



Conejo Valley Unified School District

2020-21 Budget First 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 guidance
- Provide the Board an update on the 2020-2021 budget(s)
- Provide an overview of COVID stimulus funds and expenditures
- Provide a summary of the District's enterprise programs and potential impact on the General Fund
- Provide the Board an opportunity to give feedback
- Update the multi-year forecast (from adopted budget) with today's known information

LAO Economic Outlook - November 2020

- There has been a dramatic upward revision to current-year funding estimates for education.
- The state now meets the Proposition 98 guarantee through a combination of increased General Fund and local property tax revenue.
- The LAO estimates the guarantee in 2020-21 at \$84 billion, an increase of \$13.1 billion (18.5%) over the June 2020 estimate.
- Significant ongoing and one-time funds may be available.
- After accounting for the higher 2020-21 guarantee and various prior-year adjustments, the LAO estimates the Legislature has \$13.7 billion in one-time funds available.
- Based on these developments, the LAO thinks the Legislature should reassess the supplemental payments after reviewing its budget priorities.
- *What happens next is TBD...*

[Read the full report here](#)

Economic Outlook and Guidance

- The January State Budget Proposal will give us a first glimpse at the Governor's projections for the rest of 2020–21 and 2021–22.
- Absent that information right now, (SSC) guidance is that LEAs should be prepared to experience at least one more year of no growth as a best-case scenario.
- In California, General Fund reserves are a key component of the state's system for overseeing school districts' fiscal condition.
- Now is the time to be shoring up reserves, not spending them down (SSC).
- The District's enterprise programs (Adult Education, Child Care Services, and Child Nutrition Services) have and will continue to negatively impact reserves unless the programs and staffing are changed.



Stimulus Funds Breakdown

Description	Amount	Deadline to Spend
Elementary and Secondary School Emergency Relief (ESSER) Fund	\$1,238,548	09/2022
Governor's Emergency Education Relief (GEER) Fund	\$937,963	09/2022
Coronavirus Relief Fund (CRF)	\$6,631,535	12/2020
State General Fund	\$1,404,477	12/2020
Total	\$10,212,523	

COVID-19 Stimulus Funds Update

	Expensed as of Nov 30	Estimated through Dec 31	Total (spent by deadline of Dec 31)
Salaries (Learning Loss Mitigation, Mental Health, Professional Development, Twilight Classes, Campus Safety Assistants, Health Care, Paraprofessionals)	\$926,943	\$495,268	\$1,422,211
Facilities (Ventilation, Filters, Tents, Ionizers, HEPA, etc.)	\$384,900	\$1,125,088	\$1,509,988
Technology for Students	\$1,643,126	\$157,819	\$1,800,945
Technology for Staff	\$1,255,077	\$274,531	\$1,529,608
Personal Protective Equipment (PPE)	\$757,432	\$386,740	\$1,144,172
Instructional Supplies, Software, Assessments	\$726,516	\$10,205	\$736,721
Transportation	\$115,161	\$184,759	\$299,920
Child Nutrition Services	\$140,181	\$9,785	\$149,966
Total	\$5,949,336	\$2,644,195	\$8,593,531

Program Impact(s) to
Reserves

Child Nutrition Program Financials

	July - Oct	Nov - June Projection	Total Projected
Beginning Balance			\$163,038
Revenue	\$568,247	\$4,847,588	\$5,415,835
Expense	\$830,277	\$5,243,158	\$6,073,435
		Projected Deficit	-\$657,600
From Fund Balance	\$100,000	\$557,600	\$657,600
		End Balance	\$163,038

Variables:

- Reimbursement for breakfast and lunch (Federal Lunch Program)
- 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

Considerations:

- The 2020 Budget Act prohibits layoffs for Child Nutrition Staff
- In 2019-20 General Fund Reserves supported Child Nutrition Services by **\$774,684**
- The 2020-21 General Fund Reserve support is estimated at **\$657,600**

Child Care Program Financials

	July - Oct	Nov - June Projection	Total Projected
Beginning Balance			\$1,953
Revenue	\$913,055	\$2,098,210	\$3,011,265
Expense	\$1,528,717	\$4,549,496	\$6,078,213
		Projected Deficit	-\$3,066,948
From Fund Balance	\$450,000	\$2,614,995	\$3,064,995
		End Balance	\$0

