

FULLERTON SCHOOL DISTRICT



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SECOND INTERIM REPORT

FISCAL YEAR ENDING JUNE 30, 2021

REPORT TO BOARD OF EDUCATION – MARCH 9, 2021

SECOND INTERIM REPORT



- REVIEW THE FINANCIAL STATUS OF THE DISTRICT FROM JULY 1, 2020 TO JANUARY 31, 2021
- REVIEW SUBSEQUENT TWO-YEAR PATTERN OF REVENUES AND EXPENDITURES

2021-22 Update

Governor's Proposals for 2021-22 State Budget Presented By: Schools Services of California (SSC)

- Budget proposal forecasts a dramatic restoration of funding
- Governor and Legislature will need to strike a balance between one-time needs and deferral repayments
- Targets state resources to help the state recover from COVID-19
- Deferrals remain in place for 2020-21
- 0% COLA for 2020-21, but catch-up COLA estimated at 3.84% for 2021-22
- More to come with May Revise

2020-2021 SECOND INTERIM REVIEW

First Interim (FI)
vs.
Second Interim (SI)

General Fund Unrestricted Revenue

Second Interim vs. Interim (In Millions)

| | 2020-21 First Interim | 2020-21 Second Interim | Difference |
|--------------|-----------------------------|------------------------------|-----------------|
| LCFF Sources | \$114.60 | \$114.70 | \$0.10 |
| Federal | 0.00 | 0.00 | 0.00 |
| Other State | 2.32 | 2.32 | 0.00 |
| Local | 1.39 | 1.22 | (0.17) |
| Total | \$118.31 | \$118.24 | (\$0.07) |

The State of California exchanged “Cuts” with “Deferrals” between Adopted Budget and Second Interim



2020-21 Apportionment Deferrals

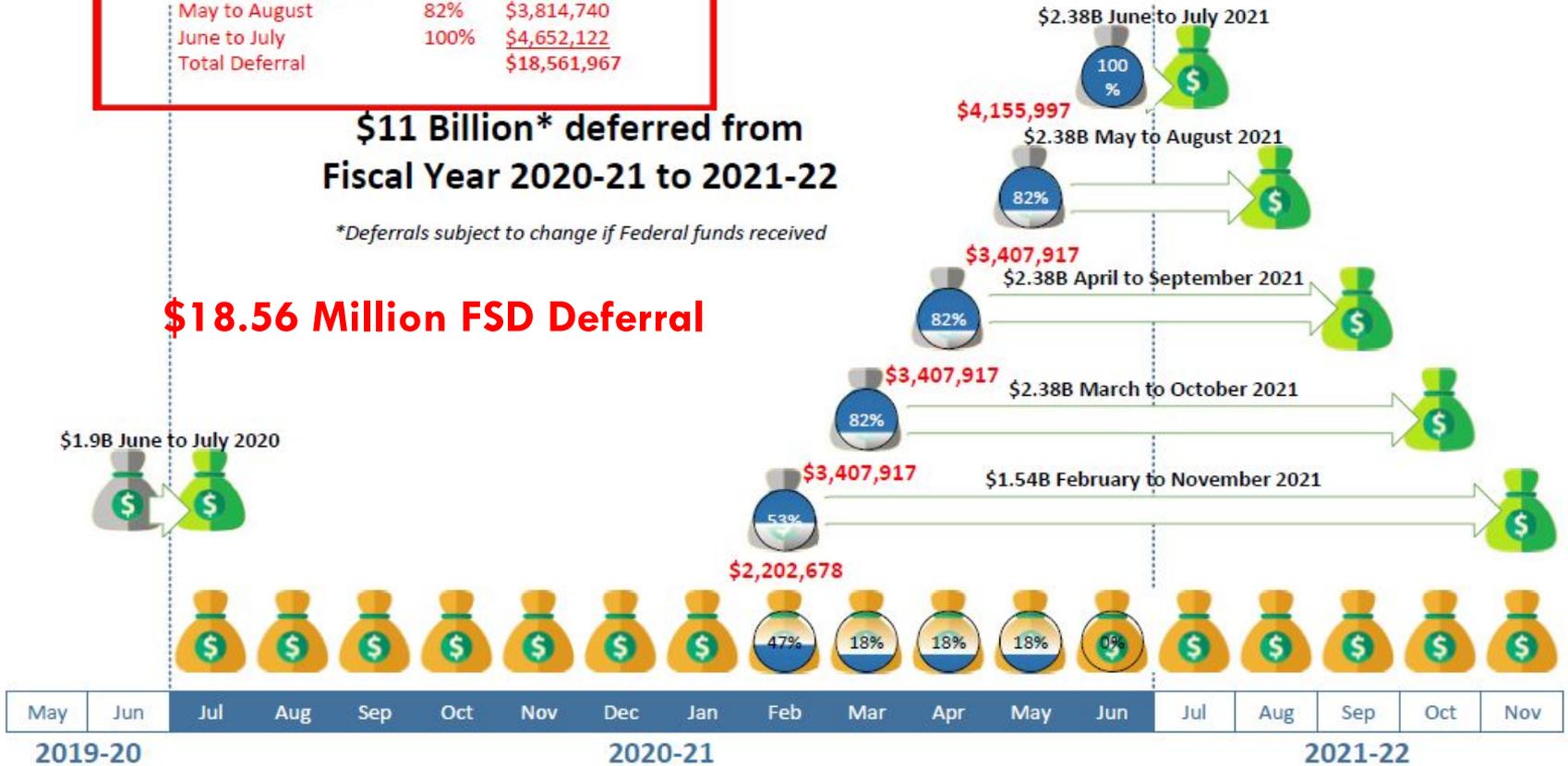
FSD's 2020-21 Deferral Amount:

| | | |
|-----------------------|------|---------------------|
| February to November | 53% | \$2,465,625 |
| March to October | 82% | \$3,814,740 |
| April to September | 82% | \$3,814,740 |
| May to August | 82% | \$3,814,740 |
| June to July | 100% | \$4,652,122 |
| Total Deferral | | \$18,561,967 |

\$11 Billion* deferred from
Fiscal Year 2020-21 to 2021-22

**Deferrals subject to change if Federal funds received*

\$18.56 Million FSD Deferral



Original Apportionment Scheduled



Delayed Apportionment Received



Regular Apportionment Received



% of Apportionment Deferred (Estimated)

General Fund Unrestricted Expenditures

First Interim vs. Second Interim (In Millions)

| | 2020-21 First Interim | 2020-21 Second Interim | Difference |
|-----------------------|-----------------------------|------------------------------|------------|
| Certificated Salaries | \$54.22 | \$52.11 | (\$2.11) |
| Classified Salaries | 16.04 | 15.22 | (0.82) |
| Employee Benefits | 27.28 | 26.51 | (0.77) |
| Books and Supplies | 6.05 | 5.21 | (0.84) |
| Services/Operating | 6.98 | 5.52 | (1.46) |
| Capital Outlay | 0.15 | 0.05 | (0.10) |
| Other Outgo/Transfers | 0.15 | 0.12 | (0.03) |
| Transfers In | (1.62) | (1.62) | 0.00 |
| Contributions | 18.85 | 18.31 | (0.54) |
| Total | \$128.10 | \$121.43 | (\$6.67) |

General Fund Unrestricted Ending Balance First Interim vs. Second Interim (In Millions)

| | 2020-21 First Interim | 2020-21 Second Interim | Difference |
|---------------------------------------|-----------------------------|------------------------------|------------|
| Beginning Balance | \$30.88 | \$30.88 | \$0.00 |
| Revenue | 118.31 | 118.24 | (0.07) |
| Expenditures | 128.10 | 121.43 | (6.67) |
| Total Ending Balance | \$21.09 | \$27.69 | \$6.60 |
| Components of Balance | First Interim | Second Interim | Difference |
| Non-Spendable | \$0.17 | \$0.17 | \$0.00 |
| Reserve for Economic Uncertainties | 5.46 | 5.55 | 0.09 |
| Assigned | 2.60 | 2.60 | 0.00 |
| Unassigned | 12.86 | 19.37 | 6.51 |
| Total | \$21.09 | \$27.69 | \$6.60 |

