



MEMORANDUM

DATE: May 21, 2015

TO: Board of Trustees

FROM: Antwan Wilson, Superintendent
Vernon Hal, Senior Business Officer
Ruth Alahydoian, Chief Financial Officer

RE: 2015-16 Governor's May Revision – Executive Summary for Board

The purpose of this memo is to provide the background and summary of the Governor's May Revision to the 2015-16 Budget. This is for information only. No action is required.

Background – The process of developing the State's budget for 2015-16 began with the Governor's Proposed Budget in January and continues with the May Revision. The legislature is expected to hold hearings and take a final vote by June 15, with the Governor's signature and a final budget by June 30.

The May Revision incorporates changes in economic conditions and anticipated State revenues, as well as input from the legislative hearings and discussions with stakeholders since the release of the Proposed Budget in January. We presented a summary of the Proposed Budget to the Board on January 28, 2015. We will provide a similar summary presentation to the Board on May 27, 2015.

Highlights of the Governor's May Revision are:

- The May Revision provides an additional \$3.1 billion of one-time for education funding in 2014-15
 - Estimate of one-time funding for OUSD: **\$20 million**
 - Original Estimate: **\$6.4 million (increase of \$13.6 million)**
- The Governor proposes adding \$2.1 billion to the \$4 billion proposed in January for 2015-16 LCFF growth, for a total of \$6.1 billion.
 - Gap closure rate goes from 32.19% to 53.08%
 - Estimate of LCFF Funding for OUSD: **\$335.3 million**
 - Original Estimate: **\$320.4 million (increase of \$14.9 million)**
- Other Programs that are proposed for additional funding. These are not as significant, but are an indication of support for these programs (we don't have OUSD estimates yet):
 - Special Education (PEC) - \$50.1 million ongoing; \$10 million one-time.
 - Career Technical Education - \$400 million in 2015-16, \$300 million in 2016-17, \$200 million in 2016-17.
 - Child Care and Preschool - \$48.8 million additional funding for CalWorks; \$13.5 million additional funding for State Preschools.
 - Adult Education - \$500 million for Adult Education Block Grant.
 - Internet Infrastructure - \$100 million one-time funding.