



**PERRIS UNION**  
HIGH SCHOOL DISTRICT

# 2020-21 BUDGET

JUNE 1, 2020

BUDGET PROPOSAL



PUHSD.ORG



@puhsd



PerrisUnionHSD



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# CALIFORNIA STATE BUDGET

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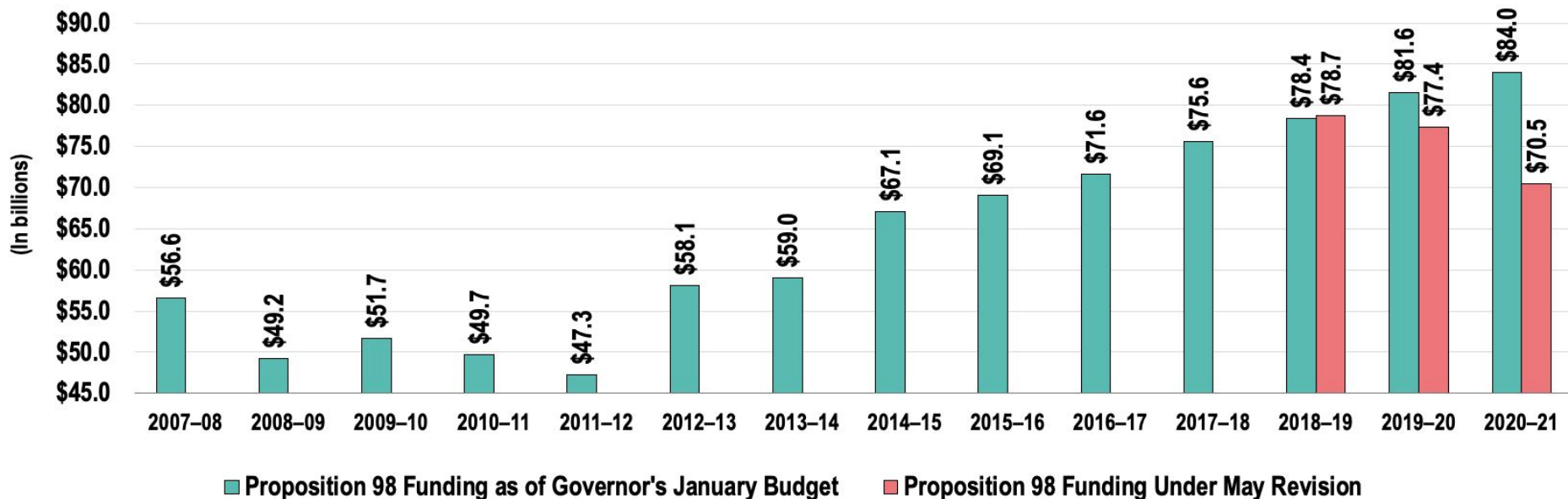
## MAY REVISE

- The May Revise estimates the Proposition 98 Guarantee will decline by \$19 billion from the Governor's January Budget proposal, a 23% reduction from the 2019 Budget Act
  - Measures to mitigate the decline include:
    - Temporary revenue increases (\$1.8 billion)
    - One-time federal funds to mitigate learning loss (\$4.4 billion)
    - Lowering CalSTRS/CalPERS employer contributions (\$2.3 billion)
      - Reduction in CalSTRS employer rate in 2020-21 from 18.41% to 16.15% and in 2021-22 from 18.2% to 16.02%
      - Reduction in CalPERS employer rate in 2020-21 from 22.67% to 20.7% and in 2021-22 from 25% to 22.84%
  - Supplemental apportionments above the minimum guarantee beginning in 2020-21 (cumulative multi-year total of \$13 billion)



# PROPOSITION 98 FUNDING

Proposition 98 Funding  
2007-08 to 2020-21





# COLA PROJECTIONS

Forecast	2020-21	2021-22	2022-23
DOF Forecast	2.31%	2.48%	3.26%
LAO “U” Shaped Forecast	2.31%	(0.03%)	1.11%
LAO “L” Shaped Forecast	2.31%	(0.63%)	(1.04%)
SSC Forecast	2.31%	0.70%	0.80%
SSC Recommends	0.00%	0.00%	0.00%



