



PARAMOUNT UNIFIED SCHOOL DISTRICT

GREAT THINGS ARE HAPPENING IN PARAMOUNT SCHOOLS



2019-20 Estimated Actuals & 2020-21 Adopted Budget

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

June 22, 2020
Action Item: 7.7-A



GUIDING PRINCIPLES

- Develop a multi-year budget that keeps PUSD solvent and is approved by LACOE
- Keep students and the classroom as a priority, while also ensuring equity and reducing learning loss as the result of school closures
- Sustain key academic and social emotional initiatives (Strategic Plan, LCAP)



2019-20 Estimated Actuals

- Continued decline in Enrollment and ADA will affect funding in future years
- State to defer June 2020's LCFF apportionment to July 2020

2020-21 Adopted Budget

- Imperative to manage our expenditures for multiple years
- Fund balance needs to be carefully maintained.
- Additional State deferrals announced for April, May, and June of 2020. Cash flow needs to be carefully maintained to ensure positive balance
- Planned expenditures need to be re-evaluated to adjust for revenue shortages from the State in order to maintain fiscal solvency.
- Based on may revise and Governor's proposals, any changes in budget at the State level will have major budgetary impacts. Information expected by July 2020.

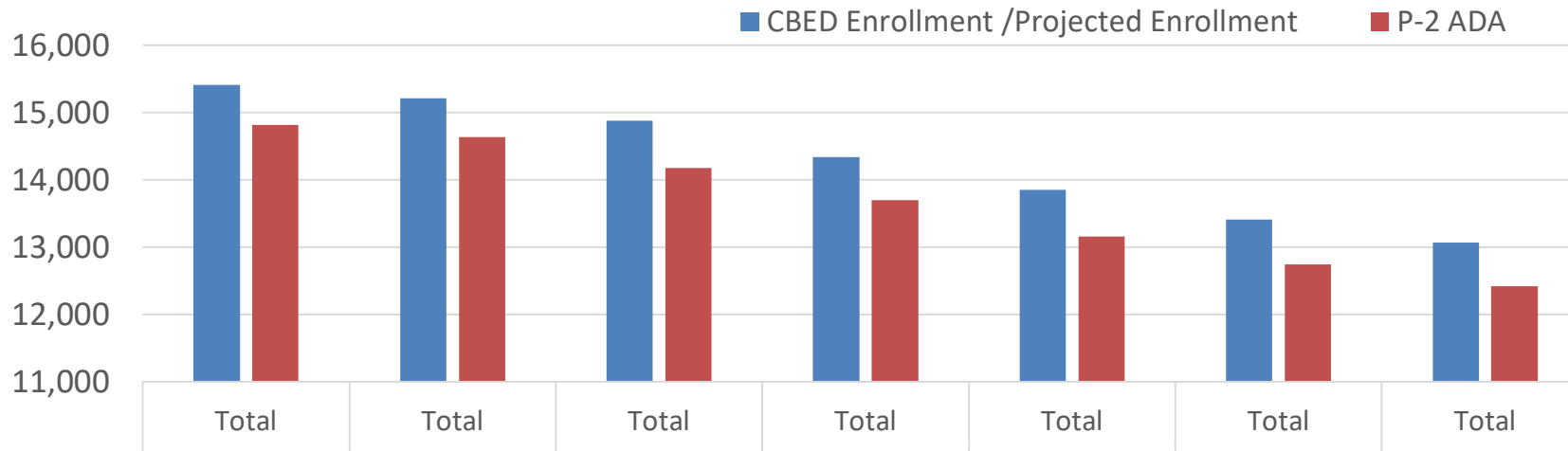


PARAMOUNT UNIFIED SCHOOL DISTRICT

PREPARING STUDENTS FOR COLLEGE AND CAREERS

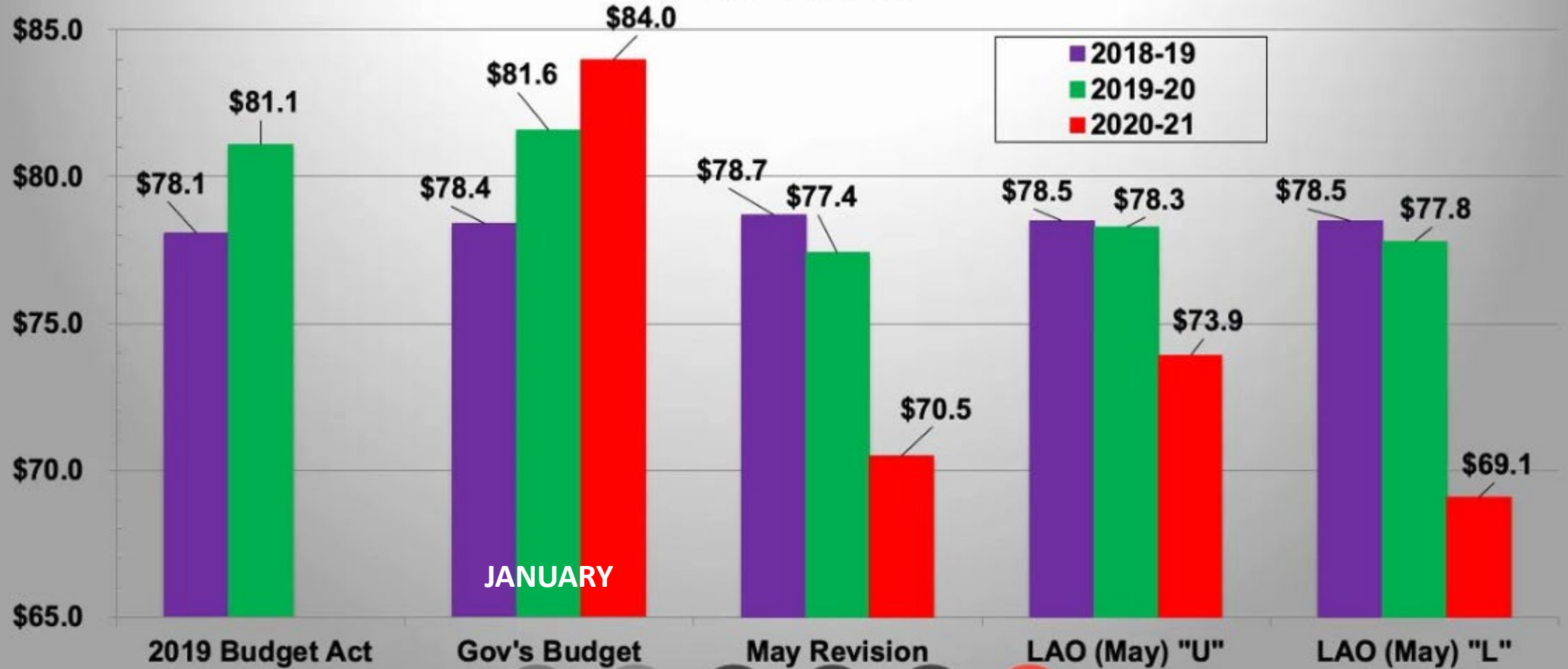
Enrollment & Average Daily Attendance (ADA)

	2016-17 Total	2017-18 Total	2018-19 Total	2019-20 Total	2020-21 Total	2021-22 Total	2021-22 Total
CBED Enrollment /Projected Enrollment	15,405	15,213	14,875	14,337	13,846	13,412	13,068
P-2 ADA	14,809	14,633	14,173	13,699	13,154	12,741	12,415



Prop 98 Changes

(Dollars in Billions)



Proposition 98 is the State formula for setting the annual funding level for school districts as a portion of the State budget.



Budget Development Parameters – Reduced Funding

- As part of the budget development process, the State and LACOE provide information to be used in the District’s budget development.
- For the next 3 years, the impact of the Cost of Living Allowance (COLA), when modified by the State’s deficits (deficit offset) will produce a funding reduction of 15%. So, although a COLA increase was provided in 2019-20 (3.26%), the reductions in the subsequent years are severe and require that the District utilize its reserves to maintain instructional programs.
- While the State can announce a continuous 7.92% reduction, the budget impact increases each year from -10% to -12.8% and to -14.95%.

