



Hacienda La Puente Unified School District Governing Board Briefing

May 28, 2020

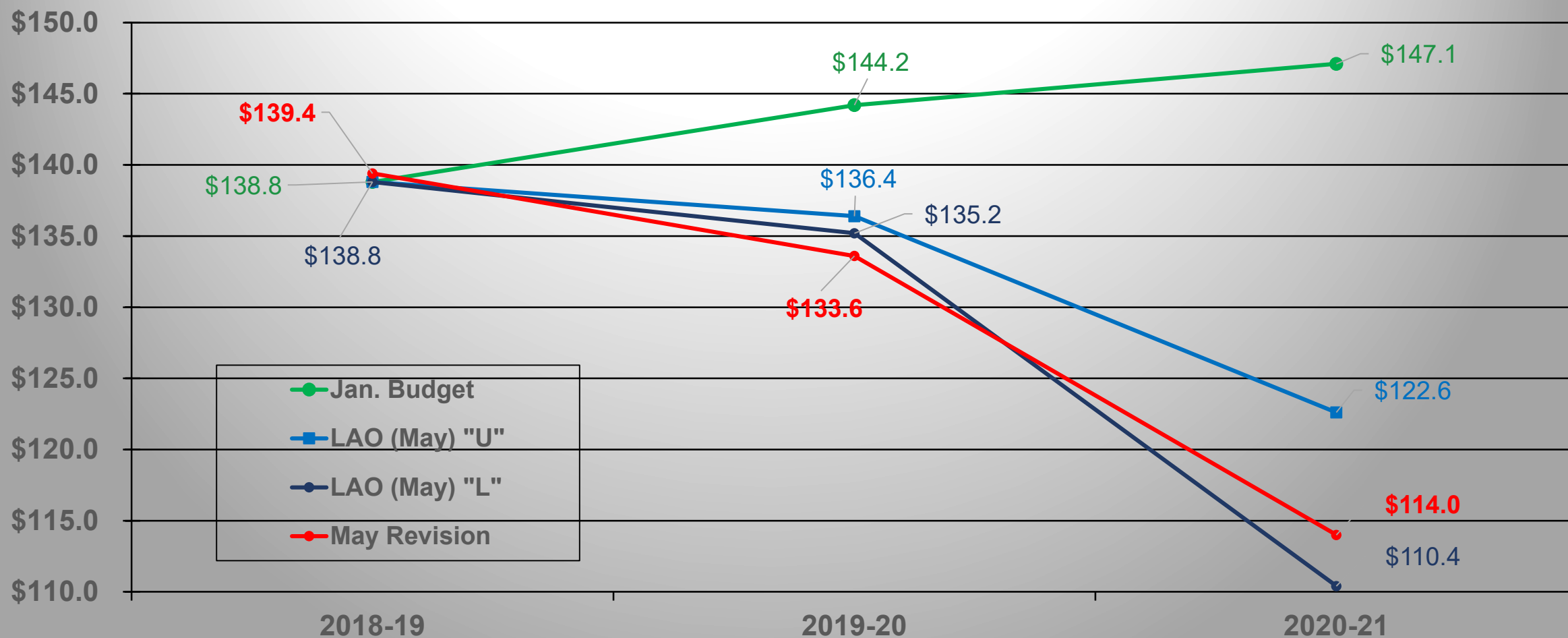
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Capitol Advisors Group

