



PARAMOUNT UNIFIED SCHOOL DISTRICT

GREAT THINGS ARE HAPPENING IN PARAMOUNT SCHOOLS



The Business Services Division

Dr. Ruth Perez, Superintendent

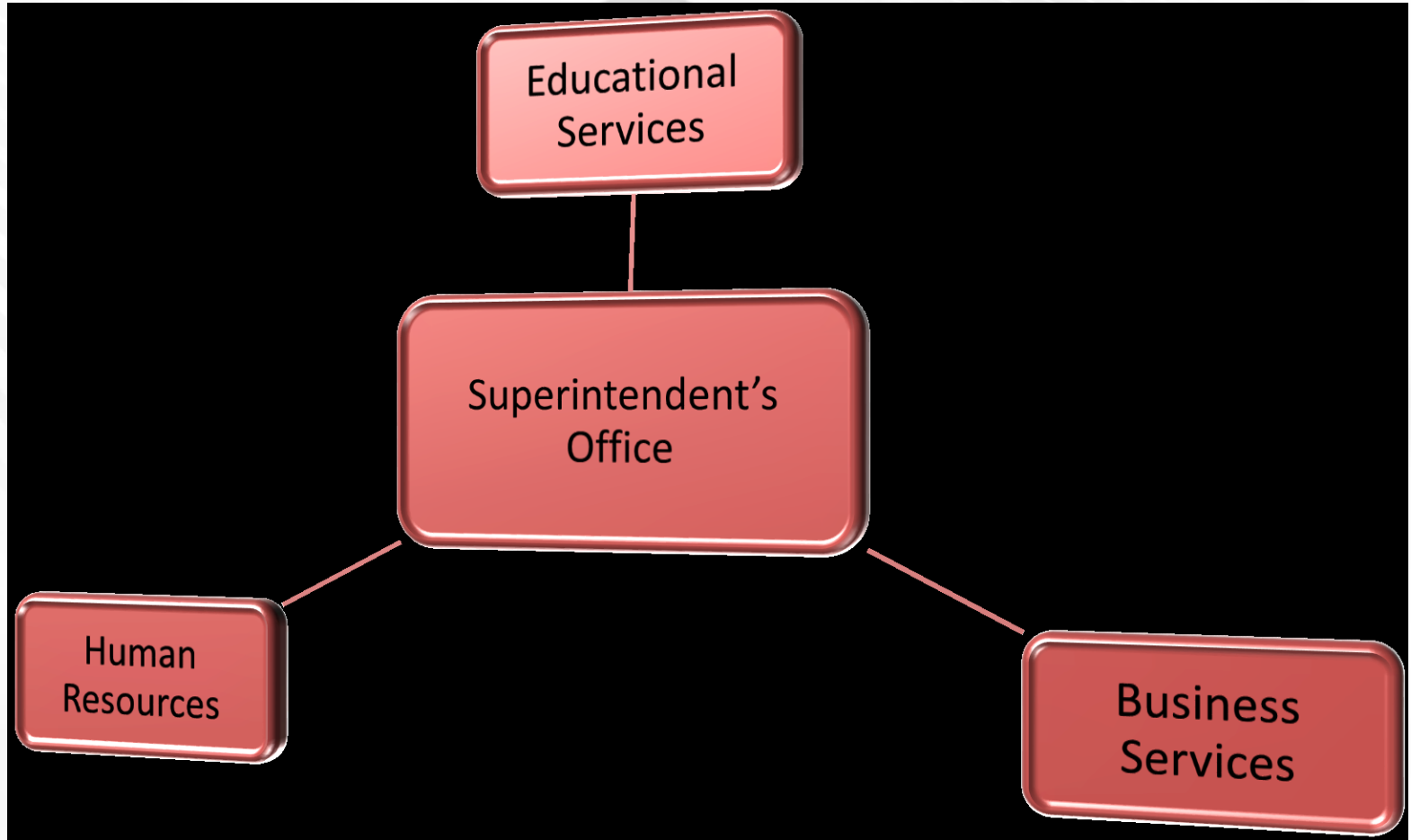
Ruben Frutos, Assistant Superintendent of Business Services