STATE BUDGET - LCFF	2020-21	2021-22	2022-23
District Deficit Factor with COLA offset	-10.00%	-12.18%	-14.95%

Savings Strategies, Other Revenues, Costs and Unknowns

- Other Costs & Unknowns
- H&W costs in 2021 and beyond
- Workers' Comp / Liability Insurance
- Step & Column
- State Budget (July) August?
- Federal Budget (October)
- Savings Strategies and Other Revenues
- Reduced STRS/PERS
- Contract Savings
- Special Ed – State Funding
- Staffing to Enrollment
- Protect credit – Reduce borrowing
- Proportional reductions

FUNDING AND ASSISTANCE – May Revision Estimates

COVID-19 RELIEF FUNDS

- | | |
|--------------------------------|----------------|
| • CARES Act Estimate | \$4.2 Million |
| • California LEA Response Fund | \$246 Thousand |
| • FEMA Funds | \$795 Thousand |

Additional relief funding and Federal Heroes Act funding TBD

BUDGET ASSISTANCE FUNDS

- | | |
|---------------------|----------------|
| • Special Education | \$785 Thousand |
| • PERS/STRS Rates | 2% Reduction |

FUNDING ESTIMATES

- | | |
|--|---------------------------------|
| • COLA | Reduced by 10% (2.31% + 7.92%) |
| • LCFF 10% Reduction (COLA + Additional Cut) | -\$16,300,471 |
| • Lottery Funding | No Change |
| • Home to School Transportation Cut | -\$100,280 |
| • TIIG (Targeted Instruction) Cut | -\$21,853 |



2020-21 Total General Fund Revenues

The District budgets \$182,636,384 in combined General Fund Revenues for 2020-21.

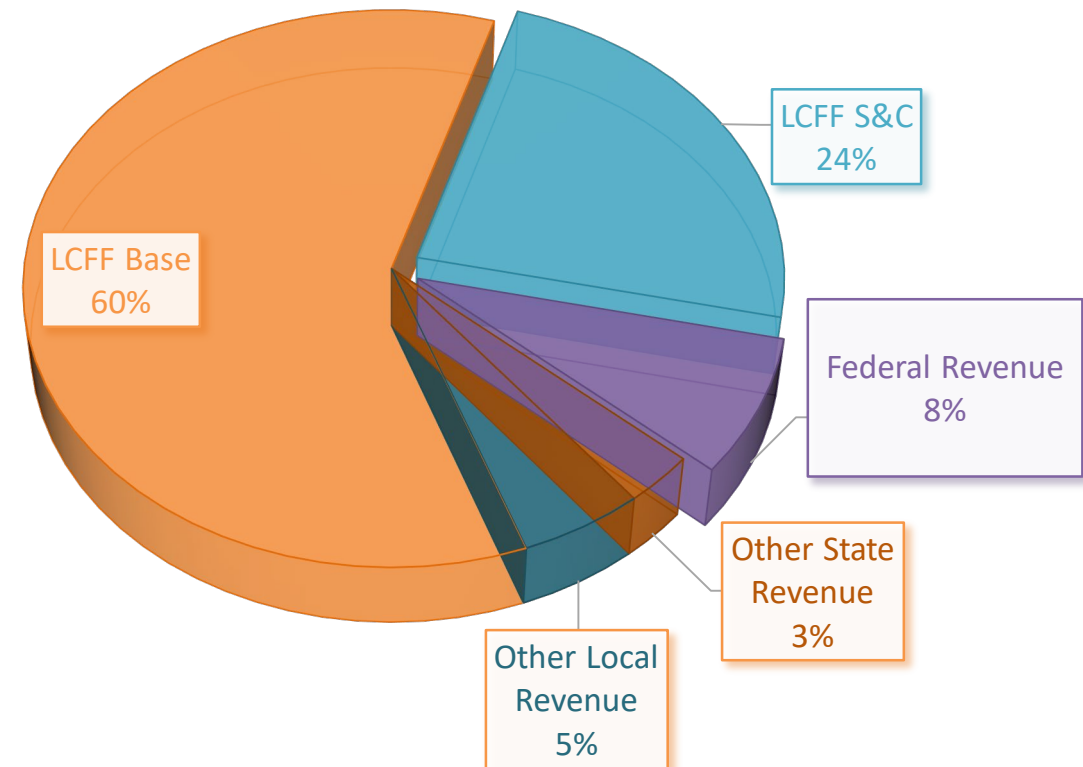
The District projects to incur \$-28,132,011 in encroachment to cover other District programs that are **NOT** fully funded by the program's resources.

