1. ** Governor’s January Budget Proposal 
   
   It is important to note that this is just a proposal that begins the budget process/discussion. It is likely that changes could happen by the time that the May Revise is presented.

   As reported, there is a significant additional revenue (over 5 billion) for the Governor and Legislature to consider. The Governor is proposing to use a good portion of these revenues to fill the rainy day fund.

   • General Elements of the Governor’s January proposal:

     - $3 billion to fully fund LCFF – two years ahead of schedule.
     - Proposition 98 guarantee to go up from $75.2 billion to $78.3 billion.
     - 2.51% COLA applied to LCFF base grants and all programs funded outside of LCFF.
     - $1.8 billion (approximately $295 per ADA) in one-time Proposition 98 funds for school districts, charters and COEs. These funds would also be counted as offsetting prior year mandate reimbursement claims.

       *These one-time funds may likely be a target for legislators to try to get funding for some of their initiatives.

     - $55.2 million in ongoing funding for COEs to work with school districts identified for differentiated technical assistance. $4 million in ongoing funding to provide grants to 8 COEs to serve as leads.

       The Trailer Bill discusses a base amount plus additional dollars based upon number of districts needing designated technical assistance.

     - Continue three-year plan to increase reimbursement rates and increased state preschool slots.

     - $200 million for Career Technical Education for a K-12 Strong Workforce Program.

     - Trailer Bill language for LEAs - This is the draft trailer bill language to implement the “budget crosswalk to the LCAP”:

       (b) Effective July 1, 2019, each budget shall include a summary document that links budget expenditures to corresponding goals, actions, and services in the school district’s local control and accountability plan for the ensuing fiscal year. The State Board of Education shall develop a template for the summary document by January 30, 2019. This shall include the school district’s estimate of the funds to be apportioned for increased or improved services for unduplicated pupils, pursuant to Section 42238.07. The adoption of this template by the State Board of Education shall be subject to open meeting requirements pursuant to subdivision (e) of Section 52064.

       The language will not be final until the 18/19 budget is enacted and of course could be changed between now and then.
• Special Education:
  – Essentially ignored again.
  – 2.51% COLA – approximately $13.58 per ADA with statewide target for 2018-2019 estimated at $554.57.
  – Regionalized Services Program Specialists funds to be pulled back out of AB 602 as a separate allocation. (Yay)
  – Mental Health (Resource #6512) remains adding the COLA.
  – Out of Home Bed included at $139.74 million.
  – $167 million in one-time dollars to establish an “Inclusive Education Expansion Program” administered by CDE to target the 0-5 low income and exceptional needs children. (Grant program – details not available.)
  – $100 million in one-time funding to recruit and retain special education teachers.
    ∗ Teacher Residency Grant Program - $50 million in one-time Proposition 98 funds to support locally sponsored one-year intensive, monitored, clinical teacher preparation programs aimed at preparing and retaining special education teachers.
    ∗ Local Solutions Grant Program - $50 million in one-time Proposition 98 funds to provide one-time competitive grants to LEAs to develop and implement new, or expand existing locally identified solutions that address a local need for special education teachers.
  – Due to the fact that approximately two thirds of school districts were identified for Differentiated Assistance based upon performance of students with disabilities, the Governor proposed $10 million in ongoing funding for SELPAs to work with COEs to provide technical assistance to LEAs to improve outcomes for SWDs.

    Trailer Bill language indicates that the California Collaborative for Educational Excellence (CCEE) with the approval by the executive director of the State Board in consultation with the Department of Finance would select 6-10 SELPAs to serve as lead agencies to work with county offices of education to improve student outcomes as part of the statewide system of support.

  – The proposal outlines two items designed to improve special education budgeting transparency and accountability.
    ∗ Requires SELPAs to complete a SELPA local plan template that aligns the services and resources noted in their local plans with the goals identified in their member district’s LCAPs.

    Trailer Bill language requires CDE to develop a Local Plan template including a standard format for Local Plans by March 31, 2019, and to provide assistance in their development. It appears SELPAs would have to complete a new plan by July 2020. Plans would be effective for three years. It also seems that county offices would have some role in the Local Plan approval process.