



PERRIS UNION
HIGH SCHOOL DISTRICT

2022-23 2ND INTERIM REPORT

March 15, 2023



PUHSD.ORG



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CALIFORNIA STATE BUDGET



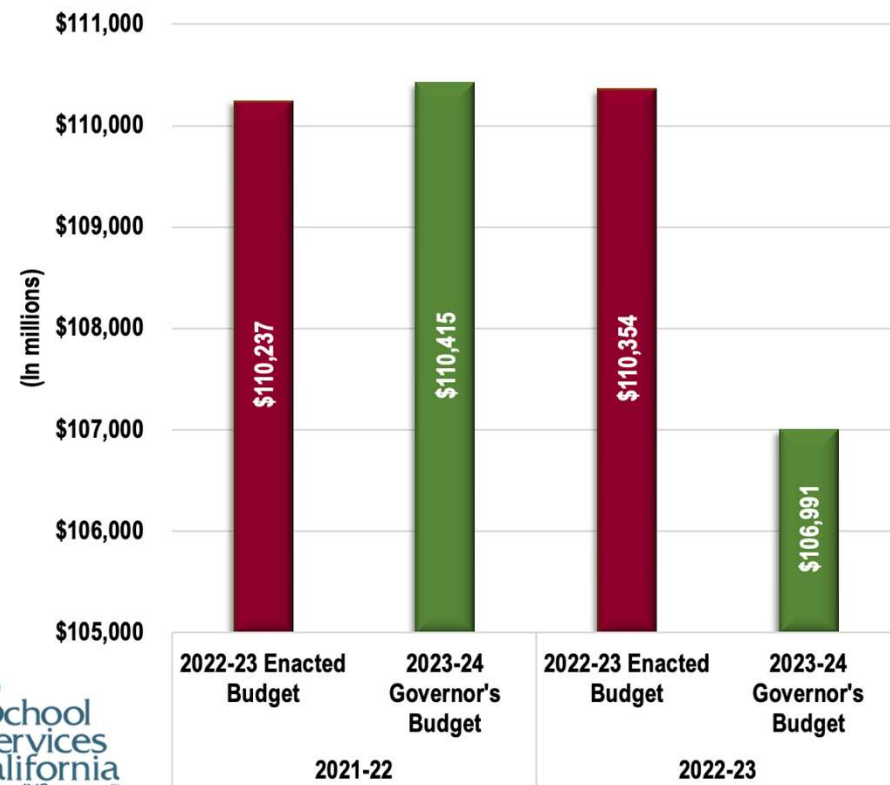
GOVERNOR'S 2023-24 BUDGET PROPOSAL

- Governor Newsom released his proposals for the 2023-24 State Budget and K-12 Education on January 10, 2023
- The Governor's Budget is focused on maintaining programs where possible while trimming others
- For education, Governor Newsom proposes a State Budget to preserve investments made during the boom years
 - The number of major changes for 2023-24 are minimal; however the proposed changes are significant including a cut to one-time funds
- The Governor's Budget forecast assumes slower economic growth but does not assume a recession
 - Most economists believe that a mild recession will occur in 2023 or 2024



