



2022-23 PROPOSED BUDGET

JUNE 9, 2022

AGENDA

1. Economic Overview
2. Governor's LCFF Proposals
3. District Budget Update
4. Enrollment and Average Daily Attendance (ADA)
5. Multiyear Projections
6. Other Funds Summary
7. Future Outlook
8. Questions

PURPOSE

Education Code 42103 requires that a public hearing on the proposed budget be held and completed prior to the Governing Board finally adopting the budget.

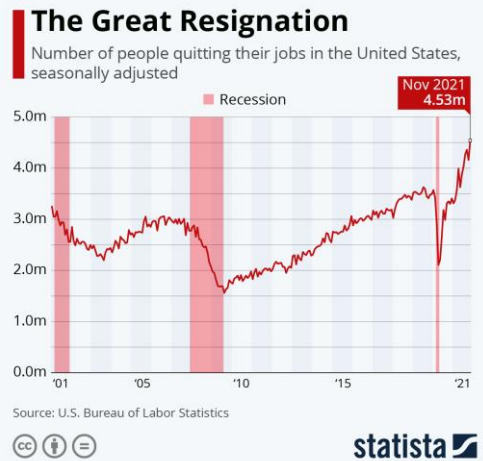
Staff is recommending the Proposed Budget for consideration and adoption in the next Board Meeting on June 30, 2022. The proposed budget certifies that based upon the current assumptions Hacienda La Puente Unified School District will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

ECONOMIC OUTLOOK

May 13, 2022: Governor released 2022-23 May Revise

- Extraordinary Revenue- General Fund Surplus \$97.5 Billion (\$45.7 Billion projected in January)
- Statutory LCFF COLA of 6.56% (Estimated 5.33% in January)
- Universal TK expansion (full implementation by 2025-26)
- Investment in Expanded Learning Opportunities Program (ELO-P)
- Funding for School Facility Program & Deferred Maintenance
- Universal Meals program
- One-Time discretionary block grant

Inflation - 8.3% in April 2022 (2.6% in March 2021)
Supply Chain Hurdles
Covid -19 Trajectory
Geopolitical Risks



FINAL STATE BUDGET – TBD



Governor's May Revision

Assembly's Delivering Prosperity & Strengthening the Future

Senate's Putting Wealth to Work Plan

	Governor's May Revise	Legislative Version
LCFF (Local Control Funding Formula COLA)	Funded COLA 6.56%	\$4.5 billion ongoing above the Governor's May Revision proposal. This investment translates to 16.2% COLA
UPP (unduplicated Pupil Percentage)	No change	Expanding the definition of low-income to include families with income at or below the 250% federal poverty level.
ADA Calculation	Average of three prior years + 2021-22 absence rate mitigation	Average of three prior years +2021-22 absence rate mitigation

FINAL STATE BUDGET – TBD



Governor’s May Revision

Assembly’s Delivering Prosperity & Strengthening the Future

Senate’s Putting Wealth to Work Plan

	Governor’s May Revise	Legislative Version
One-time block grant	\$8 billion Learning Recovery Discretionary Block Grant	\$8.5 billion Funds must be used for “salaries, benefits, and employer contributions to benefit and pension costs”.
Transportation		\$1.2 billion. By 2027-28, Mandates free transportation to TK-6 and low-income students

