



PERRIS UNION
HIGH SCHOOL DISTRICT

2023-24 2ND INTERIM REPORT

March 20, 2024



PUHSD.ORG



@puhsd



PerrisUnionHSD



PerrisUnionHSD



UNRESTRICTED GENERAL FUND MULTI-YEAR PROJECTION SUMMARY

	2022-23	2023-24	2024-25	2025-26	2026-27
Beginning Balance	\$39,463,282	\$35,921,681	\$23,404,482	\$21,221,846	\$16,578,009
LCFF Revenue	\$136,514,197	\$149,021,651	\$154,800,997	\$161,349,991	\$168,810,714
Other Revenue	\$8,109,616	\$10,172,505	\$8,047,086	\$7,547,086	\$7,547,086
Contributions	<u>-\$25,676,321</u>	<u>-\$31,096,149</u>	<u>-\$29,357,799</u>	<u>-\$30,706,009</u>	<u>-\$35,668,701</u>
Total Revenues	\$118,947,492	\$128,098,007	\$133,490,284	\$138,191,068	\$140,689,099
Certificated Salaries	\$54,460,190	\$59,459,703	\$57,782,363	\$59,771,951	\$62,802,164
Classified Salaries	\$18,659,007	\$23,858,753	\$22,494,037	\$23,754,813	\$24,163,127
Employee Benefits	\$27,586,706	\$33,840,269	\$32,506,965	\$35,545,597	\$36,398,191
Books and Supplies	\$4,102,392	\$4,531,083	\$4,249,906	\$4,362,104	\$4,477,264
Services, Operating Expenses	\$17,158,892	\$19,040,322	\$21,035,356	\$22,659,606	\$24,985,609
Capital Outlay	\$1,994,188	\$3,092,282	\$496,467	\$496,467	\$496,467
Other Outgo	<u>-\$1,422,282</u>	<u>-\$3,207,206</u>	<u>-\$2,892,174</u>	<u>-\$2,755,633</u>	<u>-\$2,541,928</u>
Total Expenditures	\$122,489,093	\$140,615,206	\$135,672,920	\$142,834,905	\$150,780,894
Net Increase/(Decrease) to Ending Balance	(\$3,541,601)	(\$12,517,199)	(\$2,182,636)	(\$4,643,837)	(\$10,091,795)
Total Ending Balance	\$35,921,681	\$23,404,482	\$21,221,846	\$16,578,009	\$6,486,214
<i>Ending Balance %</i>	19.44%	10.67%	10.58%	8.00%	3.06%



