

Contra Costa School of Performing Arts Board Financial Update

BRYCE FLEMING

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MAY 23, 2023



1. 2022-23 Budgeting Update
 - A. Forecast Updates
 - B. Cash Flow
 - C. State Budget
 - D. Budgeting Update

Forecast Updates

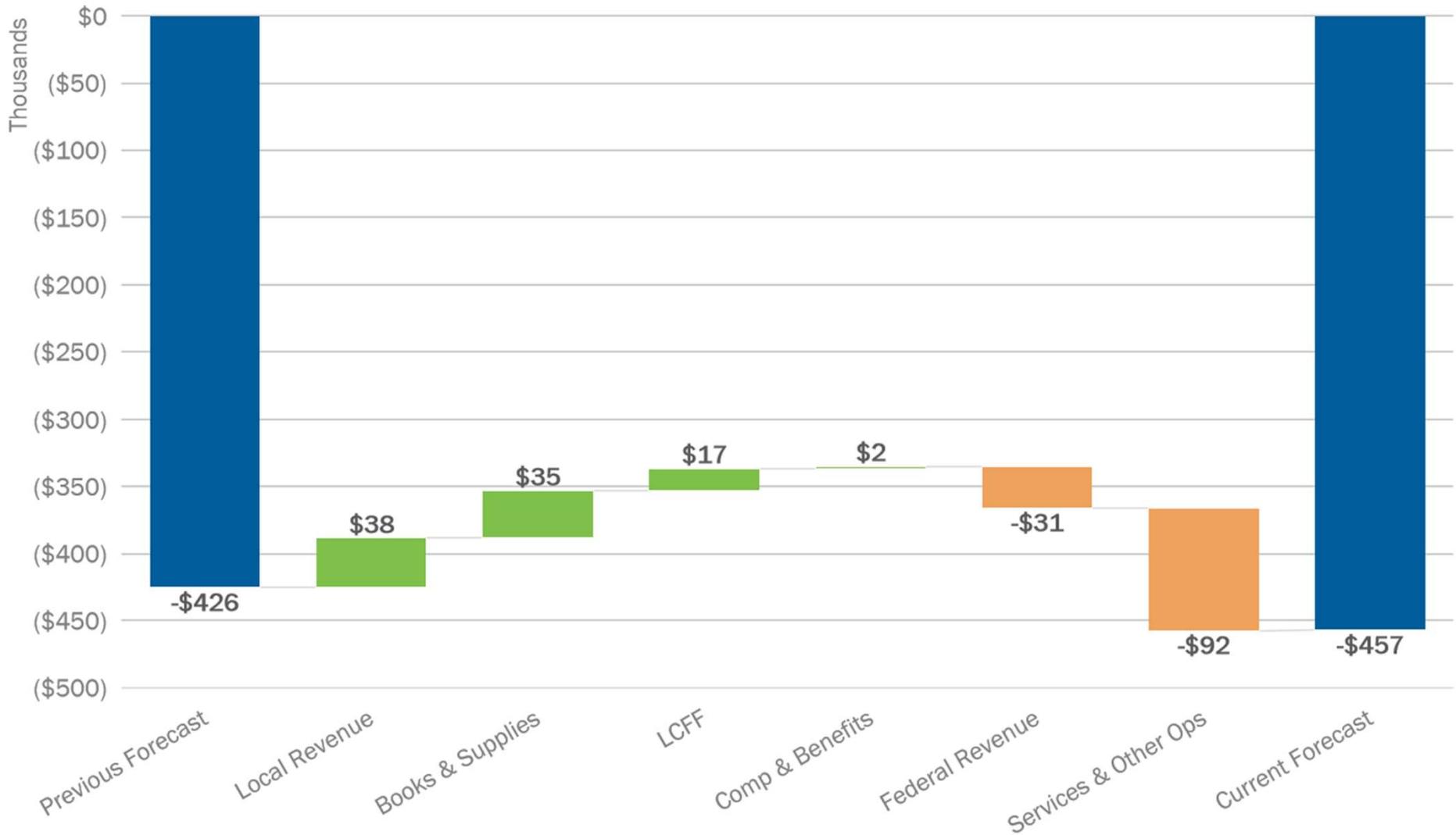
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2022-23 Forecast Update