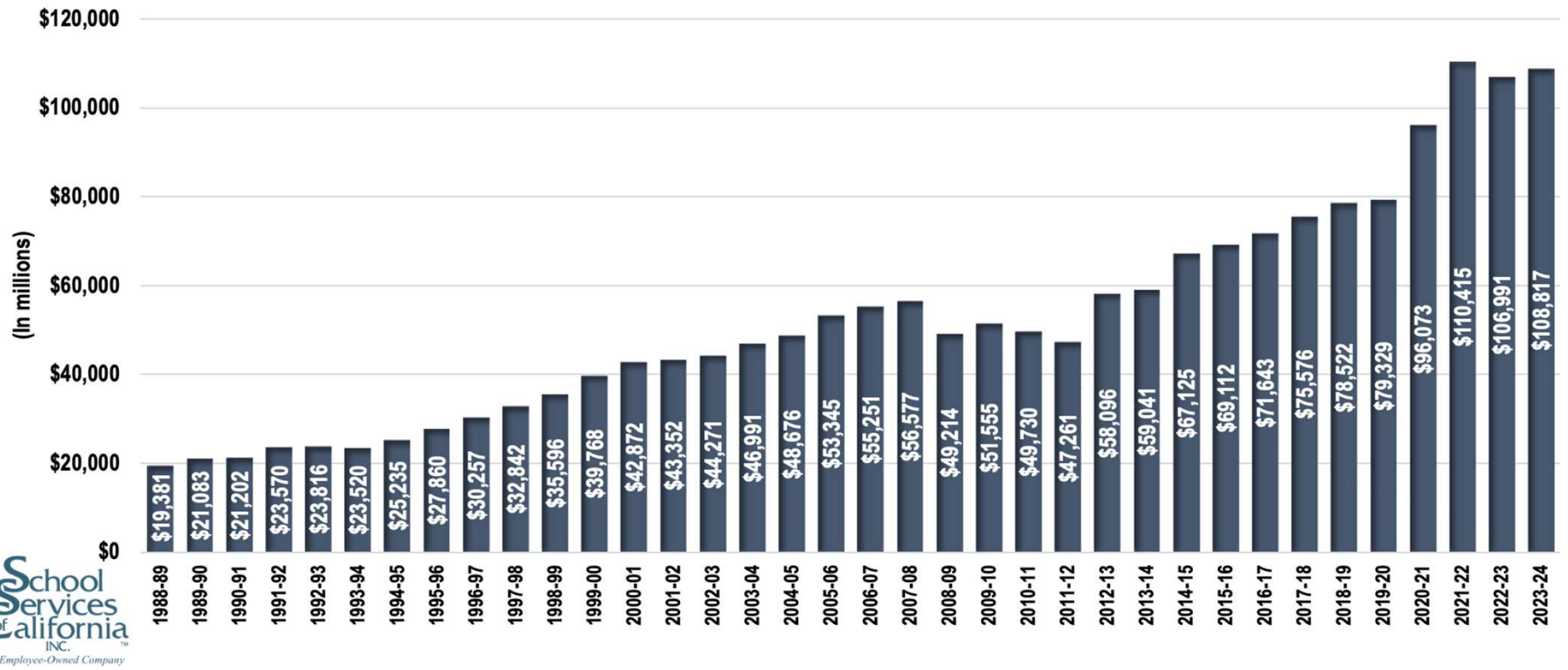
PROPOSITION 98 ADJUSTMENTS

- The Governor's Budget includes a three-year period
- Each year, the Proposition 98 minimum guarantee for the two prior fiscal years is revised to reflect updated state revenues
- The Governor's Budget:
 - *Increases* funding in 2021-22 by approximately \$200 million
 - *Reduces* funding in 2022-23 by approximately \$3.4 billion



