

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

DATE	TIME	ROOM
August 30, 2018	9:30 a.m. - 12:00 p.m.	Milpitas Room
September 27, 2018	9:30 a.m. - 12:00 p.m.	Oak Grove Room
October 18, 2018	9:30 a.m. - 12:00 p.m.	Milpitas Room
November 15, 2018*	9:30 a.m. - 12:00 p.m.	Oak Grove Room
January 24, 2019	9:30 a.m. - 12:00 p.m.	Milpitas Room
February 28, 2019	9:30 a.m. - 12:00 p.m.	Milpitas Room
March 28, 2019	9:30 a.m. - 12:00 p.m.	Milpitas Room
April 25, 2019	9:30 a.m. - 12:00 p.m.	Milpitas Room
May 23, 2019	9:30 a.m. - 12:00 p.m.	Milpitas Room

*Meeting cancelled due to CASBO CBO Symposium

Santa Clara County Office of Education
CBO Meeting
February 28, 2019



Santa Clara County Office of Education
CBO Meeting

February 28, 2019

Presented by
Leilani Aguinaldo
Director, Governmental Relations



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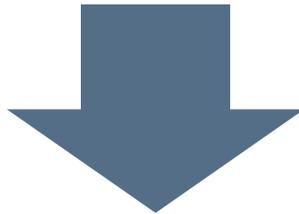
State Budget Updates

State Revenues Down

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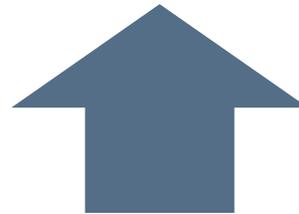
State General Fund revenues for December 2018 and January 2019 combined fell short of the revised forecast by \$2.3 billion, or 3%



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



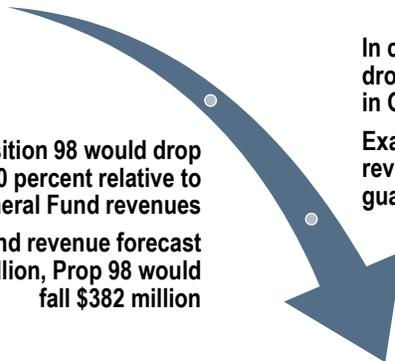
LAO* Warns of May Revise Risks

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

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



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

*Legislative Analyst's Office (LAO)

LCFF COLA

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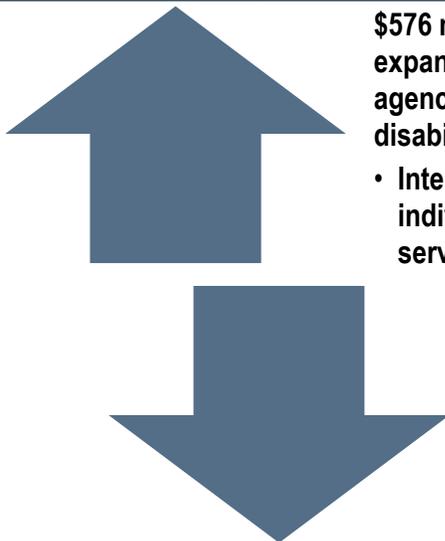
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- The LAO projects the statutory cost-of-living adjustment (COLA) will be 3.26%, slightly less than the 3.46% COLA in the January Budget proposal
 - The state is expected to finalize the rate in late April
- Last year, the state established an automatic 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

Proposed Special Education Concentration Grant

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\$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

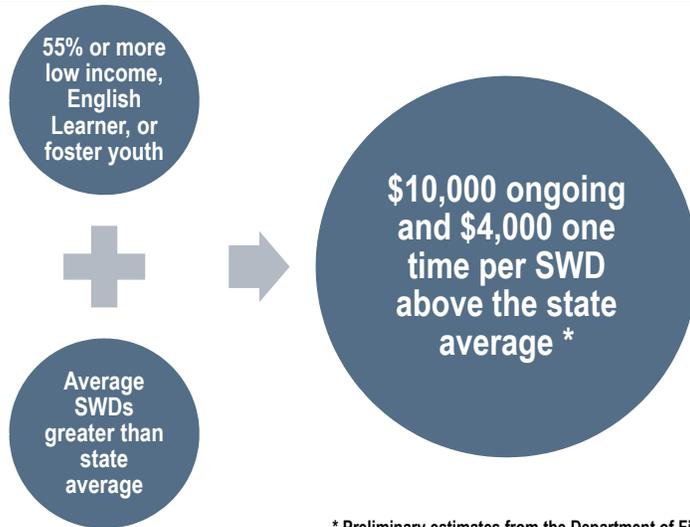
These funds would be allocated outside of the current Assembly Bill (AB) 602 funding formula

