



2018-19 2ND INTERIM REPORT

MARCH 20, 2019



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CALIFORNIA STATE BUDGET





PROPOSITION 98

- Proposition 98 establishes the minimum funding level for K-12 education and community colleges
- The 2019-20 minimum guarantee is \$80.7 billion
 - A \$2.8 billion (3.6%) increase from last year's revised State Budget





2019-20 LOCAL CONTROL FUNDING FORMULA

- The State Budget proposes \$2 billion towards LCFF to fund the 3.46% statutory COLA
 - This brings LCFF funding to \$63 billion (up from \$61 billion in 2018-19)
- 2019-20 LCFF growth provides an average increase in per-pupil funding of an estimated \$343 per ADA, or 3.37% (individual results will vary)
 - The lower 3.37% increase takes into consideration that no COLA is provided for Targeted Instructional Improvement Grant (TIIG), Transportation, or Economic Recovery Target

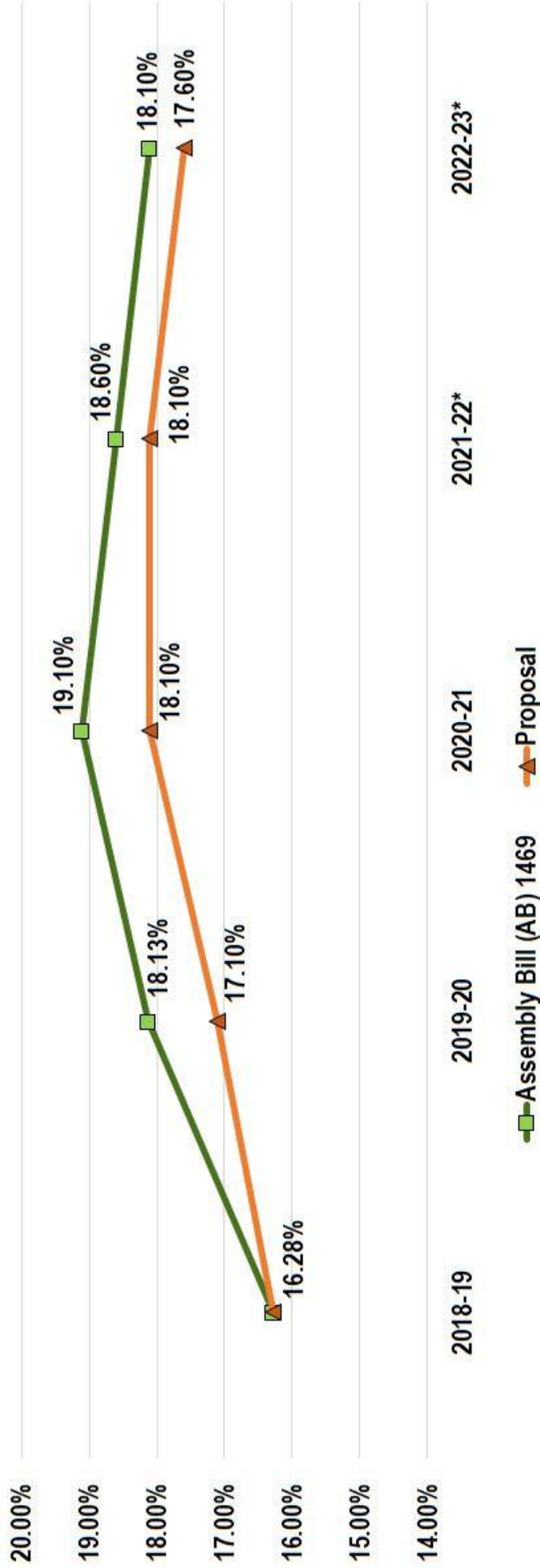


COLA

	2018-19	2019-20	2020-21	Applied to
1st Interim	3.70%	2.57%	2.67%	LCFF; Special Education; other Categorical Programs; MBG
2nd Interim	3.70%	3.46%	2.86%	
Change	0.00%	0.89%	0.19%	



