COUNTYWIDE CHIEF BUSINESS OFFICERS MEETING
FEBRUARY 28, 2019
9:30 a.m. to 1:00 p.m.
MILPITAS ROOM

AGENDA

9:30 - 9:35 Welcome
Eric Dill, Santa Clara Unified SD
Megan K. Reilly, Santa Clara COE

9:35 - 10:05 Status of Negotiations
Terese McNamee, Los Gatos Union SD
Alvaro Meza, Gilroy Unified SD

10:05 - 10:35 Future of QSS
Nancy Torres Pfeiffer, Campbell High SD

10:35 - 11:05 “Hot Topics” Roundtable
Alvaro Meza, Gilroy Unified SD

11:05 - 11:35 State, Economic and Legislative Update
Leilani Aguinaldo, School Services of CA

11:35 - 12:20 Special Education Housing Policy
Debbie Fry, Matt Philips, Brianna Garcia, Kathleen Spencer
School Services of CA

12:20 - 1:00 Alternative Education Funding Model
Debbie Fry, Matt Philips, Brianna Garcia, Kathleen Spencer
School Services of CA

FY 2018-2019 MEETINGS

<table>
<thead>
<tr>
<th>DATE</th>
<th>TIME</th>
<th>ROOM</th>
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<tbody>
<tr>
<td>August 30, 2018</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>September 27, 2018</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Oak Grove Room</td>
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<tr>
<td>October 18, 2018</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>November 15, 2018*</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Oak Grove Room</td>
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<tr>
<td>January 24, 2019</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>February 28, 2019</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>March 28, 2019</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>April 25, 2019</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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<tr>
<td>May 23, 2019</td>
<td>9:30 a.m. - 12:00 p.m.</td>
<td>Milpitas Room</td>
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*Meeting cancelled due to CASBO CBO Symposium
State Budget Updates
State Revenues Down

State General Fund revenues for December 2018 and January 2019 combined fell short of the revised forecast by $2.3 billion, or 3%.

Majority of the January shortfall occurred in personal income tax, likely due to changes in federal tax law, which lowered estimated payments.

Personal income tax receipts in April will likely be higher, which would offset some or all of the current shortfall.

LAO* Warns of May Revise Risks

Revenue shortfall could result in downward revision to the Proposition 98 guarantee for both the current year and 2019-20.

In current year, Proposition 98 would drop 55 cents for each dollar reduction in General Fund revenues.

Example: $1 billion reduction in 2018-19 revenues would lower minimum guarantee by $549 million.

For 2019-20, Proposition 98 would drop approximately 40 percent relative to General Fund revenues.

Example: If General Fund revenue forecast were reduced by $1 billion, Prop 98 would fall $382 million.

*Legislative Analyst's Office (LAO)
The LAO projects the statutory cost-of-living adjustment (COLA) will be 3.26%, slightly less than the 3.46% COLA in the January Budget proposal.

- The state is expected to finalize the rate in late April.

Last year, the state established an automatic COLA for the Local Control Funding Formula (LCFF). Governor Gavin Newsom’s Administration now proposes to cap the LCFF COLA to the increase in Proposition 98 during years in which the guarantee does not grow sufficiently to fund the full LCFF COLA.

- Since 1990-91 the state has not funded the full K-12 statutory COLA about one-third of the time.

$576 million (of which $186 million is one time) to support expanded Special Education services at local educational agencies (LEAs) with high percentages of students with disabilities (SWDs) and unduplicated students.

- Intended to supplement services not currently included in an individualized education program and for preventative services.

