

2020-2021 First Interim Budget

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Palisades Charter High School

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Presentation

- Adopted Budget/Revised E-Learning vs. First Interim
 - Purpose & Student Return Assumptions
 - 2020-2021 Budget Evolution
 - Revenue & Expenditure Summary
 - Revenue & Expenditure Variances Explained
- Multi-Year Projection
- Immediate Concerns



Purpose of First Interim & Learning Model Assumptions

- The purpose of the first interim report is to provide all stakeholders, along with the State of CA with a snapshot of PCHS' financial condition at a point in time.
- Projections are made based on state funding, which is dependent on the current health of the state economy
- Due to the uncertainty of the COVID-19 pandemic, the following assumptions were made when projecting our first interim budget:
 - 3-month hybrid return
 - Bringing back high-risk/special needs students 45 days before hybrid return



2020-2021 Budget: An Evolution

Revenue	2020-2021 Adopted Budget (6/5/20)	2020-2021 Revised Budget (one semester of e-learning, 8/17/20)	Budget Updates (1 month hybrid, 10/1/20)	Budget Updates (3 month hybrid, 10/1/20)	Budget Updates (5month hybrid, 10/1/20)	20/21 Actuals to Date (10/31/2020)	20/21 First Interim Projections
LCFF	\$29,539,184	\$29,539,184	\$29,539,379	\$29,539,379	\$29,539,379	\$8,607,191	\$29,539,379
Federal	\$2,673,650	\$2,673,650	\$2,647,697	\$2,647,697	\$2,647,697	\$1,347,306	\$2,534,912
State	\$1,203,854	\$1,203,854	\$1,203,855	\$1,203,855	\$1,203,855	\$486,281	\$1,204,517
Local	\$3,201,689	\$3,201,689	\$3,201,689	\$3,201,689	\$3,201,689	\$916,756	\$3,107,154
Total Revenue:	\$36,618,377	\$36,618,377	\$36,592,620	\$36,592,620	\$36,592,620	\$11,339,534	\$36,385,962
Expense	2020-21 Adopted	2020-21 Rev.	1 mo. Hybrid	3 mos. Hybrid	5 mos. Hybrid	Actuals to Date	20/21 First Interim Proj.
Cert Salaries	\$14,103,004	\$14,379,666	\$14,903,838	\$14,903,838	\$14,903,838	\$3,694,699	\$14,921,160
Class Salaries	\$4,369,612	\$4,563,058	\$4,689,073	\$4,689,073	\$4,689,073	\$988,965	\$4,833,155
Benefits	\$7,844,229	\$8,083,440	\$8,149,796	\$8,149,796	\$8,149,796	\$2,193,704	\$8,193,544
Books/Supplies	\$694,027	\$1,521,035	\$1,546,035	\$1,546,035	\$1,546,035	\$859,501	\$1,521,063
Services, Other Operating Exp.	\$5,647,067	\$5,381,420	\$5,644,420	\$5,918,420	\$6,192,420	\$1,401,049	\$5,529,549
Depreciation	\$900,000	\$900,000	\$900,000	\$900,000	\$900,000	\$300,000	\$900,000
Interest/Other Outgo	\$330,306	\$353,730	\$353,730	\$353,730	\$353,730	\$110,420	\$353,730
Total Expense	\$33,888,246	\$35,182,349	\$36,186,891	\$36,460,891	\$36,734,891	\$9,548,338	\$36,252,201
Net Balance (financial statement balance)	-\$225,503	\$1,436,029	\$405,728	\$131,728	-\$142,272	\$1,791,196	\$133,761
Net balance (cash statement balance)	\$351,631	\$1,933,163	\$877,862	\$603,862	\$329,862	\$1,925,209	\$605,895

2020-2021 First Interim Revenue Summary



Revenue Type	Amount
LCFF Sources (State Aid)	\$29,539,379
Federal Revenues	\$2,534,912
State Revenues	\$1,204,517
Local Revenues	\$3,107,154
Total Revenues	\$36,385,962

■ LCFF Sources (State Aid) ■ Federal Revenues ■ State Revenues ■ Local Revenues



Revenue

	Adopted Budget (6/5/2020)	Revised Budget (one semester of e-learning, 8/17/20)	Actuals to Date (10/31/2020)	First Interim	Revised Budget vs. First Interim
LCFF Sources	\$27,196,847	\$29,539,184	\$8,607,191	\$29,539,379	\$-
Federal Revenues	\$1,653,358	\$2,673,650	\$1,347,306	\$2,534,912	(\$138,738)
Other State Revenues	\$969,722	\$1,203,854	\$468,281	\$1,204,517	\$663
Other Local Revenues	\$3,842,816	\$3,201,689	\$916,756	\$3,107,154	(\$94,535)
Total	\$33,662,742	\$36,618,377	\$11,339,534	\$36,385,962	(\$232,415)



