



PERRIS UNION
HIGH SCHOOL DISTRICT

2019-20 2nd INTERIM REPORT

March 18, 2020



PUHSD.ORG



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PerrisUnionHSD



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CALIFORNIA STATE BUDGET





THE EDUCATION BUDGET

- Once again, Proposition 98 provides a ceiling—not a floor—for the education budget
 - Declining enrollment will be with us for the foreseeable future
- With moderate funding growth, the Governor provides just enough ongoing resources to keep the LCFF at full implementation
 - The rest of education funding is primarily new or continued one-time, categorical grant programs
 - Few that provide immediate relief when the cost to keep local educational agencies (LEAs) afloat hovers around 4%
 - Even the 15% special education base funding increase described in the Budget summary is mostly a repurposing of last year's dollars based on preschoolers with disabilities



PROPOSITION 98

- With the enactment of Proposition 98 in 1988, voters amended the State Constitution to set a minimum funding level for K–12 education and community colleges
- The 2020–21 minimum guarantee is projected to be \$84 billion
 - A \$2.4 billion (2.9%) increase from last year's revised State Budget





PROPOSITION 98

- Both state General Fund and local property tax revenues apply toward meeting the Proposition 98 minimum guarantee
- The minimum guarantee is determined by one of three tests



Share of General Fund revenues—approximately 39% of General Fund revenues, plus local property tax



Changes in per capita personal income + average daily attendance (ADA)



Per capita General Fund revenue growth, plus 0.5% + change in ADA



2020–21 is projected to be a Test 1 Year



2020-21 LOCAL CONTROL FUNDING FORMULA (LCFF)

- The State Budget proposes \$1.2 billion towards the LCFF to fund the 2.29% statutory COLA
 - This brings LCFF funding to \$64.2 billion (up from \$63 billion in 2019–20)
 - This is lower than the 3% COLA projected at adoption of the 2019-20 State Budget, but higher than the LAO's estimate of 1.79%
- 2020–21 LCFF growth provides an average increase in per-pupil funding of an estimated \$231 per ADA, or 2.14% (individual results will vary)
 - The lower 2.14% increase takes into consideration that no COLA is provided for Targeted Instructional Improvement Grant, Transportation, or Economic Recovery Target funds



OTHER PROPOSED PROGRAMS AND FUNDING

- Special Education
- Educator workforce funding - Professional Development, Recruitment and Retention and Preparation
- Community Schools
- Computer Science
- School Nutrition
- Statewide System of Support
- Opportunity Grants for low performing schools



WHAT'S NOT IN THE BUDGET?

