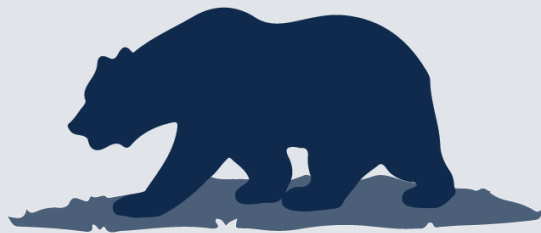


Update on School Funding and Spending



Presented to:

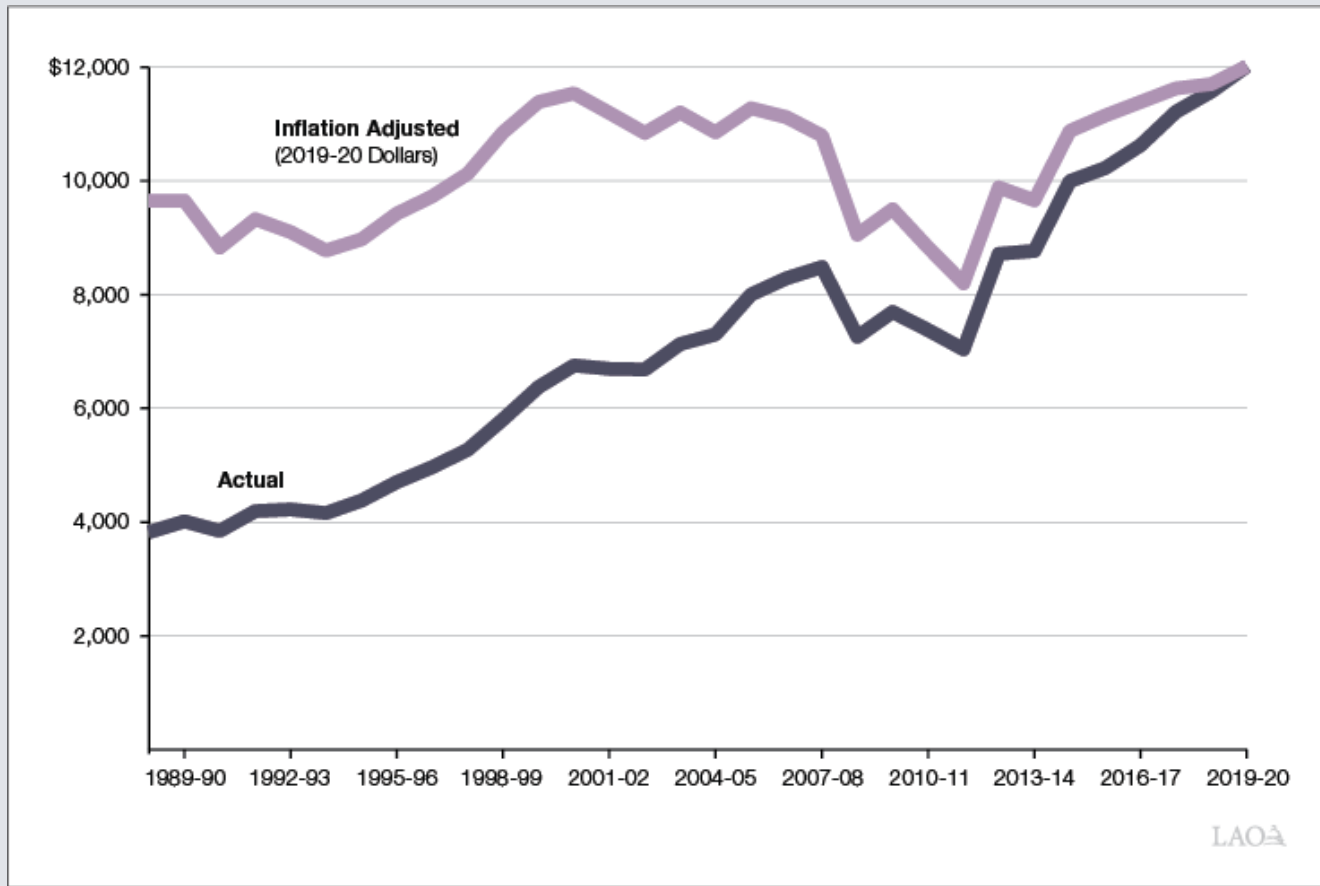
**Sacramento City Unified:
Fiscal Transparency and
Accountability Committee**

