



2015 May Revision Update

**Paramount Unified School District
Board of Education Meeting
May 27, 2015**

**Dr. Michael Conroy, Assistant Superintendent
Ranita Browning, Director Fiscal Services
Elvia Galicia, Assistant Director Fiscal Services**



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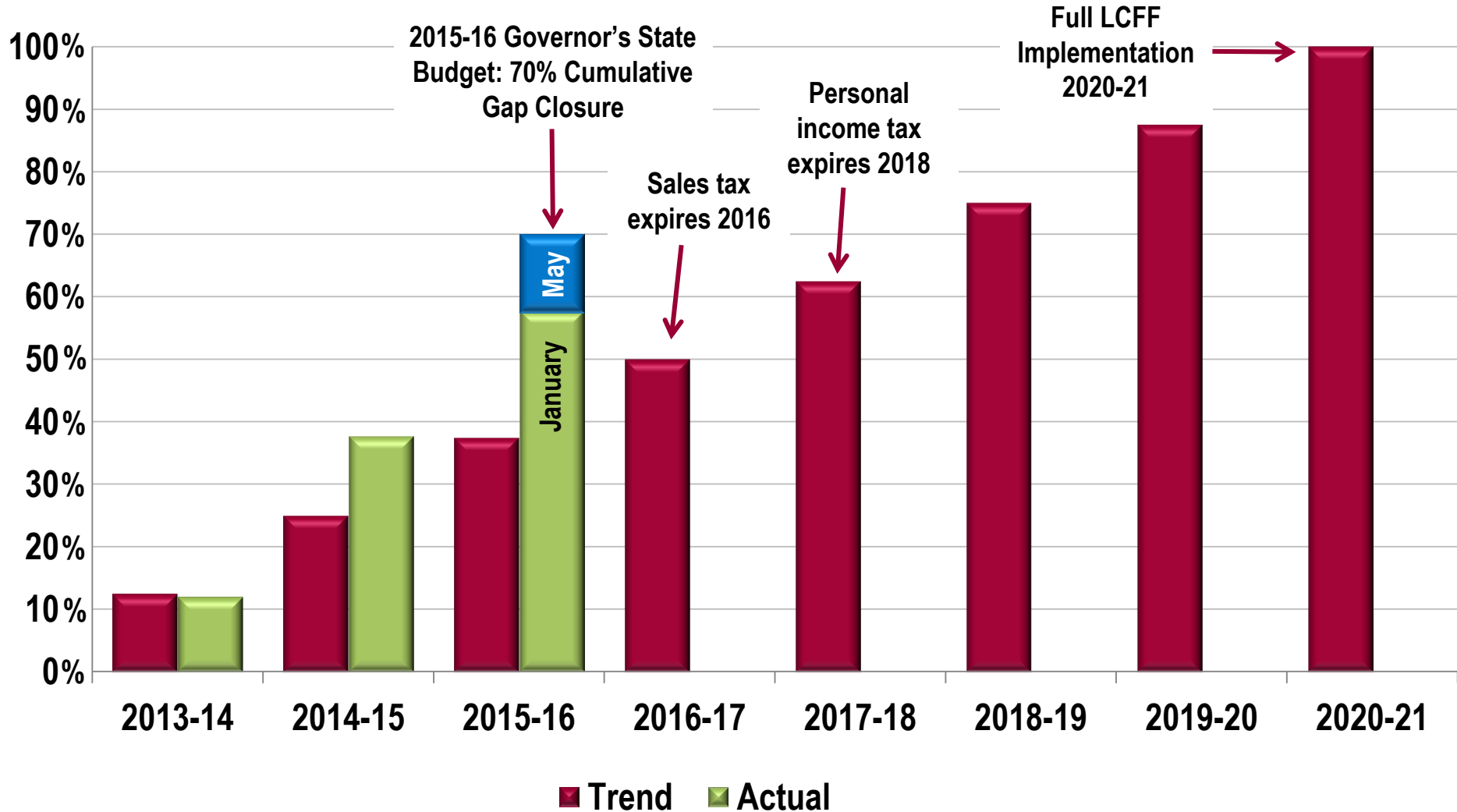
Education Funding and PUSD

- **The Governor proposes adding \$2.1 billion to the \$4 billion proposed in January for 2015-16 LCFF growth, for a total of \$6.1 billion**
 - **Gap closure calculation rate increased from 32.19% to 53.08%**
 - **For PUSD, this amounts to an funding increase of \approx \$9 Million**
- **Under current law, the Governor does not meet his commitment to restore purchasing power to the 2007-08 level at full implementation of the LCFF, even with the higher funding he has proposed**
 - **The employer's share of CalPERS and CalSTRS cost increases consumes 25% of all new dollars**
 - **For PUSD, this amounts to \approx \$2.2 Million in uncompensated expenses in 2015-16 alone**



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Progress Toward LCFF Implementation





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Implications for Education Funding

