

# **Governor's Budget Proposal for Fiscal Year 2019-20**

**January 22, 2019**

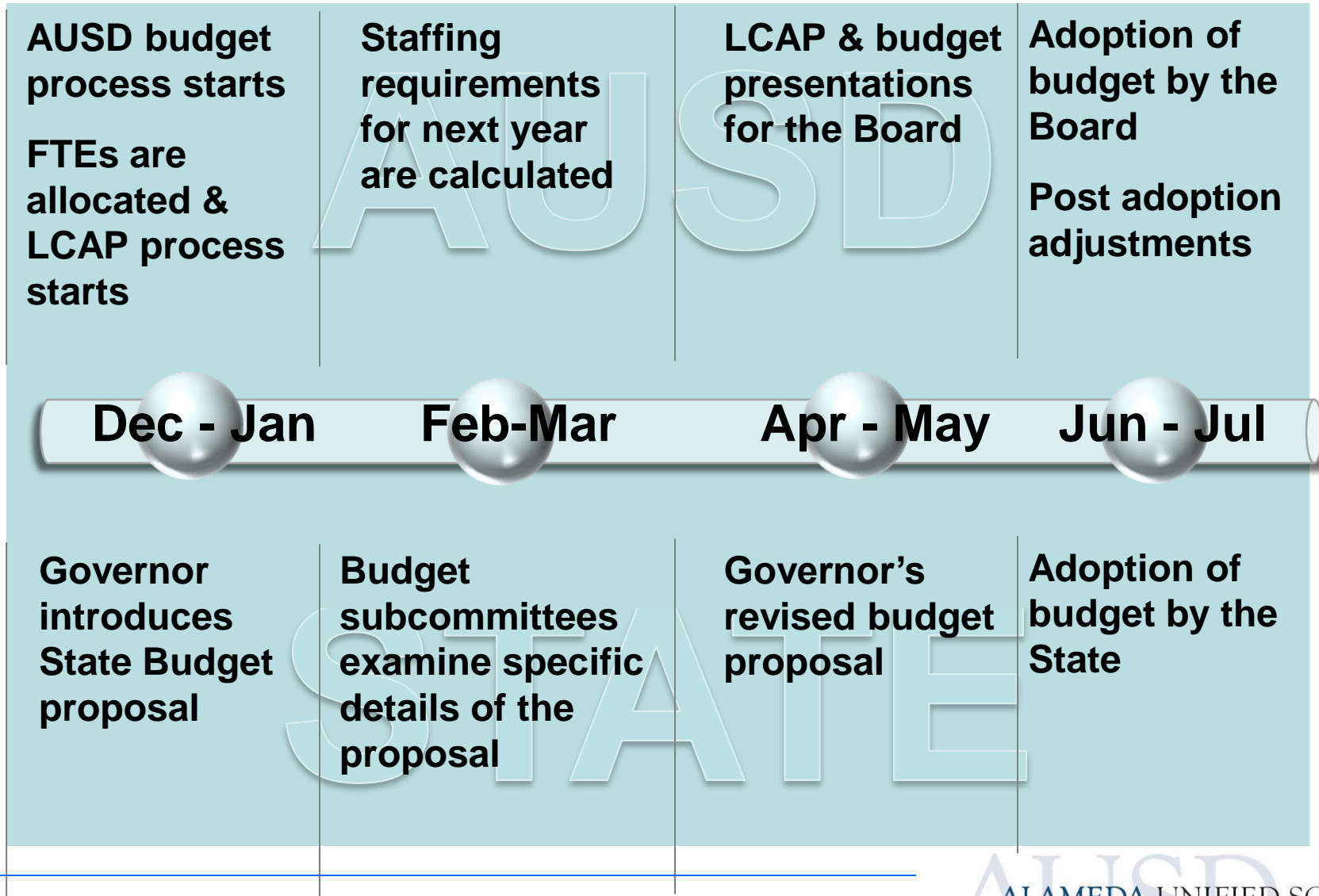
# 2019-2020 Budget – Governor’s Budget Proposal

## Agenda

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- Background
- Proposal Highlights & Impact on AUSD
- Next Steps

# 2019-2020 Budget – Governor’s Budget Proposal Timeline



# 2019-2020 Budget – Governor’s Budget Proposal

## Themes for the 2019-20 Governor’s Budget

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- The economy continues to outperform expectations, but the recovery from the Great Recession is in its tenth year and some signs of downturn are appearing
- Local education agencies (LEAs) will continue to face budget challenges as Local Control Funding Formula (LCFF) funding flattens and costs rise
- The education budget contains some new proposals, but Governor Newsom’s early childhood education initiative will take central stage