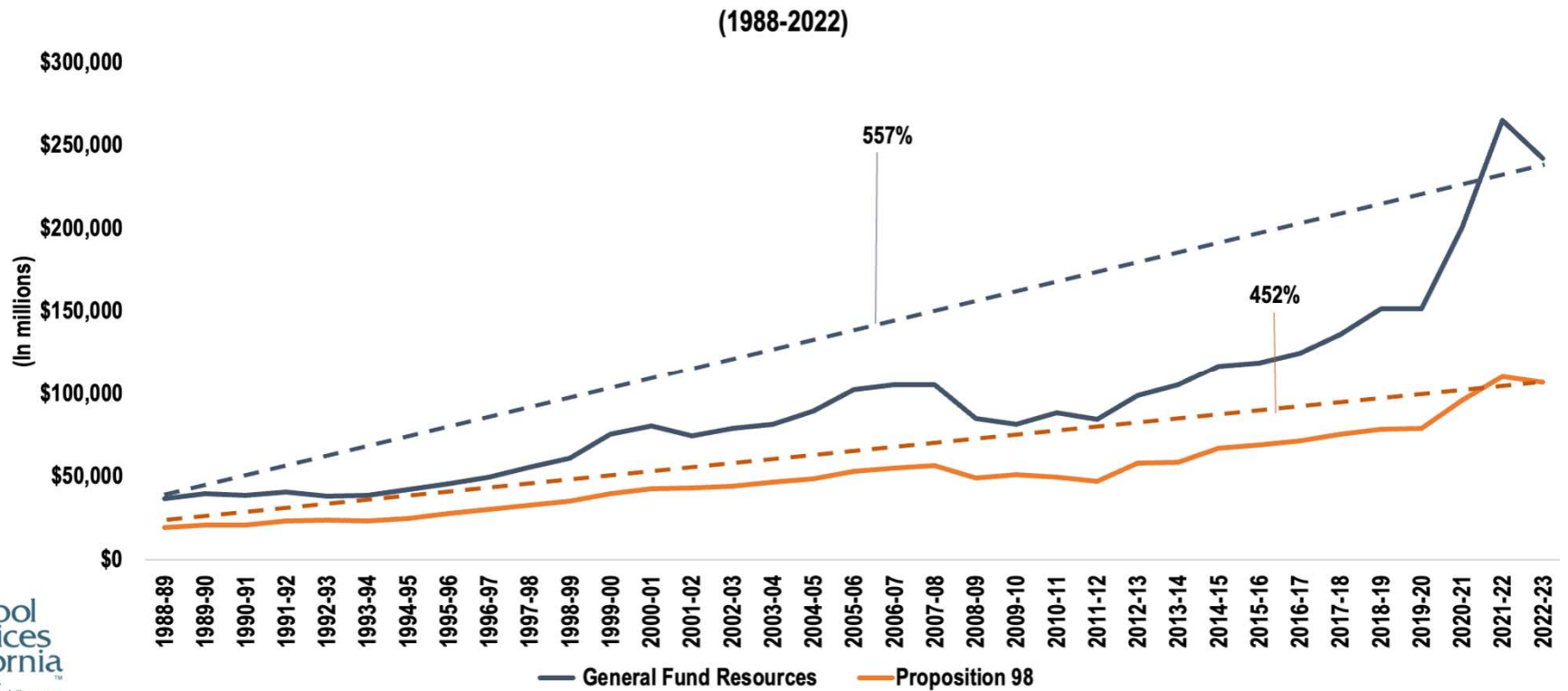


PROPOSITION 98 MINIMUM GUARANTEE





STATE REVENUES AND PROP 98 GROWTH



Source: Department of Finance, General Fund Summary Historical Charts



OVERVIEW OF MAJOR K-12 SPENDING PROPOSALS

- The largest K-12 investment in the Governor's Budget is in the LCFF and its various components, totaling an additional \$5.04 billion in Proposition 98 resources, utilizing \$1.4 billion in one-time funding
 - Statutory COLA - 8.13%
 - Also applied to categorical programs and other programs funded outside of the LCFF including Special Education and Child Nutrition
 - TK Add-On + COLA (\$165 million)
 - Equity Multiplier (\$300 million)
 - Based on the federal *free* meal program eligibility, 85% threshold for High Schools and 90% for Elementary and Middle Schools



DISTRICT BUDGET



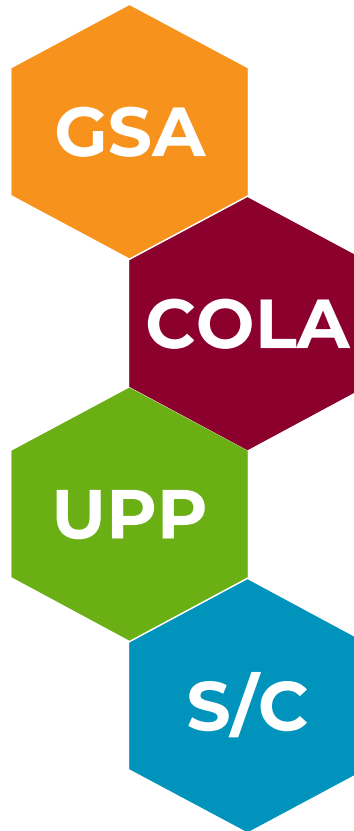


LCFF OVERVIEW

Grade span adjustments (GSAs) applied as percentage increases to the base grants

- **Grades K-3—10.4%**
- **Grades 9-12—2.6%**

Unduplicated pupil percentage (UPP)—LEA’s enrolled students who are English learners, free or reduced-price meal program eligible, or foster youth



COLA applied to the base grants

Supplemental and concentration (S/C) grants calculated based on the UPP



PUHSD 2022-23 LCFF CALCULATION

Calculation Factors	4-6	7-8	9-12
2022-23 Base Grant per ADA	\$8,215	\$8,458	\$9,802
13.26% COLA	\$1,089	\$1,122	\$1,300
2022-23 Base Grant per ADA	\$9,304	\$9,580	\$11,102
2.6% CTE Grade Span Adjustment	-	-	\$289
2022-23 Adjusted Base Grant per ADA	\$9,304	\$9,580	\$11,391
Supplemental*	\$1,694	\$1,370	\$1,629
Concentration*	\$2,178	\$1,028	\$1,222
Total LCFF Funding per ADA	\$13,176	\$11,978	\$14,243

*District specific calculation based on 71.51% 3 yr. rolling average unduplicated pupil count (UPP)

