned ending fund balance in excess of either two or three times the minimum recommended reserve for economic uncertainties, as established by the State Board of Education pursuant to Section 33128(a).
• For school districts with fewer than 400,000 ADA, twice the school district’s applicable minimum recommended reserve for economic uncertainties adopted by the state board.

• For school districts with more than 400,000 ADA, three times the school district’s applicable minimum recommended reserve for economic uncertainties adopted by the state board.

**County Superintendents May Exempt Districts from Reserve Cap**

The county superintendent of schools may waive the prohibition, pursuant to specified conditions, for up to two consecutive fiscal years within a three-year period if the school district provides documentation indicating that extraordinary fiscal circumstances substantiate the need for the additional reserve balances. Documentation indicating extraordinary fiscal circumstances may include, but is not limited to, multiyear infrastructure or technology projects. As a condition of receiving an exception, a school district shall do all of the following:

1. Provide a statement that substantiates the need for an assigned and unassigned ending fund balance in excess of the minimum recommended reserve for economic uncertainties.

2. Identify the funding amounts in the budget adopted by the school district that are associated with the extraordinary fiscal circumstances.

3. Provide documentation that no other fiscal resources are available to fund the extraordinary fiscal circumstances.

The cap on reserves will become operative on December 15, 2014, only if Prop. 44 is approved by the voters at the November 4, 2014 statewide general election. If Prop. 44 is not approved, the cap on reserves will not become operative and will be repealed on January 1, 2015.

**County Office Reserve Guidance for Districts**

County offices recognize that the conditions under which the cap on reserves is triggered are a complex series of fiscal events that will be challenging to communicate to the general public. Nevertheless, county offices will continue to encourage and reinforce the need for reserves over the minimum reserve requirements.

The experience of the past six years has clearly demonstrated these minimum levels are not sufficient to protect educational programs from severe disruption in an economic downturn. The typical 3% reserve minimum represents less than two weeks of payroll for many districts. Many LEAs have established reserve policies calling for higher than minimum reserves, recognizing their duty to maintain fiscal solvency. The adequacy of a given reserve level should be assessed based on the LEA’s own specific circumstances, and numerous reasonable models are available for consideration. Examples include:

• The Government Finance Officers Association recommends reserves equal to two months of average general fund operating expenditures, or about 17%.
• Rating agencies like Fitch or Moody’s typically assess the adequacy of a district’s reserves by comparing them to statewide averages, which have hovered around 15% for California unified school districts in recent years.

• The Fiscal Crisis and Management Assistance Team emphasizes the need to assess not only fund balance but also actual cash on hand.

**There are many benefits to having higher than minimum reserves including:**

• Financial flexibility to absorb unanticipated expenditures without significant disruption to educational programs

• Protection against exposure to significant one-time outlays such as disasters, lawsuits, or material audit findings

• Protection against the volatility of state revenues

• Protection against the volatility of property tax revenues for basic aid districts

• Cash management / avoiding the cost of borrowing cash

• Protection against declining enrollment

• Protection against the expiration of parcel taxes

• Protection to cover increases in fixed and statutory costs

• Financial flexibility to shift resources as priorities set through the LCAP process change

• Planning for major projects such as information technology upgrades or deferred maintenance

This is not an exhaustive list. Of all the reasons for carrying higher than minimum reserves, protecting against state revenue volatility is one of the most compelling. This is especially true during LCFF implementation because gap percentage funding is provided through Prop. 98 growth. By providing a buffer from volatile state revenues, maintaining higher than minimum reserves creates stability to maintain instructional services and programs.

**Cash Management**

The 2014-15 state budget repays nearly $4.7 billion to Prop. 98 for K-12 revenues that had been deferred from one year to the next, leaving an outstanding balance of $897,184,000 in K-12 cash deferrals. The budget includes a trigger mechanism that will appropriate any additional funding resources attributable to the 2013-14 and 2014-15 fiscal years to help retire this remaining deferral balance.

Pursuant to Education Code Section 14041.6(h), $897,184,000 is to be deferred from June 2015 principal apportionment warrants to July 2015.
Cross Fiscal Year Principal Apportionment Deferrals

Actual K-12 principal apportionment cross fiscal year cash deferrals have declined by $4.67 billion in 2014-15 (see table below).

