

Basic Aid Basics

PLANNING AND BUDGET COMMITTEE

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What is it a Basic Aid district?

A Basic Aid district is a district that has sufficient local revenue to fully fund its general purpose funding entitlement.

- ▶ The term “basic aid” refers to the requirement in the state Constitution that each K12 school district receive no less than \$120 per pupil
- ▶ Other terms used: “Excess Tax” or “Community Supported” districts

How are we funded, now?

The CCCCO calculates a general purpose entitlement for each district based on state law (SCFF).

- ▶ The state offsets local revenues from the total and funds the remainder with state GF
- ▶ Local revenues includes both property taxes and enrollment fees

Cuesta College's Apportionment

2020-21 Advance :

Our SCFF entitlement =	\$51.6M
-Less property taxes	(\$45.8M)
-Less enrollment fees	<u>(\$3.7M)</u>
	\$2.1M

- ▶ The state owes the district \$2.1M from EPA and/or GF

Property Taxes

There are different types of property taxes:

- ▶ Secured roll – Land, homes, other structures
- ▶ Unsecured roll – Movable assets (boats, planes)
- ▶ Unitary tax – All elements of single business or trade viewed as a single element (PG&E, railroad)
- ▶ ERAF (Educational Revenue Augmentation Fund)

Are all Basic Aid districts rich?

NO!

- ▶ Statewide Average Funding (19-20) = \$6,460
- ▶ Marin CCD = \$19,529 (!)
- ▶ South Orange CCD = \$9,860
- ▶ Sierra CCD = \$6,550

Cuesta College (19-20) = \$6,212

Miscellaneous notes

- ▶ Basic Aid districts remain public CCDs
 - ▶ All laws and regulations still apply
- ▶ BA districts receive some minimum funding:
 - ▶ FT Faculty Hiring \$ (from 2015-16)
 - ▶ EPA (Prop 55) = \$100 per FTES through 2030
- ▶ It's possible to bounce in and out of BA status