

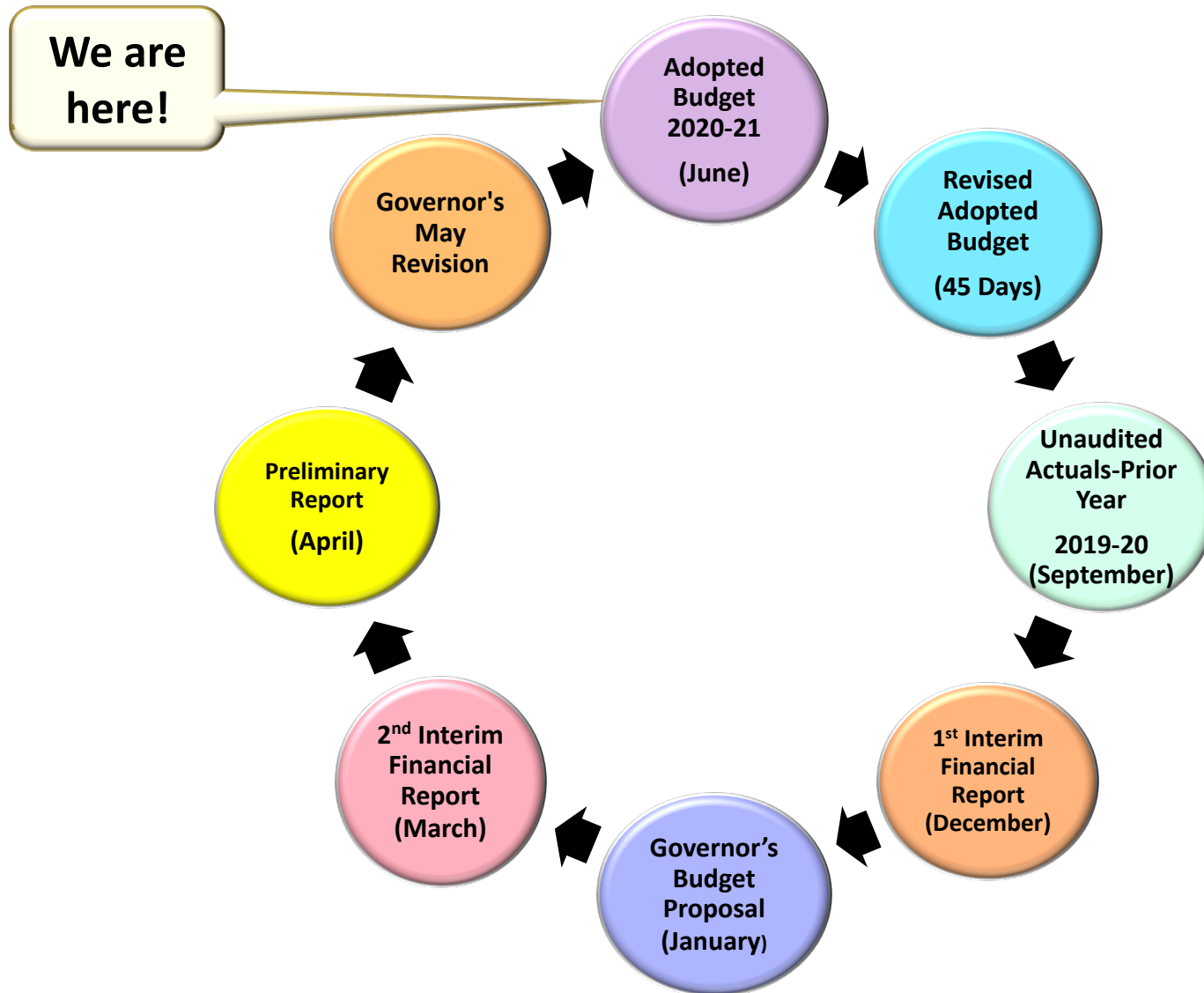


COVINA-VALLEY
UNIFIED SCHOOL DISTRICT

2020-21 Adopted Budget

*Presented by Eva Lueck, Interim Chief Business Officer
Presented on June 15, 2020*

Annual Budget Cycle



Legal Requirements

- Board action is required for Budget Adoption in accordance with Education Code 42127
- Board Members must authorize an Operating Budget by June 30th of each year
- No later than five days after adoption or by July 1st, whichever occurs first, the Operating Budget must be filed with the County Superintendent of Schools

Budgeting Challenges

In a Normal Year - June Budget is a “placeholder” budget. It is based on multiple estimates:

- Prior Year Revenues and Expenditures NOT Finalized
 - Comparison Data for Trend Analysis
 - Ending Fund Balance is Estimated (Currently 2019-20 Ending Balance is a \$5.1 million Increase over Second Interim Projection)
- State Budget is NOT Finalized - May Revise used as Estimate
- Enrollment will NOT be known until the Fall
 - Impacts Staffing and Revenue Projections
- Health Insurance Renewal Impacts are NOT Finalized

Budgeting Challenges

2019-20 and 2020-21 are NOT Normal Budget Years

COVID-19

- 2019-20 Comparison Data is flawed due to School Closure, Distance Learning, Safety Measures Taken
- State Economy is severely impacted (\$54 billion), and the Governor and Legislature are NOT in agreement on State Budget
 - Governor's May Revision Proposal – Severe cuts to education
10% LCFF reduction and other cuts in 2020-21 through 2022-23
 - Legislature – Hold Education Harmless
- The Reopening of Schools – Format and related costs are NOT finalized
 - Enrollment and staffing impacts unknown

May Revise 2020-21

10% Reduction

- LCFF (all three years)
- Targeted Instructional Improvement Grants \$86,071
- Home-to-School Transportation \$93,327

50% Reduction

- Adult Education Block Grant \$1,572,440
- Career Technical Education Incentive Grants \$250,000
- After School Education & Safety Grant \$199,754
- K-12 Strong Workforce Program \$130,519

No COLA

- Special Education: No COLA but 15% Increase - \$645 per ADA
- Preschool
- Child Nutrition
- Foster Youth
- Mandated Block Grant

Federal CARES Revenue \$1.9 million

Cash Deferrals on State Revenues

Reduction to CalSTRS and CalPERS Rates

Multi-Year Unrestricted General Fund

IF May Revise - Utilized

Multi-Year Projections Unrestricted General Fund

	Estimated Actuals/Budget 2019-20	Projected Budget 2020-21	Projected Budget 2021-22	Projected Budget 2022-23
Beginning Fund Balance	\$22.80	\$22.46	\$10.40	(\$7.54)
Revenues (includes other financing sources)	\$107.72	\$97.29	\$93.23	\$91.29
Expenditures (includes other financing uses)	\$108.06	\$109.35	\$111.17	\$115.35
Changes in Fund Balance	(\$0.34)	(\$12.06)	(\$17.94)	(\$24.06)
Projected Ending Fund Balance	\$22.46	\$10.40	(\$7.54)	(\$31.60)
Unavailable Reserves:	\$2.33	\$1.35	\$1.15	\$0.98
Revolving Cash, Inventory, Prepaid Expenditure, Assigned				
Reserve for Economic Uncertainty (3%)	\$4.70	\$4.72	\$4.79	\$4.94
Available Reserves	\$15.43	\$4.33	(\$13.49)	(\$37.52)
Available Reserves (Unrestricted Fund)	12.86%	5.76%	-5.45%	-19.78%

2020-21 June Budget Adoption Assumptions

LCFF

- **10% Deficit Factor Eliminated**
- 2020-21: 2.31% COLA
- 2021-22 and 2022-23: Zero COLA

10% Reduction

- Targeted Instructional Improvement Grants \$86,071
- Home-to-School Transportation \$93,327

50% Reduction

- Adult Education Block Grant \$1,572,440
- Career Technical Education Incentive Grants \$250,000
- After School Education & Safety Grant \$199,754
- K-12 Strong Workforce Program \$130,519