<table>
<thead>
<tr>
<th>Time Frame</th>
<th>2013-14</th>
<th>2014-15</th>
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<tr>
<td>April to July</td>
<td>$917,542,000</td>
<td>Eliminated</td>
</tr>
<tr>
<td>May to July</td>
<td>$2,352,430,000</td>
<td>Eliminated</td>
</tr>
<tr>
<td>June to July</td>
<td>$2,301,128,000</td>
<td>$897,184,000</td>
</tr>
<tr>
<td>Deferred across fiscal years</td>
<td>$5,571,100,000</td>
<td>$897,184,000</td>
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For the remaining outstanding 2013-14 deferrals, the State Treasurer’s Office and the State Controller’s Office have agreed on the following payment dates:

- April 2014 – July 14, 2014
- May 2014 – July 14, 2014
- June 2014 – July 24, 2014

The following steps are recommended for school districts:

- Revise 2014-15 cash flow projections to reflect the remaining cross fiscal year deferral.
  - About 50% of the June 2015 P-2 apportionment (state aid excluding EPA) will be deferred to July 2015
- Evaluate cash flow projections as soon as possible and develop a plan of action to address any cash shortfalls. Options include:
  - Temporary interfund borrowing (Education Code Section 42603)
  - Cross fiscal year tax revenue anticipation notes (TRANs)
  - A temporary transfer from the county treasurer (Education Code Section 42620)
  - A temporary transfer from the county superintendent of schools (Education Code Section 42621)

Education Protection Account

The Education Protection Account (EPA) funding is a component of an LEA’s total LCFF. EPA entitlements will continue to be calculated on revenue limit entitlements even under the LCFF. Consistent with the current provisions of the EPA, all districts are guaranteed a minimum of $200 per ADA beginning in 2012-13 and each year thereafter through 2018-19. For state funded districts, EPA is an offset to state aid. Because basic aid districts do not receive state aid, they receive a minimum EPA funding of $200 per ADA as additional revenue.
For 2013-14, the total revenues estimated from the EPA will be approximately $6.3 billion. The CDE equates this funding to 21.0317% of the 2013-14 statewide LCFF (actually calculated on old revenue limit figures) and charter school block grant total with entities not receiving less than $200 per ADA. Charter schools constituted in 2013-14 will receive the minimum $200 per ADA. The estimate for 2014-15 is $6.6 billion or 21.9621%.

**Second Principal (P2) Apportionment**

On June 25, 2014 the California Department of Education certified the 2013-14 Second Principal Apportionment (P2) and posted detailed exhibits. This is the CDE’s first certification using the LCFF calculation.

The following information from CDE’s notification letter dated June 25, 2014 contains a summary of the P2 certification and links to key resources:

- This apportionment includes funding for 2013-14 as well as updated funding for the 2012-13 Annual R1 Apportionment, the 2011-12 Annual R3 Apportionment, and adjustments to other prior-year apportionments, as necessary.
- The 2013-14 P-2 Apportionment includes funding for the new Local Control Funding Formula (LCFF) calculated pursuant to Assembly Bill 97 (Chapter 47, Statutes of 2013), as amended by Senate Bill 91 (Chapter 49, Statutes of 2013) and Senate Bill 97 (Chapter 357, Statutes of 2013).

Funding exhibits and apportionment Excel files that provide detailed funding amounts related to the P-2 Apportionment are available on the CDE website at [http://www.cde.ca.gov/fg/aa/pa/pa1314.asp](http://www.cde.ca.gov/fg/aa/pa/pa1314.asp). Additional exhibits for Special Education can be obtained under the Allocations/Apportionments Web page at [http://www.cde.ca.gov/fg/aa/se/](http://www.cde.ca.gov/fg/aa/se/).

The CDE has created two new resources to help users understand the new LCFF formula calculations. The first is the LCFF Funding Snapshot ([http://ias.cde.ca.gov/lcffsnapshot](http://ias.cde.ca.gov/lcffsnapshot)), which shows key LCFF data elements and individual entitlement calculations for all school districts and charter schools. The snapshot brings together information from the various LCFF funding exhibits into an easily understandable format. Another resource is the Exhibit Reference Guide, which is available at [http://www.cde.ca.gov/fg/aa/pa/exhibitguide1314p2.asp](http://www.cde.ca.gov/fg/aa/pa/exhibitguide1314p2.asp). This is a technical document intended for use when viewing the LCFF funding exhibits.

