



# SAN LUIS COASTAL

## UNIFIED SCHOOL DISTRICT

### **45-Day Revise Update**

### **Impacts of the State Budget**

### **For Fiscal Year 2019-20**

The 2019-20 California State Budget (Assembly Bill 74) was signed by Governor Newsom on June 27, 2019. Ed Code 42127(i)(4) states that:

Not later than 45 days after the governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.

The following changes will be made to the San Luis Coastal 2019-20 budget and will be reflected in the revised budget that will be presented to the Board of Trustees in December.

- **Negotiated Raises**
  - The San Luis Coastal USD Board approved a 2% salary increase to all bargaining units effective 7/1/19. This increase was not approved in time to be reflected in the 2019-20 Adopted Budget. The increase to salary over what was in the Adopted Budget is estimated at \$1.2 million and will be adjusted for the 1<sup>st</sup> Interim Budget that will be presented to the Board in December.
- **STRS and PERS Rates**
  - The State Budget includes approximately \$4 billion to pay down the state's unfunded retirement liabilities. That includes about \$2.6 billion for CalPERS and \$1.1 billion for CalSTRS. These payments effectively reduce the district PERS contribution from 20.733% of salary to 19.721%, and reduce the STRS contribution from 18.13% of salary to 17.1% of salary. The savings realized from the STRS reduction is estimated at \$420,000 and the savings in PERS is estimated at about \$200,000.
- **Special Education**
  - \$492.7 million for Special Education Early Intervention Preschool. Funding will be allocated to schools on a per-pupil basis of eligible 3, 4, and 5 year-olds with exceptional needs. Funds are meant to supplement existing Special Ed resources and will be distributed directly to districts instead of going through SELPAs.
  - \$152.6 million to equalize SELPA funding. Any SELPA that is funded below the 2018-19 Base Rate adjusted by COLA will be brought up to the Statewide Target Rate of \$557 per average daily attendance. The San Luis Obispo County SELPA will receive approximately \$465,000 or about a 7% increase in special ed funding. For San Luis Coastal this will mean an increase of about \$145,000 that will offset the current district contribution made to Special Education programs.