



**PERRIS UNION**  
HIGH SCHOOL DISTRICT

# 2023-24 BUDGET

JUNE 5, 2023

BUDGET PROPOSAL



PUHSD.ORG



@puhsd



PerrisUnionHSD



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# CALIFORNIA STATE BUDGET

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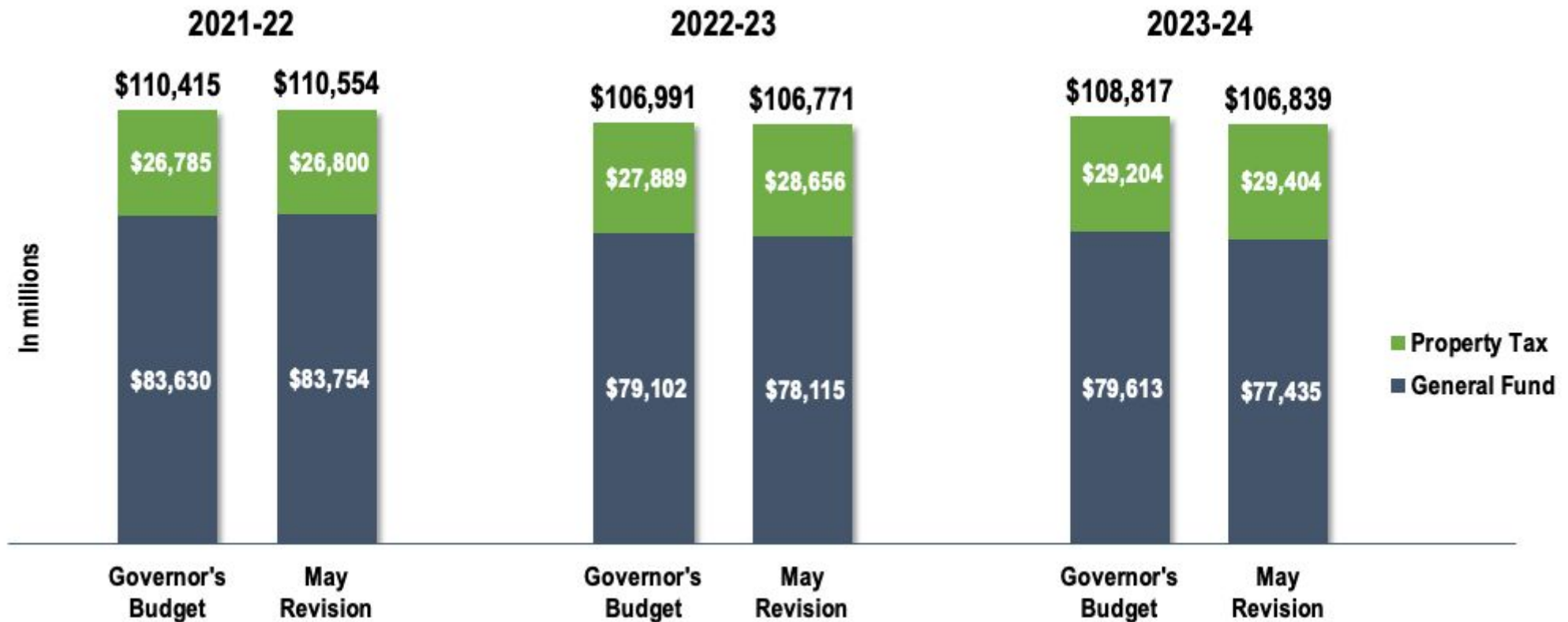
# GOVERNOR'S MAY REVISE

- On May 12, 2023, Governor Gavin Newsom released the May Revision to the proposed state budget for 2023-24
- State revenues have softened since the Governor's Budget proposal in January that has increased the state's budget deficit from \$22.5 billion to \$31.5 billion
- Postponement of personal income tax (PIT) and corporation tax returns until October means an estimated \$42 billion are not due to come until fall
- Due to significantly less revenue than estimated in January, the May Revision reduces the 2023-24 Proposition 98 minimum guarantee from the Governor's January Budget
- The proposal increases the funded cost-of-living adjustment (COLA) to the Local Control Funding Formula (LCFF), special education, and several other categorical programs outside the LCFF from 8.13% to 8.22%