Proposed Special Education Concentration Grant

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- \$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



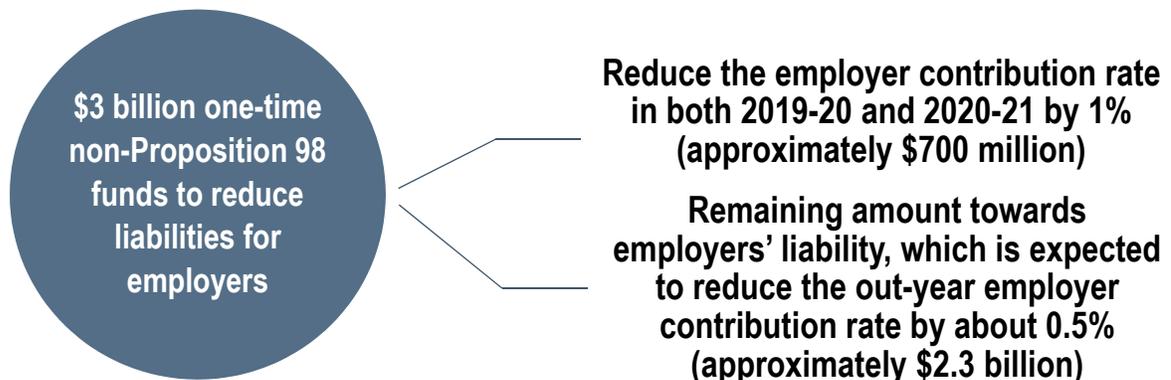
* Preliminary estimates from the Department of Finance

CalSTRS – Employer Contributions

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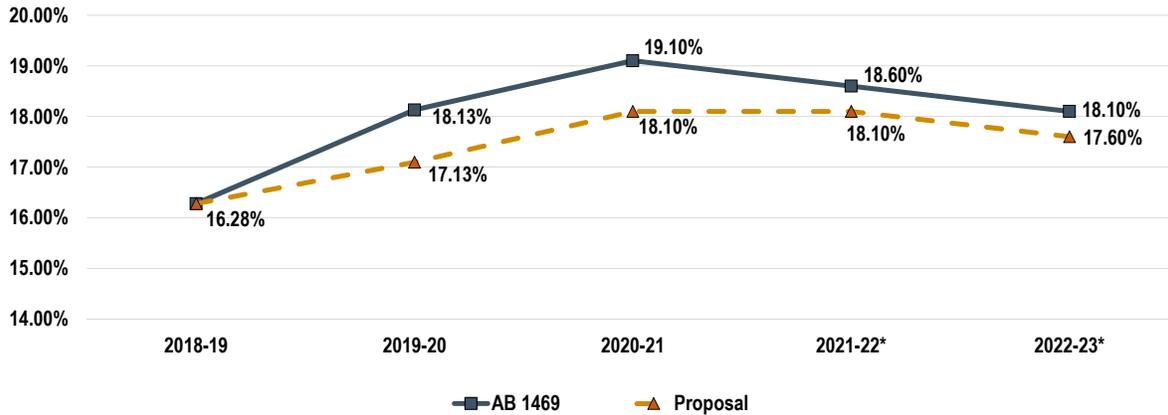
The State Budget recognizes the cost pressures LEAs face with rising California State Teachers' Retirement System (CalSTRS) employer contribution rates



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



Legislative Updates

Local Control Funding Formula

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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

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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