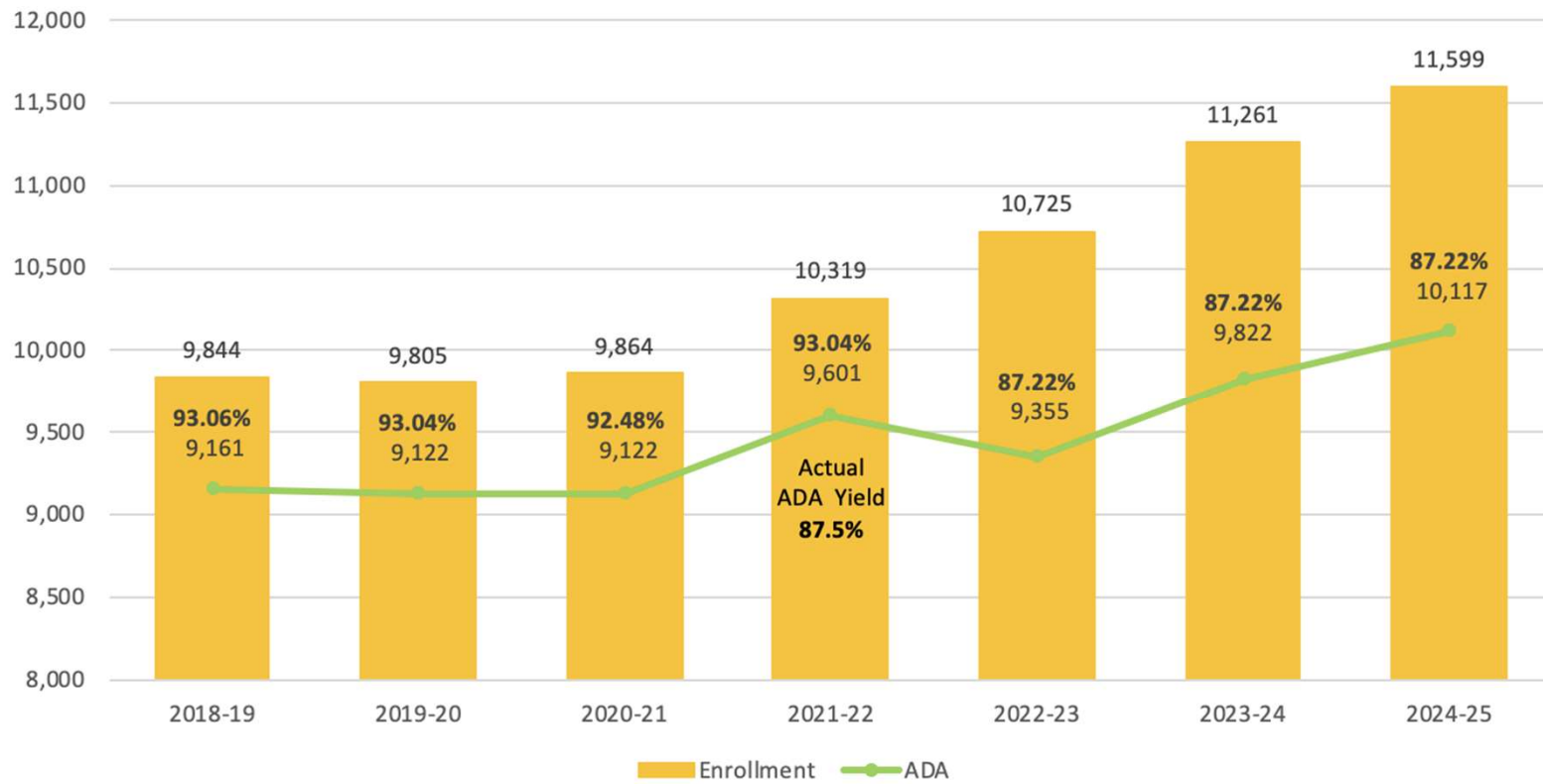


MULTI-YEAR PROJECTION ASSUMPTIONS SUMMARY

	2021-22	2022-23	2023-24	2024-25
Department of Finance (DOF) Statutory COLA	1.70%	6.56%	8.13%	3.54%
“Mega” COLA (LCFF only)	5.07%	N/A	N/A	N/A
Additional LCFF Investment	N/A	6.70%	N/A	N/A
Enrollment	10,319	10,725	11,261	11,599
Enrollment Growth %	4.61%	3.93%	5.00%	3.00%
ADA	9,029.18	9,354.82	9,822.15	10,116.57
ADA as a % of Enrollment	87.50%	87.22%	87.22%	87.22%
Unduplicated % (Rolling 3 year average)	71.07%	71.51%	71.24%	73.97%
STRS Rate	16.92%	19.10%	19.10%	19.10%
PERS Rate	22.91%	25.37%	27.00%	28.10%
Unemployment Insurance Rate	0.50%	0.50%	0.20%	0.20%



