

Highlights of the May Revision:

- ◆ LCFF Gap Funding — Increases LCFF funding an additional \$661 million above the January budget to fund the 1.56% COLA and brings LCFF funding to 97% of the target.
- ◆ One-time Funding — One-time funding was increased from the January proposal. The May Revision provides a total of more than \$1 billion in one-time discretionary funding to be paid in May 2019 should 2017-18 revenue projections be met.
- ◆ Cost of Living Adjustments — Increases Proposition 98 spending by \$3.2 million in selected categorical programs for 2017-18 to reflect a change in the cost of living factor from 1.48% at the Governor's Budget to 1.56% at the May Revision.
- ◆ Special Education — In January, the Governor announced the Administration would engage stakeholders throughout the spring budget process for feedback on the current special education finance system and the recommendations included in recent evaluations of special education finance conducted by the Public Policy Institute of California (PPIC) and the Governor's Statewide Special Education Task Force. The May Revision states that "given the scope of the feedback and complexity of the program, the administration will need additional time to examine the issues before making any reform proposals."
- ◆ Preschool — Proposes to add \$112.3 million in Proposition 98 funding resulting in the following enhancements in the budget year:
 - ◆ 2,959 additional full-day State Preschool slots in the budget year.
 - ◆ Restore the full 10% reimbursement rate increase made in the 2016-17 budget.
 - ◆ Increase to the standard reimbursement rate for State Preschool by 6%.

Translation of the Governor's Budget Proposal and impacts on YCOE:

- ⇒ Cost of Living increase = +\$37,922 (to LCFF funding) approximately \$2,000 more than was proposed in January
- ⇒ End of one-time LCAP funding = -\$75,000
- ⇒ One-time mandate payment funding decrease = -\$29,000
- ⇒ As reported previously, STRS and PERS increases are significant:
 - ⇒ Increased cost of STRS across all YCOE programs = \$217,681
 - ⇒ Increased cost of PERS across all YCOE programs = \$137,217

Highlights

- ⇒ On-Going funding for County Office LCAP work has *not* been included, although there is a financial burden to provide guidance and oversight. CCSESA has undertaken major effort to secure funding for LCAP work
- ⇒ One-time funding (offsetting prior year mandate reimbursement claims) is proposed at \$170 per ADA (down from \$214). These dollars come with a caveat; they are to be apportioned ONLY IF 2017-18 State Revenue projections are met AND would not be apportioned until May of 2019. Due to uncertainty, this funding will not be included in our budget until we are certain it will arrive
- ⇒ Final year of Career Technical Education funding, program will have to be supported without funding in future years (no change with May Revision)
- ⇒ Exact increase (new daily rate) for State Preschool is currently being verified with DOF and CDE.