General Fund Revenues contributes the following amount to programs NOT fully funded:

- Special Education = \$-21,885,650
- After School STAR Program = \$-100,000

Programs potentially encroaching:

- Adult Education, Child Nutrition, Transportation

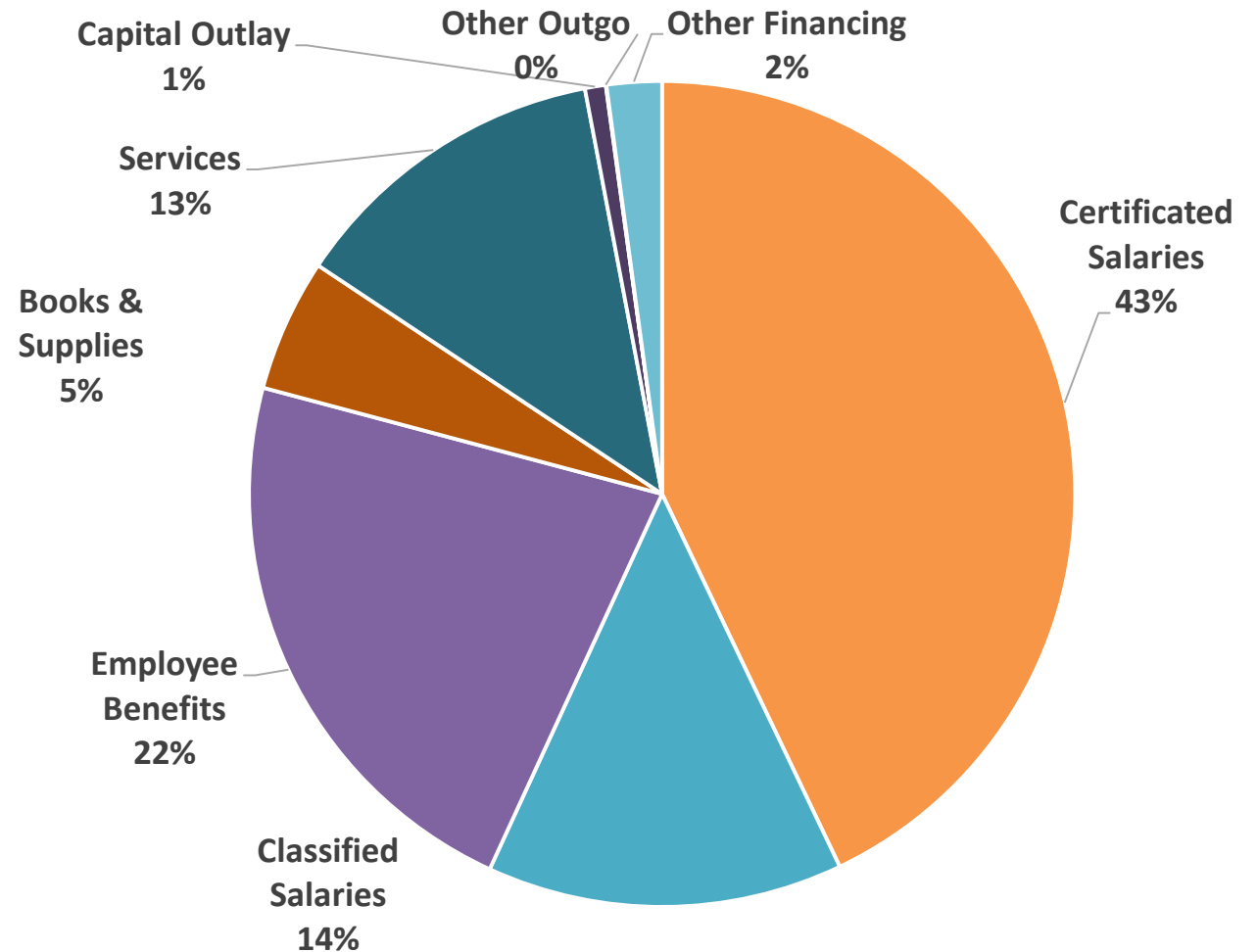




2020-21 Total General Fund Expenses

Education is primarily a service-related industry, consequently as an organization the District spends the majority share of its budgetary resources in personnel related areas.

