



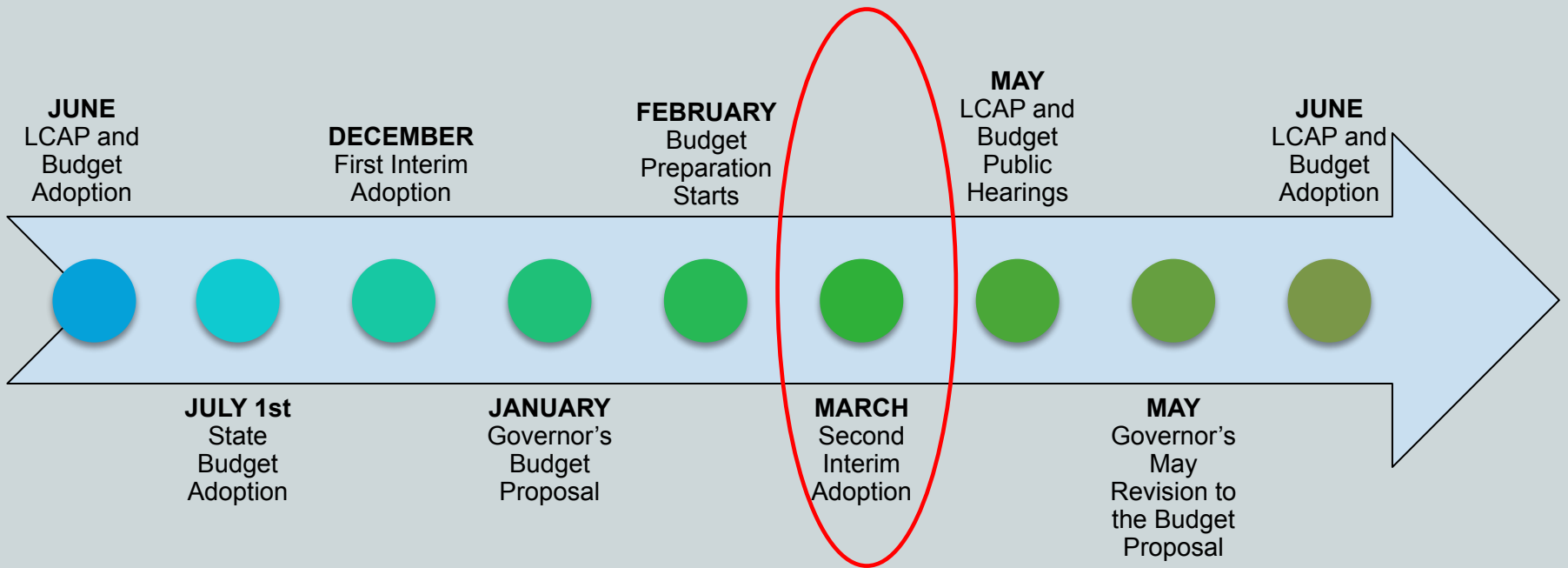
# **2020-21 Second Interim Report**

**March 11, 2021**



# Budget and Fiscal Reporting 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 on 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

# Second Interim Certification

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✓ **Positive Certification:** Will 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: 8.29%
- 21-22: 8.53%
- 22-23: 3.09%

# Updates From First Interim

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Current year budget projections reflect revised revenue and expense estimates, and actual expenditures through January 31<sup>st</sup>

- Change in 2020-21 Ending Fund Balance: +\$1.3 million

The multi-year projections (MYP) incorporate the Governor's 2021-22 State Budget Proposal:

- Estimated COLA increase from 0% to 3.84% in 2021-22, and 2.98% in 2022-23
- Elimination of 2021-22 cash deferrals - No external borrowing (TRAN) anticipated

# Change from First Interim

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2020-21 FIRST	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>
Total LCFF	\$150,192,724	\$150,080,762	\$141,642,924
S&C (LCAP)	40,712,618	40,600,656	38,161,591
REU	7.46%	3.97%	-6.39%
2020-21 SECOND	<u>20-21</u>	<u>21-22</u>	<u>22-23</u>
Total LCFF	150,192,724	155,732,720	151,264,253
S&C (LCAP)	40,712,618	42,159,247	40,806,999
REU	8.29%	8.53%	3.09%
Change:	0	5,651,958	9,621,329

