



FY 2020-2021 Adopted Budget 45 Day Revision

August 4, 2020





Adopted Budget 45-Day Revision

Education Code Section (E.C.) 42127 specifies the requirement that local school agencies adopt a budget for the following year by July 1. Further, E.C. 42127(h) specifies the following:

“Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.”



FY 2020-21 45 Day Revision – Key Changes Since the May Revise

Item	Description	Impact
No reduction to LCFF funding nor categorical programs	The Adopted Budget removes the reductions to LCFF and categorical programs proposed in the May Revision	Significant increase in revenue from May Revise
Deferrals are included in the budget	Deferrals will begin February 2021 and continue through June 2021	Deferrals may result in a need for cash borrowing
One-Time Funding through the CARES Act	One-time funds related to COVID-19 include ESSER and Learning Loss Mitigation	Significant increase in one-time restricted revenues from the Governor's May Revision
Retirement – CalPERS and CalSTRS Rate Buydowns	CalPERS rate buydown decreases the employer contribution from 22.67% to 20.7% in FY 2020-21 The CalSTRS rate buydown decreases the employer contribution from 18.40% to 16.15% in FY 2020-21	Significant reduction in expense for employers. PSD included the revised rates in its Adopted Budget
Special Education Base Rate funding	Establishes a base rate of \$625 per ADA for those Special Education Local Plan Areas (SELPA's)/LEAs funded at or below that rate	The May Revision included a base rate \$645 per ADA and this adjustment reduces base rate funding to \$625 per ADA
New revenue projections for Lottery	Lottery revenue projections were reduced due the economic conditions resulting from the ongoing pandemic	Lottery revenue projections were reduced from \$153 to \$150 per ADA in the unrestricted portion and from \$54 to \$49 per ADA in the restricted portion



CARES ACT Learning Loss Mitigation Funds (Restricted Funds)

Schedule of Allocations for Learning Loss Mitigation, Section 110 of Senate Bill 98 (Chapter 24, Statutes of 2020)

Fiscal Year 2020-21						
County Code	District Code	Local Educational Agency Name	Allocation by Fund GEER Fund Res. Code 3215	Allocation by Fund CR Fund Res. Code 3220	Allocation by Fund GF Res. Code 7420	Total Allocation Sec. 110(a)-GEER Sec. 110(a)-CRF Sec. 110(b)-CRF Sec. 110(c)-GF Sec. 110(c)-CRF
19	64857	Palmdale Elementary	\$ 1,354,273	\$ 21,019,241	\$ 1,718,067	\$ 24,091,581



FY 2020-21 45 Day Revision – Key Changes to the Unrestricted General Fund FY 2020-21

	<u>Adopted Budget</u>	<u>45 Day Update</u>	<u>Change</u>	
LCFF	176,696,207	193,757,820	17,061,613	Elimination of the 10% LCFF Reduction
Federal Revenue	-	-	-	
State Revenue	3,252,671	3,199,512	(53,159)	Revised Lottery rates
Local Revenue	1,810,000	1,810,000	-	
Total Revenues	181,758,878	198,767,332	17,008,454	
	-	-	-	
Certificated Salaries	55,509,832	55,259,832	(250,000)	Reductions to unrestricted salaries
Classified Salaries	17,182,095	17,182,095	-	
Benefits	35,511,642	35,511,642	-	
				Reductions to unrestricted supply expense (textbooks, supplies, etc.)
Supplies	5,516,023	3,816,023	(1,700,000)	
				Reductions to unrestricted transportation, software, and other service expense
Services	18,538,633	15,438,632	(3,100,001)	
Capital Outlay	15,974	15,974	-	
Other Outgo/Indirect	(1,455,514)	(1,455,514)	-	
Total Expenses	130,818,685	125,768,684	(5,050,001)	
	-	-	-	
Surplus/(Deficit)	50,940,193	72,998,648	22,058,455	
	-	-	-	
Contribution	(78,596,559)	(84,205,245)	(5,608,686)	Due primarily to increased Supplemental and Concentration and Special Education contribution
Total Surplus/(Deficit)	(27,656,366)	(11,206,597)	16,449,769	

