



# Lemon Grove

SCHOOL DISTRICT

## 2020-21 SECOND INTERIM BUDGET PRESENTATION

For Approval by the Board of Trustees

March 9, 2021

# 2020-21 SECOND INTERIM REPORT

## California School District Financial Reporting Requirements

- **Education Code 42130** – requires the school district to file their fiscal condition for TWO reporting periods, October 31 and January 31, including projections of the budget through June 30.
- **Education Code 42131** – requires the Board of Education to certify, based on current projections, whether or not the school district is able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

## Financial Reporting Certifications

There are three types of certification based on the multi-year projections at each reporting period:

- **Positive Certification** ~ District can meet it's financial obligations for the current and two subsequent years.
- **Qualified Certification** ~ borderline, may not meet financial obligations during one of the three years of the MYP.
- **Negative Certification** ~ cannot meet financial obligations in two or more of the three years as shown by negative fund balance, insufficient Reserves for Economic Uncertainty.

# 2020-21 SECOND INTERIM REPORT

## Frequently Used Acronyms

Acronym	Description
ADA	Average Daily Attendance
COLA	Cost of Living Adjustment
DOF	Department of Finance
EPA	Education Protection Account
FEMA	Federal Emergency Management Agency
LCFF	Local Control Funding Formula
LLM	Learning Loss Mitigation Fund
SPED	Special Education
SSC	School Services of California
TUPE	Tobacco Use Prevention Education



# 2020-21 SECOND INTERIM BUDGET ASSUMPTIONS

## Multi-Year Projection Assumptions Sheet 2020-21 2nd Interim

### Lemon Grove Elementary

DESCRIPTION	Used In Calc			
	SDCOE	FY 2020-21	FY 2021-22	FY 2022-23
	Assumptions	(Base Year)	(Project YR 1)	(Project YR 2)
COLA - DOF Estimated Statutory	Informational	2.31%	1.50%	2.98%
COLA - SSC Estimated Statutory	Used In Calc	0.00%	3.84%	2.98%
California Consumer Price Index - (SSC Dartboard)	Used In Calc	1.44%	1.57%	1.82%
Lottery Per ADA (SSC Dartboard)	Unrestricted	\$150	\$150	\$150
	Restricted	\$49	\$49	\$49
Interest Rate Treasuries	Informational	0.98%	1.48%	1.65%
Property Taxes (% increase)	(District Input)	0.00%	0.00%	0.00%



# 2020-21 SECOND INTERIM BUDGET ASSUMPTIONS

	2019-20	2020-21	2021-22	2022-23
<b>Unduplicated Pupil Population</b>				
District Enrollment	3,421	3,162	3,004	2,944
District Unduplicated Pupil Count	2,567	2,383	2,264	2,219
Single Year Unduplicated Pupil Percentage	75.0400%	75.3600%	75.3700%	75.3700%
3 Year Rolling Unduplicated Pupil Percentage (%)	76.5700%	75.7100%	75.2500%	75.3700%
<b>Total Funded ADA</b>	3,395.36	3,242.97	3,242.32	2,846.69

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# 2020-21 SECOND INTERIM BUDGET ASSUMPTIONS

Components of LCFF By Object Code	2019-20	2020-21	2021-22	2022-23
8011 - State Aid	\$ 25,632,863	\$20,300,161	\$24,358,020	\$20,936,379
8011 - Fair Share				
8311 & 8590 - Categoricals	-	-	-	-
EPA (for LCFF Calculation purposes)	2,769,875	\$5,998,073	\$3,123,986	\$2,742,795
<i>Local Revenue Sources:</i>				
8021 to 8089 - Property Taxes	7,135,736	\$7,485,719	\$7,485,719	\$7,485,719
8096 - In-Lieu of Property Taxes	-	-	-	-
<i>Property Taxes net of in-lieu</i>	7,135,736	7,485,719	7,485,719	7,485,719
<b>TOTAL FUNDING</b>	<b>\$ 35,538,474</b>	<b>\$ 33,783,953</b>	<b>\$ 34,967,725</b>	<b>\$ 31,164,893</b>
<i>Basic Aid Status</i>	<i>Non-Basic Aid</i>	<i>Non-Basic Aid</i>	<i>Non-Basic Aid</i>	<i>Non-Basic Aid</i>
<i>Less: Excess Taxes</i>	\$ -	\$ -	\$ -	\$ -
<i>Less: EPA in Excess to LCFF Funding</i>	\$ -	\$ -	\$ -	\$ -
<b>Total Phase-In Entitlement</b>	<b>\$ 35,538,474.00</b>	<b>\$ 33,783,953.00</b>	<b>\$ 34,967,725.00</b>	<b>\$ 31,164,893.00</b>

