



PERRIS UNION
HIGH SCHOOL DISTRICT

2017-18 2ND INTERIM REPORT

MARCH 21, 2018



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CALIFORNIA STATE BUDGET





GOVERNOR'S 2018-19 BUDGET PROPOSAL

- \$2.9 billion for the Local Control Funding Formula (LCFF)
 - This allows complete closure of the “gap” between 2017-18 funding levels and provides for full implementation of LCFF, two years ahead of the intended 2020-21 implementation date
- LCFF base grant targets are adjusted for an estimated 2.51% COLA
- 2018-19 LCFF growth provides an average increase in per-pupil funding of an estimated \$550 per ADA, or 5.8% for the average district/charter
- \$1.8 billion in one-time funds to offset mandate reimbursement claims
 - This equates to approximately \$295 per ADA



TRANSITIONING TO FULL FUNDING OF LCFF

- The 2017-18 Budget Act funded the LCFF at 97% of target
- State law requires that the LCFF base grants receive a COLA, based on the implicit price deflator for state and local governments (i.e., the statutory COLA)

	2017-18	2018-19	2019-20	2020-21
Statutory COLA	1.56%	2.51%	2.41%	2.80%

- Now that the LCFF target has been reached, the projection is for COLA-only funding beyond 2018-19



CHALLENGES AHEAD

- Special Education population growth and student needs increase
- Contributions to restricted programs continue to increase

- CalSTRS and CalPERS Rates continue to increase with no funds in the State budget to offset the increases

Year	CalSTRS	CalPERS
2017-18	14.43%	15.531%
2018-19	16.28%	17.70%
2019-20	18.13%	20.00%
2020-21	19.10%	22.70%

- In a 2% to 3% COLA environment, CalSTRS/CalPERS, step and column, and health and welfare increases are more than the new revenues



PUHSD / CMI SPECIFIC CHALLENGES

- Our District, like others with high unduplicated counts, will miss the additional revenue boosts as the state now reaches its LCFF targets
- Managing expectations in COLA only years
- New revenues will not cover new costs - this means planning for cuts
- There is no such thing as a good budget without an adequate reserve
- Well thought out and long range planning multi-year projections
 - A new high school opening (hopefully in 2021!) will be costly and start up costs as well as staffing will need to be included in the multi-year projection

2017-18 2ND INTERIM





LCFF CALCULATION

Calculation Factors	4-6	7-8	9-12
2017-18 Base Grant per ADA	\$7,309	\$7,518	\$8,712
2.51% COLA	\$183	\$189	\$219
2018-19 Base Grant per ADA	\$7,484	\$7,707	\$8,931
2.6% CTE Grade Span Adjustment			\$232
2018-19 Adjusted Base Grant per ADA	\$7,484	\$7,707	\$9,163
Supplemental*	\$1,110	\$1,143	\$1,359
Concentration*	\$718	\$739	\$879
Total LCFF Funding per ADA	\$9,312	\$9,589	\$11,401

**District specific calculation based on 74.18% unduplicated pupil count*



2018-19 PROJECTED ONE-TIME FUNDS

	Projected 2018-19 P-2 ADA	Funding Rate	Total Projected Funding
District	9,097.52	\$295	\$2,683,768
CMI	977.63	\$295	\$288,401





BUDGET AND MULTI-YEAR ASSUMPTIONS

	2016-17	2017-18	2018-19	2019-20
Enrollment	9,755	9,827	9,928	10,027
ADA	9,019	9,071	9,152	9,329
COLA	0.00%	1.56%	2.51%	2.41%
CalSTRS Rate	12.58%	14.43%	16.28%	18.13%
CalPERS Rate	13.89%	15.53%	18.10%	20.80%
LCFF GAP Funding	56.08%	44.97%	100.00%	100.00%

Note: Enrollment and ADA does not include Non-Public Schools nor County Office of Education Programs



UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2017-18 2nd Interim Budget	2018-19 Projected Budget	2019-20 Projected Budget
Beginning Balance	\$9,959,858	\$4,968,325	\$6,998,021
LCFF Revenue	\$98,002,428	\$105,166,039	\$109,666,577
Other Revenue	\$5,376,132	\$6,888,104	\$4,054,336
Contributions	<u>-\$16,292,194</u>	<u>-\$15,582,599</u>	<u>-\$15,824,024</u>
Total Revenues	\$87,086,366	\$96,471,544	\$97,896,889
Certificated Salaries	\$40,439,050	\$41,744,003	\$42,839,718
Classified Salaries	\$14,100,919	\$14,351,533	\$14,549,978
Employee Benefits	\$17,938,607	\$19,693,498	\$21,436,709
Books and Supplies	\$5,713,543	\$5,472,652	\$4,871,822
Services, Operating Expenses	\$13,537,642	\$13,234,709	\$13,390,285
Capital Outlay	\$1,832,607	\$1,342,375	\$242,375
Other Outgo	<u>-\$1,484,469</u>	<u>-\$1,396,922</u>	<u>-\$1,234,980</u>
Total Expenditures	\$92,077,899	\$94,441,848	\$96,095,907
Net Increase/(Decrease) to Ending Balance	(\$4,991,533)	\$2,029,696	\$1,800,982
Total Ending Balance	\$4,968,325	\$6,998,021	\$8,799,003



COMPONENTS OF THE UNRESTRICTED GENERAL FUND ENDING BALANCE

	2017-18 2nd Interim Budget	2018-19 Projected Budget	2019-20 Projected Budget	2020-21 Projected Budget
Total Ending Balance	\$4,968,325	\$6,998,021	\$8,799,003	\$9,427,868
<i>Total Ending Balance %</i>	3.89%	5.49%	6.83%	7.03%
Components of Ending Balance				
One-Time Mandated Cost / Common Core	\$295,752	\$1,521,560	\$1,521,560	\$871,560
Supplemental / Concentration / CTE		\$1,228,339	\$176,531	\$184,787
Resource Balances <i>(Risk Management / Facility Usage / Lottery)</i>	\$463,741	\$399,649	\$350,000	\$330,000
Revolving Cash	\$25,000	\$25,000	\$25,000	\$25,000
Reserve for Economic Uncertainties	\$4,183,832	\$3,292,341	\$6,725,912	\$8,016,521
<i>Reserve for Economic Uncertainties %</i>	3.22%	2.58%	5.22%	5.98%



NEXT STEPS

- Positive Certification is recommended for 2nd Interim
 - Certifies that based on current projections the District will meet our financial obligations for the current and subsequent two fiscal years
- Governor's May Revision
- 2018-19 Budget will be presented to the Board for adoption in June
 - June 4th - Public Hearings and presentations for Budget and LCAP
 - June 20th - Budget and LCAP presented to the Board for adoption
 - Budget will include a "Committed or Assigned Fund Balance" reservation (BP 3100) for the opening of High School 4



QUESTIONS?