

## The 2017-18 State Budget

On June 27<sup>th</sup>, Governor Brown signed the 2017-18 State Budget. Despite continued uncertainty at the federal level, the budget included increases to the education budget at nearly every level. Proposition 98 is at \$74.5 billion, which is an increase of \$2.6 billion over the 2016 Budget Act level. The education budget continues to prioritize fully-funding the Local Control Funding Formula (LCFF) for K-12 and dedicated funding to several key initiatives at the early childhood, K-12, and community college levels.

Several CFT budget priorities, including \$5 million additional dollars for Part-Time Faculty office hours and an additional \$25 million for the Classified School Employee Teacher Credentialing program, were included in the final budget. The budget also included an expansion of the Earned Income Tax Credit and the continued funding of Early Childhood Education as designated in last year’s budget process. However, there is an ongoing issue related to Proposition 98 funding in future years which could cut future K-14 funds by \$850 million. CFT and others are working to repeal this proposal, so stay posted for more information on this over the coming weeks.

As changes at the federal level begin to have a fiscal and policy impact on our state, we will continue to need to figure out solutions to the challenges we will face. Exploring additional progressive revenue initiatives, such as commercial property tax reform, defending our students and communities through the Sanctuary Schools movement, and ensuring that we continue to advance key policy initiatives will be critical over the coming year.

See below for highlights from the Education Budget and stay tuned this fall as our work continues.

### Child Care and Development

	2017-18 State Budget	Notes for Negotiators
COLA	Statutory COLA is 1.56%.	
State Preschool	\$7.9 million for 2,959 more State Preschool slots (starting March 1, 2018).	
Reimbursement Rates	\$92.7 million to raise the Standard Reimbursement Rate.  \$40.6 million to increase the Regional Market Rate beginning January, 2018.	

### K–12 Education

	2017-18 State Budget	Notes for Negotiators
COLA	Statutory COLA is 1.56%	
Local Control Funding Formula (LCFF)	Increase of \$1.4 billion for LCFF. At 97% of targeted funding levels.	LCFF funding looks very different by district. Simulators are available to estimate LCFF funding for each individual K-12 district.

Class Size Reduction (CSR)	Under LCFF, districts that are moving toward or already meeting a ratio of 1:24 in K-3 will receive an adjustment to their LCFF base grant of up to 10.4%.	Districts that negotiate a different ratio as part of a collectively bargained agreement can still receive the adjustment of 10.4%.  Districts must meet the 1:24 ratio at every school site or they will risk loss of funding.
Categorical Funding	Remaining categorical programs under LCFF will receive the COLA of 1.56%.	Categorical programs remaining under LCFF include Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, American Indian Early Childhood Education Program.
Discretionary Funding	\$877 million in discretionary one-time funding. This will be divided by ADA among school districts (including basic aid), charter schools, and county offices of education. Approximately \$147 per ADA.	These dollars are entirely discretionary. There is language in the trailer bill providing guidance for the use of these dollars including professional development and induction programs.
K-12 Mandate Block Grant (MBG)	COLA of 1.56% (\$3.5 million).	
Proposition 39 (Energy Efficiency)	\$367.2 million.	Potential opportunities for professional development and training for classified employees as schools modernize or replace equipment or institute new energy efficiency practices.
Career Technical Education (CTE)	\$200 million for CTE Incentive Grant Funding.	This is the final year of the three-year grant program for CTE. Beginning in 2018-19, districts will have to use LCFF dollars to support CTE programs.
County Offices of Education (COEs)	\$7 million for COEs to provide Local Control and Accountability Plan (LCAP) support to districts.	No COE will receive less than \$80,000.
Basic Aid Districts	Basic Aid Districts that continue to have higher local property tax revenue than their LCFF allocation will remain basic aid.  Basic Aid districts are required to increase and improve services for unduplicated pupils as if they were receiving supplemental and concentration grants.  Basic Aid districts also must lower class sizes as if they were receiving K-3 grade span adjustment funds.	Basic Aid districts will receive the one-time discretionary dollars.
Special Education	1.56% COLA.	The Governor has stated that his office will be examining Special Ed funding in the coming months.
After School and Education Safety Program (ASES)	Increase of \$50 million in one-time funds.	This funding will increase provider reimbursement rates for the ASES program.