February 4, 2019



PARAMOUNT UNIFIED SCHOOL DISTRICT

PREPARING STUDENTS FOR COLLEGE AND CAREERS



Paramount USD BUSINESS SERVICES DIVISION

Students & Public

Board Of Education

Superintendent

Assistant Superintendent Business Services

Goal: To provide the most effective administrative services in support of the District's educational programs



Risk management

Health Benefits

Finance

Fiscal Services

- Payroll, Accounts Payable & Receivables, Financial Reports, Budgets & Accounting

Facilities & Planning

- Modernization, Construction, Facilities Utilization, Project Planning

Maintenance, Operations & Transportation

- Building Maintenance & Repair, Custodial Services, Transportation & Vehicle Maintenance, Reprographics, Warehouse, Procurement & Contracts

Nutrition Services

- Food Services, Menu Planning & Catering

Technology Services

- Network services, computer services installation and repair, server based systems, e-rate program, district software, phone systems and telecommunications, student computing and system security

Safety & Security

- District-wide security personnel, security and alarm companies, locksmith services, safety initiatives, surveillance systems, SRO partnerships (Sheriff's)

Risk Management

- Property & Liability, Worker's Compensation, District contract reviews

Health Benefits

- Health benefits insurance, Dental insurance, Life insurance,

Finance

- District financing, Bond program & Bridge financing



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Governor's Proposals for the 2019-20 State Budget and K-12 Education

Dr. Ruth Perez, Superintendent

Ruben Frutos, Assistant Superintendent of Business Services

Patricia Tu, Director of Fiscal Services

February 4, 2019



Themes for the 2019-20 Governor's Budget

- Governor Gavin Newsom's first State Budget lays the groundwork and signals his governing philosophy and outlook for the next four years
- The recovery from the Great Recession is in its tenth year and some fear a downturn is looming
- The growth in Proposition 98 for 2019-20 is meager even though state revenues are outpacing the forecast
- Local educational agencies (LEAs) will continue to face budget challenges as Local Control Funding Formula (LCFF) funding flattens and costs rise
- The education budget contains some new proposals, but Governor Newsom's early childhood education initiative will take center stage
- Accountability remains a priority as the California School Dashboard (Dashboard) and other metrics continue to evolve



The California Economy

- The California economy continues to grow but at a slower rate than the immediate years following the Great Recession
- Continued growth of the economy will rely on three major factors, which may be difficult to achieve
- The Budget assumes growth and a more balanced distribution wage increases across all workers





Risk to the California Economy and State Budget

- Governor Newsom and the UCLA economists identify a different set of key risks to California's economy – they aren't mutually exclusive

Governor

- Policy conflicts with the federal government
- Volatile stock market
- An aging population
- Housing crisis

UCLA

- Unratified tri-party trade agreement between California, Mexico, and Canada
- Continued trade tensions between the U.S. and China

