



Hacienda La Puente Unified School District

Governor's Proposed 2019-20 Budget – *An Update*

Board Meeting
January 24, 2019

GYM

Introduction

- ***A presentation on the Governor's 2019-20 Budget Proposal was made at the Board's January 10, 2019 Board Meeting.***
- ***This is a follow-up to that presentation.***

Summary – Recap

The Governor's 2019-20 Proposed Budget stated that:

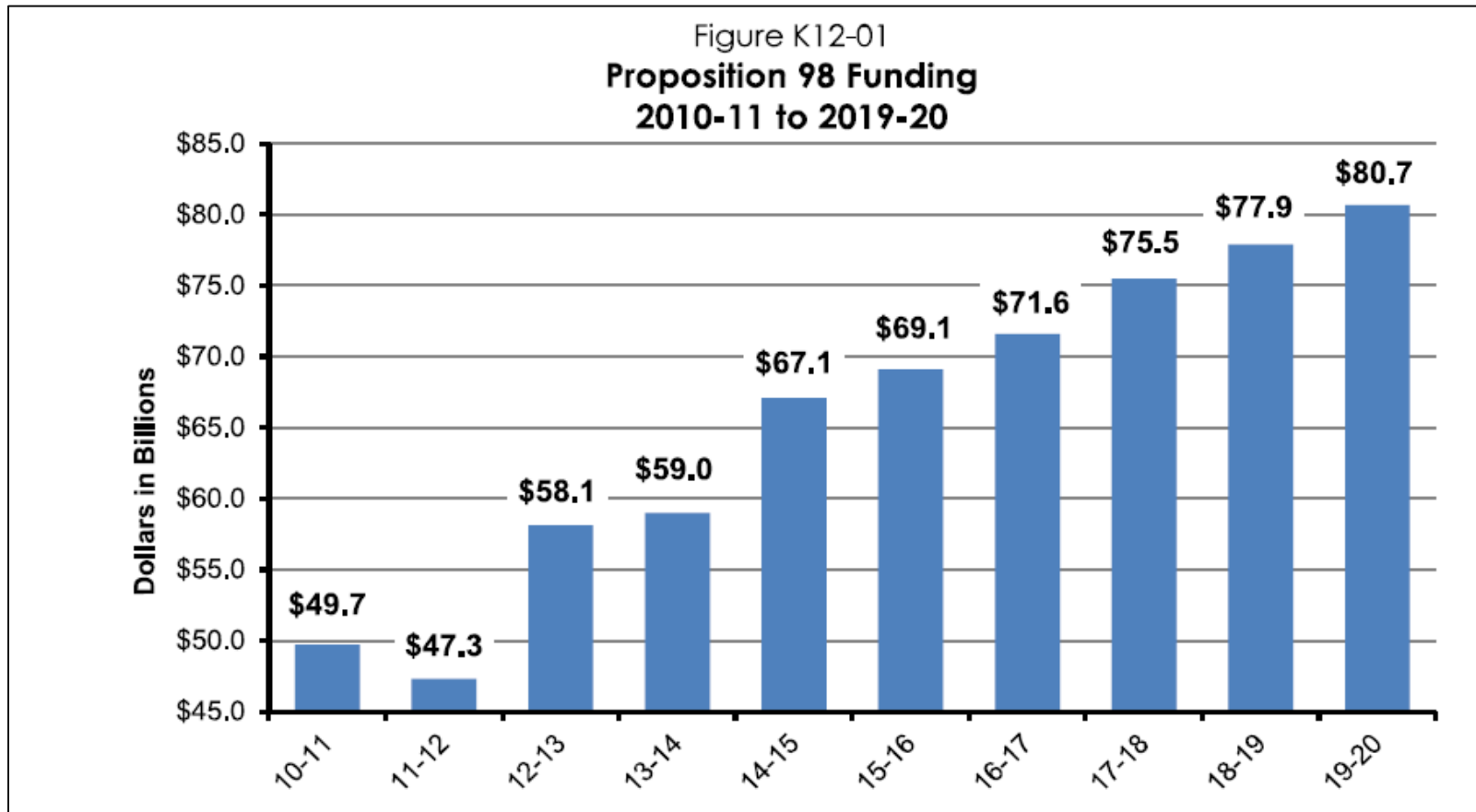
- ❖ Revenues and Transfers are projected to increase 4.1% in 2019-20.
- ❖ The 2019-20 budget proposal allocates most of the new funds to one-time expenditures.
- ❖ The Governor is proposing to increase the reserve to \$15.3 billion (this will exceed the Proposition 2 target).
- ❖ The following slides show how Prop 98 fared.

