

-
- Information Item Only
 - Approval on Consent Agenda
 - Conference (for discussion only)
 - Conference/First Reading (Action Anticipated: _____)
 - Conference/Action
 - Action
 - Public Hearing

Division: Business Services

Recommendation

_____ : Approve the 2020-21 district budget revisions to reflect the changes of

public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act. While there is no requirement to prepare a 45-day budget revision, it is important to make the revisions publicly available when revisions are done.

Financial Considerations

_____ : At the July 16, 2020 Board meeting, staff presented the 2020-2021 Budget Update which identified the projected impact to the District's budget based on key items in the State enacted budget for 2020-2021.

The proposed adjustments adopted during the District's budget attestation Board meeting are consistent with the Budget Act signed by the Governor on June 29, 2020, and all other expenditure and revenue data available to the District at this time.

LCAP Goal(s)

_____ : Family and Community Empowerment; Operational Excellence

Documents Attached:

1. Executive Summary
2. Multi-Year Projections
3. Cash Flow Reports

Estimated Time of Presentation: 20 Minutes
Submitted by: Rose Ramos, Chief Business Officer
Approved by: Jorge A. Aguilar, Superintendent

Board of Education Executive Summary

Business Services

2020-2021 Budget Update

August 20, 2020



III. Budget:

	Unrestricted	Restricted	Total
REVENUES			
General Purpose (LCFF) Revenues:			
State Aid & EPA	313,426,499	1,777,094	315,203,593
Property Taxes & Misc. Local	97,143,191	-	97,143,191
Total General Purpose	410,569,690	1,777,094	412,346,784
Federal Revenues	155,908	98,463,409	98,619,318
Other State Revenues	6,588,341	66,123,077	72,711,418
Other Local Revenues	6,049,382	1,221,989	7,271,370
TOTAL - REVENUES	423,363,321	167,585,569	590,948,890

Board of Education Executive Summary

Business Services

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Multiyear Projections

General Planning Factors:

Illustrated in the following table are the latest factors released by the Department of Finance (DOF) that districts are expected to utilize as planning factors:

Changes in the planning factors from May Revise will be further discussed below with the District's specific revenue and expenditure assumptions.

Revenue Assumptions:

Per enrollment trends, the District anticipates a slight decline. For 2020-21 enrollment is projected at 40,383. The District's unduplicated count is projected to remain relatively stable with a slight decline of approximately 20 students compared to the prior year which results in a decrease of supplemental and concentration revenue. Due to the hold harmless provisions of SB98, the District will be funded based on the 2019-20 funded ADA, so for funding purposes ADA is deemed flat.

0% COLA for LCFF Funds

The Local Control Funding Formula is based on the Department of Finance's estimates of COLA. The Enacted State Budget eliminated both the COLA and the deficit, leaving LCFF base funding rates flat. The State Enacted Budget does not provide an estimate for the funded COLA for 2021-2022 or 2022-2023. School Services of California recommends that District budget 0% for the projected COLA for 2021-22 and 2022-23. The LCFF revenue calculation in the proposed revised budget is based on aor 0.001 T2 [(Th)-2(27)-2(.8-4(n)-(r)5(Td [(he)-6()])T0.074eLA-6(t)-2(e) L)-3(C-(r)9.3.45

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Fiscal Year 2021-2022

2020-2021 Budget Update - BDC (6.01/7.15) - 15.1% increase - 2020-2021 (abs) year 1.9% (1.900 Td (201 b) F70e

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Fiscal Year 2021-22

Certificated step and column costs are expected to increase by 1.2% each year

Other certificated salary adjustments include removing one-time SIG & Title I carryover,
and

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Multi-Year Projections

	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
Revenue									
General Purpose	410,569,689	1,777,094	412,346,783	410,469,826	1,777,094	412,246,920	403,662,672	1,777,094	405,439,766
Federal Revenue	155,908	98,463,409	98,619,318	155,908	60,196,074	60,351,982	155,908	44,723,915	44,879,824
State Revenue	6,588,341	66,123,077	72,711,418	6,631,187	62,625,653	69,256,840	7,549,076	62,933,526	70,482,602
Local Revenue	6,049,382	1,221,989	7,271,370	6,049,382	1,221,989	7,271,370	6,049,382	1,221,989	7,271,370
Total Revenue	423,363,320	167,585,569	590,948,889	423,306,303	125,820,809	549,127,112	417,417,038	110,656,524	528,073,562
Expenditures									
Certificated Salaries	166,645,117	56,096,082	222,741,200	168,671,925	51,397,689	220,069,614	171,183,632	52,857,689	224,041,321
Classified Salaries	39,025,198	22,666,764	61,691,962	39,359,190	22,553,299	61,912,489	39,693,182	23,239,199	62,932,381
Benefits	119,719,122	69,588,878	189,307,999	128,047,255	69,427,168	197,474,423	138,055,701	74,869,263	212,924,964