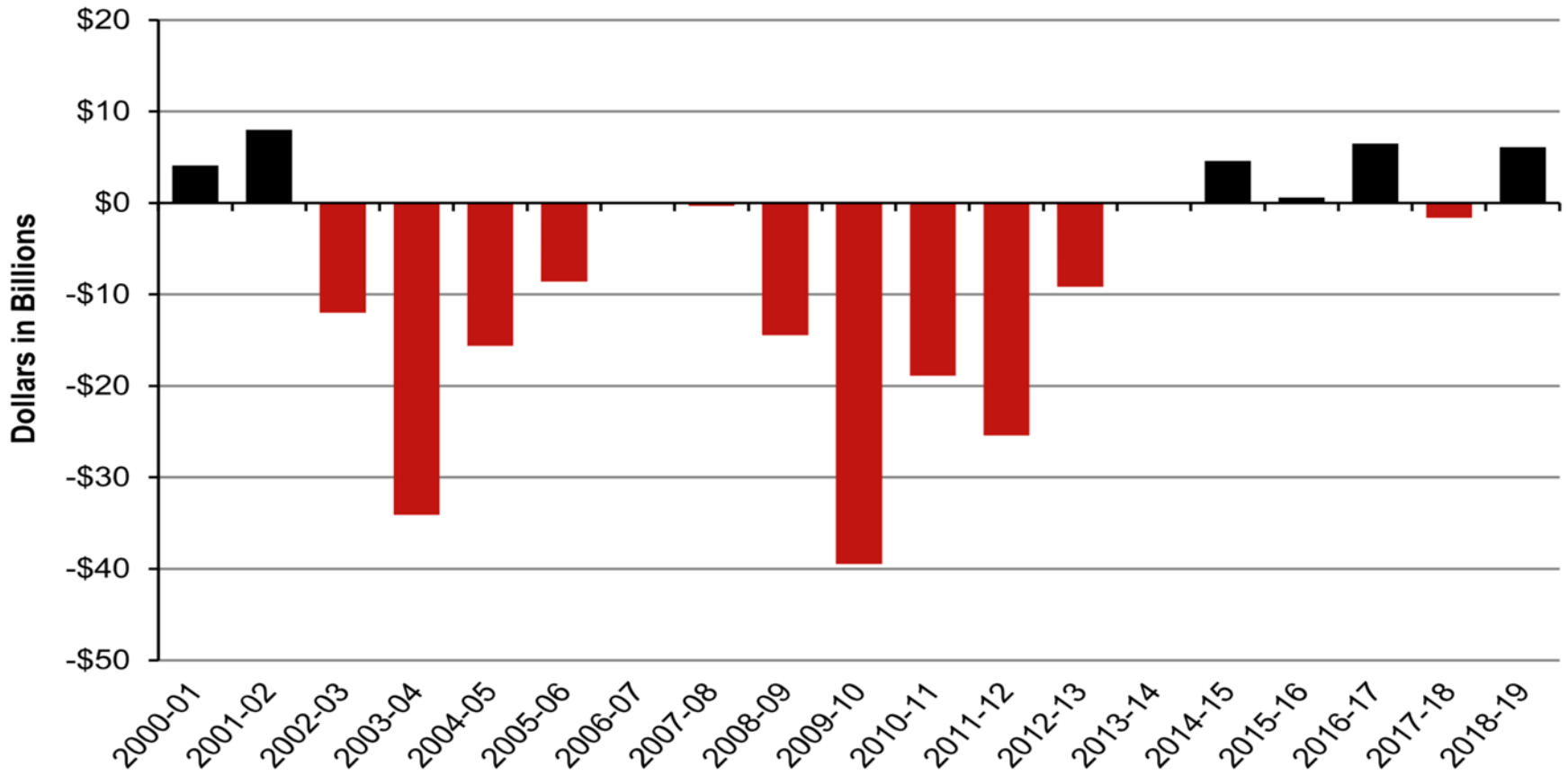
- The health of the economy drives state revenues and thus the State Budget



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Figure INT-01
**Balanced Budgets Have Been Quickly
Followed by Huge Deficits^{1/}**



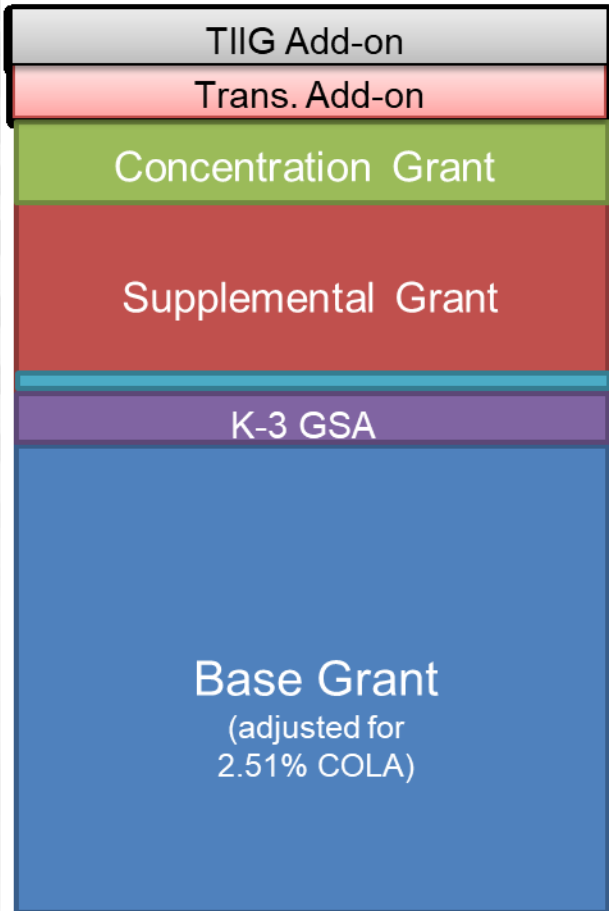
^{1/} Budget shortfalls or surplus, measured by the annual Governor's Budget.