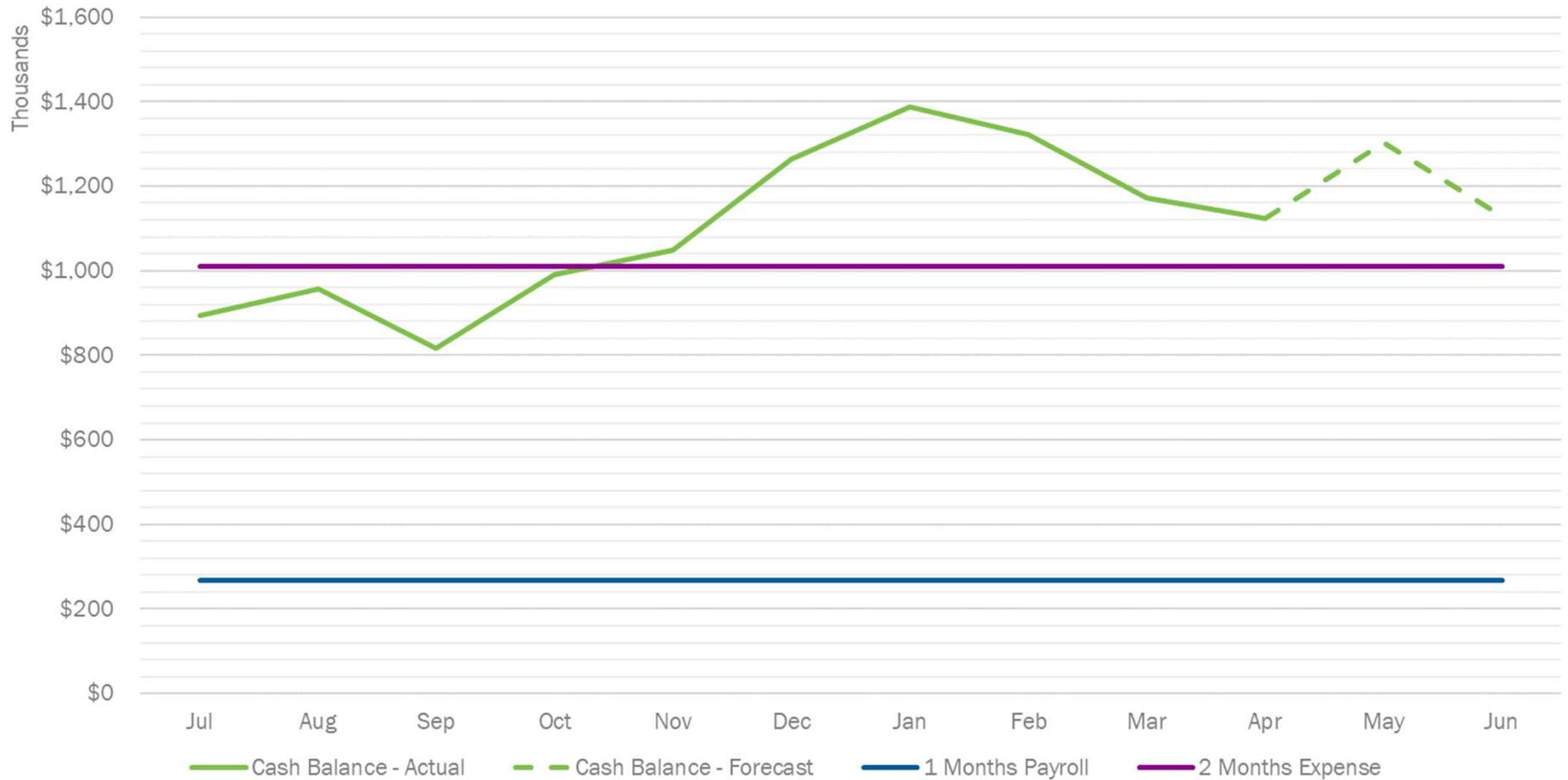


Operating income decreases \$31K due to increased SPED expense



2022-23 Monthly Cash Balance

School cash flow position expected to remain strong through end of year



State Budget Updates

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May Revise Summary



Immaterially higher COLA

Further claw backs to FY23 one-time funding

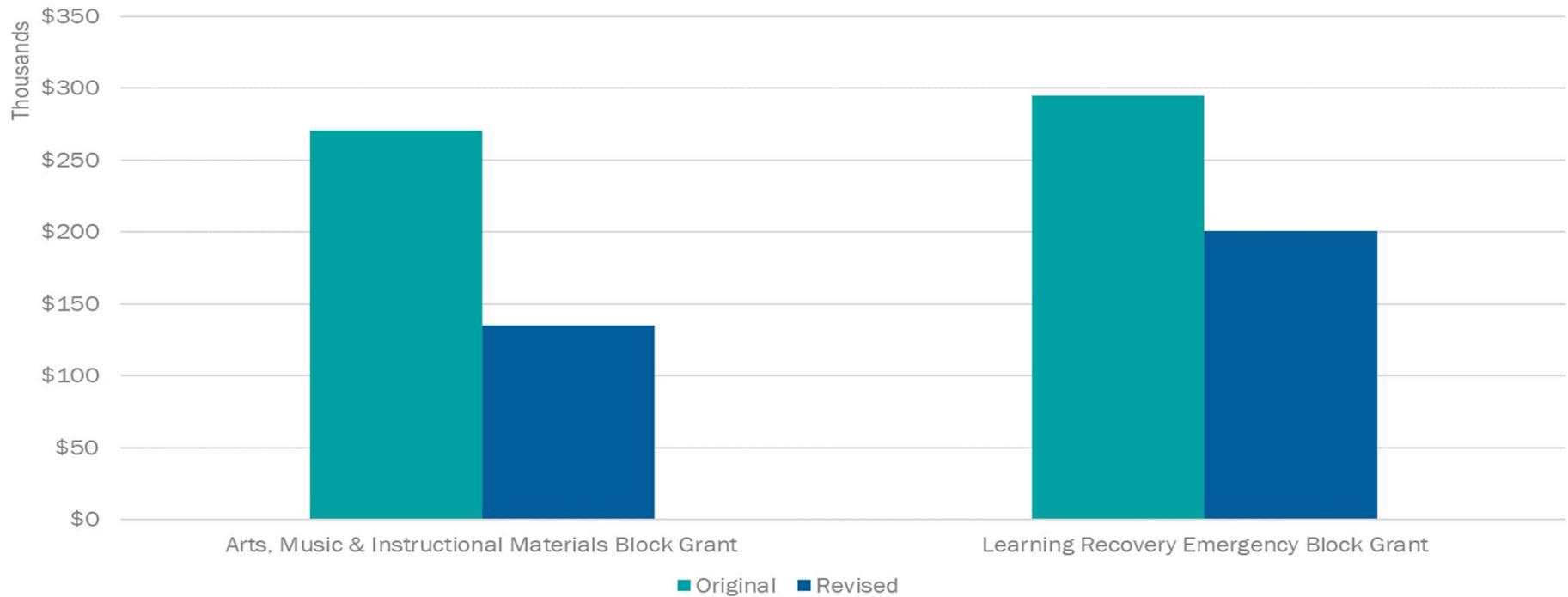
Extends ELOP spending timeline for FY22 & FY23 funds

	May Revise	January Proposal
LCFF COLA	8.22%	8.13%
Arts, Music, Instruc Block Grant	\$1.8B	\$2.3B
Learning Recovery Block Grant	\$5.4B	\$7.9B
Equity Multiplier	\$300M	\$300M
ELOP	\$4B	\$4B

May Revise – CCSPA Impact



	Original	Revised	Decrease
Arts, Music & Instructional Materials Block Grant	\$ 270,580	\$ 135,290	\$ 135,290
Learning Recovery Emergency Block Grant	\$ 294,646	\$ 200,490	\$ 94,156
Total			\$ 229,446



