



Conejo Valley Unified School District

2020-21 Budget

Second Interim Financial Report

Overview

Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



Education Code

Education Code requires districts to submit reports to the County Office of Education twice a year. These reports are “Interim” reports.

- 1st Interim Report covers financial activities through October 31
- 2nd Interim Report covers financial activities through January 31

Education Code Section 42130 (a) (1) defines the certifications:

- **Positive** Certification: WILL MEET their financial obligations for the current and two subsequent fiscal years
- **Qualified** Certification: MAY NOT MEET their financial obligations for the current OR two subsequent fiscal years
- **Negative** Certification: UNABLE TO MEET their financial obligations for the current OR two subsequent fiscal years

Purpose of the Presentation

- Provide an overview of the current economic outlook and recent guidance
- Provide the Board an update on 2020-2021 finances through January 31.
- Present an updated multi-year projection
- Provide an update of the District's enterprise programs that will impact the General Fund

Proposed State Budget – January 2021

The January release of the Governor's 2021-22 state budget proposal includes:

- Compounded Local Control Funding Formula COLA of 3.84% to be applied in 2021- 22 (2.31% for 2020-21 and 1.5% for 2021-22)
- Statutory COLA of 1.5% (for select programs outside of LCFF) Partial paydown of cash deferrals
- \$300 million in funding for Special Education Early Intervention Preschool Grant
- \$1.5 billion in Prop. 51 bond funds to support school construction projects
- \$2.3 billion one-time supplemental payment, outside of Prop 98, and the elimination of supplemental payments in subsequent years

Federal Stimulus Funds for Education

The state budget proposal and Federal relief from Washington, D.C. provide several one-time allocations in 2020-21 and 2021-22:

- \$2 billion in one-time Prop. 98 funds for in-person instruction beginning in February 2021
- \$4.6 billion in Prop. 98 funds for expanded learning time and academic intervention grants
- More Elementary and Secondary School Emergency Relief (ESSER) funds for in-person instruction to reopen schools
- \$330.7 million for investing in educators

We have not yet been given official information on timing and amount of funds allocated for CVUSD.

Additional Proposed Funding Requirements

Must be used for activities that support academic achievement by expanding instructional time and providing targeted academic interventions, with priority for low-income students, English language learners, youth in foster care, homeless youth, students with disabilities, and pupils identified for tiered reengagement strategies. Specifically, funds must be expended for any of the following purposes:

1. Extending instructional learning time beyond what is required, by increasing the number of instructional days or minutes during the school year, providing summer school or intersessional instructional programs, or taking any other action that increases the amount of instructional time or services provided to pupils based on their learning needs.
2. Accelerating progress to close learning gaps through the implementation, expansion, or enhancement of learning supports including, but not limited to
 - a. Tutoring or other one-on-one or small group instruction provided by certificated or classified staff.
 - b. Learning recovery programs and materials designed to accelerate pupil academic proficiency.
 - c. Educator training in accelerated learning strategies and effectively addressing learning gaps.
3. Integrated pupil supports to address other barriers to learning, such as the provision of health, counseling, or mental health services, access to school meal programs, before and after school programs, referrals for support for family or pupil needs, or programs to address pupil trauma and social-emotional learning.
4. Community learning hubs that provide students with access to technology, high-speed internet access, and other academic supports.
5. Supports for credit deficient pupils to complete graduation or grade promotion requirements.
6. Additional academic services for pupils, such as diagnostic assessments of pupil learning needs.
7. Training for school staff on strategies, including trauma informed practices, to engage students and families in addressing students' social-emotional health and academic needs.

On-going Negotiations

“As a sign of how deeply entrenched – and how far apart – they are in negotiations over school re-opening guidelines, the Governor and the Legislature have suddenly abandoned weeks of back-room negotiations for public pronouncements.”

“One of the key sticking points over an agreement is the role that access to vaccinations will play in re-opening plans.”

“And significantly, both the Governor’s proposal and SB/AB 86 require collective bargaining for districts to be eligible for the in-person incentives.”

“Note that pre-existing agreements are valid, but that it appears districts that reopened schools without new agreements or MOUs might be ineligible for the \$2 billion incentives.”

“This is by no means a done deal – there is not complete consensus about the proposal within the Democratic caucuses in each house, not to mention consensus between the houses. And the third party in this tango, the Governor, has called the plan too little, too late.”