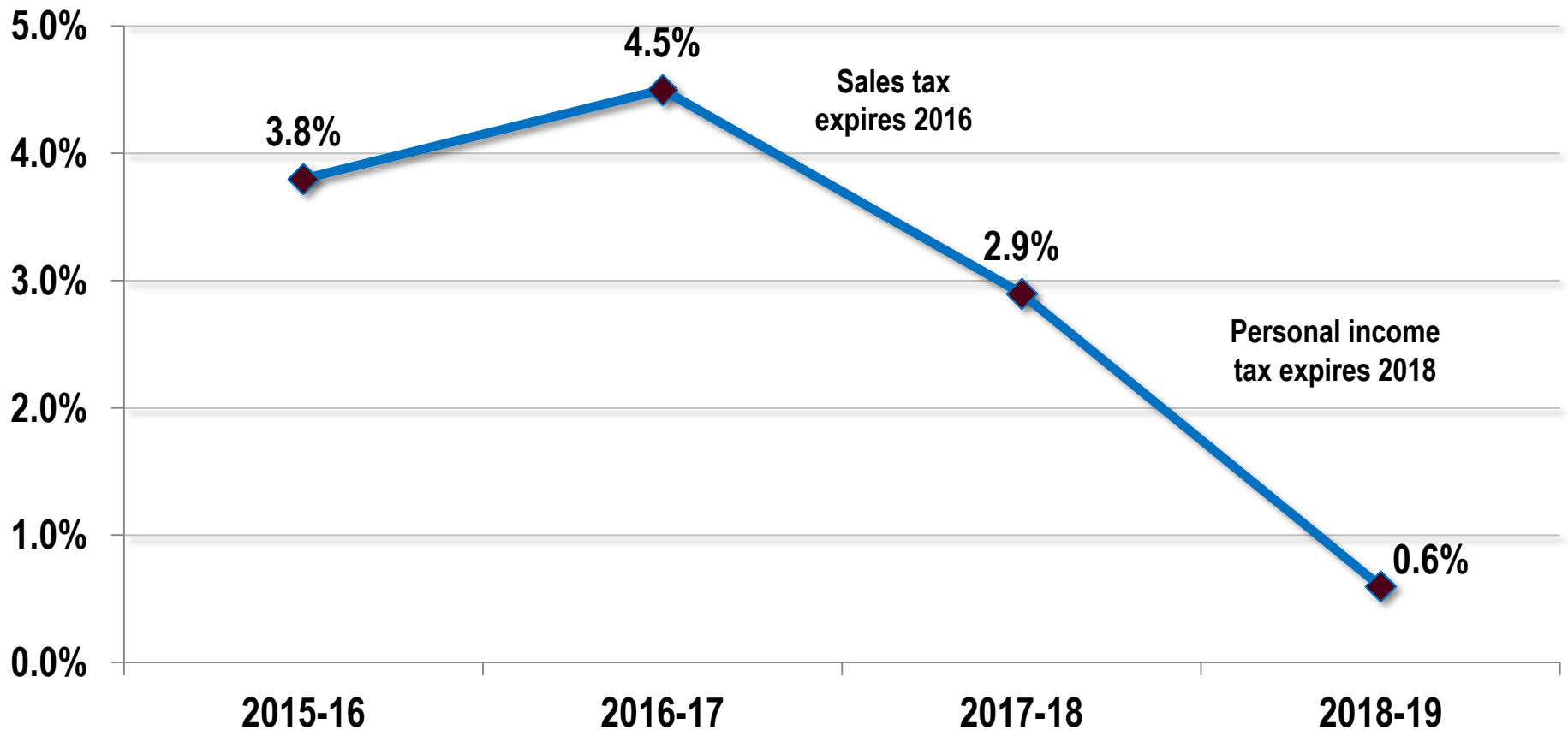
- **The Administration’s economic forecast assumes “steady growth over the next four years” with no recession**
 - **The Governor stated that “a recession is coming, we just don’t know when”**
- **Slow to no growth in the income tax and the sales tax, which together account for 90% of General Fund revenues, will slow LCFF funding significantly as Proposition 30 revenues fade**
- **If a recession occurs during the same period that Proposition 30 taxes expire, state revenues could drop below prior-year levels, and cuts to education could be on the table again**
 - **Sales and Use tax expires in 2016**
 - **Personal Income tax (on high-earners) expires in 2018**



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Income and Sales Tax Percent Change

Income and Sales Tax Revenue (Percent Change)





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Proportionality and Targeted Funds

- **Title 5 regulations define the requirements for LEAs to increase or improve services for eligible pupils in proportion to the increase in funds generated by those pupils**
- **District's must include in their Local Control and Accountability Plan (LCAP) a description of expenditures for services that support local goals for pupils generating supplemental and concentration grants**
 - **The proportion of the increase in funds attributable to the number of eligible-targeted students**
 - **Students eligible for Free and Reduced Meals**
 - **English Learners**
 - **Foster Youth**
 - **Goals, actions, and services that increase or improve support for eligible students are a local decision and are reflected in an District's LCAP**



