

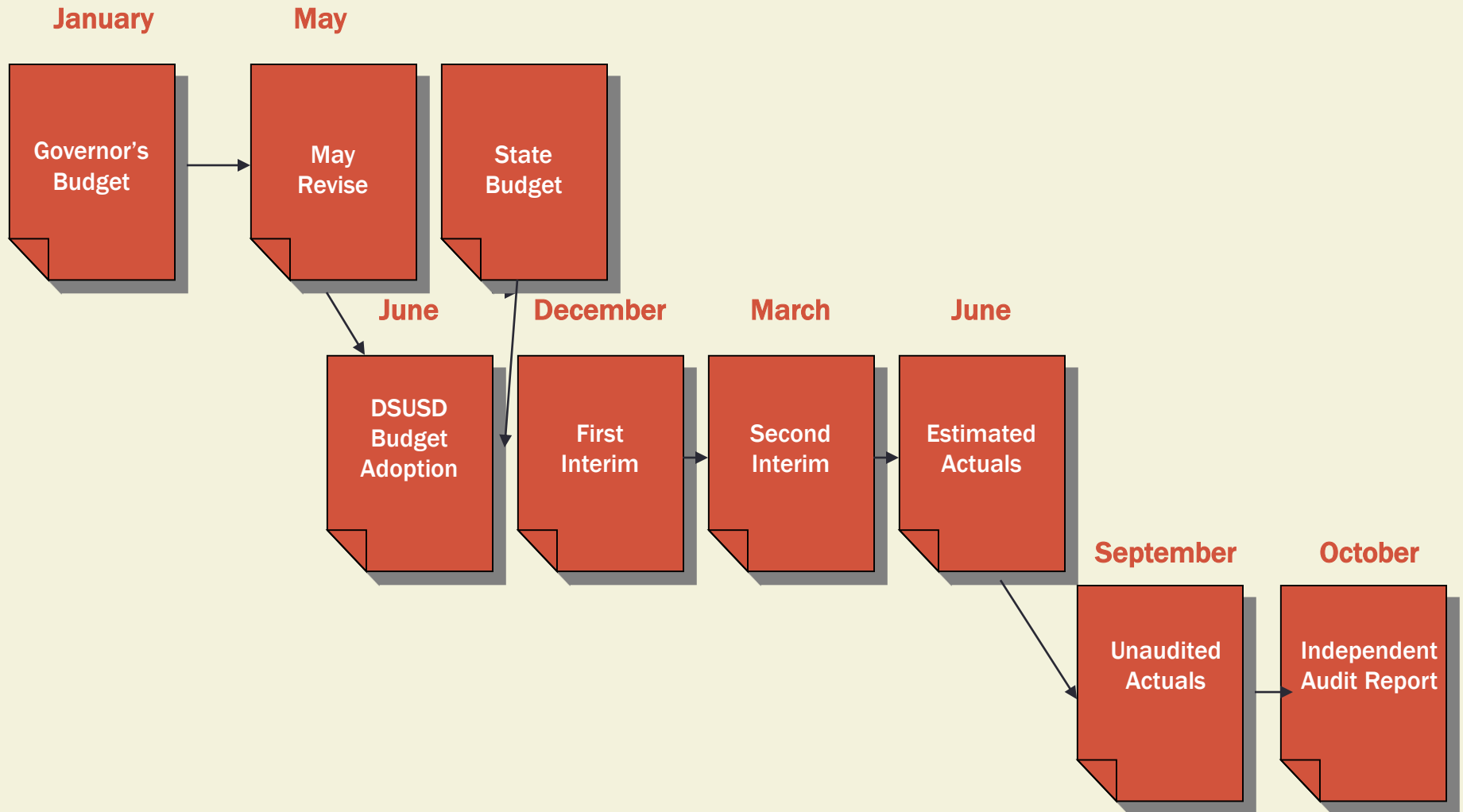


GOVERNOR'S BUDGET PROPOSAL FOR CALIFORNIA FISCAL YEAR 2018-19

Board Meeting