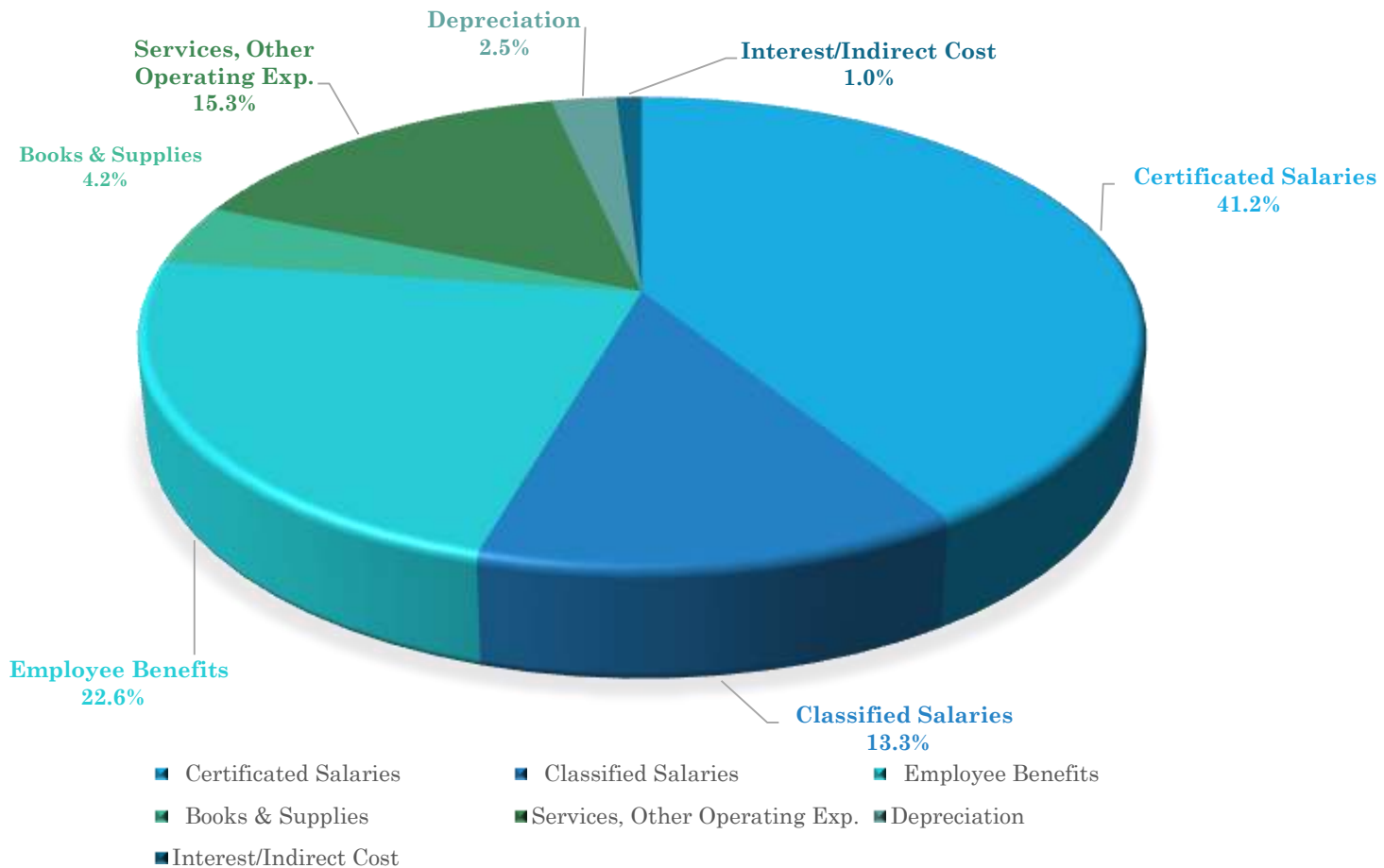


Revenue: Revised vs. First Interim

- Federal:
 - Decreased Title 1 Funding per CDE: **-\$21,339**
 - Decreased Title II Funding per CDE: **-\$5,732**
 - Increased Title III-EL Students per CDE: \$1,020
 - Increased Title III-Immigrant per CDE: \$25
 - Increased Title IV funding per CDE: \$73
 - Decreased federal child nutrition funding: **-\$112,702**
- State:
 - Decreased state child nutrition funding **-\$9,421**
 - Carryover of state COVID funds \$10,084
- Local:
 - Decreased food a la carte sales: **-\$94,272**



