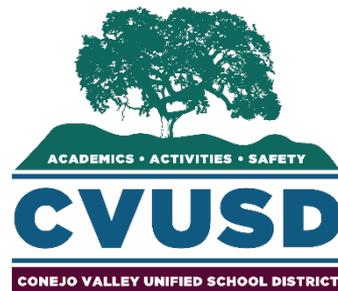


Conejo Valley Unified School District 2021-22 First Interim Financial Report

December 14, 2021



CSBA AEC: Trends Affecting Attendance Over the Next Four Years

- Declines in school age population due to long-term declines in births (estimated reduction of 170,000 students).
- Implementation of universal Transitional Kindergarten.
 - Estimated to add nearly 230,000 students by 2025-26.
 - Begins ramping up in 2022-23, but likely smaller increases in initial years.
- Potential recovery of pandemic-related drop in 2021-22.
- Most of drop seems to reflect students being out of school, rather than moving out of state or enrolling in private schools.
- Potentially up to 140,000 students could return.
- Attendance and LCFF Funding
 - 2021-22: districts credited with higher of 2019-20 or 2021-22 level.
 - 2022-23: districts credited with higher of 2021-22 or 2022-23 level.
 - Key issue—if attendance is lower this year, how much of that drop continues into 2022-23?
- Attendance and Proposition 98
 - Lower attendance reduces LCFF, but does not reduce the minimum guarantee. State has to provide same overall funding for K-12 schools.
 - Attendance-related drops in LCFF mean more funding available for other priorities (which could include augmenting LCFF in other ways).

CSBA AEC: Options for Ongoing Augmentations

Accelerate Expanded Learning Opportunities Program

- State created this funding stream to support before/after school programs and summer programs for students in TK through grade 6.
- The Legislature and Governor previously agreed to ramp up to roughly \$5 billion over the next several years.

Equalize LCFF Add-Ons

- Districts receive about \$1.4 billion annually for several LCFF add-ons, primarily the former Targeted Instructional Improvement Grant (TIIG) and Home-to-School Transportation (HTS) programs.
- State could allocate funds to equalize add-ons and reduce disparities.

Addressing Pension Costs and Liabilities

- School district costs for CalSTRS and CalPERS estimated to increase about \$1.4 billion from 2021-22 to 2022-23 as one-time relief expires.
- CalSTRS recently reported large investment return, but high return will not result in lower district contributions.
- Many options for lowering costs and liabilities.

Build Up Proposition 98 Reserve

- State could deposit additional funds into the Proposition 98 Reserve.
- Larger deposit would help with larger array of negative scenarios.



CSBA AEC: Options for Ongoing Augmentations

Grants for Climate Resiliency and Emergency Preparedness

- State and local governments are affected by increasing temperatures, rising sea levels, and more frequent and severe wildfires.
- State could provide grants to help districts prepare, such as for assessing vulnerability, conduct emergency response planning, acquiring emergency equipment, and updating buildings.

