



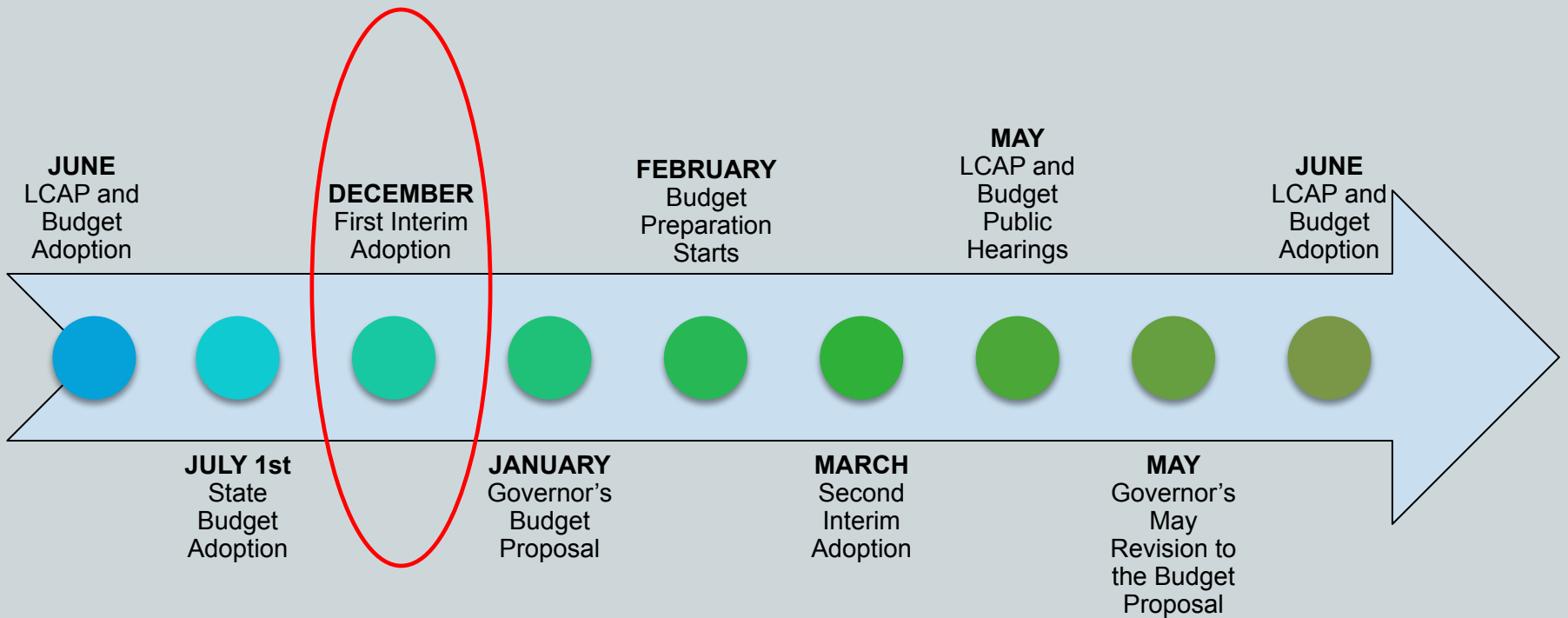
2020-21 First Interim Report

December 10, 2020



Budget Preparation Timeline

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Statutory Requirements

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- Public Disclosure of Financial Status:

- Budget by July 1
- Two Interim Updates by Dec 15 and March 15
- Interims provide opportunity to reflect changes since Budget Adoption and revised projections

- Must Certify Financial Condition:

- **Positive** = Will meet financial obligations in current and two subsequent fiscal years
- **Qualified = May not meet financial obligations in current and two subsequent fiscal years**
- Negative = Will not meet financial obligations in current and one subsequent fiscal year

1st Interim Certification

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Qualified Certification: May not meet financial obligations in current and two subsequent fiscal years.

- ❑ **Reserves For Economic Uncertainty(REU):** Minimum required reserves of 3% of total expenditures.
 - ❑ 20-21: 7.46% (\$16,297,735)
 - ❑ 21-22: 3.97% (\$ 7,504,631)
 - ❑ 22-23: **-6.39%** (\$-12,185,881)

2020-21 General Fund

(combined unrestricted/restricted)

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Total Revenues	\$209,302,696
Total Expenditures	218,461,114
Operating Surplus/(Deficit)	(9,158,418)
Beginning Fund Balance	36,442,117
Ending Fund Balance	27,283,699
<i>Minimum Reserve for Economic Uncertainty (3%)</i>	\$6.55 million
<i>One Month's Salary and Benefits</i>	\$13 million

Reserves above minimum required are to enable the District to address any uncertainties in funding and any potential economic downturns.

