

# 2015 Forecast

## State Budget Report

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# Governor's Budget

## Highlights

- ✓ General fund growth at 4.9 percent
- ✓ Schools largest part of general fund
  - ✓ 41.6% K-12
  - ✓ 28.2% Health and Human Services
  - ✓ 12.4% Higher Education
  - ✓ 9.0% Corrections
  - ✓ 2.3% Resources
  - ✓ 6.5% Other

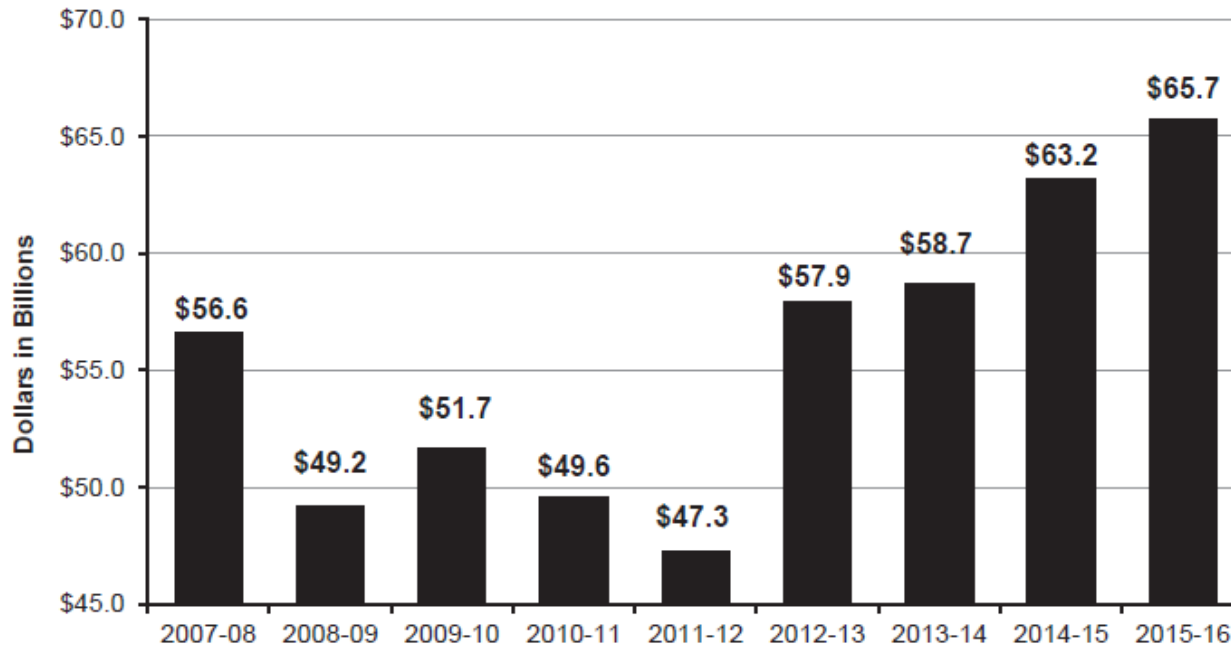
# Governor's Budget

## Highlights

- ✓ Schools are biggest investment
- ✓ Health Care Reform
- ✓ Debt
- ✓ Climate Change
- ✓ Pension Issues

# Governor's Budget Highlights

Figure K12-02  
Proposition 98 Funding  
2007-08 to 2015-16



# Governor's Budget

## Highlights

- ✓ \$7.8 billion available in Prop 98 funds
- ✓ \$4 billion to LCFF
- ✓ \$1.1 billion per ADA allocation
- ✓ Deferrals all paid off!
- ✓ Smaller investments in Adult Ed, CTE, Internet Infrastructure & emergency repairs
- ✓ Some one-time, some ongoing

