



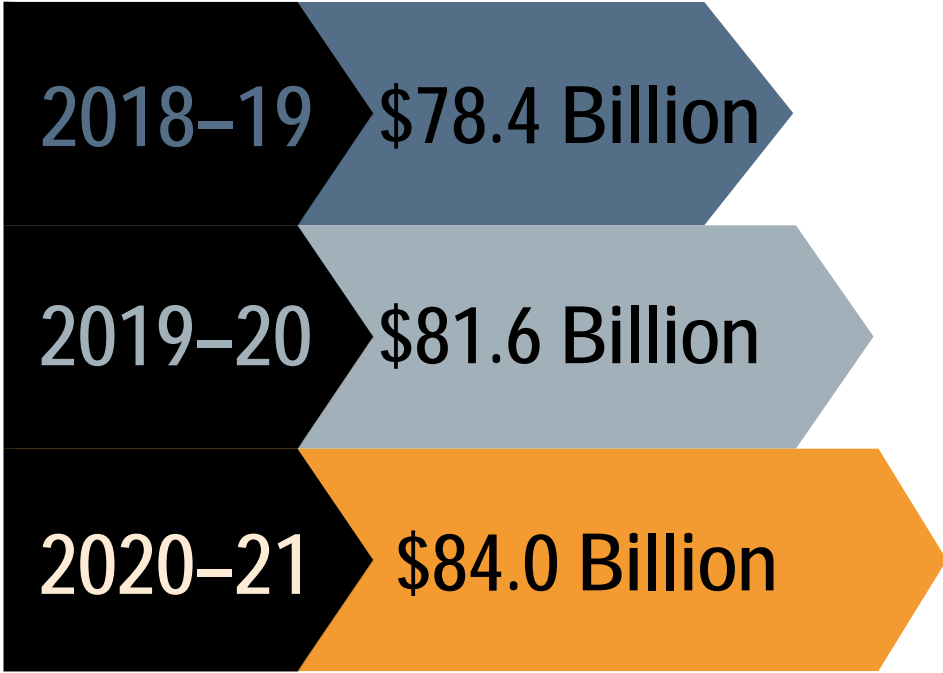
**Governor's Proposed 2020-21 State Budget for
K12 Education
School Services of California**

