



# PARAMOUNT UNIFIED SCHOOL DISTRICT

GREAT THINGS ARE HAPPENING IN PARAMOUNT SCHOOLS



## 2021-22 Governor's May Revision Report

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June 14, 2021



## **2021-22 State Fiscal Conditions**

- The budget proposes a Proposition 98 minimum funding guarantee of \$93.7 billion for 2021-22, an increase of \$7.9 billion relative to the funding level from the 2020-21 January Proposed Budget, and an almost \$22.8 billion increase from the 2020-21 Adopted Budget.
- The State funding guarantee is still projected to be an estimated 38% of the General Fund revenues plus local property tax revenue.



## **Major Issues Not Included in May Revision**

- Full payoff of principal apportionment deferrals – \$2.6 billion K-12 deferral (June 2022 to July 2022) will remain, will amount to an LEA's entire June 2022 apportionment
- Any additional relief for school employer CalSTRS/CalPERS rate increases
- Any relief for increased unemployment insurance rate costs – 1.23% for 2021-22



## 2021-22 LCFF Funding Factors

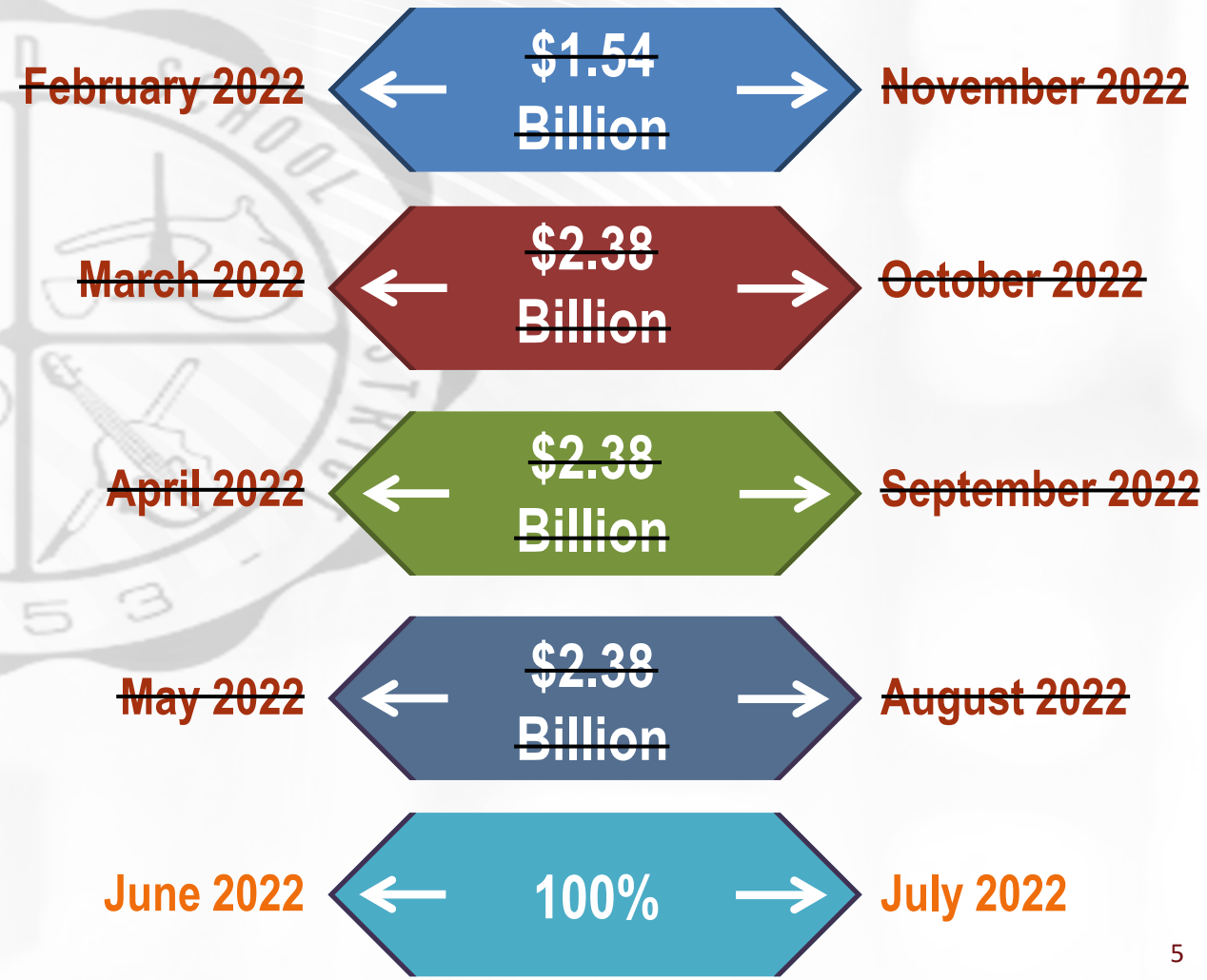
Grade Span	K-3	4-6	7-8	9-12
<b>2020-21 Base Grant per ADA</b>	<b>\$7,702</b>	<b>\$7,818</b>	<b>\$8,050</b>	<b>\$9,329</b>
<b>5.07% Mega COLA</b>	<b>\$390</b>	<b>\$396</b>	<b>\$408</b>	<b>\$473</b>
<b>2021-22 Base Grant per ADA</b>	<b>\$8,092</b>	<b>\$8,214</b>	<b>\$8,458</b>	<b>\$9,802</b>
<b>GSA</b>	<b>\$842</b>	<b>-</b>	<b>-</b>	<b>\$255</b>
<b>2021-22 Adjusted Base Grant per ADA</b>	<b>\$8,934</b>	<b>\$8,214</b>	<b>\$8,458</b>	<b>\$10,057</b>
<b>20% Supplemental Grant per ADA (Total UPP)</b>	<b>\$1,787</b>	<b>\$1,643</b>	<b>\$1,692</b>	<b>\$2,011</b>
<b>50% Concentration Grant per ADA (UPP Above 55%)</b>	<b>\$4,467</b>	<b>\$4,107</b>	<b>\$4,229</b>	<b>\$5,029</b>





