

Friday Memo
May 20, 2016

Upcoming Events – Bruce Harter

- May 21: Continued-Special Closed Session Board Meeting, Courtyard Marriott, 8:00 AM
- May 21: Richmond High Drama Production: *Fools*, RHS Little Theatre, 7:00 PM
- May 21: Dance Production Concert, DeAnza, 7:00 PM
- May 21: Spring Dance Concert, El Cerrito, 7:30 PM
- May 23: Reclassification Awards Ceremony, Richmond Convention Center, 6:00 PM
- May 23: Subcommittee on Clay Investigation, Alvarado, 6:30 PM
- May 23: Pinole Valley Choral/Guitar Concert, DeAnza, 7:30 PM
- May 24: Ice Cream Social, Cameron, 5:00 PM
- May 24: Chavez Art Festival, 5:30 PM
- May 24: African American Academic Awards, Craneway Pavillion, 6:00 PM
- May 25: Board of Education Meeting, DeJean, 6:30 PM
- May 26: District Retirement Reception, Richmond Country Club, 5:00 PM
- May 26: MDAC, Helms, 6:00 PM
- May 26: College/Career Pathway Recognition, Richmond High, 6:00 PM
- May 26: Band Festival, DeAnza, 7:00 PM
- May 26: Berkeley Global Campus Community Working Group Meeting, Multi-Purpose Room, 440 Civic Center Plaza, Basement, 6:00 PM
- May 27: MDAC, Kennedy Library, 9:00 AM
- May 28: Middle College Graduation Ceremony, Richmond Convention Center, 10:00 AM

Next Week's Board Meeting – Bruce Harter

Closed Session for Wednesday's May 25 meeting begins at 5:30 PM.

Academic Excellence in WCCUUSD – Bruce Harter

The attached mailer is being delivered to the community this week.

Community Engagement: Parent University Graduation - Wendell Greer

Parent University graduations were celebrated this week at Helms, Montalvin, Wilson, and Lake. The final Parent University Graduation of the 2015-16 school year will be held at Grant Elementary School on Tuesday May 31st from 1:30-3:30 pm in the Multipurpose Room. A districtwide recognition for Parent University graduates is planned to be held before the June 29th Board Meeting.

Full Service Community Schools: Medi-cal Eligibility Expansion - Wendell Greer

Beginning May 16th, all low income undocumented children and youth under nineteen years of age are eligible to enroll in full-scope Medi-cal. This change in law will allow previously ineligible undocumented children to have access to the full array of health care services that students need to stay healthy and ready to learn. Families are now eligible to apply for the full scope coverage and any children already enrolled in restricted scope Medi-cal (emergency Medi-cal) will automatically be enrolled into the newly eligible full scope program. WCCUSD is working with our community health partners and School Community Outreach Workers to get the information out to students and families throughout the District.

Full Service Community Schools: Healthy Schools Program - Wendell Greer

John F. Kennedy High School received the 2016 National Healthy Schools Bronze Award for leading comprehensive health, physical activity, and wellness efforts during the 2015-2016 school year. The Alliance for a Healthier Generation will recognize Kennedy High School with the National Healthy Schools Award for transforming its environment into a healthier place at the Leaders Summit this fall.

To earn the Award Kennedy High School improved its nutrition and wellness services and physical activity programs to meet or exceed stringent standards set by the Alliance for a Healthier Generation's Healthy Schools Program.

The Healthy Schools Program provides schools guidance, professional development, access to national experts and evidence-based resources and tools to help them create and sustain healthy school environments. Schools are eligible for Bronze, Silver or Gold National Healthy Schools Awards based on their level of achievement. The Alliance's Healthy Schools Program has helped more than 28,000 schools increase quality physical activity, health education and healthy eating.

WCCUSD is in the second year of partnership with the Alliance for a Healthier Generation with twenty-six District sites participating in the Healthy Schools Program. Participating schools have made strong gains in their second year focusing on increasing school health, safety, and environment policies; health education; physical education and activity programs; nutrition services; health promotion for staff; and family and community involvement in health programs. Below is the districtwide report on year 2 progress.