The District has budgeted \$204,759,058 in combined General Fund Expenditures for the 2020-21 Fiscal Year.

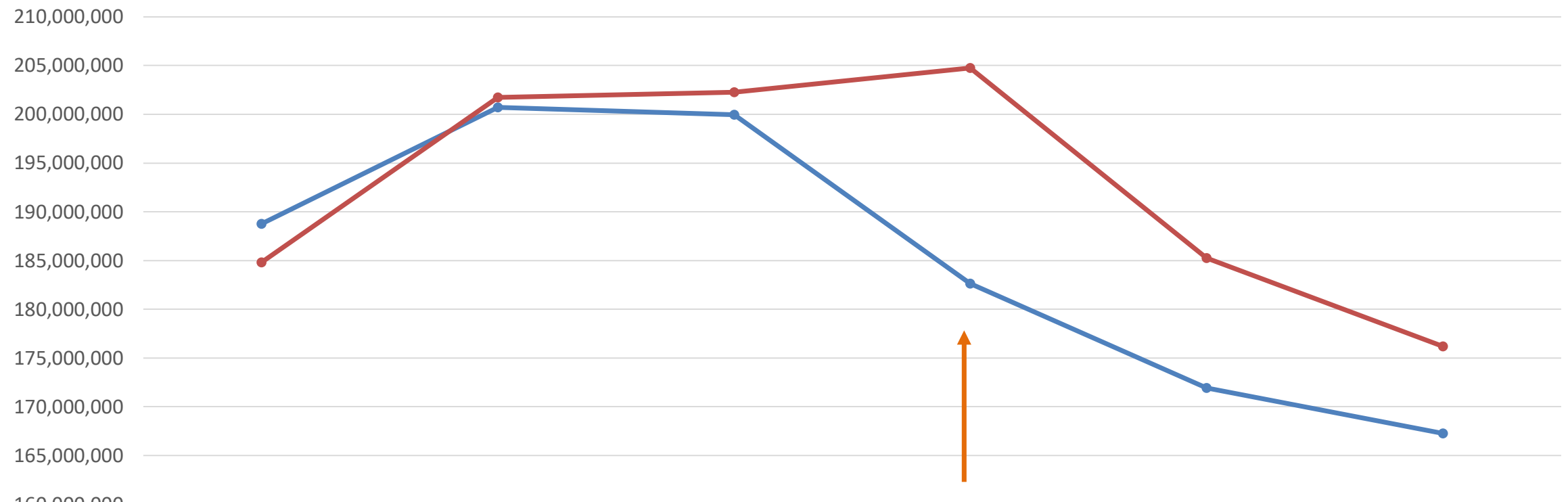




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PREPARING STUDENTS FOR COLLEGE AND CAREERS

2020-2022 Multi-Year Analysis



	2017-18	2018-19	2019-20	2020-21	2021-22	2021-22
Revenues	188,751,568.12	200,720,265.41	199,966,454.00	182,636,384.00	171,944,717.00	167,282,102.00
Expenses	184,816,982.94	201,717,748.38	202,254,293.00	204,759,058.00	185,272,431.00	176,213,203.00

● Revenues ● Expenses



2019-20 Unrestricted General Fund

2019-20 Estimated Actuals	
Total Revenues (Less Contributions)	\$ 129,486,064
Total Expenditures	148,184,420
Total Other Sources/Uses	6,804,765
Change in Fund Balance*	(2,344,549)
Beginning Fund Balance	52,093,310
Ending Fund Balance	\$ 49,748,761