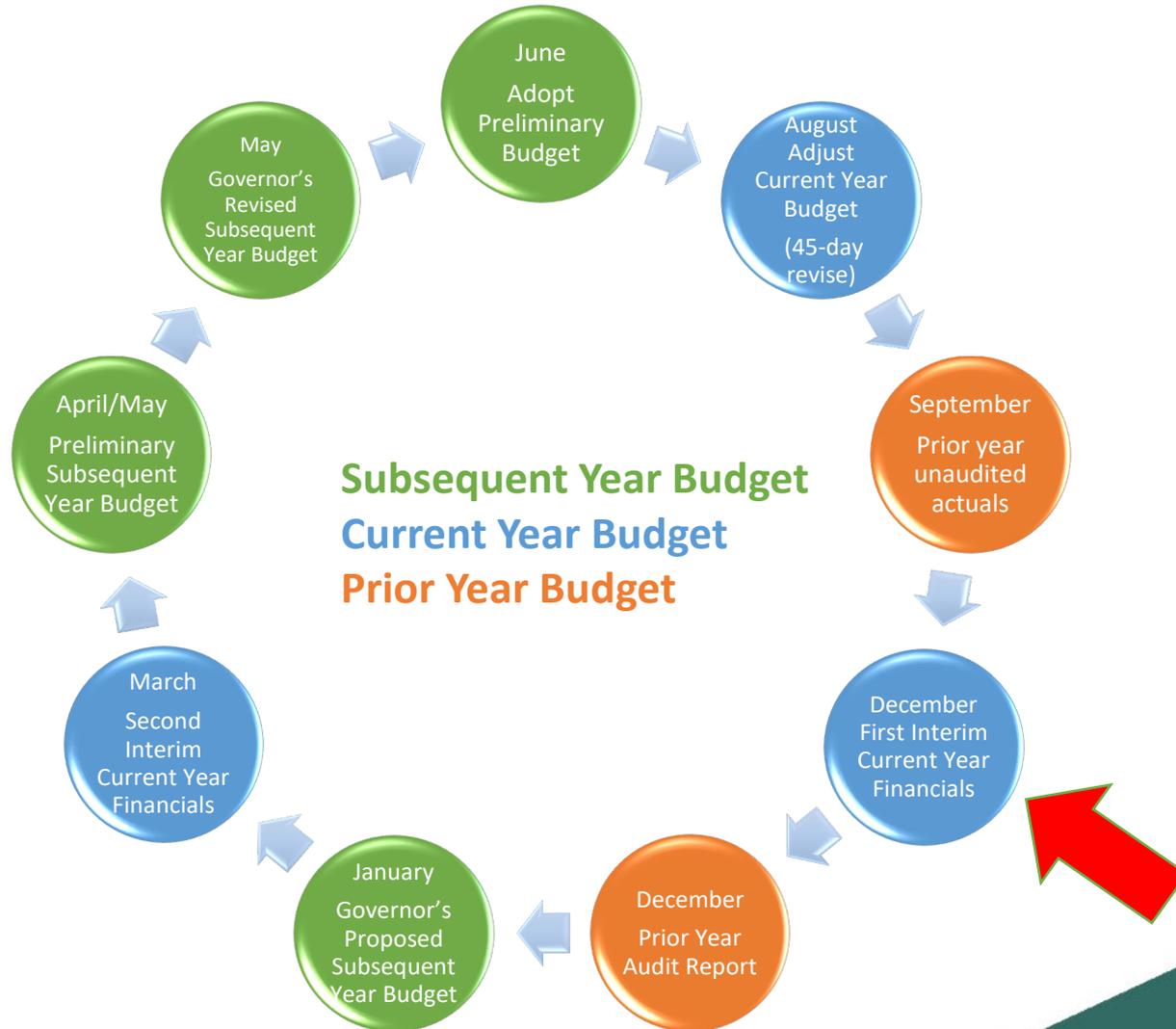
Funding for Special Education Reform

- State has commissioned several studies to examine special education and recommend improvements in various areas.
- Funding could help implement forthcoming recommendations.



Budget Cycle and Reporting

Note: Fiscal Year is July 1 to June 30



Major Budget Changes Since Adopted Budget in June 2021

Description	Estimated Impact
Staffing changes	\$1.1m
Increase in AB 602 SPED funding	\$1.6m
SUI rate adjustment 1.23% to .50%	\$770k
ESSER, Expanded Learning Opportunities (Federal)	\$22m
SPED Learning Recovery Funds (State)	\$1.1m
SPED Alternative Dispute Resolution Funds	\$200k
Expanded Learning Opportunity Grant (State)	\$1.4m
In-person Instruction Grant (State)	\$5.6m
Expanded Learning Opportunity	\$700k
Interest, carryover, other local income	\$1.5m