The Unrestricted Ending Fund Balance at Adopted Budget was \$5,327,062
 With the additional 16,449,769 the Unrestricted Ending Balance in FY 2020-21 is projected to be \$21,776,831



FY 2020-21 45 Day Revision – Key Changes to the Restricted General Fund FY 2020-21

	<u>Adopted Budget</u>	<u>45 Day Update</u>	<u>Change</u>	
LCFF	-	-	-	
Federal Revenue	18,524,754	46,995,293	28,470,539	Increase due to ESSER and Learning Loss Mitigation Funds
State Revenue	18,813,791	18,994,234	180,443	Increase due to combination of GF funds and reductions to Special Education and Restricted Lottery
Local Revenue	4,722,111	4,722,111	-	
Total Revenues	42,060,656	70,711,638	28,650,982	
	-	-	-	
Certificated Salaries	43,103,952	43,480,389	376,437	Increase in Psychologist salaries
Classified Salaries	22,492,320	22,520,412	28,092	Increase in Instructional Aid salaries
Benefits	33,868,295	33,868,295	-	
Supplies	4,435,297	4,257,832	(177,465)	Reduction in supply expense due primarily to reduced restricted Lottery revenue
Services	11,575,851	11,575,851	-	
Capital Outlay	2,615,656	2,615,656	-	
Other Outgo/Indirect	938,658	938,658	-	
Total Expenses	119,030,029	119,257,093	227,064	
Surplus/(Deficit)	(76,969,373)	(48,545,455)	28,423,918	
Contribution	78,596,559	84,205,245	5,608,686	Due primarily to increased Supplemental and Concentration and Special Education contribution
Total Surplus/(Deficit)	1,627,186	35,659,790	34,032,604	

The Restricted Ending Fund Balance at Adopted Budget was \$13,554,419
 With the additional \$34,032,604 the Restricted Ending Balance in FY 2020-21 is projected to be \$47,587,023