Districts should work with their county offices to reconcile anticipated/budgeted revenue based on the LCFF calculator and other sources to the exhibits to record accurate year-end accruals. The P2 certification will apportion the funding to the districts for students served by COEs in Special Education and other programs. Any transfers of this funding to the COE will be completed at the local level.

**CALPADS**

In the final 2014-15 budget, all changes to CALPADS proposed in the May Revision and reported in the May Common Message were approved. However, SB 859 added language to provide the flexibility for determining the unduplicated pupil counts for LCFF Provision 2 and 3 schools. SB 859 added to Education Code 42238.01, which defines pupils “eligible for free or reduced-price meals,” to allow Provision 2 and 3 schools to develop a student eligibility base year for
LCFF different from that established by the National School Lunch Program (NSLP). The following language was added:

To the extent permitted by federal law, a school may choose to establish a new base year for purposes of the National School Lunch Program at the same time the school establishes a new base year for purposes of the local control funding formula. A school may use National School Lunch Program application forms to collect household income data as permitted under the National School Lunch Program. If the use of National School Lunch Program application forms is not permitted, a school shall use alternative income data collection forms.

Essentially, districts are required to establish their LCFF base year at least every four years. Using the NSLP application process, districts may establish the LCFF base year to coincide with the NSLP base year. If a district wants its LCFF and NSLP years to be different, the alternative income data collection forms must be used. In the intervening years, districts must collect individual income forms for newly enrolling and disenrolling students and must annually submit the individual student free and reduced priced meal records to CALPADS.

**Categoricals / Regulated Programs**

**Mandated Costs**

The adopted state budget allocates $400.5 million to pay down a portion of the debt owed to K-12 for mandated costs. The funds will be paid on a per ADA basis, which is estimated to be about $67 per ADA, regardless of whether or not LEAs have outstanding mandate claims. For LEAs with outstanding mandate claims, the funding allocated will count toward retiring the state’s mandate obligation. The funds are unrestricted, and while school districts are not required to spend the funds on Common Core State Standards (CCSS) implementation, it is the Legislature’s intent that the funds be used toward CCSS.

**ROC/P Maintenance of Effort**

The requirement to meet Maintenance of Effort (MOE) is in its second and final year, and no new funding has been directly allocated to support the ROC/P programs. The 2014-15 audit guide includes a procedure requiring auditors to verify MOE compliance in 2014-15 for LEAs that had a direct apportionment of ROC/P Tier III categorical funds in 2012-13 and had ROC/P expenditures in 2012-13. The procedure allows for a county office to count ROC/P and CTE expenditures of member districts, and for a district to count ROC/P and CTE expenditures of a COE in the district. Audit compliance is not a condition of apportionment.

**Career Pathways Grants**

The 2014-15 state budget includes $250 million to fund a second round of competitive Career Pathways trust grants. In addition, the adopted language requires the Governor and DOF to make recommendations in January “on the future treatment of remaining categorical programs,” which includes the ROC/P program.

**Child Care**

The adopted budget provides additional funding for state preschool programs of $155 million in Prop. 98 for the following:
• $70 million to fund 7,500 additional slots in part-day preschool programs, 7,500 in part-day wraparound slots, provide a 5% increase in the standard reimbursement rate for state contracted providers and backfills for the repeal of part-day state preschool family fees.

• $85 million for quality improvement projects ($50 million ongoing), one-time professional development for preschool and transitional kindergarten teacher training in early childhood development ($25 million), and one-time grants for state preschool facilities improvements ($10 million).

The budget also provides an additional $100 million in non-Prop. 98 child care funding for:

• 500 additional Alternative Payment Program slots and an increase to the Regional Market Rate effective January 1, 2015

• 1,000 general child care slots and a 5% increase in the standard reimbursement rate effective July 1, 2014

The 2014-15 budget specifies that an additional 4,000 state preschool slots and 4,000 part-day wraparound care slots will be provided in 2015-16.