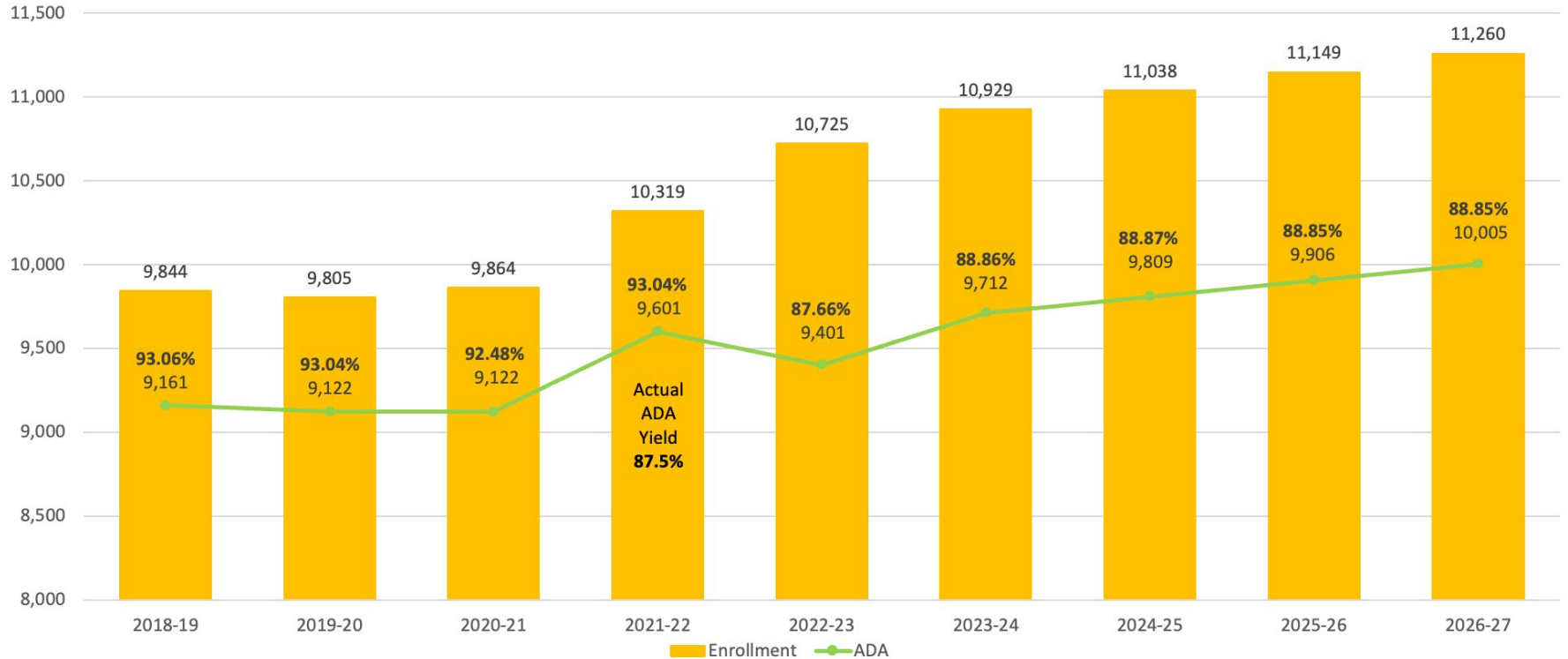
PUHSD 2023-24 LCFF CALCULATION

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
2.6% CTE Grade Span Adjustment	-	\$312
2023-24 Adjusted Base Grant per ADA	\$10,367	\$12,327
Supplemental*	\$1,475	\$1,754
Concentration*	\$1,088	\$1,294
Total LCFF Funding per ADA	\$12,930	\$15,375

*District specific calculation based on 71.15% 3 yr. rolling average unduplicated pupil count (UPP)



ENROLLMENT AND FUNDED ADA





SUMMARY OF CONTRIBUTIONS

Contribution Program	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27
<i>Special Education (6500)</i>	\$15,065,576	\$18,050,890	\$24,250,075	\$25,317,165	\$26,708,501	\$27,936,449
<i>Special Education: Mental Health (6546)</i>	\$0	\$85,846	\$787,726	\$787,726	\$787,726	\$787,726
Total Special Education Contribution	\$15,065,576	\$18,136,736	\$25,037,801	\$26,104,891	\$27,496,227	\$28,724,175
Routine Maintenance Account (8150)	\$5,788,620	\$7,539,585	\$6,058,348	\$6,252,908	\$6,473,515	\$6,944,526
COVID ADA Relief (9024)	\$6,263,733	\$0	\$0	(\$3,000,000)	(\$3,263,733)	\$0
TOTAL	\$27,117,929	\$25,676,321	\$31,096,149	\$29,357,799	\$30,706,009	\$35,668,701



MULTI-YEAR PROJECTION ASSUMPTIONS SUMMARY

	2022-23	2023-24	2024-25	2025-26	2026-27
Department of Finance (DOF) Statutory COLA	6.56%	8.22%	.76%	2.73%	3.11%
Additional LCFF Investment	6.70%	N/A	N/A	N/A	N/A
Enrollment	10,725	10,929	11,038	11,149	11,260
Enrollment Growth %	3.93%	1.90%	1.00%	1.00%	1.00%
ADA	9,401.36	9,711.50	9,809.24	9,906.10	10,004.74
ADA as a % of Enrollment	87.66%	88.86%	88.87%	88.85%	88.85%
Unduplicated % (Rolling 3 year average)	71.38%	71.15%	74.22%	74.96%	75.69%
STRS Rate	19.10%	19.10%	19.10%	19.10%	19.10%
PERS Rate	25.37%	26.68%	27.80%	28.50%	28.90%
Unemployment Insurance Rate	0.50%	0.05%	0.05%	0.05%	0.05%