Cash Flow

The State Enacted Budget increased the cash deferrals by approximately \$12 billion and eliminated the -10% COLA deficit factor for LCFF funding. The months subject to the cash deferrals include February through June for both fiscal years 2020-2021 and 2021-2022. For the District this represents approximately additional cash deferrals of \$36M and \$30M in 2020-2021 and 2021-2022, respectively. The net impact of eliminating the -10% COLA and increasing cash deferrals, decreases the District's projected cash balance at 6/30/21 by \$16M for a projected

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ending cash balance of -\$100M. The charts below provide the months and dollars amounts subject to the deferrals in 2020-2021 and 2021-2022.

Projected Cash Deferrals

Projected Cash Deferrals	20-21	21-22	22-23
February 44.44% deferred to November	\$ 14,200,000	\$ 12,300,000	\$ -
March 66.67% deferred to October	\$ 21,200,000	\$ 18,400,000	\$ -
April 66.67% deferred to September	\$ 21,200,000	\$ 18,400,000	\$ -
May 66.67% deferred to August	\$ 21,200,000	\$ 18,400,000	\$ -
June 100% deferred to July	\$ 31,840,000	\$ 27,660,000	\$ -
Total Projected Deferrals	\$ 109,640,000	\$ 95,160,000	\$ -



February

March



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The State will reduce the deferrals (starting with the earliest deferrals) pending additional Federal funds.

Federal Funds

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Title

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VI. Results:

Budget development for 2020-2021 has followed the timeline approved by the Board. The District expects to revise and resubmit the 2020-21 budget by the required time lines and will continue to provide budget updates as information becomes available.

VII. Lessons Learned/Next Steps:

- Continue to monitor the State budget and its impact on District finances.
- Continue to obtain stakeholders' input, follow the LCAP process and meet with bargaining units to seek cost reductions and long-term budget savings.

Revised Budget
0% COLA
Inclusive of New Federal Funds
2020-21

Cashflow Worksheet - Budget Year (-) -
Other State Revenues
Other Local Revenues
23,367. %

...MMMMMMMMMM
8300-8599
8600-8799

Federal Revenue\$
\$ 2,185,148.43
\$ 1,168,221.74

\$ 8100-8200,975.09 \$
\$ 1,361,862.83 \$
73,573.19

4,010
4,939

Other St 0 - 0

ployee Benefits 3000-3999 \$ 2,666,711.29 \$ 4,047,280.68 \$ 15,430,471.91 \$ 15,378,605.41 \$ 15,420,118.26 \$ 16,248,634.15 \$ 15,574,892.15
Books and Supplies \$ A 4000-4999 M' - - 3000-3999 75,664.62 \$

go 7000-7499 \$ (5,874.71) \$ 140,542.61 \$ 7,475.50 \$ (43,838.10) \$ 40.11 \$ (4,730.99) \$ 75,252.74
Interfund Transfers Out 7600-7629 \$ 44,463.39 \$ 41,759.33 \$ 2,512.73 \$ 52,049.75 \$ 2,199.24 \$ 121,903.02 \$ 201,796.91
All Other Financing Uses 7630-7699 \$ - \$ - \$ - \$ - \$ - \$ - \$ -
TOTAL DISBURSEMENTS \$ 20,001,821.37 \$ 25,454,101.49 \$ 54,229,723.22 \$ 58,123,718.59 \$ 57,216,604.65 \$ 58,448,523.73 \$ 49,596,990.38

D. BALANCE SHEET ITEMS

Assets and Deferred Outflows

Cash Not In Treasury 9111-9199 \$ 117,077.89 \$ 25,928.39 \$ 4,646.96 \$ 6,782.29 \$ 5,107.38 \$ 7,216.99 \$ 7,143.46 \$ 6,096.25
Accounts Receivable 9200-9299 \$ 84,659,222.01 \$ 25,726,691.92 \$ 992,402.40 \$ 18,186,848.00 \$ 1,865,978.19 \$ 7,837,601.09 \$ 6,644,392.07 \$ 862,303.96
Due From Other Funds 9310 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Stores 9320 \$ 104,064.03 \$ 44,067.85 \$ 1,440.27 \$ 5,962.51 \$ (2,367.65) \$ 1,822.80 \$ - \$ 244.81
Prepaid Expenditures 9330 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Other Current Assets 9340 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Deferred Outflows of Resources 9490 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
Undefined Objects \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
SUBTOTAL ASSETS \$ 84,880,363.93 \$ 25,796,688.16 \$ 998,489.63 \$ 18,199,592.80 \$ 1,868,717.92 \$ 7,846,640.88 \$ 6,651,535.53 \$ 868,645.02