Budget Proposal – Governor vs. State Senate



LCFF

8.22% COLA, +\$10/ADA from Jan Budget

~10% COLA

FY23 Arts, Music, and Instructional Materials Block Grant

50% reduction of original entitlement

6.45% increase to funding, \$43/ADA

FY23 Learning Recovery Emergency Block Grant

32% reduction of original entitlement

No change

Expanded Learning Opportunities Program

Extends spend-by date for FY22-23 funds

No change

FY24 One-Time Recruiting Block Grant

No funds for recruitment

~\$200/PY ADA for cert and class recruitment

Senate plan would require corporate tax hike, Newsom has stated opposition to raising taxes to fund budget

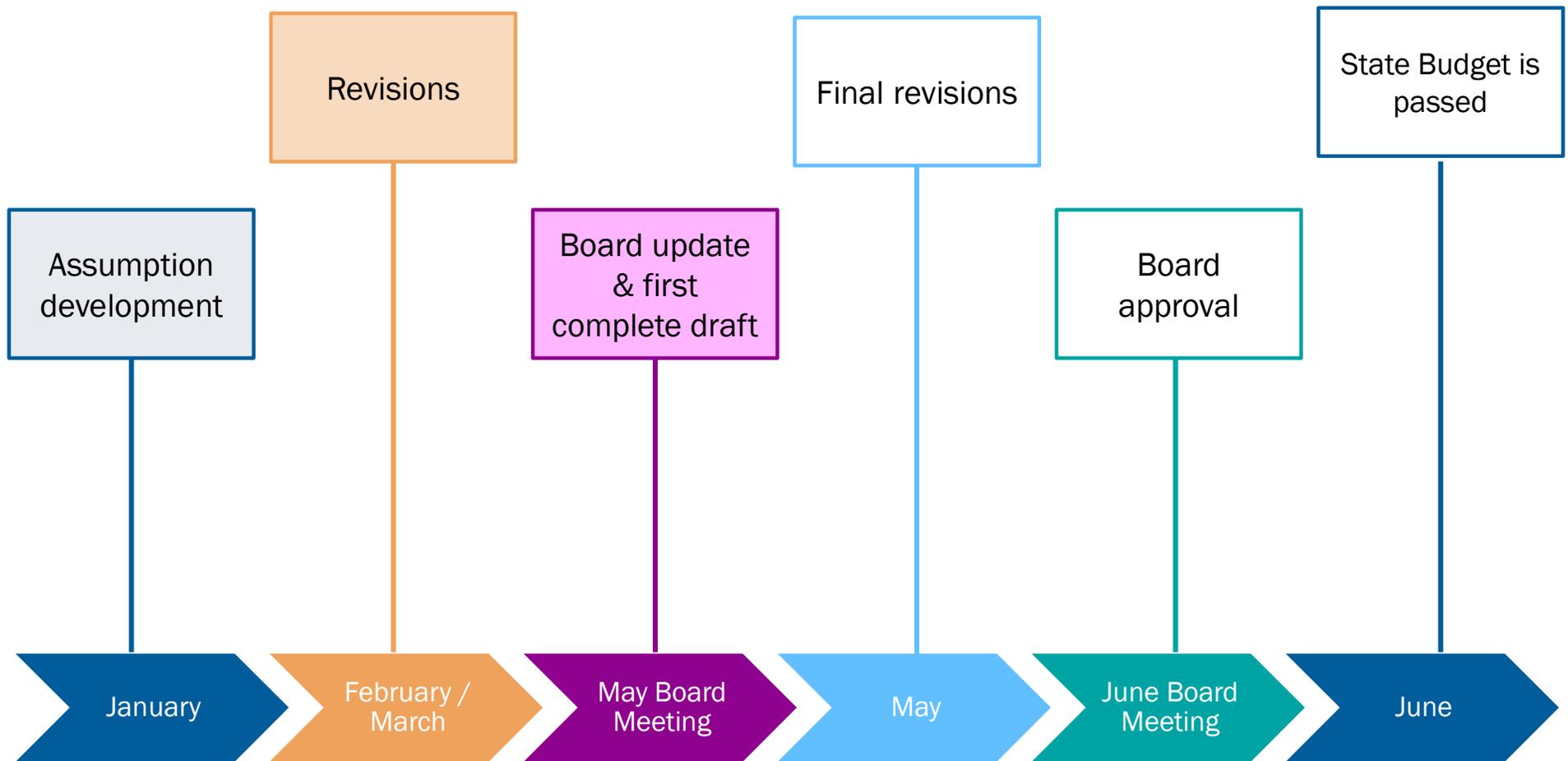
Budget Updates

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Budget Development

Reviewing budget draft tonight, will be approved at June meeting



Enrollment and LCFF Drivers

Projecting modest growth in future years

	2021-22	2022-23	2023-24	2024-25
Enrollment	336	365	400	425
ADA	<u>317</u> 94% attendance	<u>343</u> 94% attendance	<u>376</u> 94% attendance	<u>400</u> 94% attendance
School Unduplicated Count	144	154	169	180
COLA	6.56%*	8.22%	3.94%	3.29%