FINAL STATE BUDGET – TBD



Governor's May Revision



Assembly's Delivering Prosperity & Strengthening the Future



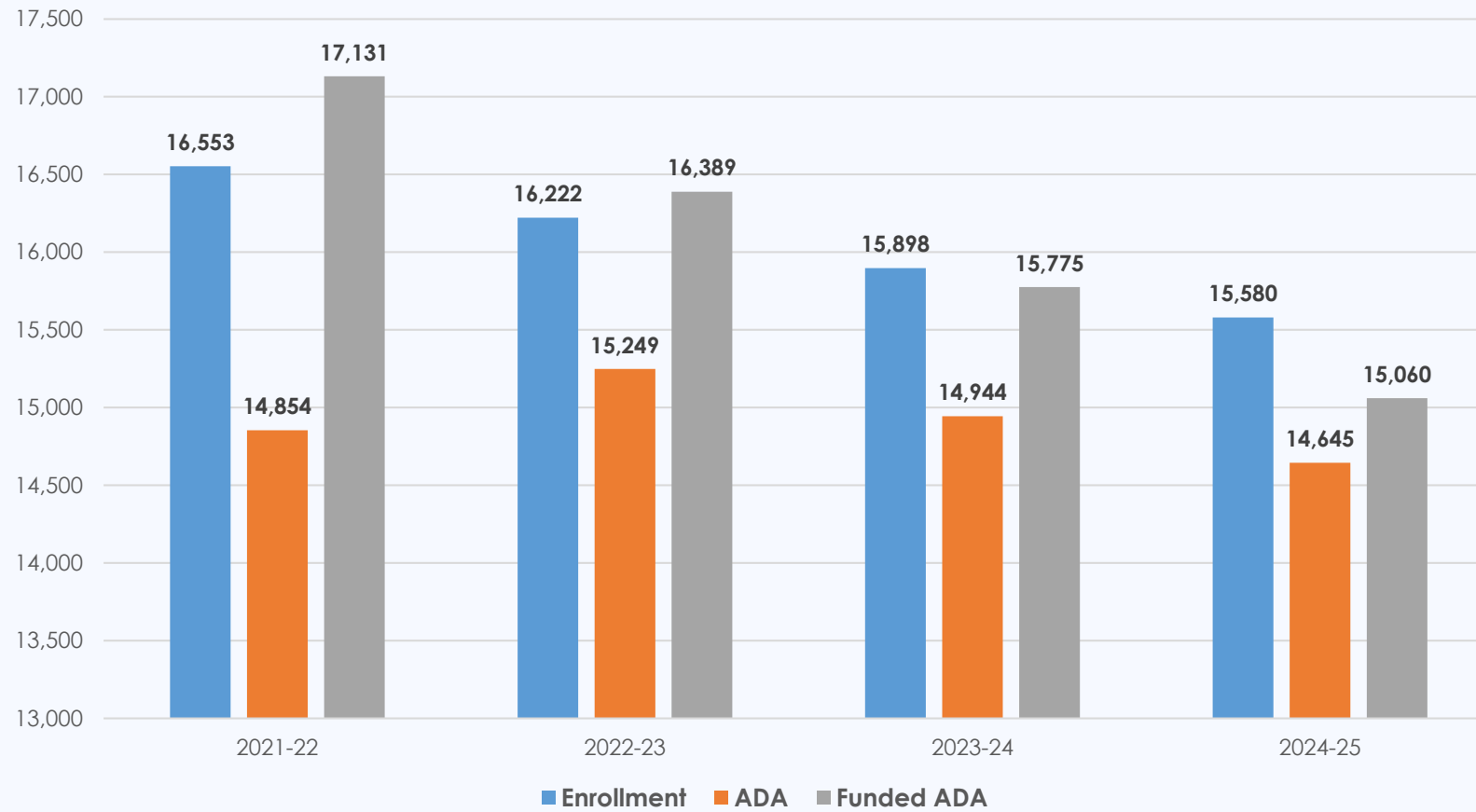
Senate's Putting Wealth to Work Plan

	Governor's May Revise	Legislative Version
Deferred Maintenance	\$1.7 billion	\$0
Community schools	\$1.5 billion	\$0
Math and science professional development	\$385 million	\$0