# 2019-2020 Budget – Governor’s Budget Proposal

## Early Care and Education

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- In total, the 2019-20 Budget includes over \$2.4 billion in programs and services to children and families
  - Most are one-time investments
  - Nearly all of them are funded with non-Proposition 98 dollars
- \$750M to expand or retrofit 1400 facilities to accommodate Full-Day Kindergarten
- AB197, if passed, may require that all schools must transition to Full-Day Kindergarten by offering same number of minutes per school day that is offered to students in 1<sup>st</sup> grade.
  - If passed, the bill is proposed to go into effect in 2021-22 school year

# 2019-2020 Budget – Governor’s Budget Proposal

## Local Control Funding Formula

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- The State Budget proposes \$2 billion towards LCFF to fund the 3.46% statutory COLA
  - COLA does not apply to Targeted Instructional Improvement Grant (TIIG), Transportation, or Economic Recovery Target, effectively reducing the COLA to approximately 3.37%

Year	1st Interim	January Proposal
2019-20	2.57%	3.46%
2020-21	2.67%	2.86%
2021-22	3.42%	2.92%

- Proposed increase of approximately \$600K in 2019-20 and \$200K in 2020-21

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## Pension Contributions

- \$3 billion in one-time, non-proposition 98 funding to reduce employer’s liability
  - \$700M to reduce 2019-20 and 2020-21 by about 1%
  - \$2.3B to reduce it by approximately 0.5% in out years

Year	STRS		PERS	
	1st Interim	January Proposal	1st Interim	Updated Rate
2019-20	18.13%	17.10%	20.80%	20.70%
2020-21	19.10%	18.10%	23.50%	23.40%
2021-22	18.60%	18.10%	24.60%	24.50%

- Proposal would save approximately \$500K each year for the next two years

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## Special Education

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- No new funding proposal for Special Education AB 602 program
  - 3.46% proposed COLA or estimated \$18.67/ADA
  - District expenditures since First Interim have increased by approximately \$500K
- No additional funding to provide transportation to students with Special Education services, not even COLA!
- Governor proposed \$576M (of which \$186M is one-time) to support expanded Special Education services for Districts with high percentages of both students with disabilities (SWD) and unduplicated students
  - Funds may be used to provide supplemental services not currently provided in an IEP or for preventive services that may reduce the need for additional services in future years



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## Next Steps

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- Second Interim Budget Update
- May Revise
- Adoption of the 2019-20 Budget

# 2019-2020 Budget – Governor’s Budget Proposal

## Acronyms

AB	Assembly Bill	CPI	Consumer Price Index	LEA	Local Educational Agency
ACA	Affordable Care Act	CTE	Career Technical Education	LRE	Least Restrictive Environment
ADA	Average Daily Attendance	DOF	Department of Finance	MAA	Medi-Cal Administrative Activities
AP	Advanced Placement	DSA	Division of the State Architect	MOU	Memorandum of Understanding
API	Academic Performance Index	EC	Education Code	MTSS	Multi-Tiered Systems of Support
AYP	Adequate Yearly Progress	EL	English Learner	MYP	Multiyear Projection
BTSA	Beginning Teacher Support and Assessment	EPA	Education Protection Account	OPEB	Other Postemployment Benefits
CAASPP	California Assessment of Student Performance and Progress	ERAF	Education Revenue Augmentation Fund	OPSC	Office of Public School Construction
CALPADS	California Longitudinal Pupil Achievement Data System	ESL	English as a Second Language	P-1	First Principal (Apportionment)
CalPERS	California Public Employees Retirement System	ESSA	Every Student Succeeds Act	P-2	Second Principal (Apportionment)
CalSTRS	California State Teachers Retirement System	ESY	Extended School Year	PAR	Peer Assistance and Review
CALTIDES	California Longitudinal Teacher Integrated Data Education System	FAPE	Free and Appropriate Public Education	PD	Professional Development
CARS	Consolidated Application and Reporting System	FCMAT	Fiscal Crisis & Management Assistance Team	PI	Program Improvement
CASEMIS	California Special Education Management Information System	FERPA	Family Educational Rights and Privacy Act	PTA	Parent Teachers Association
CBA	Collective Bargaining Agreement	FRPM	Free and Reduced-Price Meals	RDA	Redevelopment Agency
CBEDS	California Basic Educational Data System	FTE	Full-Time Equivalent	SACS	Standardized Account Code Structure
CCSS	Common Core State Standards	GAAP	Generally Accepted Accounting Principles	SBE	State Board of Education
CDE	California Department of Education	GASB	Governmental Accounting Standards Board	SDC	Special Day Class
CELDT	California English Language Development Test	IEP	Individualized Education Program	SELPA	Special Education Local Plan Area
CNIPS	Child Nutrition Information Payment System	LAO	Legislative Analyst’s Office	SPSA	Single Plan for Student Achievement
COE	County Office of Education	LCAP	Local Control and Accountability Plan	TK	Transitional Kindergarten
COLA	Cost-of-Living Adjustment	LCFF	Local Control Funding Formula	TRANS	Tax and Revenue Anticipation Notes
COP	Certificate of Participation			UPP	Unduplicated Pupil Percentage