* Estimated

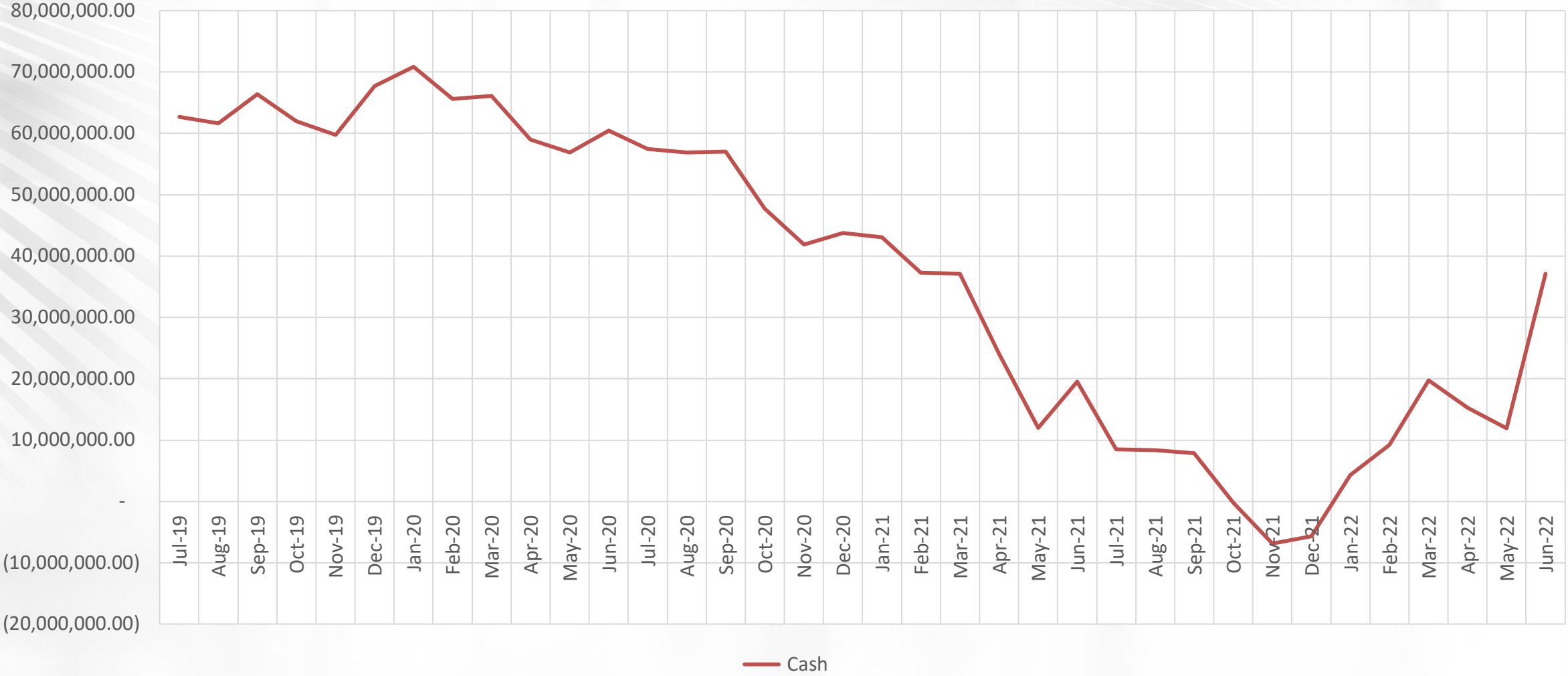


Components of 2019-20 Ending Fund Balance

Components	Amount
Revolving Cash (At sites and District office)	\$ 40,000
Stores (Such as Inventory)	300,000
Restricted Programs	7,292,065
District Statutory Costs	27,616,696
Reserve for Economic Uncertainties	14,500,000
Total	\$ 49,748,761



District Cash Flow Analysis – Impact of Deferrals





Budget Adjustments and Reductions

DISTRICT BUDGET ADJUSTMENTS/REDUCTIONS FOR FY 2020-21	
Contract Reductions	\$ 2,338,481.27
Services Reductions	\$ 2,364,900.50
Staffing Reductions	\$ 928,473.61
	\$ 5,631,855.38
ENROLLMENT LOSS REDUCED POSITIONS FOR FY 2020-21	
Reduced Enrollment Certificated Positions: 35	\$ 3,175,989.07



Budget Adjustments and Reductions

Contract Reductions FY 2020-21 (Eliminate or Reduce)