GOVERNOR'S LCFF PROPOSALS

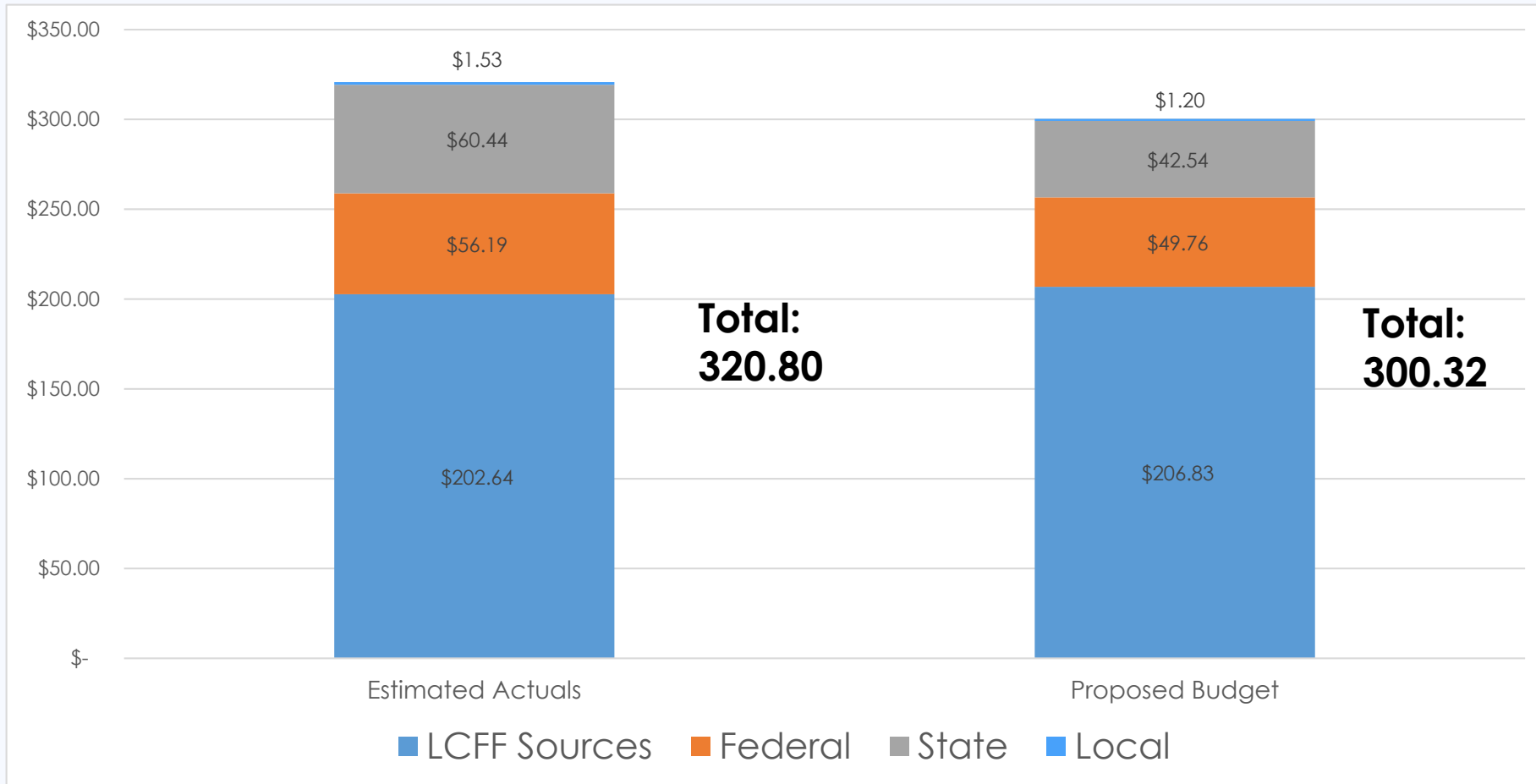
- Funding based on higher of current year ADA, prior year ADA, or 3 prior year ADA. This is a change from the higher of current or prior year ADA and smooths out the ADA cliff.
- \$2.1 billion dollar investment in LCFF.
- \$8 billion dollar one-time discretionary block grant.