*Supplemental COLA increased LCFF rate by 13.26% in total

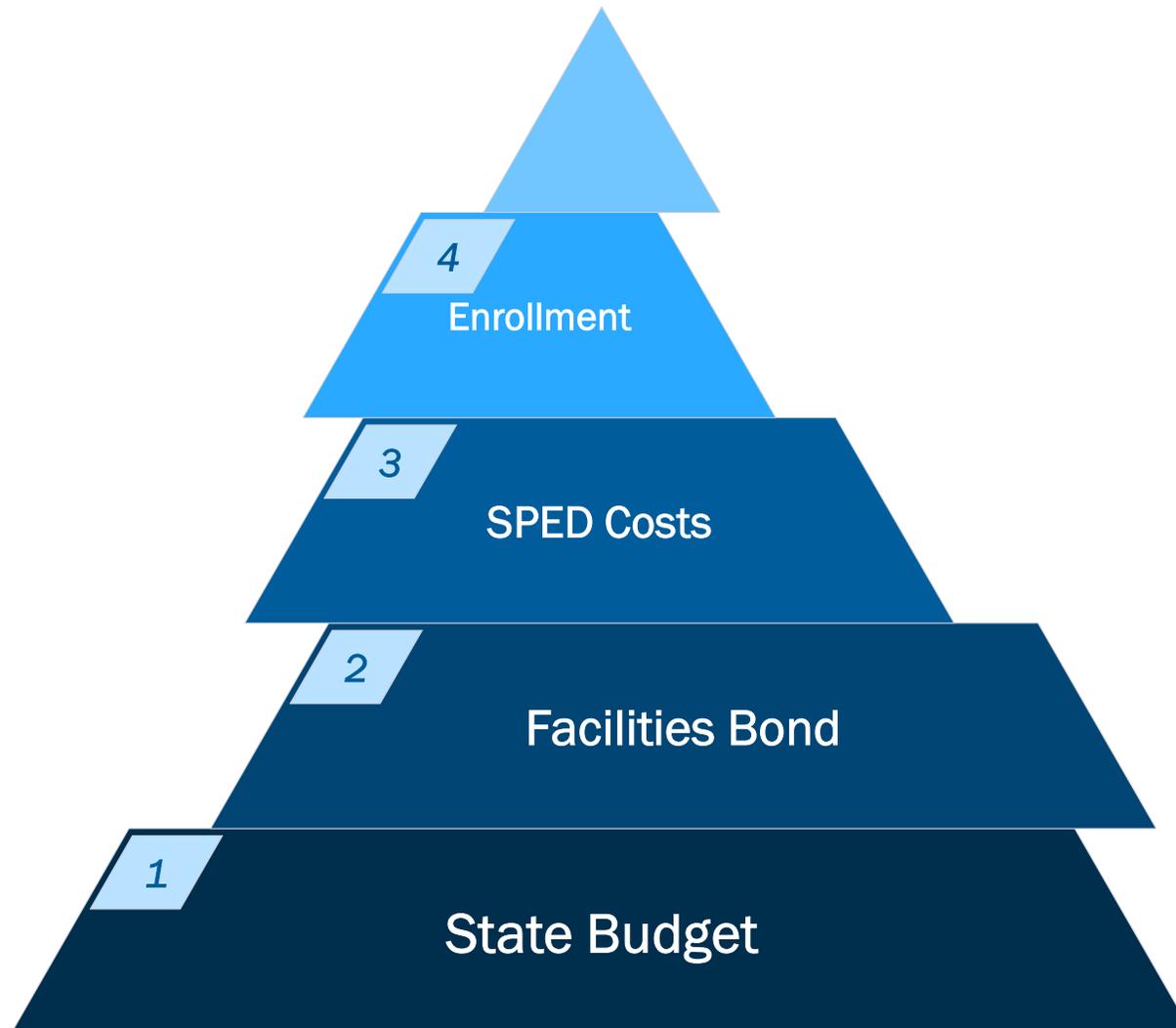
Expenses – Staffing Assumptions

	2021-22	2022-23	2023-24	2024-25
Teachers (1100)	20.54	16.6	20.6	21.6
Pupil Support (1200/2200)	2.17	1.0	1.0	1.0
Admin (1300)	4.46	2.0	2.0	2.0
Instructional Assistants (2100)	5.72	4.7	4.7	4.7
Office Staff (2300/2400)	2.44	2.5	2.5	2.5
Total FTE	35.33	26.8	30.8	31.8

Budget Summary

		2022-23	2023-24	2024-25	2025-26
		Current Forecast	Projected Budget	Projected Budget	Projected Budget
Revenue	LCFF Entitlement	3,646,746	4,108,231	4,675,694	5,131,576
	Federal Revenue	297,594	230,303	249,847	267,909
	Other State Revenues	1,428,874	658,287	642,413	671,177
	Local Revenues	157,876	213,416	232,140	239,772
	Fundraising and Grants	73,447	25,382	27,843	29,582
	Total Revenue	5,604,536	5,235,619	5,827,937	6,340,015
Expenses	Compensation and Benefits	3,220,353	2,759,564	3,215,694	3,429,280
	Books and Supplies	276,183	298,833	331,546	367,108
	Services and Other Operating	2,549,084	2,149,188	2,217,805	2,281,955
	Depreciation	16,414	14,539	1,045	-
	Other Outflows	-	-	-	-
	Total Expenses	6,062,035	5,222,124	5,766,089	6,078,342
	Operating Income	(457,498)	13,495	61,847	261,673
	Beginning Balance (Audited)	668,362	210,864	224,359	286,206
	Operating Income	(457,498)	13,495	61,847	261,673
Ending Fund Balance (incl. Depreciation)		210,864	224,359	286,206	547,879
