

Western Placer Unified School District

Board Presentation
August 1, 2017

2017-2018
State Budget
Approval
&
District Budget

APPROVAL OF THE 2017-18 STATE BUDGET

- ▶ Governor signed the 2017-18 Budget Act of 2017 on June 27, 2017
- ▶ Governor offered more compromise than usual
- ▶ Limited changes from May Revision Budget – Overall better than January and May Revision proposals
- ▶ California Education Code 42127(i)(4) requires school districts to make available for public review any revenue and/or expenditure revisions made to the budget to reflect the funding made available by the Budget Act no later than 45 days following the signing of the Budget Act (August 7, 2017).
- ▶ Changes will be reflected in the First Interim Budget reporting (December 2017)

Major 2017-18 Budget Changes - 2017-18 LCFF Funding

► **LCFF Funding (on-going):**

- Provides \$1.36 billion in ongoing Proposition 98 funding to further implement the LCFF for school districts and charter schools, bringing the total amount provided for LCFF to \$57.2 billion in 2017-18 (LCFF = 97% implemented)
- Provides approximately 42% LCFF gap funding (pending DOF certification) – *Adopted Budget* – 43.97%
- **2017-18 WPUUSD Update –**
 - **Decrease in LCFF Funding – Gap Funding Decrease**
 - **Reduction in LCFF funding - \$61,000**

LCFF Gap Closure Estimates (in billions)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
Transition Funding	\$2.087	\$4.722	\$5.994	\$2.942	\$1.362	\$1.883	\$1.407	\$2.167
Gap Closure	12.02%	30.16%	52.56%	55.03%	43.19%	66.12%	64.92%	100%
COLA	1.57%	0.85%	1.02%	0.00%	1.56%	2.15%	2.35%	2.57%
Percent of Target Funded	72%	80%	90%	96%	97%*	>98%*	99%*	100%

*estimates

K-12 Spending – Overview

- \$1.36 billion increase for LCFF (about 42% of gap)
- \$877 million in one-time discretionary funding (about \$147 per ADA)
- \$376.2 million for Prop 39 energy grants
- \$200 million (one-time) for CTE incentive grants (per 2015 Budget Act)
- \$135.8 million for Preschool and Early Childhood Education
- \$76.5 million to provide 1.56% COLA to some categorical programs
- \$50 million increase for After School Education and Safety Program
- \$30 million for tobacco/nicotine prevention programs (Prop 56)
- \$25 million (one-time) for Classified Employee Credential Program
- \$15.4 million for CTE Pathways (SB 1070 K-12 CTE programs)
- \$10 million for reducing truancy/drop out rates (Prop 47)
- \$10 million (one-time) for Refugee Student Support
- \$7 million for COE LCAP support

Major 2017-18 Budget Changes

– One-Time Discretionary Funds

- ▶ 2017-18 State Budget - One-Time Funding: Provides a \$876 million in one-time fully discretionary funding for K-12 schools in 2017-18
- ▶ Provides approximately \$147 per ADA and offsets any applicable mandate reimbursement claims owed to schools
- ▶ Rejects the Governor's May Revision proposal to delay the release of the one-time discretionary funding until May 2019
- ▶ May Revision – \$1.42 billion or \$237 per ADA
- ▶ Funding was NOT included in WPUUSD Adopted Budget