February 14, 2019

Legislative Analyst's Office

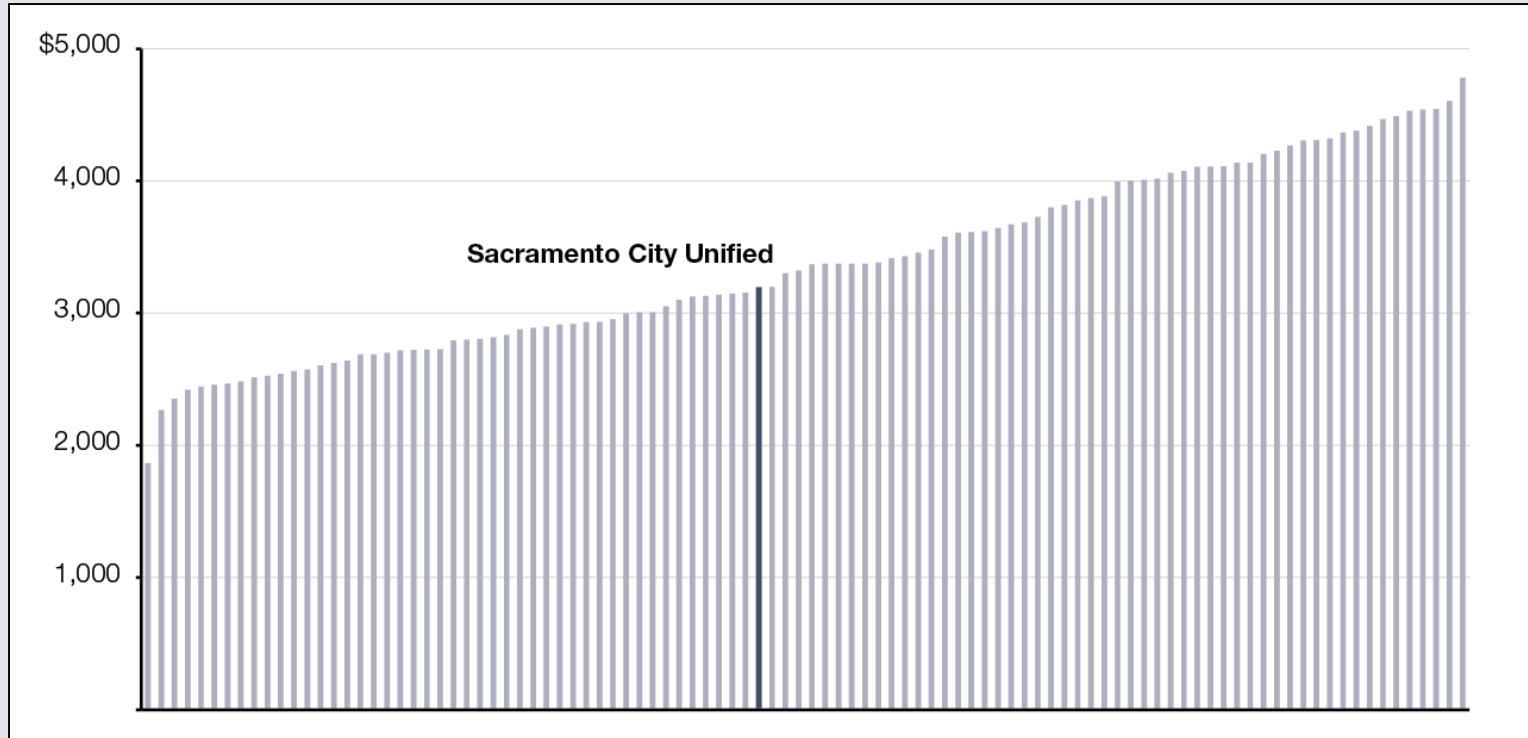
School Funding

Proposition 98 Funding Per Student Is Rising



Funding Increases Under Local Control Funding Formula (LCFF) Have Varied

Increase Per Student for 100 Largest Districts, 2013-14 to 2018-19



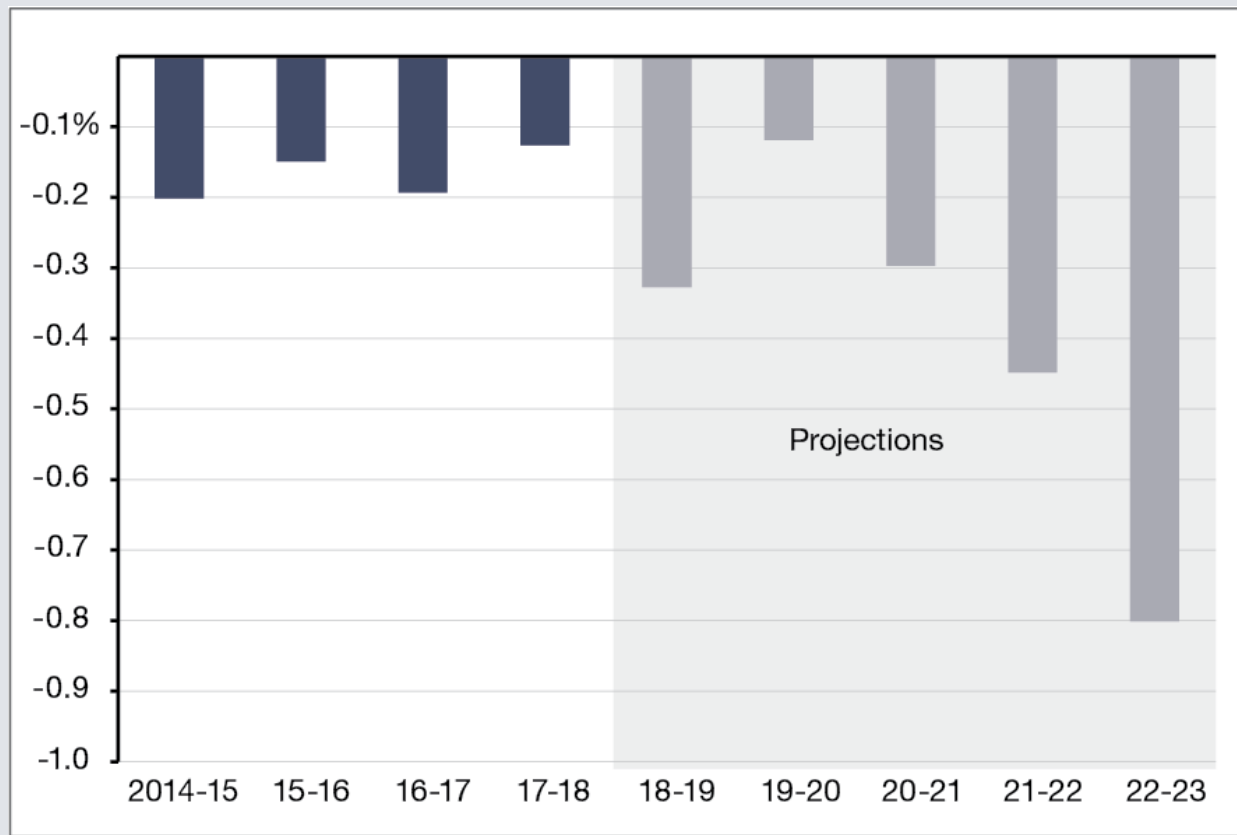
School Funding Likely to Grow More Slowly Moving Forward

