

Forecast Webcast

January 13, 2017

Governor's Budget Proposal 2017-18

Dennis Meyers, Assistant Executive Director,
Governmental Relations

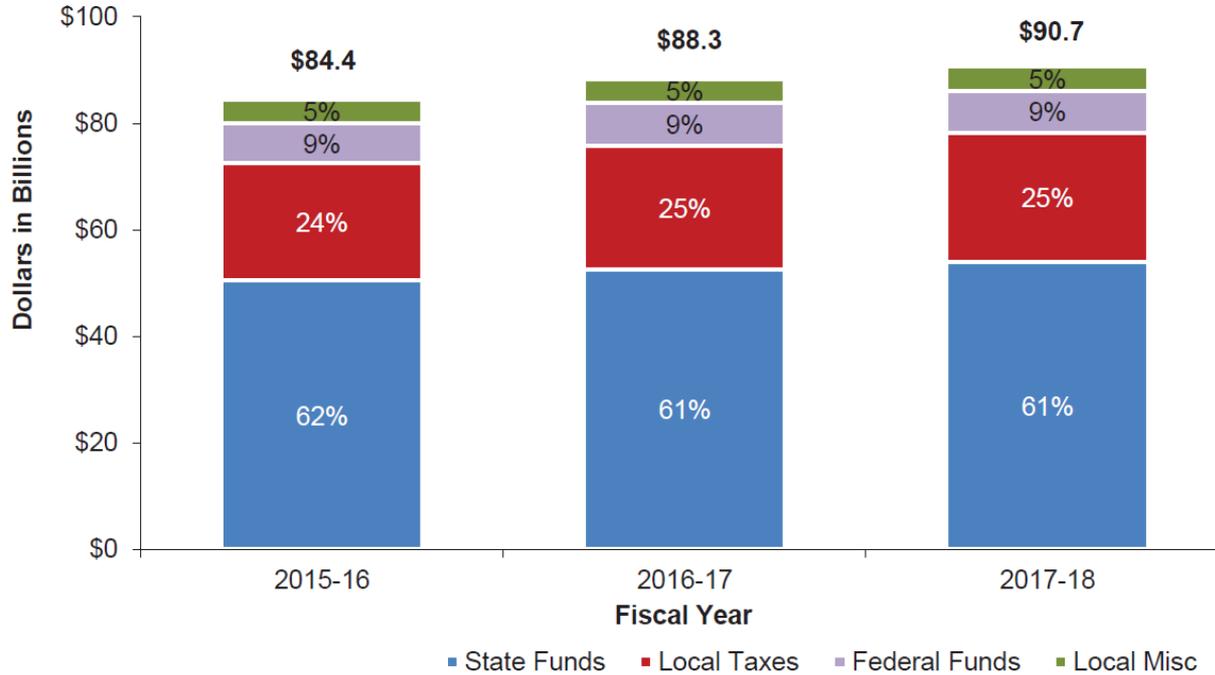
Teri Burns, Legislative Advocate



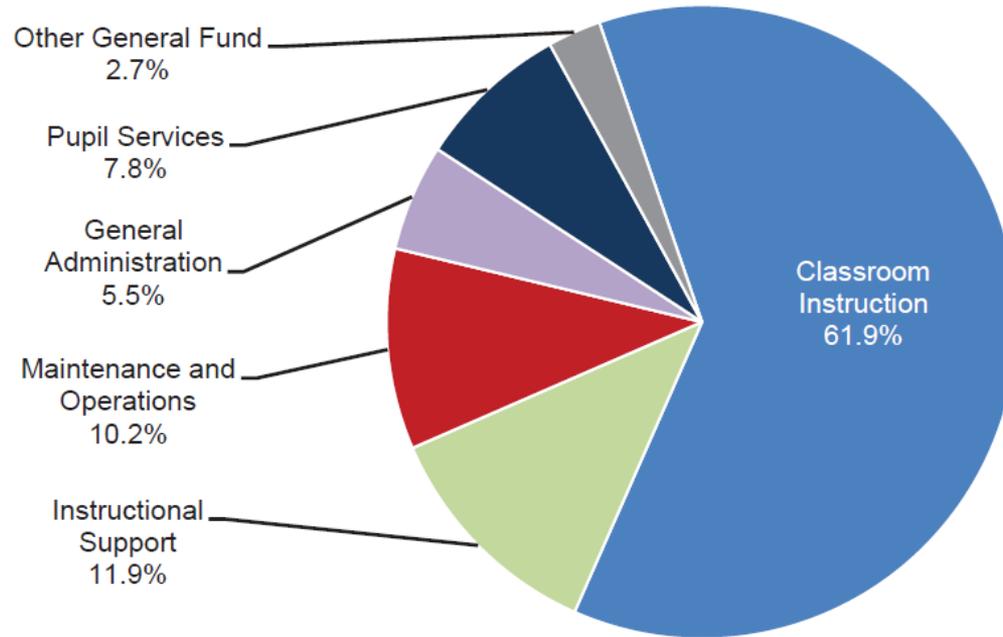
Proposition 98 Funding



Sources of K-12 Revenue



Where School Districts Spend Their Money



A “Pause” Year

- Reductions to prior year funding to keep Prop 98 Guarantee
- New funding for LCFF keeps us at the 96% of full funding level
- No new programs
- A year of thinking...special education and early education

