


# LES Fiscal Recovery Plan Workshop

Presented by Autumn Chapman  
Corey Weber and Jayne Christakos  
January 27, 2022

# Topics for This Evening's Workshop


- Summary of Loleta Union Elementary School District's (LES) Financial Situation
  - Review HCOE First Interim letter.
  - Budget reduction discussion
  - Describe the process to ensure fiscal stability
  - Moving Forward
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# Summary of the Situation


## Cash -

- The district has had negative cash in both the General Fund and Special Reserve.
- The district entered into a loan agreement with HCOE to meet its financial obligations.
- **The district currently has positive cash flow**

## Budget -

- The district filed a First Interim Report with a negative certification
  - The district's 1st Interim Report projects expenditures exceeding the available funds in the current year and 2 subsequent years.
  - **The district is updating the budget, multi-year projections and the Governor's January Budget Proposal for impacts to the district.**
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# HCOE's First Interim Letter and District Required Actions:

1. Prepare and Approve a Fiscal Recovery Plan Identifying all necessary reductions no later than February 11, 2022
  2. Freeze all unrestricted general fund discretionary expenditures unless operationally necessary
  3. Implement a hiring freeze
  4. Notify HCOE prior to presenting proposals to bargaining units for negotiation
  5. Encumber all contracts and obligations to prepare cash flow analysis
  6. Monitor enrollment trends and report any fluctuations
  7. LES is subject to the stay and rescind authority of HCOE/Fiscal Advisor
  8. Provide timely cooperation with HCOE/Fiscal Advisor
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# HCOE Letter Describing Budget Reductions

\$1.1 million in reductions are required due to:

\$783,456 Expiration of One-Time Funds:

The one-time funds are projected to be fully expended this fiscal year ( ESSER, CSI and other one-time funds).

\$276,028 Projected Structural Deficit:

Expenditures must be reduced to ensure fiscal stability.

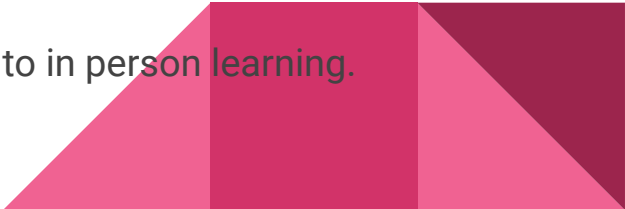
\$100,000 Approximate Reserves for Economic Uncertainty:

The district must meet the 5% minimum reserve. Will rebuild the special reserves account.

Any reductions done in the current year will reduce reductions required in subsequent years.



# Rationale for One-Time Money Staffing- ESSA CSI

- ESSA CSI money was given by the state to rectify chronic absenteeism and high suspension rates. (approximately \$175,000.00 per year for four years)2018-2022.
  - This money supported our Student Support Team, Music, Art, foreign language, Zen Den/Sensory Room, and some professional development.
  - American Rescue Plan and ESSER funds were given to support increasing technological access, confront learning loss and support the social/emotional well-being of students during Covid.
  - Increased staff was needed to address COVID protocols for return to in person learning.
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## Staffing Levels- Historical Enrollment = 100 UPDATE

<b>Fiscal Year</b>	<b>Total FTEs</b>	<b>Certificated</b>	<b>Classified</b>
<b>Possible 2022-2023</b>	<b>20.46</b>	<b>7.50</b>	<b>12.96</b>
<b>2021-2022 (10.44 FTE one time funds)</b>	<b>36.14</b>	<b>13.25</b>	<b>22.89</b>
<b>2020-2021</b>	<b>24.6</b>	<b>8.5</b>	<b>16.1</b>
<b>2019-2020</b>	<b>23.2</b>	<b>9.5</b>	<b>13.7</b>
<b>2018-2019</b>	<b>21.3</b>	<b>8.6</b>	<b>12.7</b>
<b>2017-2018</b>	<b>18.8</b>	<b>9.0</b>	<b>9.8</b>

Keep in mind FTE's are much more expensive than 5 years ago: COLA, Retirement, Salary, benefits

# Discussion of Direction for Reductions

1. Reviewing the staffing slide, please work with a partner and write down any questions you may have and write them on the post-its provided. 3 minutes
2. We are working on figuring out what staffing is the core. What do you feel the structure should be at the very basic level for:
  - Teaching staff
  - Office staff
  - Maintenance/custodial staff
  - Classroom support
  - Student emotional support and training
  - Required enrichment professionals: music, art, PE
  - Aides on top of required 1:1 aides

Please discuss with a partner your assigned bullet and be prepared to share out.





# Moving forward: Fiscal Recovery Timeline

January 27, 2022

Present the **fiscal recovery plan and adjust** current budgeted expenditures & revenues to maintain ongoing budget stability based on Board input

February 3, 2022

**Finalize** fiscal recovery plan to maintain fiscal solvency

February 10, 2022

Board **Action** on identified budget **REDUCTIONS** to maintain ongoing budget stability



Thank You