NO COLA

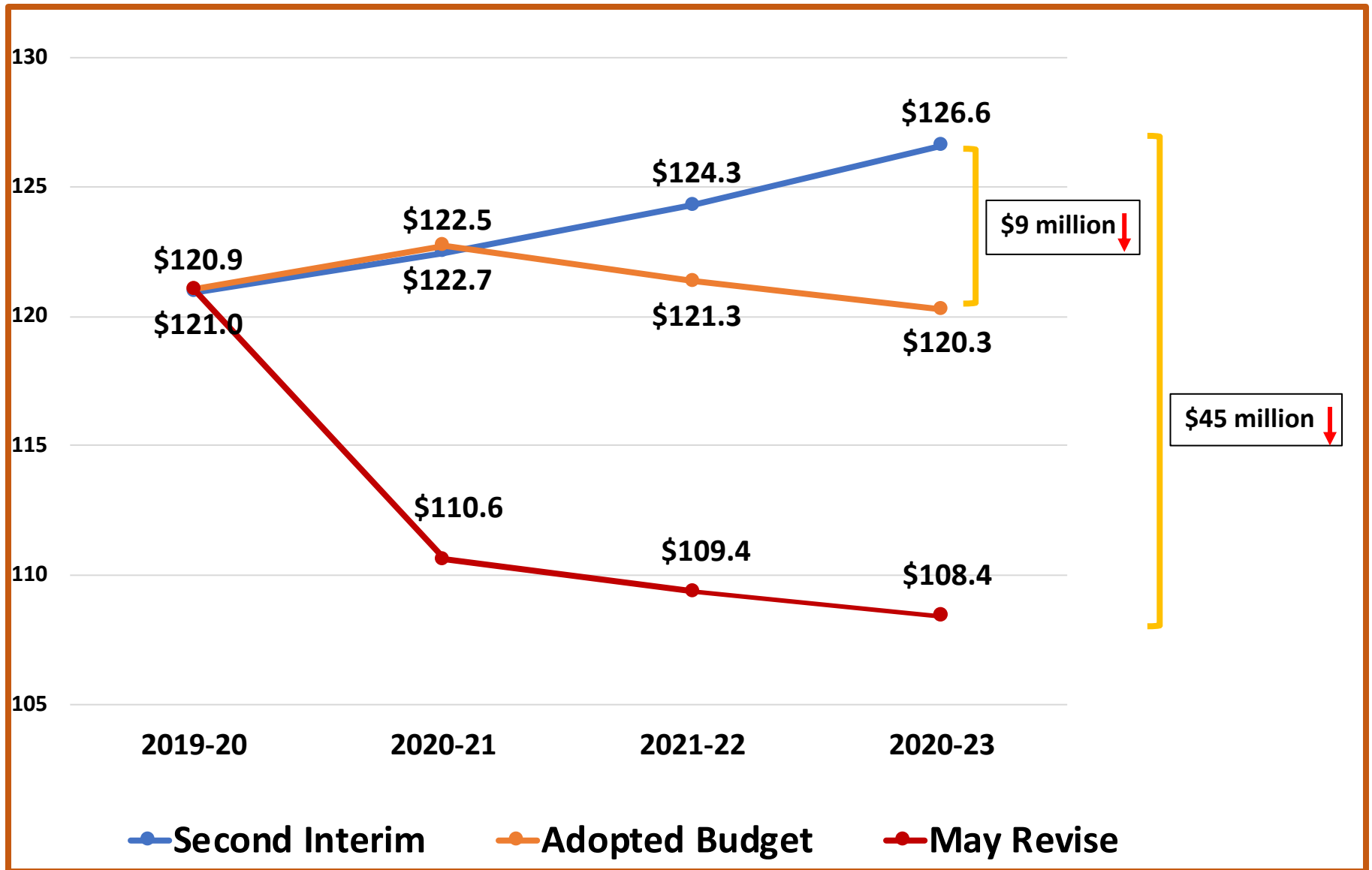
- Special Education: No COLA but 15% Increase - \$645 per ADA
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Cash Deferrals on State Revenues

