



**OAKLAND UNIFIED  
SCHOOL DISTRICT**

*Community Schools, Thriving Students*

# Update on California Budget Governor's May Revision



Presented to Board of Directors, OUSD

May 25, 2016

[www.ousd.org](http://www.ousd.org)



@OUSDnews

### Our Mission

Oakland Unified School District (OUSD) will build a Full Service Community District focused on high academic achievement while serving the whole child, eliminating inequity, and providing each child with excellent teachers, every day.

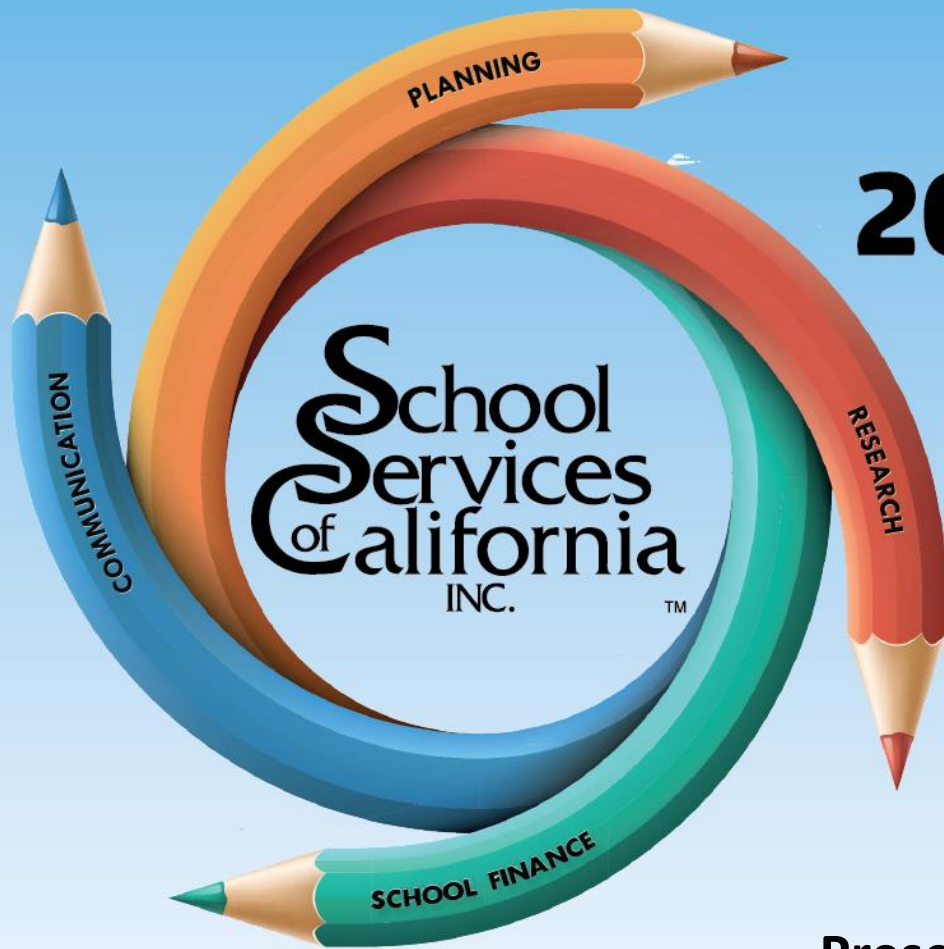
### Our Vision

OUSD students will find joy in their academic experience while graduating with the skills to ensure they are caring, competent, fully-informed, critical thinkers who are prepared for college, career, and community success.

### I Am Oakland Unified

Our belief is that significant improvement in student outcomes is driven at the school level. Our every action centrally is in the service of one purpose: building quality community schools that prepare students for college, career, and community success.