Variables:

- Student enrollment has been low (approximately 250, usually 1,400)
- Estimated a 1% increase in enrollment each month
- Estimated at 50% part-time and 50% full-time

Considerations:

- General Fund Reserve support estimated at **\$3,100,000** if programs continues (in 2019-20, reserves supported Child Care with **\$388,041**)
- Feasibility (financial) of continuing the program is low
- A discussion of possible suspension of the program for 2020-21 and status for 2021-22 is warranted
- Staffing changes require a 60-day notice

Child Care Program COVID Impacted Enrollment

<i>Enrollment (PT and FT)</i>	<i>March 2020</i>	<i>December 2020</i>	<i>+/-</i>
Acacia	52	11	-41
Aspen	74	14	-60
Banyan	67	9	-58
Cypress	76	24	-52
EARTHS	130	19	-111
Ladera	54	0	-54
Lang Ranch	191	53	-138
Madrona	72	15	-57
Maple	43	0	-43
Sycamore Canyon	144	30	-114
Walnut	34	10	-24
Weathersfield	86	27	-59
Westlake	104	37	-67
Westlake Hills	128	25	-103
Wildwood	90	16	-74
<i>Total</i>	<i>1,345</i>	<i>290</i>	<i>-1,055</i>
Staffing	95	65 (16 on leave)	-30 (active)

Adult Education Program Financials

	July - Oct	Nov - June Projection	Total Projected
Beginning Balance			\$410,867
Revenue	\$241,772	\$2,837,458	\$3,079,230
Expense	\$782,049	\$2,678,524	\$3,460,573
		Projected Deficit	-\$381,343
From Fund Balance			TBD
		End Balance	\$29,524

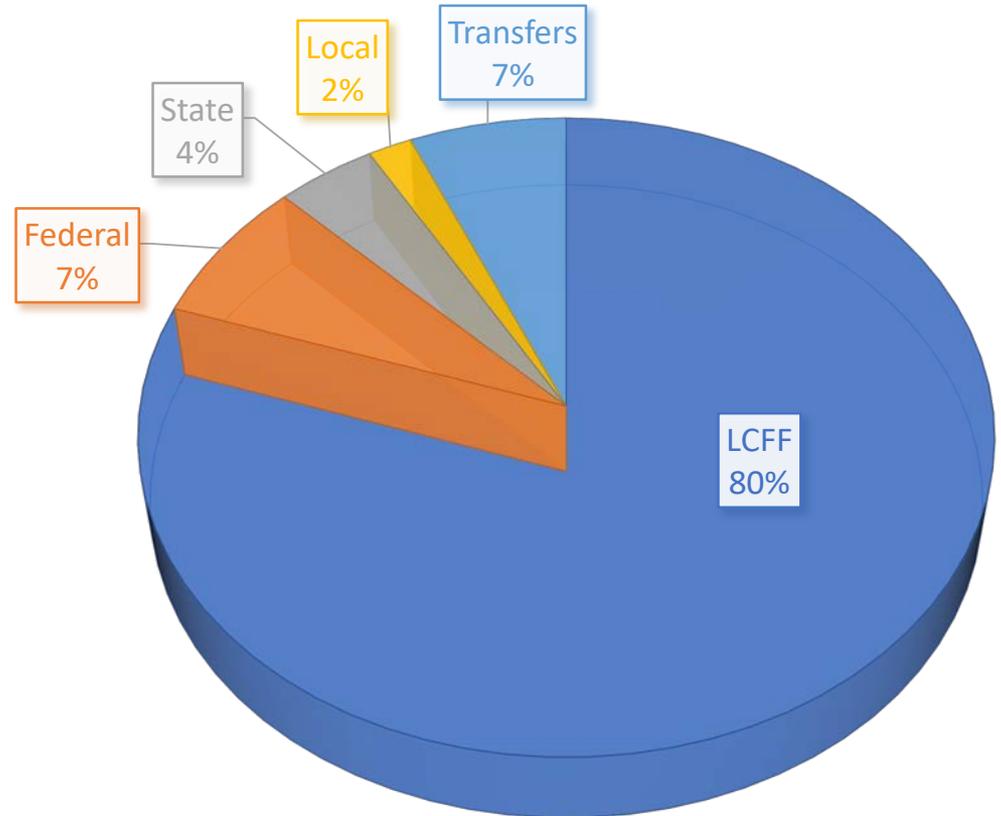
Notes:

- Some classes have continued online
- Current enrollment is 2,156 | Same time last year 5,547 (62% down)
- Parenting Program (HH) is 91 | Same time last year 401 (78% down)
- Projected to re-open in January for in-person
- Depending on enrollment, staffing can be adjusted
- Many course offerings are led by contract instructors (contracts offered only if class runs)
- Courses offered by set thresholds for enrollment (fee-based programs require a minimum)

Revenue based on First Interim

Revenue Source	2020-21 Adopted	2020-21 1 st Interim
LCFF	\$163,865,486	\$163,737,941
Federal	\$16,104,081	\$14,992,968
State	\$6,622,639	\$8,495,082
Local	\$2,903,286	\$3,715,978
Incoming Transfers	\$10,348,152	\$13,348,152*
Total Revenue	\$199,843,644	\$204,290,121

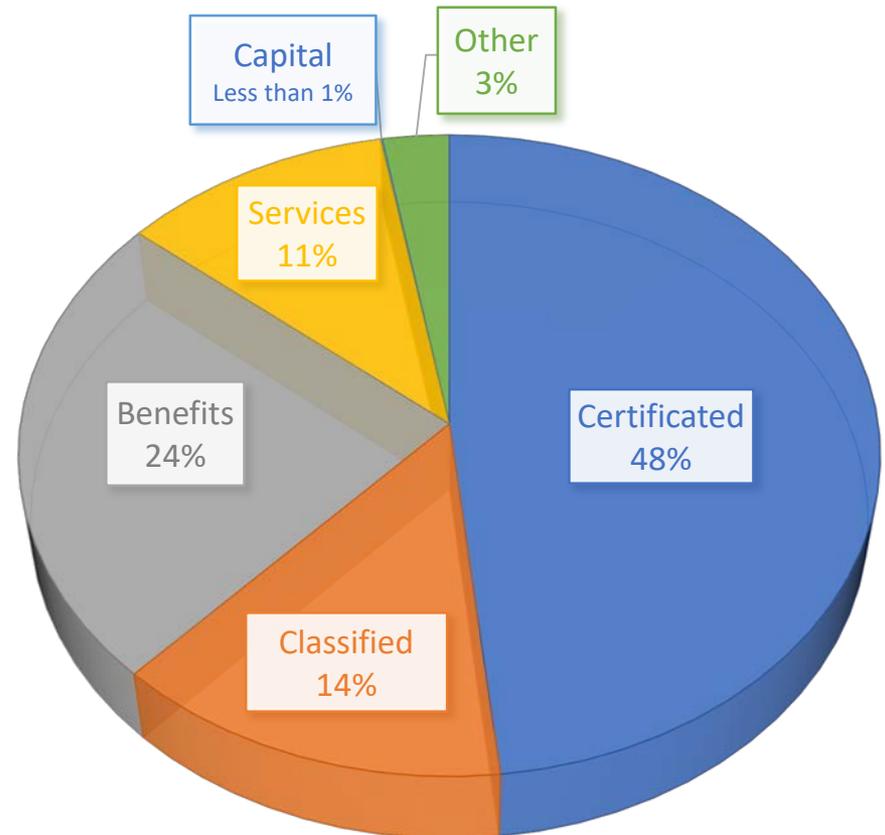
*Includes transfer from HWF of \$3m



Expenses based on First Interim

Expense Category	2020-21 Adopted	2020-21 1 st Interim
Certificated Salaries	\$96,862,995	\$98,346,076
Classified Salaries	\$27,011,549	\$27,834,883
Benefits	\$47,908,406	\$49,010,093
Books/Supplies	\$9,465,953	\$13,041,378
Contracted Svcs/Oper Exp	\$22,071,066	\$22,740,374
Capital Outlay	\$0	\$161,260
Other Outgo	\$2,257,874	\$5,594,847
Total Expenses	\$205,577,843	\$216,728,911*

**Includes additional categorial and restricted program carryovers, salary adjustments, General Fund transfers to Child Care (\$3m) and CNS (\$657k)*



