

\$1.8 billion is allocated to reduce remaining inter-year deferrals, (\$5.6 billion remaining)

\$1.6 billion is allocated to support the initial implementation of the Local Control Funding Formula (LCFF)

\$400.5 million is set aside to support energy efficiency projects in schools

\$300 million is allocated to community colleges to provide Adult Education services, currently provided by K-12 school districts

\$100 million is allocated to support increases to the Mandate Block Grant

- x The Governor's 2013-14 Budget proposal involves a new funding model which represents a fundamental change in how K-12 school districts are funded. The Local Control Funding Formula (LCFF) is intended to replace the existing revenue limit and categorical funding models and according to the Governor's 2013-14 Budget Summary, is intended to increase local control.
- x The proposal includes different bands of base revenue limits for K-3, 4-6, 7-9, and 10-12.
- x In addition there would be incremental increases based on English Language Learners and Free and Reduced Lunch students. Districts with more than 50% of these students would get even more funds.
- x There is currently no trailer language.
- x It is believed IUSD will get an additional \$4.2 million to \$4.7 million which we will incorporate into the Second Interim budgeting. Additionally, staff anticipates a \$7.7 million deficit for 2013-14.
- x IUSD may be returning to Revenue Limit and will likely go in and out of Revenue Limit for the next few years; however, Basic Aid and Fair Share calculations leaves IUSD with no benefit.

5. Adjournment

- x The meeting was adjourned at 7:31 p.m.

Action Items – Follow Up:

- x Question: Does IUSD have embezzlement insurance regarding ASBs.

While IUSD does not have embezzlement insurance specifically for ASBs, IUSD does have a \$5 million policy which covers employee dishonesty, with a \$500 deductible. This insurance would cover IUSD employees who interact with ASBs should a situation arise.