

**Governor's May Revised
Proposed Budget 2015-2016**

Board Meeting

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26 May 2015

Themes for the Governor's May Revised Budget

- Good news for K-12 Education
- LCFF program - \$6.1b
- Prop 2 Rainy Day fund - \$1.9b
- Education receives 90% of new revenues
- COLA – 1.02%
- Future years and funding considerations

Local Control Funding Formula

In the Governor's January Budget, he included ongoing funding for schools. The May Revise shows additional funding.

- January: \$4b
- May: an additional \$2.1b to total \$6.1b

The ongoing LCFF funds increased the GAP percentage from projected 29.15% in January to 53.08% in May.

Within the first three years of LCFF (2014, 2015, and proposed 2016), the State will have closed 70% of the gap towards the goal year of 2020-2021.

Local Control Funding Formula

In the Governor's January Budget, he included one-time funding for schools. In the May Revise, he increased the amount of one-time funding for schools.

- January: \$180/ADA (estimated \$1.6m for AUSD)
- May: \$601/ADA (adjusted estimate of \$5.4m for AUSD)

The one-time funds have been earmarked for the four major curriculum adoptions: math, language arts, science, and social studies. There will be remaining funds available after the curriculum adoptions, and they should be used on one-time expenditures.

Updated Multi-Year Projection (MYP)

The changes to the MYP reflect the additional funds from the State, as well as the increased expenditures for 2015-2016 and beyond.

Expenditures have increased approximately \$3m from 2014-2015 to 2015-2016.

- English Language Development coaches: +\$560,000
- Special Education transportation: +\$800,000
- Special Education staffing/classes: +\$570,000
- Staffing ratios at secondary schools: +\$540,000
- Student Services programs: +\$400,000

Considerations for Future Funding

- One-time funding should not be used for ongoing expenditures.
- The Department of Finance (DOF) does not include a future recession in its projections.
- The Prop 30 temporary taxes begin to expire 2016-2017.
- CalSTRS and CalPERS employer contributions will continue to increase.
- When the payment of the Maintenance Factor ends, education will receive 40% of new State revenue.
- The projected COLA's in the future are minimal.

Next Steps

Tonight

“By Site, By Program” presentation

June 9th Board Meeting

2015-2016 budget presentation and public hearing

June 15

State to adopt budget

June 23rd Board Meeting

2015-2016 Budget adoption