Reduction to CalSTRS and CalPERS Rates

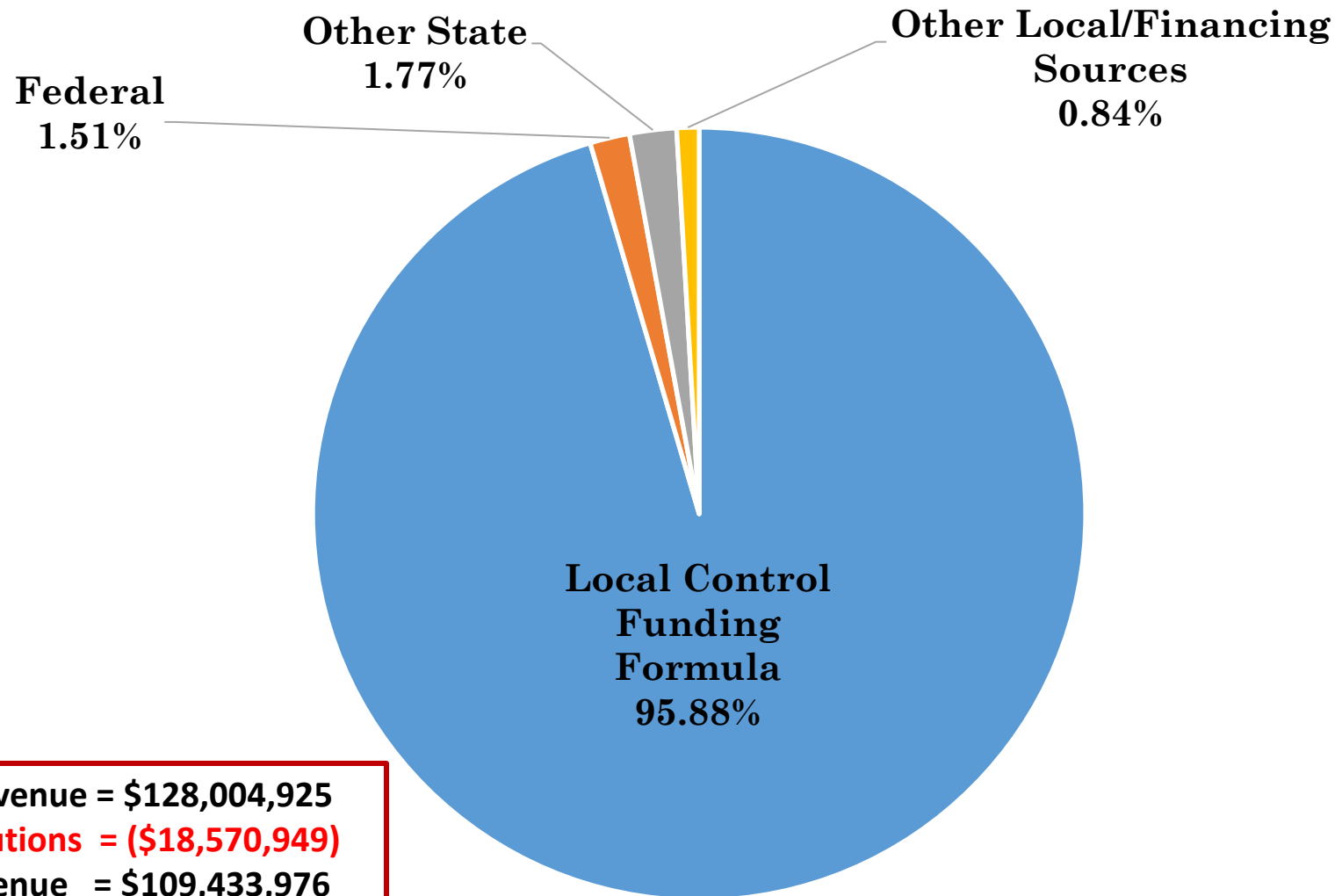
LCFF Revenue (in millions)