Revenue and Expense based on First Interim

Revenue Source	2020-21 Projected
LCFF	\$163,737,941
Federal	\$14,992,968
State	\$8,495,082
Local	\$3,715,978
Incoming Transfers	\$13,348,152
Total Revenue	\$204,290,121

Expense Category	2020-21 Projected
Certificated Salaries	\$98,346,076
Classified Salaries	\$27,834,883
Benefits	\$49,010,093
Books/Supplies	\$13,041,378
Contracted Svcs/Oper Exp	\$22,740,374
Capital Outlay	\$161,260
Other Outgo	\$5,594,847
Total Expenses	\$216,728,911
Projected Operating Deficit	(\$12,438,790)

Projected Ending Fund Balance

Category	Amount
Beginning Balance	\$28,419,523
Income	\$204,290,121
Expenses	\$216,728,911
Estimated Ending Balance	\$15,980,733
Operating Deficit	(\$12,438,790)
<u>Breakdown of ending balance</u>	
Stores & Revolving Cash	\$217,948
Local Fiscal Stabilization Reserve	\$3,000,000
Mandated Reserve (3%)	\$6,501,867
Undesignated Reserves	\$6,260,918
Estimated Ending Fund Balance	\$15,980,733

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%	2.48%	3.26%
COLA Suspension	-2.31%	-2.48%	-3.26%
Funded LCFF COLA	0%	0%	0%
Enrollment (Projection)	17,407 <i>(Oct 2020)</i>	17,903	17,583
P-2 Funded ADA <i>(Hold Harmless 2019)</i>	17,614	17,614	17,614
Unduplicated Count %	25.4% <i>(Oct 2020)</i>	25.4%	25.4%
CalSTRS Employer Rate	16.15%	15.92%	18.40%
CalPERS Employer Rate	20.70%	22.84%	25.90%
CBA negotiated salary adjustments	2.0%	2.0%	N/A
Anticipated Retirements <i>(budgeted differential)</i>	25	25	25
Staffing ratios	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 1 st Interim	2021-22 Projection*	2022-23 Projection*
Estimated Beginning Balance July 1	\$28,419,523	\$15,980,733	\$12,795,166
Total Income	\$204,290,121	\$194,060,243*	\$193,369,963*
Total Expense	\$216,728,911	\$197,245,810**	\$199,665,427**
Ending Balance	\$15,980,733	\$12,795,166	\$6,499,702
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash/PPE	\$217,948	\$217,948	\$217,948
Fiscal Stabilization Reserve	\$3,000,000	\$0	\$0
Mandated Reserve 3%	\$6,501,867	\$5,917,374	\$5,989,963
Undesignated Reserve Funds	\$6,260,918	\$6,659,844	\$291,791

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

***Assumes budget savings/unspent, \$4m in '22 and \$3m in '23*

****Assumes ongoing budget cuts, \$5m in '22 and \$4m in '23 (\$9m compounded)*

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	\$3,079,230	\$3,460,573	\$29,524
120	Child Care	\$1,953	\$6,076,260	\$6,078,213	\$0
130	Child Nutrition	\$163,038	\$6,073,435	\$6,073,435	\$163,038
140	Deferred Maintenance	\$1,804,605	\$55,424	\$1,005,010	\$855,019
212	Measure I: Building 	\$11,272,293	\$41,033,049	\$11,460,573	\$40,844,769
213	Measure I: Technology 	\$6,966,516	\$11,168,997	\$4,166,516	\$13,968,997
251	Developer Fees	\$1,847,002	\$630,000	\$661,721	\$1,815,281
401	TOPASS	\$7,148,596	\$1,660,000	\$3,082,533	\$5,726,063
403	TOPASS Foundation	\$59,866	\$1,000	\$0	\$60,866
511	Bond Redemption	\$11,361,608	\$9,916,290	\$11,069,501	\$10,208,397
671	Worker Compensation	\$1,947,528	\$1,848,990	\$2,554,208	\$1,242,310
672	Health & Welfare	\$11,257,644	\$27,680,998	\$28,967,745	\$9,970,897
730	Private Purpose Trust	\$3,257	\$16,965	\$16,465	\$3,757

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 reports 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