# Cash Flow and Deferrals

- The proposed pay down eliminates the ongoing deferrals scheduled for February through May 2022
- It does not impact current deferrals
  - In other words, it will not accelerate repayment of February through June 2021 deferrals that will be received in July through November 2021
- The June to July deferral once again encompasses the full apportionment, though only \$2.6 billion is scored for State Budget purposes

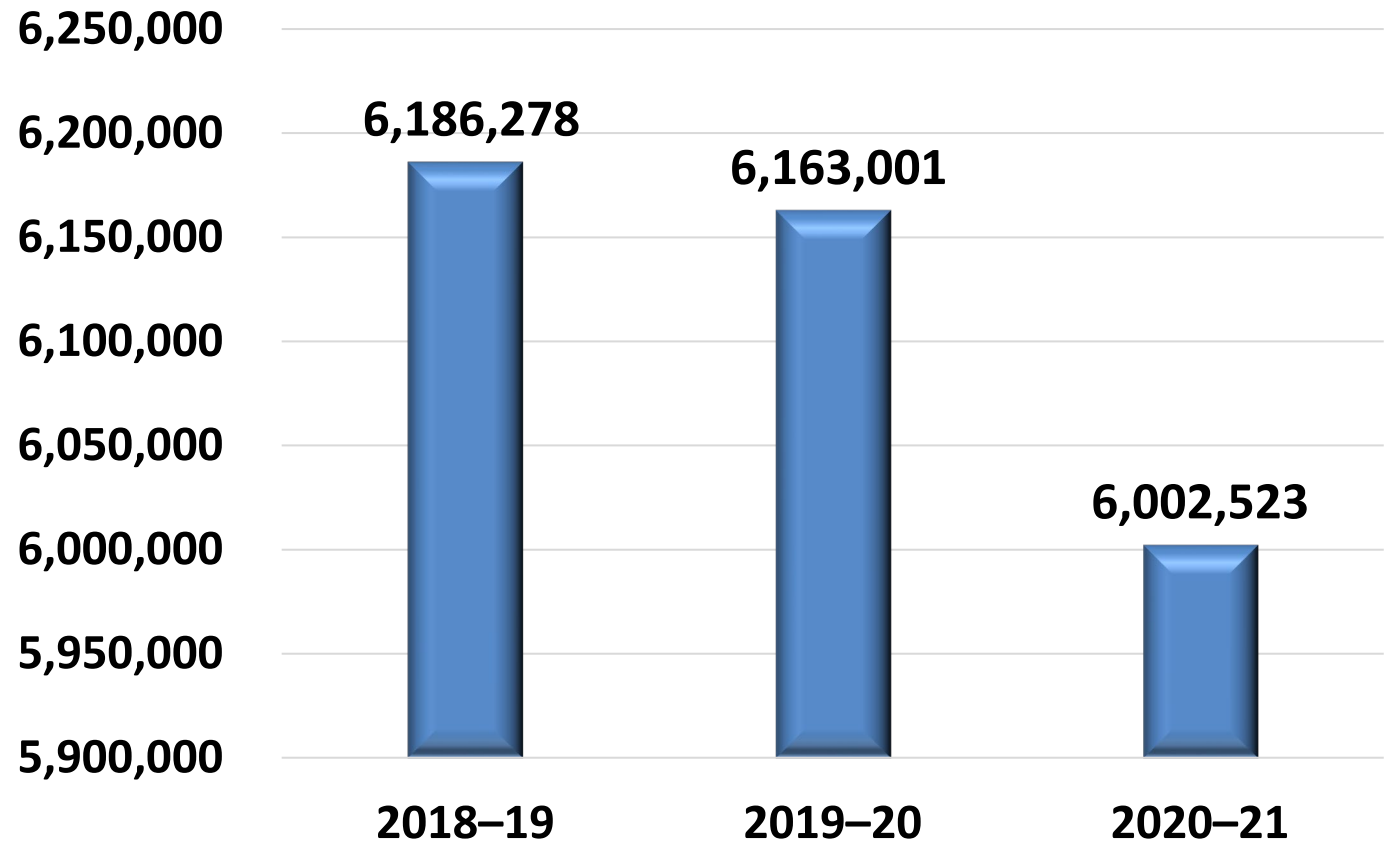




## Managing Enrollment & ADA

- The pandemic impacted learning in many ways, but perhaps the starkest example is the loss of K–12 students in 2020–21
- Based on state-certified data, the state’s K–12 student population declined by more than 160,000
- Sharp contrast to estimated loss of 20,000 to 30,000 annually