DISTRICT BUDGET CONSIDERATIONS

- Revenue
 - Enrollment growth rate
 - ADA Capture Rate
- Contribution Programs
 - Special Education population growth and student needs increase
- Volatile COLA and other “out year” Projections
 - New revenues will not cover new expenditures
- Decreasing District Reserve Levels
- Use of Restricted and Unrestricted Funds



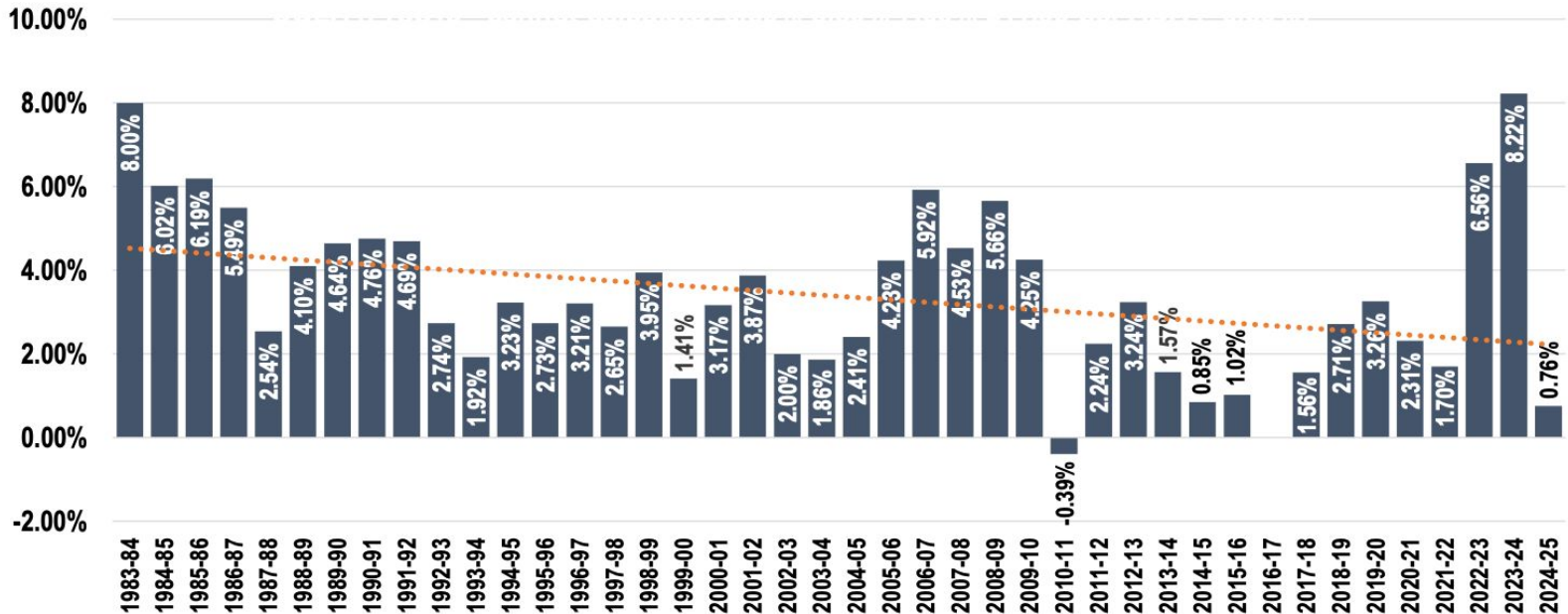
GOVERNOR'S 2024-25 BUDGET PROPOSAL

- Governor Newsom released his proposals for the 2024-25 State Budget and K-12 Education on January 10, 2024
- Projects a \$37.9 billion budget deficit for 2024-25
 - 2022 tax collections well below the budget's assumptions (\$26 billion)
 - Less pessimistic revenue assumptions than the LAO
- No new cuts or deferrals to K-12 education core programs
