



Berkeley Unified School District

**Governor's Proposals for the 2020–21
State Budget and K–12 Education**



Themes for the 2020–21 Governor's Budget

- **The State Budget is a document of policy, priorities, and competition for resources**
- **The 2020–21 State Budget will be Governor Gavin Newsom's second opportunity to demonstrate his education priorities, it is his first with sufficient planning time to unveil significant changes.**
- **Last year, Governor Gavin Newsom stirred excitement in the education community with the proposal to help reduce employer pension liability while school agencies faced mounting cost pressures in the new cost-of-living adjustment (COLA)-only environment of the Local Control Funding Formula (LCFF)**
- **This year, we embrace Governor Newsom's commitment to prudence in budgeting in case of an economic downturn.**
- **While state revenues continue to grow at a moderate pace, there is growing concern that the current economic recovery may be coming to an end**



Local Control Funding Formula

● 2020-21

- The State Budget proposes \$1.2 billion towards the LCFF to fund the 2.29% statutory COLA
 - Which brings LCFF funding to \$64.2 billion (up from \$63 billion in 2019–20)
 - This is lower than the 3% COLA projected at adoption of the 2019-20 State Budget

● 2021-22

- The State Budget proposes a reduction in the COLA from 2.8% to 2.71%



What Does the LCFF Mean for Berkeley Unified School District

Year	2020–21 LCFF Funding Before Governor’s Budget	LCFF Funding After Governor’s Budget	Change in LCFF Revenue
2020-21	\$ 95,499,995	\$ 94,881,277	\$ (618,718)
2021-22	\$ 97,986,348	\$ 97,273,417	\$ (712,931)



Special Education—Base Rates

- **The State Budget Proposes a new Special Education Funding Formula**
- **The current AB 602 formula will no longer be utilized for base funding apportionment**
- **The proposed formula will**
 - **Allocate to all SELPAs based on three-year rolling ADA averages for each LEA in the SELPA**
 - **Provide higher per ADA base funding for most SELPAs currently estimated to be between \$640 and \$680 per ADA**
 - **Distribute funds to SELPAs**
- **Allocations to member LEAs still subject to the local SELPA funding allocation model**



Special Education—Base Rates and BUSD

- Our SELPA's most recent base rate ADA is \$565
- An increase of \$640 - \$680 per ADA results in an increase between \$75 and \$115 per ADA
- The District's three year rolling average is 9,387
- Estimated increase between \$700K and \$1.1 million
- However, allocation is subject to the local SELPA funding allocation model
- Preliminary numbers pending trailer bill language



Special Education—Funding Based on Preschoolers with Disabilities

- **Like the 2019–20 State Budget, Governor Newsom proposes to provide funding to school districts based on the three-, four-, and five-year-old preschoolers with disabilities that they serve**
 - **The 2020–21 allocation of \$250 million would be one time**
 - **Based on the latest data, we would estimate the per-pupil rate at \$4,570**
- **Unlike the 2019-20 State Budget, the Administration specifies that districts will be required to allocate these funds to increased or improved services**
 - **In the current year, while the dollars were apportioned based on pupil count, they were not required to be used for any specific purpose**



What's Not in the Budget?

**Increased
LCFF Targets**

**Payments to
Reduce
CalSTRS and
CalPERS Costs**

**One-Time
Discretionary
Grants**



Other Proposals in the Budget

- **Addressing California's Educator Shortage**

- **\$900 million one-time Proposition 98 investment in the educator workforce for professional development, recruitment and retention and preparation including expanding the Classified School Employees Credentialing Program by \$64.1 million**

- **Early Care and Education**

- **Major shift in the governance of child care and preschool programs with the establishment of the Department of Early Childhood Development effective July 1, 2021. The Governor proposes investment in pre-school facilities for School Districts**



Improving Fiscal Accountability

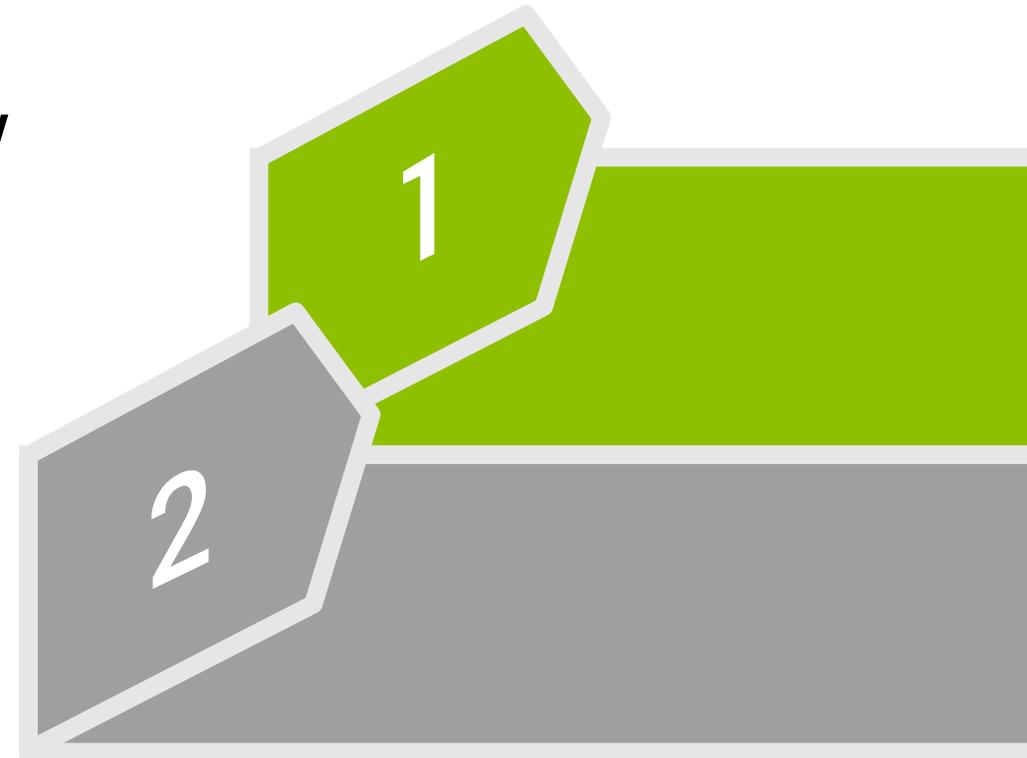
- **The Governor proposes further improvements to strengthen LCFF fiscal accountability**



Develop online Local Control and Accountability Plan (LCAP) portal to collect information from LEAs using the revised LCAP template



Co-locate the School Accountability Report Card and the LCAP online so the public can access and compare both accountability tools





The Bottom Line – Multi Year Projections

- Reduced projection of COLA and decrease in the budget for 2020-21 and 2021-22 results in a decrease in LCFF funding in the amount of \$1.3 million over two years. This impacts our base and supplemental funding as follows:

Year	Base	Supplemental	Total
2020-21	\$(580,083)	\$(38,634)	\$(618,717)
2021-22	\$(668,463)	\$(44,467)	\$(712,930)
Total	\$(1,248,546)	\$(83,101)	\$(1,331,647)



Next Steps

- **Validate additional funding for Special Education based on new funding model**
- **Initial projection could change, subject to SELPA allocation model**
- **Determine impact to Budget Reduction Target/Assumptions for 2020-21 and 2021-22**
- **Governor Newsom's Second Budget**
- **Governor's May Revision to the Budget**
- **Enacted Budget in June 2020**



Thank you!

Questions?