- Holds off on new academic standards
- COLA 1.43%
(not for child care or transportation)
- Approximately \$287 million one-time funds with the same requirements as in the past....pays off mandate claims

Budget Details

- Lowers 2017-18 guarantee by \$1.7 billion
 - One-week delay in payments from last week of June to first week of July: \$859 million includes both one-time and ongoing funds
 - Scores \$310 million in 2015-16 funds as 2017-18 expenditure.
- Maintenance Factor Created:
 - \$864 million for 2016-17
 - \$264 million for 2017-18
 - Total outstanding \$1.6 billion
- Settle up balance at end of 2017-18: \$626 million

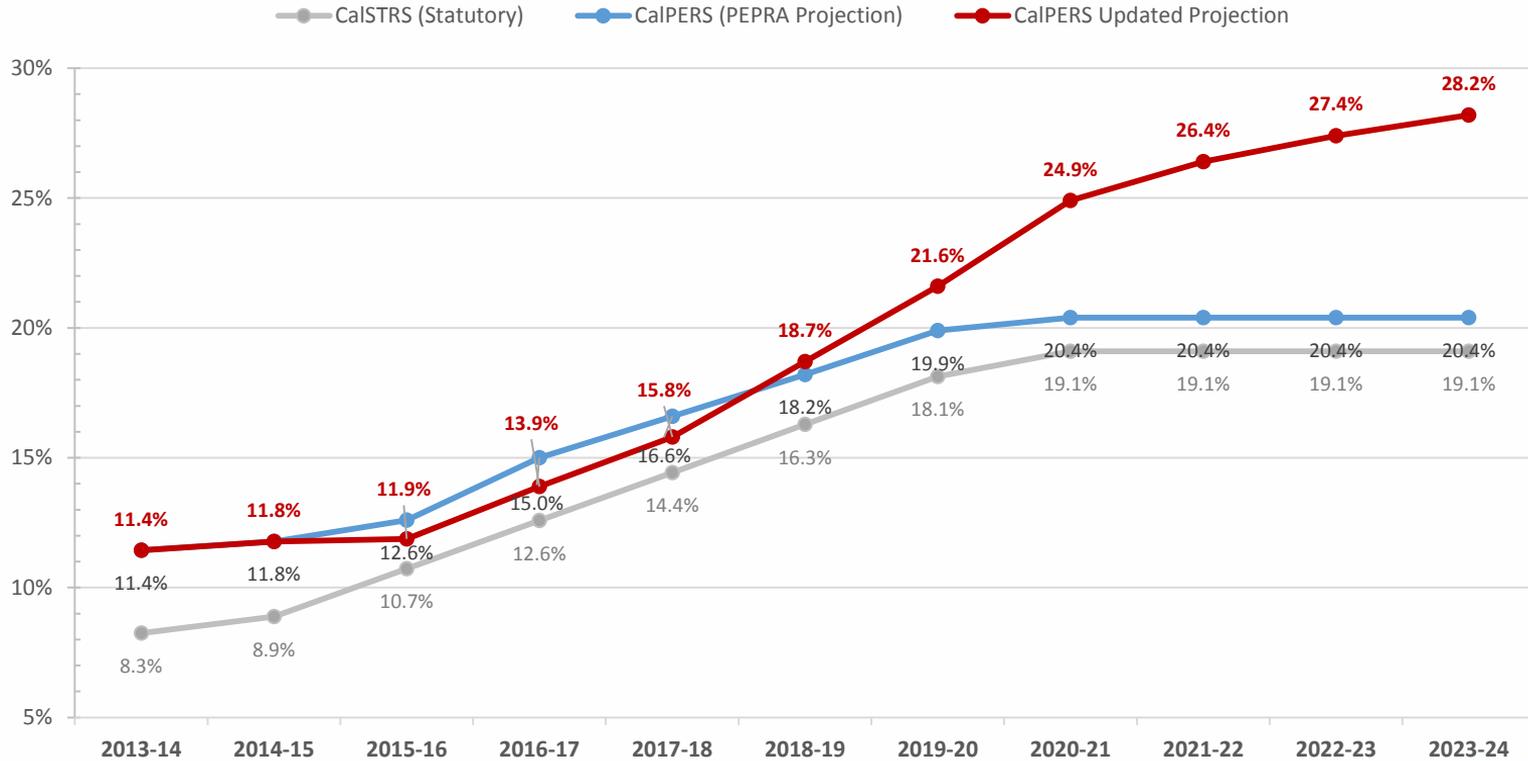
Prop 51 Facilities Bond

- Approved by voters in November
- Contains \$3 billion each for new construction and modernization
- Governor wants more transparency and accountability
- Looking for changes in regulations and audit guide before releasing funds
- Intends to get the money out under current program

Issues Outstanding

- Reserve Cap
- PERS/STRS contributions
- COE LCFF oversight reimbursement
- Transportation

Employer Retirement Contributions



Budget Timing

- **Jan 10** **Budget released**
- **Feb-April** **Budget hearings**
- **May 10** **Budget revision released**
- **June 15** **Budget adopted**

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