Cuts & Some Solutions

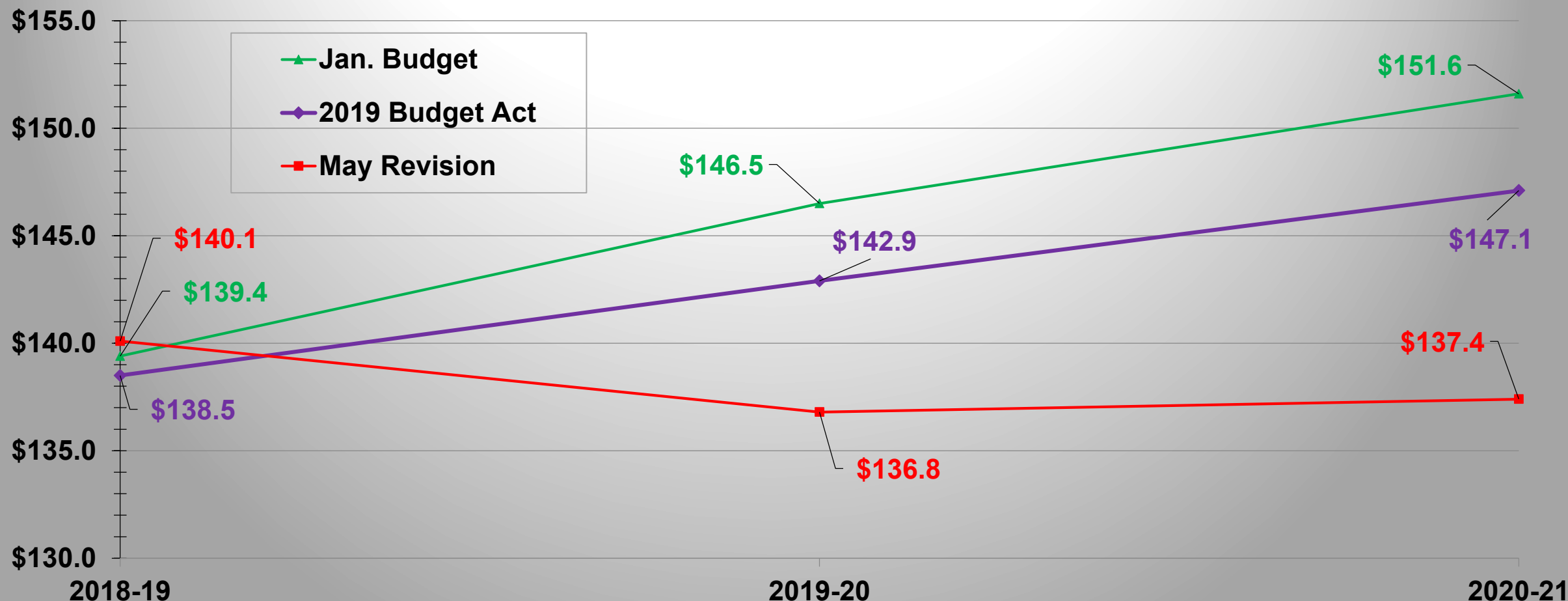
- Revenue numbers are mostly an educated guess – Equal to most January budgets
- No certain numbers until July 15th – Which will be more like a May Revision
- Budget will get adopted in two weeks knowing very little about real revenues or Fed aid
- \$19 Billion overall cut to Prop 98 (K-14 Education) But \$15.1 Billion to K-12 specifically
- Governor balances the \$15.1 Billion problem with deepest cuts ever and funding deferrals
- Governor proposes other measures and funding intended to soften the reductions
 - Special Education Base Rate Increase - \$645.00 per pupil
 - Helping with STRS/PERS increases over the next two years
 - Federal ESSER (Elementary and Secondary Education School Relief) Funding - \$1.6 Billion via Title 1
 - Federal Corona Relief Fund (CRF) - \$4 Billion to address COVID-19 impacts & learning loss
 - Federal Governor's Education Emergency Relief (GEER) \$355 Million combined with CRF
 - Out-year promise to raise Prop 98 levels to compensate for nearly \$13 billion of losses now

Projected “Big 3” General Fund Revenues (Dollars in Billions)



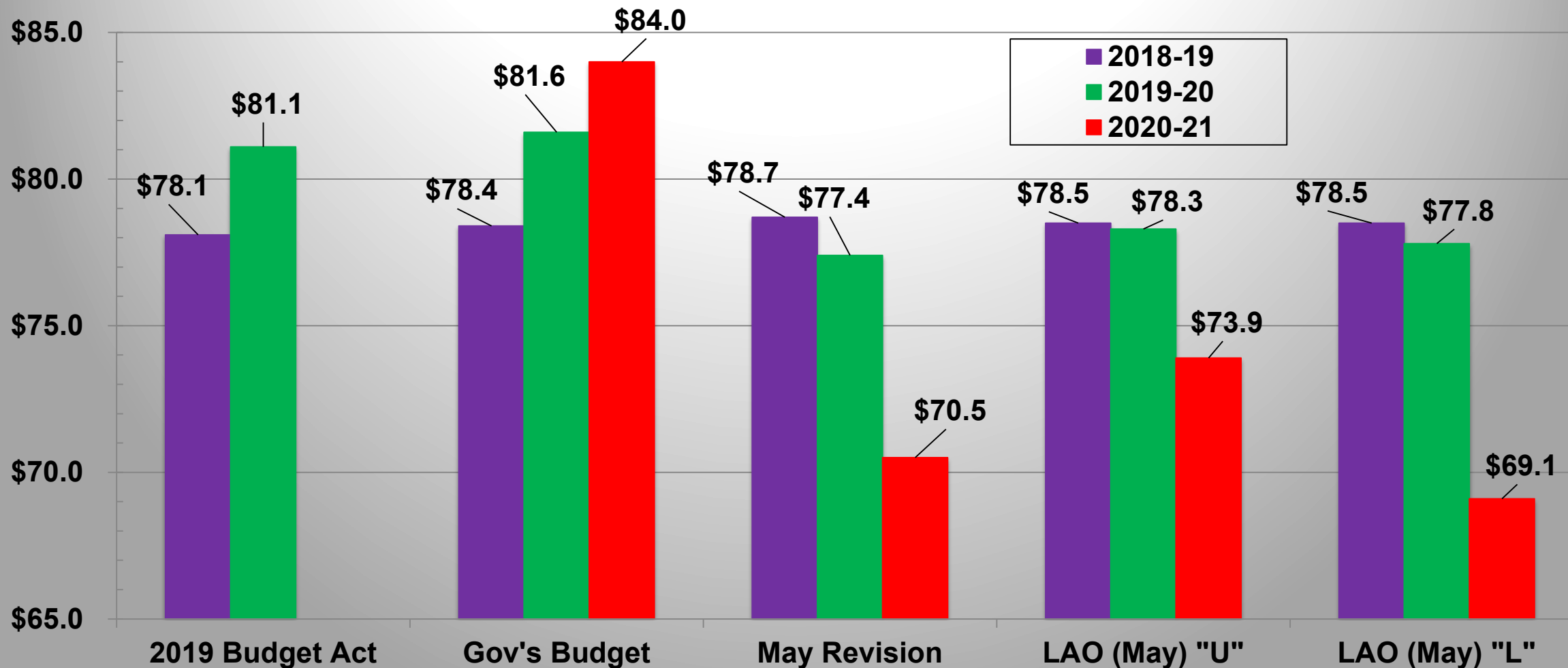
General Fund Revenues (including transfers)

