

## The 2015-16 State Budget

The 2015-16 State Budget reflects increased funding in all areas of education. Total general fund expenditures are \$115 billion and the budget includes a reserve of \$3.4 billion. Proposition 98 funding is \$68.4 billion, an increase of \$7.6 billion from the 2014-15 Budget Act. The budget also eliminates over \$7 billion in debt, including \$1 billion in K-12 deferrals and \$4.5 billion toward mandate reimbursements for school districts, community colleges, and local governments.

The 2015-16 budget reflects growth in our state economy but significant need remains throughout the education system and many other areas of the budget. The expiration of Proposition 30 reinforces the need to address our structural revenue challenges and focus our efforts on new revenue initiatives so that all of our state’s critical programs and priorities can be fully funded in future years.

### Child Care and Development

2015-16 State Budget	
COLA	1.02% COLA for capped child care programs.
State Preschool	Total of \$2.8 billion for early learning and childcare slots.  \$34.4 million increase for full-day state preschool for an additional 7,030 slots. Budget annualizes \$36 million for 4,000 slots that opened June, 2015.  \$12 million for part-day preschool with priority for students with special needs.
Provider Rates	1% increase for part-day preschool  5% increase for full-day state preschool.
CalWORKS	\$116 million increase for caseload and cost of care adjustments.

### K–12 Education

2015-16 State Budget	
COLA	Statutory COLA is 1.02%
Local Control Funding Formula (LCFF)	Total of \$53.1 billion for LCFF. \$6 billion increase from 2014-15. This will close the LCFF “gap” by more than 51%.
Class Size Reduction (CSR)	No changes for CSR regulations.  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%.
Career Technical Education (CTE)	Under LCFF districts that have certain CTE classes in 9-12 will receive an adjustment to their LCFF base grant of 2.6%.  In addition to the LCFF CTE adjustment, there are additional one-time funds for a CTE Incentive Grant Program.

Categorical Funding	Remaining categorical programs under LCFF are subject to the 1.02% COLA.
Discretionary Funding	<p>\$3.2 billion in discretionary one-time funds.</p> <p>The Department of Finance estimates that this will result in \$530 per ADA.</p>
Technology Infrastructure	<p>\$50 million in one-time funding for technology infrastructure.</p> <p>\$10 million in one-time funding to provide professional development and technical assistance for technology issues.</p>
Proposition 39 (Energy Efficiency)	\$313.4 million for energy efficiency projects for K-12 schools.
Facilities	\$273.4 million in one-time dollars to the Emergency Repair Program.
Deferrals	\$897 million in deferral repayments. This will eliminate all remaining deferrals.
County Offices of Education (COEs)	<p>COLA is 1.02%.</p> <p>COLA only applies to COEs who are at their LCFF target. If they are more than 1.02% above their target they will not receive additional funding under LCFF this year.</p> <p>\$40 million of the \$3.2 billion in discretionary funding will go to COEs.</p> <p>Funds will be distributed based on county-wide ADA and the number of school districts in the county. These funds are intended to assist COE's with LCAP responsibilities.</p> <p>COEs also receive the \$530 ADA of discretionary, one-time funding.</p>
Basic Aid Districts	<p>Basic Aid Districts that continue to have higher local property tax revenue than their LCFF allocation will remain basic aid.</p> <p>Basic Aid Districts will receive the \$530 per ADA in one-time funds as part of the \$3.2 billion in discretionary K-12 funding.</p>
Charter Schools	<p>Charter Schools are also funded under LCFF and the new LCFF formula.</p> <p>\$530 per ADA to Charter Schools from the \$3.2 billion in discretionary funds.</p>
Special Education	<p>1.02% COLA. Estimated COLA is \$5.38 per ADA.</p> <p><b>\$60.1 million proposed for Early Intervention, Preschool, and Alternative Dispute Resolution programs.</b></p> <p>\$50.1 million in ongoing funding and \$10 million in one-time funding.</p>
Educator Support	\$490 million in one-time funding for activities that promote educator quality and effectiveness for certificated staff.
District Reserves	<p>Beginning in 2015-16 there will be an enhanced transparency process for districts that propose a reserve higher than the minimum requirement.</p> <p>A cap on reserves will be triggered upon several conditions related to Proposition 98 and the transfer of funds into the Public School Stabilization Fund. If the cap is triggered districts would be prohibited from having reserves in excess of two to three times the minimum requirement.</p>

## Adult Education

2015-16 State Budget	
Adult Education Block Grant	\$500 million to establish an ongoing funding source for Adult Education programs.  \$25 million in one-time funds to assist consortia in establishing data systems.

## Community College

2015-16 State Budget	
COLA	Statutory COLA of 1.02% is funded.
Growth (Access)	Enrollment growth funded at 3% (\$156.5 million).
Base Funding (General Operating Increase)	\$266.7 million in base allocation increases.
Deferrals	\$94.5 million to fully pay down all remaining deferrals.
Mandates	\$632 million in one-time funds to pay down outstanding mandate claims.
Proposition 39 (Energy Efficiency)	\$38.7 million for energy efficiency projects in Community College Districts.
Student Success and Support Program (SSSP) and Equity	\$200 million increase in the SSSP. This includes \$100 million for matriculation and counseling services through SSSP; \$85 million for Student Equity Plans; \$15 million for Institutional Effectiveness Partnership Initiative.
Full-time Faculty	\$62.3 million in ongoing funds to support an increase in full-time faculty hiring.
Deferred Maintenance and Instructional Equipment	\$148 million in one-time funds for deferred maintenance, instructional equipment, and drought resistance.
Basic Skills and Student Outcomes Transformation Program	\$60 million in one-time funds.
Basic Skills Partnership Pilot Program	\$10 million in one-time funds.
Categorical Programs	\$2.5 million to fund the 1.02% COLA for EOPS, DSPS, CalWORKs, and the Childcare Tax Bailout programs.
Apprenticeship Programs	\$29.1 million for expansion of Apprenticeship Programs.

## University of California

2015-16 State Budget	
General Fund Increase	\$120 million in new ongoing funding. No fee increases.
Pension Liability	\$96 million in one-time funding from Proposition 2 to assist with pension liabilities.

## CalPERS and CalSTRS

### 2015-16 State Budget

CalPERS	For 2015-16 the employer contribution rate will go up to 11.847% from 11.771% in 2014-15.
CalSTRS	For 2015-16 the employer contribution rates will go up to 10.73% from 8.88% in 2014-15.

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