

2018-19 STATE ADOPTED BUDGET IMPACT (45-DAY REVISE)

Education Code Section 42127[i] requires staff to inform the Board of Education and public of any changes in the State Budget that would affect the budget already adopted by the district. The Sylvan Union School District Budget was adopted on June 26, 2018, and was based on information proposed by the Governor in his May Revise Budget. The final State Budget was signed June 27, 2018.

The chart below illustrates the State's January Budget and May Revise versus the Enacted Budget:

Item	January Budget	May Revision	Enacted Budget
LCFF Gap Funding	100% or \$2.9 billion	100% or \$3.2 billion	100% or \$3.6 billion
Proposition 98 Minimum Funding Guarantee			
2016-17	\$71.4 billion	\$71.6 billion	\$71.6 billion
2017-18	\$75.2 billion	\$75.6 billion	\$75.6 billion
2018-19	\$78.3 billion	\$78.4 billion	\$78.4 billion
2018-19 LCFF Augmented COLA*	2.51%	3.00%	3.70%
2018-19 Statutory COLA	2.51%	2.71%	2.71%
One-Time Discretionary Funds for 2018-19	\$1.8 billion \$295 per ADA**	\$2.02 billion \$344 per ADA	\$1.1 billion \$184 per ADA

*Cost-of-Living Adjustment

**Average daily attendance

2018-19 Local Control Funding Formula (LCFF) Factors

The factors for LCFF and their recent changes are provided in the two (2) charts below.

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
<u>COLA</u>					
January Proposal	1.56%	2.51%	2.41%	2.80%	3.17%
May Revise	1.56%	3.00%	2.57%	2.67%	2.90%
Enacted State Budget	1.56%	3.70%	2.57%	2.67%	3.42%

The 2018-19 enacted state budget COLA of 3.70% is the result of the statutory COLA of 2.71% plus an augmentation of 0.99%. The new funding level closes the gap from 2017-18 funding levels. LCCF will be fully funded in 2018-19.

	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>
<u>Gap Funding</u>					
January Proposal	44.97%	100.00%	100.00%	100.00%	100.00%
May Revise	45.17%	100.00%	100.00%	100.00%	100.00%
Enacted State Budget	42.97%	100.00%	100.00%	100.00%	100.00%

Analysis of Sylvan Union School District – Local Control Funding Formula (LCFF) Revenues:

The financial impact for changes in LCFF from the May Revise to the adopted State Budget is described below.

<i>Total LCFF Revenue by Fiscal Year:</i>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>
<i>Adopted Budget, Based on May Revise Budget</i>	\$65,214,332	\$69,031,647	\$70,744,051	\$72,202,994
<i>45 Day Budget Revision, Based on Enacted State Budget</i>	\$65,303,368	\$69,470,956	\$71,210,541	\$72,688,876
<i>Difference</i>	<u>\$89,036</u>	<u>\$439,309</u>	<u>\$466,490</u>	<u>\$485,882</u>

One-Time Discretionary Funds

- At the May revise, the State Budget included \$2.02 billion in one-time discretionary funds for 2018-19. By the time the enacted state budget was adopted, the dollar amount decreased to \$1.1 billion. The drop in dollar amount was due to increased funding in other education priorities including LCFF. From fiscal year 2017-18 to 2018-19, one-time discretionary funds increased from \$147 to \$184 per P-Annual ADA.
- Based on the estimated \$184 per ADA allocation and the 2017-18 P-2 ADA of 7,716.65, Sylvan's projected revenue is approximately \$1,420,048

Lottery and Mandate Block Grant

- Lottery resources (unrestricted and Instructional Materials) incurred a slight decrease while the Mandate Block Grant received a slight increase in funding
- Unrestricted Lottery decreased from \$153 to \$151 per P-Annual ADA
 - o For Sylvan, it is a \$15,435 decrease to approximately \$1,165,365 in revenue
- The restricted portion of Lottery that is for instructional materials decreased from \$55 to \$53 per P-Annual ADA
 - o For Sylvan, it is a \$15,435 decrease to approximately \$409,035 in revenue
- Mandated Block Grant increased from \$30.34 to \$31.16 per P-2 ADA
 - o For Sylvan, it is a \$6,328 increase to approximately \$240,482 in revenue

Attached are a Pocket Budget of the 2018-19 Enacted State Budget provided by School Services of California and Stanislaus County Office of Education's Common Message for the 45-day budget revision.

Attachments:

SSC's 2018-19 Pocket Budget

SCOE Common Message, 45-day Revision