2020-2021 First Interim Expenditure Summary



Expenditures	Amount
Certificated Salaries	\$14,921,160
Classified Salaries	\$4,833,155
Employee Benefits	\$8,193,544
Books & Supplies	\$1,521,063
Services, Other Operating Exp.	\$5,529,549
Depreciation	\$900,000
Interest/Indirect Cost	\$353,730
Total Expenditures	\$36,252,201



Expenditures

	Adopted Budget (6/5/2020)	Revised Budget (one semester of e-learning, 8/17/20)	Actuals to Date (10/31/2020)	First Interim	Revised Budget vs. First Interim
Certificated Salaries	\$14,103,004	\$14,379,666	\$3,694,699	\$14,921,160	\$541,494
Classified Salaries	\$4,369,612	\$4,563,058	\$988,965	\$4,833,155	\$270,097
Benefits	\$7,844,229	\$8,083,440	\$2,193,704	\$8,193,544	\$110,104
Books/Supplies	\$694,027	\$1,521,035	\$859,501	\$1,521,063	\$28
Services/Other Operating	\$5,647,067	\$5,381,420	\$1,401,049	\$5,529,549	-\$148,129
Depreciation	\$900,000	\$900,000	\$300,000	\$900,000	\$-
Interest/Indirect	\$330,306	\$353,730	\$110,420	\$353,730	\$-
Total	\$33,888,246	\$35,182,349	\$9,548,338	\$36,252,201	\$1,069,852



Expenditures: Revised vs. First Interim



- Increase in Certificated Salaries & Benefits: \$589,954
 - \$14K in Saturday School Support Program
 - \$524K in retroactive and off-schedule pay increases
 - \$51K in statutory benefits
- Increase in Classified Salaries & Benefits: \$331,740
 - \$140K in tutoring expenses funded by LLM funds
 - \$130K in retroactive and off-schedule pay increases
 - \$61K in statutory benefits
- Increased Books & Supplies: \$48K
 - \$10K increase in textbook expenses (funded by LLM)
 - \$38K increase in Non-Cap Equipment (\$25K for furniture by B/F committee, \$13K unallocated LLM)
- Decreased spending in food service supplies due to school closure: **-\$48K**
- Increased operations supplies (PPE/hybrid related costs) by \$198K
- Realized cost savings in cafeteria, janitorial, and security in a 3-month hybrid model: **-\$136K**
- Increase in transportation expenses due to 3-mos hybrid model/at-risk busing: \$85K
- Increase in Capex (approved by B/F committee for emergency repairs): \$25K



Revenue & Expenditure Summary

Revenue	20/21 2 nd Semester Return Revision	20/21 Actuals to Date (10/31/2020)	20/21 First Interim Projections
LCFF	\$29,539,184	\$8,607,191	\$29,539,379
Federal	\$2,673,650	\$1,347,306	\$2,534,912
State	\$1,203,854	\$486,281	\$1,204,517
Local	\$3,201,689	\$916,756	\$3,107,154
Total Revenue:	\$36,618,377	\$11,339,534	\$36,385,962

Expense	20/21 2 nd Semester Return Revision	20/21 Actuals to Date (10/31/2020)	20/21 First Interim Projections
Cert Salaries	\$14,379,666	\$3,694,699	\$14,921,160
Class Salaries	\$4,563,058	\$988,965	\$4,833,155
Benefits	\$8,083,440	\$2,193,704	\$8,193,544
Books/Supplies	\$1,521,035	\$859,501	\$1,521,063
Services, Other Operating Exp.	\$5,381,420	\$1,401,049	\$5,529,549
Depreciation	\$900,000	\$300,000	\$900,000
Debt Service/Indirect	\$353,730	\$110,420	\$353,730
Total Expense	\$35,182,349	\$9,548,338	\$36,252,201
Net Balance (financial statement balance)	\$1,436,029	\$1,791,196	\$133,761
Net balance (cash statement balance)	\$1,933,163	\$1,925,209	\$605,895



Multi-Year Projection: State Assumptions

- These are assumptions provided by the state, which PCHS is required to use in order to project our financial health in the future.
- State guidance advises PCHS to assume a flat COLA on revenue, meaning revenues will remain flat for the next 3 years.
- PCHS also assumes flat ADA at 2,907.
- PCHS assumes revenue & expenses from Learning Loss & Mitigation COVID relief as one-time funds.
- Assumes \$691K payment to lifetime benefits funds in the out years.
- The OPEB Liability is also factored into the projections and PCHS's ending balance.