(Dollars in Billions)



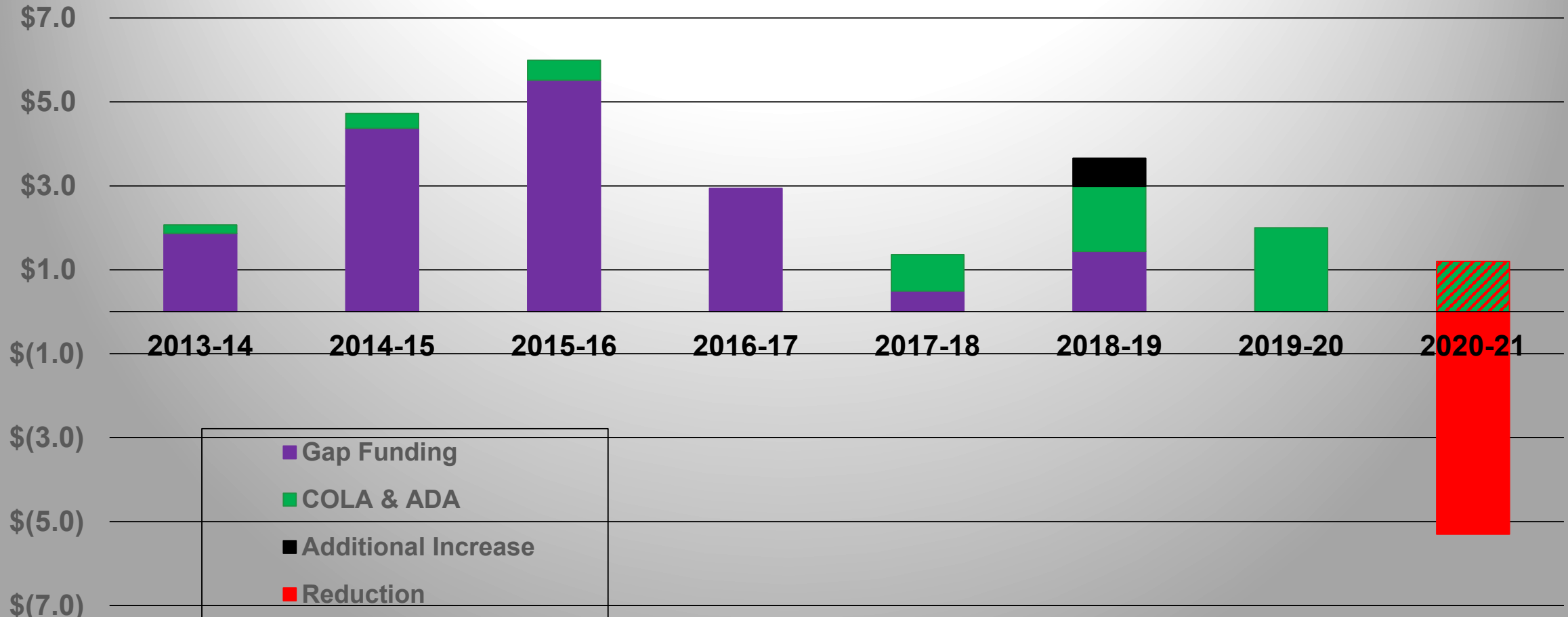
Prop 98 Changes

(Dollars in Billions)