## MAY REVISE

- Absent additional Federal Funds, a 10% reduction to LCFF (\$6.5 billion)
  - Elimination of 2.31% COLA
  - COLA effectively becomes **-7.92%** (applied deficit factor)
  - Reduction would be “triggered off” if federal funding to backfill the reduction is provided
- 0% COLA in 2021-22 and 2022-23 (*recommended by School Services*)
- LCFF apportionment deferrals of \$5.3 billion
  - \$1.9 billion from 2019-20 to 2020-21
  - Additional \$3.4 billion from 2020-21 to 2021-22
- The May Revise sustains the Governor’s January Budget proposal to increase special education base rates to \$645 per pupil
  - Apportioned to Special Education Local Plan Areas (SELPAs)



# JANUARY BUDGET VS. MAY REVISION

Item	January Budget	May Revision
LCFF Funding Change	+1.2 billion	[-\$6.5 billion]
Proposition 98 Minimum Funding Guarantee		
2018-19	\$78.4 billion	\$78.7 billion
2019-20	\$81.6 billion	\$77.4 billion
2020-21	\$84.0 billion	\$70.5 billion
2020-21 COLA	2.29%	2.31% (Suspended)
Deficit Factor	0%	[-7.92%]
One-Time Discretionary Funds for 2019-20	\$0	\$0



## MAY REVISE

- Categorical programs are reduced by approximately 50%
- All other proposals from the Governor's January Budget are withdrawn
- Flexibilities for Local Educational Agencies are provided including:
  - Exclude state pensions payments on behalf from the required contributions to routine restricted maintenance
  - Internal inter-fund borrowing
  - Authority to use proceeds from the sale of surplus property for one-time general fund purposes
  - Does not include flexibility to reduce the instructional year and minutes without penalty
  - Does not allow for a reduction in the required contribution to routine restricted maintenance





## MAY REVISE - SIGNIFICANT IMPACTS TO PUHSD

- A 10% reduction in LCFF funding is equal to *approximately*:
  - 2020-21: \$10.9 million
  - 2021-22: \$13.9 million (*includes 0% COLA*)
  - 2022-23: \$17.0 million (*includes 0% COLA*)
- Reductions to CalSTRS/CalPERS rates is equal to *approximately*:
  - 2020-21: \$1.3 million
  - 2021-22: \$1.2 million
- Special Education Impact - unknown/awaiting additional information
- Categorical Reduction impact to the General Fund - under review
- Federal Funding - unknown/awaiting additional information
- Apportionment deferrals will require a Tax and Revenue Anticipation Notes (TRANS), likely through the CSBA pool

