1. **State News**

- Everyone is awaiting the Governor’s May Revise on May. There has been very little early information about what will be in the Revise, except for the fact that the Governor’s number one priority is to fully fund LCFF.

- March revenues continued to be above budget projections by over 700 million, largely because of personal income and corporation taxes performing above expectations.

- Since many people pay their personal income taxes on “tax day”, the Administration will be looking for April revenue numbers, before putting the final touches on the May Revise. Those numbers will also be instrumental in the negotiations between the Governor and the Legislature prior to the passage of the final budget.

- Despite the good economic news, because of Proposition 98 Test 3 and the appearance of declining ADA, there will be little change in the funds education will be owed.

- CalPERS sets their rates each year. The CalPERS Board has approved an increase in employer contributions by 2.531% above the 2017-2018 rates. The new employer contribution rate will be 18.062% for 2018-2019.

- Important funding bills which passed out of the Assembly Education Committee unanimously.
  - AB 2808 (Muratsuchi) which would increase LCFF base grants by almost 60% beginning in 2019-2020.
  - AB 3136 (O'Donnell) Special Education funding bill to provide funds for equalization, preschool and high cost students.

**A BIG THANKS to our members who worked hard to get a support position from ACSA. CSBA has also taken a support position.**

- ADA adjustment included in AB 3136 (see attachment). Jack has provided a summary of the issue and proposed action.

- It is important to continue to share data with stakeholders. A sample chart was shared that showed the special education funding and the local general fund contribution compared to the funding for CalSTRS and CalPERS.

2. **Federal News**

- On April 12th, the State Board unanimously agreed to submit the State’s revised version of the ESSA State Plan to the U.S. Department of Education. The major revision included:
A methodology for identifying the lowest performing Title I schools. CDE wanted to use the same identification of districts being used with the Dashboard. However, the DOE mandated that the identification must be by school.

The State Board also agreed to pursue a waiver of the ESSA statue for identifying English Learner proficiency, including reclassified and long-term English Learners.

### Special Education

- **Strategies for dealing with the merger of Resource #3310 and Resource #3320 next year** were discussed. Although Resource #3310 and Resource #3320 will be combined in the 2018-2019 year, SELPAs must determine how to adjust for the change. If they have high school districts or LEA Charters that do not serve Preschoolers, they may need to look at their allocation methodology.

- **Private School Proportional Share (PSPS) – Plan Type 70.**
  In speaking with Shyiloh, she is not sure why Plan Type 70 is included in the PSPS. She indicated Play Type 70 is only for initials that year for private school students eligible but not being served. I have asked that she and Chris Essman get together and provide information to the field. I will follow-up with Chris when he returns from vacation.

- **Update on Out of Home Bed Funding.**
  A meeting was held at CDE on May 4th. In attendance were: Kristin Wright, Heather Carlson, Renzo Bernales, Jacqueline Wong, Thomas Williamson, Anjanette Pelletier, Veronica Coates, Sara Jocham and Mary Samples. Anjanette presented the rationale document and the simulations that have been done. There was a great deal of discussion on what the allocation methodology should be…and if there was a need for an interim allocation methodology while CCR is still ramping up.

- **Personnel Data Report due to CDE by June 15, 2018.**
  Information and the technical guide has gone out from CDE to all SELPAs to share with their member districts.

- **Annual Budget/Service Plan due to CDE by June 30th.**
  New forms have not been posted. Use last year’s forms and change the dates. Don’t forget to have your public hearing posted in the districts/schools at least 15 days prior to the hearing.

- **Expenditure Reports – There is concern that CDE is reporting that expenditure reports have not been received from SELPAs, when SELPAs indicate they were sent long ago.** Some SELPAs have not received their federal funding from last year. You should follow-up with your business office to verify that you have received all funds for which you have submitted reports.

- **Regionalized Services/Program Specialist Funds (RS/PS)**
  The same year that LCFF was implemented, the State rolled the RS/PS SELPA funding into AB 602. The SELPAs were then required to go to their governance councils and request funds to run the SELPAs and to fund program specialists provided at the SELPA level. There is a possibility that the RS/PS funds will be pulled out of the AB 602 funds in the May Revise. It is important to note that this will not be new money…it will come out of AB 602, and may affect amounts going to districts. If this happens, you may need to check your allocation plan, to ensure it is correct.
• LEA MediCal Billing - There was a discussion regarding the ongoing audits and the fact that all new funds generated are being kept by the State to pay for the audit findings. Some school agencies will be ceasing to do LEA billing.