STRS



*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046



ONE TIME FUNDS/DISCRETIONARY GRANT FUNDING

- During the last four years of the economic recovery, school districts have experienced major upward revisions of the current-year Proposition 98 guarantee, providing huge one-time discretionary grants in the following year
 - 2018-19: \$1.1 billion or \$184 per ADA
 - 2017-18: \$877 million or \$147 per ADA
 - 2016-17: \$1.3 billion or \$214 per ADA
 - 2015-16: \$3.2 billion or \$530 per ADA
- In contrast, the Governor's Budget indicates that Proposition 98 has been revised downward in the current year and therefore no discretionary grant funding is proposed for 2019-20
 - Nor does Governor Newsom use other one-time funds for discretionary grant funding

2018-19 2ND INTERIM





PUHSD LCFF CALCULATION

Calculation Factors	4-6	7-8	9-12
2018-19 Base Grant per ADA	\$7,301	\$7,518	\$8,712
3.70% COLA	\$270	\$278	\$322
2018-19 Base Grant per ADA	\$7,571	\$7,796	\$9,043
2.6% CTE Grade Span Adjustment			\$235
2018-19 Adjusted Base Grant per ADA	\$7,571	\$7,796	\$9,034
Supplemental*	\$1,110	\$1,143	\$1,359
Concentration*	\$693	\$714	\$849
Total LCFF Funding per ADA	\$9,374	\$9,653	\$11,477

**District specific calculation based on 71.44% unduplicated pupil count*



BUDGET AND MULTI-YEAR ASSUMPTIONS

	2017-18	2018-19	2019-20	2020-21
Enrollment	9,827	9,844	9,918	9,968
ADA	9,114.76	9,172.80	9,381.44	9,478.57
ADA to Enrollment %	92.75%	93.18%	94.59%	95.09%
COLA	1.56%	3.70%	3.46%	2.86%
CalSTRS Rate	14.43%	16.28%	17.13%	18.10%
CalPERS Rate	15.53%	18.062%	20.70%	23.40%

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 Audited Actuals	2018-19 2nd Interim Budget	2019-20 Projected Budget	2020-21 Projected Budget
Beginning Balance	\$9,959,859	\$9,233,934	\$5,747,549	\$6,833,508
LCFF Revenue	\$97,744,720	\$104,814,084	\$110,053,150	\$113,597,763
Other Revenue	\$5,728,018	\$6,006,426	\$4,182,934	\$4,182,934
Contributions	<u>-\$16,199,326</u>	<u>-\$16,800,720</u>	<u>-\$16,218,710</u>	<u>\$18,105,784</u>
Total Revenues	\$87,273,412	\$94,019,790	\$98,017,374	\$99,674,913
Certificated Salaries	\$40,355,589	\$42,881,024	\$43,919,004	\$44,905,779
Classified Salaries	\$13,974,142	\$15,060,243	\$15,282,223	\$15,637,456
Employee Benefits	\$17,483,519	\$20,540,297	\$22,040,381	\$23,586,582
Books and Supplies	\$4,890,638	\$5,250,153	\$3,549,381	\$3,544,381
Services, Operating Expenses	\$12,466,096	\$13,458,029	\$13,174,302	\$13,504,358
Capital Outlay	\$243,651	\$1,664,097	\$307,306	\$307,306
Other Outgo	<u>-\$1,414,299</u>	<u>-\$1,348,068</u>	<u>-\$1,341,182</u>	<u>-\$1,322,643</u>
Total Expenditures	\$87,999,336	\$97,506,175	\$96,931,415	\$100,163,220
Net Increase/(Decrease) to Ending Balance	(\$725,924)	(\$3,486,385)	\$1,085,959	(\$488,307)
Total Ending Balance	\$9,233,934	\$5,747,549	\$6,833,508	\$6,345,201
Total Ending Balance %	5.23%	3.53%	4.88%	4.53%



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
- 2019-20 Budget will be presented to the Board for adoption in June
 - June 3rd - Public Hearings and presentations for Budget and LCAP
 - June 19th - Budget and LCAP presented to the Board for adoption



QUESTIONS?