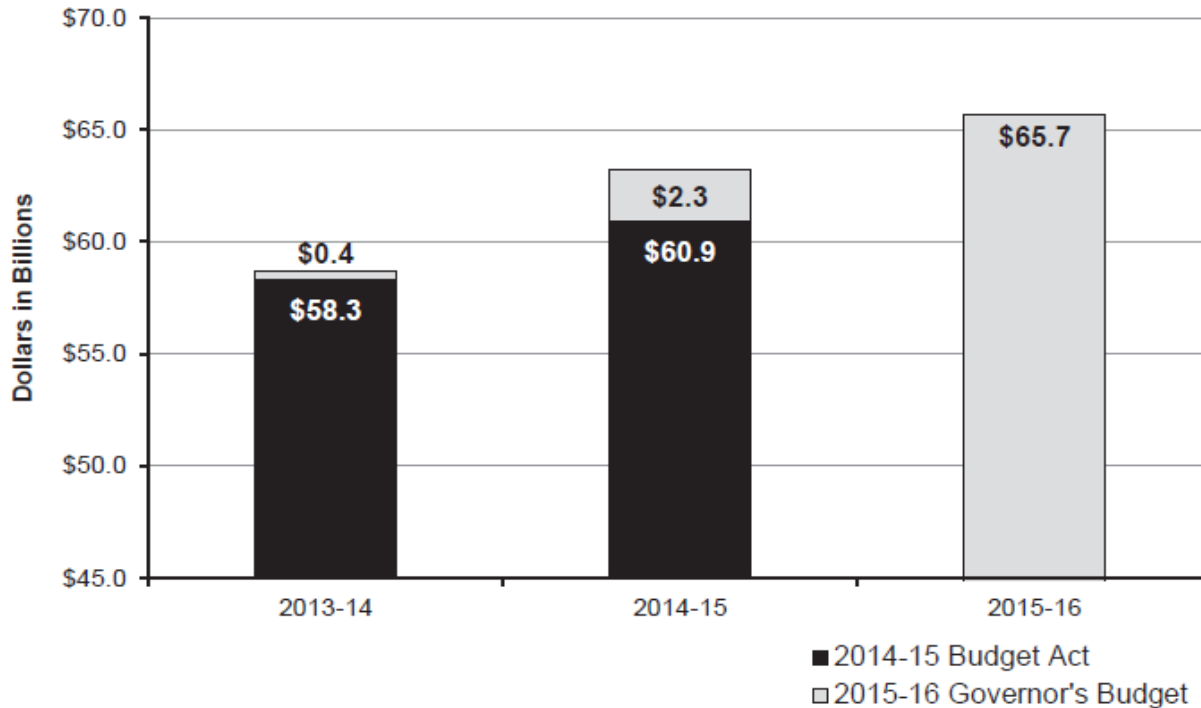
# Governor's Budget

## Highlights

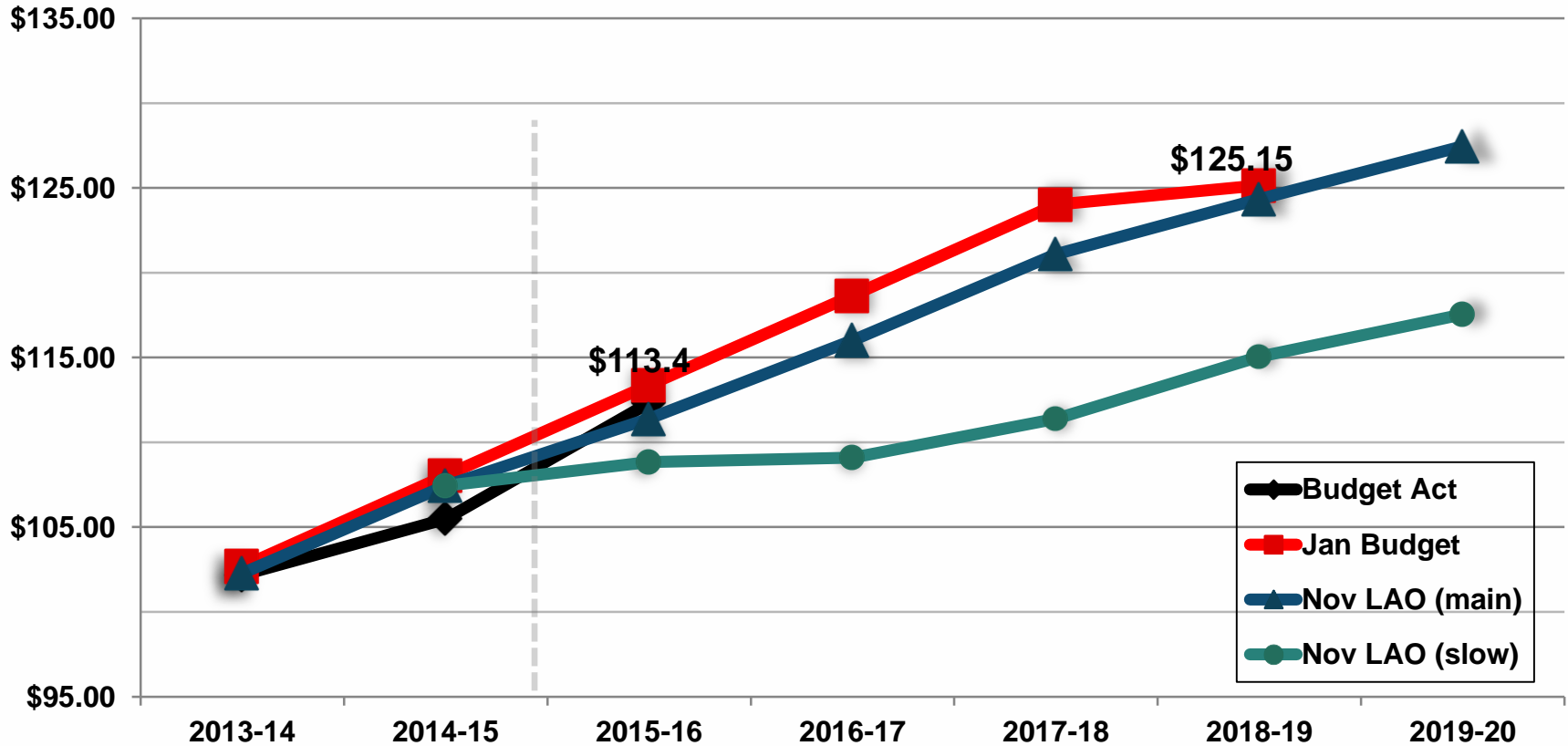
- ✓ \$7.8 billion available in Prop 98 funds
  - ✓ \$400 million from 2013-14
  - ✓ \$2.3 billion current year (2014-15)
  - ✓ Prop 98 growth projected in budget year (2015-16)