February 6, 2018

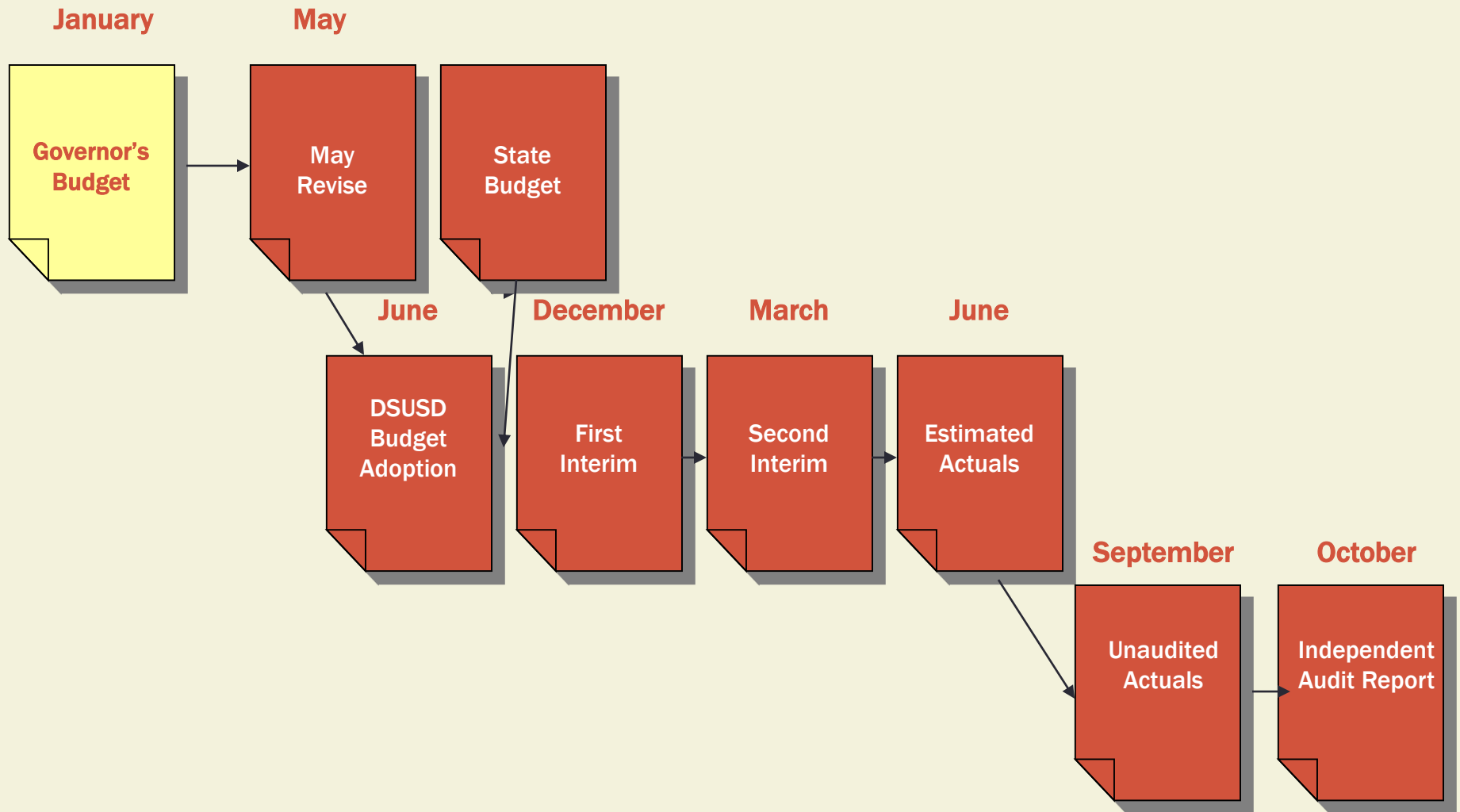
BUDGETING AND FINANCIAL REPORTING

A TWO-YEAR PROCESS