- Projected statutory COLA of 0.76%, significantly less than 2023-24 and anticipated for 2024-25 trending
- A recession is no longer forecasted in 2024 or 2025 by most economists, but there are notable risks to the State Budget and Proposition 98



HISTORICAL STATUTORY COLA'S

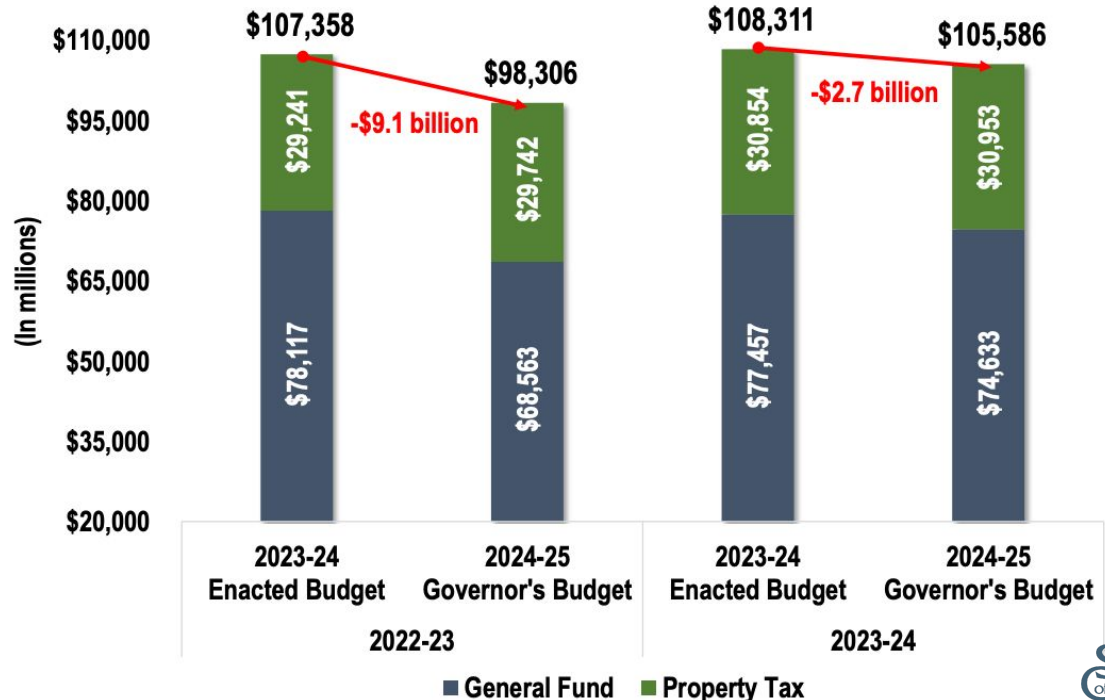
- The statutory COLA for 2024-25 feels anomalous relative to the last two years, but when looking back, COLA is beginning to normalize to historical trends—COLAs above 6% are the anomalies





PROPOSITION 98 2022-23 AND 2023-24

- The Governor's Budget adjusts the prior- and current-year Proposition 98 levels from 2023-24 Enacted Budget levels
 - 2022-23: -8.4%
 - 2023-24: -2.5%
- The sole driver of the change is less-than-expected state General Fund revenues
 - Local property tax assumptions are relatively unchanged