- ▶ **2017-18 WPUUSD Update**
 - ▶ **Increase in one-time funding - \$970,000**

2017-18 STATE BUDGET

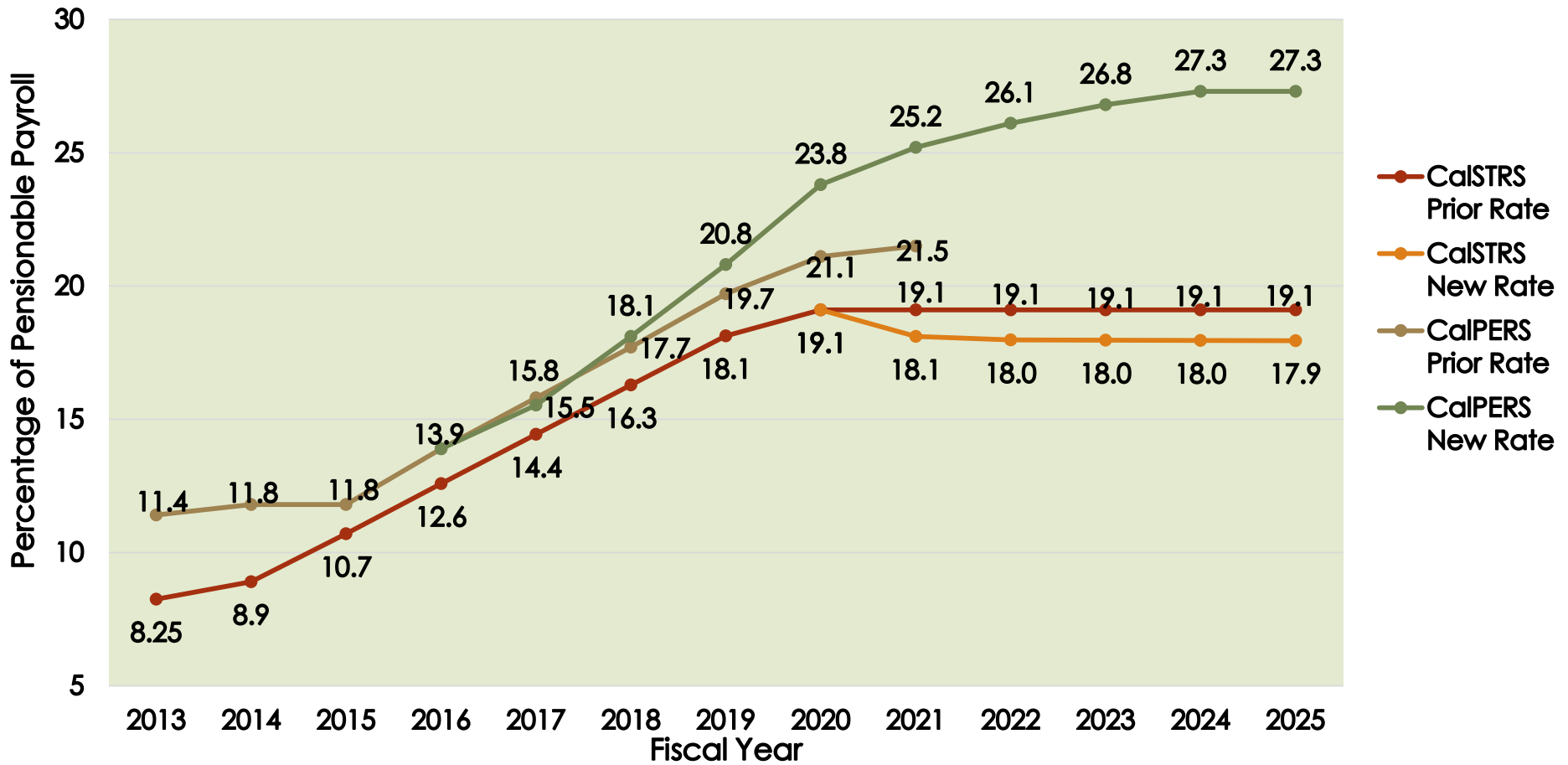
Other Budget Areas

- COLA – remains at 1.56% - 2017-18
 - Lottery - remains at \$144 per annual ADA for unrestricted and \$45 per annual ADA for Proposition 20 (restricted)
 - Home-To-School Transportation – no COLA
 - Special Education Programs and Child Nutrition Program – 1.56% COLA
 - Mandate Block Grant - \$230 million to districts to fund the program in 2017-18, including \$3.5 million for COLA
 - \$30.34/ADA K-8 grades (WPUSD Adopted Budget \$28.42/ADA)
 - \$58.25/ADA 9-12 grades (WPUSD Adopted Budget \$56.00/ADA)
- **2017-18 WPUSD Update**
- **Increase in funding - \$13,000**

