



PERRIS UNION
HIGH SCHOOL DISTRICT

2022-23 BUDGET

JUNE 6, 2022

BUDGET PROPOSAL



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STATE BUDGET UPDATE

- The Governor's May Revision was released on May 13, 2022 and is the last statutory step in the State Budget process before the Legislature adopts the state's spending plan by June 15, 2022
- The District's budget is built on the major components of the May Revision
- The Legislative Version of the 2022-23 State Budget, representing an agreement between the leaders and budget committee chairs of the Assembly and the Senate, was released on June 1, 2022
 - With the two houses coming together with a consensus package, this avoids the need for a Budget Conference Committee which means the negotiations between the Administration and the Governor will largely take place behind closed doors.





THE ROAD TO AN ENACTED STATE BUDGET

Item	Governor's Budget	May Revision	Legislative Package
2022–23 Statutory COLA	5.33%	6.56%	6.56%
Additional LCFF Funding Increase	\$0	\$2.1 billion	\$6.6 billion
One-Time Discretionary Funds	\$0	\$8 billion	\$8.5 billion



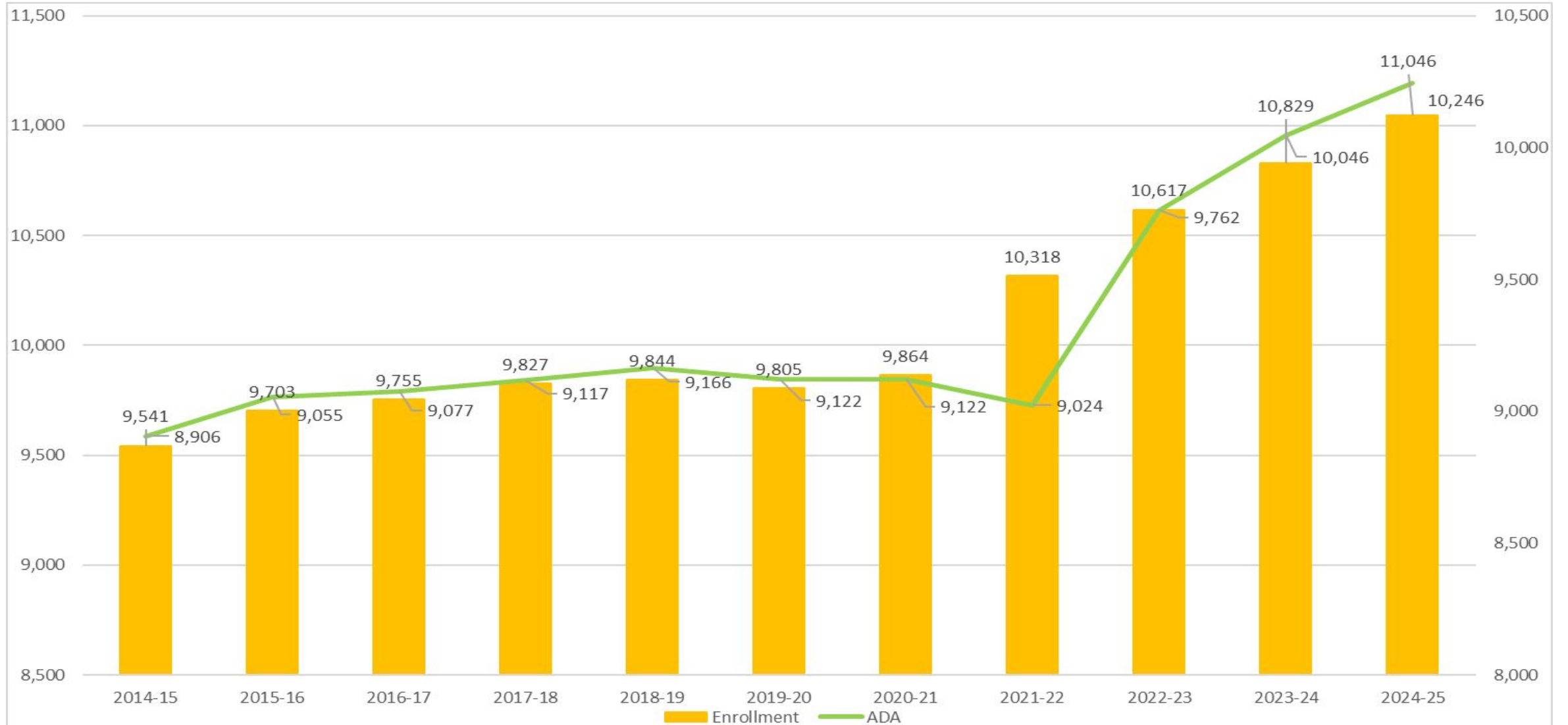
PUHSD LCFF CALCULATION

Calculation Factors	7-8	9-12
2021-22 Base Grants per ADA	\$8,458	\$9,802
6.56% COLA	\$555	\$643
2022-23 Base Grant per ADA	\$9,013	\$10,445
Grade Span Adjustment		\$272
2021-22 Adjusted Base Grant per ADA	\$9,013	\$10,717
20% Supplemental Grant per ADA (total UPP)*	\$1,261	\$1,500
65% Concentration Grant per ADA (total UPP)*	\$876	\$1,042
Total LCFF Funding per ADA	\$11,150	\$13,259

