This FAQ document is meant to complement MPCSD's presentation [Budget 101: Funding Our Priorities]

Budget 101: Frequently Asked Questions

1. **What is MPCSD's vision and how does it relate to the budget?**
   MPCSD's vision is "Educating and empowering students while embracing childhood and adolescence." This vision guides the organization and drives work and decisions, including the building of the budget for the next several years.
2. **How did Proposition 13 impact school funding in California?**
   Proposition 13, enacted in 1978, capped property taxes at 1% of assessed value and limited their annual increase to 2% (unless there is a change in ownership), severely restricting local communities' ability to raise money for schools. It froze property tax allocations to districts where they were in the late 1970s and left no ability for districts to change this as conditions (e.g. enrollment growth) changed. This shifted the primary source of school funding from local property taxes to state income and sales taxes, and control from local school boards to Sacramento.
3. **What is Proposition 98?**
   Proposition 98, established in 1988, is a constitutional amendment that guarantees a minimum percentage of the state's budget for K-12 schools and community colleges every year, making education a top priority in the state budget.
4. **What is the Local Control Funding Formula (LCFF) and how does it categorize districts?**
   Enacted in 2013, the LCFF aims for equity and local control, holding schools accountable for student outcomes. It created a per-student funding target. Districts are categorized as LCFF (state-funded) or Basic Aid (community-funded) based on their local property tax revenue's ability to meet that target.
5. **What does it mean for MPCSD to be a 'Community Funded' district?**
   MPCSD is a 'Community Funded' district because its local property tax revenue exceeds the state's minimum funding guarantee, meaning it doesn't receive general-purpose LCFF funding from the state. Its funding levels are determined by local property values, not the state's budget.
6. **How does student enrollment affect funding in a community-funded district like MPCSD?**
   In a community-funded district like MPCSD, property tax revenue is a fixed amount. If student enrollment increases, the same amount of money must be stretched across more students, leading to a decrease in funding per student.
7. **What are the primary revenue sources for MPCSD's budget?**
   MPCSD's budget is almost entirely (89%) from local sources, primarily property taxes. Parcel taxes and grants from the Menlo Park-Atherton Education Foundation (MPAEF), largely funded by the One Community Campaign (OCC), also contribute critical revenue.
8. **Why aren't property taxes enough to fully fund MPCSD's budget?**
   Property taxes only fund 66% of MPCSD's budget. Relying solely on property taxes

would mean cutting 34% of programs and would put MPCSD's per-student funding significantly below other local peer districts.

9. **What is the One Community Campaign (OCC) and how does it support MPCSD?** The OCC is a fall fundraising campaign that raises money for school PTOs and the Menlo Park-Atherton Education Foundation (MPAEF). Donations above $250 per student go to the MPAEF, which funds nearly 40% of Specialist & Elective Teachers, Mental & Physical Health staff, and Academic Support staff, allowing MPCSD to offer programs and support not required by the state.
10. **What is MPCSD's current fiscal sustainability exercise aiming to achieve?** MPCSD is engaging in a fiscal sustainability exercise to create a balanced budget that aligns with its vision and priorities. The process aims to identify community priorities, anticipate increased expenditures, facilitate three or more years of balanced budgets, maintain competitive compensation, and maintain a healthy reserve for economic uncertainties.