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A TWO-YEAR PROCESS

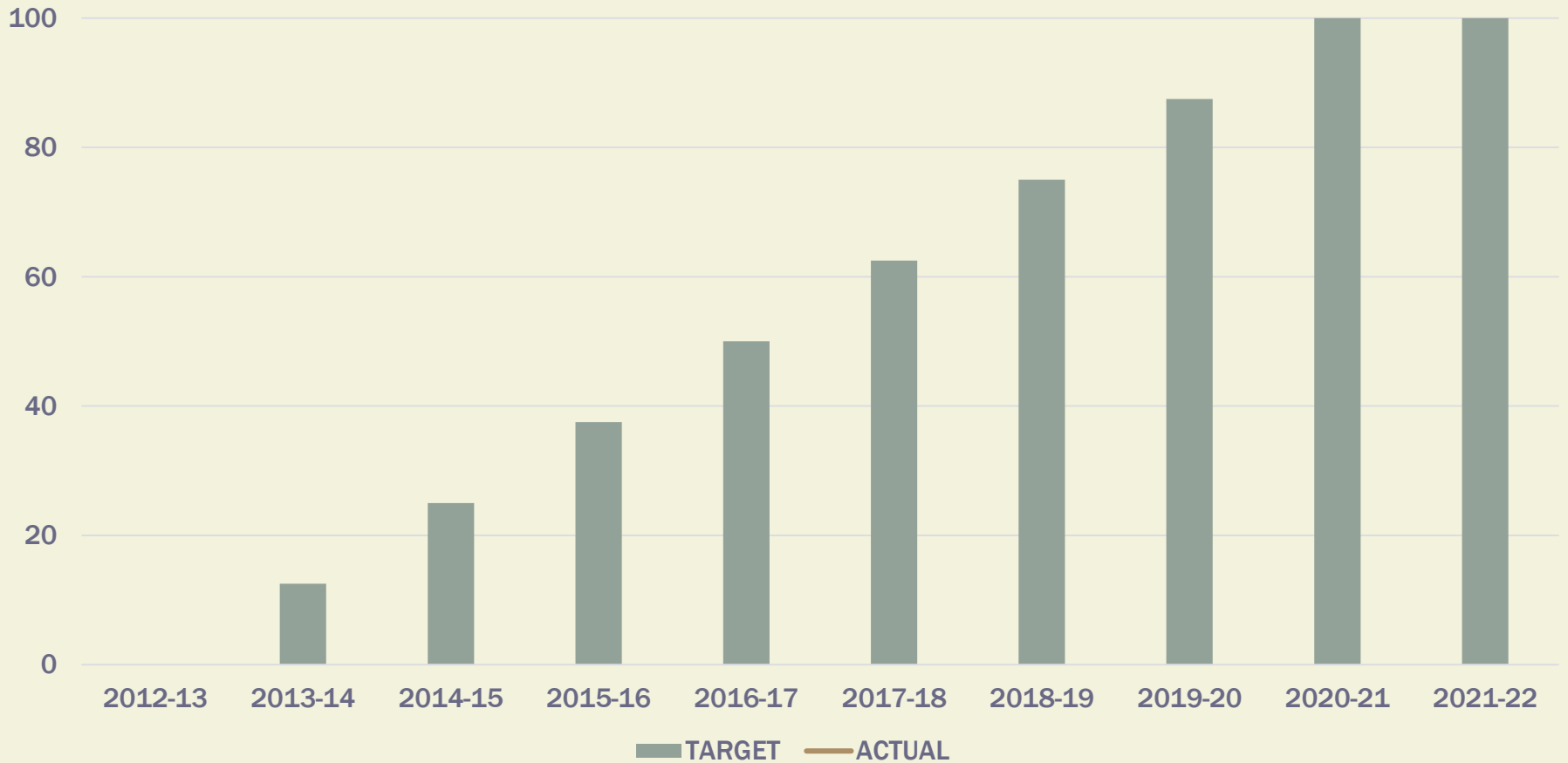


SUMMARY OF MOST SIGNIFICANT