2020-21 FIRST INTERIM ASSUMPTION GUIDELINES (AS OF OCTOBER 2020)

PROJECTIONS FOR FISCAL YEARS 2020-21 THROUGH 2023-24

The guidelines below are provided to assist you with projections for Fiscal Years 2020-21, 2021-22, 2022-23 and 2023-24

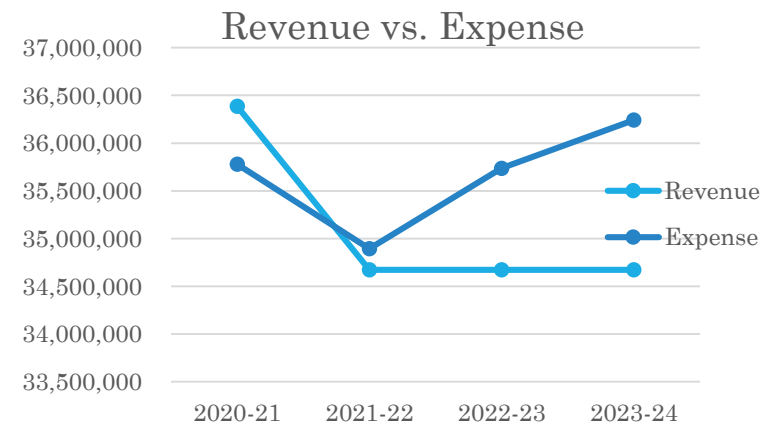
LCFF REVENUE		2020-21	2021-22	2022-23	2023-24
Statutory COLA (based on DOF estimates)		2.31%	2.48%	3.26%	1.80%
Recommended Funded COLA		0.00%	0.00%	0.00%	0.00%
LOTTERY REVENUE		2020-21	2021-22	2022-23	2023-24
Unrestricted per ADA		\$150	\$150	\$150	\$150
Restricted for Instructional Materials per ADA		\$49	\$49	\$49	\$49
Total Lottery Revenue per ADA		\$199	\$199	\$199	\$199
MANDATED BLOCK GRANT		2020-21	2021-22	2022-23	2023-24
Districts per ADA	Grades K - 8	\$32.18	\$32.18	\$32.18	\$32.18
	Grades 9 - 12	\$61.94	\$61.94	\$61.94	\$61.94
Charters per ADA	Grades K - 8	\$16.86	\$16.86	\$16.86	\$16.86
	Grades 9 - 12	\$46.87	\$46.87	\$46.87	\$46.87
OTHER FACTORS		2020-21	2021-22	2022-23	2023-24
CalSTRS Employer Rates		16.15%	16.00%	18.10%	18.10%
CalPERS Employer Rates		20.70%	23.00%	26.30%	27.30%
Interest Rate for 10-year Treasuries		0.89%	1.24%	1.70%	2.10%
CA Consumer Price Index (CPI)		0.98%	1.59%	1.87%	2.33%

Attachment No 2 to:
Informational Bulletin No. 5292



Multi-Year Projection

	FY 2020-21 Current (Base Year)	FY 2021-22 (1 st Projected Year)	FY 2022-23 (2 nd Projected Year)	FY 2023-24 (3 rd Projected Year)
Revenues	\$36,385,962	\$34,673,178	\$34,673,178	\$34,678,178
Expenditures	\$35,780,067	\$34,893,496	\$35,738,036	\$36,242,392
Cash Balance	\$605,895	-\$220,317	-\$1,064,858	-\$1,569,219
Depreciation	\$900,000	\$900,000	\$900,000	\$900,000
Fund Balance (Financial Reporting Basis)	\$133,761	-\$620,317	-\$1,489,858	-\$2,019,213
OPEB Requirement (GASB 75: Lifetime Health Benefits)	\$1,228,631	\$843,631	\$843,631	\$843,631
Fund Balance w/OPEB Reporting	-\$1,094,870	-\$1,463,948	-\$2,333,489	-\$2,862,844



Immediate Concerns/Next Steps

- Monitor state budget analysis
- Cash Flow (Deferrals/State IOU)
- Reserves
- COVID-19 Impact
- Develop re-opening plans for hybrid model, monitor impacts to revenue and expense
- Track multi-year projections
- STRS/PERS increases