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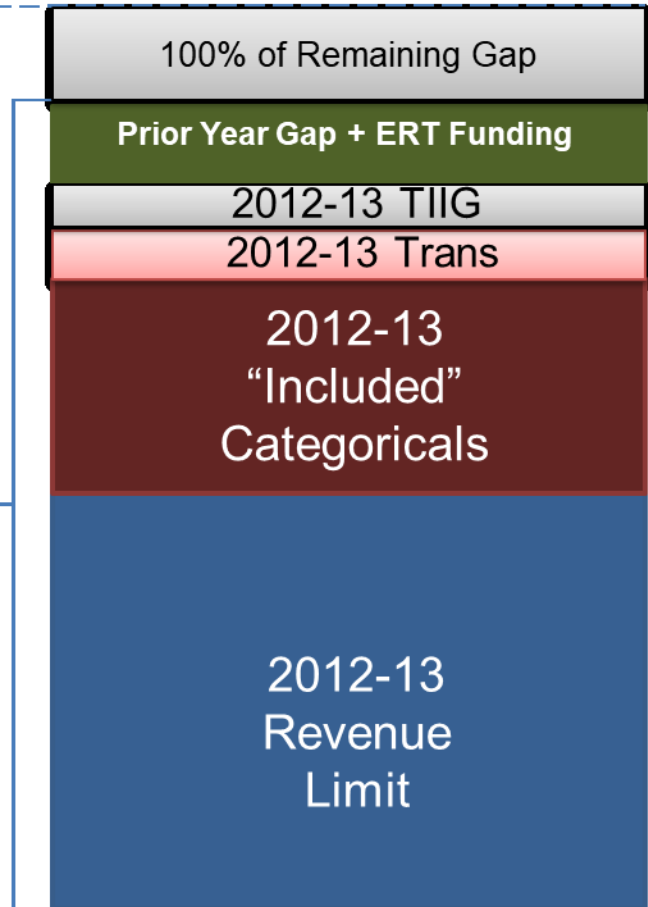
Entitlement Target



← 9-12 GSA

2017-18
Funding

2018-19 Funding





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LCFF Gap Closure (billions of dollars)

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>
Transition Funding	\$2.067	\$4.722	\$5.994	\$2.942	\$1.362	\$2.883
Gap Closure	12.00%	30.16%	52.56%	56.08%	44.97%	100%
COLA	1.57%	0.85%	1.02%	0.00%	1.56%	2.51%
Percent of Target Funded	72%	80%	90%	96%	97%	100%

What's Not in the Budget?

- Not surprisingly when a new Administration takes office, there is little time to flush out the details of all the proposals contained in the Governor's Budget
- Over the course of the legislative hearings, additional specificity is expected for:
 - The \$576 million funding various Special Education proposals
 - The Early Childhood Education proposals
- While new funding is provided for Special Education, funding for equalization of rates is not included in the Budget
- The LCFF targets have been achieved, but this is a modest goal; higher LCFF aspirational targets are not included in the Budget
- The Budget **does not provide any funds for one-time discretionary grants**



Early Care and Education

- One of Governor Newsom's most aggressive budget investments is made in the early care and education sector
- In total, the 2019-20 Budget includes over \$2.4 billion in programs and services to children and families
 - Most are one-time investments
 - Nearly all of them are funded with non-Proposition 98 dollars



Discretionary Grant Funding

- During the last four years of the economic recovery, school districts have experienced major upward revisions of the current-year Proposition 98 guarantee, providing huge one-time discretionary grants in the following year
 - 2018-19: \$1.1 billion or \$184 per ADA
 - 2017-18: \$877 million or \$147 per ADA
 - 2016-17: \$1.3 billion or \$214 per ADA
 - 2015-16: \$3.2 billion or \$530 per ADA
- In contrast, the Governor's Budget indicates that Proposition 98 has been revised downward in the current year and therefore no discretionary grant funding is proposed for 2019-20
 - Nor does Governor Newsom use other one-time funds for discretionary grant funding