- **Increases Averaged Nearly 6.5 Percent Annually Over the Past Six Years**
 - Large portion of increase associated with restoration of funding not provided during Great Recession years.
 - Under constitutional formulas, restoration now complete.
- **Slower Growth Likely Over Next Several Years**
 - Under an economic growth scenario, guarantee would increase about 3.4 percent annually over next four years.
 - Under a recession scenario, funding likely would drop.

Enrollment and Staffing

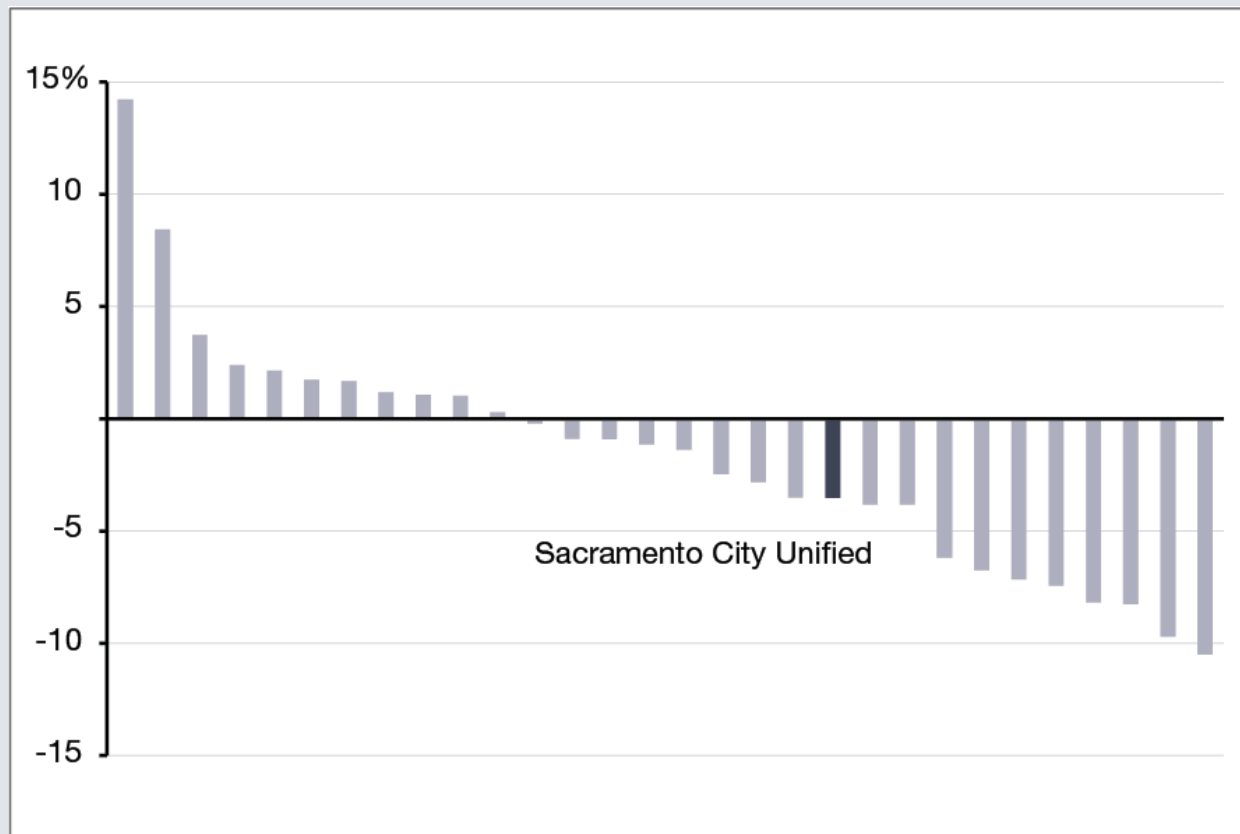
Statewide Enrollment Projected to Decline for the Foreseeable Future