**Increased
LCFF Targets**

**Payments to
Reduce
CalSTRS and
CalPERS Costs**

**One-Time
Discretionary
Grants**



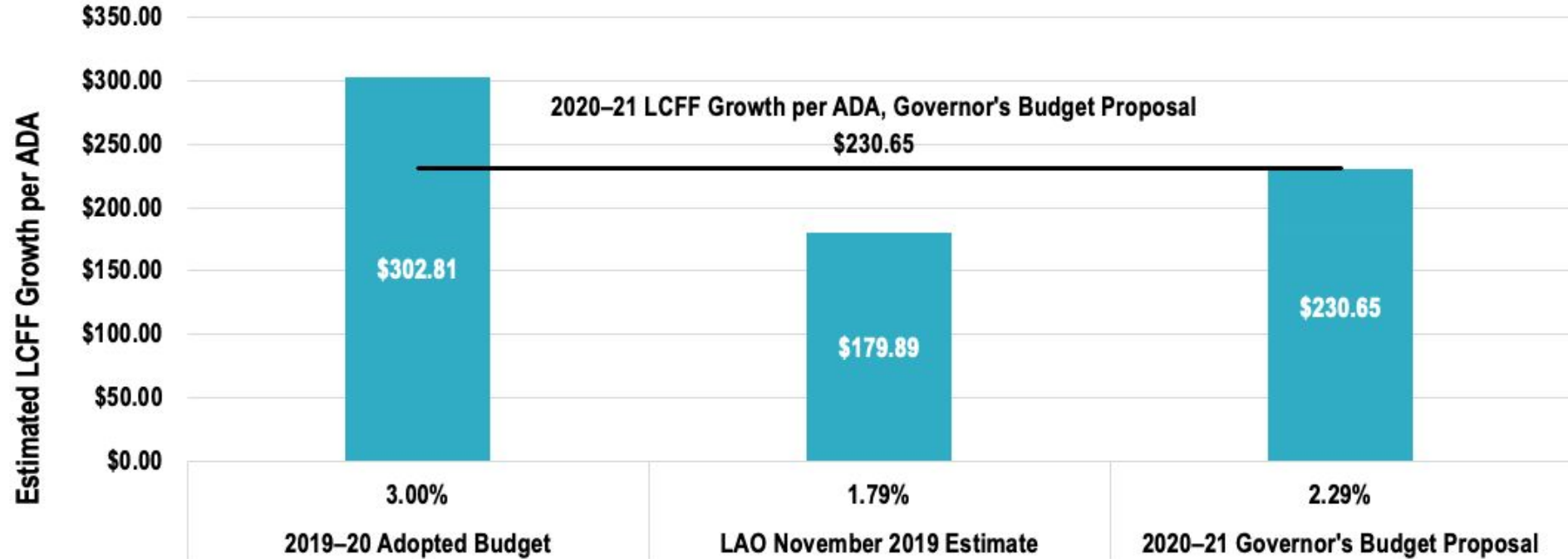
MULTI-YEAR PROJECTIONS

Change From 2019–20 Enacted State Budget to 2020–21 Governor’s Proposed State Budget				
Assumption	2020–21	2021–22	2022–23	Applied to
COLA %	-0.71%	-0.09%	-0.34%	<ul style="list-style-type: none">• LCFF• Special education and other categorical programs• MBG