Covid-19 Funding



Name	Entitlement	Expensed or Obligated	Remaining	Funds Expire
CFR	15,764,386	15,764,386	0	12/30/20
COVID GF	1,314,894	1,087,186	227,708	6/30/20
GEER	805,480	0	805,480	9/30/22
ESSER	4,643,886	7,476	4,636,410	9/30/22
SB117	222,623	207,199	15,424	NA
	22,751,269		5,685,022	

Covid-19 Funding



Covid- 19 Expenditure Categories:

Technology Related	9,607,336	56.29%
Instructional/Office Supplies	3,266,385	19.14%
Food Service Support	2,089,192	12.24%
Personnel	1,459,217	8.55%
Instructional Services Contracts	525,902	3.08%
Non-Tech Equipment	54,979	0.32%
Health Supplies	34,999	0.21%
Maintenance Supplies & Repair	24,293	0.14%
Other Contracts and Services	3,944	0.02%

Combined General Fund Multi-Year Projection

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
Total Revenues	209,302,696	174,570,709	166,132,871
Certificated Salaries	72,005,565	72,300,647	73,383,132
Classified Salaries	34,097,881	34,609,349	35,128,489
Employee Benefits	41,010,963	42,773,180	45,766,432
Books and Supplies	33,388,366	12,728,627	11,033,037
Services and Other	31,175,401	23,224,473	21,862,026
Capital Outlay	1,417,086	275,000	275,000
Other Outgo	1,686,351	1,686,351	1,686,351
Transfer of Indirect	(300,000)	(444,333)	(444,333)
Transfer to Other Funds	3,979,501	1,890,309	1,890,309
Total Expenditures	218,461,114	189,043,604	190,580,444
Projected Deficit	(9,158,418)	(14,472,895)	(24,447,573)

Areas of Significant Budget Impact

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❑ LCFF Fully Funded

- ❑ Any changes in funding based on COLA
- ❑ 0% COLA in 20-21, 21-22 & 22-23

❑ Declining Enrollment

- ❑ 20/21: 12,400 ADA
- ❑ 21/22: 11,704 ADA
 - ❑ *Funded @12,400 ADA per hold harmless provision*
- ❑ 22/23: 11,470 ADA
 - ❑ \$8.4 M less LCFF Revenue

Areas of Significant Budget Impact

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Increases in Pension Expense – STRS/PERS

Year	STRS	PERS
20-21	16.15%	20.70%
21-22	16.00%	23.0%
22-23	18.10%	26.3%

Areas of Significant Budget Impact

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General Fund Contributions to Restricted Programs

Program	20-21	21-22	22-23
Special ED	\$21.2 M	\$21.5 M	\$21.9 M
Adult ED	\$735 K	\$735 K	\$735 K
ECE	\$1.2 M	\$1.2 M	\$1.2 M

Average Daily Attendance (ADA)

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- Attendance is the primary driver of the District's funding
- Funded ADA will be 12,400 for 2020-21 and 2021-22 due to “Hold Harmless” provision
- Assumed P2 ADA (updated from Adopted Budget based on current year grade-level enrollment):
 - 2020-21: 12,400
 - 2021-22: 11,704 (**12,400 funded**)
 - 2022-23: 11,470

Areas of Significant Budget Impact

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Fiscal Year	20-21	21-22	22-23
Total Combined Revenue	\$209.3 M	\$174.5 M	\$166.1 M
Total Employee Costs	\$147.1 M	\$149.7 M	\$154.1 M
% of Combined Revenue spent on Personnel Cost	70%	85.7%	92.7%

Looking Forward to Second Interim

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- Updated Staffing and Salary Projections:
- Updated Special Education SELPA Expense Projections
- Current Year Actual Expenditures Through January 31, 2021
- The Governor's 2021-22 State Budget Proposal

Next Steps

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- The 2020-21 1st Interim Report is presented for approval
- Los Angeles County Office of Education will Certify the 1st Interim Report by January 2021
- District will present the 2020-21 2nd Interim Report in March 2021
- District will present a 2020-21 3rd Interim Report in April 21

Questions?