# PROPOSITION 98 MINIMUM GUARANTEE JANUARY TO MAY

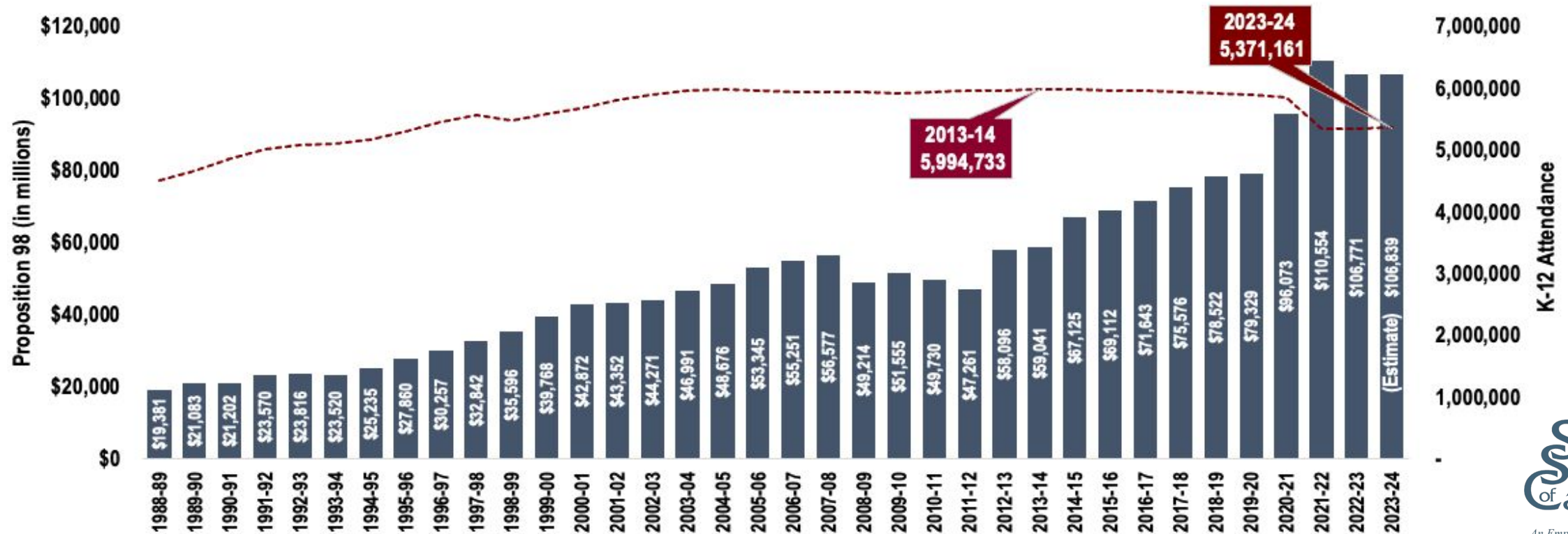
- While the share of the minimum guarantee that comes from state General Fund revenues has decreased, local property taxes have steadily increased