Federal and State COVID-19 Restricted Relief Funds

- First round of funding - Received \$10,528,650
 - Funds Received were spent by December 30, 2020, as required
- Funds used for: PPE, Testing, Distance Learning, Additional Staffing, Temperature Screening, Cleaning
- Waiting for next round of Federal COVID-19 Relief Funds
- New funding announced in December (ESSER II) - \$9,274,641
 - FSD has started spending these funds, projected date to receive sometime in 2021/22.



General Fund Unrestricted Multiyear Assumptions

| | 2020-21 | 2021-22 | 2022-23 |
|---------------------------------------|-----------------------|----------------------|----------------------|
| Unduplicated % 3 year Rolling | 54.13% | 54.30% | 54.47% |
| State Categorical COLA * | 0.00% | 3.84% | 2.98% |
| Funded Average Daily Attendance (ADA) | 12,462 | 12,462 | 11,840 |
| Average LCFF dollars per ADA | \$9,204 | \$9,555 | \$9,843 |
| Step and Column (All Groups) | \$870,143 | \$833,748 | \$811,888 |
| STRS (DE) INCREASE (Employer) | -0.95% (\$497,673) | -0.23% (\$79,837) | 2.08% \$1,125,604 |
| PERS INCREASE (Employer) | 0.979% \$115,727 | 2.30% \$274,600 | 3.30% \$397,932 |

* COLA for 2021-22 and 2022-23 per Schools Services of California and Department of Finance.

MULTIYEAR PROJECTIONS: UNRESTRICTED GENERAL FUND (IN MILLIONS)

| | 2020-21 | 2021-22 | 2022-23 |
|--|---------------------------|------------------|------------------|
| | Second Interim | Projected | Projected |
| Beginning Balance, July 1 | \$30.88 | \$27.69 | \$26.81 |
| Total Revenue | 118.24 | 122.51 | 119.88 |
| Total Expenditures | *121.43 | 123.39 | 127.10 |
| Estimated Ending Balance, June 30 | \$27.69 | \$26.81 | \$19.59 |
| Components of Ending Fund Balance | | | |
| 3% Reserve for Economic Uncertainties | \$5.55 | \$4.72 | \$4.84 |
| Assigned Funds | \$2.60 | \$1.50 | \$1.50 |
| Nonspendable | \$0.17 | \$0.17 | \$0.17 |
| Unassigned/Unappropriated | \$19.37 | \$20.42 | \$13.08 |

*Includes \$1.35M in Unrestricted Carryover from 2019-20

PROCEED WITH CAUTION

CERTAINTIES

- Uncertainties



UNCERTAINTIES

- The Economy
- Vaccination Roll-Out
- Federal Relief Funding Amount
- State Funding for Education
- COVID-19 Impact
- Future Enrollment

DISTRICT CERTIFICATION

- ENDING FUND BALANCE PROJECTED ABOVE THE REQUIRED 3% RESERVE AS OF JUNE 30, 2023
- STAFF RECOMMENDS A POSITIVE CERTIFICATION
- A POSITIVE CERTIFICATION INDICATES THAT THE DISTRICT WILL BE ABLE TO MEET ITS FINANCIAL OBLIGATIONS FOR THE CURRENT AND SUBSEQUENT TWO FISCAL YEARS

NEXT STEPS . . .

- SUBMIT SECOND INTERIM REPORT TO O.C.D.E.
- MAY REVISE
- GOVERNOR'S PROPOSED 2021-22 BUDGET
- MONITOR ENROLLMENT AND SPENDING
(CURRENT AND ONGOING)
- PREPARE/PRESENT/ADOPT 2020-21 & 2021-22 LCAP
- PREPARE/PRESENT/ADOPT 2021-22 BUDGET

QUESTIONS?