Stimulus Funds 2021-2022

Category	ESSER I	GEER I	Coronavirus Relief Fund	State General Fund	ESSER II	IPI Grant	ELO Grant	ESSER III
Salaries (Learning Loss Mitigation, Mental Health, PD, Twilight Classes, Campus Safety Assistants, Health Care, Paraprofessionals)	31,614	559,034	1,318,507	0.00	1,325,759	734,076	7,644,697	0
Facilities (Ventilation, Filters, Tents, Ionizers, HEPA, etc.)	395,293	0.00	1,231,943	0.00	272,978	853,788	131,685	0
Technology for Students	145,941	0.00	327,994	1,404,477	1,523,236	150,140	1,658,042	0
Technology for Staff	35,166	90,609	1,625,069	0.00	19,209	0.00	10,858	0
Personal Protective Equipment (PPE)	410,344	0.00	984,178	0.00	3,731	179,391	0.00	0
Instructional Supplies, Software, Assessments	201,638	67	742,401	0.00	400,303	60,225	378,409	0
Transportation	0.00	288,253	251,455	0.00	0.00	0.00	9,270	0
Child Care / Child Nutrition Support	11,323	0.00	149,988	0.00	101,009	751,871	0.00	0
Total	1,231,319	937,963	6,631,535	1,404,477	3,646,225	2,729,491	9,832,961	0
Balance	15,670	0.00	0.00	0.00	1,836,886	3,548,616	1,696,944	12,323,124

As of October 31, 2021

2021-22 First Interim Estimated Revenue

Revenue Source	2021-22 Adopted Budget	2021-22 First Interim	+/-	% Change
LCFF Funding	\$171,951,882	\$171,789,051	(\$162,831)	-0.09%
Federal	\$6,000,769	\$28,710,676	\$22,709,907	378%
State	\$6,093,004	\$16,240,807	\$10,147,803	167%
Local	\$3,174,888	\$4,634,033	\$1,459,145	46%
SELPA/HWF Other Transfers	\$14,012,837	\$15,665,401	\$1,652,564	12%
Total Revenue	\$201,233,380	\$237,039,968	\$35,806,588	18%



2021-22 First Interim Estimated Expense

Expense Category	2021-22 Adopted Budget	2021-22 First Interim	+/-	% Change
Certificated Salaries	\$95,748,365	\$109,229,892	\$13,481,527	14%
Classified Salaries	\$27,904,097	\$30,193,714	\$2,289,617	8%
Benefits	\$48,664,366	\$53,051,506	\$4,387,140	9%
Books & Supplies	\$8,337,942	\$17,709,647	\$9,371,705	112%
Contract Services & Other Operating Expenses	\$17,711,960	\$24,117,678	\$6,405,718	36%
Capital Outlay	\$0	\$524,355	\$524,355	100%
Other Outgo	\$2,549,150	\$1,699,472	(\$849,678)	-33%
Total Expenses	\$200,915,880	\$236,526,264	\$35,610,384	18%

First Interim Projected Ending Fund Balance

Category	Restricted	Unrestricted	Combined
Beginning Balance at 1 st Interim	\$5,598,107	\$30,977,713	\$36,575,820
Estimated Revenue	\$76,473,908	\$160,566,060	\$237,039,968
Estimated Expenses	\$82,072,016	\$154,454,248	\$236,526,264
Estimated Ending Balance	\$0	\$37,089,524	\$37,089,524
<u>Breakdown of Ending Balance</u>			
Stores	\$0	\$155,877	\$155,877
Revolving Cash	\$0	\$43,300	\$43,300
Local Fiscal Stabilization Reserve	\$0	\$3,000,000	\$3,000,000
Mandated Reserve (3%)	\$0	\$7,095,788	\$7,095,788
Undesignated	\$0	\$26,794,559	\$26,794,559
Estimated Ending Fund Balance	\$0	\$37,089,524	\$37,089,524
Reserve as a % of Expense*	n/a	17%	11%

**From the May 2021 BOE work session - Goal: Maintain an undesignated fund balance of not less than \$6m, inclusive of the \$3m local fiscal stabilization reserve, or approximately 6% of expenses.*

Multi-year Projection



Multi-year Projection Considerations (CSBA AEC)

- Projection is based on available data, not a forecast, not a prediction.
- It's a snapshot in time. It will change, and it is meant to.
- It is based on a set of assumptions.
 - These assumptions will change over the course of the fiscal year, and over the next three years.
- It is the best tool we have to protect our districts.
 - It is the only long-term projection tool we have.
 - Despite its weaknesses, we have to respect our MYPs.