# PROPOSITION 98 AND ATTENDANCE

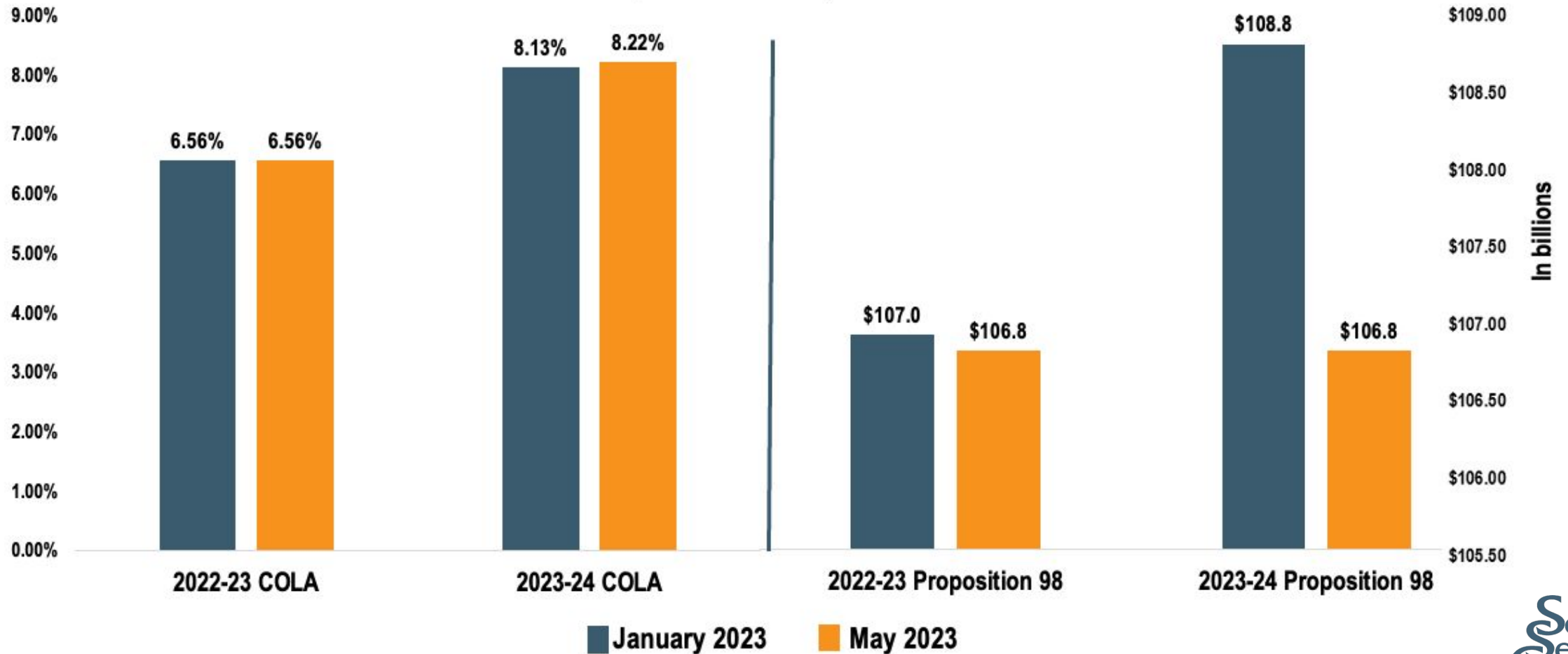
- Although the minimum guarantee has plateaued, overall funding has increased significantly since the inception of the LCFF—up 81% over the decade
- Conversely, student attendance has declined 10% over the same time period