- Small percentage changes applied to a big number can be significant

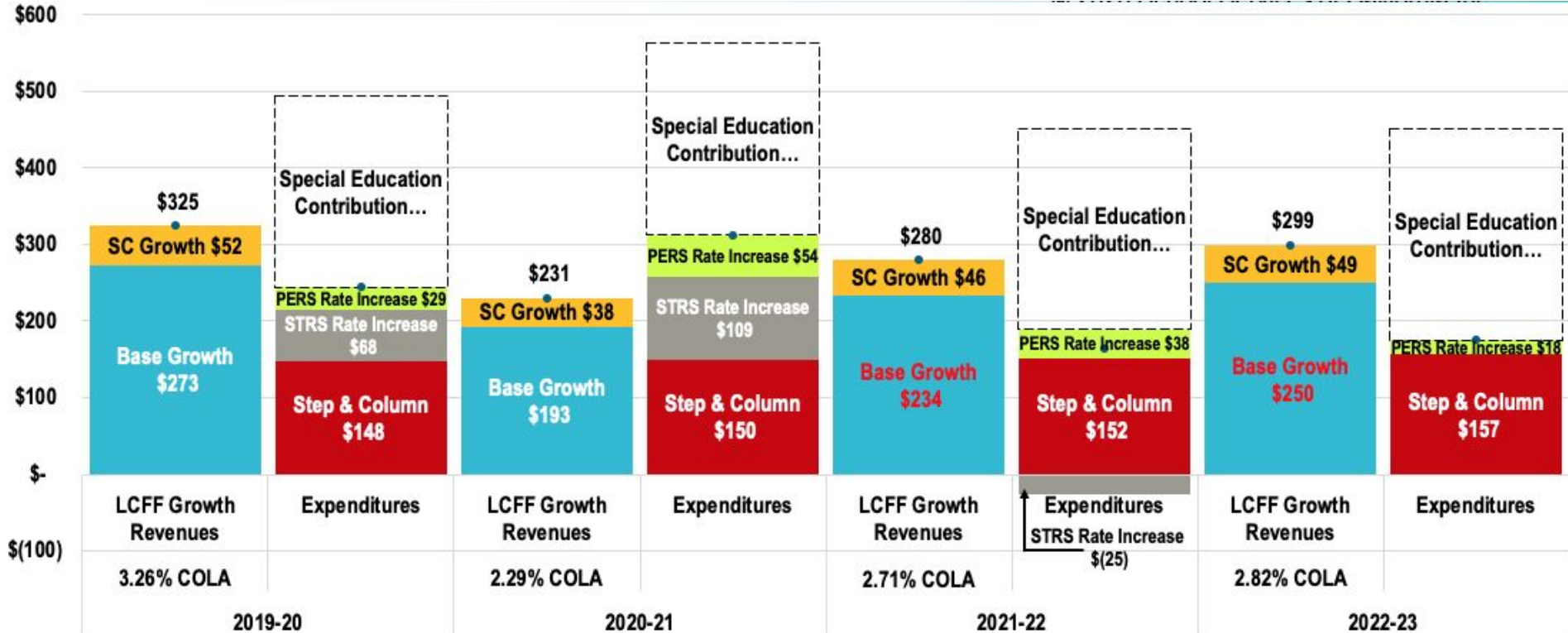


2020-21 LCFF COLA VOLATILITY





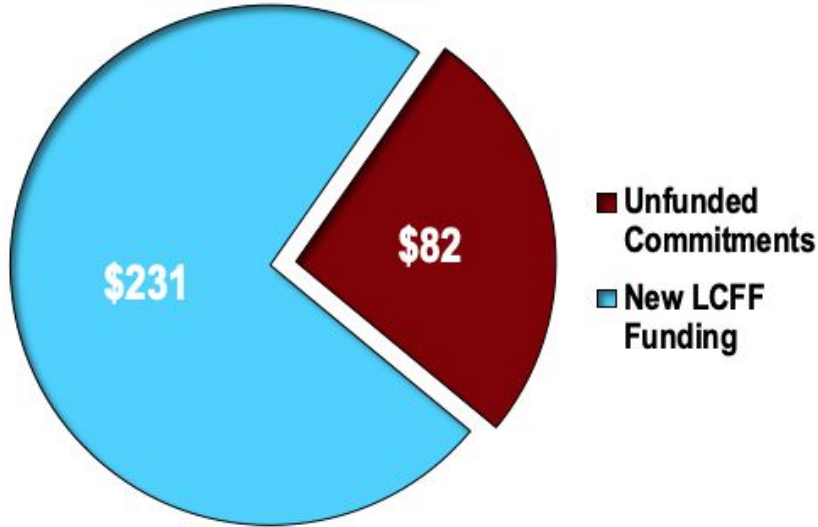
PER-ADA GROWTH IN REVENUES AND EXPENDITURES



Supplemental/Concentration (SC)



2020-21 FUNDING COMMITMENTS



	Rate	Per ADA
COLA Only	2.29%	\$231
Total Commitments		-\$313
Remaining New Funds		-\$82

- **New revenues only cover three-quarters of the costs committed to servicing the salary schedule**
 - **Commitments do not include any increases to health and welfare benefit costs, increases related to special education, or the impact of declining enrollment**

2019-20 2ND INTERIM





PUHSD LCFF CALCULATION

Calculation Factors	4-6	7-8	9-12
2019-20 Base Grant per ADA	\$7,571	\$7,796	\$9,034
3.26% COLA	\$247	\$254	\$295
2019-20 Base Grant per ADA	\$7,818	\$8,050	\$9,329
2.6% CTE Grade Span Adjustment			\$243
2019-20 Adjusted Base Grant per ADA	\$7,818	\$8,050	\$9,572
Supplemental*	\$1,140	\$1,174	\$1,396
Concentration*	\$701	\$722	\$859
Total LCFF Funding per ADA	\$9,659	\$9,946	\$11,827