Annual Percent Change

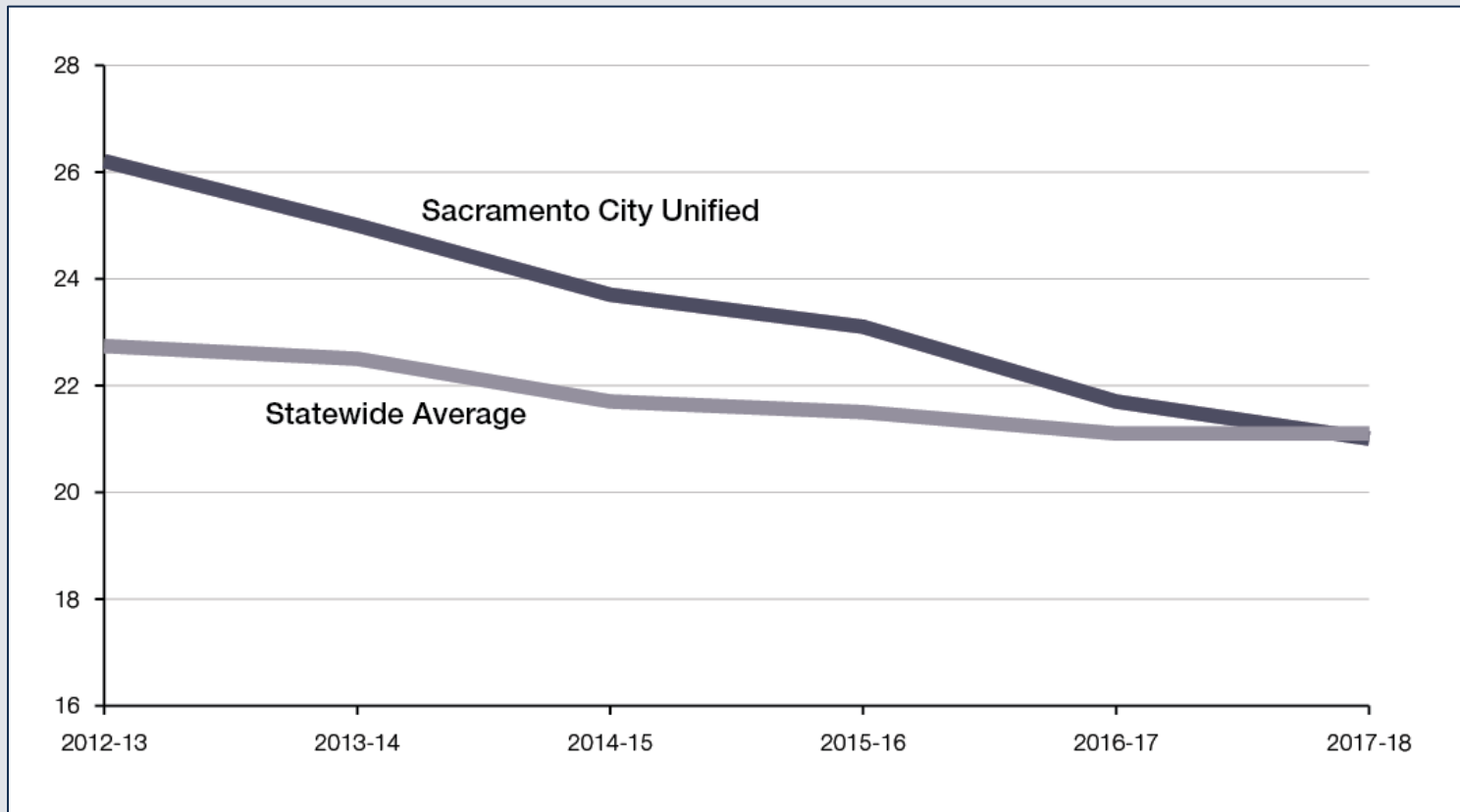


Attendance Changes for Large Urban Districts Over Past Four Years

Change From 2013-14 to 2017-18



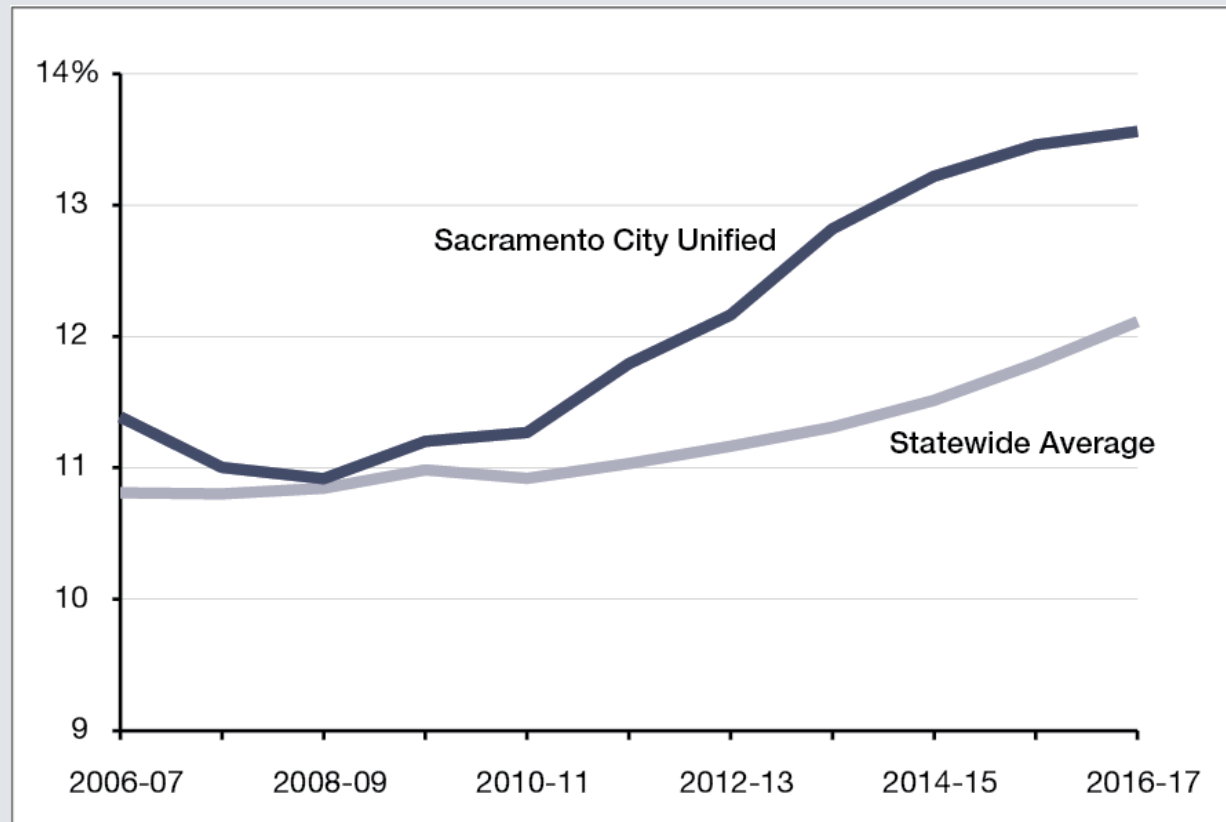
Pupil-Teacher Ratios Have Been Decreasing for Several Years