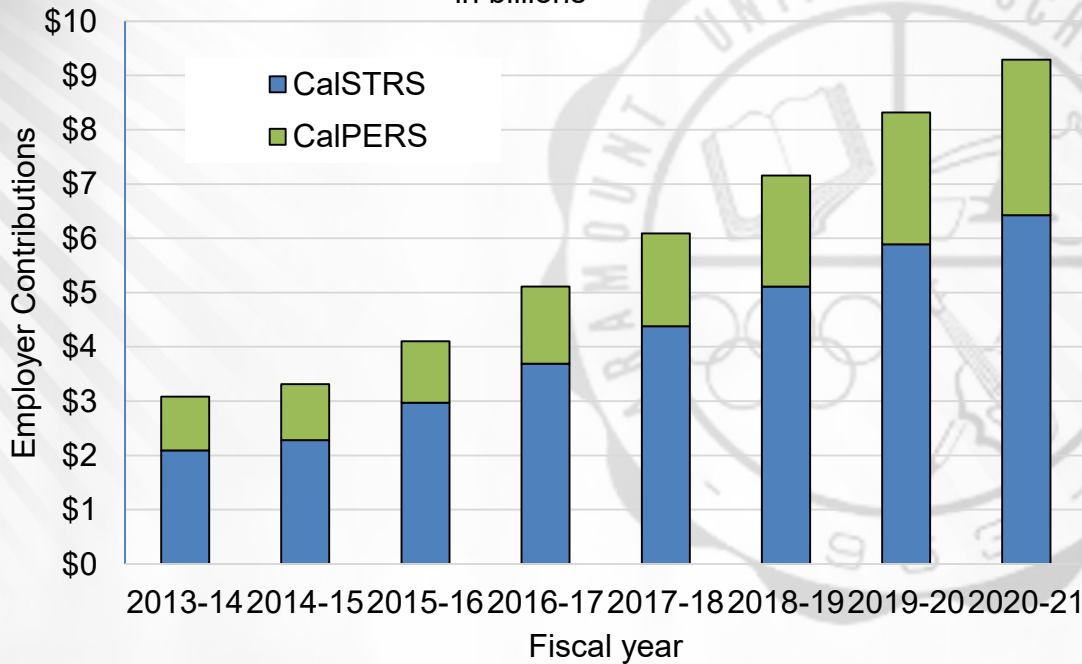
2019-20 Local Control Funding Formula

- The State Budget proposes \$2 billion towards LCFF to fund the 3.46% statutory COLA
 - This brings LCFF funding to \$63 billion (up from \$61 billion in 2018-19)
- 2019-20 LCFF growth provides an average increase in per-pupil funding of an estimated \$343 per ADA, or 3.37% (individual results will vary)
 - The lower 3.37% increase takes into consideration that no COLA is provided for Targeted Instructional Improvement Grant, Transportation, or Economic Recovery Target
- Supplemental and concentration grants are calculated based on the percentage of an LEA's enrolled students who are English learners, free and reduced-price meal program eligible, or foster youth – the unduplicated pupil percentage (UPP)



