



# PALISADES

## CHARTER HIGH SCHOOL

### CBO Report Board of Trustees Meeting January 24, 2023

#### **2022-2023 BUDGET UPDATE**

- The attached budget vs actuals reflects revenue and expenditures through Dec 31, 2022.
- PCHS is on track to meet its fiscal obligations.
- Note: the year-to-date transportation expense appears high, but we need to apply student/family fees, Booster donation and competition team fees.
- ADA (average daily attendance) is 2,797. As a reminder, this is the largest revenue assumption. We decreased the ADA from 2,820 during our First Interim Report (last month).
- As noted in the first interim presentation, the CDE will soon publish our allocation for the COVID-19 ADA loss mitigation revenue. We anticipate it to be approximately \$700,000 and look forward to receiving guidance on how to account for the revenue.
- In addition, the Learning Recovery Emergency Grant and Arts, Instructional Materials & IMA grant revenue will post, but we won't account for it until there is a board approved spending plan.

#### **INVESTMENT OF RETIREE FUND**

- As part of the recent CSD Oversight visit, LAUSD acknowledged our retiree benefit investment fund, but recommended that we establish a trust.
- US Bank is sending over a proposal for trustee services. We will schedule a Lifetime Health Benefits committee meeting to review and approve the proposal.

#### **COMPLIANCE**

- The independent audit for 2021-22 is nearly complete. We requested (and were granted) an extension. The audit firm will present the audit report at the February board meeting. Prior to the board meeting, the audit firm will also review the audit report with the PCHS audit committee.
- The actuarial valuation for 2021-22 is also in process. We are working closely with the actuary to provide updated census data and financial information.

#### **2023-2024 Budget Development Process**

- Next month, we will kick-off the budget development process for 2023-2024
- CBO attended the Governor's State Budget workshop on January 19, 2023. Some key highlights:
  - The Governor projects a ~\$22.5 Billion budget deficit in 2023-24. However, through funding delays, reductions, pullbacks, and shifting, the Governor was able to meet the K-12 funding requirement.
  - Projected COLA: 8.13%
    - This applies to LCFF and categorical funding (special education, child nutrition, mandate block grant, etc.).
    - This amount may also change by the time the State budget is adopted. Only 6 of the 8 economic indicators that make-up the COLA formula are available.



- Pension Obligations: Employer paid STRS remains at 19.10%, but PERS increases from a projected 25.2% to 27%.
- Equity Multiplier: provides additional funding to highest-needs schools. Unfortunately, PCHS does NOT qualify.
- Recommendations:
  - Review one-time categorical funding by deadline (one-time grants)
  - FTE/staffing review ahead of Feb/March
  - Bargain with dollars, not percentages
  - Review local enrollment trends and attendance rates

## **LOOKING AHEAD**

- 2021-22 Audit report presentation at February board meeting
- 2022 Actuarial report: tentative board presentation set for March 2023
- 2023-24 budget development calendar and key milestones/timeline to be approved in Feb 2023