Special Education

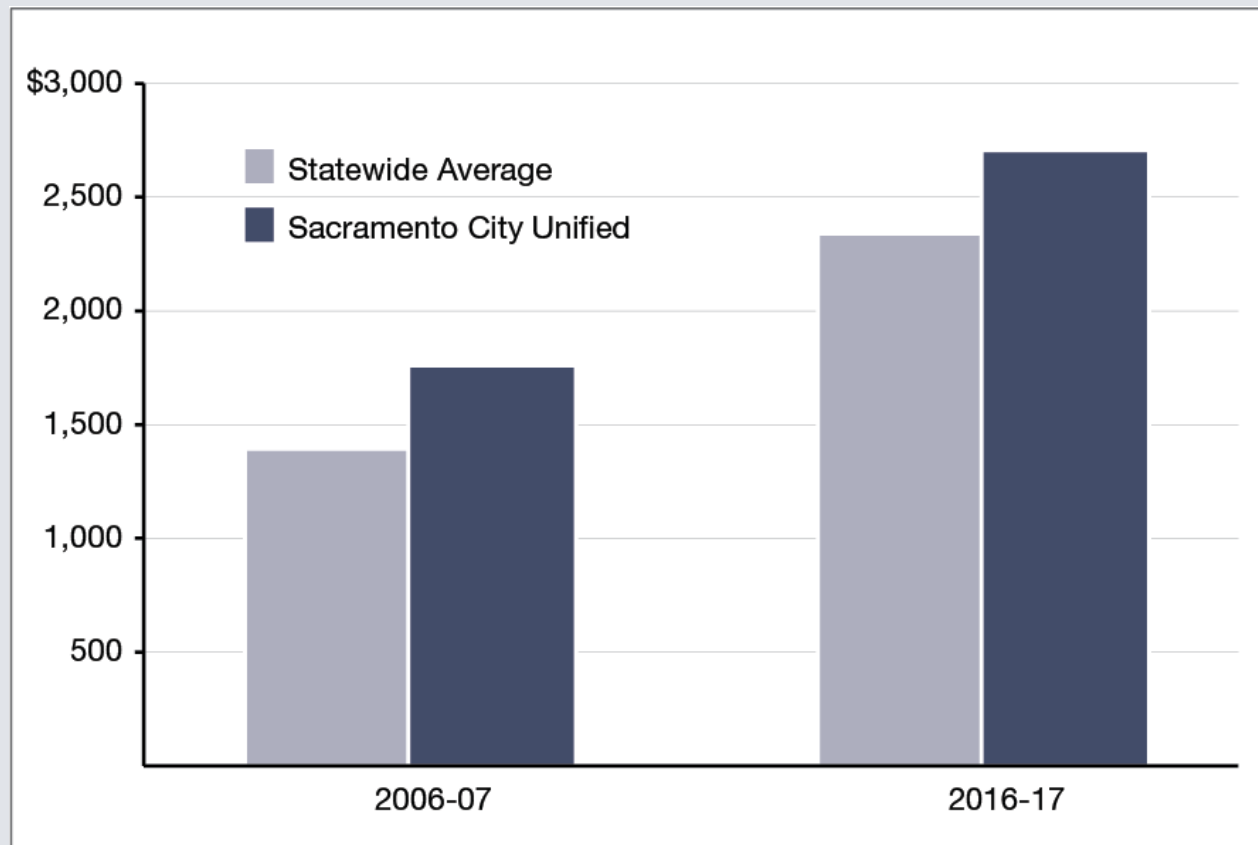
More Students Are Being Identified for Special Education Services