ENROLLMENT AND ADA



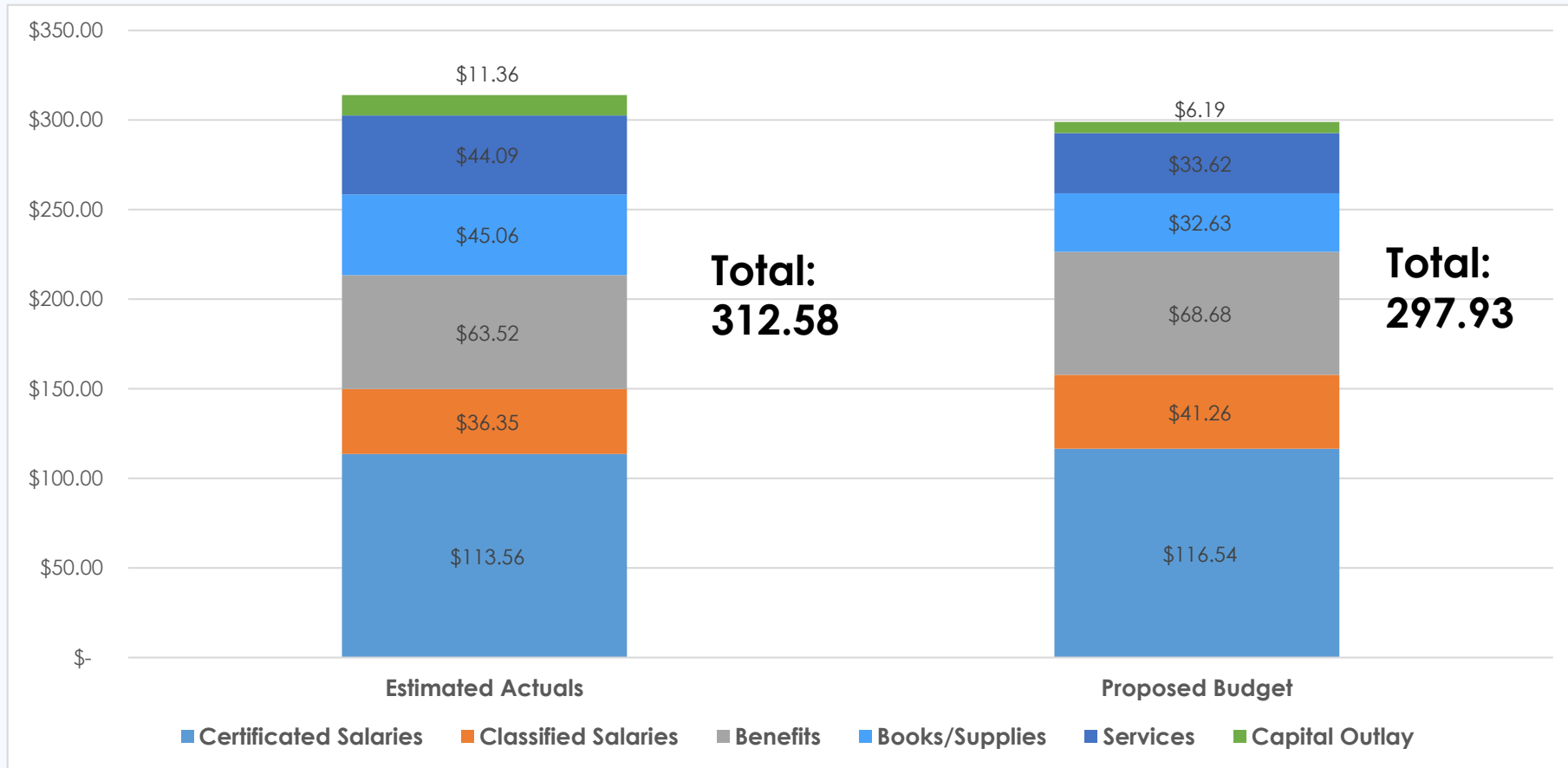
HLPUSD PROPOSED BUDGET- REVENUES

\$ in Millions



HLPUSD PROPOSED BUDGET - EXPENDITURES

\$ in Millions



REVENUE AND EXPENDITURE COMPARISON



MULTIYEAR PROJECTIONS

\$ in Millions

	2022-23	2023-24	2024-25
Beginning Fund Balance	\$50.16	\$52.54	\$57.10
Revenues	\$190.15	\$191.53	\$189.38
Expenditures	\$187.77	\$186.98	\$187.16
Ending Fund Balance	\$52.54	\$57.10	\$59.32
Minimum Reserve	\$9.18	\$8.36	\$8.16

OTHER FUNDS SUMMARY

\$ in Millions

Fund	Description	Beginning Balance	Revenues + Transfer In	Expenditures + Transfers Out	Ending Fund Balance
11	Adult Education Fund	41.08	22.00	23.60	39.48
12	Child Development Fund	1.93	10.67	10.67	1.93
13	Food Services Fund	3.47	13.51	13.51	3.47
14	Deferred Maintenance Fund	7.80	3.00	2.71	8.09
21	Building Fund	23.49	0.00	21.00	11.51
40	Special Reserve Fund	59.54	0.00	15.00	44.54
56	Debt Services Fund	33.94	6.00	8.60	31.34
67	Self Insurance Fund	48.89	31.50	31.50	48.89

FUTURE OUTLOOK & NEXT STEPS

Operating Surplus (w/o Transfers out) for all projected years

Significantly different proposals from Governor, Assembly, and Senate

Negotiations for future years not complete

Major Deferred Maintenance Projects pending (Fire and Life Safety, Communications, Transportation, Equipment and Technology)

June 9, 2022: 2022-23 Proposed Budget Presentation to the Board

June 30, 2022: Board adoption of 2022-23 Proposed Budget

August 11, 2022: 45 day budget revision (if necessary)

QUESTIONS?