



PARAMOUNT UNIFIED SCHOOL DISTRICT

GREAT THINGS ARE HAPPENING IN PARAMOUNT SCHOOLS



2019-2020 First Interim

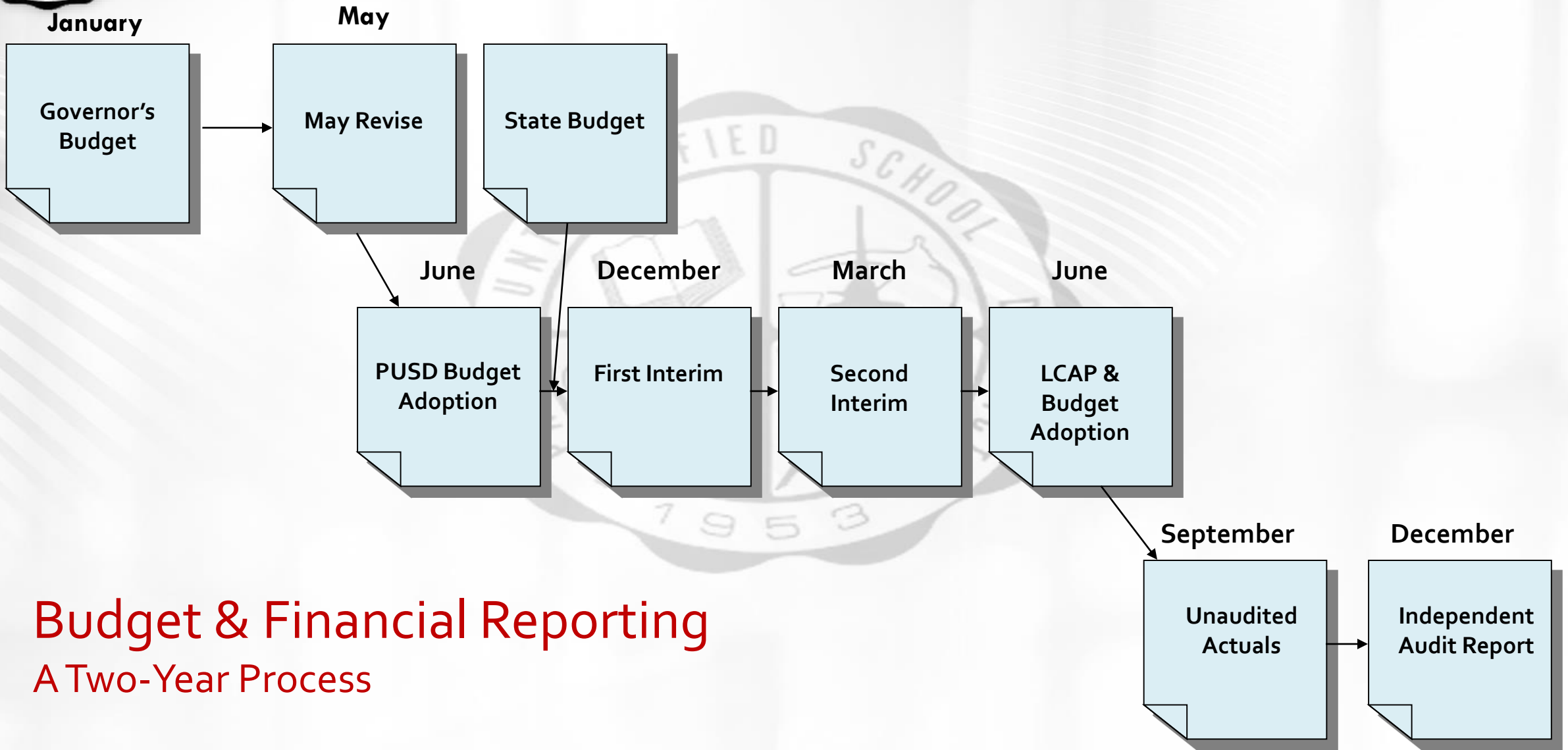
Dr. Ruth Pérez, Superintendent
Ruben Frutos, Assistant Superintendent of Business Services
Patricia Tu, Director of Fiscal Services