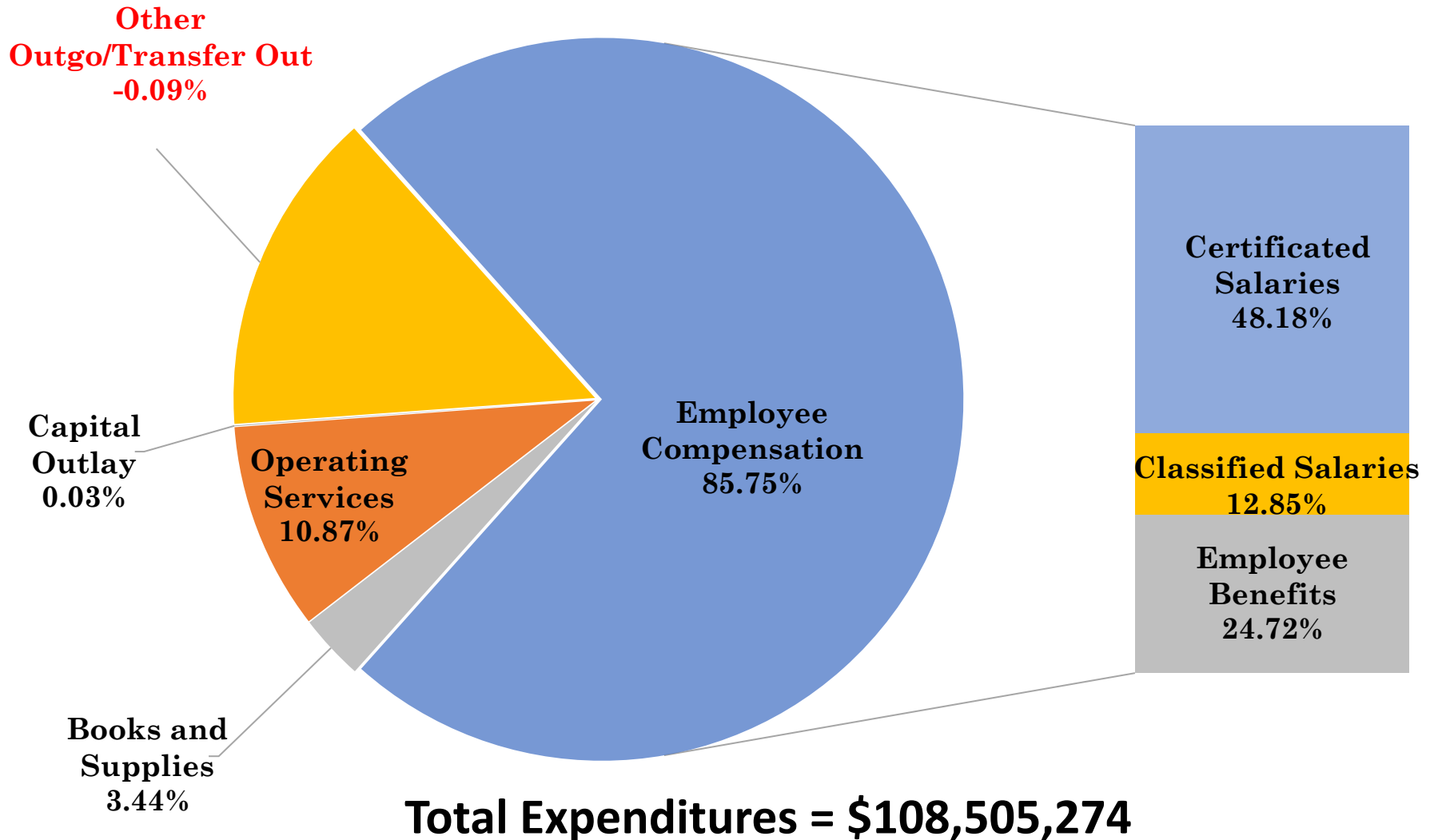
Multi-Year Unrestricted General Fund Budget Projections (in millions)

	Estimated Actuals/Budget 2019-20	Projected Budget 2020-21	Projected Budget 2021-22	Projected Budget 2022-23
Beginning Fund Balance	\$22.80	\$22.46	\$23.38	\$18.30
Revenues (includes other financing sources)	\$107.72	\$109.43	\$105.23	\$103.19
Expenditures (includes other financing uses)	\$108.06	\$108.51	\$110.31	\$114.46
Changes in Fund Balance	(\$0.34)	\$0.92	(\$5.08)	(\$11.27)
Projected Ending Fund Balance	\$22.46	\$23.38	\$18.30	\$7.03
Unavailable Reserves:	\$2.33	\$1.35	\$1.15	\$0.98
Revolving Cash, Inventory, Prepaid Expenditure, Assigned				
Reserve for Economic Uncertainty (3%)	\$4.70	\$4.69	\$4.76	\$4.91
Available Reserves	\$15.43	\$17.34	\$12.38	\$1.14
Available Reserves (Unrestricted Fund)	12.86%	14.08%	10.80%	3.70%