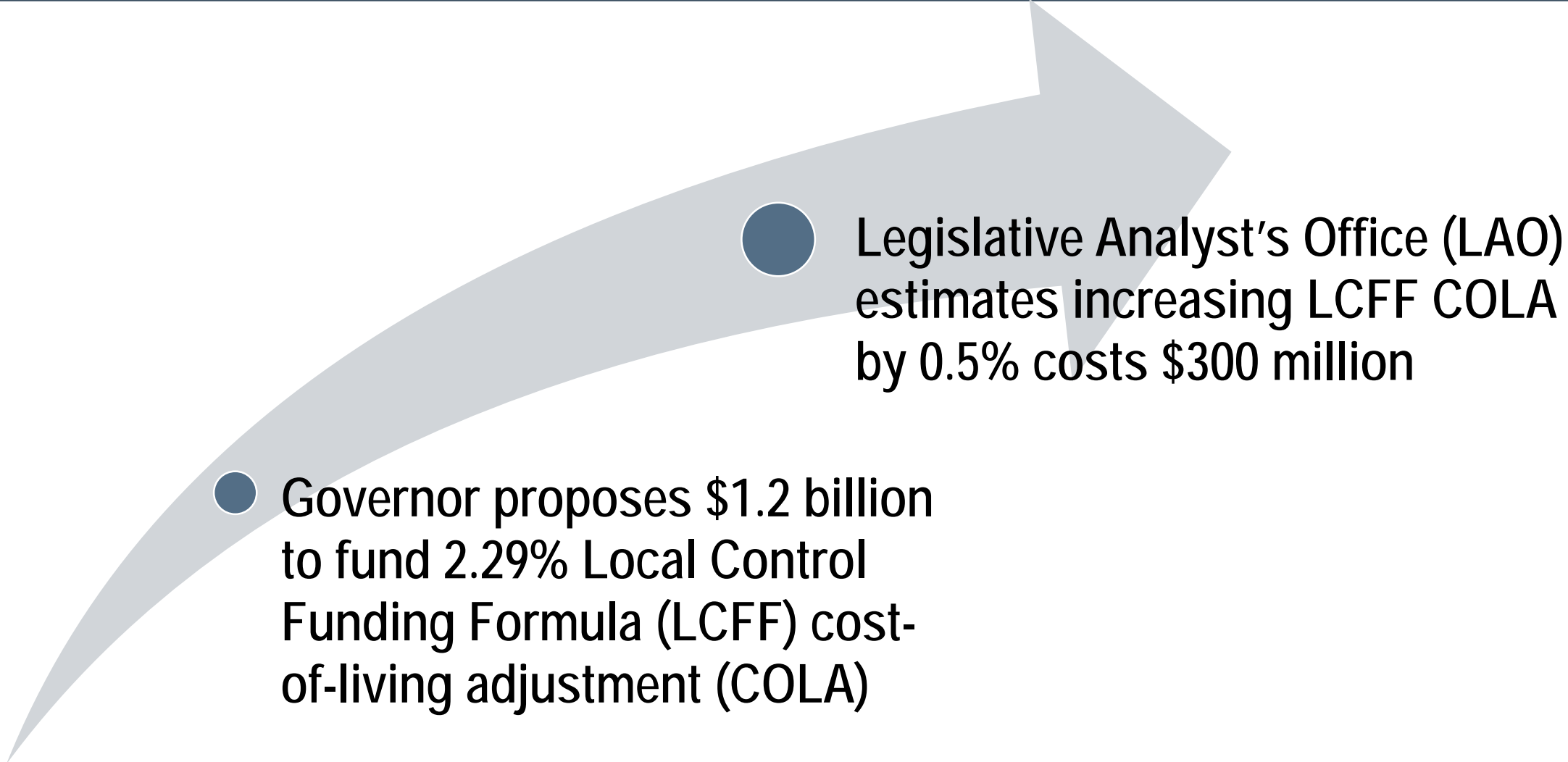
Impact on SCUSD's Budget

Board Meeting
February 6, 2020
Agenda Item No. 9.1

Proposition 98—Past, Current, and Future

- The 2020–21 minimum guarantee is projected to be \$84 billion
 - A \$2.4 billion (2.9%) increase from last year’s revised State Budget
- The minimum guarantee increased from the 2019 Budget Act for both 2018–19 and 2019–20
 - Due largely to an increase in property taxes in 2018–19 and increased General Fund revenues in both 2018–19 and 2019–20
 - Resulting in a total of \$3 billion in additional funding





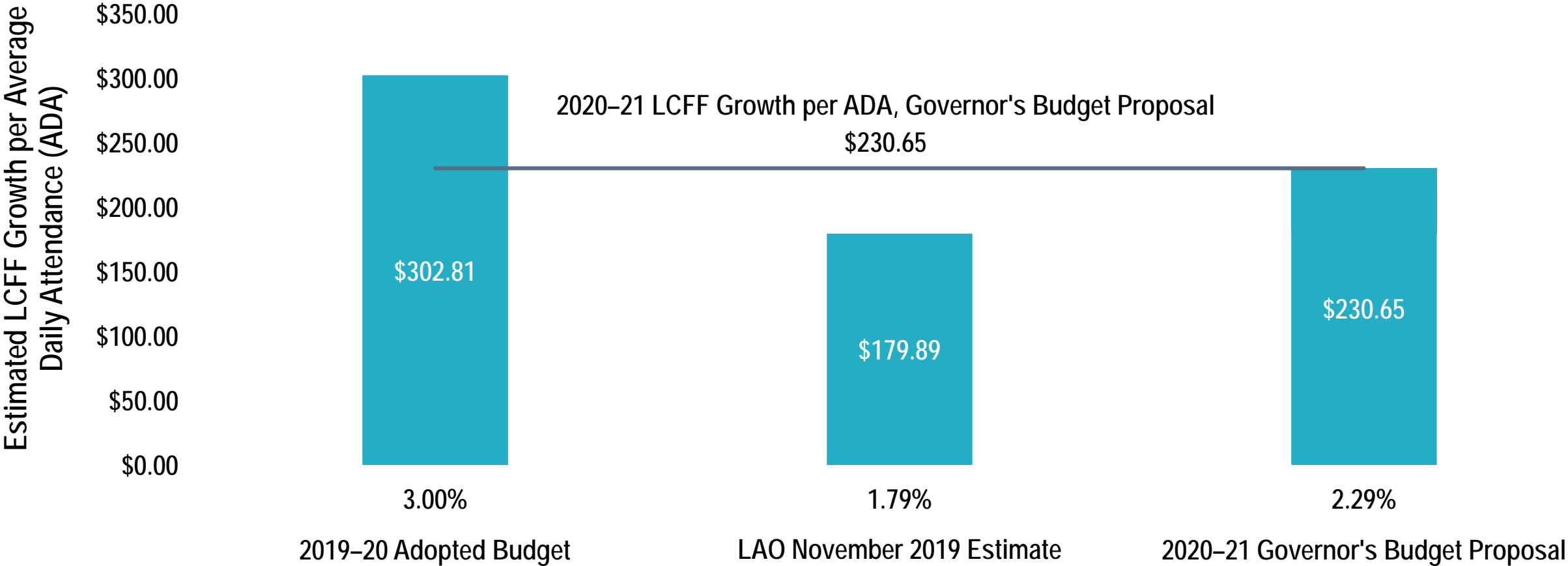
Governor's Proposed 2020-21 State Budget for K12: Impact on SCUSD's Budget