K-12 BUDGET PROPOSALS

- **LCFF**
- **One-Time Investments**
- **Special Education Funding**

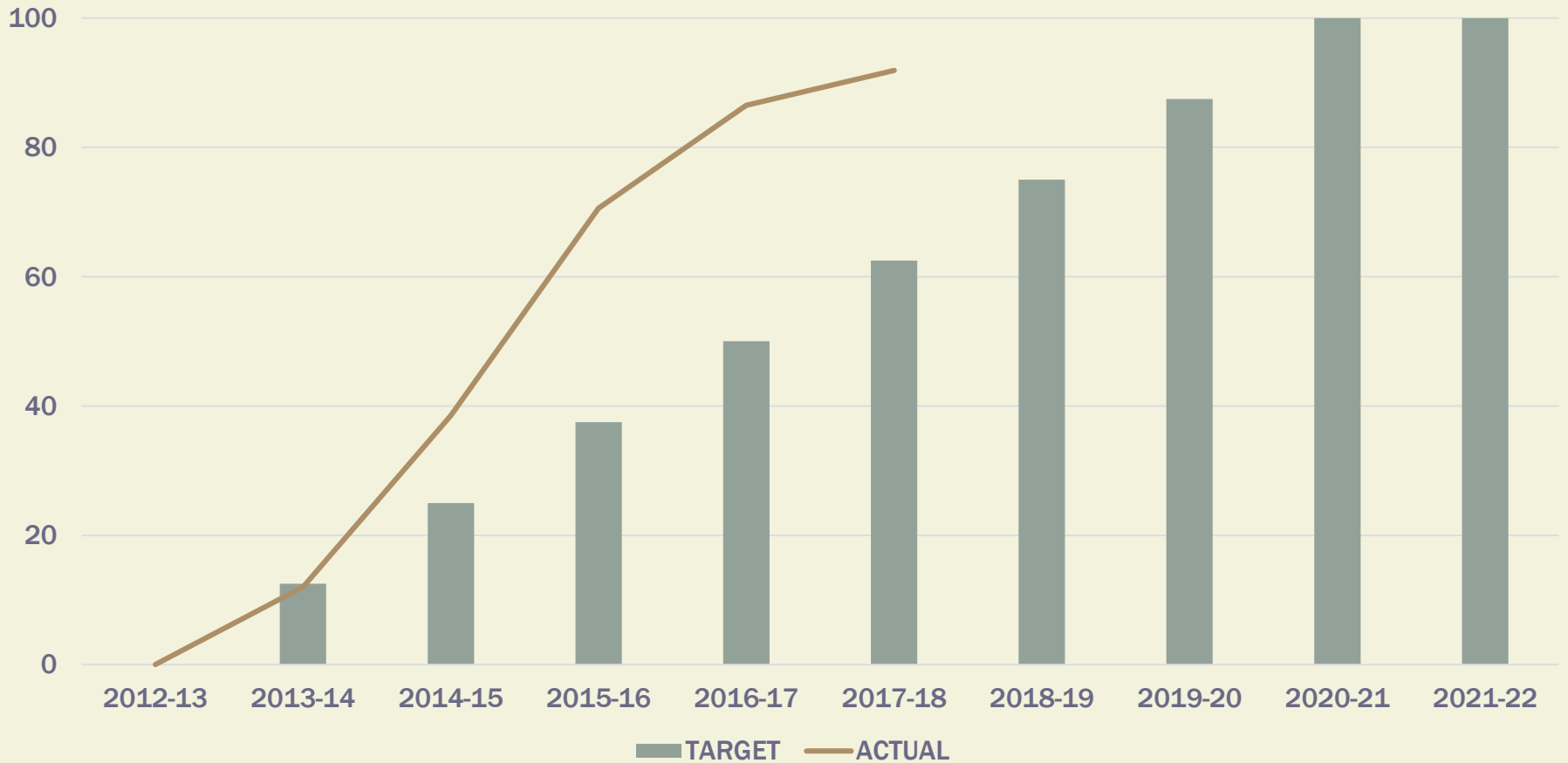