Program Impact(s) to
Reserves

Child Nutrition Program Financials - Update

	Actuals July - Jan	Feb - June Projection	Total Projected
Beginning Balance			\$163,038
Revenue	\$1,595,475	\$2,690,642	\$4,286,117
Expense	\$1,957,199	\$2,969,851	\$4,927,050
		Projected Deficit	-\$640,933
Transfer from General Fund	\$390,000	\$250,933	\$640,933
		End Balance	\$163,038

- One source of revenue: Federal Lunch Program reimbursement
- Current General Fund Reserve support estimated at \$640,933 (-\$16,667 since 1st Interim)
- Continued lost sales of items outside of regular meal(s)
- Sales projection at 70% of current enrollment in Elementary Schools
 - Estimated at 50% for Middle Schools
 - Estimated at 25% for High Schools
- If High Schools return for in-person, numbers could improve
- Total number of meals served to children so far: 481,639
- Estimated number of meals to be served to children by the end of the year: 1 million

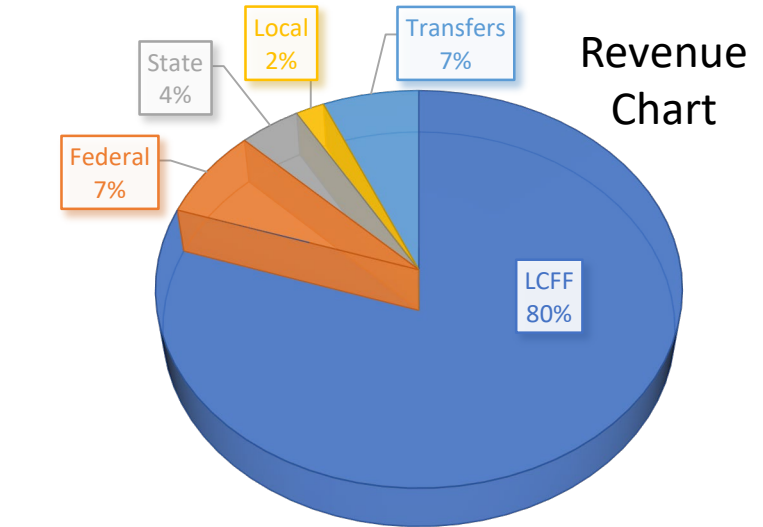
Child Care Program Financials - Update

	Actuals July - Jan	Feb - June Projection	Total Projected
Beginning Balance			\$1,953
Revenue	\$1,530,873	\$1,529,709	\$3,060,582
Expense	\$2,906,897	\$2,677,400	\$5,584,297
		Projected Deficit	-\$2,523,715
Transfer from General Fund	\$1,150,000	\$1,371,762	\$2,521,762
		End Balance	\$0

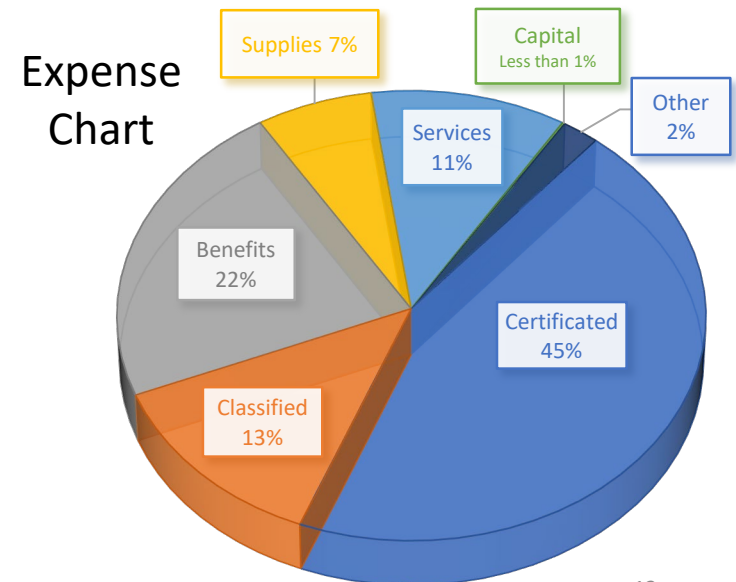
- Student enrollment is approximately 295 (+45 since 1st Interim), usually 1,400
- Current General Fund Reserve support estimated at \$2,523,715 (-\$576k since 1st Interim)
- Next information milestone will be in April (registration). Enrollment will determine future program outlook
- Summer program will be posted March 15 with a minimum target of 12 per class to run the session. Cost will be \$200/month for 9 a.m. - 3 p.m.

Revenue and Expense as of January 31

Revenue Source	2020-21 1 st Interim	2020-21 2 nd Interim	+/-
LCFF	\$163,737,941	\$163,802,416	+\$64,475
Federal	\$14,992,968	\$15,003,407	+\$10,439
State	\$8,495,082	\$8,517,029	+\$21,947
Local	\$3,715,978	\$3,959,517	+\$243,539
Incoming Transfers	\$13,348,152	\$13,313,152	-\$35,000
Total Revenue	\$204,290,121	\$204,595,521	+\$305,400



Expense Category	2020-21 1 st Interim	2020-21 2 nd Interim	+/-
Certificated Salaries	\$98,346,076	\$96,495,698	-\$1,850,378
Classified Salaries	\$27,834,883	\$27,580,546	-\$254,337
Benefits	\$49,010,093	\$48,061,437	-\$948,656
Books/Supplies	\$13,041,378	\$14,177,220	+\$1,135,842
Contracted Svcs/Oper Exp	\$22,740,374	\$23,883,997	+\$1,143,623
Capital Outlay	\$161,260	\$314,003	+\$152,743
Other Outgo	\$5,594,847	\$4,537,693	-\$1,057,154
Total Expenses	\$216,728,911	\$215,050,594	-\$1,678,317