Proposed Decrease in COLA Change from 1st Interim

COLA	19/20	20/21	21/22	22/23
Governor's Proposed Budget	3.26%	2.29%	2.71%	2.82%
First Interim Projected	3.26%	3.00%	2.80%	3.16%
Difference	0.00%	-0.71%	-0.09%	-0.34%



2020–21 LCFF COLA Volatility



Governor's Proposed 2020-21 State Budget for K12: Impact on SCUSD's Budget

Proposed Decrease in COLA Change from 1st Interim

LCFF Projected Changes	19/20	20/21	21/22	22/23
Governor's Budget	411,497,542	418,673,502	427,296,963	437,084,930
First Interim	411,497,542	\$ 421,556,432	\$ 430,600,373	441,911,788
Difference	-	(\$2,882,930)	(\$3,303,410)	(\$4,826,858)
Base				
Governor's Budget	335,873,501.00	341,499,619.00	348,800,359.00	356,802,153.00
First Interim	335,873,501.00	343,842,704.00	351,487,480.00	360,728,949.00
Difference	-	(\$2,343,085)	(\$2,687,121)	(\$3,926,796)
Supplemental Concentration				
Governor's Budget	\$ 75,624,041	\$ 77,173,883	\$ 78,496,604	\$ 80,282,777
First Interim	\$ 75,624,041	\$ 77,713,728	\$ 79,112,893	\$ 81,182,839
Difference	-	(\$539,845)	(\$616,289)	(\$900,062)



2019–20

Proposition 98 increase \$3 billion
\$1,959,000,000 to LCFF (3.26%)
\$645,800,000 Special Education Relief
\$2,604,800,000 ongoing



2020–21

Proposition 98 increase \$3 billion
\$1,200,000,000 to LCFF (2.29%)

\$1,200,000,000 ongoing

What a difference a year makes in ongoing operations relief, not to mention the non-Proposition 98 funded pension relief we received in 2019–20

2019–20 Special Education Recap



These two pots were funded with ongoing state money, but future, specific allocation to districts was dependent upon further discussion

Governor's Proposed 2020-21 State Budget for K12: Impact on SCUSD's Budget

Proposed Rate Change to Special Education for AB 602 Base
Funding (new rate est. btwn. \$640 and \$680 per ADA, District's
current rate \$556.63)

Change from 1st Interim

Proposed AB 602 Funding Rate \$640 per ADA				
	19/20	20/21	21/22	22/23
Governor's Budget	22,400,621	27,853,536	27,672,060	27,501,855
First Interim	22,400,621	22,276,791	22,262,124	22,261,333
Difference	-	\$ 5,576,745	\$ 5,409,936	\$ 5,240,522

Governor proposes using the \$645 million to increase special education funding base rates