December 9, 2019
Action Item: 4.1-A



PARAMOUNT UNIFIED SCHOOL DISTRICT

PREPARING STUDENTS FOR COLLEGE AND CAREERS



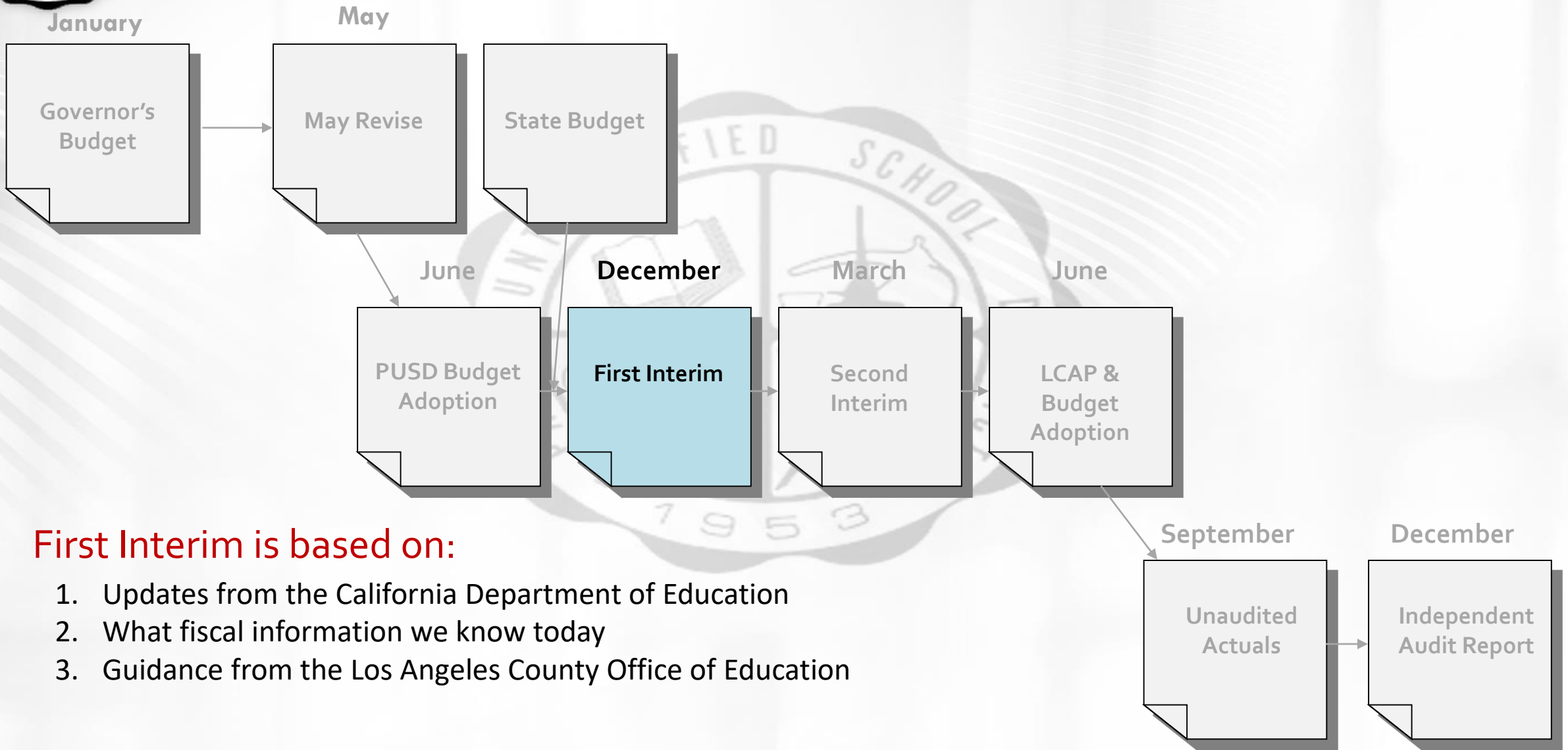
Budget & Financial Reporting

A Two-Year Process



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First Interim is based on:

1. Updates from the California Department of Education
2. What fiscal information we know today
3. Guidance from the Los Angeles County Office of Education



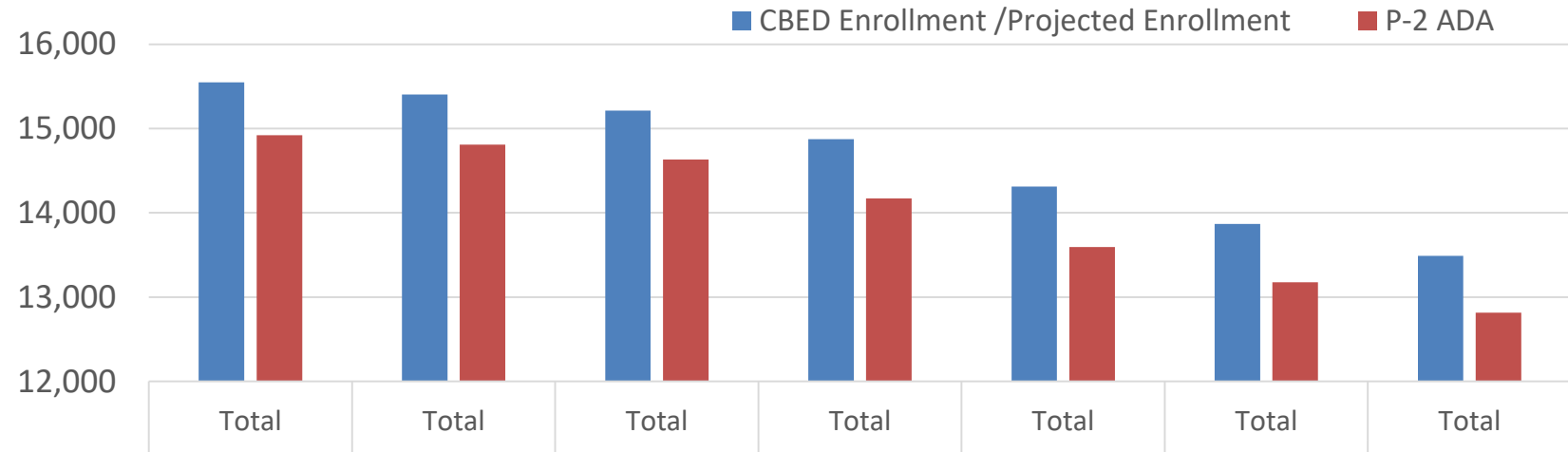
Financial Status of the District

- No more gap funding
- 2019-20 COLA = 3.26% and revised projected 2020-21 COLA
- No more one-time discretionary funds per Governor Newsom
 - 2018-19: \$2,692,200 → 2019-20: \$0
- New requirement: 3% of General Fund expenditures dedicated to Routine Restricted Maintenance ([E.C. 17070.75](#))
- The District will continue to evaluate the encroachment on the General Fund
- LACOE recommends that spending remain conservative due to unknown economic and political factors.
- Expenditure management becomes increasingly important.