FUNDING OF LCFF

Projected v. Actual



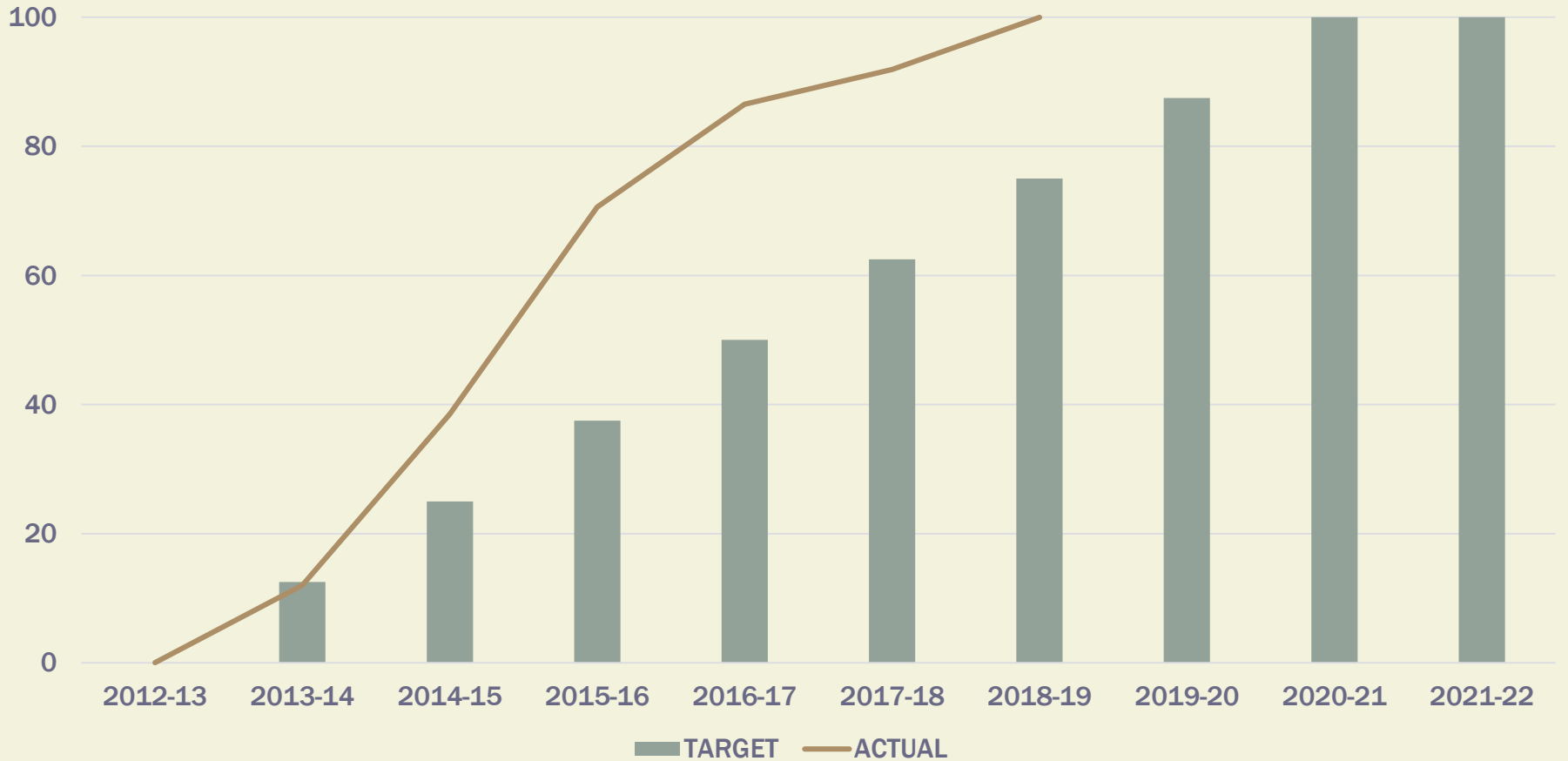
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