**District specific calculation based on 72.75% unduplicated pupil count*



BUDGET AND MULTI-YEAR ASSUMPTIONS

	2018-19	2019-20	2020-21	2021-22	2022-23
Enrollment	9,844	9,805	9,780	9,755	9,730
ADA	9,165.98	9,120.10	9,096.85	9,073.60	9,050.35
ADA to Enrollment %	93.11%	93.01%	93.01%	93.01%	93.01%
COLA	3.70%	3.26%	2.29%	2.71%	2.82%
CalSTRS Rate	16.28%	17.10%	18.40%	18.10%	18.10%
CalPERS Rate	18.062%	19.721%	22.80%	24.90%	25.90%

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



UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2018-19 Unaudited Actuals	2019-20 Projected Budget	2020-21 Projected Budget	2021-22 Projected Budget	2022-23 Projected Budget
Beginning Balance	\$9,233,934	\$12,348,242	\$10,748,445	\$8,820,790	\$6,806,684
LCFF Revenue	\$104,838,389	\$107,823,445	\$109,559,511	\$112,804,527	\$115,783,668
Other Revenue	\$6,753,912	\$4,789,386	\$5,073,842	\$5,073,842	\$4,586,342
Contributions	<u>-\$15,489,334</u>	<u>-\$18,221,138</u>	<u>-\$20,670,919</u>	<u>-\$21,956,403</u>	<u>-\$23,318,156</u>
Total Revenues	\$96,102,967	\$94,391,693	\$93,962,434	\$95,921,966	\$97,051,855
Certificated Salaries	\$42,445,272	\$43,876,970	\$44,760,194	\$45,310,582	\$45,767,597
Classified Salaries	\$14,591,838	\$14,946,407	\$14,979,605	\$15,675,373	\$16,132,031
Employee Benefits	\$19,618,569	\$21,510,706	\$23,104,425	\$24,156,443	\$25,005,718
Books and Supplies	\$4,483,984	\$3,594,093	\$2,444,794	\$1,665,458	\$1,441,834
Services, Operating Expenses	\$12,110,667	\$12,630,982	\$11,925,223	\$12,582,841	\$12,557,293
Capital Outlay	\$1,007,014	\$966,055	\$185,783	\$185,783	\$185,783
Other Outgo	<u>-\$1,268,685</u>	<u>-\$1,571,723</u>	<u>-\$1,471,935</u>	<u>-\$1,640,408</u>	<u>-\$1,626,758</u>
Total Expenditures	\$92,988,659	\$95,953,490	\$95,928,089	\$97,936,072	\$99,463,498
Net Increase/(Decrease) to Ending Balance	\$3,114,308	(\$1,561,797)	(\$1,965,655)	(\$2,014,106)	(\$2,411,644)
Total Ending Balance	\$12,348,242	\$10,786,445	\$8,820,790	\$6,806,684	\$4,395,041



PUHSD BUDGET CONSIDERATIONS/CHALLENGES

- Reserve levels are just meeting the minimum 3% requirement
 - This makes it more challenging to react to any revenue reductions or expenditure increases
- We are in a COLA only environment for year over year revenue increases
 - This means new revenues will not cover all new costs
- Enrollment is declining
- Special Education costs continue to increase



NEXT STEPS

- Positive Certification is recommended
 - Certifies that based on current projections the District will meet our financial obligations for the current and subsequent two fiscal years
- Governor releases his revised Budget Proposal in May
- 2020-21 Budget will be presented to the Board for adoption in June
 - June 1st - Public Hearings and presentations for Budget and LCAP
 - June 17th - Budget and LCAP presented to the Board for adoption



QUESTIONS?