May Revision of the State Budget – Sheri Gamba

Enclosed is a summary of the Governor's May Revision provided by School Services of California. In short, State revenues are less than expected in January. The modest .47% Cost of Living (COLA) increase has been reduced to zero. The May Revision includes the expiration of the Proposition 30 temporary taxes as well as adjustments to the Proposition 98 guarantees and Local Control Funding Formula (LCFF) Gap funding. Staff has calculated preliminary LCFF revenues and the overall adjustment for the district is minimal as compared to our previous estimates. However, Special Education and other State programs will have lower revenues that anticipated due to the loss of the estimated COLA which was included in the January Governor's Budget. The budget will be presented at a public hearing during the Board meeting on June 15 and for adoption on June 29.

Upcoming Public Hearing regarding the Adams Site Proposal – Lisa LeBlanc

At the May 25, 2016 Board of Education meeting, a public hearing will be held for the purpose of receiving community input on the possible sale of the Adams site to Caliber: Beta Academy. The District and Caliber previously held a community meeting at Mira Vista K-8 on May 10, 2016. Attached is an FAQ which provides information and clarification with regard to several of the questions raised at the meeting.

Public Records Log – Marcus Walton

Included in this week's memo is the log of public records requests received by the district. If you have any questions, please contact me.

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An Overview of the 2016-17 Governor's May Revision

Preface

The buzz preceding the release of Governor Jerry Brown's May Revision mainly focused on the fact that revenue collections in April were well below the level projected in January. In fact, April revenues were down so much that the overall gain from prior months was completely wiped out, leaving the state well below its January projections for 2015-16 revenues. We have enjoyed the past three years of revenue increases in May that were above the January forecasts, but we have also warned that someday the Governor's projections would miss the other way—this is that year.

Because the Rainy Day Fund deposit required by Proposition 2 is sensitive to revenue levels, the majority of the shortfall detailed below will be covered by reducing the state's contribution to the reserve. Thus, there are no budget cuts for education included in the Governor's May Revision. In fact, both ongoing and one-time dollars for education increase slightly from the planned January expenditure levels.

In January, the Governor proposed a \$1.6 billion Early Education Block Grant; despite widespread opposition, the proposal remains in the Budget with some modifications. The Governor also proposes use of \$100 million of Proposition 98 funding for an emergency repair loan program for school facilities. And the recently passed minimum wage legislation is fully funded.

Looking to the future, the Governor is careful to point out that the state's projections do not assume a recession, but do assume that Proposition 30 temporary taxes expire. Under these assumptions, the state forecasts large deficits, which grow even higher if a recession should develop.

The May Revision is silent on topics of local school district reserve levels and the effect of the California State Teachers' Retirement System and the California Public Employees' Retirement System increases. Ironically, the Governor emphasized the need for adequate reserves for the state; we think districts need an adequate reserve as well. No district is required to reduce reserves under a prospective state law that has not yet taken effect. We advise districts not to reduce reserves as we see the storm clouds forming on the horizon. We continue to seek relief in the area of increased costs of employer retirement contributions, but we advise all local educational agencies (LEAs) to budget for the increases.

Overview of the Governor's Budget Proposals

Governor Jerry Brown released the May Revision to his 2016-17 proposed State Budget on Friday, May 13, 2016. The Governor's press packet included an Aesop fable—the Grasshopper and the Ant. The lesson learned in the fable is that the ant is wise to stock up during the summer and plan for the winter, compared to the grasshopper who has played through the summer and is not prepared when winter comes. The fable concludes, "It is best to prepare for the days of necessity."

The fable reinforced the Governor's January message to plan for the effects of the next recession, whenever it may be. In his press conference, Governor Brown highlighted last month's lackluster personal income tax revenue and year-to-date weak sales tax receipts, which he estimates at \$1.9 billion below January

projections, noting “the surging tide of revenue is beginning to turn.”

In addition to the drop in anticipated state revenues, the Governor acknowledged significant developments since he released his State Budget proposal in January, including:

- Passage of legislation to gradually increase the minimum wage to \$15 an hour, which will “eventually raise General Fund costs by an estimated \$3.4 billion”
- Additional funding provided during a legislative special session for developmental disability services
- Passage of the managed care organization financing package solidifying funding for Medi-Cal

On the specifics of the Budget, General Fund revenues and transfers are proposed at \$120 billion compared to expenditures of \$122.1 billion; both of these figures were reduced by approximately \$500 million compared to the January proposal. The state would end the 2016-17 fiscal year with a fund balance of \$2.7 billion, plus \$6.7 billion in the Rainy Day Fund, a decrease of nearly \$1.3 billion since January. Proposition 2’s required contribution to the Rainy Day Fund was automatically reduced based on declining revenues and reduced capital gains expectations.