CalSTRS & CalPERS: Employer Contribution Rates

Projected Annual K-12 Employer Contributions
in billions



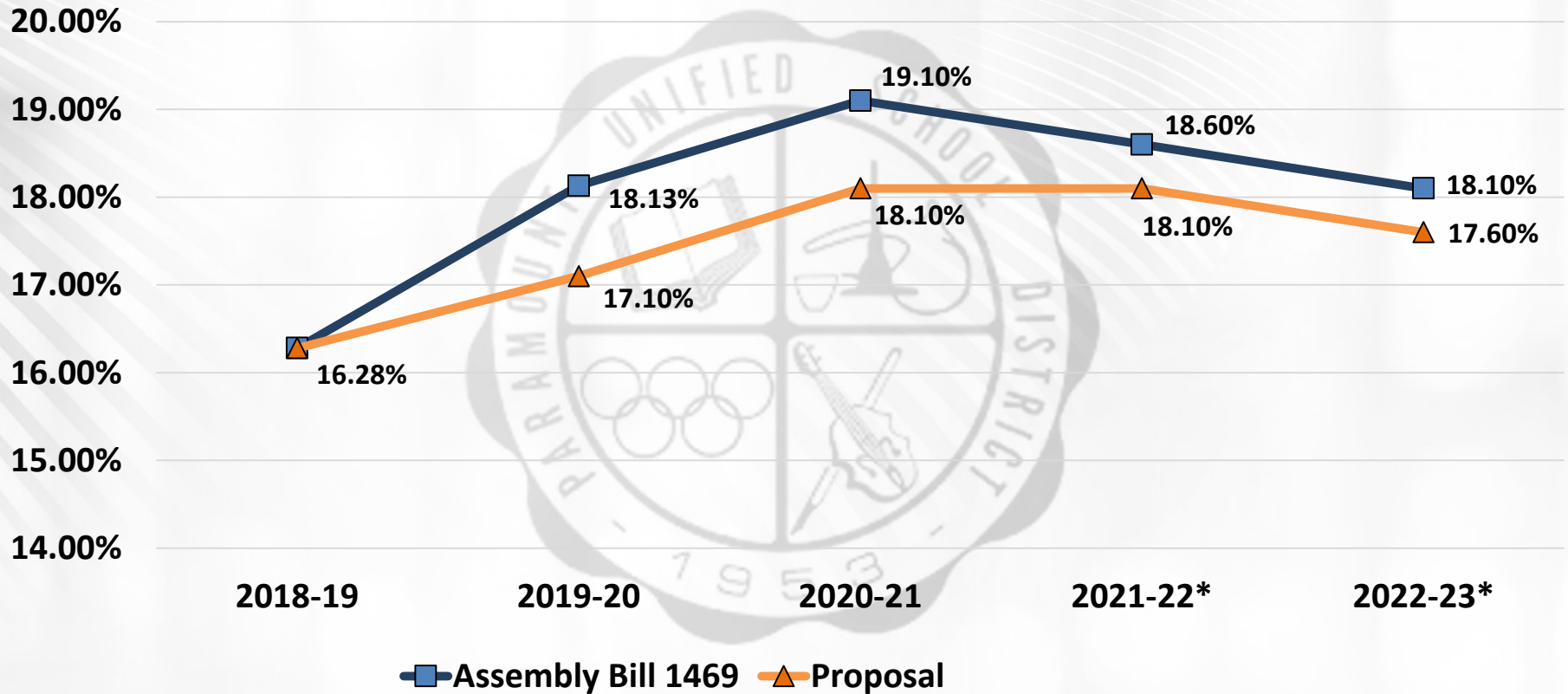
Projected K-12 Employer Contributions
as a percentage of payroll

Fiscal Year	CalSTRS	CalPERS
Current Year	14.43	15.531
2018-19	16.28	17.7*
2019-20	18.13	20.0*
2020-21	19.10	22.7*
2021-22	18.10*	23.7*
2022-23	18.10*	24.3*
2023-24	18.10*	24.8*
2024-25	18.10*	25.1*

