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AB 1614 (Muratsuchi) LCFF Base Grants FACT SHEET

Sponsor: Author sponsored

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SUMMARY

AB 1614 adds \$4.2 billion into the existing Local Control Funding Formula (LCFF) above the statutory cost-of-living adjustment (COLA) for the 2022-23 budget year, with the intent that the Legislature strive to reach the top ten states in the country in K-12 per pupil spending.

ISSUE

In 2013-14, California enacted the Local Control Funding Formula (LCFF), replacing the state's categorical grant education funding model. LCFF is designed to provide districts with greater discretion over how funds are utilized to educate students at the local level, with an emphasis on providing additional resources to students with the greatest needs. The new funding formula, LCFF, promised to return districts to their 2007-08 funding level, over the course of seven years, fully funding targets by 2020-21.

In the 2018-19 Budget, LCFF was fully funded, 2 years ahead of schedule, through an infusion of \$3 billion in new funding. However, at full implementation, California still retained below-average per-pupil funding rates compared to the nation. School districts continue to face a dilemma: the inadequacy of base funding to cover rising fixed costs imposed since the creation of the LCFF.

Further, as schools, families, and students throughout the State of California continue to struggle with the COVID-19 pandemic, school districts need greater flexibility with their local spending priorities to deal with the pandemic and ongoing crisis in order to focus on sustaining and expanding a student centered recovery. All districts would benefit from increasing investments to public education for purposes including: scaling up high school programs to offer a

full range of college and career preparation options; additional inclusive settings and early intervention for students with disabilities; additional support for English language learners; providing a broad range of professional development opportunities for new and veteran teachers; and implementing other strategies designed to enhance student achievement and close the achievement gap.

The Legislative Analyst's Office (LAO) recently projected optimistic state general fund revenue collection data significantly higher than June 2021 estimates. The LAO's *K-14 Fiscal Outlook* estimates the Proposition 98 guarantee in 2022-23 will be \$11.6 billion, or 12.4 percent, higher than the 2021-22 State Budget, with an additional \$8.4 billion available for ongoing K-12 priorities that can be used to address challenges our students and school districts are facing. Further, in the Governor's proposed 2022-23 Budget, the budget provides a total of \$102 billion for Proposition 98 funding for 2022-23, including an increase of \$3.3 billion in Proposition 98 funding for the LCFF, but does not include additional funding to the base grant.

SOLUTION

AB 1614 adds \$4.2 billion (half of the estimated Proposition 98 increase) into the Local Control Funding Formula above the statutory COLA for the 2022-23 budget year, with the intent that the Legislature strive to reach the top ten states in the country in K-12 per pupil spending. Out of the additional \$4.2 billion above the estimated 2022-23 COLA, the base rates would increase by about \$3.4 billion so every district will benefit from this measure. In addition to the base grant increases, this measure would provide increases to the supplemental and concentration grant by roughly \$750 million each.