Enrollment & Average Daily Attendance (ADA)

	2015-16 Total	2016-17 Total	2017-18 Total	2018-19 Total	2019-20 Total	2020-21 Total	2021-22 Total
CBED Enrollment /Projected Enrollment	15,547	15,405	15,213	14,875	14,312	13,868	13,490
P-2 ADA	14,921	14,809	14,633	14,173	13,596	13,175	12,816





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General Fund – Unrestricted/Restricted

	Adopted Budget	1st Interim	Difference
Revenues:			
LCFF	176,635,313	171,223,968	-5,411,345
Federal Revenue	9,019,137	11,377,565	2,358,428
Other State Revenue	4,634,695	5,021,553	386,858
Other Local Revenue	2,582,107	7,834,762	5,252,655
Total Revenue	192,871,252	195,457,848	2,586,596
Expenditures:			
Certificated Salaries	91,857,252	92,018,151	160,899
Classified Salaries	28,227,251	28,447,663	220,412
Employee Benefits	46,551,143	46,496,785	-54,358
Books & Supplies	18,819,091	15,485,244	-3,333,847
Services and Other Operating	21,372,684	25,736,189	4,363,505
Capital Outlay	2,384,000	3,061,620	677,620
Other Outgo	-106,131	-119,964	-13,833
Total Expenditures	209,105,290	211,125,688	2,020,398
Other Financing Sources/Uses	5,750,148	5,903,148	153,000
Net Increase/(Decrease) in Fund Bala	-21,984,186	-21,570,988	413,198
Beginning Fund Balance	56,186,725	56,186,725	
Ending Fund Balance	34,202,539	34,615,737	413,198



Components of 2018-19 Ending Fund Balance

Components	Amount
Revolving Cash	\$ 40,000
Stores	212,706
Deferred Maintenance Infrastructure	4,000,000
LCAP Retention	13,140,015
District Statutory Costs	7,083,428
General Restricted Funds	4,093,415
Reserve for Economic Uncertainties	14,500,000
Unassigned	<u>13,117,161</u>
Total	\$ 56,186,725