Share of Students With Qualifying Disabilities



Spending on Special Education Is Growing

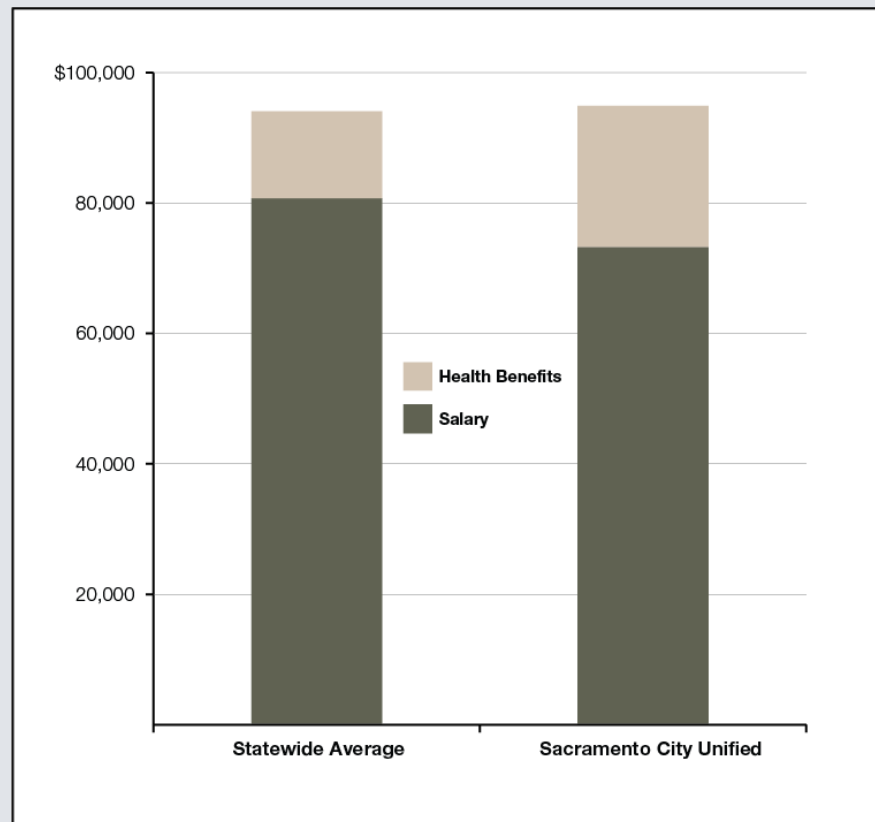
Expenditures Per Student



Salary and Benefits

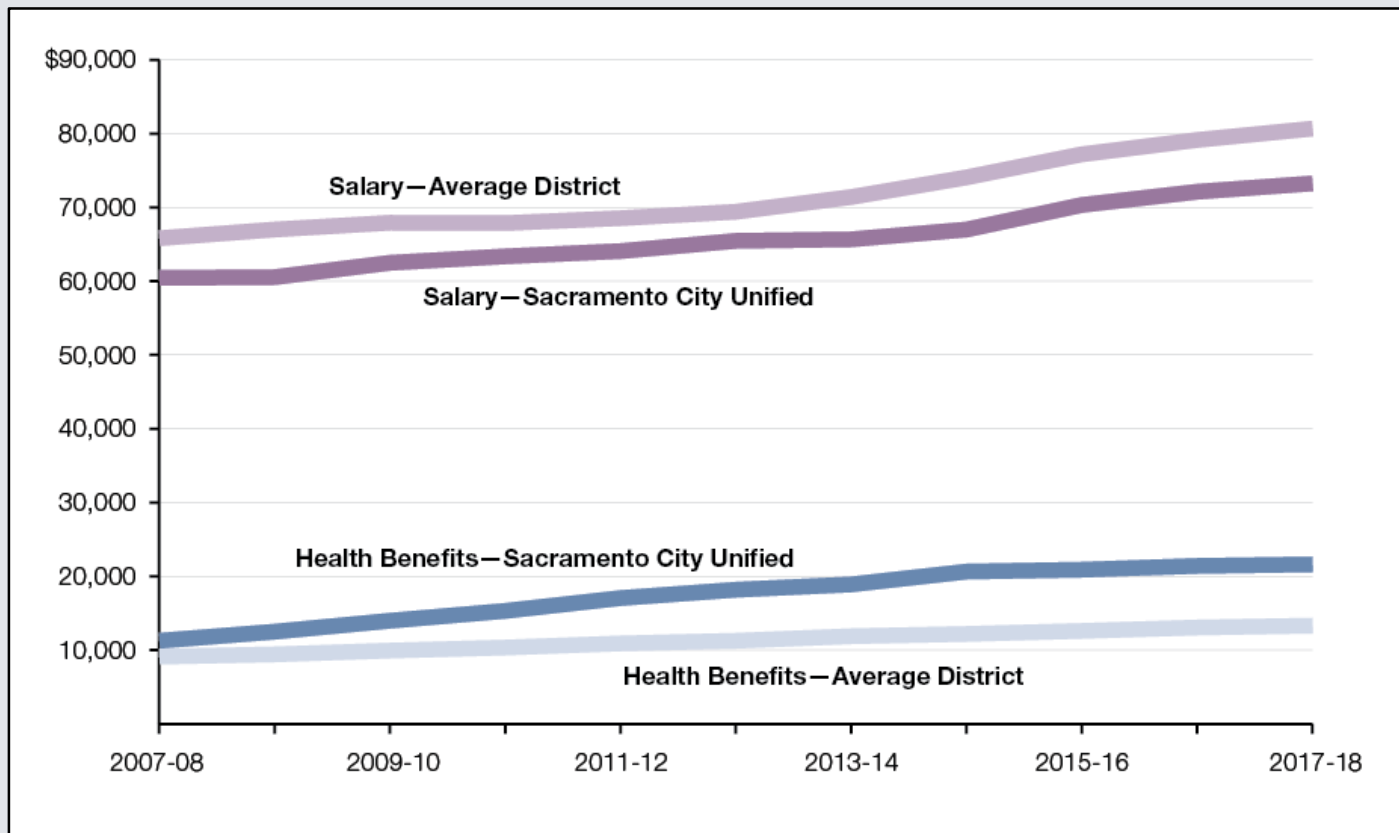
District Compensation Includes a Mix of Salary and Benefits

