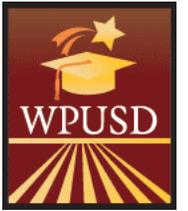


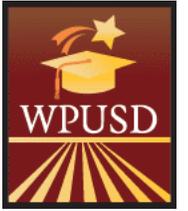
Governor's Proposals for the 2019-20 State Budget and K-12 Education

Western Placer Unified School District
Board of Trustees - February 5, 2019



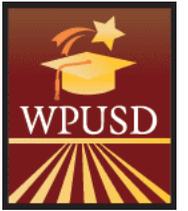
Initial Thoughts

- Need to recognize potential of large budget surplus and likelihood of an economic downturn
- Newsom's first budget proposal attempts to balance fiscal prudence and progressive ambitions
- Major focus on budget resiliency, but also on expanding access to the "California Dream" through investments and high goals in early learning/child care, education, health care, housing, and social services



General Fund Spending and Reserves

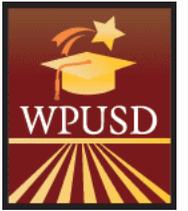
- \$144.2 billion GF expenditures (including transfers)
- \$3.7 billion GF fund balance
 - \$2.3 billion special fund for economic uncertainties (SFEU)
 - \$1.4 billion reserve for liquidation of encumbrances
- \$3.6 billion Prop 2 “Rainy Day” mandatory transfer, half to Budget Stabilization Account (BSA) and half to pay down state debts and liabilities – what about infrastructure?
- About \$18.5 billion total GF reserve
 - \$15.3 billion in BSA
 - \$2.3 billion SFEU
 - \$900 million “Safety Net”



Newsom's Twist on Brown Fiscal Legacy

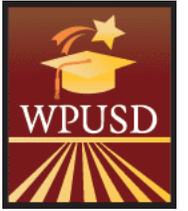
\$13.6 billion to build budget resiliency and pay down liabilities, including:

- \$4.8 billion to build reserves
 - \$1.8 billion for BSA
 - \$2.3 billion for SFEU
 - \$700 million for Safety Net
- \$4.8 billion to pay down the state's unfunded retirement liabilities
 - \$3 billion for CalPERS
 - \$1.8 billion for CalSTRS (Prop 2)
- \$4 billion to eliminate debts and reverse deferrals
 - \$2.4 billion to pay off special fund loans, etc.
 - \$1 billion to eliminate annual payroll deferral
 - \$700 million to eliminate deferral of 4th quarter CalPERS payment