Projected Ending Fund Balance as of January 31

Category	Amount
Beginning Balance	\$28,419,523
Income	\$204,595,521
Expenses	\$215,050,594
Estimated Ending Balance	\$17,964,450
Operating Deficit	(\$10,455,073)
<u>Breakdown of ending balance</u>	
Stores & Revolving Cash	\$217,948
Local Fiscal Stabilization Reserve	\$3,000,000
Mandated Reserve (3%)	\$6,451,518
Undesignated Reserves	\$8,294,984
Estimated Ending Fund Balance	\$17,964,450

Multi-Year Projection

Projections are not predictions. They are assumptions based on today's information and are expected to change as various factors change. We are being asked to project out revenues and expenses without knowledge of future funding proposals by the Governor and Legislature.

Planning Factors for Multi-Year Projections

Budget Assumptions	2020-21	2021-22	2022-23
Statutory COLA	2.31%	1.50%	2.98%
Funded COLA	0%	3.84%	2.98%
Enrollment (Projection)	17,335	17,335	17,335
Funded ADA <i>(Hold Harmless for 2020, 2021, 2022)</i>	17,642	17,642	16,756
Unduplicated Count %	26.5%	26%	26%
CalSTRS Employer Rate	16.15%	15.92%	18.00%
CalPERS Employer Rate	20.70%	23.00%	26.30%
CBA negotiated salary adjustments	2.0%	2.0%	N/A
Anticipated Retirements	25	25	25
Typical Staffing ratios <i>(modified for COVID)</i>	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1	K-3 - 21.5:1 4-12 - 30:1

Multi-Year Projection*



Description	2020-21 2 nd Interim	2021-22 Projection*	2022-23 Projection*
Estimated Beginning Balance July 1	\$28,419,523	\$17,964,450	\$17,551,864
Total Income	\$204,595,521	\$201,695,538	\$198,024,340
Total Expense	\$215,050,594	\$202,108,124**	\$208,527,403**
Ending Balance	\$17,964,450	\$17,551,864	\$7,048,801
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash/PPE	\$217,948	\$217,948	\$217,948
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$0
Mandated Reserve 3%	\$6,451,518	\$6,063,244	\$6,255,822
Undesignated Reserve Funds	\$8,294,984	\$8,270,672	\$575,030

*Projections two and three years out are based on information today and most likely will change


**Assumes budget savings/unsent funds/budget allocation changes of \$4m in '21 and \$2m in '22

Other District Funds

The Conejo Valley Unified School District is a premier comprehensive local education agency providing programs and supporting activities from pre-school to adult education.

	Other Funds	Beginning Balance	Est. Income	Est. Expenses	Net Est. End Balance
110	Adult Education	\$410,867	\$2,647,230	\$2,898,230	\$159,867
120	Child Care	\$1,953	\$5,582,344	\$5,584,297	\$0
130	Child Nutrition	\$163,038	\$4,927,050	\$4,927,050	\$163,038
140	Deferred Maintenance	\$1,804,605	\$23,924	\$1,297,905	\$530,624
212	Measure I: Building 	\$11,272,293	\$45,783,049	\$56,294,767	\$760,575
213	Measure I: Technology 	\$6,966,516	\$11,018,997	\$4,164,480	\$13,821,033
251	Developer Fees	\$1,847,002	\$640,000	\$839,494	\$1,647,508
401	TOPASS	\$7,148,596	\$1,548,000	\$4,006,675	\$4,689,921
403	TOPASS Foundation	\$59,866	\$300	\$51,766	\$8,400
511	Bond Redemption	\$11,361,609	\$9,916,290	\$11,069,501	\$10,208,398
671	Worker Compensation	\$1,947,528	\$1,712,422	\$2,552,458	\$1,107,492
672	Health & Welfare	\$11,257,644	\$27,266,102	\$28,992,745	\$9,531,001
730	Private Purpose Trust	\$3,257	\$16,565	\$16,465	\$3,357

2020-21 Budget Timeline

- **June 15th** State Legislature must submit a budget to the Governor including any legislative proposals that both houses agree on.
- **June 30th** CVUSD budget adoption.
- **June 30th** Governor's deadline, signed budget. If necessary, on or about August 15th CVUSD budget revision to align with State adopted budget.
- **September 2020** Unaudited Actuals for FY 2019-20
- **December 2020** First Interim financial report as of October 30
- **January 2021** Governor's first 2021-22 budget proposal and financial outlook
- **March 2021** Second Interim financial report: As of January 31 
- **May 2021** Governor's revised 2021-22 budget proposal
- **June 2021** Legislature review of budget and approval
- **June 2021** Public hearing and approval of 2021-22 LCAP and Budget