These funds would be allocated outside of the current Assembly Bill (AB) 602 funding formula.
### Proposed Special Education Concentration Grant

- **$390 million ongoing and $186.6 million one time**
- Intended to supplement existing Special Education resources so as to improve outcomes for SWDs
- For school districts, county offices of education, and charter schools

55% or more low income, English Learner, or foster youth

$10,000 ongoing and $4,000 one time per SWD above the state average *

Average SWDs greater than state average

* Preliminary estimates from the Department of Finance

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### CalSTRS – Employer Contributions

The State Budget recognizes the cost pressures LEAs face with rising California State Teachers’ Retirement System (CalSTRS) employer contribution rates

- **$3 billion one-time non-Proposition 98 funds to reduce liabilities for employers**

Reduce the employer contribution rate in both 2019-20 and 2020-21 by 1% (approximately $700 million)

Remaining amount towards employers’ liability, which is expected to reduce the out-year employer contribution rate by about 0.5% (approximately $2.3 billion)
*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.
## Local Control Funding Formula

- **AB 39 (Muratsuchi)** – specifies new, higher LCFF base grant amounts, which would also increase the supplemental and concentration grant amounts.
- **AB 575 (Weber)** – adjusts the definition of “unduplicated pupils” to include pupils who are in the lowest performing student group using Smarter Balance Assessment Consortium assessments.
- **Senate Bill (SB) 729 (Portantino)** – appropriates $1 billion to the LCFF.

## Special Education

### AB 428 (Medina)
- AB 602 rate equalization to the 95th percentile
- Funding for preschool students with special needs
- Supplemental funds for students with greater needs, including students on the autism spectrum, students who are blind, visually impaired, or intellectually disabled

### SB 217 (Portantino)
- Provides school districts with $4,000 per child who is three or four years old, is an individual with exceptional needs, and is enrolled in transitional kindergarten (TK) or a preschool program.
- Requires a child to be admitted to TK if the child will turn five years old during the school year and if the child is an individual with exceptional needs. In addition to the average daily attendance that this child would generate, he or she would also generate the per child grant of $4,000.
AB 13 (Eggman) Higher Education Facilities Bond Act of 2020


AB 124 (McCarty) Preschool Facilities Bond Act of 2020

AB 123 (McCarty)
- Seeks to expand access to state preschool
- Incentivizes full day TK and a 12:1 student-teacher ratio in TK
- Intends to require that all lead teachers in State Preschool Programs have at least a bachelor’s degree and any other requirement deemed necessary by the Commission on Teacher Credentialing

AB 125 (McCarty) and SB 174 (Leyva)
- Seeks to reform the state child care and preschool reimbursement rate system into a single regionalized rate system
- Intends to improve system quality by providing improvement incentives to fund continuing education and professional development for teachers along with efforts to improve program standards

AB 197 (Weber)
- Requires districts that offer kindergarten to implement full-day kindergarten
### Charters

<table>
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<tr>
<th>Bill</th>
<th>Description</th>
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<tr>
<td>AB 1505 (O’Donnell)</td>
<td>Reforms charter authorization and renewal process</td>
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<tr>
<td>AB 1506 (McCarty)</td>
<td>Statewide cap on number of charters</td>
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<tr>
<td>AB 1507 (Smith)</td>
<td>Limits out of district charters</td>
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<tr>
<td>AB 1508 (Bonta)</td>
<td>Consideration of financial, academic, and facilities impacts of charters during authorization and renewal</td>
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<tr>
<td>SB 126 (Leyva)</td>
<td>Apply transparency provisions</td>
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### Other Education Issues

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<td>AB 218 (Gonzalez) Childhood Sexual Assault</td>
<td>Extends the civil statute of limitations for childhood sexual assault by 14 years and revives old claims for childhood sexual assault</td>
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<td>AB 500 (Gonzalez) Paid Maternity Leave</td>
<td>Requires at least six weeks paid maternity leave for certificated and classified employees</td>
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| AB 1303 (O’Donnell) CTEIG | Eliminates the K-12 Strong Workforce Program  
|                           | Increases ongoing funding for California Technical Education Incentive Grant (CTEIG) from $150 million to $450 million.  
|                           | Changes the match requirements to 1:1 beginning on July 1, 2019 |
| SB 328 (Portantino) School Start Time | Prohibits middle and high schools from starting before 8:30 a.m. |
Thank you!