Prop 98 Summary

Prop 98 Minimum Guarantee	Increase	Total
2018-19	\$2.4 billion	\$77.9 billion
2019-20	\$2.8 billion	\$80.7 billion

K-12 Education Funding

Prop 98 funding is expected to grow to \$80.7 billion in 2019-20. The Budget proposes an increase of \$2.8 billion. Chart below is from Governor's Proposal.



LCFF

- ❖ \$2 billion is proposed to fund the statutory cost-of-living adjustment (COLA) for the Local Control Funding Formula (LCFF).
- ❖ This increases the LCFF funding to \$63 billion.
- ❖ The LCFF base grants is adjusted for the 3.46% cost-of-living adjustment (COLA) for 2019-20.

LCFF – cont.

- The K-12 COLA is 3.46% for 2019-20, and is applied to the LCFF base grants for each grade span

Grade Span	2018-19 Base Grant per ADA	3.46% COLA	2019-20 Base Grant per ADA
K-3	\$7,459	\$258	\$7,717
4-6	\$7,571	\$262	\$7,833
7-8	\$7,796	\$270	\$8,066
9-12	\$9,034	\$313	\$9,347

Chart & Information courtesy of School Services of California, Inc.

LCFF – cont.

- ❑ Two grade span adjustments (GSAs) are applied as percentage increases against the adjusted base grant, also receiving the benefit of a 3.46% COLA in 2019-20
 - Grades K-3 – 10.4% increase for smaller average class sizes
 - Grades 9-12 – 2.6% increase in recognition of the costs of Career Technical Education (CTE) coursework

Grade Span	2019-20 Base Grant per ADA	GSA	2019-20 Adjusted Base Grant
K-3	\$7,717	\$803	\$8,520
4-6	\$7,833	-	\$7,833
7-8	\$8,066	-	\$8,066
9-12	\$9,347	\$243	\$9,580

Chart & Information courtesy of School Services of California, Inc.

LCFF – cont.

- ❑ Supplemental and concentration (S/C) grants are calculated based on the percentage of LEA's enrolled students who are English learners (EL), free and reduced-price meal eligible, or foster youth – the unduplicated pupil percentage (UPP)

Grade Span	2019-20 Adjusted Grants per ADA	20% Supplemental Grant – Total UPP	50% Concentration Grant – UPP Above 55%
K-3	\$8,520	\$1,704	\$4,260
4-6	\$7,833	\$1,567	\$3,917
7-8	\$8,066	\$1,613	\$4,033
9-12	\$9,580	\$1,918	\$4,795

Chart & Information courtesy of School Services of California, Inc.

Discretionary Funds

❖ No one-time discretionary funds are being proposed for 2019-20. (Chart below shows the funding history)

Year	Total Amount (in billions)	Per ADA
2015-16	\$3.2	\$530
2016-17	\$1.3	\$214
2017-18	\$0.877	\$147
2018-19	\$1.1	\$184
2019-20	\$0	\$0

Special Education

- ❖ Governor Newsome is proposing \$576 million to support expanded Special Education services (\$186 million is one time).
- ❖ These funds are allocated outside of the current Assembly Bill (AB) 602 funding.
- ❖ Special Education AB 602 funding will receive a COLA of 3.46%, estimated to be about \$18.67 per ADA.
- ❖ The AB 602 statewide target rate increases to \$558.35 per ADA.

CalSTRS Rate Increases

- ❖ The budget proposes \$3 billion in one-time non-Proposition 98 funding payment to the California State Teachers' Retirement System (CalSTRS) to reduce long-term liabilities for school employers.
- ❖ \$700 million of the \$3 billion is to reduce the employer contribution rate for both the 2019-20 and 2020-2021 years.
- ❖ The remaining \$2.3 billion is to be applied to the employers' long-term unfunded liability.

Year	Employer Rate - Current	Employer Rate - Proposed	Increase <Decrease>
2018-19	16.28%	16.28%	---
2019-20	18.13%	17.10%	<1.03%>
2020-21	19.10%	18.10%	<1.00%>

Next Steps

What are the next steps legislatively?

- ❖ The Legislature will now need to weigh in on the Governor's Proposed Budget for 2019-20.
- ❖ Probably, most funding decisions will be delayed until the May Revision is released.

Thank you!