2,338,481.27

AMAN Dance Educators/Dawn Dyson Platero	Eliminate	Care Solace	Eliminate
Ed Consulting CSC - CGI	Eliminate	Opinion Interactive	Eliminate
Harmony Project	Eliminate	Administrative Coach	Eliminate
Jazz Angels	Eliminate	Parent Engagement Academy	Eliminate
MIND Research Institute (ST Math)	Reduce	Teachers Development Group	Eliminate
Pivot Learning Partners	Eliminate	Teaching Strategies	Eliminate
Teaching Strategies Inc. Safe & Civil	Eliminate	Carnegie Learning	Eliminate
Thinking Maps	Eliminate	Academic Choir Apparel – cap/gowns	Reduce
Summer School	Reduce	CalAPS	Reduce
Extended School Year (ESY)	Reduce	College Board	Reduce
Lead Teacher Stipends - K-8 Science	Reduce	Goals for Life	Reduce
Center for Educational Leadership	Eliminate	Naviance	Reduce
Kaplan	Eliminate	Summer PD - AVID	Reduce
Hero	Eliminate	Summer PD via Curriculum Specialist Team	Reduce
TechSmart	Eliminate		



Budget Adjustments and Reductions

Services Reductions FY 2020-21 (Eliminate or Reduce)		Staffing Reductions FY 2020-21	
	2,364,900.50		928,473.61
VMA Public Relations Services	Eliminate	2 CSP - District Security	Reduce
LA County Sheriff's Department	Reduce	1 Low Voltage Electrician	Reduce
LA County Probation Office	Eliminate	1.5 Office Assistant	Reduce
Facilities and Deferred Maintenance	Reduce	1 Dean - Administrator	Reduce
District Refuse Services	Reduce	1 Counselor	Reduce
		2 District Office Curriculum Specialist	Reduce
		8 ECE Aides	Reduce



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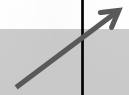
General Fund – Unrestricted/Restricted

		Adopted Budget
Revenues:		
	LCFF	153,392,143
	Federal Revenue	14,454,389
	Other State Revenue	5,393,109
	Other Local Revenue	9,396,743
Total Revenue		182,636,384
Expenditures:		
	Certificated Salaries	87,925,714
	Classified Salaries	28,543,385
	Employee Benefits	45,664,134
	Books & Supplies	10,636,950
	Services and Other Operating Exp.	25,949,942
	Capital Outlay	1,671,992
	Other Outgo	-49,341
Total Expenditures		200,342,776
Other Financing Sources/Uses		4,416,282
Net Increase/(Decrease) in Fund Balance		-22,122,674



Unrestricted GF - Multi-Year Projections

General Fund - Unrestricted	2020-21	2021-22	2022-23
Revenues (after Encroachment)	\$129,486,064	\$128,264,996	\$127,189,212
Expenditures	\$156,184,199	\$139,822,496	\$132,834,009
Surplus / (Structural Deficit)	(\$26,698,135)	(\$11,557,500)	(\$5,644,797)
Beginning Fund Balance	\$49,748,761	\$23,050,626	\$11,493,126
Ending Fund Balance	\$23,050,626	\$11,493,126	\$5,848,329



May Revision and Budget - NEXT STEPS

Ensure District Solvency – AB1200/LACOE/AUDITOR/STATE

If Congress fails to pass another COVID relief package, the governor and Legislature's proposals differ substantially:

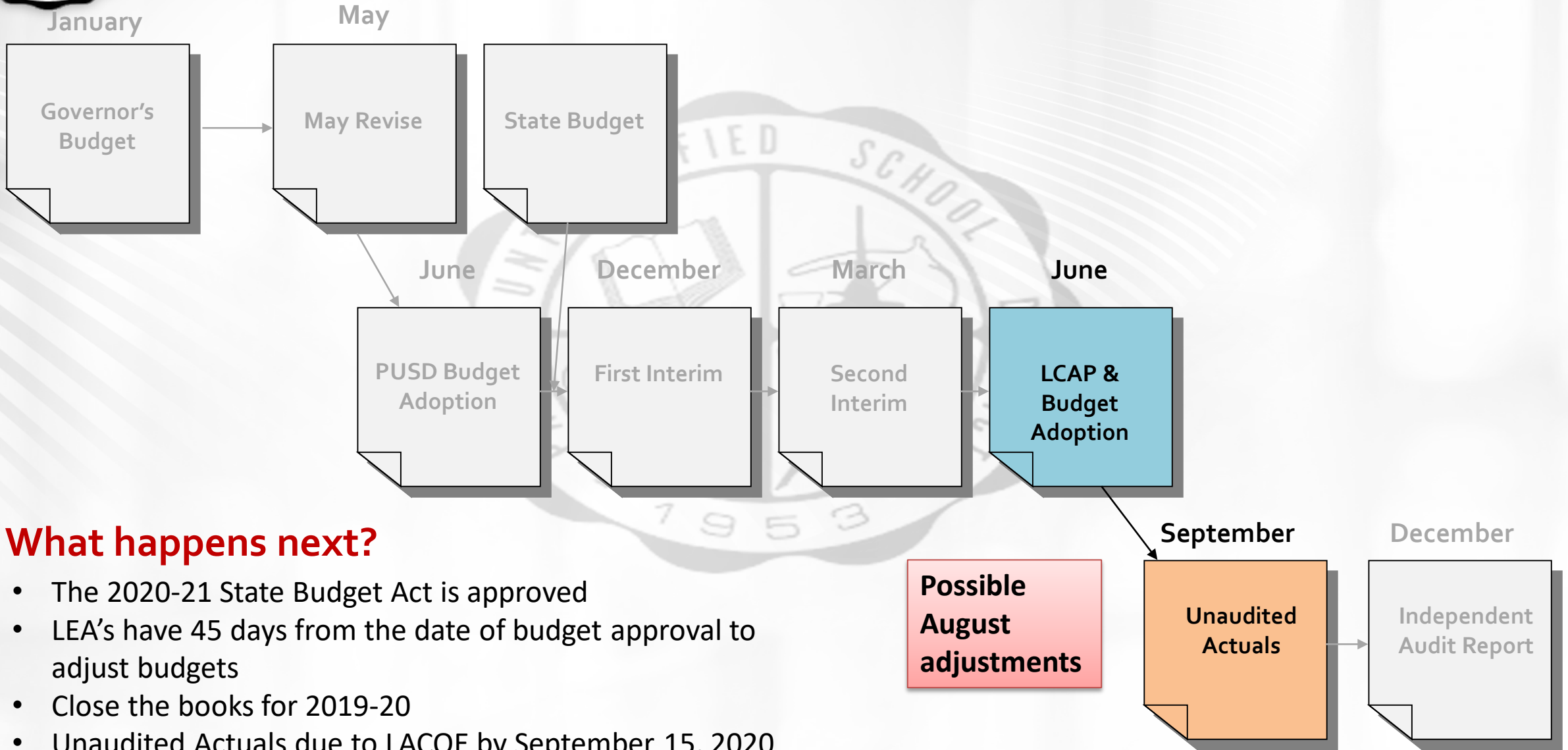
- District to analyze services, staffing and contracts to reduce and eliminate costs
- Identify and implement budget reductions for FY 2020-21, develop and present balanced budget
- Develop Budget Priorities for Multi-Year Budgets
 - Safety, Instruction and Services to Students
- District Budget Committee – Feedback from Stakeholders to recommend reductions and budget adjustments for FY 2021-22 and FY 2022-23

State Budget Proposals	Governor	Legislature
Cuts vs. Deferrals	10% Cut & 50% Categorical + Deferrals	Reject Governor's + additional deferrals
Timing of Triggers	July 1	September 1
Special Education	Augment base grant	High cost, low incidence pool + augment
Allocation of Federal Funds for Learning Loss	Allocate based on Concentration Grants	Allocate based on total LCFF funding
ADA Hold Harmless	No hold harmless	ADA hold harmless for 2020-21
Instructional Minutes	No flexibility	Instructional Minute Flexibility



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What happens next?

- The 2020-21 State Budget Act is approved
- LEA's have 45 days from the date of budget approval to adjust budgets
- Close the books for 2019-20
- Unaudited Actuals due to LACOE by September 15, 2020



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.