# 2020-21 PROPOSED BUDGET

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# LCFF CALCULATION

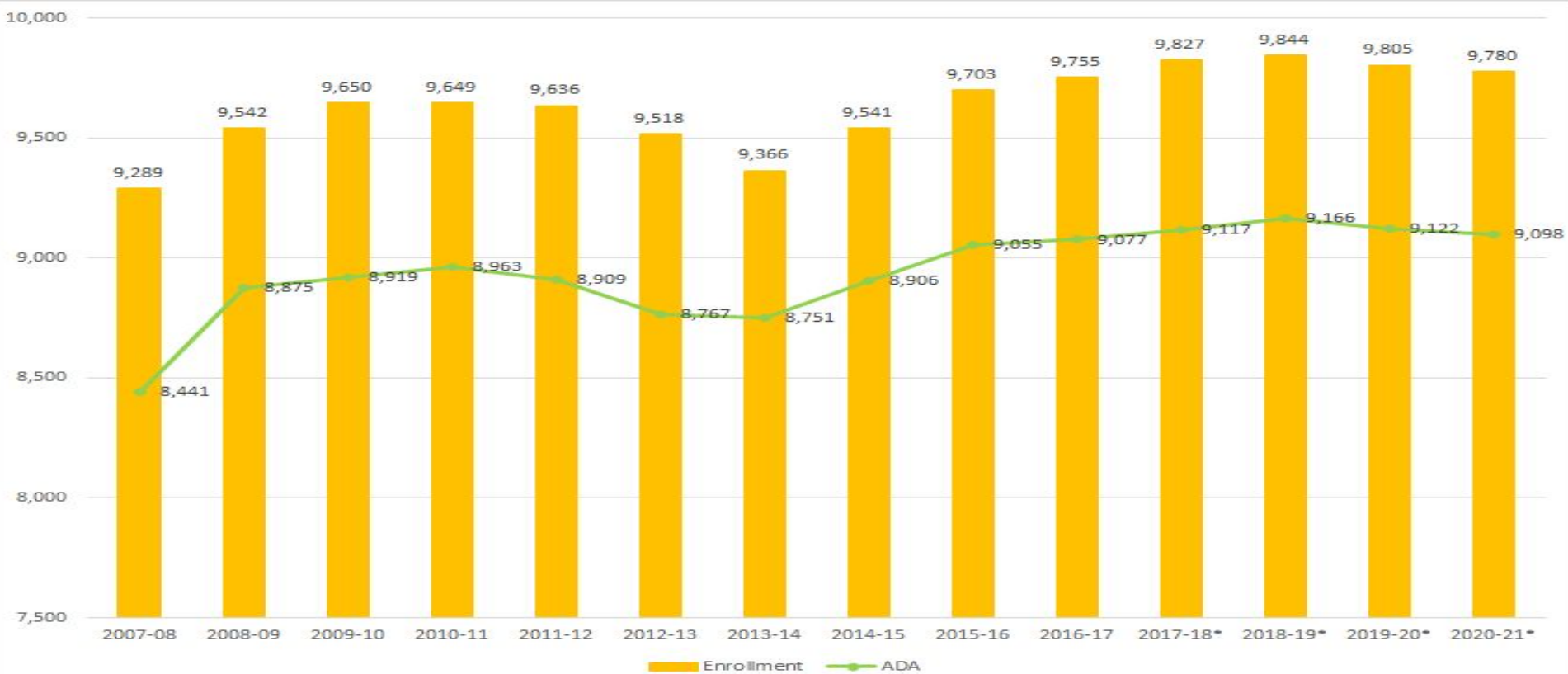
These reductions would be “triggered off” with sufficient federal backfill

Calculation Factors	7-8	9-12
2019-20 Initial Base Grants per ADA	\$8,050	\$9,329
2.31% COLA	\$186	\$215
2020-21 Base Grant per ADA	\$8,236	\$9,544
Deficit Factor at -10.00%	-\$824	-\$954
Effective 2020-21 Base Grant per ADA	\$7,412	\$8,590
2.6% Grade Span Adjustment Factors		\$223
2020-21 Adjusted Base Grant per ADA	\$7,412	\$8,813
Supplemental*	\$1,072	\$1,275
Concentration*	\$642	\$763
<b>Total LCFF Funding per ADA</b>	<b>\$9,125</b>	<b>\$10,850</b>

*\*District specific calculation based on 72.31% 3 yr. rolling average unduplicated pupil count*



# ENROLLMENT TO ADA HISTORICAL TRENDS & PROJECTIONS





# MULTI-YEAR PROJECTION ASSUMPTIONS SUMMARY

	2020-21 Projected Budget	2021-22 Projected Budget	2022-23 Projected Budget
<b>COLA (applied to LCFF base)</b>	2.31%	2.48%	3.26%
<b>Deficit Factor</b>	-7.92%	-7.92%	-7.92%
<b>Enrollment</b>	9,780	9,755	9,730
<b>Enrollment Growth %</b>	0.26%	0.26%	0.26%
<b>ADA</b>	9,098.08	9,074.83	9,051.58
<b>ADA %</b>	93.03%	93.03%	93.03%
<b>Unduplicated % (Rolling 3yr)</b>	72.31%	72.76%	72.77%
<b>Salary Increase PSEA</b>	2.00%	0.00%	0.00%
<b>Salary Increase CSEA</b>	2.00%	0.00%	0.00%
<b>Salary Increase Management</b>	2.00%	0.00%	0.00%
<b>Step &amp; Column - Certificated</b>	1.53%	1.53%	1.53%
<b>Step &amp; Column - Classified</b>	1.26%	1.26%	1.26%
<b>STRS Rates</b>	16.15%	16.02%	18.10%
<b>PERS Rates</b>	20.70%	22.84%	25.50%
<b>TBD Cuts/Reductions</b>		(\$10,700,000)	(\$5,550,000)