Changes in LCFF Funding

(Dollars in Billions)





District LCFF Entitlement Targets

- Base Grant per ADA (with 2.31% COLA and 10% reduction)
 - K-3 = \$7,092 (-\$610 / -\$786)
 - 4-6 = \$7,199 (-\$619 / -\$798)
 - 7-8 = \$7,413 (-\$638 / -\$822)
 - 9-12 = \$8,590 (-\$739 / -\$953)
- Grade Span Adjustments: 10.4% = \$738 (-\$63 / -\$81) per K-3 ADA; 2.6% = \$223 (-\$19 / -\$25) per 9-12 ADA
- Supplemental Grant = 20% of Adjusted Base Grant
- Concentration Grant = 50% of Adjusted Base Grant
- TIIG and HST Add-ons reduced by 10% from prior years

Stand-Alone Categorical Programs

- After School Education & Safety Program: \$546.2 million (reduction of \$100 million)
- Career Technical Education Incentive Grant: \$72.6 million (reduction of \$77.4 million)
- K-12 Strong Workforce Program: \$72.6 million (reduction of \$79.4 million)
- California Partnership Academies: \$10.7 million (reduction of \$10.7 million)
- College Planning and Preparation Website & Online Educational Resources Program: \$8.5 million (reduction of \$3 million)
- Career Technical Education Initiative: \$7.7 million (reduction of \$7.7 million)
- Agricultural Education Incentive Program: \$2 million (reduction of \$2.1 million)
- Specialized Secondary Education Grants: \$2.49 million (reduction of \$2.4 million)
- Teacher Dismissal: \$300,000 (increase of \$200,000)
- Special Education: \$4.19 billion (reduction of \$88.9 million)*
- Adult Education Program: \$489 million (reduction of \$66.7 million)*
- Mandate Block Grant: \$241.6 million (reduction of \$5.53 million)*
- Child Nutrition: \$173.72 million (reduction of \$3.98 million)*
- Foster Youth Programs: \$27.33 million (reduction of \$626,000)*
- American Indian Education Centers: \$4.4 million (reduction of \$101,000)*
- American Indian Early Childhood Education Program: \$593,000 (reduction of \$14,000)*

*reduction in part or entirely due to loss of 2.29% COLA

Employer Contribution Rates

Proposes redirecting the \$2.3 billion for employer long-term unfunded liability provided in the 2019-20 Budget to further reduce CalPERS and CalSTRS contribution rates in 2020-21 and 2021-22

CalSTRS

Fiscal Year	Under 2019 Budget Act	Under May Revision
2019-20	17.1	17.1
2020-21	18.4	16.15 (-2.25)**
2021-22	18.2*	16.02 (-2.18)**
2022-23	18.1*	18.4**
2023-24	18.1*	18.4**

CalPERS

Fiscal Year	Under 2019 Budget Act	Under May Revision
2019-20	19.7	19.7
2020-21	22.7	20.7 (-2.00)**
2021-22	25.0*	22.8 (-2.20)**
2022-23	25.5*	25.8**
2023-24	26.2*	26.5**
2024-25	26.5*	26.8**
2025-26	26.4*	26.7**
2026-27	26.2*	26.5**

*Latest projected rates

**Does not reflect any rate increases STRs or PERs may enact to address investment losses



Federal Funding Directed to K-12

- Total \$4.355 billion to LEAs from discretionary Coronavirus Relief Fund (CRF) and Governor's Emergency Education Relief (GEER)
 - \$4 billion out of roughly \$9.5 billion of CRF allocated for California
 - \$355 million California GEER for discretionary allocation to K-12 and higher ed
- Funds proposed to be allocated in two ways:
 - \$1.5 billion to LEAs based on special education enrollment
 - \$2.855 billion to any LEA that received concentration grant funding in 2019-20 P2 apportionment – amount based on P2 total ADA
- Above funds must be used to mitigate COVID-19 impacts (broadly defined) and must be expended on or before December 30, 2020
- LEA governing board must adopt an instructional continuity plan, expenditures subject to audit



Elementary and Secondary School Emergency Relief (ESSER) Funding (\$1.6 billion)

- \$1.45 billion directly to LEAs based on Title I-A Formula for COVID-19 related costs
- \$100 million for grants to COEs to develop networks of community schools and coordinating health, mental health, and social service supports for high-needs student
- \$63.2 million for training and professional development for school staff related to addressing the impact of COVID-19 on students



What's Next

- Legislature holds hearings & passes budget by June 15
- Budget Act by June 30 (Budget Act workshop)
- July 15 tax deadline
- Federal relief package?
- August or Fall Revision (Late Summer/Fall budget workshop)
- Ballot politics