# Governor's Budget Highlights

Figure K12-01  
Major Changes to Proposition 98 Guarantee Levels



# Governor's Budget Highlights





# Governor's Budget

## Highlights

- ✓ \$4 billion to LCFF
  - ✓ Equals 32% of the remaining gap to full implementation
  - ✓ About 61% of LCFF funded overall
  - ✓ Economic Recovery Targets (ERT) 3/8ths funded (37.5% of the total target)
  - ✓ Ongoing
  - ✓ Districts benefit differently
  - ✓ County offices of education LCFF grants fully funded

# Governor's Budget

## Highlights

- ✓ \$1.1 billion per ADA allocation (\$183/ADA)
  - ✓ \$20 million to county offices of education for LCFF oversight
  - ✓ Remainder allocation per ADA to school districts, charters and county offices
  - ✓ Scored as mandate claim reimbursement
  - ✓ Intended to be used for Common Core, new ELD and Next Gen Science Standards

# Governor's Budget

## Highlights

- ✓ Deferrals all paid off!
  - ✓ Current year Prop 98 growth triggers deferral payoff – a good section of SB 858
  - ✓ Gone but not forgotten

# Governor's Budget

## Highlights

- ✓ Smaller investments in Adult Ed, CTE, internet infrastructure & emergency repairs
  - ✓ \$500 million to Adult Ed: basic skills, citizenship, ESL, apprenticeships and limited career programs
  - ✓ First year, allocation equal to maintenance of effort
  - ✓ Future year allocation through regional consortia
  - ✓ Watch trailer bill language

# Governor's Budget

## Highlights

- ✓ Smaller investments in Adult Ed, CTE, internet infrastructure & emergency repairs
  - ✓ \$250 million in each of next three years to CTE
  - ✓ Requires matching funds
  - ✓ School districts, charter schools and county offices of education eligible to apply
  - ✓ Priority to regional programs
  - ✓ Accountability requirements

# Governor's Budget

## Highlights

- ✓ Smaller investments in Adult Ed, CTE, internet infrastructure & emergency repairs
  - ✓ \$100 million to K-12 High Speed Network (HSN) for broadband and technology infrastructure
  - ✓ Allocations determined through HSN needs survey
  - ✓ Recognition of need due to computer adaptive testing

# Governor's Budget

## Highlights

- ✓ Smaller investments in Adult Ed, CTE, internet infrastructure & emergency repairs
  - ✓ \$273 million for Emergency Repair Program (ERP)
  - ✓ Part of 2004 Williams settlement
  - ✓ Completes total amount owed

# Governor's Budget

## Highlights

- ✓ 1.58 % COLA provided to:
  - ✓ County offices of education
  - ✓ Special education
  - ✓ Child nutrition
  - ✓ Child care and preschool
  - ✓ American Indian programs
  - ✓ Foster Youth
  - ✓ NO COLA to transportation or TIIG



# Governor's Budget

## Highlights

- ✓ \$368 million from Prop 39 for energy efficiency projects
  - ✓ \$320.1 million to K-12
  - ✓ \$39.6 million to community colleges
  - ✓ \$5.3 million to CA Conservation Corps
  - ✓ \$3 million to Workforce Investment Board for job training

# Governor's Budget

## Highlights

- ✓ Some one-time, some ongoing
  - ✓ LCFF: ongoing
  - ✓ COLAs to programs: ongoing
  - ✓ Adult Ed: ongoing
  - ✓ Deferral payment: one-time
  - ✓ Per ADA distribution: one-time
  - ✓ CTE, technology, ERP: one-time

# Governor's Budget

## Highlights

- ✓ No bond proposal
  - ✓ Governor wants state out of school construction except in cases of extreme need
  - ✓ Proposes streamlining agencies involved in construction
  - ✓ Higher tax rates on local bonding
  - ✓ Higher developer fees
  - ✓ Additional uses for Routine & Recurring Maintenance

# Governor's Budget

## Highlights

- ✓ Teacher & administrator support
  - ✓ Concern over beginning teacher support programs
  - ✓ Engage stakeholders on school district responsibilities in training new teachers
  - ✓ \$5 million to Commission on Teacher Credentialing for enhanced teacher prep programs
  - ✓ \$5 million for Teacher Performance Assessment and to develop Administrator Performance Assessment

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