* Projected



CalSTRS Employer Contribution Rates – Current Law vs Governor’s Proposal



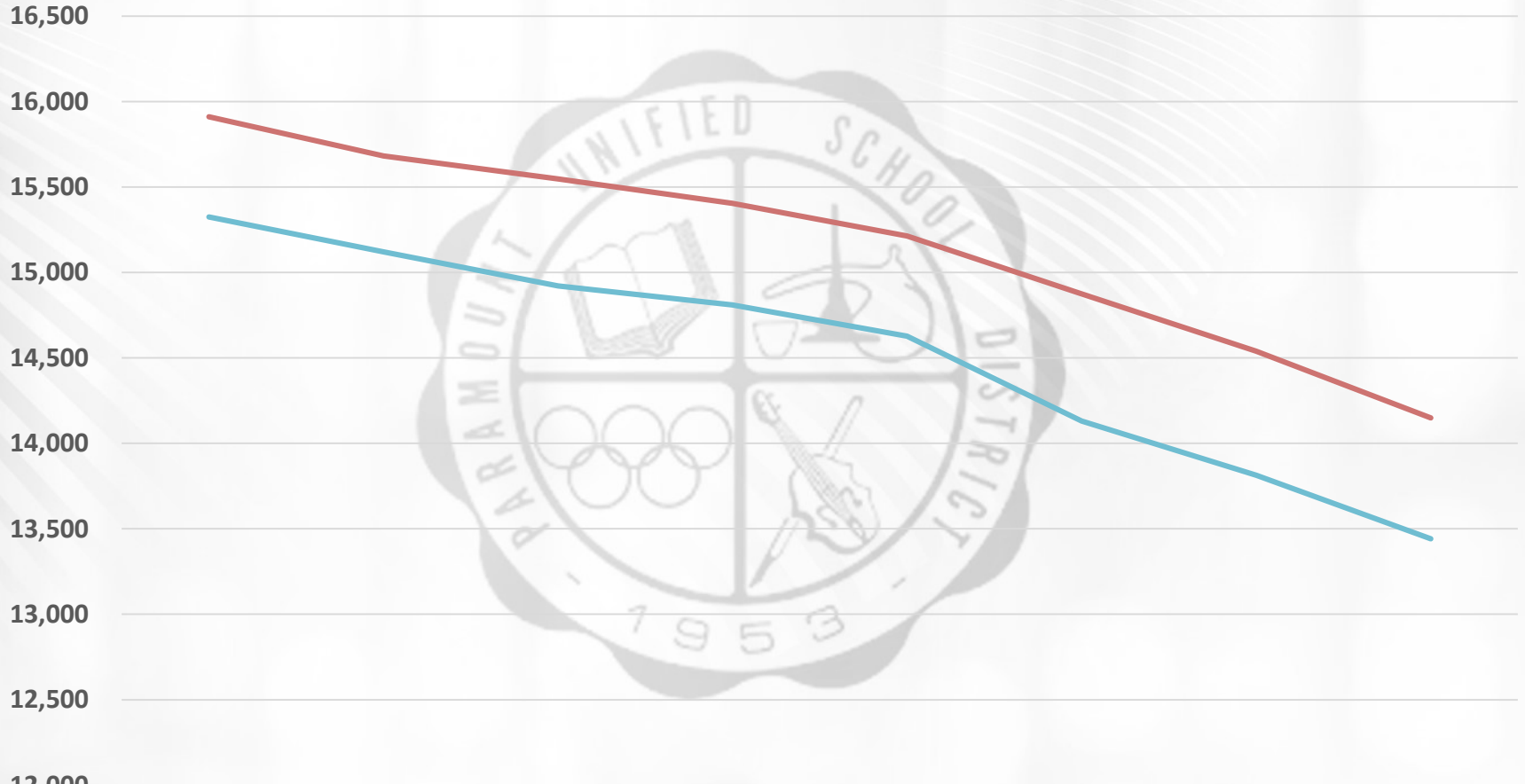
*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046



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Enrollment vs ADA



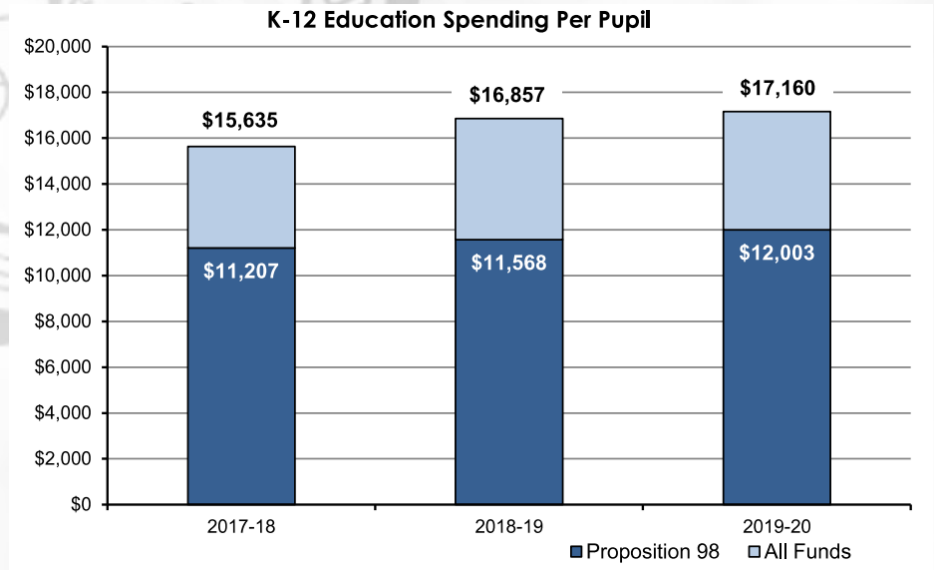
	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Total	15,911	15,681	15,547	15,405	15,213	14,875	14,540	14,149
P-2 ADA	15,324.68	15,121.25	14,920.52	14,809.37	14,628.05	14,131	13,813	13,441