# 2016 May Revision Workshop

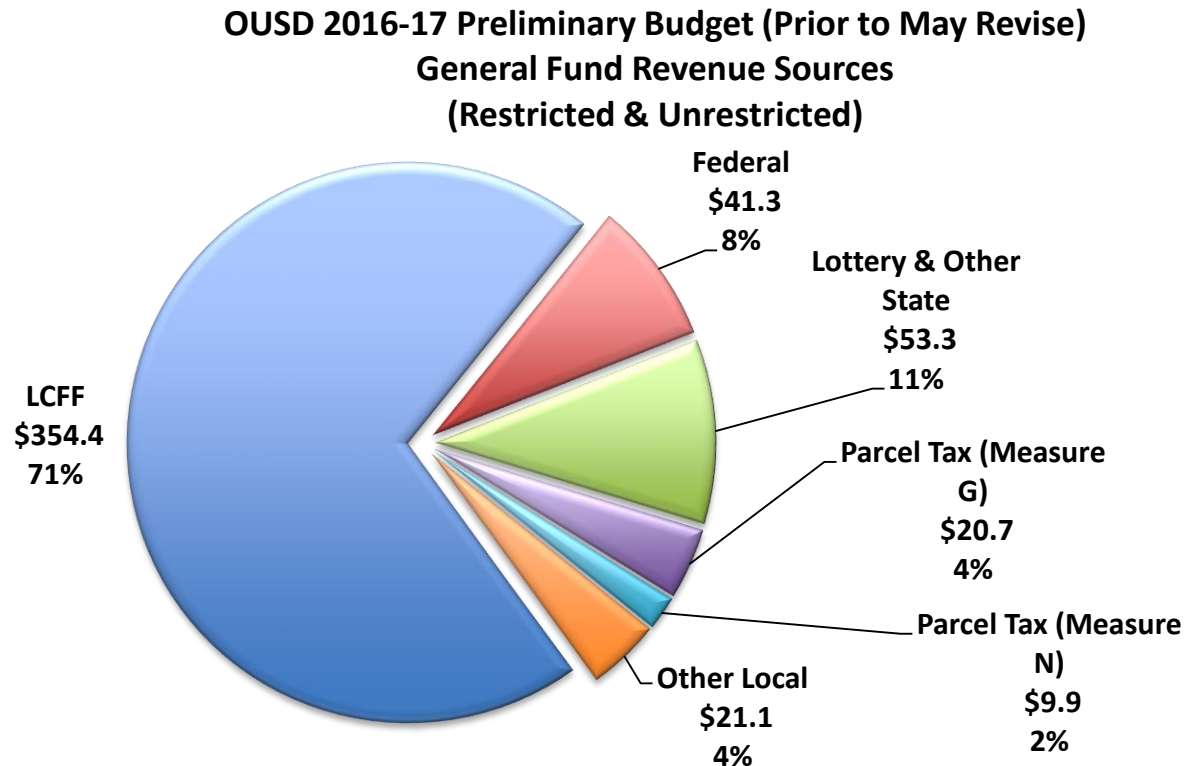
Oakland Unified  
School District

Presentation to the Board of Education  
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# Why Should OUSD Care?