# CHANGING ASSUMPTIONS FROM THE STATE

### COLA and Proposition 98 Projections from the DOF





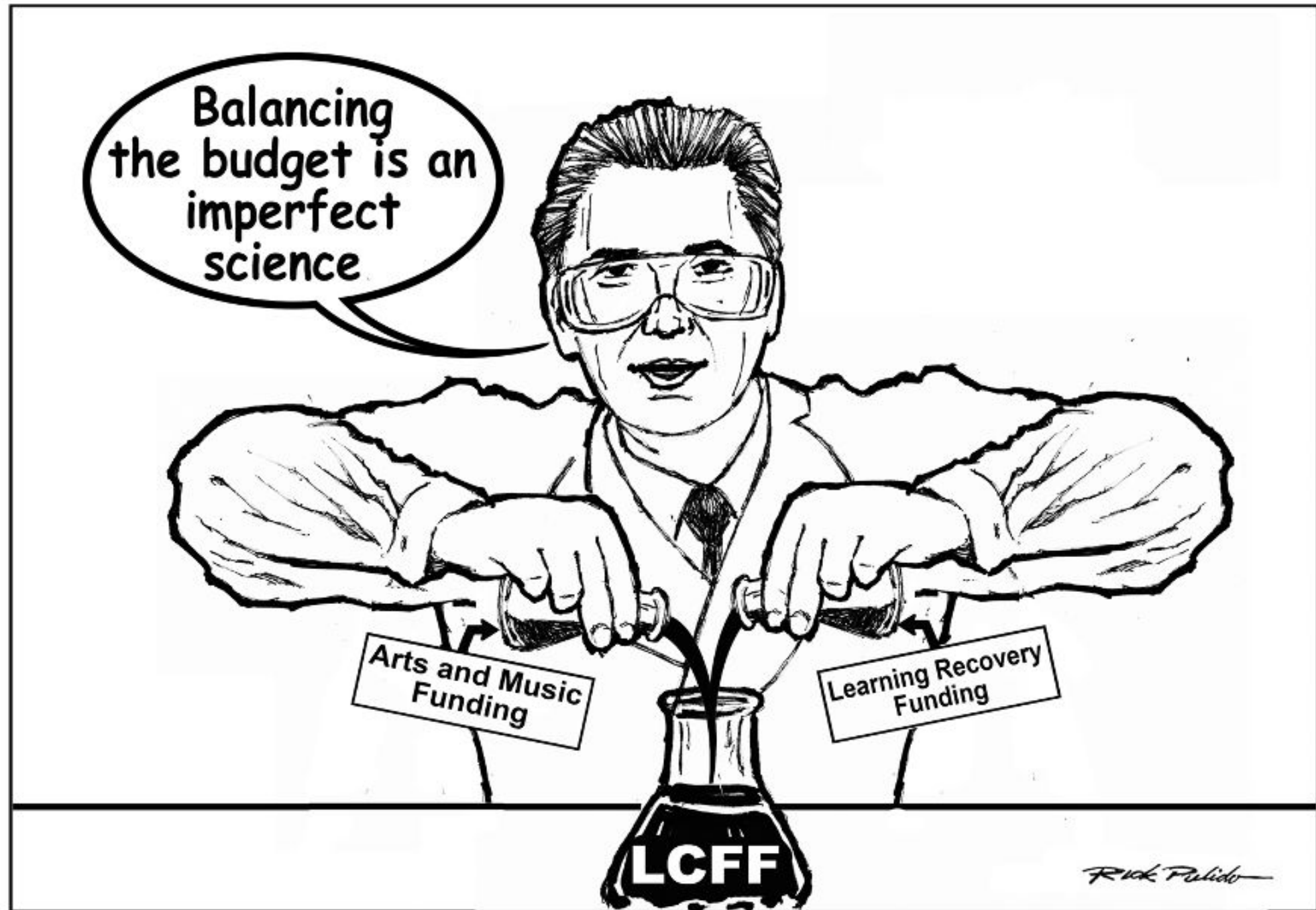
# MAY REVISION

- Arts, Music, and Instructional Materials Discretionary Block Grant
  - The Governor's Budget proposed a \$1.2 billion reduction in the \$3.5 billion one-time funding provided in the 2022-23 Enacted Budget package
  - The May Revision proposal would increase the reduction to \$1.78 billion—sweeping the remaining unallocated portion of the grant
- Learning Recovery Emergency Block Grant
  - The May Revision proposes to reduce this funding by \$2.5 billion from \$7.9 billion to \$5.4 billion, a decrease of 32%
- Echoing his warnings in January, the Governor's summary states "should broader economic risks materialize, deeper reductions will be necessary"



# THE ROAD TO AN ENACTED STATE BUDGET

| May Revise   | Senate Plan   | Assembly Plan                             |
|--|---|---|
| Proposes an 8.22% COLA for LCFF and Categorical Programs outside the LCFF  | Approves May Revise as proposed   | Approves May Revise as proposed           |
| Proposes to use \$2.7 billion in one-time Prop 98 funding to fully fund the costs of applying the 8.22% COLA to the LCFF   | Reduces the amount of one-time funding dedicated to funding LCFF costs in 2022-23 (from \$613 million to \$97 million) and 2023-24 (to \$1.5 billion) | Unclear whether any action has been taken |
| Proposes to reduce the Arts, Music and Instructional Materials Block Grant by an additional \$607 million, for a total reduction from \$3.5 billion to \$1.8 billion | Rejects the proposal  | Modifies the reduction to \$261.2 million |
| Proposes to reduce the Learning Recovery Emergency Block Grant by \$2.5 billion (to \$5.4 billion)   | Modifies the reduction to \$525 million   | Modifies the reduction to \$440.6 million |



# 2023-24 PROPOSED BUDGET

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# PUHSD LCFF CALCULATION

| Calculation Factors                          | 7-8             | 9-12            |
|--|-----------------|-----------------|
| 2022-23 Base Grant per ADA                   | \$9,580         | \$11,102        |
| 8.22% COLA                                   | \$787           | \$913           |
| 2023-24 Base Grant per ADA                   | \$10,367        | \$12,015        |
| Grade Span Adjustment                        |                 | \$312           |
| 2023-24 Adjusted Base Grant per ADA          | \$10,367        | \$12,327        |
| 20% Supplemental Grant per ADA (total UPP)*  | \$1,475         | \$1,753         |
| 65% Concentration Grant per ADA (total UPP)* | \$1,086         | \$1,292         |
| <b>Total LCFF Funding per ADA</b>            | <b>\$12,928</b> | <b>\$15,372</b> |

*\*District specific calculation based on 71.12% 3 year rolling average unduplicated pupil count (UPP)*