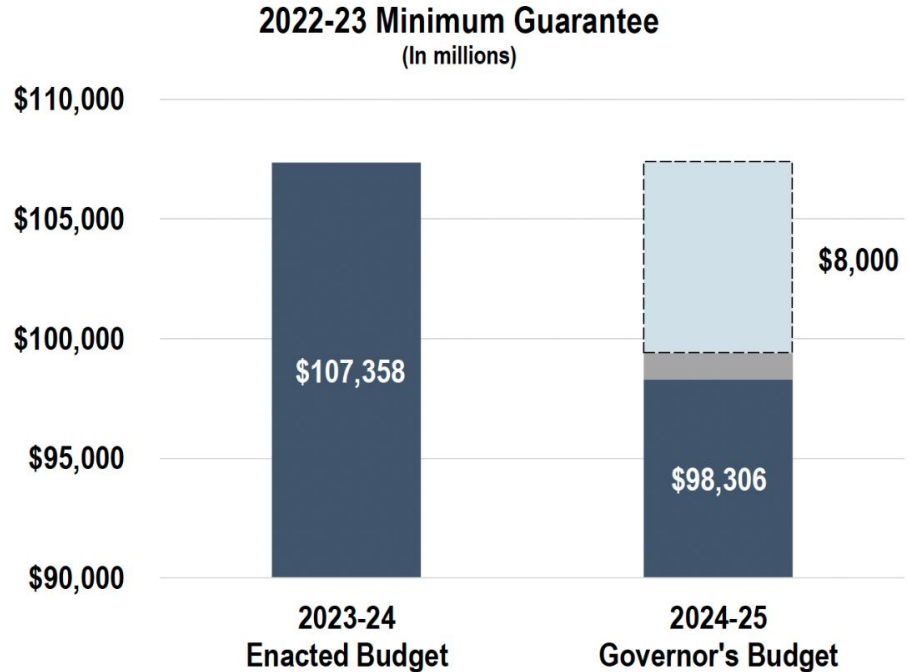




PROPOSITION 98 - ALLOCATING ABOVE THE 2022-23 MINIMUM GUARANTEE

- The treatment of the significant drop in Proposition 98 in 2022-23 is critical
 - Left unaddressed, it can create an increased state obligation in the future
 - But an unmitigated cut in funding for a year that's already over would be untenable (if not impossible) for LEAs

The Governor's Budget proposal enables LEAs to retain the additional funding in 2022-23 with the intention of accounting for it in the future





PROPOSITION 98 FUNDING MANEUVER

- The Governor’s plan for addressing the drop in the 2022-23 Proposition 98 Guarantee
 - Proposes a new type of funding shift that “accrues” \$8 billion in prior-year payments to future years
 - Schools would retain all funding they previously received in 2022-23
 - The state would no longer recognize this funding as an expenditure on its books for 2022-23
 - The state gradually would recognize the expenditure over a five-year period, beginning in 2025-26

	June 2023 Estimate	January 2024 Estimate	Change
General Fund	\$78,117	\$68,563	-\$9,554
Local Property Tax	29,241	29,742	501
Totals	\$107,359	\$98,306	-\$9,053
General Fund Tax Revenue	\$204,533	\$178,952	-\$25,581



PROPOSITION 98 FUNDING MANEUVER

- Legislative Analyst's Office: Major concerns with the maneuver
 - *"This proposed maneuver is bad fiscal policy, sets a problematic precedent, and creates a binding obligation on the state that will worsen out-year deficits and require more difficult decisions. We strongly recommend that the Legislature reject the proposal."*
- LAO Alternatives to the Proposed Maneuver (starting point)
 - Use reserve withdrawal to address the 2022-23 shortfall
 - Reject new spending increases, including the COLA
 - Other solutions, including rescinding some unallocated grants
- State Senate: Shrink the Shortfall Early Action Plan
 - Contains \$17.1 billion in solutions through the 2024-25 fiscal year, the vast majority of the solutions in the plan were first proposed by the Governor



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
- The Legislature will be in recess until April 1
- 2024-25 Budget will be presented to the Board for adoption in June
 - June 3rd - Public Hearings and presentations for Budget and LCAP
 - June 12th - Budget and LCAP presented to the Board for adoption



QUESTIONS?