Salary and Health Benefits Per Full-Time Teacher



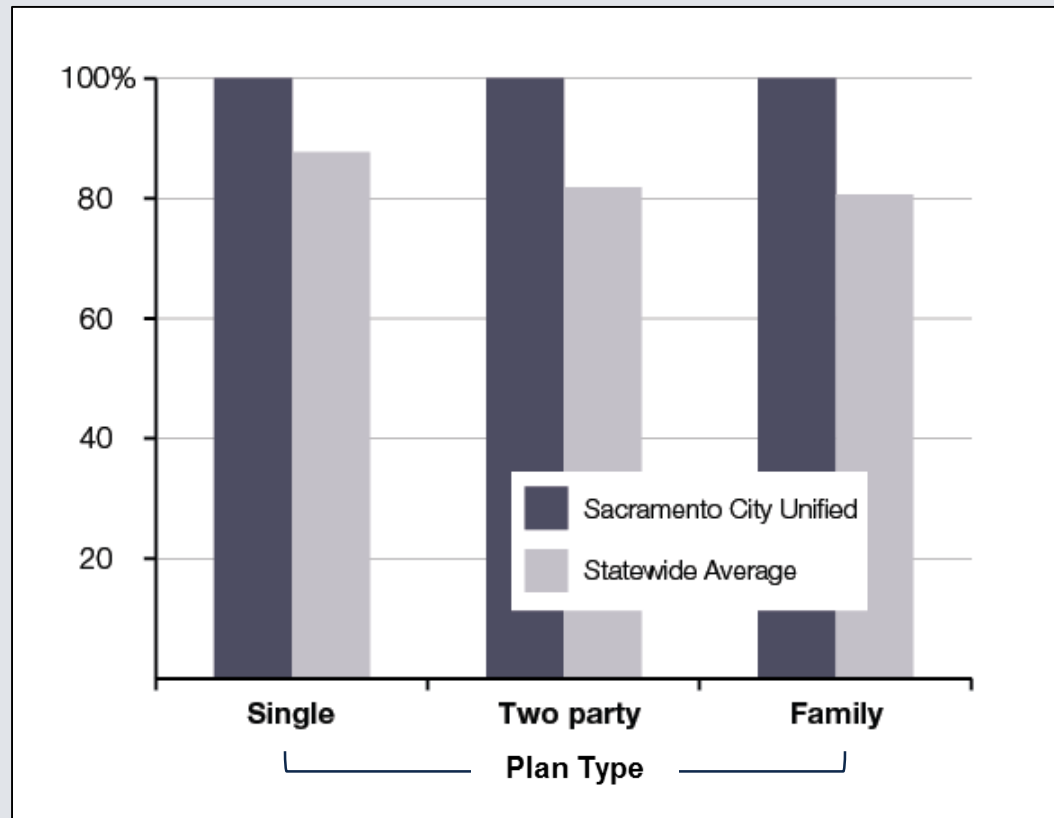
Both Components of Compensation Have Been Rising