Outside of the Proposition 98 budget, the May Revision reflects \$3.2 billion in state and federal funding and award authority for various affordable housing and homelessness programs. The May Revision also continues the Governor’s transportation package to provide \$36 billion over the next decade to improve the maintenance of highways and roads, expand public transit, and improve critical trade routes.

Although during the press conference and in his May Revision summary document, the Governor officially remains neutral on the extension of Proposition 30 (“I’m leaving that to the people of California,” he said), much attention is given to the effects of the impending expiration of those taxes. The May Revision Budget summary notes, “Even if the voters pass this extension of taxes, the longer-term budget outlook would be barely balanced . . . if instead the voters do not pass the extension of taxes, the state will need to cut spending.” Furthermore, “Given that the state has added considerable ongoing commitments since [Proposition 30’s] passage, the budget is currently projected to return to deficit spending when Proposition 30 revenues expire.” Expect to hear these talking points repeated until the November 2016 election.

The Economy and Revenues

Economic Outlook

The Governor’s May Revision includes many of the recurring themes that were present in the January Budget proposal, but with extra emphasis on the looming risks. The Governor was quick to point out that most Governors don’t point out the problem areas and choose to focus on the good things. However, his favorable public perception, coupled with the fact that he is serving his final term in the state’s top spot, allows the Governor to be more candid and “counterfactual”—his word—in his outlook. We concur with the Governor’s position that numerous risks are present, but there is plenty to be optimistic about as well.

The value of the dollar continues to be strong when compared with our trading partners. This is beneficial for importing goods, but hurts the United States’ ability to export its goods. The depression of currencies in global economies also creates an incentive to outsource labor as the dollar becomes much more valuable when the cost of living is factored into the equation.

Oil prices have begun to rise from the six-year low of approximately \$30 per barrel. These historically low oil prices have translated into savings at the pump, and theoretically, should create additional discretionary dollars for families to spend. However, some economists note that Americans have transitioned into a pattern of saving the excess dollars, rather than spending and generating sales tax revenues. However, the low oil prices cannot be sustained on a global level without ultimately impacting the generation of goods and ultimately job creation.

The average home price in California continues to steadily rise. The trough occurred in February 2009 when home prices averaged \$246,000, but as of March 2016, the average home price has increased nearly 100% to \$483,280. The increased valuations have been a boon for the state's General Fund, specifically with respect to funding for K-12 education. Property taxes, not the state General Fund, have paid for the entire increase in education funding.

Unemployment rates as of February 2016 are at pre-recession levels of 5.0% and 5.5% for the United States and California, respectively. As a country, we are nearing the mark of full employment, which is a sign that the recovery period is squarely entrenched in the maturation stage. If nothing else, history has proven two things: (1) A recession will occur again; (2) The recession occurs after an economic recovery has passed its maturation stage. The Governor has enjoyed the good times by rewarding education with a new funding model, which has achieved historic levels of funding, but he is quick to remind everyone of the message that history is bound to repeat itself. The message is: be cautious.

State Revenues

It appears that the Governor's conservative nature has finally come to pass. We had grown accustomed to the Governor's revenue projections, which were very conservative. Actual revenues would surpass those projections, and LEAs would receive significant increases to the Local Control Funding Formula (LCFF) funding, as well as one-time funds. Based on the recent collection of personal income taxes in the month of April, the state's estimate fell \$1.2 billion short. We see this shortfall factored into both the 2015-16 and 2016-17 Budgets when compared with the January Budget proposal. Total General Fund revenues have been revised downward \$1.49 billion for 2015-16 and \$918 million in 2016-17. However, revenues are still projected to grow year over year by \$4.5 million, or 3.7%

The Governor's Budget has factored in the expiration of Proposition 30 temporary taxes in the upcoming years, along with a less vigorous stock market. Once the dust settles in November, we could experience significant upward revisions in revenue projections that are dependent upon the ballot measures.

Proposition 98

Proposition 98 sets in the State Constitution a series of complex formulas that establish the minimum funding level for K-12 education and the community colleges from one year to the next. This target level is determined by prior-year appropriations that count toward the guarantee and (1) workload changes as measured by the change in K-12 average daily attendance (ADA), and (2) inflation adjustments as measured by the change in either per capita personal income or per capita state General Fund revenues, whichever is less. Over the last three years, Proposition 98 has provided significant funding increases for schools, which have been used to restore cuts that were imposed during the Great Recession.