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# 2020-21 SECOND INTERIM BUDGET GENERAL FUND REVENUE

	FIRST INTERIM	CHANGE	SECOND INTERIM	MAJOR CHANGES
<b>LCFF Revenue</b> (66%)	\$33,754,999	\$18,575	\$33,773,574	<ul style="list-style-type: none"> <li>• LCFF Increase</li> </ul>
<b>Federal Revenue</b> (19%)	\$6,990,538	\$2,772,594	\$9,763,132	<ul style="list-style-type: none"> <li>• Prior Year Revenue Impact Aid</li> <li>• ESSER2 Estimated Allocation (one time)</li> <li>• Title II Allocation Increase</li> </ul>
<b>State Revenue</b> (9%)	\$4,497,520	\$1,820	\$4,499,340	<ul style="list-style-type: none"> <li>• TUPE Contract Increase</li> </ul>
<b>Local Revenue</b> (6%)	\$3,236,540	\$5,500	\$3,242,040	<ul style="list-style-type: none"> <li>• Unexpended Professional Development Refund</li> </ul>
<b>Total Revenue</b>	\$48,479,597	\$2,798,489	\$51,278,086	





# 2020-21 SECOND INTERIM BUDGET GENERAL FUND EXPENDITURES

	FIRST INTERIM	CHANGE	SECOND INTERIM	MAJOR CHANGES
<b>Employee Salaries</b> (52%)	\$27,042,440	\$298,053	\$27,340,493	<ul style="list-style-type: none"> <li>• New LLM Positions</li> <li>• Staff Extra Hours to Support Small Cohorts</li> </ul>
<b>Employee Benefits</b> (23%)	\$12,149,899	\$13,208	\$12,163,107	<ul style="list-style-type: none"> <li>• New Position Benefits</li> </ul>
<b>Books/Supplies</b> (12%)	\$4,892,774	\$1,238,768	\$6,212,241	<ul style="list-style-type: none"> <li>• One Time Revenue ESSER2 Placeholder</li> </ul>
<b>Services/Operating</b> (12%)	\$5,166,128	\$1,089,470	\$6,247,920	<ul style="list-style-type: none"> <li>• Contracts: Sports For Learning, Educators Cooperative, Day Camp Extension, Professional Development</li> <li>• Schools Excess Liability Insurance</li> <li>• Zoom Licensing</li> </ul>



# 2020-21 SECOND INTERIM BUDGET GENERAL FUND EXPENDITURES

	FIRST INTERIM	CHANGE	SECOND INTERIM	MAJOR CHANGES
<b>Capital Outlay (2%)</b>	\$848,700	\$32,166	\$880,866	<ul style="list-style-type: none"> <li>• Palm Media Center Update</li> <li>• Student Services Carpet Replacement</li> <li>• Palm HVAC Replacement</li> </ul>
<b>Indirect Costs (0%)</b>	\$82,445	\$0	\$82,445	<ul style="list-style-type: none"> <li>• Indirects not allowable for all new funding sources</li> </ul>
<b>Total Expenditures</b>	\$50,182,386	\$2,744,686	\$52,927,072	



# 2020-21 SECOND INTERIM BUDGET GENERAL FUND TOTAL SPENDING

	FIRST INTERIM	CHANGE	SECOND INTERIM
<b>Net Spending</b>	\$(1,702,789)	\$53,803	\$(1,648,986)
			Deficit Reduced



# 2020-21 SECOND INTERIM MULTIYEAR PROJECTIONS (MYP)

	2020-2021	2021-2022	2022-2023
Beginning Balance	\$15,974,792	\$14,325,806	\$11,796,774
LCFF	\$33,773,574	\$34,957,346	\$31,154,514
Federal	\$9,763,132	\$2,026,316	\$2,026,316
State	\$4,499,340	\$4,074,026	\$4,055,410
Local	\$3,242,040	\$3,243,279	\$3,244,748
<b>Total Revenues</b>	<b>\$51,278,086</b>	<b>\$44,300,967</b>	<b>\$40,480,988</b>
Certificated Salaries	\$20,204,528	\$20,343,992	\$21,157,752
Classified Salaries	\$7,135,965	\$7,104,624	\$7,388,809
Employee Benefits	\$12,163,107	\$12,376,967	\$13,480,619
Books & Supplies	\$6,212,241	\$1,773,696	\$1,775,933
Services & Operations	\$6,247,920	\$4,706,481	\$4,806,243
Capital Assets	\$880,866	\$444,898	\$454,330
Other	(\$170,555)	(\$173,659)	(\$177,341)
<b>All Expenditures</b>	<b>\$52,674,072</b>	<b>\$46,576,999</b>	<b>\$48,886,345</b>
Transfers Out	(\$253,000)	(\$253,000)	(\$253,000)
<b>Total Deficit</b>	<b>(\$1,648,986)</b>	<b>(\$2,529,032)</b>	<b>(\$8,658,357)</b>
<b>Projected Ending Balance</b>	<b>\$14,325,806</b>	<b>\$11,796,774</b>	<b>\$3,138,417</b>
Reserve for Economic Uncertainties	\$1,587,812	\$1,404,900	\$1,474,180
Board Reserve	\$1,058,541	\$936,600	\$982,787
State Reserve Met	Yes	Yes	Yes
Board Reserve Met	Yes	Yes	Yes

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# 2020-21 SECOND INTERIM REPORT

## RECOMMENDATION

- Recommended Positive Certification
- **FY 2021-22 Projected Deficit of <\$2.5M>**
  - Manageable through use of reserves
- **FY 2022-23 Projected Deficit of <\$8.6M>**
  - More problematic and will require proactive steps to resolve during next year's budget development cycle. The District must implement plans to resolve those deficits through either increased revenue, expenditure reductions, or spend down of available reserves.