Liabilities and Deferred Inflows

Accounts Payable 9500-9599 \$ (66,910,438.86) \$ (38,886,015.38) \$ (16,509,089.62) \$ (528,701.14) \$ 2,184.67 \$ (4,122.12) \$ (45,841.23) \$ (23,625.54)
Due

P inte M8/11/2020M4: ! MP

g 9910 \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -
TOTAL BALANCE SHEET ITEMS \$ 17,969,925.07 \$ (13,089,327.22) \$ (15,510,599.99) \$ 17,670,891.66 \$ 1,870,902.59 \$ 7,842,518.76 \$ 6,605,694.30 \$ 845,019.48

E. NET INCREASE/DECREASE B - C + D Note - Beginning Balances are estimates until fiscal year 19-20 is officially closed \$ (17,602,173.88) \$ (27,350,875.87) \$ 12,956,745.97 \$ (35,372,901.80) \$ (16,770,662.34) \$ 8,953,125.88 \$ 39,872,636.07

F. ENDING CASH (A + E) \$ 28,231,166.05 \$ 880,290.18 \$ 13,837,036.15 \$ (21,535,865.65) \$ (38,306,527.99) \$ (29,353,402.11) \$ 10,519,233.96

G. Ending Cash, Plus Cash
Accruals and Adjustments

estim s\$
estim \$ 63,803,265.00
m

2020-21	
FEBRUARY (50%), MARCH - JUNE (100%)	Object
DEFERRALS	
STATE AID & SE	
A. BEGINNING CASH	9110
B. RECEIPTS	
LCF Revenue Sources	
Principal Apportionment	8010-8019
Property Taxes	8020-8079
Miscellaneous Funds	8080-8099
Federal Revenues	8100-8299
Other State Revenues	8300-8599
Other Local Revenues	8600-8799
Interfund Transfers In	8910-8929
All Other Financing Sources	8930-8979
Undefined Objects	
TOTAL RECEIPTS	
C. DISBURSEMENTS	

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2021-22 FEBRUARY (50%), MARCH - JUNE (100%) DEFERRALS STATE AID & SE		Object	Beginning Balance	July	Aug	Sept	Oct	Nov	Dec	Jan
\$ %(*,11,1* &\$6+										
% 5(&(.376										
/&) 5HYHQXH 6RXUFHV										
3D DSHlp 1%		y AA°@0@δP 5 ULQFL								
)HGHUDO 5HYHQXH										
2WKHU 6WDWH 5HYHQXH										
2WKHU /RFDO 5HYHQXH										
,QWHUHQG 7UDQVHUUV ,Q										
\$OO 2WKHU 6RXUFHV										
8QGHLRQV 2E										
TOTAL RECEIPTS				\$ 17,403,186.62	\$ 15,836,711.75	\$ 40,176,619.31	\$ 26,502,924.43	\$ 31,205,057.94	\$ 46,542,108.29	\$ 98,024,118.88
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&HUWLILFDWHG 6DODULHV										
&ODVVLILHG 6DODULHV										
6DRIH %HQHILWV										
%RRNVSDQ 6X										
6HUFLFHV										
6DWDQ\ 2XWOD										
2WKHU 2XW										
,QWHUHQG 7UDQVHUUV 2XW										
SDUGSHQGLWXUHV										
2WKHU &XUUHQW \$VWHWV										
'HIUUHG 2XWIORZV RI 5HVRXUFHV										
8QGHLRQV 2E										
SUBTOTAL ASSETS			\$ 146,946,199.72	\$ 23,706,019.34	\$ 23,401,602.36	\$ 39,123,637.55	\$ 27,084,357.01	\$ 18,093,922.02	\$ 6,106,898.52	\$ 401,280.87
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&XUUHQW /RDQV										
8QH DUQH 5HYHQXH										
'HIUUHG ,QIORZV RI 5HVRXUFHV										
8QGHLRQV 2E										
SUBTOTAL LIABILITIES			\$ (21,892,177.02)	\$ (12,722,970.39)	\$ (5,401,547.48)	\$ (172,983.75)	\$ 714.79	\$ (1,348.70)	\$ (14,998.62)	\$ (7,729.95)
1SHQRD.WLQ										
6DQWH &OHDULQ										
TOTAL BALANCE SHEET ITEMS			\$ 125,054,022.70	\$ 10,983,048.95	\$ 18,000,054.88	\$ 38,950,653.80	\$ 27,085,071.80	\$ 18,092,573.32	\$ 6,091,899.90	\$ 393,550.92
				\$ 19,413,182.25	\$ 13,357,094.40	\$ 30,185,484.76	1,157,594.54			