While Proposition 98 funding increases slightly over the January proposal, this May Revision reveals that the major gains of the recent past have come to an end. The May Revision proposes that Proposition 98 adjustments for 2014-15, 2015-16, and 2016-17 combined total \$626 million.

2014-15 Adjustment

The May Revision shows that the Proposition 98 guarantee had been underestimated for 2014-15 and that a \$463 million increase is due. This result is a revised guarantee for the prior year of \$67.2 million compared to \$66.7 million estimated in January.

Current-Year Minimum Guarantee

For the current year, the May Revision reflects a decrease in Proposition 98 of \$125 million to \$69.1 billion, from \$69.2 billion in January. For the current year, Proposition 98 funding is based on Test 2—the change in

per capita personal income—which is down slightly from the estimate in January.

Recall, however, that the January Budget estimated that Proposition 98 for the current year would be \$766 million above the 2015-16 Budget Act level; therefore, funding under the constitutional measure is still above the enacted State Budget by \$641 million.

Proposition 98 also requires the state to account for state funding that falls below the long-term target established by Test 2 (i.e., adjustments required by annual changes in per capita personal income). This cumulative shortfall is termed the Maintenance Factor. As of June 30, 2014, the state owed K-14 education approximately \$6.4 billion in Maintenance Factor payments. While the Governor's January Budget anticipated that the \$6.4 billion Maintenance Factor would be fully repaid by the end of the current fiscal year, the May Revision now projects that \$155 million will remain unpaid on June 30, 2016.

2016-17 Minimum Guarantee

For 2016-17, the May Revision proposes an increase of \$288 million in Proposition 98 funding from the level proposed in January, bringing the minimum funding level to \$71.9 billion. For the budget year, the guarantee is based on Test 3, the change in per capita General Fund revenues, plus 0.5%. In January, per capita General Fund revenues were estimated to increase 2.88%; the May Revision budgets the Test 3 increase at 3.56%.

Because Proposition 98 would be funded based on Test 3 in 2016-17, the January Governor's Budget projected that a new Maintenance Factor would be created totaling \$548 million in 2016-17. The May Revision revises that amount to \$908 million.

The May Revision maintains the split of Proposition 98 funding between K-12 education and community colleges of 89.07% for K-12 education and 10.93% for community colleges for 2014-15, 2015-16, and 2016-17.

Proposition 2 and Proposition 98 Reserves

With the state's revised tax revenues down by nearly \$2 billion, the state's Proposition 2 debt payment and deposit obligations are reduced by \$1.6 billion compared to the January Governor's Budget. However, Governor Brown maintains his proposal to overappropriate the state's Rainy Day Fund with a \$2 billion supplemental deposit, maintaining his commitment to fiscal prudence.

In January, the proposed state budget anticipated full repayment of the Proposition 98 Maintenance Factor by the end of 2015-16. Full repayment would meet one of four criteria needed to trigger a contribution to the Proposition 98 reserve. The May Revision, however, shows a Maintenance Factor balance of \$155 million for 2015-16. Therefore, this criterion would not be met as had been anticipated in January.

Local Control Funding Formula

The Governor's 2016-17 May Revision continues implementation of the LCFF with an infusion of nearly \$3 billion in additional Proposition 98 revenues, up \$154 million from the January State Budget proposal. The LCFF provides funding to transition all school districts toward target funding levels, and provides supplemental revenues through percentage weighting factors to increase or improve services for students who are not English language proficient, who are from low-income families, or who are in foster care.

LCFF Target Entitlements for School Districts and Charter Schools

The target base grants by grade span for 2016-17 are unchanged from 2015-16 because the statutory cost-of-living adjustment (COLA) is zero:

Grade Span	2015-16 Target Base Grant per ADA	0% COLA	2016-17 Target Base Grant per ADA
TK-3	\$7,083	-	\$7,083
4-6	\$7,189	-	\$7,189
7-8	\$7,403	-	\$7,403
9-12	\$8,578	-	\$8,578

The 2016-17 transitional kindergarten-3 grade span adjustment (GSA) for class-size reduction (CSR) is also unchanged from 2015-16 at \$737 per ADA, as well as the grade 9-12 GSA, which stays at an augmentation of \$223 in recognition of the need for career technical education (CTE) courses provided to students in the secondary grades.

School districts and charter schools are entitled to supplemental increases equal to 20% of the adjusted base grant (which includes CSR and CTE funding) for the percentage of enrolled students who are English learners, eligible for the free and reduced-price meals program, or in foster care (the unduplicated pupil percentage). An additional 50% per-pupil increase is provided as a concentration grant for the percentage of eligible students enrolled beyond 55% of total enrollment.