FY 2020-21 45 Day Revision MYP – Planning Factors

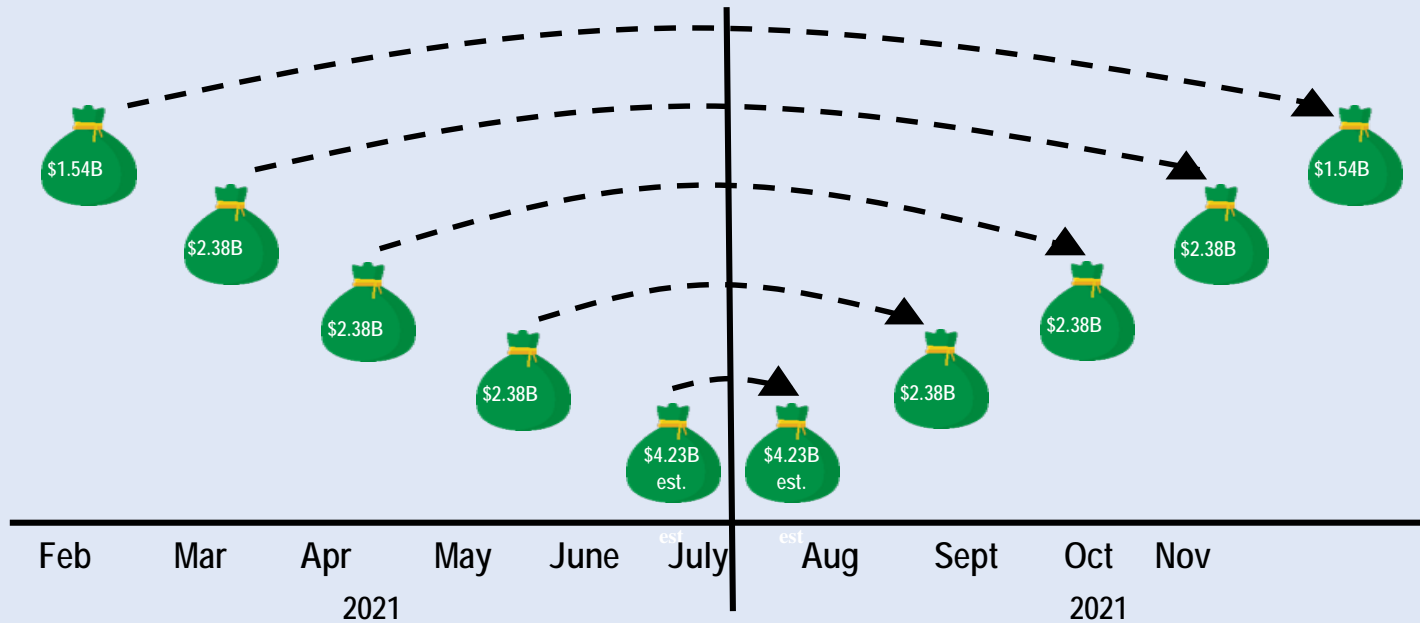
Planning Factors	2020-21	2021-22	2022-23
Statutory COLA	2.31%	2.48%	3.26%
COLA Suspension	(2.31%)	(2.48%)	(3.26%)
Funded LCFF COLA	0%	0%	0%
Add-on, ERT & MSA Prorated Factor	0%	0%	0%
STRS Employer Rates (Approximate)	16.15%	15.92%	18.40%
PERS Employer Rates (Approximate)	20.70%	23.01%	26.24%
Lottery - Unrestricted per ADA	\$150	\$150	\$150
Lottery - Prop. 20 per ADA	\$49	\$49	\$49
Mandated Block Grant for Districts			
K-8 per ADA	\$32.18	\$32.18	\$32.18
9-12 per ADA	\$61.94	\$61.94	\$61.94
Mandated Block Grant for Charters			
K-8 per ADA	\$16.86	\$16.86	\$16.86
9-12 per ADA	\$46.87	\$46.87	\$46.87
State Preschool (CSPP) Part-Day Daily Reimbursement Rate	\$30.87	\$30.87	\$30.87
State Preschool (CSPP) Full-Day Daily Reimbursement Rate	\$49.85	\$49.85	\$49.85
General Child Care (CCTR) Daily Reimbursement Rate	\$49.54	\$49.54	\$49.54
Routine Restricted Maintenance Account <i>(Flexibility for calculation to exclude STRS and PERS on behalf payments from calculation)</i>	3%	3%	3%
California CPI	0.98%	1.59%	1.87%
10-Year Treasury Rate	0.89%	1.24%	1.70%