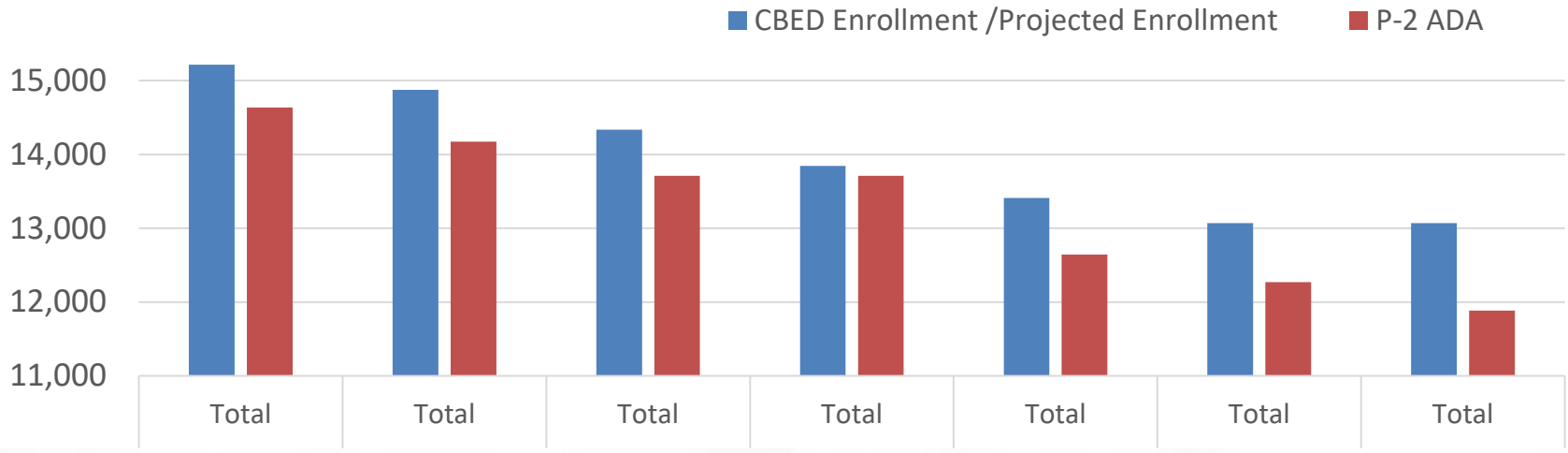
**K–12 Public School Enrollment**





## Our District's Enrollment & ADA

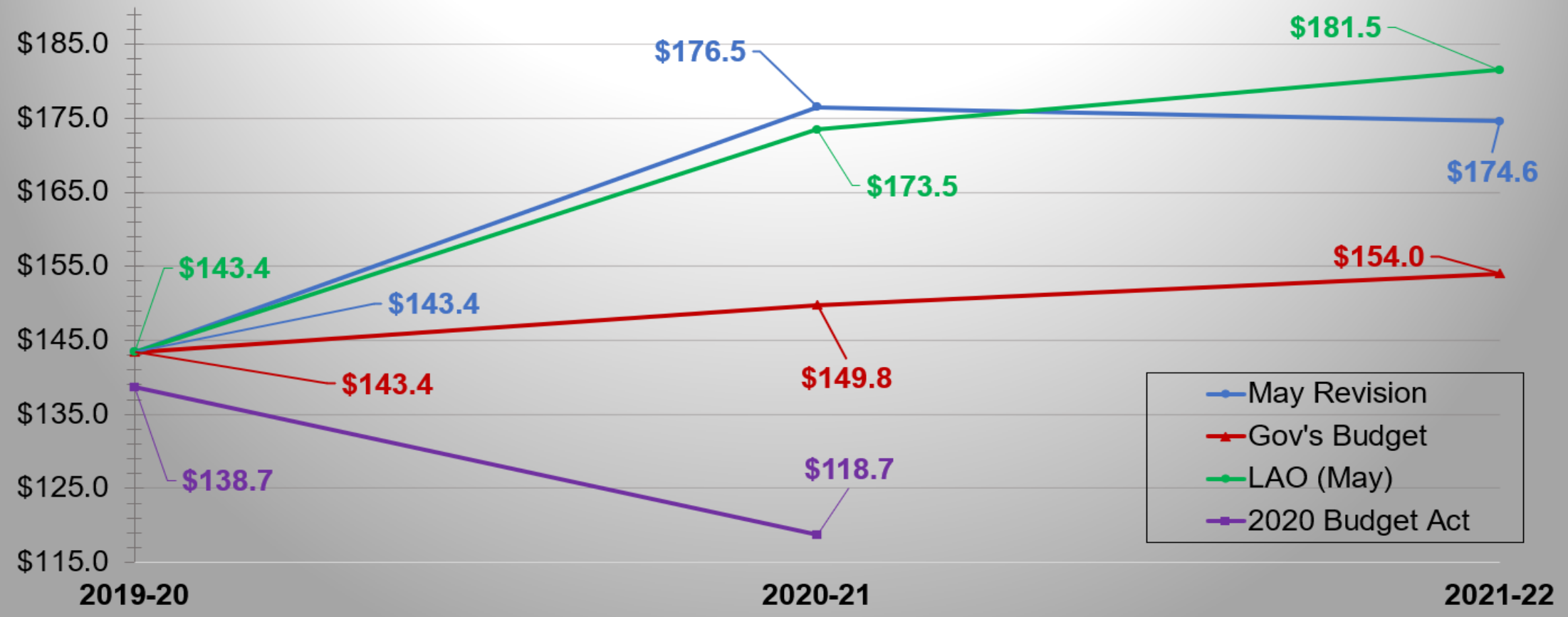
	2017-18 Total	2018-19 Total	2019-20 Total	2020-21 Total	2021-22 Total	2022-23 Total	2023-24 Total
CBED Enrollment /Projected Enrollment	15,213	14,875	14,336	13,761	13,308	12,918	12,509
P-2 ADA	14,633	14,173	13,709	13,709*	12,643	12,272	11,884