Bear in mind that the LCFF target entitlement is the full funding level for each LEA, in today's dollars, that the state intends to provide at some point in the future under the formula. It is not the amount an LEA will receive in 2016-17, which is based on the difference, or "gap," between the current-year LCFF funding level, the LEA's target entitlement, and the proportion of the gap that can be funded with the LCFF increase.

LCFF Transition Entitlements and Gap Funding

The difference between a district's or charter school's current funding and its target entitlement is called the LCFF gap, and it is this gap that is funded with the additional dollars dedicated each year to implementation of the LCFF. For 2016-17, the May Revision proposal calls for \$2.979 billion to close more than half (54.84%) of the gap remaining to full implementation of the LCFF.

Pupil transportation and Targeted Instructional Improvement Grants continue as separate add-ons to the LCFF allocations and do not receive a COLA.

Community-Funded School Districts

School districts with property tax revenues that exceed the LCFF levels will continue to retain their local tax growth, and will receive a lower minimum state aid allocation that is reduced by the ongoing cuts incurred by these districts during the recession. Under the LCFF, these cuts are carried forward into future years for these districts.

County Offices of Education

County offices of education (COEs) receive funding under a formula that is similar to, but not identical with, the LCFF for school districts and charter schools. COE funding is provided in recognition of direct

instructional services for pupils in juvenile court schools and community schools, and an additional allocation is made for countywide services based on the number of school districts and total ADA within the county. As of 2014-15, the LCFF for COEs was fully implemented and, therefore, with no statutory COLA, the basic funding amounts that drive COE LCFF entitlements in 2016-17 will remain unchanged from 2015-16 levels. State funding for COEs in 2016-17 is adjusted at the May Revision to account for changes in ADA.

The May Revision includes a newly proposed 2016-17 allocation of \$20 million for COEs to work with school districts and other early education providers in their regions to prepare for implementation of a revised early education program in 2017-18 (See the Preschool/Early Education section for more information).

K-3 Grade-Span Adjustment

The K-3 GSA program requirements are unchanged in the May Revision. The revised proposal to fund the LCFF gap at 54.84% for 2016-17 continues the significant reduction in class size for those school districts still making progress to the average school site enrollment target of 24. School districts (excluding charter schools) will need to prepare to further reduce class sizes in these grade levels by 54.84% of the difference between the current-year class size and the school site average of 24 students per class target, unless the collective bargaining exception applies to your district. School districts may use the May Revision gap closure percentage of 54.84% on the gap closure percentage or the 2016-17 Adopted State Budget to determine class size reduction progress for 2016-17.

Cost-of-Living Adjustment and Average Daily Attendance

The May Revision includes no COLA for K-12 education programs. The statutory COLA for K-12 education is based on the annual average percentage change in value of the federally maintained Implicit Price Deflator for state and local governments, and is applied to the LCFF base grant targets, as well as other education programs that are funded outside of the LCFF. The estimated statutory COLA for K-12 education programs in the Governor's January Budget proposal for 2016-17 was 0.47%, but based on final data for the Implicit Price Deflator, the actual COLA percentage is 0.0029%, which rounds to zero.

During implementation of the LCFF, the COLA is a less significant factor for most K-12 LEAs in estimating revenue changes for the upcoming year than it was under revenue limits. The lack of a COLA will affect the per-pupil grants used to calculate the LCFF target, but does not directly impact the level of the appropriation for LCFF gap closure. Rather than the COLA, it is the appropriation, and its corresponding gap closure percentage, which determines revenue growth for most school districts and charter schools.

The lack of a COLA will, however, affect the LCFF funding for LEAs that are at their LCFF target, as well as funding for categorical programs. Those programs include Special Education, Child Nutrition, Foster Youth, Preschool, American Indian Education Centers, and American Indian Early Childhood Education, all of which were proposed to receive the statutory COLA of 0.47% in January.

Statewide estimated ADA for school districts and charter schools in 2016-17 is 5,966,068 at the May Revision, 5,244 ADA lower than the January Budget estimate of 5,971,292. Compared with 2015-16, the year-over-year decline in ADA is 11,155 ADA—about 0.2%—due to both an increased May Revision estimate of 2015-16 ADA and the decline in estimated ADA for 2016-17. Revised ADA forecasts for the May Revision resulted in marginal changes to funding for school districts, COEs, and charter schools under the LCFF, with an ADA-driven increase of \$11.2 million in 2015-16 and a decrease of \$2 million in 2016-17.