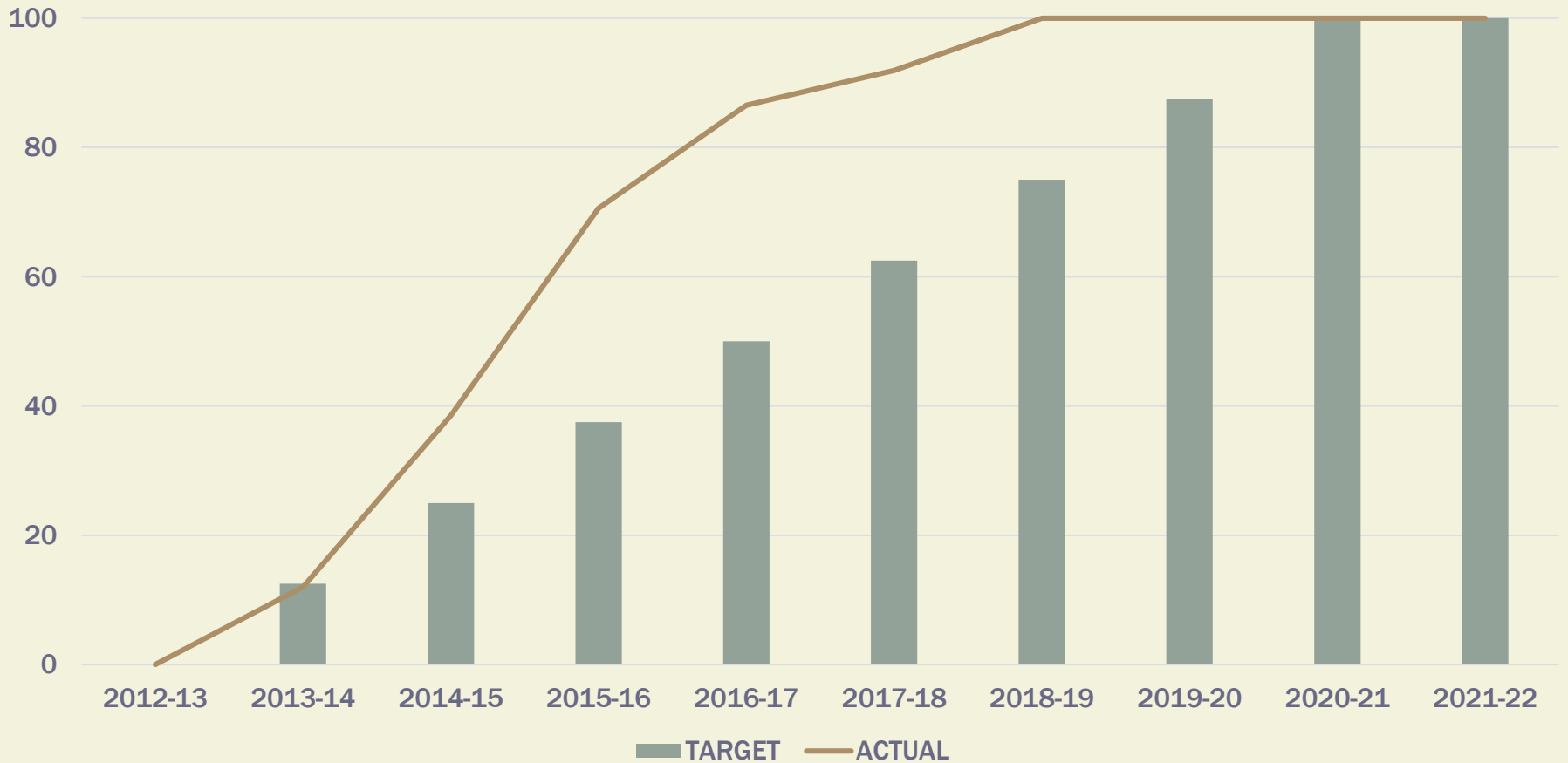
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