Factors and Assumptions for Multi-Year Projections

Budget Assumptions	2021-22	2022-23	2023-24
Cost Of Living Adjustment (COLA)	5.07%	2.48%	3.11%
Enrollment projection	16,707	16,212	15,768
P-2 Funded ADA estimate	17,637	16,137	15,660
Unduplicated Pupil %	26%	26%	25%
Unduplicated Pupil Count	4,215	4,090	3,978
CalSTRS Employer Rate	16.92%	19.10%	19.10%
CalPERS Employer Rate	22.91%	26.10%	27.10%
Negotiated salary adjustments	2%+ Pending	None reflected	None reflected
Anticipated retirements	30	30	30
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	2021-22 1st Interim	2022-23 Projection	2023-24 Projection
Estimated Beginning Balance July 1	\$36,575,820	\$37,089,524	\$30,314,742
Total Income	\$237,039,968	\$229,787,017	\$222,520,556
Total Expense	\$236,526,264	\$236,561,799	\$232,925,471
Ending Balance	\$37,089,524	\$30,314,742	\$19,909,827
<u>Components of Ending Fund Balance</u>			
Stores/Revolving Cash	\$199,177	\$199,177	\$199,177
Fiscal Stabilization Reserve	\$3,000,000	\$3,000,000	\$3,000,000
Required Reserve 3%	\$7,095,788	\$7,096,854	\$6,987,764
Undesignated Funds	\$26,794,559	\$20,018,711	\$9,722,886
Reserve as a % of Expense*	11%	8%	4%

**From the May 2021 BOE work session - Goal: Maintain an undesignated fund balance of not less than \$6m, inclusive of the \$3m local fiscal stabilization reserve, or approximately 6% of expenses.*

Other Funds	Beginning Balance	Est. Income	Est. Expenses	Net Est. End Balance
Adult Education	\$205,497	\$3,438,409	\$3,260,028	\$383,878
Child Development	\$203	\$6,076,527	\$6,076,527	\$203
Cafeteria Special Revenue	\$206,716	\$6,999,430	\$6,945,185	\$260,961
Deferred Maintenance	\$899,327	\$517,200	\$836,096	\$580,431
Building Fund (Measure I)	\$51,298,431	\$30,610,557	\$46,204,911	\$35,704,077
Capital	\$37,275,474	\$10,290,557	\$43,808,451	\$3,757,580
Technology	\$14,022,957	\$20,320,000	\$2,396,460	\$31,946,497
Capital Facilities (Developer Fees)	\$2,058,326	\$615,000	\$1,341,182	\$1,332,144
Special Reserve	\$6,118,001	\$10,988,831	\$4,403,738	\$12,703,094
TOPASS	\$6,118,001	\$1,505,400	\$4,402,738	\$3,220,663
Surplus Property	\$0	\$9,483,431	\$1,000	\$9,482,431
Bond Interest & Redemption	\$13,884,876	\$11,190,677	\$12,011,099	\$13,064,454
Self-Insurance	\$13,377,762	\$27,776,953	\$28,732,388	\$12,422,327
Worker Compensation	\$1,296,415	\$2,295,973	\$2,386,771	\$1,205,617
Health & Welfare	\$12,081,347	\$25,480,980	\$26,345,617	\$11,216,710
Private Purpose Trust	\$3,374	\$14,615	\$14,465	\$3,524
Student Activity	Account in development			