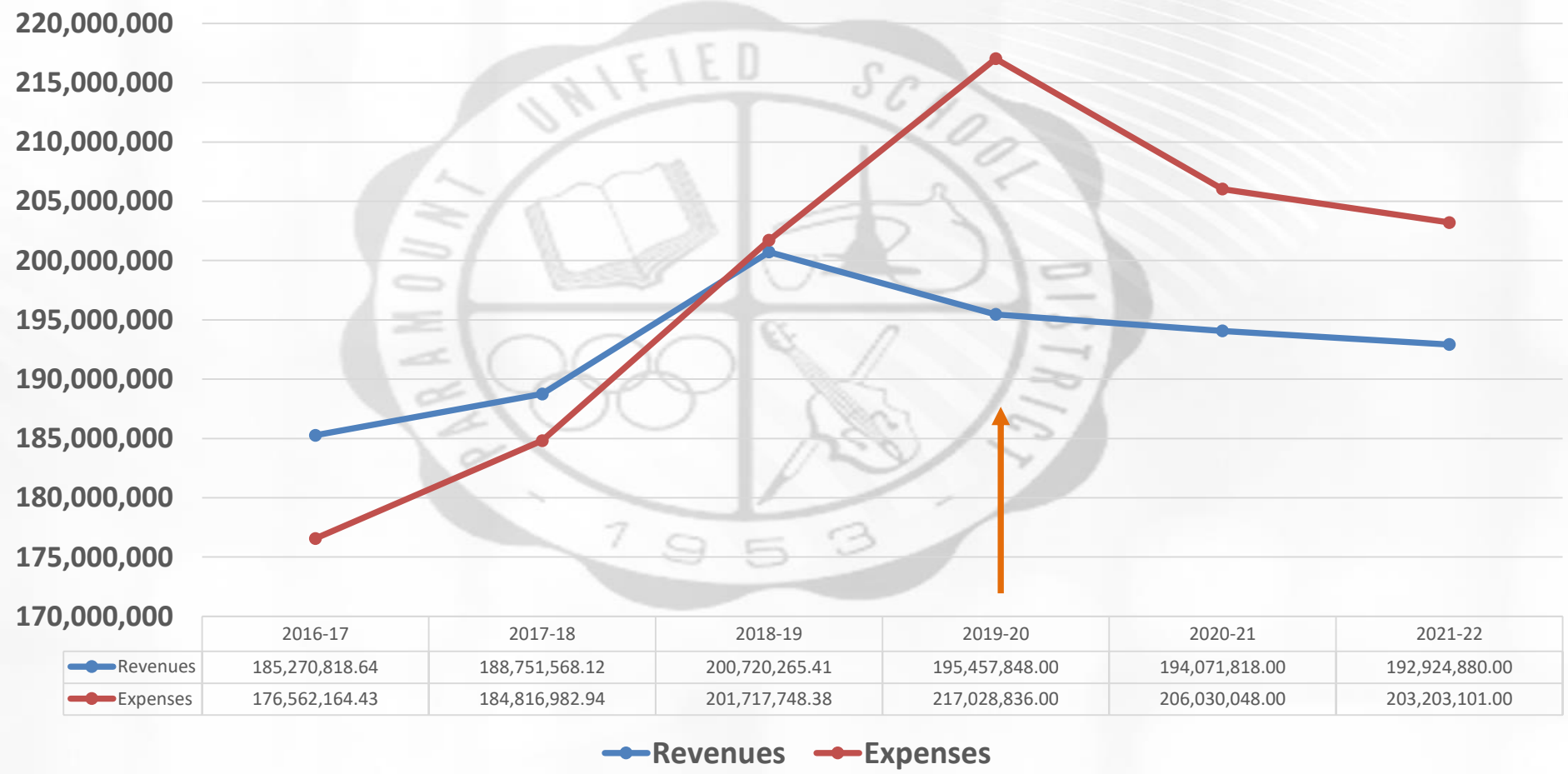


Unrestricted Multi-Year Projections

General Fund - Unrestricted	2019-20	2020-21	2021-22
Revenues (after Encroachment)	\$147,503,313	\$145,981,537	\$144,040,367
Expenditures	\$168,445,776	\$156,806,433	\$152,932,949
Surplus / (Structural Deficit)	(\$20,942,463)	(\$10,824,896)	(\$8,892,582)
Beginning Fund Balance	\$52,093,310	\$31,150,847	\$20,325,951
Ending Fund Balance	\$31,150,847	\$20,325,951	\$11,433,369



Multi-Year Analysis: Revenues vs. Expenditures





Funding Analysis – Expenses

	2015-16	2016-17	2017-18	2018-19	Variance 15-16 & 18-19
Certificated Salaries	76,141,344	81,685,415	85,048,793	89,346,034	17.34%
Classified Salaries	21,428,744	23,806,718	25,286,076	27,448,008	28.09%
Employee Benefits	33,821,284	36,912,544	39,862,895	43,567,395	28.82%

Factor	2018-19	2019-20	2020-21	2021-22
Statutory COLA	3.70%*	3.26%	1.70%	2.80%
SSC Gap Funding Percentage	100.00%	-	-	-
DOF Gap Funding Percentage	100.00%	-	-	-

