

# Governor's Proposed January Budget Update

Berkeley Unified School District

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Deputy Superintendent

# Themes for the 2015-16 Governor's Budget

Positive economic growth continues and fuels public education spending

Proposition 98 continues to receive most of the new money

Funding is tight for the non-Proposition 98 side of the State Budget

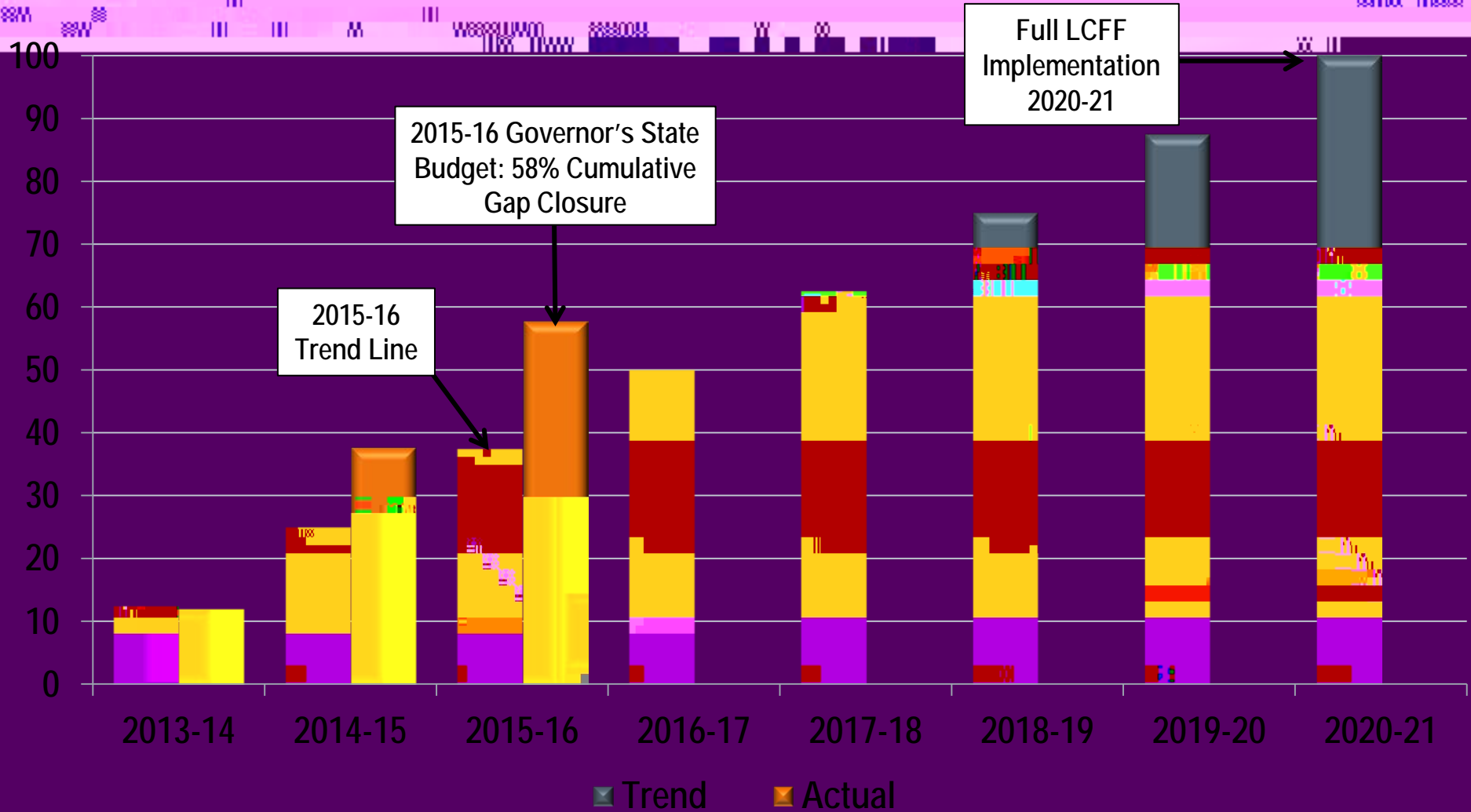
Governor stays the course on the Local Control Funding Formula (LCFF) and the Local Control and Accountability Plan (LCAP)

State makes a firm commitment to Adult Education and Career Technical Education (CTE)

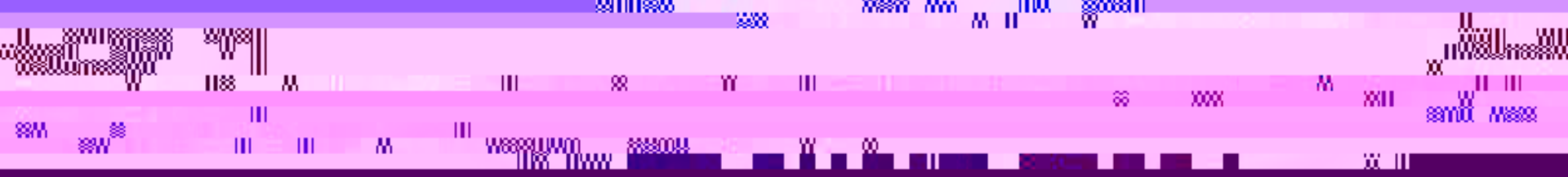
The Wall of Debt continues to come down and is replaced with the Rainy Day Fund

Overall, a very good State Budget for public education

# Progress Toward LCFF Implementation



# Berkeley Unified School District Projections



# Overall, a Positive Year for Education

The 2015-16 State Budget proposed by the Governor would be good news in any year

- But particularly coming after such a long and deep recession, this State Budget restores the hopes and dreams of many Californians

The recovery is not complete and won't be until at least 2021 under the Governor's plan

But the incremental progress is significant – particularly for public education

During the recession, we took more cuts than any other segment of the State Budget

- The Governor acknowledges this and is keeping his commitment toward restoration of our losses

# Proposition 98 Funding



# Discretionary Funds

The Governor's State Budget proposal provides more than \$1.1 billion in discretionary one-time Proposition 98 funds, including \$20 million for COEs

- The allocation amounts to about \$180 per ADA for districts – **\$1.6 million in mandated cost reimbursement for Berkeley USD.**

The Governor suggests the one-time funds may be used to further investments in the implementation of Common Core State Standards (CCSS)

Other uses detailed in the proposal are:

- To support the implementation of newly adopted English language development and California's Next Generation Science standards, and
- To support expenditures that occur due to the evolving accountability structure of the LCFF

# 2015-16 Local Control Funding Formula

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Budget proposes \$4 billion for continued implementation of the LCFF

New funding is estimated to close the gap between





# CalPERS Rate Increases

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The employer contribution to CalPERS is projected to increase from 11.771% in 2014-15 to 12.6% in 2015-16 (final rate awaiting CalPERS Board approval)

- “Classic” members continue to pay 7.00%
- New members pay 6.00%, which may fluctuate from year to year based on the PEPRA requirement to pay half the normal cost rate

Estimates of the resulting future contribution rate increases for school employers are as follows:


In most cases, the base grant will need to cover increased operating expenses, including the employer’s share of CalSTRS and CalPERS increases

# Questions

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