# Average Daily Attendance (ADA)

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- Average Daily Attendance (ADA) 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
- P2 ADA projection reflected in MYP:
  - 2020-21: 12,400
  - 2021-22: 11,704 (*12,400 funded*)
  - 2022-23: 11,470

# 2020-21 General Fund

(combined unrestricted/restricted)

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Total Revenues	\$210,121,110
Total Expenditures	217,908,179
Operating Surplus/(Deficit)	(7,787,069)
Beginning Fund Balance	36,442,117
Ending Fund Balance	28,655,048
<i>Minimum Reserve for Economic Uncertainty (3%)</i>	\$6.54 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.***



# Combined General Fund Multi-Year Projection

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>
<b>Total Revenues</b>	<b>210,121,110</b>	<b>180,483,505</b>	<b>176,014,200</b>
Certificated Salaries	71,278,832	71,563,013	72,636,458
Classified Salaries	34,158,191	34,670,563	35,190,622
<b>Employee Benefits</b>	<b>40,105,274</b>	<b>41,115,024</b>	<b>45,539,526</b>
Books and Supplies	30,995,734	14,342,239	12,285,488
Services and Other	34,351,151	23,224,472	21,862,026
Capital Outlay	1,593,756	275,000	275,000
Other Outgo	1,737,351	1,686,351	1,686,351
Transfer of Indirect	(300,000)	(444,333)	(444,333)
Transfer to Other Funds	3,987,890	1,898,698	1,898, 698
<b>Total Expenditures</b>	<b>217,908,179</b>	<b>188,331,029</b>	<b>190,929,838</b>
<b>Projected Deficit</b>	<b>(7,787,069)</b>	<b>(7,847,524)</b>	<b>(14,915,638)</b>

# COVID-19 Response Funding

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	Name	Entitlement	Expensed or Obligated	Remaining	Funds Expire
FEDERAL	CFR	15,764,386	15,764,386	0	12/30/20
	GEER	805,480	0	805,480	9/30/22
	ESSER I	4,669,807	877,759	3,792,048	9/30/22
	ESSER II^	18,509,830	0	18,509,830	9/30/23
STATE	SB117	222,623	207,199	15,424	NA
	COVID GF	1,314,894	1,087,186	227,708	6/30/20
		<b>41,287,020</b>	<b>17,936,530</b>	<b>23,350,490</b>	

^ ESSER II funds not reflected in Second Interim MYP

# Covid- 19 Expenditure Categories

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<b>Technology Related</b>	10,096,473	56.29%
<b>Instructional/Office Supplies</b>	3,433,052	19.14%
<b>Food Service Support</b>	2,195,431	12.24%
<b>Personnel</b>	1,533,573	8.55%
<b>Instructional Services Contracts</b>	552,445	3.08%
<b>Non-Tech Equipment</b>	57,397	0.32%
<b>Health Supplies</b>	37,667	0.21%
<b>Maintenance Supplies &amp; Repair</b>	25,111	0.14%
<b>Other Contracts and Services</b>	3,587	0.02%

# Areas of Significant Budget Impact

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## Increases in Pension Expense – STRS/PERS

Year	STRS	PERS
2020-21	16.15%	20.70%
2021-22	15.92%	23.00%
2022-23	18.00%	26.30%

No other change in other statutory or health and welfare benefits rates are included in the MYP.

# Areas of Significant Budget Impact

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## General Fund Contributions and Transfers to Restricted Programs

Program	2020-21	2021-22	2022-23
Special ED	\$21.2 M	\$21.5 M	\$21.9 M
Adult ED	\$791 K	\$791 K	\$791 K
ECE	\$1.1 M	\$1.1 M	\$1.1 M

# Next Steps

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- **The 2020-21 2<sup>nd</sup> Interim Report is presented for approval**
- **Los Angeles County Office of Education will Certify the 2<sup>nd</sup> Interim Report by April 15, 2021**
- **District will present the 2021-22 Budget in June, 2021.**

# Questions?