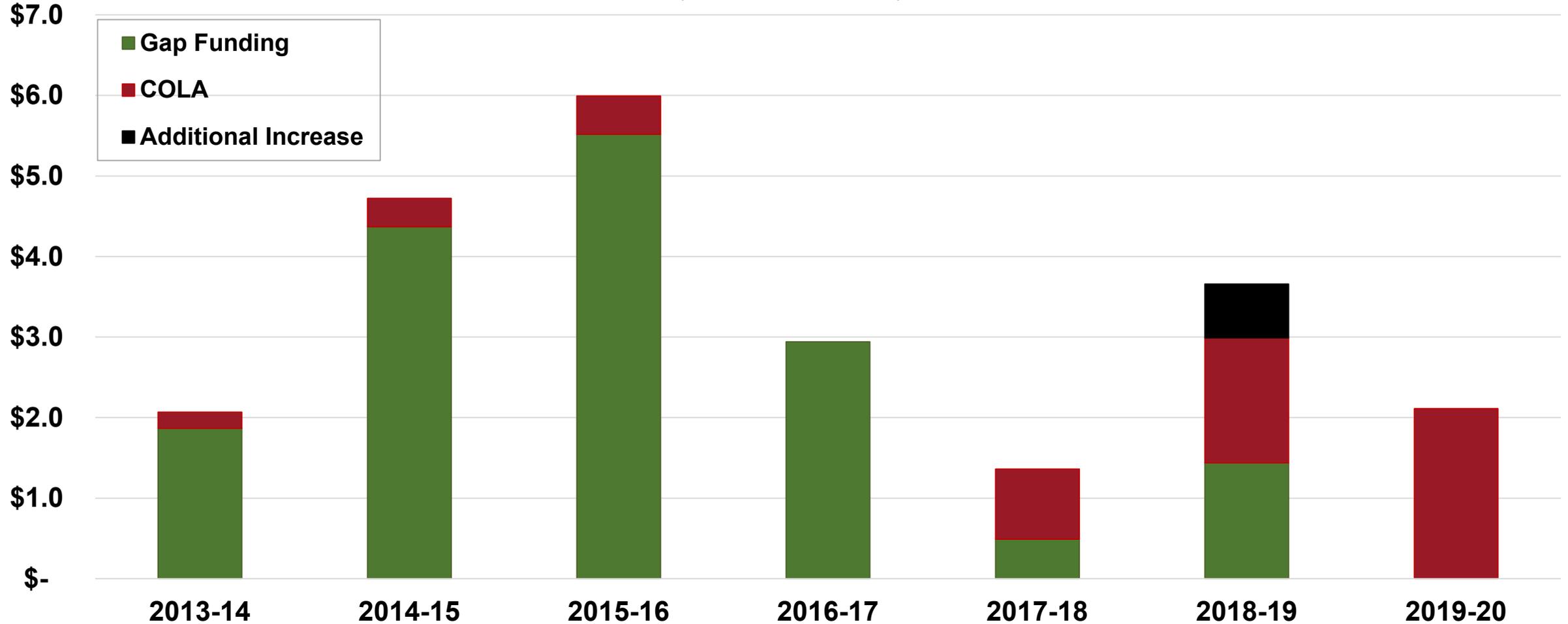
Education Proposal – Overview

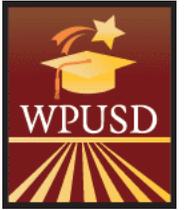
- \$80.7 billion for Prop 98 (\$71.2 billion for K-12)
- \$3 billion (one-time, non-Prop 98) for school employer CalSTRS liabilities
- \$2 billion for LCFF to provide 3.46% COLA (total LCFF \$63 billion) - Increase from 2.57%
 - **WPUSD - Approximately \$538,000 in Additional COLA LCFF Base Funding**
- \$750 million (one-time, non-Prop 98) for new or retrofitted full-day kindergarten facilities
- \$576 million (\$186 million one-time) for expanded special education services and support
- \$187 million to provide 3.46% COLA to some categorical programs outside of the LCFF
- \$20.2 million additional for county offices to provide technical assistance to school districts
- Significant investment in early childhood
- No proposed one-time, fully discretionary funding



Increases in LCFF Funding

(Dollars in Billions)





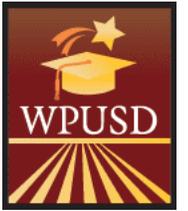
Stand-Alone Categorical Programs

Proposed for Ongoing Funding (no COLA)

- **Agricultural Education Incentive Program**

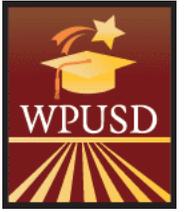
Proposed for Ongoing Funding (3.46% COLA)

- **Child Nutrition**
- **Mandate Block Grant**
- **Special Education**



Governor's Budget 2019-20

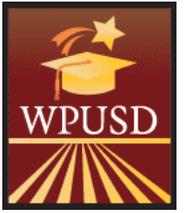
OTHER KEY BUDGET ISSUES AND PROGRAMS



CalSTRS Relief for School Employers

Prepayment to Achieve Long-Term Savings

- \$2.3 billion to pay down employers' unfunded liability (one-time, non-Prop 98) of approximately \$35 billion
- Projected to reduce employer contribution rate 0.5% (ongoing)



Projected Employer Contribution Rates

CalSTRS

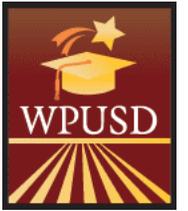
CalPERS

Fiscal Year	Current (per AB 1469)	Proposed (per Jan. Budget)	Effect of Jan. Budget
2018–19	16.28	16.28	
2019–20	18.13	17.1	-1.03
2020–21	19.1	18.1	-1.0
2021–22	18.2*	17.7*	-0.5
2022–23	18.2*	17.7*	-0.5
2023–24	18.2*	17.7*	-0.5
2024–25	18.2*	17.7*	-0.5
2025–26	18.2*	17.7*	-0.5

Fiscal Year	Projected Rates
2018–19	18.062
2019–20	20.7*
2020–21	23.4*
2021–22	24.5*
2022–23	25.0*
2023–24	25.5*
2024–25	25.7*
2025–26	25.5*

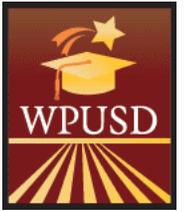
WPUSD 2019-20 - Approximately \$300,000 in Reduction in STRS Costs

* Projected



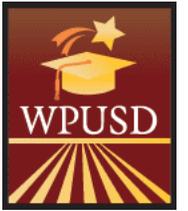
Special Education

- \$576 million for expanded services and school readiness support
 - \$390 million ongoing and \$186 million one-time
 - Proposes concentration grants for school readiness and early intervention
 - Targeted at LEAs with high percentages of both students with disabilities and unduplicated students
 - Grants may be used to fund special education and school readiness services not currently included in an IEP
 - Language and policy not complete – further conversations about funding costs of existing services versus supplementing those services
- \$127.6 million for 3.46% COLA



School Facilities

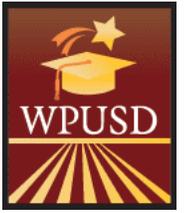
- Prop 51 (2016) bond sales
 - \$1.5 billion proposed for 2019-20: \$906 million over current year
 - \$1.2 million to fund positions at the Office of Public School Construction to expedite application processing



Career Technical Education

No changes in funding proposed

- \$150 million in ongoing funding for the CTE Incentive Grant program, being administered by CDE
- Look for legislation to increase on-going K-12 CTEIG funding beyond \$150 million



What's Next

- **State Level**

- January through May:

- Budget subcommittees review

- LAO issues detailed review of Governor's plan – expect support for spending restraint and slightly higher revenue forecast

- May Revision

- On-time budget by June 15th

- **District level**

- Second Interim Report – March 15th

- District Attendance Reporting (P-2) – April 2019

- 2018-19 Actual P-2 ADA may drive change in 2019-20 Projected ADA

- 2019-20 Budget Adoption – June 18th