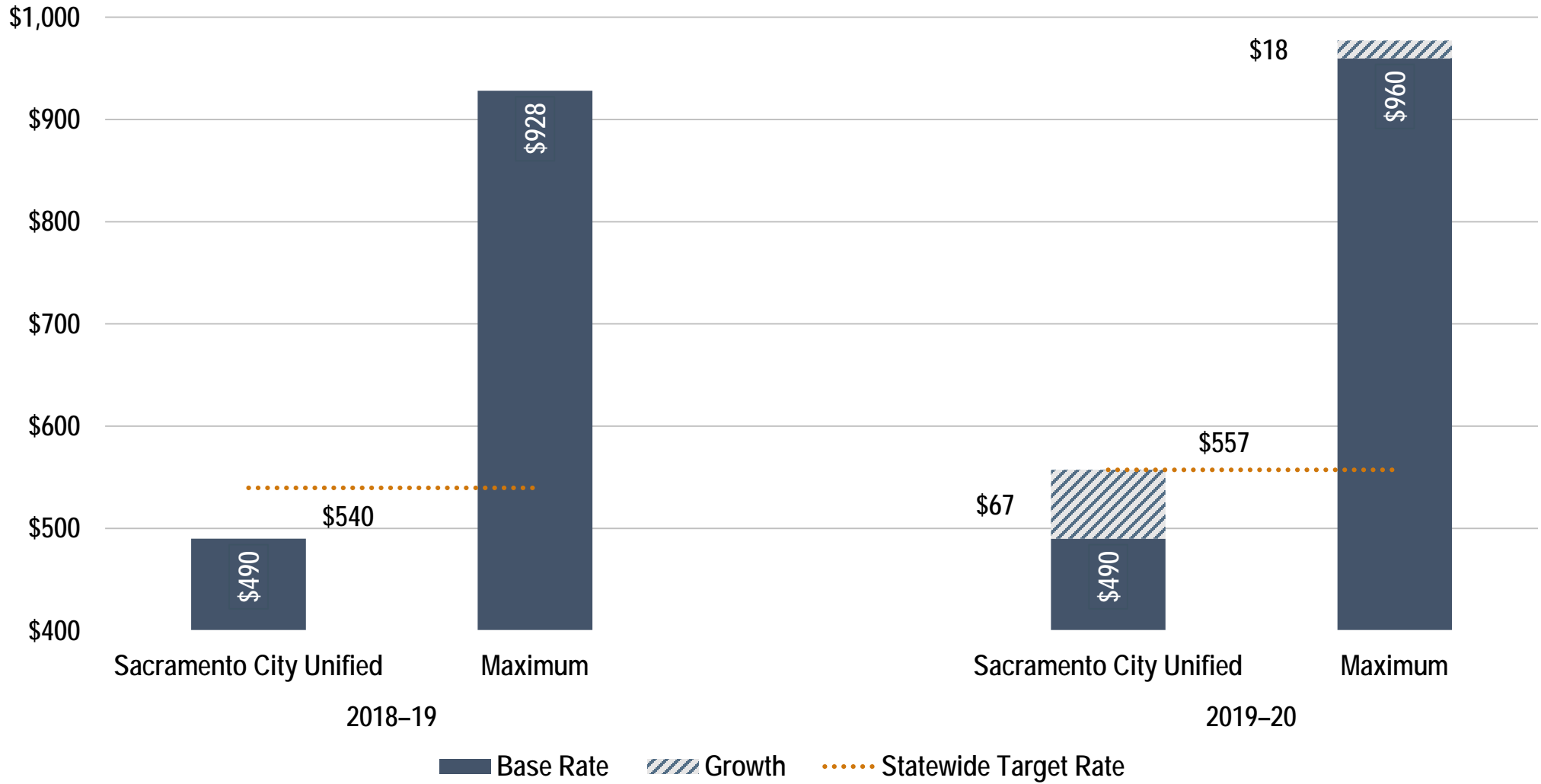
Still waiting for further details, but new base rate estimated to be between \$640 to \$680 per ADA



Proposal would also eliminate the approximate \$65 million special education deficit

Historical Special Education Base Rates

Assembly Bill (AB) 602 Base Rate





Governor proposes additional \$250 million for three-, four-, and five-year-old preschoolers with disabilities

- One time funds
- Per-pupil rate estimated at \$4,570
- Funds intended to supplement existing special education resources that are required to be provided

Governor's Proposed Investments

- \$1.2 billion LCFF COLA
- \$900 million Educator Recruitment and Retention (multiple programs)
- \$250 million Special Education Early Intervention Preschool Grant
- \$300 million Community School Grant
- \$300 million Opportunity Grants
- \$15 million Computer Science Teaching Authorizations
- \$75 million Inclusive Early Education Expansion Program
- \$60 million School Nutrition
- \$10 million Training for School Food Service Workers

What's Not in the Budget?



Governor's Proposed 2020-21 State Budget for K12: Impact on SCUSD's Budget

OPPORTUNITIES

- Additional Special Ed Funding (Deficit Factor may be eliminated)
 - to be determined
- Improved Funding for K12 in State Adopted Budget

RISKS

- Future liabilities
- Textbook adoptions
- Sustaining programs with expiring resources (SIG)
- Adopted State Budget for K12



Next SCUSD Budget Updates

- 2019-20 Second Interim Financial Report
- 2 Additional State Budget Updates
 1. May Revise
 2. State Enacted Budget