State News

Budget
General Fund cash for the 18-19 was $1B above the 19-20 Budget Act forecast of $144B. Revenues for June were $400M above the Month’s forecast of $19.4B.

- Personal income tax (PIT) revenues for the 18-19 were $523M above forecast.
- Sales and use tax for 18-19 were $170M above forecast.
- Corporation tax revenues for 18-19 were $179M above forecast.
- Insurance tax cash revenues for 18-19 were $84M above forecast.

State Economy

- California’s Median home prices increased 1.4% over June 2018, hitting a new high for a third straight Month. Meanwhile, June residential housing activity remains weak with a 17.1% decrease from May and a 35.6% decrease from June 2018.
- CA’s personal income grew 4.4% in the first quarter of 2019 while U.S. personal income increased 3.8%. Personal income growth for 2018 was 4.9% for CA and 4.4% for the nation.

PPIC report looks at LCFF (link)
PPIC researcher Julien Lafortune shared key findings (link). The PPIC report offers new statewide evidence on how school resources have been affected by LCFF and examines the extent to which these resources are reaching the highest-need students.

State Budget Trailer Bills for Education (link)
Bills make amendments to the funding generated by preKs with disabilities. AB/SB 114 changes the data point to 2018 December special education pupil count and clarifies that this funding is unrestricted. Therefore, trailer bill confirms that the funding generated based on preKs with IEPs is both one-time and unrestricted funding. See Special Ed Excerpts here.

The trailer bill seeks to clarify whether the DOR or DOS would receive the funding when two different districts are involved in the education of a preK with disabilities. Legislative staff are working on amendments to resolve so that the DOR will receive the funds regardless of where the preK is served.

CDE released ADA for 18-19
Attendance rates declined slightly for all LEA types, which leads to revenue losses due to the ADA based formulas for many funding sources. Lost attendance, on average, costs ~ $58.50 per student per day using the 19-20 LCFF rates.

Federal News

- The House passed a deal to lift the debt ceiling and raise “budget caps” set on federal spending for the next two years.
  - Prior to the deal, there were separate limits on the amount of funding that can be provided for defense and nondefense, known as “budget caps.”
Lifting these caps releases education programs from the previous budget’s squeeze and should take sequestration off the table. Education programs may see a long-overdue boost in funding and receive more appropriations because of the deal.

- US Dept of Labor Opinion says families can use FMLA to attend IEPs. School Services Article [link]