Special Education

Special education is one of the casualties of the zero COLA. There is no proposed increase in funding in the Governor's May Revision for special education base programs or special education preschool. The Governor has called for another study regarding special education financing. The Public Policy Institute of California will release its findings in the fall 2016.

Technology

The Governor's January Budget includes no additional funds for technology infrastructure purposes. The K-12 High Speed Network continues to implement Round 2 of the Broadband Infrastructure Improvement Grants approved in the 2015-16 State Budget and is finalizing a three-year plan to provide LEAs with resources to assist in network management to support teaching and learning activities funded from the \$10 million provided in the 2015-16 State Budget.

Child Care

The May Revision proposes administrative adjustments from the Governor's Budget to the California Work Opportunity and Responsibility to Kids (CalWORKs) child care system. These adjustments include (1) a decrease to reflect a lower estimated increase in the cost per case for Stage 2 of \$884,000, and (2) a decrease for Stage 3 of \$42.3 million to reflect adjustments in the cost per case and reduced caseload.

Capped child care programs (non-CalWORKs) are proposed to see a net decrease of \$3.5 million reflecting the reductions in the COLA of 0.47% proposed in January to the zero COLA at May Revision.

Child care and development funds are proposed to receive a net increase in the May Revision of \$55.6 million in federal funds, of which \$9.2 million will be allocated to child care activities in compliance with the federal Child Care and Development Block Grant Act of 2014. Total one-time federal funding is \$648.9 million.

Preschool/Early Education

The Administration updated its Early Education Block Grant proposal, which faced stiff opposition over the spring and was rejected outright by the Assembly Budget Subcommittee on Education. As revised, the proposal would include a "funding model that maintains current levels of funding for school districts and regions for a period of time as the transition to the new Block Grant model occurs. Future state spending investments will be targeted to those areas of the state that have traditionally lacked an equitable share of total funding."

The May Revision includes \$20 million (\$10 million ongoing and \$10 million one-time) for COEs to begin work in the budget year to ensure a successful transition to the new early education program beginning in 2017-18.

Adult Education

The Governor's May Revision maintains \$500 million in ongoing funding for the Adult Education Block Grant. To date, 71 regional adult education consortia have been established under the new program. The Governor is proposing 2016-17 budget trailer bill language to require regional consortiums to consider input from "students, teachers, community college faculty, principals, administrators, classified staff, and the local bargaining units of both school districts and community college districts before making final decisions."

In the community college budget, an additional \$5 million in one-time funds is proposed to provide consortia with technical assistance, coordination, and capacity building assistance through 2018-19.

Charter Schools

The Governor's January Budget included an increase of \$61 million in Proposition 98 funding to support projected charter school ADA growth and an additional \$20 million in one-time funds for charter school start-up grants. The May Revision makes no changes to these proposals.

Discretionary Funds

The Governor's May Revision includes more than \$1.4 billion in one-time Proposition 98 funding for school districts, charter schools, and COEs. The funds are unrestricted and the use of the dollars are discretionary. Funding is estimated at \$237 per ADA. Consistent with prior-year proposals, the funds provided will offset outstanding mandate reimbursement claims.

New "Emergency Repair Revolving Loan Program" and Proposition 39

Emergency Repair Revolving Loan Program: The May Revision includes no statement on the statewide school bond that qualified for the November 2016 ballot. However, with increased Proposition 98 one-time revenue, Governor Brown proposes to create a \$100 million revolving loan program to expedite funds to districts with emergency facilities needs when conditions that pose health and safety risks exist that could cause the displacement of students from educational settings. The new bridge loan program is intended to assist districts with insufficient resources to address their health and safety issues.

Under the Emergency Repair Revolving Loan Program, participating districts would have to provide independent verification that the site is unsuitable for occupation and certify that no alternative facilities are available to house displaced students. Unlike the Facility Hardship Program, which is administered by the Office of Public School Construction and requires verification by the Division of the State Architect, the new loan program will be administered by the California Department of Education under an expedited review and approval process so that funds can be provided to districts "in a matter of days."

Districts receiving loans would have the option of repaying the loan in full within one year without interest or by structuring long-term, low-interest repayment plans over a 20-year period.