## 2020-21 BUDGETED REVENUES

	Unrestricted	Restricted	Combined
<b>LCFF Base</b>	\$63,187,008	\$0.00	\$63,187,008
<b>Supplemental/Concentration</b>	\$18,383,175	\$0.00	\$18,383,175
<b>Education Protection Act (EPA)</b>	\$17,147,809	\$0.00	\$17,147,809
<b>Total LCFF</b>	<u>\$98,717,992</u>	<u>\$0.00</u>	<u>\$98,717,992</u>
<b>Federal</b>	\$421,349	\$8,802,263	\$9,223,612
<b>State</b>	\$2,021,361	\$7,954,652	\$9,976,013
<b>Local</b>	\$2,203,576	\$3,982,540	\$6,186,116
<b>Contributions</b>	-\$19,836,129	\$19,836,129	\$0.00
<b>Total</b>	<b>\$83,528,149</b>	<b>\$40,575,584</b>	<b>\$124,103,733</b>



# 2020-21 BUDGETED EXPENDITURES

	Unrestricted	Restricted	Combined
<b>Certificated Salaries</b> 1000-1999	\$43,694,459	\$10,098,174	\$53,792,633
<b>Classified Salaries</b> 2000-2999	\$13,331,177	\$7,894,692	\$21,225,869
<b>Employee Benefits</b> 3000-3999	\$20,605,218	\$13,477,815	\$34,083,033
<b>Books and Supplies</b> 4000-4999	\$2,784,470	\$2,024,283	\$4,808,753
<b>Services/Other Operating</b> 5000-5999	\$11,944,703	\$4,464,059	\$16,408,762
<b>Capital Outlay</b> 6000-6999	\$555,644	\$3,063,323	\$3,618,967
<b>Other Outgo</b> 7100-7299/7400-7499/ 7600-7629	\$496,469	\$536,988	\$1,033,457
<b>Direct Support/Indirect Costs</b> 7300-7399	-\$2,081,637	\$1,358,157	-\$723,480
<b>Total</b>	<b>\$91,330,503</b>	<b>\$42,917,491</b>	<b>\$134,247,994</b>



# PROPOSED ADOPTED BUDGET UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2019-20 Estimated Actuals	2020-21 Projected Budget	2021-22 Projected Budget	2022-23 Projected Budget
<b>Beginning Balance</b>	<b>\$12,348,242</b>	<b>\$13,416,560</b>	<b>\$5,614,208</b>	<b>\$3,780,466</b>
Total Revenues	\$94,726,644	\$83,528,149	\$82,351,690	\$80,641,860
Expenditures	\$93,658,325	\$91,330,503	\$84,185,432	\$80,753,088
Net Increase/(Decrease) to Ending Balance	\$1,068,319	(\$7,802,354)	(\$1,833,742)	(\$111,228)
<b>Total Ending Balance</b>	<b>\$13,416,560</b>	<b>\$5,614,208</b>	<b>\$3,780,466</b>	<b>\$3,669,238</b>
<i>Ending Fund Balance %</i>	10.20%	4.18%	3.06%	3.02%
<b>Includes TBD Cuts</b>			<b>10,700,000</b>	<b>5,550,000</b>





## NEXT STEPS

- It's important to keep in mind that there are still a lot of “unknowns”
- However, the May Revise provides the last set of data points for which to build our local adopted budget
- The Board will open a public hearing to receive input on the District's budget
- A final budget will be presented to the Board for approval on June 17, 2020
- The District's Adopted Budget, along with the District's Local Control Accountability Plan (LCAP), will be reviewed by the Riverside County Office of Education (RCOE)
- A revision to the State Budget is expected in the Fall and will likely change many of the May Revise revenue assumptions
- Following a revised State Budget, the District would prepare a revision to our budget within 45 days (“45-Day Revision”)



QUESTIONS?