Spending Per Full-Time Teacher



Share of Health Care Premiums Paid by District

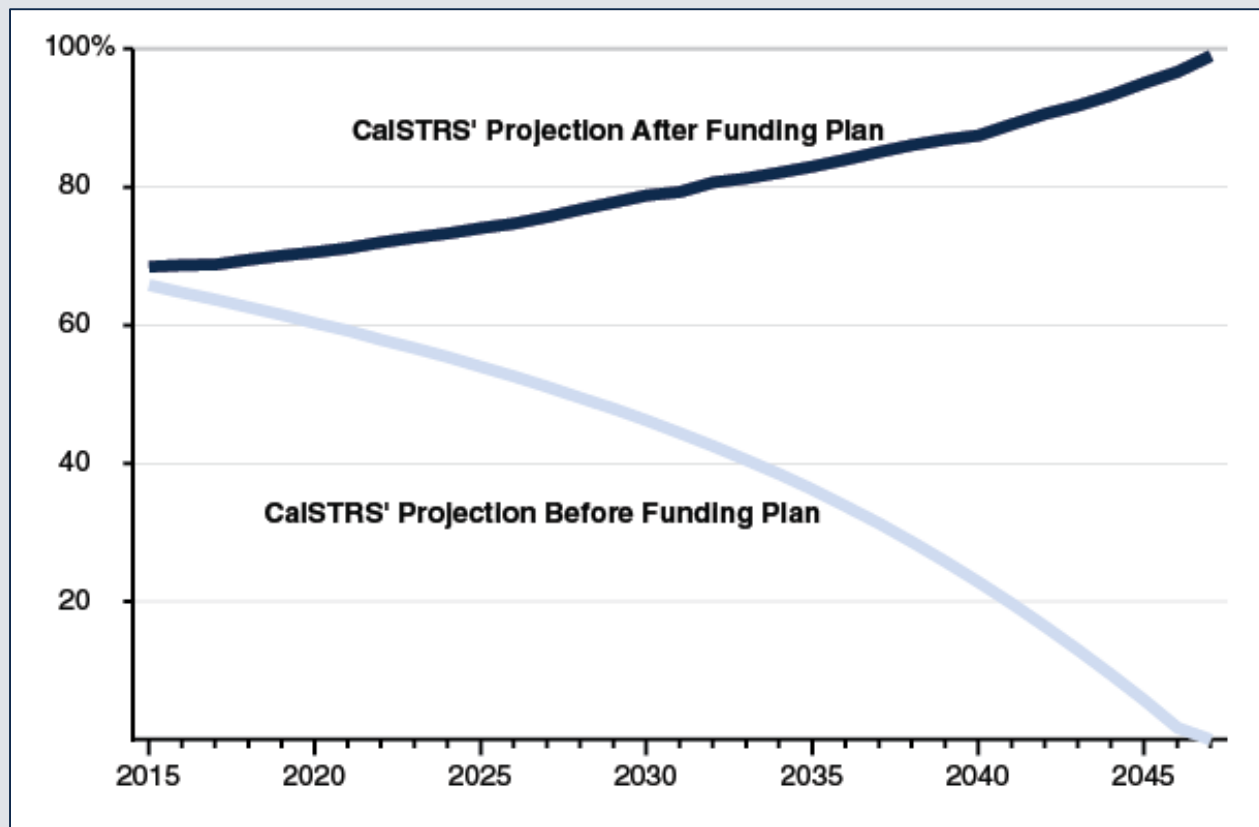
2017-18



Pension Costs

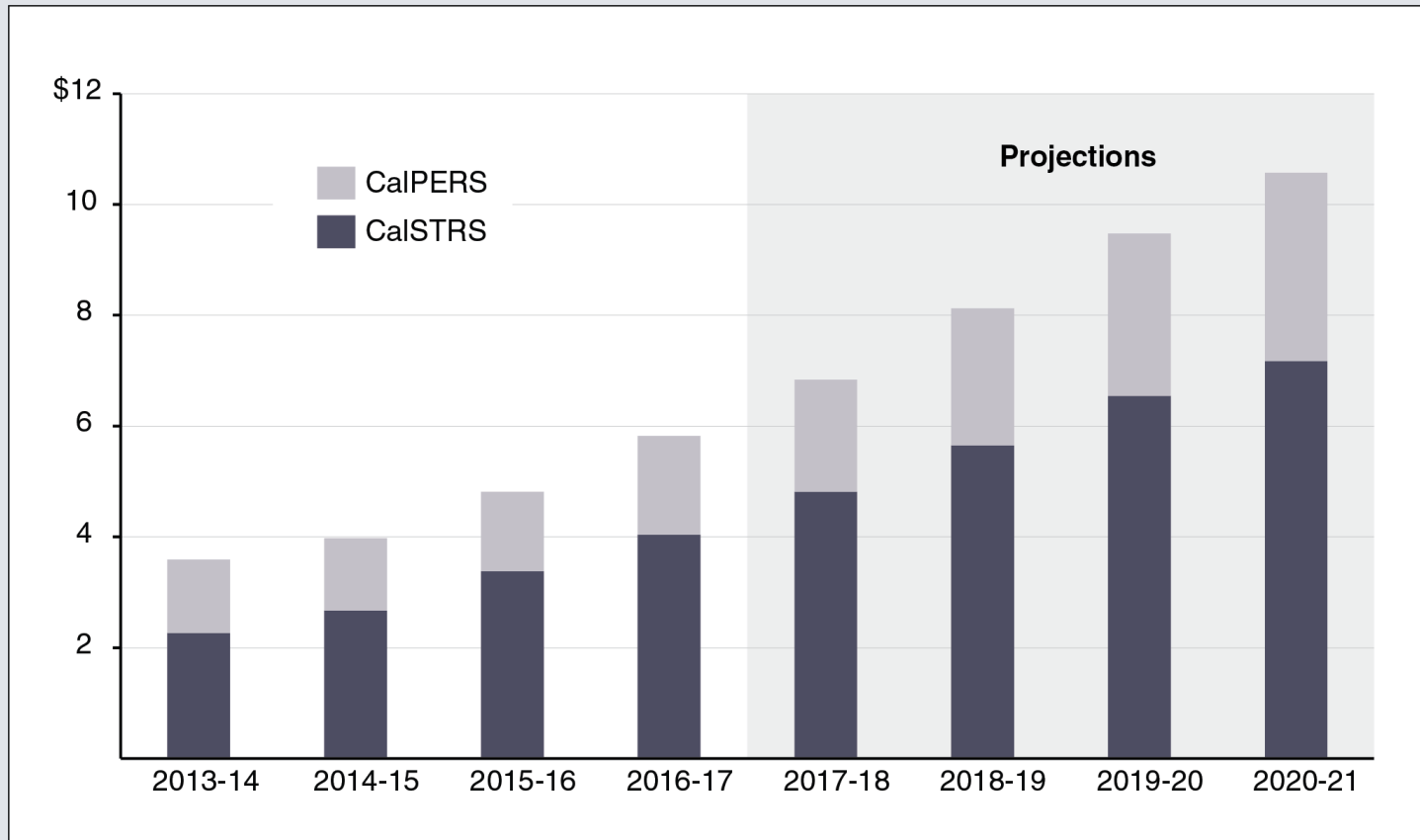
CalSTRS Funding Plan Enacted to Address Unfunded Liabilities

Assets as Percent of Accrued Liabilities



District Pension Costs Are Rising

Annual District Contributions (In Billions)



Governor Has Proposal to Mitigate District CalSTRS Rate Increases

District Rate as Share of Salary

	2018-19	2019-20	2020-21
Current Law	16.3%	18.1%	19.1%
Governor's Proposal	16.3%	17.1%	18.1%
Difference	—	-1.0%	-1.0%

Districts Responding to Rising Pension Costs in Various Ways

- **Districts Control Some Factors Affecting Costs**
 - Pension contributions based on a percentage of payroll.
 - District decisions about number of employees and employee salaries affect pension costs.
- **Some Districts Saving for Future Pension Costs**
 - Some districts earmarking General Fund reserves.
 - Some districts establishing trust accounts.

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