Proposition 39—The California Clean Energy Jobs Act: The May Revision includes an increase of \$33.3 million for K-12 education and \$4.1 million for community colleges for Proposition 39 energy efficiency projects from the January Budget. Total funding for K-12 education would be \$398.8 million and for community colleges \$49.3 million for 2016-17.

Teacher Workforce Actions

In response to statewide teacher shortages, the May Revision proposes one-time investments to accelerate candidates securing a teaching credential and improve statewide recruitment of qualified individuals into the teaching profession.

The Governor proposes \$10 million in one-time funds for investment grants to be awarded to private and public postsecondary institutions to improve upon or develop four-year integrated teacher credential programs, reducing the time to a preliminary teaching credential by up to three years. Competitive grants of up to \$250,000 would be administered by the Commission on Teacher Credentialing (CTC) and will be awarded with preference to proposals that include partnerships with local community colleges and K-12 LEAs.

Additional one-time funds of \$2.5 million will be provided to support the creation of the California Center on Teaching Careers (Center). A competitive multiyear grant will be administered by the CTC to select an LEA to administer the Center and provide outreach and support to recruit teachers statewide.

Other Categorical Programs

To reflect both updated estimates of projected ADA in 2016-17 and the change in COLA from 0.47% to zero, proposed appropriations for selected categorical programs will be decreased compared to the January proposal by \$24.3 million.

Federal Programs

There was a small uptick in funding for some of the major federal education programs. Title I, which supports services to assist low-achieving students enrolled in the highest poverty schools, will receive a \$138 million increase, of which \$29.1 million is one-time. Special education base grants will increase by only \$41.3 million, of which \$5 million is one-time. Migrant education programs, which support services to meet the needs of highly mobile children, receive a \$14 million increase, of which half is one-time funding.

The other news at the federal level is the release of the U.S. Department of Education updated Every Student Succeeds Act Frequently Asked Questions (FAQs) on Transitioning document. The updated FAQs document provides additional clarity regarding transition for supplemental education services funds and specific formula grant programs, as well as paraprofessional qualification requirements for the upcoming school year. Here are the updated [FAQs on Transitioning to the Every Student Succeeds Act](#).

In Closing

We remain convinced that, during some of the most difficult economic circumstances in the state's history, the Governor has provided vision, balance, and fiscal discipline. All of those things are easier to do when there is a boost from temporary taxes and a rebounding economy. We are very concerned that over the next couple of years the state will not be able to meet its growing obligations and fixed costs. As a result, we advise careful planning and fiscal restraint. As a result of the 95.7% LCFF implementation rate forecast for 2016-17, we think the time for creating new programs and services has passed. We now believe the emphasis should be on stabilizing expenditures, maintaining adequate reserves, and planning to sustain current programs.

The May Revision almost always has some surprises. We will detail all aspects of the May Revision to help you prepare your 2016-17 LEA's budget, close the books for 2015-16, and maintain sound operations throughout the upcoming year. Our SSC May Revision Workshops beginning on May 18 and you can register [here](#). We will provide additional information and insights at that time.

—SSC Staff

posted 05/13/2016

WEST CONTRA COSTA UNIFIED SCHOOL DISTRICT
FAQ – ADAMS PROPERTY

1. *Has the District decided to sell the Adams property to Caliber? What are the next steps in the process for the Board to make a decision?*

The WCCUSD Board of Education has been in real estate negotiations for the Adams property at 5000 Patterson Circle, Richmond, CA with Caliber. No final decision has been made. No written agreement has been finalized or approved by the Board. A community meeting was held at Mira Vista K-8 on May 10th, 2016 and a public hearing will be held by the Board of Education on May 25th to receive input from the community.

2. *Will Mira Vista K-8 and other District schools be affected if Caliber is located at the Adams property?*

The District, as a whole, has experienced a decline in enrollment, due in part, to the expansion of charter schools. We anticipate that the decline of district enrollment will continue. There are approximately 2,600 charter school students throughout the District with a projected enrollment to nearly double over the next four years. Despite these District-wide issues, Mira Vista K-8 is fully enrolled and is performing well. Likewise, Caliber is fully enrolled and has a lengthy waiting list.

3. *How much would Caliber be paying for the Adams property?*

While a final purchase price has not been reached, the proposal does contemplate the property being sold for well below fair market value. The agreement needs to be looked at as a whole. For example, the parties have contemplated that this is a piece of property that will have significant restrictions on it, foremost being that it may only be used to operate a charter school. Further, the conveyance of the property would be in exchange for a waiver of facilities obligations and other favorable terms for the District. Further analysis will be provided once terms of any agreement have been finalized.