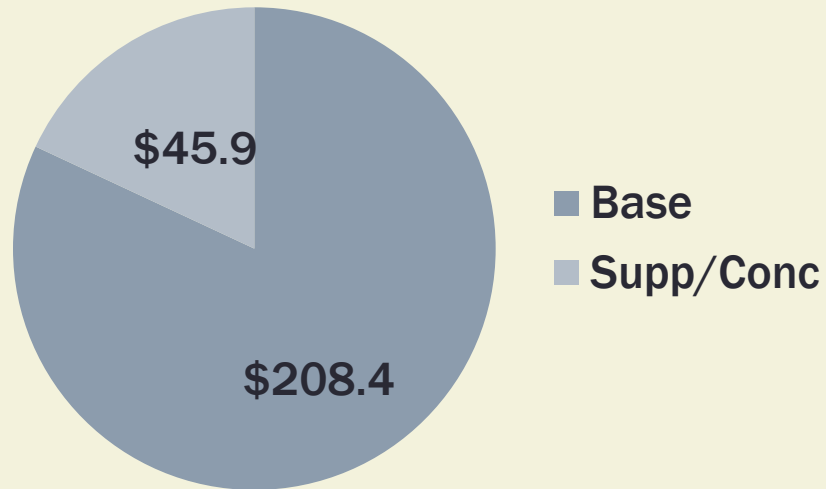
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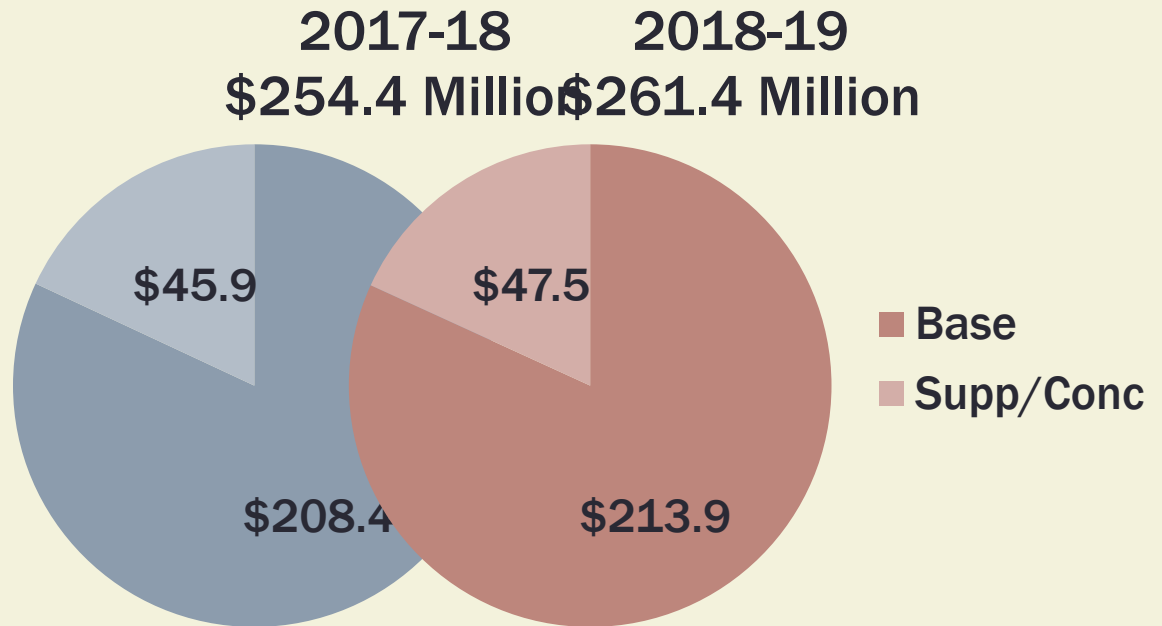