PUSD Local Control Accountability Plan

- **Funding to support the District’s LCAP Goals:**
 1. **Support Academic Progress and Behavior**
 2. **Create a College Going Culture**
 3. **Common Core Standards and Assessments**
 4. **Basic Services**

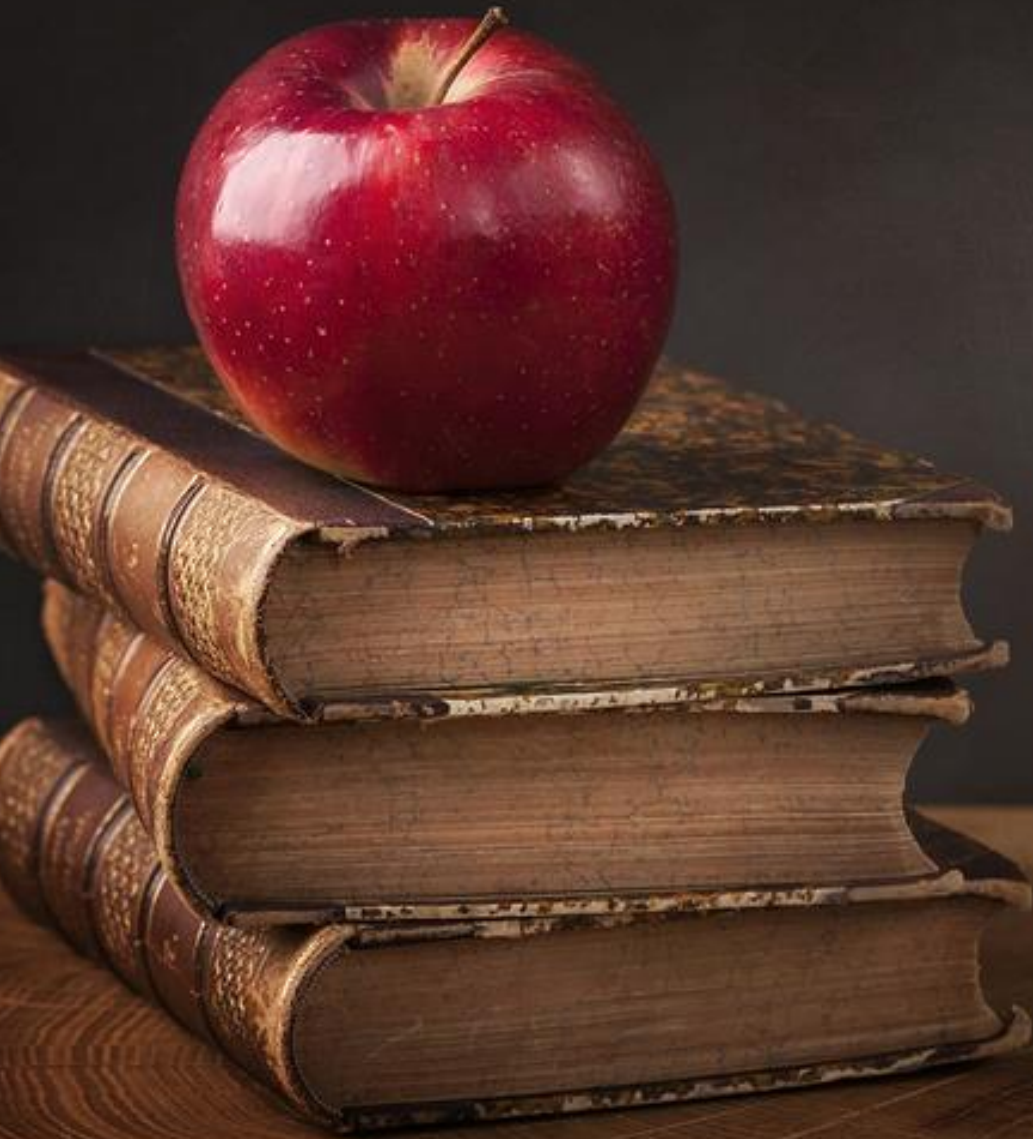
	2014-15	2015-16	2016-17
Projected Increase in Annual Funding	\$18,841,933	\$21,910,892	\$5,711,751
Base Funding	\$6,207,818	\$6,296,313	\$336,990
Supplemental & Concentration Funding	\$12,634,115	\$15,614,579	\$5,374,761



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Discretionary Funds

- The discretionary funds proposed in 2015-16 to pay prior-year mandate claims are scored as payment for the oldest mandates
 - Use of the funds is completely discretionary
- Plan to include one-time revenues for discretionary purposes in the 2015-16 district budget
- The revenue projection should be based on 2014-15 P-2 ADA projections
 - \$601 per ADA (estimated)
 - For PUSD, this projects to approximately \approx \$9 Million in one-time revenues
- **There are no timelines for expenditure of these funds**



Questions?