4. *Will the District do a surplus property proceeding before it transfers the property to Caliber?*

No. This transaction is an agreement that allows the District to meet its obligations to provide facilities to Caliber and falls outside of surplus property obligations.

5. *How many students did Adams serve, when did it close, and why did it close?*

The Adams site served up to 1,200 students over the years. It was closed in 2009, after receiving a report from structural engineers regarding the seismic safety concerns of the three-story academic building. The property has not been used since then. If Caliber locates on the site, they will be required to comply with the CA Building Code.

6. *Can the site and current facilities be occupied by students taking into consideration the seismic concerns?*

In its current form, the District may not house students in the three-story academic building unless it was improved to meet the State's seismic requirements.

7. *Is the District required to provide facilities to charter schools?*

Yes. Under Proposition 39 and Education Code 47614, the District is legally obligated to provide charter schools with facilities that are "reasonably equivalent" to those used by students at District operated schools.

8. *Why is the District considering selling the Adams property to Caliber? Can the District consider providing facilities other than selling the Adams site to Caliber?*

There is limited space at the District's campuses, particularly for a charter school with 800 students and potentially growing. To comply with Proposition 39, the law requires that public school facilities be "shared fairly" with charter schools. California courts have made some drastic decisions when interpreting a school district's obligations to comply with the law. This includes contemplating displacing other students within the District or adjusting attendance boundaries. Rather than take any of those steps, and to meet with Caliber's anticipated growth, the District is considering this proposal.

9. *Will the District pay for any facility upgrades, demolition, or rebuilding on the Adams site if it sells the site to Caliber?*

If the sale of Adams is approved by the Board, the District will not be contributing funds toward any facility upgrades, demolition or rebuilding of the Adams site. In the event of a sale to Caliber, Caliber would be responsible for the planning approvals, California Environmental Quality Act (CEQA), and facility modifications.

10. *Are there any other alternatives for the Adams site rather than selling it to Caliber?*

The property is zoned for use as a public school and it has been used as such for many years up until 2009. If the Adams site is not used to house Caliber, the District would be required to provide other reasonability equivalent facilities to Caliber students which could potentially displace District students or financially impact the district.

11. *How will the impacts on the surrounding neighborhood be mitigated?*

If the property is sold to Caliber, Caliber will be obligated to go through environmental review and comply with the county planning requirements related to traffic and other impacts on the site.

Public Records Request Log 2015-2016
Week Ending May 19, 2016

	Date of Receipt	Requestor	Requested Records/Information	Current Status
32	10/12/15	Fatima Alleyne	Lozano Smith Attorneys / All Invoices, Contracts and Expenses paid beginning January 1, 2014 – December 31, 2014	Available documents ready for review
38	10/16/15	Fatima Alleyne	Parcel Tax Measure D for 2012-2013 School Year / All financial and bank statements, invoices, receipts and salaries	Available documents ready for review
40	10/23/15	Fatima Alleyne	Parcel Tax Measure D for 2009-2010 School Year / All financial and bank statements, invoices, receipts and salaries	Available documents ready for review
41	10/26/15	Fatima Alleyne	Parcel Tax Measure D for 2008-2009 School Year / All financial and bank statements, invoices, receipts and salaries	Available documents ready for review
43	11/1/15	Fatima Alleyne	All Contracts, Invoices and Expenditures for Legal services paid by the District for the 2013-14 School Year	Available documents ready for review
48	11/10/15	Fatima Alleyne	Job Descriptions for all Superintendents' positions	Available documents ready for review
56	11/30/15	Fatima Alleyne	2015-16 Legal Services Contracts / Lozano Smith Attorneys- Ramsey & Ehrlich- Bragg Coffin Lewis & Trapp-and Swanson & McNamara	Available documents ready for review
57	11/30/15	Fatima Alleyne	Superintendent's Contract and 2014-15 and 2015-16 Goals	Available documents ready for review
105	5/16/16	Peggy Blackmon Amanco, Inc.	WCCUSD-FOC / Records/Documents Re. Hiring Programs – Lease LeaseBack Contracts – Bond Contractors	5/16/16 Response sent via email COMPLETED
106	5/16/16	Giorgio Cosentino	WCCUSD Recruiting Teachers from the Philippines	5/19/16 Response sent via email COMPLETED
107	5/18/16	Axiom Analytix	Superintendent's Contract	Acknowledgement email sent