Medi-Cal Administrative Activities

On July 2, 2014 the Centers for Medicare and Medicaid Services conditionally approved the 2014-15 School-Based Medi-Cal Administrative Activities (SMAA) manual, which includes the new Random Moment Time Study (RMTS) methodology. District SMAA coordinators will be notified shortly by their regional local educational consortium coordinators about the next steps involved in the implementation of the RMTS methodology for their districts.

Districts should budget MAA revenue only as it is received.

Necessary Small Schools

The definition of necessary small high schools has been reestablished in the adopted budget (per SB 859) as “a high school maintained by a unified school district as the only comprehensive high school if the high school has an average daily attendance of less than 286 pupils and the school district has 50 or fewer pupils per square mile of school district territory, as measured by the number of pupils residing in the school district.” This definition sunsets on July 1, 2017, and LEAs should plan accordingly if a necessary small high school will not retain that status after this provision sunsets.

Retirement - CalSTRS Rates

Assembly Bill 1469 increases the contribution rates that employers, employees and the state pay to support the State Teachers Retirement System. The final approved rate for employers for 2014-15 is increased by half the amount the Governor proposed in his May Revision. The rate for employers is 8.88% for 2014-15. Employer rates will continue to increase until 2020-21 and are expected to bring the underfunded retirement system to full funding in 31 years.

AB 1469 requires the CalSTRS Board to take action, beginning with the 2021-22 fiscal year, to increase or decrease the contribution rates for employers to reflect the contribution required to
eliminate the current unfunded actuarial obligation by June 30, 2046. This rate adjustment shall not increase by more than 1% of creditable compensation from one year to the next. The employer rates are capped at 20.25% of member creditable compensation.

Member contributions are also increased by the trailer bill to a maximum of 10.25% for those who were members on December 31, 2012 (2% at 60) and to a maximum of 9.205% for those who became members on or after January 1, 2013 (2% at 62). The annual 2% increase to member benefits (“improvement factor”) is vested for active members for any calendar year in which active member contributions are increased.

Districts are advised to use the rates below when revising their 2014-15 budgets and multiyear projections.

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</thead>
<tbody>
<tr>
<td>Employer</td>
<td>8.25%</td>
<td>8.88%</td>
<td>10.73%</td>
<td>12.58%</td>
<td>14.43%</td>
<td>16.28%</td>
<td>18.13%</td>
<td>19.1%</td>
</tr>
<tr>
<td>Member (2% at 60)</td>
<td>8.00%</td>
<td>8.15%</td>
<td>9.20%</td>
<td>10.25%</td>
<td>10.25%</td>
<td>10.25%</td>
<td>10.25%</td>
<td>10.25%</td>
</tr>
<tr>
<td>Member (2% at 62)</td>
<td>8.00%</td>
<td>8.15%</td>
<td>8.56%</td>
<td>9.205%</td>
<td>9.205%</td>
<td>9.205%</td>
<td>9.205%</td>
<td>9.205%</td>
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**Special Education**

The California Department of Education has changed how the Special Education Base Proration Factor (i.e. deficit) was applied at the 2013-14 P2 certification. At P1, the factor was applied to the net base entitlement (base entitlement less property taxes). At P2, a base proration factor of 0.97213 (i.e., deficit of 2.787%) was applied to the base entitlement. It is recommended that each SELPA and member LEA review the impact to their total Special Education funding. Under current law this proration is expected to be ongoing. However, in 2014-15 it is anticipated that an increase in federal IDEA funds due to the rollback of sequestration will make up the shortfall in state AB 602 funding.

**Summary**

LEAs adapted to unprecedented changes in 2013-14 under LCFF and LCAP. With the passage of a year, the adoption of the first LCAPs, and the P2 certification of LCFF by CDE, the start of the 2014-15 fiscal year represents a transition to a “new normal” under LCFF, with an emphasis on:

- Planning and budgeting in a transparent and inclusive manner.
- Maintaining expenditure flexibility to allow for changing priorities under the LCAP, changing expenditure requirements due to legislative mandates, and possible revenue volatility during LCFF implementation.

County offices of education will continue to guide and support districts as we collectively conform to the LCFF/LCAP funding and accountability models.