Refugee Student Support Program	\$10 million in one-time funds.	To provide additional services for refugee students.
California Equity Performance and Improvement Program	\$2.5 million in one-time funds.	These funds are to support and build capacity within local educational agencies and the State Department of Education to promote equity in California public schools.
California-Grown Fresh School Meals Grant Program	\$1.5 million in one-time funds.	One-time grants to encourage the purchase of California-grown food by schools.
History/Social Science and Health Curriculum Framework Support	\$10 million in one-time funds.	
History-Social Science Pilot (by the California Historical Society)	\$5 million in one-time funds.	
California Regional Environmental Education Community Network	\$4 million in one-time funds.	
Professional Development on the Next Generation Science Standards	\$502,000 in one-time funds.	
Teacher Workforce	<p>Total of \$41.3 million in one-time Proposition 98 and Federal Title II dollars.</p> <p>\$25 million in one-time funding for The Classified School Employee Credentialing Program.</p> <p>\$11.3 for a one-time grant program to assist local education agencies in attracting and supporting educators in high-need subjects and schools.</p> <p>\$5 million for one-time grants to support professional development for teachers and paraprofessionals in bilingual and multilingual settings.</p>	<p>The Classified School Employee Credentialing Program provides grants to K-12 local educational agencies to support recruitment of non-certificated school employees to become certificated teachers in California schools. With the addition of the \$25 million in the 2017-18 budget, there is a total of \$45 million available for these grants.</p>
Community Schools and Restorative Justice Grants	\$10.7 million	These are Proposition 47 dollars available for the implementation of community schools and restorative justice programs.

## Adult Education

	2017-18 State Budget	Notes for Negotiators
Adult Education Block Grant	No changes to the Adult Education Block Grant of \$500 million.	

## Community College

	2017-18 State Budget	Notes for Negotiators
COLA	Statutory COLA of 1.56%.	
Base Funding	\$183.6 million in Proposition 98 dollars for base funding/general operating expenses.	These dollars can be used for salary and benefits, professional development, and converting part-time to full-time faculty, among other expenses.
Growth	\$57.8 million for increased access (enrollment growth funding of 1%).	
One-time dollars	\$40.7 million in one-time dollars to be allocated on a FTES basis.	
Deferred Maintenance	\$76.9 million in one-time dollars.	For deferred maintenance projects, instructional equipment, and certain water conservation projects.
Part-Time Faculty Office Hours	\$5 million increase.	Total funding of \$12,172,000.
Proposition 39 (Energy Efficiency)	\$46.5 for energy efficiency projects in Community College Districts.	Potential opportunities for professional development and training for classified employees as districts modernize or replace equipment or institute new energy efficiency practices.
Innovation Awards	\$20 million in one-time dollars.	These awards provide funding for the development and implementation of innovative practices.
Guided Pathways Program	\$150 million for Guided Pathways grants.	These grants are to support colleges to develop an integrated approach to student success.
CCC Completion Grant	\$25 million	These grants provide up to \$2,000 to students who demonstrate financial need, take at least 15 units per term, and are on a path toward graduation.
Full-Time Student Success Grant	\$25 million	This will increase the Full-Time Student Success Grant to \$500 per semester.
Online Education Initiative	\$10 million	This funding is to provide system-wide access to the Online Education Initiative's learning management system.
Veterans Resource Centers	\$10 million (\$5 million in one-time).	These funds are for the development and enhancement of veterans' resource centers.
Integrated Library System	\$6 million	This will eventually allow all California community college students access to a cloud-based library system.
Umoja Program	\$2.5 million	For support and expansion of the Umoja program.

Mental Health Services	\$4.5 million in one-time dollars.	For support of mental health services training.
Title IX	\$2.5 million in one-time dollars.	To support training and compliance with Title IX.
Hunger-Free Campus Grants	\$2.5 million in one-time dollars.	
Cal Grant C	\$1.7 million in non-Proposition 98 dollars to increase Cal Grant C from \$547 to \$1,094 annually.	
Compton College	\$11.3 million in one-time dollars.	To support the transition of Compton College from a learning center back to a community college.
Categorical Programs	1.56% COLA for categorical programs.	Categorical programs receiving the COLA include the Apprenticeship, EOPS, DSPS, CalWORKs and Child Care Tax Bailout programs.

## University of California

	2017-18 State Budget	Notes for Negotiators
General Fund Increase	\$182.2 million increase.	\$162.2 million in base augmentation funds. \$20 million for increased enrollment.
Graduation Initiative	\$12.5 million	
Hunger-Free Campuses	\$2.5 million	
Equal Employment Opportunity Programs	\$2 million	

## CalPERS and CalSTRS

	2017-18 State Budget	Notes for Negotiators
CalPERS	For 2017-18 the employer contribution rate is projected to go up to 14.43% from 12.58% in 2016-17.	There is no money specifically set aside in the Budget to cover the increase in PERS.
CalSTRS	For 2017-18 the employer contribution rates will go up to 15.531% from 13.888% in 2016-17.	There is no money specifically set aside in the Budget to cover the increase in STRS.

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