ENROLLMENT AND FUNDED ADA





DECLINING ADA CAPTURE RATE SCENARIO

Impact on Per Student Funding

Fiscal Year	Prior Year LCFF \$ Per ADA (grades 9-12)	x COLA	= Adjusted LCFF \$ Per ADA (grades 9-12)	x ADA Capture Rate	= Actual Funding per Student	% Increase Over Prior Year
2021-22	\$11,481	1.70% + 5.07% (Mega COLA)	\$12,537	93.04%	\$11,664	
2022-23	\$12,537	6.56% + 6.70% (add'l LCFF)	\$14,243	87.22%	\$12,422	6.49%



UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2021-22 Audited Actuals	2022-23 Projected Budget	2023-24 Projected Budget	2024-25 Projected Budget
Beginning Balance	\$37,512,932	\$39,463,282	\$26,716,539	\$19,497,475
LCFF Revenue	\$119,975,590	\$133,081,519	\$150,700,591	\$163,614,366
Other Revenue	\$3,253,891	\$6,635,398	\$6,635,398	\$6,635,398
Contributions	<u>-\$27,117,929</u>	<u>-\$28,360,150</u>	<u>-\$30,983,061</u>	<u>-\$31,755,429</u>
Total Revenues	\$96,111,552	\$111,356,767	\$126,352,928	\$138,494,335
Certificated Salaries	\$45,850,560	\$53,454,298	\$59,154,414	\$60,500,740
Classified Salaries	\$14,146,930	\$18,537,647	\$21,190,578	\$22,285,248
Employee Benefits	\$22,331,372	\$28,980,815	\$32,218,165	\$34,132,530
Books and Supplies	\$2,022,552	\$4,892,974	\$5,013,848	\$5,257,165
Services, Operating Expenses	\$11,168,167	\$17,306,821	\$17,695,325	\$18,231,335
Capital Outlay	\$1,210,386	\$2,228,879	\$142,112	\$142,112
Other Outgo	<u>-\$2,568,765</u>	<u>-\$1,297,923</u>	<u>-\$1,842,450</u>	<u>-\$1,799,971</u>
Total Expenditures	\$94,161,202	\$124,103,511	\$133,571,992	\$138,749,159
Net Increase/(Decrease) to Ending Balance	\$1,950,350	(\$12,746,744)	(\$7,219,064)	(\$254,824)
Total Ending Balance	\$39,463,282	\$26,716,539	\$19,497,475	\$19,242,651



COMPONENTS OF THE UNRESTRICTED GENERAL FUND ENDING BALANCE

	2021-22 Unaudited Actuals	2022-23 Projected Budget	2023-24 Projected Budget	2024-25 Projected Budget
Total Ending Balance	\$39,463,282	\$26,716,539	\$19,497,475	\$19,242,651
<i>Ending Balance %</i>	25.63%	13.24%	9.93%	9.62%
Reserve for Economic <i>Uncertainties</i>	\$9,230,770	\$12,099,746	\$11,760,753	\$11,991,684
<i>Reserve for Economic Uncertainties %</i>	6.00%	6.00%	6.00%	6.00%
Assigned Ending Fund Balance	6,153,847	\$5,669,373	\$903,513	\$417,758
<i>Assigned Ending Fund Balance %</i>	4.00%	2.8%	.46%	.21%
Committed Ending Fund Balance		\$8,947,420	\$6,808,209	\$6,808,209
<i>Committed Ending Fund Balance %</i>		4.44%	3.47%	3.41%
Remaining Ending Fund Balance		\$0	\$0	\$0
<i>Remaining Ending Fund Balance %</i>		0%	0%	0%



NEXT STEPS

- Positive Certification is recommended
 - Certifies that based on current projections the District will meet our financial obligations for the current and subsequent two fiscal years
- The next State Budget checkpoint is the May Revision
- 2023-24 Budget will be presented to the Board for adoption in June
 - June 5th - Public Hearings and presentations for Budget and LCAP
 - June 21th - Budget and LCAP presented to the Board for adoption



QUESTIONS?