INCREASE IN TARGET LCFF

2017-18
\$254.4 Million



INCREASE IN TARGET LCFF



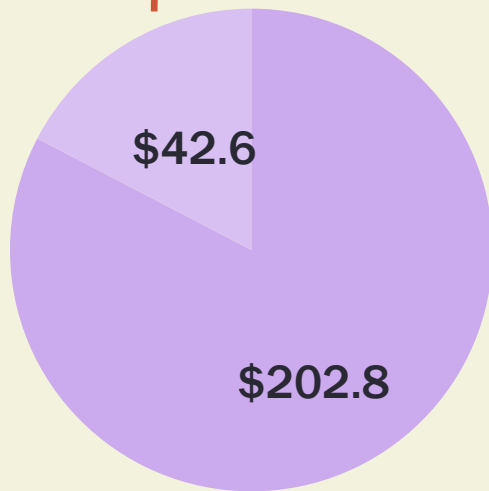
➤ COLA estimated to be
2.51%

INCREASE IN FUNDED LCFF

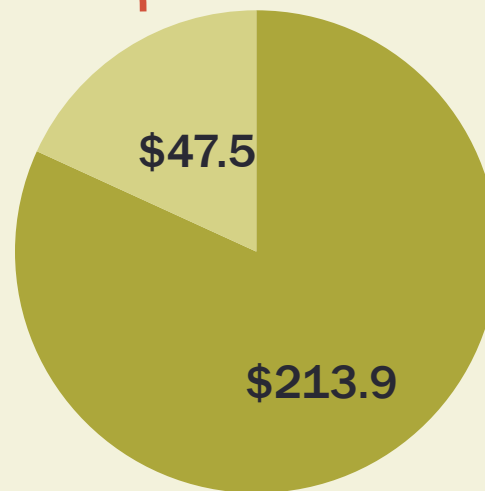
2017-18
\$245.4 Million

2018-19
\$261.4 Million

\$4.9 Million Increase in S/C Funds



■ Base
■ Supp/Conc



■ Base
■ Supp/Conc

+ \$11.1 Million
5.47% INCREASE

INCREASES IN PENSION COST

CalPERS Employer Rate

Fiscal Year	Contribution Rate	Increase over previous year
2016-17	13.88%	2.00%
2017-18	15.53%	1.65%
2018-19	17.70%	2.17%
2019-20	20.00%	2.30%
2020-21	22.70%	2.70%
2021-22	23.70%	1.00%
2022-23	24.30%	0.60%
2023-24	24.80%	0.50%

INCREASES IN PENSION COST

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2017-18	15.53%	1.65%
2018-19	17.70%	2.17%
2019-20	20.00%	2.30%
2020-21	22.70%	2.70%
2021-22	23.70%	1.00%
2022-23	24.30%	0.60%
2023-24	24.80%	0.50%

CalSTRS Employer Rate

Fiscal Year	Contribution Rate	Increase over previous year
2016-17	12.58%	1.85%
2017-18	14.43%	1.85%
2018-19	16.28%	1.85%
2019-20	18.13%	1.85%
2020-21	19.10%	0.97%
2021-22	19.10%	-
2022-23	19.10%	-
2023-24	19.10%	-

INCREASES IN PENSION COST

CalPERS Employer Rate

Budgeted Classified Salaries	\$33,219,460
Increase in CalPERS Rates	x 2.17%
Increase in 2017-18 CalPERS Costs	\$720,862

INCREASES IN PENSION COST

CalPERS Employer Rate

Budgeted Classified Salaries	\$33,219,460
Increase in CalPERS Rates	x 2.17%
Increase in 2017-18 CalPERS Costs	\$720,862

CalSTRS Employer Rate

Budgeted Certificated Salaries	\$115,210,254
Increase in CalSTRS Rates	x 1.85%
Increase in 2017-18 CalSTRS Costs	\$2,131,390

INCREASES IN PENSION COST

CalPERS Employer Rate

Budgeted Classified Salaries	\$33,219,460
Increase in CalPERS Rates	x 2.17%
Increase in 2017-18 CalPERS Costs	\$720,862

CalSTRS Employer Rate

Budgeted Certificated Salaries	\$115,210,254
Increase in CalSTRS Rates	x 1.85%
Increase in 2017-18 CalSTRS Costs	\$2,131,390

Total Estimated Increase in Pension Costs

\$2,852,252

ONE-TIME INVESTMENTS

- One-Time Proposition 98 funding to further investments in “content standards implementation, technology, professional development, induction programs for beginning teachers, and deferred maintenance.”
- Total Statewide amount is \$1.8 billion
 - Equates to approximately \$295 per ADA (\$7.4 million for DSUSD)

SPECIAL EDUCATION

- Modest increase funding beyond the 2.51% COLA.
- \$100 million in one-time funding to implement programs to increase and retain Special Education teachers.
- Increase in transparency and accountability for SELPA services to districts.

CAUTION FROM THE GOVERNOR

“California has faced ten recessions since World War II and we must prepare for the eleventh. Yes, we have had some very good years and program spending has increased steadily, let’s not blow it now.”

SUMMARY

- **Increase in Funding; both On-going and One-time**
- **Last significant increase in Supplemental and Concentration funding.**
- **Pension costs continue to strain the general fund budget.**
- **LCFF is now fully funded. We are entering years of COLA-only increases.**