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6DFUDPHQWR &RXQW\

2022-23 NO DEFERRALS	Object	Beginning Balance	July	Aug	Sept	Oct	Nov	Dec	Jan
A. BEGINNING CASH	9110		\$ (156,515,352.53)	\$ (137,598,874.76)	\$ (121,498,312.76)	\$ (97,705,781.90)	\$ (95,869,342.65)	\$ (102,824,004.53)	\$ (111,464,689.98)
B. RECEIPTS									
LCF Revenue Sources									
Principal Apportionment	8010-8019		\$ 13,723,342.95	\$ 13,723,342.95	\$ 32,762,654.31	\$ 24,702,017.31	\$ 24,702,017.31	\$ 32,762,654.31	\$ 24,702,017.31
Property Taxes	8020-8079		\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,381,848.29	\$ 63,012,281.91
Miscellaneous Funds	8080-8099		\$ -	\$ -	\$ -	\$ (2,311,081.66)	\$ (1,359,459.80)	\$ -	\$ (2,175,135.68)
Federal Revenues	8100-8299		\$ 4,207.26	\$ 114,681.60	\$ 10,287.99	\$ 126,508.27	\$ 2,166,436.18	\$ 4,965,426.23	\$ 1,468,724.57
Other State Revenues	8300-8599		\$ 2,174,608.00	\$ 1,648,916.00	\$ 2,917,855.37	\$ 2,995,532.43	\$ 5,105,414.53	\$ 2,494,926.00	\$ 9,735,224.70
Other Local Revenues	8600-8799		\$ 1,243,103.37	\$ 91,846.16	\$ 15,686.18	\$ 492,835.09	\$ 107,062.34	\$ 471,331.88	\$ 884,344.63
Interfund Transfers In	8910-8929		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
All Other Financing Sources	8930-8979		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Undefined Objects									
TOTAL RECEIPTS			\$ 17,145,261.58	\$ 15,578,786.71	\$ 35,706,483.85	\$ 26,005,811.44	\$ 30,721,470.56	\$ 42,076,186.71	\$ 97,627,457.44
C. DISBURSEMENTS									
Certificated Salaries	1000-1999		\$ 1,966,959.03	\$ 4,550,466.05	\$ 20,197,510.53	\$ 20,833,942.97	\$ 21,657,587.49	\$ 21,149,478.36	\$ 21,106,850.44
Classified Salaries	2000-2999		\$ 2,699,780.72	\$ 4,085,429.08	\$ 5,253,286.31	\$ 5,448,727.82	\$ 5,671,053.29	\$ 5,518,340.26	\$ 5,415,471.20
Employee Benefits	3000-3999		\$ 3,038,966.57	\$ 4,612,254.33	\$ 17,584,463.88	\$ 17,525,357.16	\$ 17,572,664.93	\$ 18,516,836.16	\$ 17,749,044.24
Books and Supplies	4000-4999		\$ 511,746.20	\$ 3,037,620.67	\$ 2,115,562.89	\$ 1,688,819.66	\$ 1,728,227.68	\$ 1,373,385.85	\$ 1,399,472.67
Services	5000-5999		\$ 818,720.92	\$ 2,735,849.65	\$ 4,362,371.15	\$ 7,497,625.32	\$ 5,758,619.26	\$ 7,068,234.48	\$ 5,484,043.23
Capital Outlay	6000-6599		\$ 11,668.93	\$ 699,862.23	\$ 376,764.99	\$ 540,819.80	\$ 298,259.64	\$ 80,280.76	\$ 123,678.09
Other Outgo	7000-7499		\$ 675.77	\$ (16,166.71)	\$ (859.91)	\$ 5,042.73	\$ (4.61)	\$ 544.21	\$ (8,656.37)
Interfund Transfers Out	7600-7629		\$ 23,630.55	\$ 22,193.45	\$ 1,335.42	\$ 27,662.41	\$ 1,168.81	\$ 64,786.70	\$ 107,247.19
All Other Financing Uses	7630-7699		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9340	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9490	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
jects			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
SUBTOTAL ASSETS		\$ 151,120,631.56	\$ 28,356,036.35	\$ 27,684,303.03	\$ 38,214,587.65	\$ 29,397,641.79	\$ 15,013,300.48	\$ 3,075,659.63	\$ 416,823.55
<u>Liabilities and Deferred Inflows</u>									
Accounts Payable	9500-9599	\$ (30,133,726.03)	\$ (17,512,671.47)	\$ (7,435,018.99)	\$ (238,105.38)	\$ 983.89	\$ (1,856.43)	\$ (20,645.01)	\$ (10,639.98)
Due To Other Funds	9610	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -



2022-23	
NO DEFERRALS	Object
A. BEGINNING CASH	9110
B. RECEIPTS	
LCF Revenue Sources	
Principal Apportionment	8010-8019
Property Taxes	8020-8079