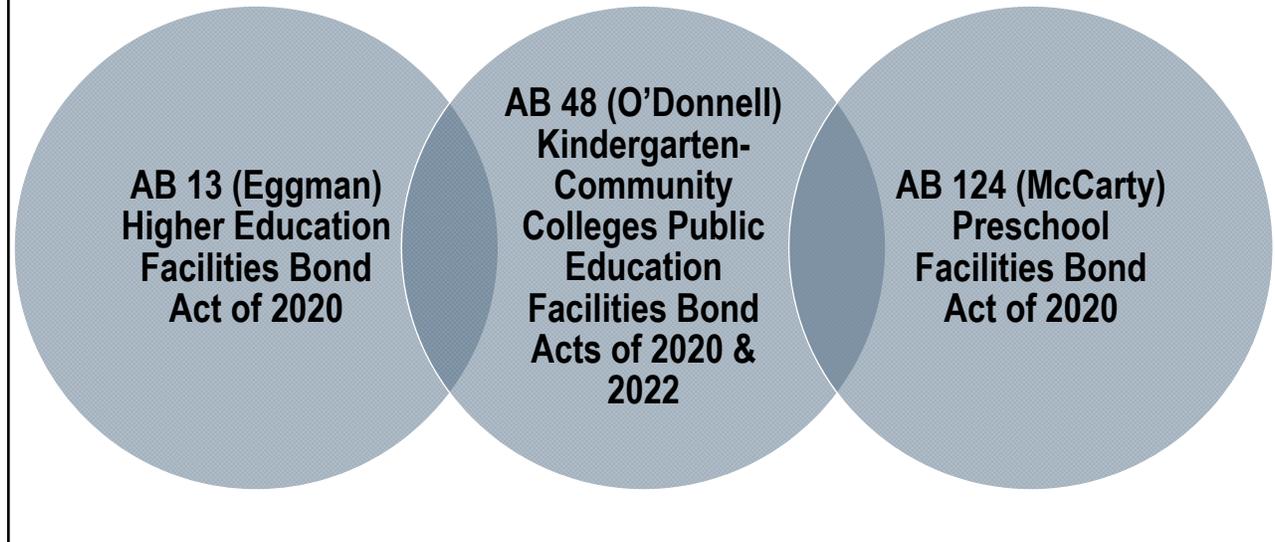
SB 217 (Portantino)

- 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.

Facilities Bonds

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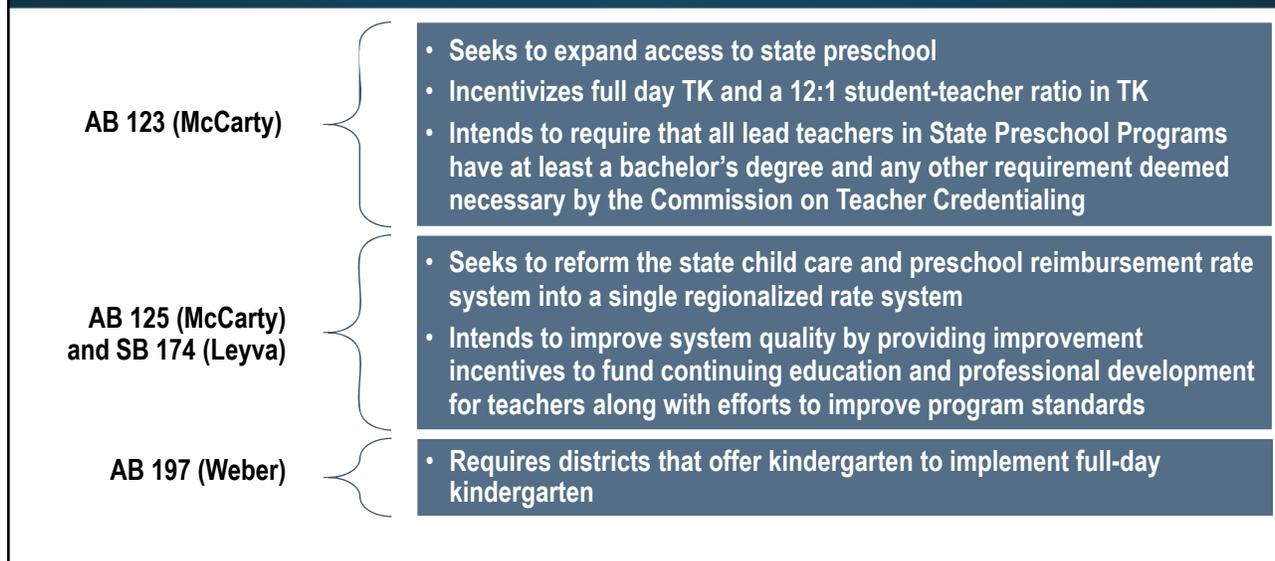
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Early Learning

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Charters

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AB 1505 (O'Donnell)

- Reforms charter authorization and renewal process

AB 1506 (McCarty)

- Statewide cap on number of charters

AB 1507 (Smith)

- Limits out of district charters

AB 1508 (Bonta)

- Consideration of financial, academic, and facilities impacts of charters during authorization and renewal

SB 126 (Leyva)

- Apply transparency provisions

Other Education Issues

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AB 218 (Gonzalez) Childhood Sexual Assault

- Extends the civil statute of limitations for childhood sexual assault by 14 years and revives old claims for childhood sexual assault

AB 500 (Gonzalez) Paid Maternity Leave

- Requires at least six weeks paid maternity leave for certificated and classified employees

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.

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