**Q: Why should OUSD care about the Governor's Budget?**

**A: Because 82% of the District's General Fund Resources are anticipated to come from the State.**



# Highlights of the May Revision

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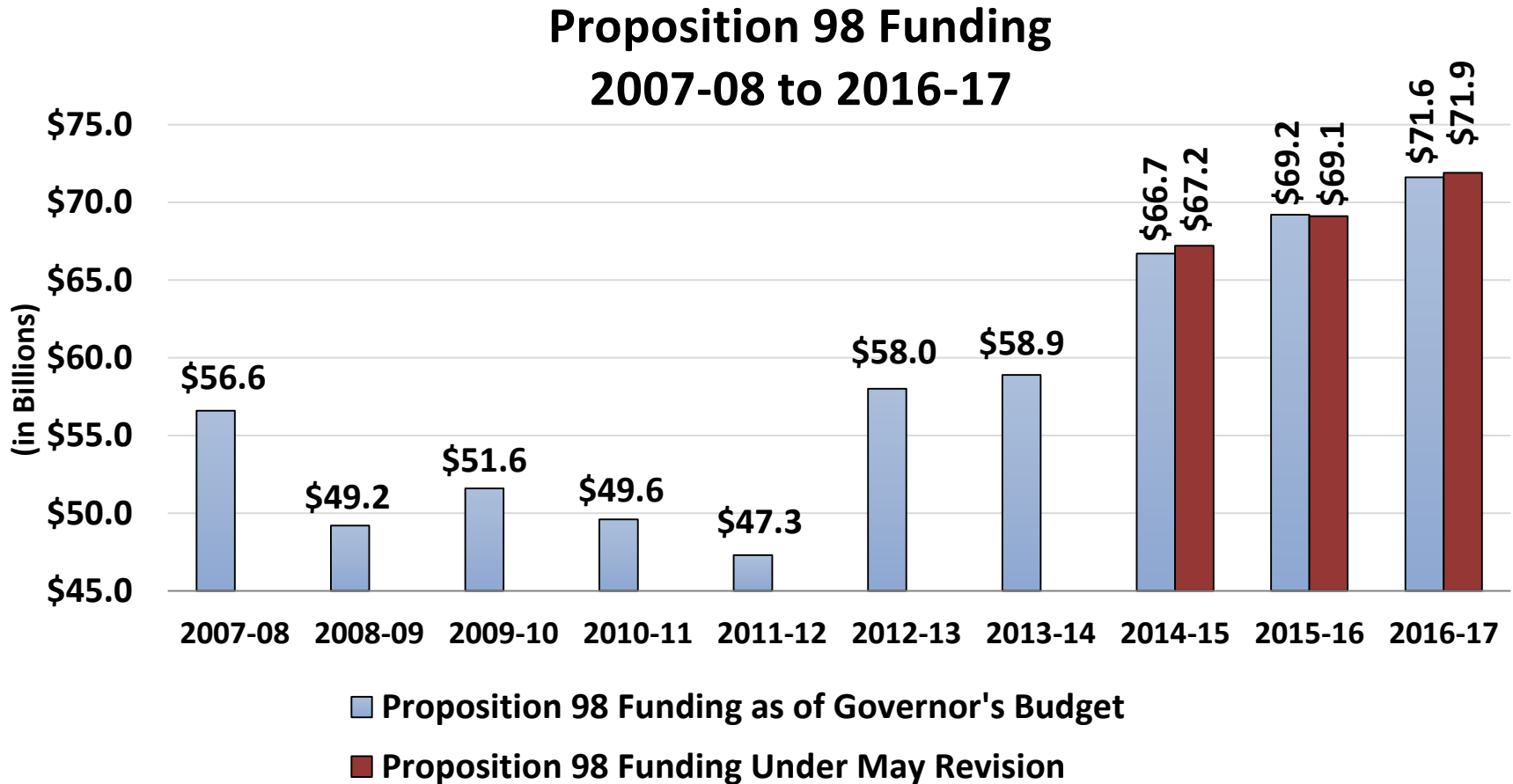
**Proposition 98 (the minimum State funding requirement for education) is rising, but at a much lower rate.**

**These gains are largely attributed to the repayment of the deficit imposed on K-14 education during the recession**

**However, both one-time and ongoing revenues to education grow slightly above the January forecast for 2016-17**

**Now is the time to start preparing for slower growth**

# Proposition 98 Funding Over Time



# 2016-17 Local Control Funding Formula

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The May Revision projects that the Local Control Funding Formula (LCFF) will be 95.7% implemented in 2016-17. At full implementation, the supercharged increases are over, all local educational agencies (LEAs) just get a cost-of-living adjustment (COLA)

New funding is estimated to close the gap between 2015-16 funding levels and LCFF full implementation targets by 54.84%