From 3.0%



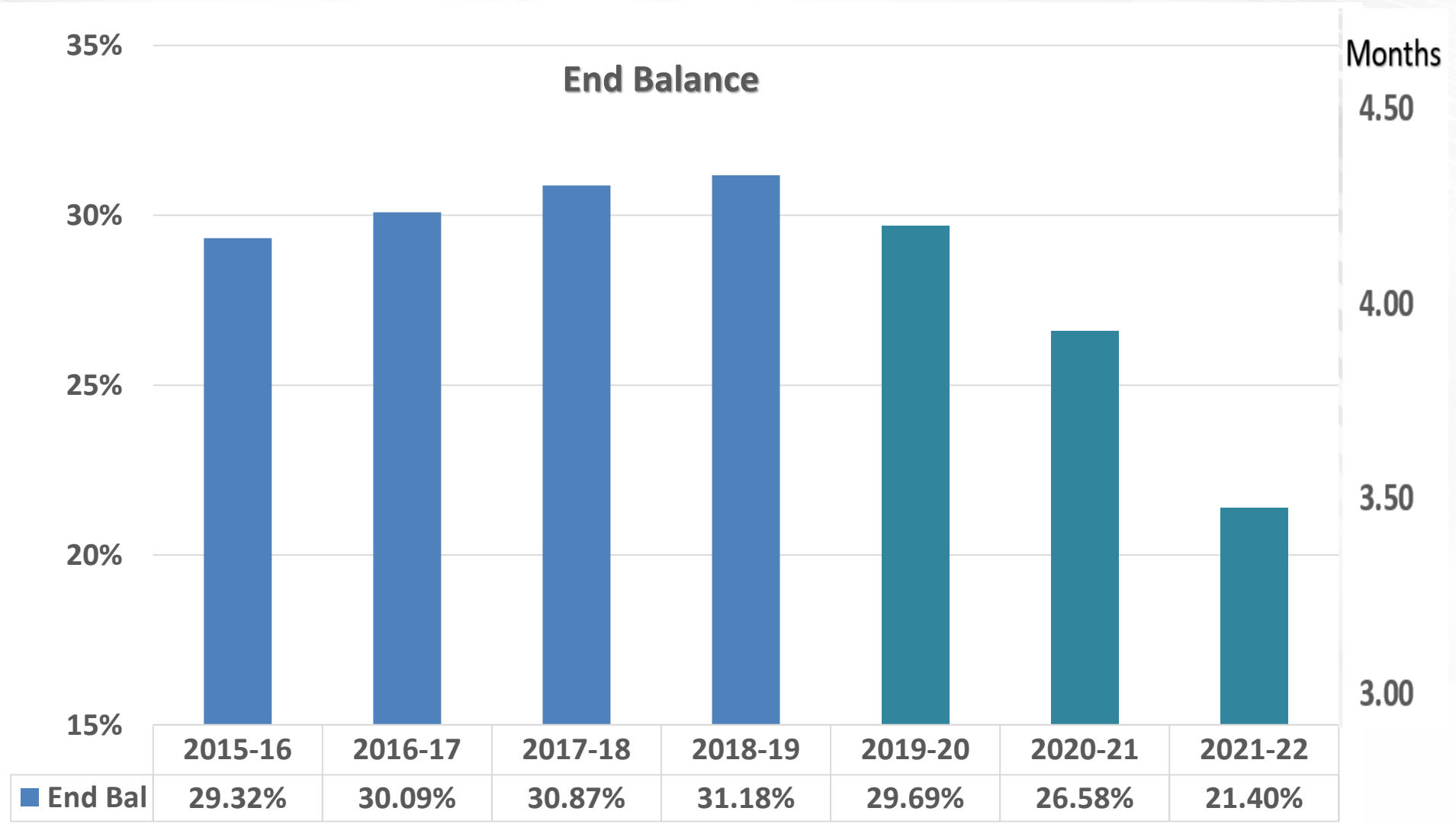
*Includes statutory COLA of 2.71% plus an additional 0.99% appropriated for the LCFF target for 2018-19



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District Reserves



- District reserves stable as % of budget
- Reserve average 4.25 months of payroll



Certification

- Positive Certification
- Projections show PUSD will remain financially **solvent** in the current and subsequent two fiscal years with reduction of expenditures.