# ENROLLMENT TO ADA HISTORICAL TRENDS & PROJECTIONS





# MULTI-YEAR PROJECTION ASSUMPTIONS SUMMARY

|   | 2022-23  | 2023-24  | 2024-25   | 2025-26   |
|---|----------|----------|-----------|-----------|
| <b>Department of Finance (DOF) Statutory COLA</b> | 6.56%    | 8.22%    | 3.94%     | 3.11%     |
| <b>Additional LCFF Investment</b>                 | 6.70%    |          |           |           |
| <b>Enrollment</b>                                 | 10,725   | 11,261   | 11,599    | 11,947    |
| <b>Enrollment Growth %</b>                        | 3.93%    | 5.00%    | 3.00%     | 3.00%     |
| <b>ADA</b>  | 9,423.04 | 9,893.75 | 10,190.30 | 10,495.74 |
| <b>ADA as a % of Enrollment</b>                   | 87.86%   | 87.86%   | 87.85%    | 87.85%    |
| <b>Unduplicated % (Rolling 3 year average)</b>    | 71.38%   | 71.12%   | 73.85%    | 74.03%    |
| <b>STRS Rate</b>                                  | 19.10%   | 19.10%   | 19.10%    | 19.10%    |
| <b>PERS Rate</b>                                  | 25.37%   | 26.68%   | 27.70%    | 28.30%    |
| <b>Unemployment Insurance Rate</b>                | 0.50%    | 0.05%    | 0.05%     | 0.05%     |



# UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

|  | 2022-23<br>Estimated<br>Actuals | 2023-24<br>Projected<br>Budget | 2024-25<br>Projected<br>Budget | 2025-26<br>Projected<br>Budget |
|--|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| <b>Beginning Balance</b>                     | <b>\$39,463,283</b>             | <b>\$30,794,521</b>            | <b>\$16,226,626</b>            | <b>\$14,089,366</b>            |
| LCFF Revenue                                 | \$135,933,341                   | \$151,812,951                  | \$165,468,115                  | \$176,174,040                  |
| Other Revenue                                | \$6,383,600                     | \$7,766,296                    | \$6,761,296                    | \$6,761,296                    |
| Contributions                                | <u>-\$26,022,322</u>            | <u>-\$31,529,798</u>           | <u>-\$31,424,548</u>           | <u>-\$32,628,718</u>           |
| <b>Total Revenues</b>                        | <b>\$116,294,619</b>            | <b>\$128,049,499</b>           | <b>\$140,804,863</b>           | <b>\$150,306,618</b>           |
| Certificated Salaries                        | \$53,238,221                    | \$59,817,265                   | \$61,565,241                   | \$63,363,563                   |
| Classified Salaries                          | \$18,479,249                    | \$23,960,926                   | \$23,917,437                   | \$24,172,112                   |
| Employee Benefits                            | \$28,903,951                    | \$34,278,375                   | \$34,604,103                   | \$36,094,250                   |
| Books and Supplies                           | \$4,750,109                     | \$4,883,476                    | \$4,872,744                    | \$4,994,075                    |
| Services, Operating Expenses                 | \$17,676,307                    | \$20,138,489                   | \$20,471,219                   | \$21,985,255                   |
| Capital Outlay                               | \$2,998,522                     | \$2,299,560                    | \$184,560                      | \$184,560                      |
| Other Outgo                                  | <u>-\$1,082,978</u>             | <u>-\$2,760,747</u>            | <u>-\$2,673,181</u>            | <u>-\$2,637,917</u>            |
| <b>Total Expenditures</b>                    | <b>\$124,963,381</b>            | <b>\$142,617,344</b>           | <b>\$142,942,123</b>           | <b>\$148,155,898</b>           |
| Net Increase/(Decrease)<br>to Ending Balance | <b>(\$8,668,762)</b>            | <b>(\$14,567,895)</b>          | <b>(\$2,137,260)</b>           | <b>\$2,150,720</b>             |
| <b>Total Ending Balance</b>                  | <b>\$30,794,521</b>             | <b>\$16,226,626</b>            | <b>\$14,089,366</b>            | <b>\$16,240,086</b>            |
| <i>Ending Balance %</i>                      | 15.80%                          | 7.62%                          | 6.84%                          | 7.67%                          |



## 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 21, 2023
- 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, if necessary, the District's Budget will be revised and submitted to the Board for approval ("45-Day Revision")



QUESTIONS?