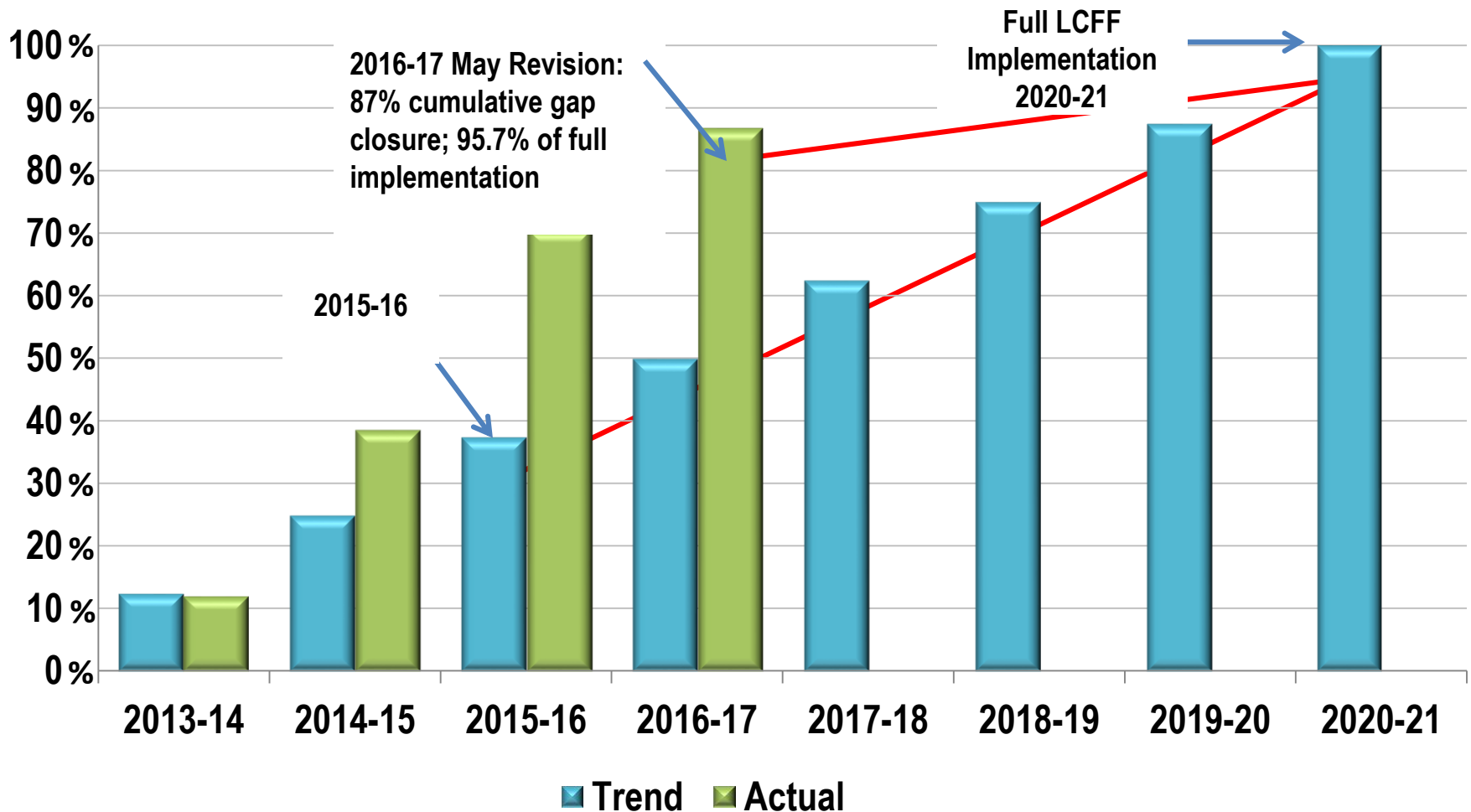
87% of the gap closed in the first four years

Reaching to 95.7% of the targeted funding levels in 2016-17

No COLA on the LCFF base grant targets

2016-17 LCFF growth provides an average increase in per-pupil funding of 5.94%, or \$520 per ADA

# Progress Toward LCFF Implementation





# Statutory COLA Goes to Zero

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**The Governor's January Budget estimated the 2016-17 statutory COLA for K-12 education programs at 0.47%**

**In the May Revision, the COLA is reduced to zero (0) – there will be NO COLA increase over 2015-16 funding levels**

**The categorical programs that will feel the squeeze as costs continue to rise, include:**

**Special Education**

**Foster Youth**

**Child Nutrition**

# One-Time Funds

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**The Governor's Budget includes \$1.4 billion in discretionary one-time Proposition 98 funding, up from \$1.2 billion in January Budget**

**Equal to about \$237 per ADA, up from \$214 in January**

**This is not a mandate and the funds can be used for any one-time purpose**

**However, any funds received will offset state obligations for any local educational agency (LEA) with outstanding mandate reimbursements, consistent with the approach used in the 2014 and 2015 Budget Acts**

# Special Education

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**The May Revision contains no state special education funding increases**

The COLA is reduced from 0.47% in January to 0% in May

**The federal funding contribution to pay for the federal special education mandate continues to be a dismal 10% of the total special education cost, the state funds approximately 42%, while the LEA local General Fund contribution funds nearly 48%!**

# Preschool/Early Childhood Education

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**In January, Governor Brown proposed consolidating funds from Transitional Kindergarten (TK), the State Preschool Program, and the Quality Rating and Improvement System, totaling \$1.6 billion, to create a new Early Education Block Grant program (EEBG)**

**The EEBG is intended to provide prekindergarten programs to the state's neediest four-year-olds:**

**Homeless children**

**Foster youth**

**Children with exceptional needs**

**Children at risk for abuse or neglect**

**English learners**

**Low-income children**

**Eliminates TK beginning July 1, 2017**

# Early Education Block Grant 2.0

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## Governance

- Districts will provide prekindergarten programs
- Districts may contract with private providers