FY 2020-21 45 Day Revision Multiyear Projection

Row Labels	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED	UNRESTRICTED	RESTRICTED	COMBINED
	2021 Proj	2021 Proj	2021 Proj	2122 Proj	2122 Proj	2122 Proj	2223 Proj	2223 Proj	2223 Proj
LCFF	193,757,820	-	193,757,820	193,333,328	-	193,333,328	184,902,413	-	184,902,413
Federal Revenue	-	46,995,293	46,995,293	-	19,009,788	19,009,788	-	19,009,788	19,009,788
State Revenue	3,199,512	18,994,234	22,193,746	3,151,085	17,260,464	20,411,549	3,070,273	17,247,323	20,317,596
Local Revenue	1,810,000	4,722,111	6,532,111	1,810,000	4,722,111	6,532,111	1,810,000	4,722,111	6,532,111
Total Revenues	198,767,332	70,711,638	269,478,970	198,294,413	40,992,363	239,286,776	189,782,686	40,979,222	230,761,908
Certificated Salaries	55,259,832	43,480,389	98,740,221	55,725,470	44,349,997	100,075,467	56,683,074	45,236,997	101,920,071
Classified Salaries	17,182,095	22,520,412	39,702,507	17,353,916	22,745,616	40,099,532	17,703,963	22,973,072	40,677,035
Benefits	35,511,642	33,868,295	69,379,937	35,811,522	34,768,013	70,579,535	38,112,334	37,110,103	75,222,437
Supplies	3,816,023	4,257,832	8,073,855	3,816,023	4,257,832	8,073,855	3,816,023	4,257,832	8,073,855
Services	15,438,632	11,575,851	27,014,483	16,901,663	11,575,851	28,477,514	17,038,632	11,575,851	28,614,483
Capital Outlay	15,974	2,615,656	2,631,630	15,974	422,500	438,474	15,974	422,500	438,474
Other Outgo/Indirect	(1,455,514)	938,658	(516,856)	(1,455,514)	938,658	(516,856)	(1,455,514)	938,658	(516,856)
Total Expenses	125,768,684	119,257,093	245,025,777	128,169,054	119,058,467	247,227,521	131,914,486	122,515,013	254,429,499
Surplus/(Deficit)	72,998,648	(48,545,455)	24,453,193	70,125,359	(78,066,104)	(7,940,745)	57,868,201	(81,535,791)	(23,667,590)
Transfer in (891X)	-	-	-	-	-	-	-	-	-
Transfer out (761X)	-	-	-	-	-	-	-	-	-
Contribution	(84,205,245)	84,205,245	-	(84,324,225)	84,324,225	-	(82,266,557)	82,266,557	-
Other In / Out	(84,205,245)	84,205,245	-	(84,324,225)	84,324,225	-	(82,266,557)	82,266,557	-
Total Surplus/(Deficit)	(11,206,597)	35,659,790	24,453,193	(14,198,866)	6,258,121	(7,940,745)	(24,398,356)	730,766	(23,667,590)
9791	32,983,428	11,927,233	44,910,661	21,776,831	47,587,023	69,363,854	7,577,965	53,845,144	61,423,109
9795									
Beginning Balance	32,983,428	11,927,233	44,910,661	21,776,831	47,587,023	69,363,854	7,577,965	53,845,144	61,423,109
Ending Balance	21,776,831	47,587,023	69,363,854	7,577,965	53,845,144	61,423,109	(16,820,392)	54,575,910	37,755,519
Revolving Cash, Stores & Prepaid	150,000		150,000	150,000		150,000	150,000		150,000
Restricted Programs		47,587,023	47,587,023		53,845,144	53,845,144		54,575,910	54,575,910
Other Assignments Unrestricted Programs	-		-	-		-	-		-
9780 assignment	14,198,866		14,198,866						
3% REU (9789)	7,350,774	-	7,350,774	7,416,826	-	7,416,826	7,632,885	-	7,632,885
UNASSIGNED (9790)	77,191	-	77,191	11,139	-	11,139	(24,603,277)	-	(24,603,277)

FY 2020-21 45 Day Revision - Deferrals



Month	Normal Share of Annual Apportionment	Proportion Deferred	Amount Deferred
Feb-21	9%	45%	6,760,537
Mar-21	9%	70%	10,516,391
Apr-21	9%	70%	10,516,391
May-21	9%	70%	10,516,391
Jun-21	Balance	100%	15,023,416
Total Deferred			53,333,126