# State General Fund Revenues

Excluding transfers and federal funds  
(Dollars in billions)







# PARAMOUNT UNIFIED SCHOOL DISTRICT

## PREPARING STUDENTS FOR COLLEGE AND CAREERS

### 2021-22 Budget Proposals: A Comparison

Proposition 98 - General		
Budget Item	Governor's Proposal	Legislature's Proposal
<b>Proposition 98 Guarantee (over 3-year budget period)</b>	\$79.3 billion in 2019-20, \$92.8 billion in 2020-21, <b>\$93.7 billion in 2021-22</b>	\$79.2 billion in 2019-20, \$93.1 billion in 2020-21, <b>\$96.1 billion in 2021-22.</b>
<b>Cost-of-Living Adjustment (COLA)</b>	<b>5.07%</b> compounded COLA for LCFF, <b>4.05%</b> compounded COLA for SPED, <b>1.7%</b> COLA for remaining categorical programs funded outside of LCFF and SPED	Adopt amended proposal to also provide a <b>4.05%</b> for remaining categorical programs funded outside of LCFF and special education as well as for ASES.
<b>K-12 Deferrals</b>	Pay down \$8.4 billion of the \$11 billion in deferred principal apportionment payments provided for in the 2020 Budget Act, leaving \$2.6 billion in remaining deferrals.	Amend Governor's proposal to pay down all \$11 billion in remaining K-12 deferrals.
<b>Prop. 98 Supplemental Payments</b>	Eliminate the multi-year payment obligation in the 2020-21 budget designed to supplement Prop. 98 funding.	Adopt Governor's proposal.
<b>Public School System Stabilization Account (PSSSA)</b>	Provide for deposits into the PSSSA in the amounts of \$1.98 billion in 2020-21 and \$2.62 billion in 2021-22. ( <b>\$4.6 billion in total deposits</b> )	Provide for deposits into the PSSSA in the amounts of \$2.20 billion in 2020-21 and \$3.08 billion in 2021-22 ( <b>\$5.3 billion in total deposits</b> )



# Major Prop 98 K-12 Spending Proposals

## Ongoing funds

## Governor's Proposal

- \$3.2 billion for 5.07% LCFF "Super-COLA"
- \$1.1 billion concentration grant increase to add staff to school campuses
- \$1 billion expanded learning time program for K-6 students in high-need districts

## One-time funds

- \$8.4 billion to pay down deferrals
- \$3 billion for community schools
- \$2.8 billion for education workforce proposals
- \$2 billion health and safety re school reopening

Plan for Universal TK will include "rebenching" Prop 98

- Expected to reach \$2.7 billion by 2024-25



## Multi-Year Budget Development

Flex Multi-Year Budgeting	2020-21	2021-22	2022-23	2023-24
Instructional Programs and Learning Loss Reduction	15.13%	15.13%	13.50%	13.50%
Support Systems and Equipment	6.88%	6.88%	4.05%	4.05%
Training, Professional Development and Compensation	5.50%	5.50%	4.95%	4.95%
<b>100% of One-Time Funds</b>	<b>27.50%</b>	<b>27.50%</b>	<b>22.50%</b>	<b>22.50%</b>





## Final Thoughts

- With state and federal revenues combined to provide over \$121 billion for K-12 education, the May Revision shows a significant improvement from the reductions that were envisioned just a year ago and provides resources necessary to serve our students with high-quality programs
- The District should remain cautious in navigating the multitude of different programs tied to state and federal funding while avoiding audit challenges
- The District needs to develop and maintain fiscal resilience with declining enrollment and the projected reduced ADA funding







# PARAMOUNT UNIFIED SCHOOL DISTRICT

PREPARING STUDENTS FOR COLLEGE AND CAREERS





# PARAMOUNT UNIFIED SCHOOL DISTRICT



*The mission of the Paramount Unified School District is to ensure learning and success for each student by providing a quality education.*