## Planning

- Districts must develop and adopt three-year community early learning plans
- EEBG enrollment and the unmet need within district boundaries

## Programming

- Minimum school day and year equivalent to district's kindergarten program
- Locally-determined curriculum, Preschool Learning Foundations encouraged

## Finance (Beginning in 2017-18)

- Per-pupil rate: \$6,200 with annual COLA
- Districts may create family fee schedules for non-income eligible children

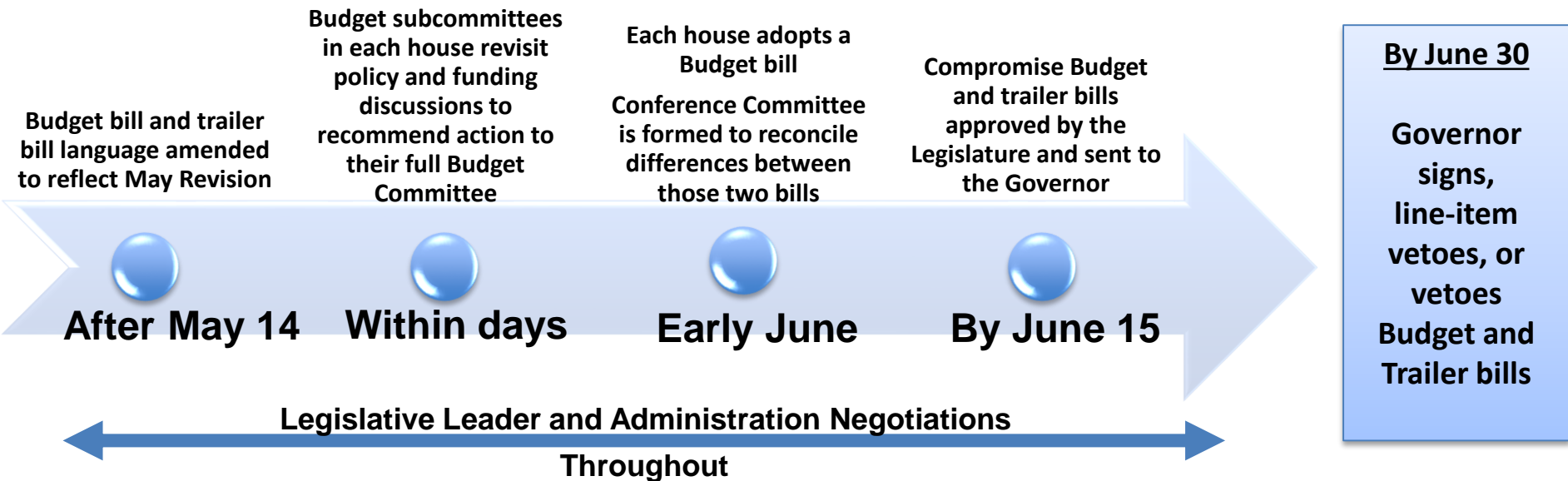
# What Does the Governor's May Revision Mean for OUSD?

**The Governor's May revision results in minor changes from earlier projections, which were a substantial increase from the current year (15-16) (in millions):**

<b>Proposed Budget Changes</b>	<b>January Budget</b>	<b>May Revision</b>
<b>Add'l On-Going LCFF Funding (On-going)</b>	\$16.7	<b>\$18.0</b>
<b>One-Time Discretionary Block Grant (One-Time)</b>	\$7.6	<b>\$8.4</b>

# Enacting the State Budget – CliffsNotes™ Version

While the State Budget process is complicated and covers six months, here's the CliffsNotes™ version of the process between the May Revision and the new fiscal year



# Next Steps – Local Level

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**Budget Development will incorporate newest projections of revenue from May Revision.**

**Third Interim Report to the Board tonight and to the County by June 1.**

**First Reading and Public Hearing of 2016-17 Budget and Revised LCAP on June 8.**

**Final Adoption of the 2016-17 Budget & LCAP by the Board by June 30.**



# ***EVERY STUDENT THRIVES!***



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1000 Broadway, Suite 680, Oakland, CA 94607

[www.ousd.org](http://www.ousd.org)



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Contact us Budget Services

Phone: 510.879-8588 | Email: [budget@ousd.org](mailto:budget@ousd.org)