



**Governor's Proposals for the
2019-20 State Budget
and K-12 Education**

Berkeley Unified School District



Themes for the 2019-20 Governor's Budget

- **Governor Gavin Newsom's first State Budget lays the groundwork and signals his governing philosophy and outlook for the next four years**
- **The economy continues to outperform expectations, but the recovery from the Great Recession is in its tenth year and some fear a downturn is looming**
- **Local educational agencies (LEAs) will continue to face budget challenges as Local Control Funding Formula (LCFF) funding flattens and costs rise**
- **The education budget contains some new proposals, but Governor Newsom's early childhood education initiative will take center stage**
- **Accountability remains a priority as the California School Dashboard (Dashboard) and other metrics continue to evolve**



Legislative Landscape

- **Former Governor Jerry Brown’s position on funding and legislation was well known, so legislators have waited him out on certain hot topics, expecting more receptive perspectives from Governor Newsom on:**
 - **Charter schools**
 - **Early childhood education**
 - **Facilities**
- **Governor Newsom encounters a seasoned Legislature with term limits longer than his own and leaders that have been through State Budget negotiations before**
 - **These dynamics could make for more interesting State Budget dynamics than under former Governor Brown**



2019-20 Local Control Funding Formula

- **The State Budget proposes \$2 billion towards LCFF to fund the 3.46% statutory COLA**
 - **This brings LCFF funding to \$63 billion (up from \$61 billion in 2018-19)**
- **2019-20 LCFF growth provides an average increase in per-pupil funding of an estimated \$343 per ADA, or 3.37% (individual results will vary)**
 - **The lower 3.37% increase takes into consideration that no COLA is provided for Targeted Instructional Improvement Grant, Transportation, or Economic Recovery Target**
 - **For Berkeley USD it provides an increase of:**
 - **Base Funding \$696,813**
 - **Supplemental \$ 47,384**
 - **Total \$744,197**



What Does the LCFF Mean for Berkeley USD?

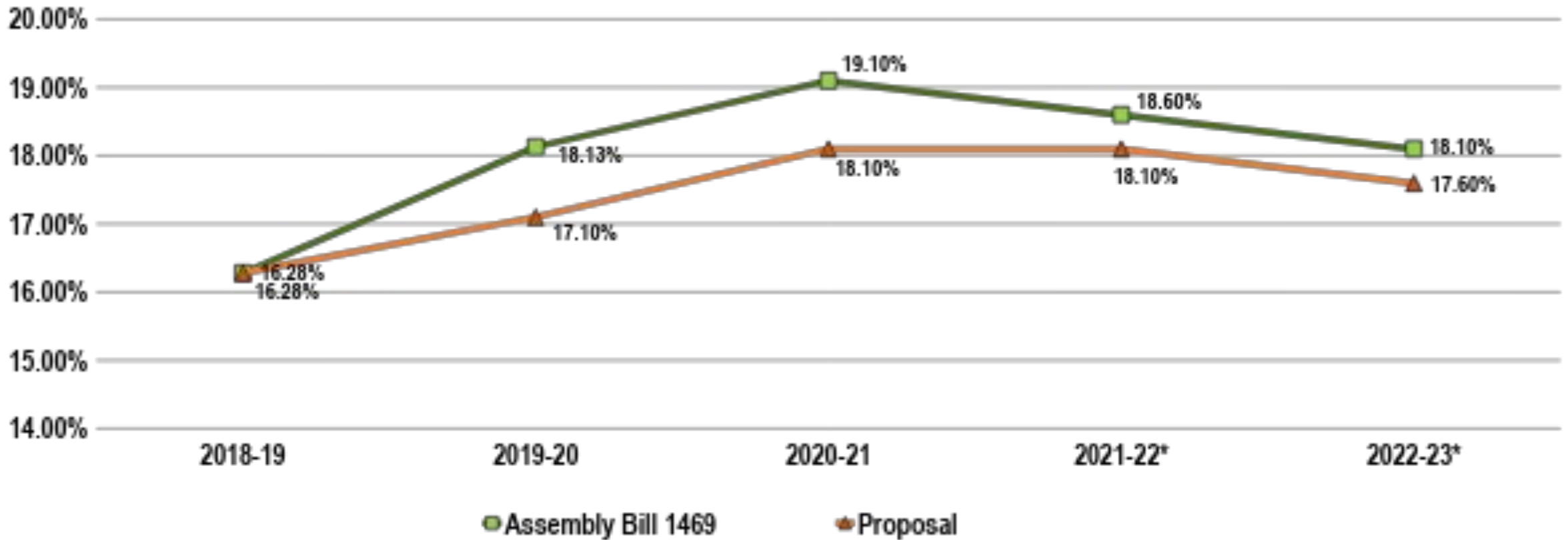
Berkeley USD – LCFF Projections vs. 2018-19 Enacted Budget				
Fiscal Year	*LCFF Projected Total Revenue	2018-19 Projection Governor Enacted Budget	Difference	LCFF Per ADA Funding
2019-20	\$92,800,952	\$92,056,756	\$744,197	\$9,910
2020-21	\$95,123,342	\$94,190,286	\$933,056	\$10,158

**The projected LCFF revenues are based on First Interim enrollment projections and Average Daily Attendance (ADA) of 9,364.72, the projections will be adjusted for the Second Interim report.*



CalSTRS Employer Contribution Rates – Current Law Versus Governor’s Proposal

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*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046



Governor's CalSTRS Employer Contribution Rates Proposal – What it means for Berkeley USD?

2019-20 Proj 1st Interim 18.13%	\$ 875,268.66
2019-20 Proj 2nd Interim 17.10%	\$ 387,956.92
Projected change	\$ 487,311.74

**With the Governor's proposal, the change in the STRS percentage is projecting to go from a difference of 1.85% at First Interim to 0.82%.*



Governor's 2019-20 Budget Proposal – What it means for Berkeley USD?

LCFF	\$744,197
STRS	487,312
Total	\$1,231,509

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Early Care and Education

- One of Governor Newsom’s most aggressive budget investments is made in the early care and education sector
- In total, the 2019-20 Budget includes over \$2.4 billion in programs and services to children and families
 - Most are one-time investments
 - Nearly all of them are funded with non-Proposition 98 dollars





What's Not in the Budget?

- Not surprisingly when a new Administration takes office, there is little time to flush out the details of all the proposals contained in the Governor's Budget
- Over the course of the legislative hearings, additional specificity is expected for:
 - The \$576 million funding various Special Education proposals
 - The Early Childhood Education proposals
- While new funding is provided for Special Education, funding for equalization of rates is not included in the Budget
- The LCFF targets have been achieved, but this is a modest goal; higher LCFF aspirational targets are not included in the Budget
- The Budget does not provide any funds for one-time discretionary grants





Next Steps

- **State level**
 - **Budget committee hearings**
 - **Next update – May Revision**
- **Local level**
 - **January 22 & 29, 2019 – Superintendent’s Budget Advisory Committee (SBAC) Meetings**
 - **February 6, 2019 – Board Discussion on SBAC recommendations**
 - **February 20, 2019 – Board Discussion on SBAC recommendations**
 - **March 13, 2019 – Board Action on SBAC recommendations**
 - **March 13, 2019 – Second Interim report**



Thank you