

2019-20 Governor's State Budget Proposal

PRESENTED THE BOARD

JANUARY 24, 2019



Themes

- LCFF at target
 - Funding flattens and costs rise
 - Increases are COLA only
- Early Childhood Education Initiative
 - Early access to care and education
 - Support for parents and families
 - Easing financial pressures on parents and families
 - Private pre K, non District programs
- Accountability – Longitudinal Education Data System
- Recognition of STRS/PERS liabilities
- Special Ed additional supports

What's included . . .

- COLA increase of 3.46%
 - LCFF funding
 - Special Education AB602
 - State Pre School Reimbursement
- Offset of STRS rate increases
 - Reduce rate of increase by 1% for next 2 years
 - Savings to District of \$600k in each of these years
 - Lessens amount of increase, not a decrease
- Special Education
 - Proposed supports for pre-K and early elementary students

What's included . . .

- Facilities Funding

- Sale of Proposition 51 bonds - \$1.5 billion
- Fund positions at Office of Public School Construction to manage the work flow

- Longitudinal Education Data System

- Funding for initial stages of data system connecting early childhood, K12, higher Ed and workforce entities
- “Cradle to Career” data system connecting all of the education segments

Not included . . .

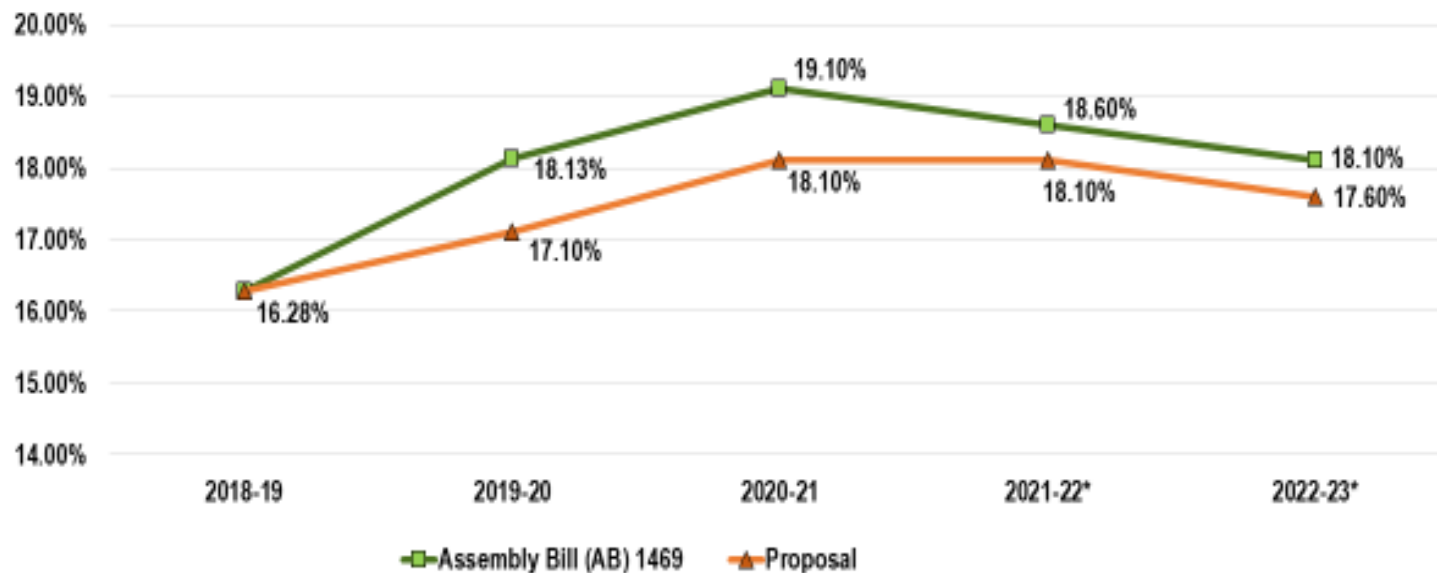
- One-time funds for discretionary grants
 - Not in Governor Newsom's proposed budget



CalSTRS Employer Contribution Rates – Current Law Versus Governor's Proposal

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*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046

What's Ahead?

- The Governor's Proposed Budget is a preliminary look at the state budget for 2019-20
 - This is the beginning of the process, not the end
- How much will the proposed budget change by the May Revision and enacted State Budget?



Comments / Questions?