



June 15, 2016

MEMORANDUM

TO: Scott Day, Associate Executive Director
Lori Easterling, Manager, Legislative Relations

FROM: Jennifer Baker, Legislative Advocate

RE: *2017-18 Budget*

The following is a summary of the 2017-18 Budget as agreed on and voted on by the Legislature. Please note, these are only highlights. Please note that the Governor retains the authority to reduce appropriations.

The final budget generally respects Proposition 98 and rejects proposed manipulations of the guarantee, including the January proposal to reduce funding in 2015-16 and the May proposal to under-appropriate Proposition 98 in 2017-18. It increases funding for schools and community colleges to \$74.5 billion in 2017-18. It also includes trailer bill language (SB 104) requiring mandatory orientation for new public employees.

Unfortunately, the budget waives the Test 3B statutory requirement that schools not be cut more than the rest of the budget not only in 2016-17, but into the future until 2021. This waiver may reduce Prop. 98 spending by \$450 million in 2018-19, \$290 million in 2019-20, and \$110 million in 2020-21.

Proposition 98 Guarantee

The Proposition 98 funding remains at \$69.1 billion in 2015-16 and is \$71.4 billion in 2016-17. The Proposition 98 funding level in 2017-18 will be \$74.5 billion.

K-12 Budget

- ✓ Provides a \$1.36 billion increase in LCFF funding for a total of \$57.2 billion in LCFF funding in 2017-18. This brings the LCFF formula to 97 percent of full implementation.
- ✓ \$876 million in one-time Proposition 98 for discretionary funding. One-time discretionary funding can be spent for numerous programs such as the state-adopted academic standards.
- ✓ \$76.85 million for a 1.56 percent COLA for selected categorical programs.
- ✓ \$42.51 million increase in funding for basic aid school districts.

- ✓ \$50 million in ongoing Prop. 98 funds for the After School Education and Safety Program to address increase in the minimum wage. Note, the Prop. 98 guarantee should be rebenched upward by this same amount of \$15.36 to restore the CTE Pathways Program.

One-Time Funding

- ✓ \$25 million to reestablish the Classified Employee Teacher Credentialing Program to provide grants for classified employees to get their teaching credential.
- ✓ \$43.98 million reduction in Special Education.
- ✓ \$10 million for refugee student support.
- ✓ \$5 million for bilingual teacher professional development.
- ✓ \$5 million for a history social science pilot.

Early Education and Child Care

- ✓ \$84.2 million to annualize the 2016-17 rate and slot increases.
- ✓ \$43.67 million to increase the Standard Reimbursement Rate, which totals a six percent increase.
- ✓ \$7.945 million to add 2,596 full-day slots.
- ✓ Trailer bill language (SB 83) includes flexibility to increase enrollment for State Preschool programs by allowing part-day programs to serve three- and four-year-old children whose families are above the income eligibility threshold if those children have been identified as “children with exceptional needs.”

SB 83/AB 99 are this year’s education trailer bills.

Community Colleges

- ✓ 2016-17 Budget Act reduction of \$20.14 million to adjust the base for revised student fee revenues.
- ✓ 2016-17 Budget Act reduction of \$32.98 to lower the base for unused enrollment growth funding.
- ✓ \$57.78 million for enrollment growth.
- ✓ \$183.62 million unallocated base increase.
- ✓ \$10 million to augment the online education initiative.
- ✓ \$25.01 million to increase the full-time student success grant.

- ✓ \$1 million to augment funding for the Financial Aid Administration.
- ✓ \$5 million augment to increase part-time faculty office hours.
- ✓ \$25 million to fund the community colleges completion grant.
- ✓ \$5 million to provide funding for Veterans Resource Centers.
- ✓ \$2.5 million to fund the Umoja Program.
- ✓ \$503,000 to fund a cost-of-living-adjustment on the Mandates Block Grant.
- ✓ \$1.7 million increase of non-Prop. 98 funds to increase Cal Grant C from \$547 to \$1,094.

One Time Funding

- ✓ \$76.86 million for deferred maintenance and instructional equipment.
- ✓ \$63.68 million for the guided pathways program.
- ✓ \$20 million to fund innovation awards.
- ✓ \$6 million to fund the integrated library system.
- ✓ \$11.3 million to support the transition of Compton College.
- ✓ \$8 million for economic development grants for high unemployment areas of the state.
- ✓ \$7 million for veteran's resource centers (\$2 million will be for Norco College).
- ✓ \$4.5 million to support mental health services.
- ✓ \$2.5 million to support training and compliance with Title IX as proposed in SB 169 (Jackson).
- ✓ \$2.5 million for Hunger-Free Campus grants as proposed in AB 453 (Limòn).

California State University

- ✓ \$157 million increase in base funding.
- ✓ \$20 million increase for enrollment growth.
- ✓ \$2.5 million for Hunger Free Campus grants.
- ✓ \$2 million for equality employment opportunities.

- ✓ \$5 million for additional counselors.

One Time Funding

- ✓ \$12.5 million for the graduation initiative (one-time)
- ✓ \$2 million for Palm Desert off-campus center

SB 85/AB 101 are the higher education trailer bills.

cc: Joe Nuñez
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