**District specific calculation based on 69.96% 3 yr. rolling average unduplicated pupil count (UPP)*



ENROLLMENT TO ADA HISTORICAL TRENDS & PROJECTIONS





MULTI-YEAR PROJECTION ASSUMPTIONS SUMMARY

	2021-22	2022-23	2023-24	2024-25
Department of Finance (DOF) Statutory COLA	1.70%	6.56%	2.48%	3.11%
Planning/Funded COLA (Sp Ed for 2021-22)	4.05%	6.56%	2.48%	3.11%
“Mega” COLA (LCFF only)	5.07%	N/A	N/A	N/A
Enrollment	10,318	10,617	10,829	11,046
Enrollment Growth %	4.41%	2.89%	2.00%	2.00%
ADA	9,023.82	9,761.74	10,045.52	10,246.11
ADA as a % of Enrollment	87.46%	91.94%	92.76%	92.76%
Unduplicated % (Rolling 3 year average)	71.08%	69.96%	69.03%	70.94%
STRS Rate	16.92%	19.10%	19.10%	19.10%
PERS Rate	22.91%	25.37%	25.20%	24.60%
Unemployment Insurance Rate	0.50%	0.50%	0.20%	0.20%



UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2021-22 Estimated Actuals	2022-23 Projected Budget	2023-24 Projected Budget	2024-25 Projected Budget
Beginning Balance	\$37,513,933	\$36,439,471	\$27,861,667	\$24,212,026
LCFF Revenue	\$113,571,315	\$129,119,919	\$139,049,328	\$149,394,477
Other Revenue	\$4,063,521	\$4,601,313	\$4,845,718	\$4,845,718
Contributions	<u>-\$23,187,148</u>	<u>-\$25,941,888</u>	<u>-\$28,782,698</u>	<u>-\$29,876,298</u>
Total Revenues	\$94,447,688	\$107,779,344	\$115,112,348	\$124,363,897
Certificated Salaries	\$45,524,122	\$50,459,509	\$53,381,721	\$56,754,680
Classified Salaries	\$14,260,071	\$16,557,914	\$17,207,886	\$20,522,295
Employee Benefits	\$23,291,907	\$27,483,326	\$29,161,460	\$31,594,165
Books and Supplies	\$2,355,357	\$4,970,535	\$4,843,695	\$4,799,594
Services, Operating Expenses	\$11,500,181	\$15,437,202	\$15,353,924	\$16,517,200
Capital Outlay	\$1,228,123	\$2,202,364	\$115,597	\$115,597
Other Outgo	<u>-\$2,638,611</u>	<u>-\$753,702</u>	<u>-\$1,302,294</u>	<u>-\$1,300,424</u>
Total Expenditures	\$95,521,150	\$116,357,148	\$118,761,989	\$129,003,108
Net Increase/(Decrease) to Ending Balance	(\$1,073,462)	(\$8,577,804)	(\$3,649,641)	(\$4,639,211)
Total Ending Balance	\$36,439,471	\$27,861,667	\$24,212,026	\$19,572,816
<i>Ending Balance %</i>	22.98%	14.74%	13.67%	10.56%



CAP ON DISTRICT RESERVES

- The conditions required to activate the local reserve cap were met in 2021-22, which means District reserves are capped beginning with the 2022-23 fiscal year
 - Local reserves in the adopted or revised budget cannot exceed 10% of combined assigned unassigned general fund balances
- The Board's Fund Balance Policy (Resolution No. 21:21-22) allows the Board to commit funds above the 10% cap
- With the projected General Fund ending fund balance being 14.75%, \$8,972,393 must be classified as a Committed Fund Balance
- Committed Fund Balances must be approved by formal action of the Board and becomes constrained by the limitations set by the Board



STATEWIDE AVERAGE RESERVE LEVELS

- The latest statewide data on school district reserves is available for 2020-21
 - Unrestricted fund balances increased tremendously

Average Unrestricted General Fund, Plus Fund 17, Ending Balances¹

	2019-20	2020-21	Difference
Unified School Districts	18.82%	22.36%	3.54%
Elementary School Districts	22.70%	26.01%	3.31%
High School Districts	17.34%	21.82%	4.48%

¹As a percentage of total general fund expenditures, transfers, and other uses

- In a year when no new on-going funding was provided, how could this happen?
 - Driven by the “COVID-bump”



RECOMMENDED COMMITTED FUND BALANCE

- The following are recommended to be committed by a resolution of the Board on June 15, 2022 as part of the 2022-23 Adopted Budget
 - The Committed Fund Balance would require amendment when the revised budget (45-day Revision) is brought before the Board

Purpose	Estimated Amount
Reserve for Deficit Spending	\$4,639,211
School Resource Officers	\$1,000,000
Social Workers and Wellness Centers	\$3,000,000
Increases to Special Education Contribution	\$308,209
Total	\$8,947,420



RISKS TO THE BUDGET AND LONG-TERM FORECAST

- The economy is facing significant headwinds and is beginning to enter turbulent territory
- Many factors pose significant risk to the economy, the State Budget, and the long-term forecast

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Inflation and fears of prolonged inflation pose the most immediate risk to the economy

- Becoming widespread
- Could slow GDP
- Federal Reserve actions could cause a recession

Supply chain bottlenecks continue to aggravate supply and demand, which exacerbates inflationary pressures

The volatility of the stock market creates great uncertainty and risk for the economy and for state General Fund revenues because of our over-reliance on the state's wealthiest residents

The Ukraine-Russia War and potential surges in COVID-19 cases may worsen vulnerable economic conditions



NEXT STEPS

- 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 15, 2022
- 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)
- After the California State Budget is adopted, the District's Budget will be revised and submitted to the Board for approval ("45-Day Revision")
 - The May Revise provides the last set of data points for which to build our local adopted budget and may require a 45-Day Revision



QUESTIONS?