



Los Altos School District
January 28, 2019 Board Meeting

FINANCIAL UPDATE
GOVERNOR'S PROPOSALS FOR
2019/20



Comparing to Last Year

19/20 Proposals (Jan 2019)

- Economy still in strong growth mode
 - State revenues higher than expected
- LCFF funding – 3.46% COLA only; up \$2B
- Discretionary \$ - none
- STRS payments – reduces employer contribution by 1% for 2 years

18/19 Proposals (Jan 2018)

- Economy still in strong growth mode
 - State revenues higher than expected
- LCFF funding – full gap closure; up \$3B
- Discretionary \$ - \$295/ADA

Premises Behind Governor's Proposals

- Revenues continue growing year over year
 - Due largely to increase in personal income tax collections
- He inherits a healthy reserve to prepare California for next economic downturn
- He seems willing to address difficult issues affecting public education, specifically early childhood education and pension liability

Overview of K-14 Budget and Impact on LASD

- LCFF funding to increase by \$2B
 - Reflects a COLA of 3.46%; as basic aid district we get \$0
- No One-Time Discretionary Funding
- 3.46% COLA on special education funding
 - \$18.67 per ADA (roughly \$75,000 to LASD)
- STRS augmentation
 - One-time \$ used to reduce employer contribution for 2 years
 - Estimated savings to LASD: \$250,000 per year
- Early childhood education proposals, for now, limited to lower income areas

Next Steps

- Feb 11
 - Preliminary 2019/20 Budget based on governor's proposals
- Mar 11
 - 2018/19 2nd Interim Financial Report
- May Revise – updates to Governor's proposals
- June 10
 - Adoption of LCAP and 2019/20 Budget