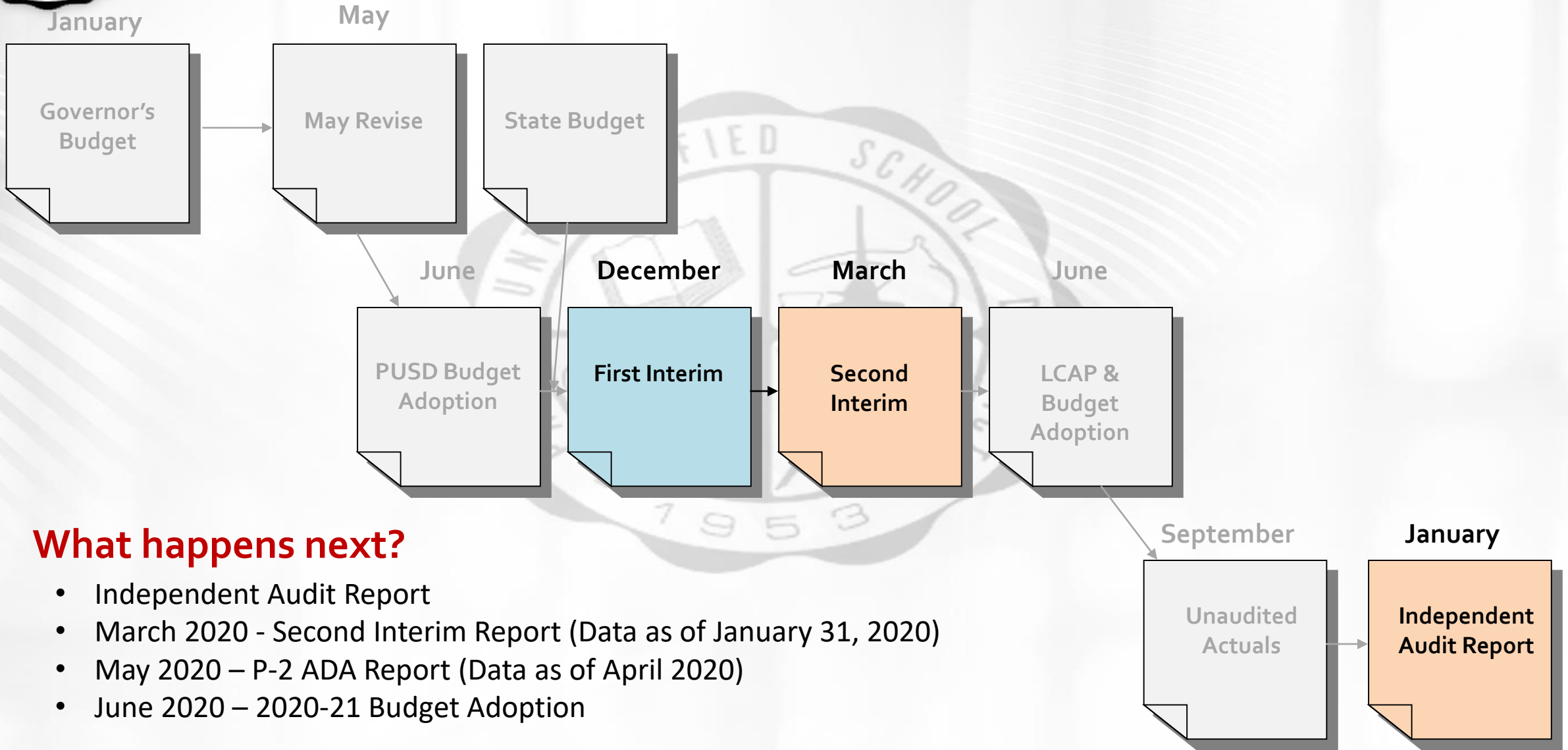
Challenges

- Declining Enrollment
- Revenue flattening and COLA revisions to reflect economic changes
- CalSTRS & CalPERS increases
- Health & Welfare Benefit Increases
- Reduction of expenditures needed in order to meet reserve requirements
 - Staffing proportionate to enrollment



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What happens next?

- Independent Audit Report
- March 2020 - Second Interim Report (Data as of January 31, 2020)
- May 2020 – P-2 ADA Report (Data as of April 2020)
- June 2020 – 2020-21 Budget Adoption

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.