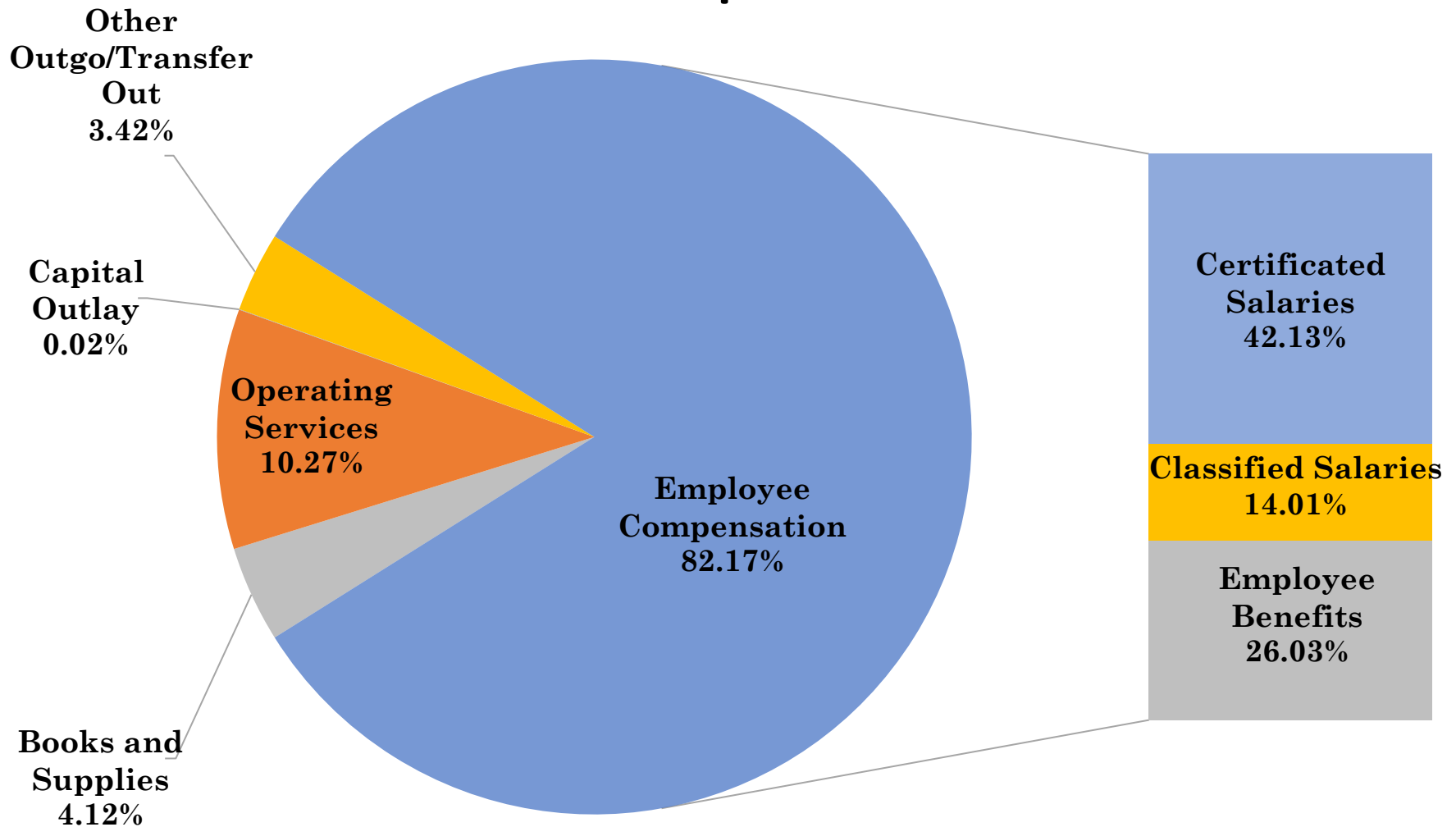
2020-21 Adopted Budget Unrestricted General Fund Revenues (in million)



2020-21 Adopted Budget Unrestricted General Fund Expenditures (in million)



2020-21 Adopted Budget Combined General Fund Expenditures (in million)



Total Expenditures = \$156,445,365

Other Funds – Projected Totals 2020-21

(in millions)

	Fund 10 Special Education Pass- Through	Fund 11 Adult Education	Fund 12 Child Development	Fund 13 Cafeteria	Fund 21 Building (Bond)	Fund 25 Capital Facilities (Developer Fee)	Fund 40 Special Reserve for Capital Outlay	Fund 67 Self Insurance
Beginning Fund Balance	\$0.00	\$3.63	\$0.96	\$4.98	\$11.55	\$1.28	\$2.24	\$2.19
Revenue	\$59.07	\$2.74	\$3.45	\$5.87	\$0.39	\$0.18	\$0.03	\$20.29
Expenditure	\$59.06	\$4.46	\$3.32	\$6.79	\$9.21	\$1.20	\$1.10	\$20.26
Other Financing Sources/Uses	\$0.00	\$0.00	(\$0.30)	\$0.10	\$0.00	\$0.00	\$1.01	\$0.00
Ending Fund Balance	\$0.01	\$1.91	\$0.79	\$4.17	\$2.74	\$0.26	\$2.19	\$2.22

Next Steps

- Revise budget to reflect final 2020-21 State Budget
- Monitor COVID-19 impact and restructure Fee Base Programs to ensure their continuance Nutrition Services, Child Care, and Adult Education
- Evaluate COVID-19 impacts related to reopening of schools
- Closely monitor enrollment and adjust staffing when schools reopen
- Develop a Reduction Plan to ensure fiscal stability
- Monitor cash flow and implement borrowing strategy as needed in response to State revenue deferrals
- Monitor and incorporate additional Federal Funds if allocated

Comments or Questions...