Ending Fund Balance as % of Expenses		3.5%	4.3%	5.0%	9.0%

Opportunities and Uncertainties



On track to meet Days Cash on Hand, but not Coverage Ratio for FY23

Debt Service Coverage Ratio

- Amount of times school can cover annual debt
- Current ratio is 1.03 (4/1/21-3/31/22)
- Projecting .49 debt service coverage for end of FY23
- Minimum requirement is 1.10

Days Cash On Hand

- # of days can pay for operating expenses without running out of cash
- March ends with 71 days cash on hand
- Projecting to end FY23 with 68 days of cash on hand
- Minimum requirement of 25 days

Failure to Meet Covenants

- Independent consultant hired by CCSPA to submit written report and make recommendations
- At CCSPA's expense
- If DSCR falls at or below 1.0, CCSPA is at risk of defaulting

Plan Adoption – Due Dates & Board Requirements

A-G Completion Grant

- April 1st, 2022 – CCSPA approved 4/22
- Presented in board meeting, approved in subsequent meeting

Educator Effectiveness Grant

- March 31st, 2023 – CCSPA approved 12/21
- Presented in board meeting, approved in subsequent meeting

*Expanded Learning Opportunities Grant (ELO-P)

- Prior to 1st day of program
- Approved in board meeting

*Arts, Music, and Instructional Materials Block Grant

- Prior to year end since expenditures are planned for this year
- Approved in board meeting

Learning Recovery Emergency Block Grant

- N/A
- No Plan Required!