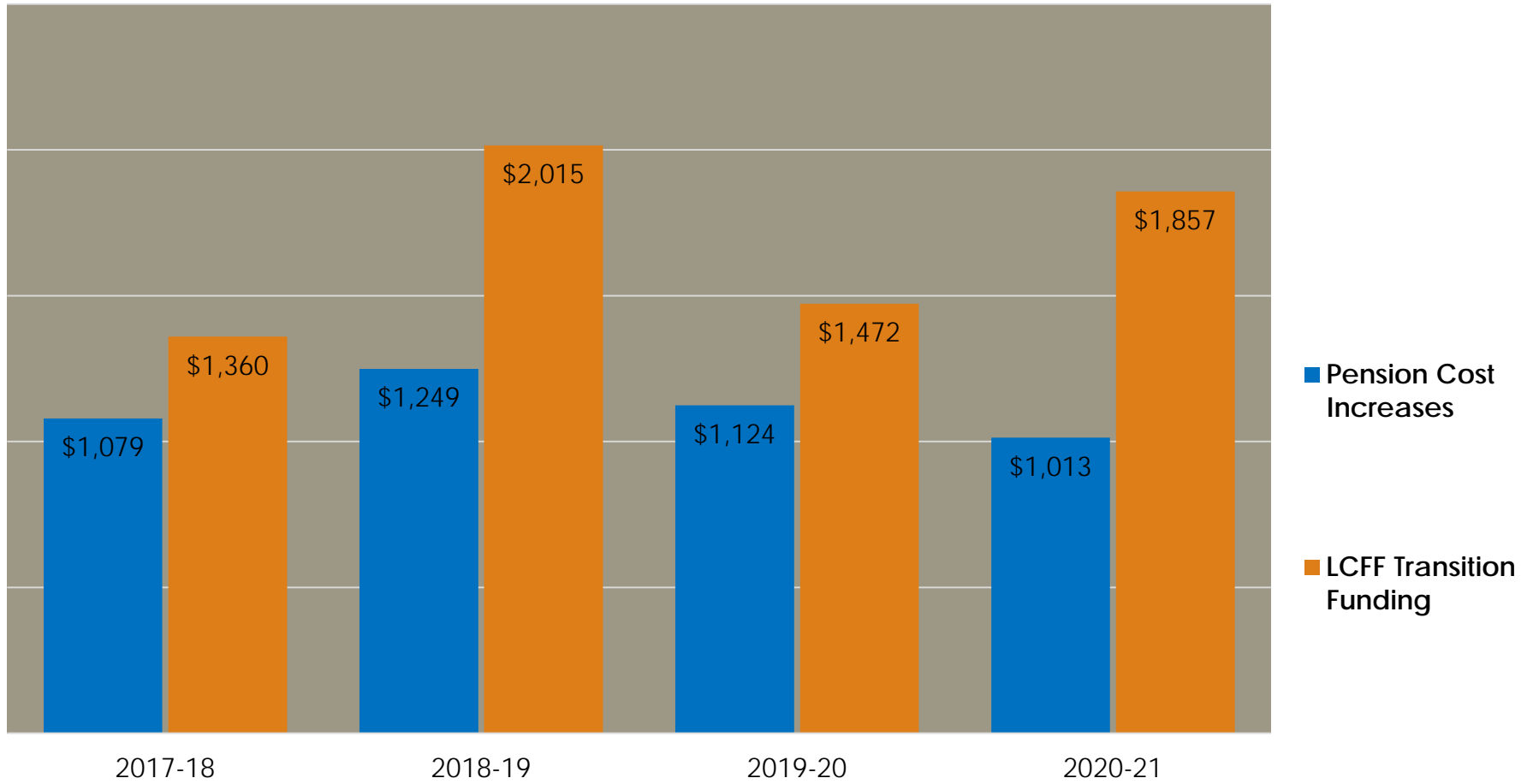
Teacher and Administrator Programs

- **California Classified School Employee Teacher Credentialing Program:** \$25 million to the Commission on Teacher Credentialing (CTC) to fund second cohort of classified employees
- **California Educator Development (CalED) Program:** \$11.3 million in federal dollars to establish a grant program designed to enhance the state's efforts to address teacher recruitment and retention issues
- **Bilingual Teacher Professional Development Program:** \$5 million to the SPI for an LEA grant program to provide professional development services to teachers and paraprofessionals regarding instruction to English learners

CalSTRS & CalPERS: Projected Employer Contribution Rates



Projected Pension Cost Increases vs. LCFF Transition Funding (in millions)



Sources: 2017-18 (CalSTRS, CalPERS, 2017-18 Budget Act)

School Facilities and Proposition 51

- After November 2016 elections, \$27 billion in K-12 facilities funding available (\$20 billion in local bonds and \$7 billion in Prop 51 bonds)
- Application backlog at state level:
 - OPSC has \$2.7 billion in existing applications, which could account for half of Prop 51's New Construction funds and one-third of its Modernization funds
 - OPSC staff has not increased after passage of Prop 51
 - DSA backlog remains significant
 - Next state bond sale expected in Fall 2017

State Budget Changes to School Facilities Program (SFP) - Governor's Accountability Measures

SFP Changes	Details	Applies to
Grant Agreement	<ul style="list-style-type: none"> • LEAs must sign grant agreement prior to fund release • Some changes to eligible expenditures • Districts may request project-specific guidance letters from OPSC 	All applications on the Acknowledged List or received after April 1, 2017
Annual K-12 Audit Guide	<ul style="list-style-type: none"> • State/local bond expenditures will be subject to annual K-12 Audit Guide • Repayment due to an audit exception may come from an LEA's capital outlay account 	All projects that received state funding after April 1, 2017
Eligibility Recertification	<ul style="list-style-type: none"> • LEAs must recertify eligibility for New Construction at time of OPSC review • LEAs may appeal a reduction in eligibility 	New Construction projects on the Acknowledged List

State Budget Changes to SFP DIR Reporting Changes

- A 2014 law mandated contractor registration for all public works projects over \$1,000
- Provisions in the budget significantly relax reporting requirements
 - New Construction, alteration, demolition, installation or repair work – from \$1,000 to \$25,000
 - Maintenance – from \$1,000 to \$15,000
 - Provisions apply to any bid submitted on or after March 1, 2015, and to any contract executed after April 1, 2015
 - An awarding body now has 30 days from award to notify DIR (was 5 days)
 - Annual fees for contractor registration increased from \$300 to \$400
 - Linked to new **non-compliance penalties** for contractors and LEAs

Questions?