AB 1200 Oversight Changes

- Under previous laws, the Fiscal Crisis & Management Assistance Team (FCMAT) would only engage districts upon the request of the district or COE
- As a result of changes in the 2018-19 Budget Act, FCMAT will now automatically engage under the following conditions:
 - Disapproved budget
 - Negative interim report
 - Three consecutive qualified reports
 - Downgrade of interim certification
 - “Lack of going concern” designation
- As part of this engagement, FCMAT may engage in a fiscal health risk analysis
 - Analysis will be coordinated with the COE and is expected to build upon the COE oversight process at no cost to the COE or district

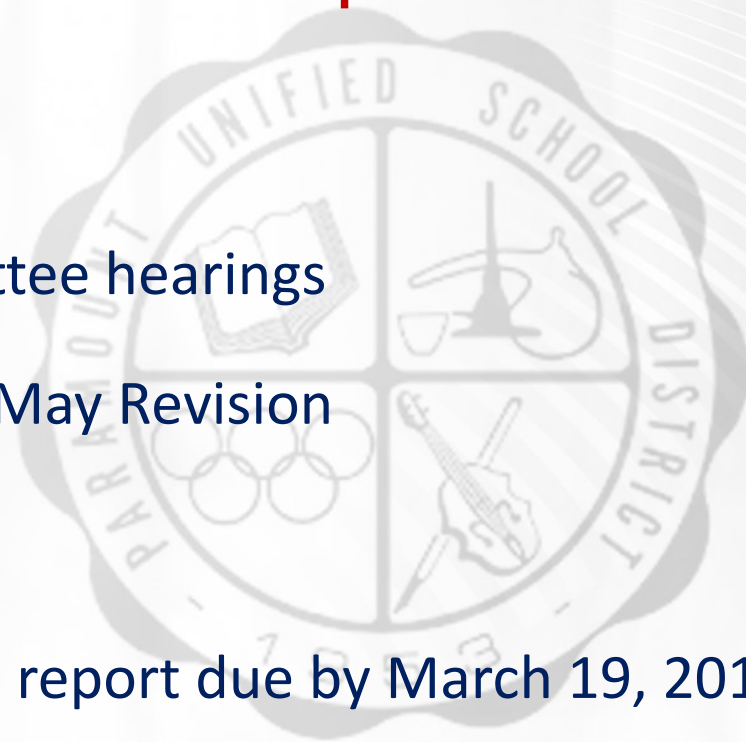
Budget Development Process & Indicators

- LCFF
- LCAP
- FEDERAL FUNDING (TITLES)
- Attendance & Enrollment decline
- End of Gap funding
- No one-time funds planned
- COLA
- CalPERS & CalSTRS
- Staffing
- Special Education



Budget Next Steps

- State level
 - Budget committee hearings
 - Next update – May Revision
- Local level
 - Second Interim report due by March 19, 2019, for school districts





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Contracts and Procurement – Legal Processes

Dr. Ruth Perez, Superintendent

Ruben Frutos, Assistant Superintendent of Business Services

Cindy DiPaola, Director of Maintenance & Operations

February 4, 2019



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- In accordance with California Education Code 42632 and Governing Board Policy, only authorized individuals appointed by the Governing Board may financially obligate the Paramount Unified School District. The District requires issuance of a signed purchase order or contract to a vendor prior to furnishing any services, equipment or materials.
- PUSD Board Policy: All purchases shall be made by formal contract or purchase orders, or shall be accompanied by a receipt. BP 3310(a)
- To be valid or to constitute an enforceable obligation against the District, all contracts must be approved and/or ratified by the Board. Education Code 17604
- The procurement of supplies, equipment and services necessary for the operation of the District are centralized in the Purchasing Department of the Business Services Division under the direction and supervision of the Director of Purchasing.



BID PROCESS

**PIGGIBACK
PROCUREMENT**

UNIT PRICING

**COMMODITY
PURCHASING**





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CONTRACT INFORMATION:

All contracts should contain certain basic information. This information should include but is not limited to the following:

- The name of the parties.
- The dates or term of the contract.
- The responsibilities and obligations of the parties.
- The terms of payment.
- *The procedure for termination of the contract.*
- Signature lines for the authorized individuals executing the contract



PARAMOUNT UNIFIED SCHOOL DISTRICT



Questions?

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