



PALISADES

CHARTER HIGH SCHOOL

CBO Report Board of Trustees Meeting October 12, 2021

2021-2022 BUDGET UPDATE

- **Federal Revenues:** Unfortunately, our projected Federal revenues decreased by ~\$51,490, mainly attributed to a lower Title I-IV allocation. This amount (like much of our revenue sources) is subject to change in the future.
- **Expenditures:** The 10/7 budget also includes an additional \$216,197 of expenditures, mainly tied to additional pandemic-driven staffing needs (security, janitorial, morning check-in). These expenditures are expected to be funded via relief funds and will not impact our general fund. However, once the Board approves the ESSER II and ESSER III allocation, we can account for the revenue, and it will improve our ending balance.
- **Attendance (ADA):** At the time of budget adoption, we were estimating enrollment to remain flat at 3,040 and ADA to remain flat at 2,907 (~96% attendance rate). Our most recent enrollment report indicates that enrollment has decreased to ~2,990. In addition, our attendance rate is roughly 1% lower than projected. So, with fewer enrolled students, and a slightly lower attendance rate, we will likely have to revise our ADA assumption during the First Interim reporting period. Of course, attendance outreach is ongoing, and we are hoping for increased attendance rates in the coming months. We are also closely monitoring legislation updates regarding attendance during quarantine periods and excused absences (Senate Bill 14).

COMPLIANCE

- The 2020-2021 audit is now underway. This year, the CDE is requiring additional information regarding weekly student engagement and time value certifications. We are working with our auditors to provide all information/requests and the audit report will be shared in a future board meeting.

INVESTMENT OF RETIREE FUND

- Investment is in process. After providing our financial statements, tax returns, statement of assets, articles of incorporation, retiree plan documents, and non-profit information, to our investment manager, our "file" was flagged by their legal counsel. It required further evaluation to confirm our eligibility as a client. The firm has a policy on investing public/government funds, and we had to provide additional documentation to confirm that (1) our retiree benefit fund was composed of unrestricted funds and (2) our participation in STRS/PERS does not make use state/government employees.
- We look forward to the 1st quarterly share-out and achieving our investment objective.

COVID TESTING - EXPENSES

- Although we are eligible for a \$472,831 COVID testing grant from LACOE, they have requested revisions to our Testing Program and are evaluating the laboratory (UDX Labs).
- It does not impact our grant eligibility, as long as we comply with their recommended changes.



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CAFETERIA/NUTRITION

- **Addressing Long Lunch Lines:** Our cafeteria is serving more meals than ever before (13,862 meals in Sept). Unfortunately, our food service vendor (Chartwells) has experienced some turnover and difficulties in hiring additional staff members. We offered the opportunity for internal staff to earn extra hours and work/help in the cafeteria during lunch but have not been successful. Chartwells is using a staffing agency to provide additional support (at their expense). We expect the staffing shortage to continue.
- **Free/Reduced Meal Applications:** Free/Reduced meal eligibility impacts funding levels. Our current Free/Reduced count is 745, which is approximately 3% lower than the prior year. We have seen a significant drop in our Direct Certification numbers. Direct Certification (DC) uses data from a county's social or welfare services to automatically determine Free/Reduced eligibility. This year our Direct Certification count is 276. Last year it was 510. Outreach is ongoing.

FEDERAL RELIEF FUNDING

- The combined ESSER II and ESSER III allocation has increased to approximately \$3.19 Million. At the August Board meeting, the allocation amount was communicated at \$2.62 Million. However, the revised allocation from the CDE confirms the amount is now \$3.19 Million.
- The ESSER II and ESSER III spending plan will be covered in more detail as a separate agenda item.

LOOKING AHEAD

- PPP forgiveness is still pending. Approximately 3 weeks ago, the SBA notified us that our loan was randomly selected for a deeper review. We provided the requested documentation and are awaiting a response. Will share an update once the SBA provides a decision.
- First interim reporting is around the corner (December 2021). This report will provide all stakeholders, along with the State of CA, with a snapshot of PCHS' financial condition as of October 31st. We are working to review/revise assumptions, incorporate new funding (ESSER II, ESSER III relief funds, LACOE COVID testing grant, etc.) and project annual expenditures.