



CBO REPORT

Juan Pablo Herrera

Board of Trustees Meeting

12/08/2020

Business Updates

■ Audit:

- *Audit is on-track and going as planned. Deadline is 3/15/21.*

■ Charter School Pooled TRANs (California School Finance Authority)

- *Potential TRANs program, transparent & low-cost borrowing: 1.5% - 3% interest rate*
- *Can borrow up to \$5.2 Million (determined by our level of cash deferrals)*
- *If we want/need to participate, BOT approval required by early Feb.*



■ Cafeteria

- *Approved for Seamless Summer Option (SSO) which allows us to be reimbursed for every meal served.*
- *Are now able to serve/offer grab-and-go meals to any child under 18, regardless of Free/Reduced eligibility.*
- *Contactless meal pick-up twice per week, curbside (not on campus).*
- *Flexible pick-up options: ID not required, student presence not required, no bar code, etc.*
- *Can now provide nutritious meals to our students and communities in need.*

■ Attendance

- *Held harmless" and are funded based on prior year ADA. However, current ADA may impact funding level in 2021-22.*

■ Payroll

- *Board approved PESPU +1.75% bonus to be paid on 12/17/2020*



State Budget Update

- Legislative Analyst Office (LAO) issued the Fiscal Outlook on the 2021-22 Budget for California
- During the early months of the COVID pandemic (May 2020), California officials projected lower tax revenues as part of the 2020 Budget Act
- The LAO report indicates a fast economic rebound driven by the “Big Three” taxes: personal income tax, sales tax, corporation tax: Increased revenues of +\$11B - \$12B
 - *Personal Income Tax (Wealthy Californians): Generated +\$8.8 Billion more than expected*
- Given the projections, the LAO has recommended that the Governor reconsider future funding levels:
 - *Revisit deferrals (Feb 2021 – June 2021)*
 - *Evaluate use of one-time relief funds*
 - *Pay down long-term obligations (CA is projecting a \$17 Billion deficit by 2024)*
- While the increased revenues are great news, there are still a lot of unknowns and the LAO recommendation is to **budget conservatively**



Looking Ahead

- Continually monitoring monthly cash flow
- 1st interim: Due 12/15
 - Will be presented as a separate agenda item
- Budget Overview for Parents: Due 12/15
 - Will be presented as a separate agenda item as part of a Public Hearing
- Evaluate/Explore Investment Options for Lifetime Health Benefits
 - *Still in development, exploring creation of new investment oversight committee*

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