FY 2020-21 45 Day Revision Cash Flow

		Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20	Jan-21	Feb-21	Mar-21	Apr-21	May-21	Jun-21	ACCRUAL
Beg Cash		55,933,428	44,746,168	21,553,651	28,753,537	40,075,311	36,496,094	38,173,127	41,044,999	43,506,600	35,100,135	27,964,837	20,973,517	21,784,000
LCFF State Aid	173,413,808	7,643,308	7,643,308	17,313,040	13,757,954	13,757,954	17,313,040	13,757,954	8,262,879	8,062,110	4,507,025	4,507,025	3,555,085	53,333,126
Property Taxes	25,570,780	-	-	-	-	376,757	1,686,133	2,068,954	312,301	992,313	967,242	8,000,000	11,167,080	-
Property Tax Trsf - Charters	(5,226,768)	-	(313,606)	(627,212)	(418,141)	(418,141)	(418,141)	(418,141)	(418,141)	(439,049)	(439,049)	(439,049)	(439,049)	(439,049)
Federal Revenue	46,995,293	77,364	77,364	21,096,605	4,850,990	171,500	77,364	4,850,990	77,364	77,364	4,850,990	332,305	3,722,750	6,732,344
Other State Revenue	22,193,746	-	571,456	571,456	1,458,138	2,541,383	2,246,095	1,458,138	2,334,335	1,610,453	2,118,818	1,051,121	1,458,138	4,774,214
Other Local Revenue	6,532,111	111,893	111,893	111,893	236,893	111,893	111,893	236,893	1,641,893	111,893	236,893	111,893	1,629,399	1,766,893
Subtotals	269,478,970	7,832,565	8,090,415	38,465,782	19,885,833	16,541,346	21,016,383	21,954,788	12,210,630	10,415,084	12,241,918	13,563,295	21,093,403	66,167,528
Certificated Salaries	98,740,221	7,420,192	8,527,549	8,067,835	8,103,281	8,126,249	8,164,834	8,050,839	8,083,581	8,216,998	8,064,691	8,957,085	8,957,085	-
Classified Salaries	39,702,507	189,144	2,029,644	3,431,765	3,465,431	3,570,982	3,093,937	3,019,070	3,467,016	3,435,894	3,355,663	3,547,987	3,547,987	3,547,987
Benefits	69,379,937	1,864,237	4,956,400	6,143,904	6,209,237	6,192,962	6,162,223	6,121,563	6,312,923	6,290,772	6,249,155	6,073,074	6,073,074	730,414
Supplies	8,073,855	(6,372)	216,248	274,591	253,182	239,145	483,009	277,538	179,889	129,897	244,285	184,691	184,691	5,413,062
Services	27,014,483	225,903	2,765,768	1,911,210	1,959,284	1,948,025	1,873,263	1,536,036	1,531,971	493,022	1,355,189	1,126,998	1,126,998	9,160,816
Capital Outlay	2,631,630	(709)	414	678,502	101,265	43,199	49,693	77,870	151,974	65,301	108,232	393,086	393,086	569,715
Other Outgo	(516,856)	-	-	-	207,441	-	(487,610)	-	(1,152)	189,665	-	271,695	-	(696,896)
Other Outgo- Transfer of Inc	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subtotals	245,025,777	9,692,395	18,496,023	20,507,808	20,299,121	20,120,562	19,339,351	19,082,916	19,726,203	18,821,549	19,377,215	20,554,616	20,282,920	18,725,098
Accounts Receivable		(14,211,284)	-	-	(11,762,893)	-	-	-	(9,977,174)	-	-	-	-	66,167,528
Accounts Payable		23,538,713	12,786,909	10,758,087	27,832	-	-	-	-	-	-	-	-	(18,725,098)
End Cash		44,746,168	21,553,651	28,753,537	40,075,311	36,496,094	38,173,127	41,044,999	43,506,600	35,100,135	27,964,837	20,973,517	21,784,000	21,784,000



Governor's Budget

FY 2020-21 45 Day Revision Summary

- The elimination of the 10% reduction increased unrestricted revenues significantly and the third year Unrestricted Unassigned Ending Fund Balance increased from -64.1 million to -24.6 million
- There is a substantial increase in restricted one-time revenues related to COVID-19 mitigation with some funds (\$21 million) requiring expenditures to be posted by December 2020
- LACOE will be giving the district a conditional approval for the FY 2020-21 budget due to the negative unassigned balance in FY 2022-23
- The District will need to prepare a fiscal stabilization plan to address the negative unassigned balance in FY 2022-23 as part of the 1st Interim report
- The District will need to manage its cash to ensure that the deferrals do not deplete the cash balance. If cash is projected to be low the general fund may need to borrow from other funds or the district may need to apply for Tax Revenue Anticipation Notes (TRANS)



Looking Forward

- Enrollment uncertainty
- Impact of Distance Learning
- Projected Deficit Spending
- Updated MYP in the First Interim Report

Questions?