



# LCPS FIRST INTERIM SUMMARY

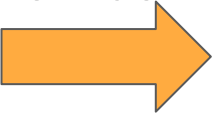
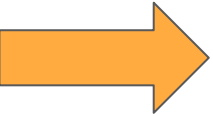
Finance Committee - 11/16/23

Board of Directors - 12/6/23



# 2023-24 Timeline Overview

Month to Month - where we are headed!

	First Semester
<b>October</b>	<b>Board Meeting:</b> <ul style="list-style-type: none"> <li>• Dashboard Update</li> <li>• Finalized our Audit submissions on 9/27</li> <li>• Capital Expenses from Bond</li> </ul> <b>Finance Committee:</b> <ul style="list-style-type: none"> <li>• Director final interviews</li> </ul>
<b>November</b> 	<b>Finance Committee -</b> <ul style="list-style-type: none"> <li>• Budget Revision and 1st Interim preparation</li> <li>• Audit Committee (target date)</li> <li>• Preliminary teacher and staff compensation review for FY 24-25 SY</li> </ul>
<b>December</b> 	<b>Board Meeting:</b> <ul style="list-style-type: none"> <li>• Dashboard Update</li> <li>• Bond Report</li> <li>• Audit approval</li> <li>• First Interim Approval</li> <li>• Preview teacher and staff compensation review for FY 24-25 for Board Feedback</li> </ul>

	Second Semester
<b>January</b>	<b>Finance Committee -</b> <ul style="list-style-type: none"> <li>• Preliminary teacher and staff compensation review for FY 24-25 SY Continued</li> <li>• Budget Revision and 1st Interim preparation</li> <li>• Preliminary FY 24-25 Budget</li> </ul>
<b>February</b>	<b>Board Meeting:</b> <ul style="list-style-type: none"> <li>• Dashboard Update</li> <li>• Approve teacher and staff compensation for FY 24-25 Budget</li> <li>• Enrollment Lottery Update</li> <li>• Preliminary FY 24-25 Budget for Board Feedback, including Special Education</li> </ul>
<b>March</b>	<b>Board Meeting:</b> <ul style="list-style-type: none"> <li>• Dashboard Update</li> <li>• Second Interim Approval</li> </ul> <b>Finance Committee:</b> <ul style="list-style-type: none"> <li>• FY 24-25 Budget Continued</li> </ul>
<b>April / June</b>	<b>Board Meeting:</b> <b>Finance Committee:</b> <ul style="list-style-type: none"> <li>• Finalize FY 24-25 Budget and LCAPs</li> </ul>



# Q1 Summary


## Revenues and Expenses

<b>Lighthouse Community Public Schools (LCPS)</b>				
<b>Budget vs. Actual</b>				
<b>Jul 2023 to Sep 2023</b>				
	<b>Budget</b>	<b>Actual</b>	<b>Balance</b>	<b>% of Budget</b>
<b>Revenue</b>				
8010 - Principal Apportionment	\$21,716,737	\$5,429,184	\$16,287,553	25.00%
8100 - Federal Revenue	\$2,638,598	\$709,649	\$1,928,949	26.89%
8300 - Other State Revenues	\$9,067,095	\$2,266,774	\$6,800,321	25.00%
8600 - Other Local Revenue	\$942,283	\$353,190	\$589,093	37.48%
8800 - Donations/Fundraising	\$2,723,663	\$622,725	\$2,100,938	22.86%
<b>Total - Revenue</b>	<b>\$37,088,377</b>	<b>\$9,381,523</b>	<b>\$27,706,854</b>	<b>25.30%</b>
<b>Expense</b>				
1000 - Certificated Salaries	\$16,956,609	\$3,663,714	\$13,292,895	21.61%
2000 - Classified Salaries	\$3,018,110	\$612,219	\$2,405,891	20.28%
3000 - Employee Benefits	\$4,282,699	\$946,224	\$3,336,476	22.09%
4000 - Books & Supplies	\$3,067,633	\$595,660	\$2,471,973	19.42%
5000 - Services & Other Operating Expenses	\$8,487,397	\$2,221,050	\$6,266,347	26.17%
6000 - Capital Outlay	\$760,000	\$171,954	\$588,046	22.63%
<b>Total - Expense</b>	<b>\$36,572,447</b>	<b>\$8,210,820</b>	<b>\$28,361,628</b>	<b>22.45%</b>
<b>Net Income</b>	<b>\$515,929</b>	<b>\$1,170,703</b>		



# Q1 Summary

## Revenues and Expenses

Revenue	Expenses
<p>There are four minor changes in our revenue:</p> <ul style="list-style-type: none"><li>● <b>LCFF:</b> We are right at our budgeted ADA. While enrollment is down (35 students) our attendance is up 2%. We are looking to add students at the semester.</li><li>● <b>ASSETs:</b> Lighthouse HS - after school grant at up to \$250K</li><li>● <b>BiPartisan School Safety Grant</b> - we are awaiting the final GAN letter to determine the amount for this year and the following two years.</li><li>● <b>Last Year of ESSER</b> - We will be winding down all ESSER spending by the end of the school year.</li></ul> 	<p>There are three main changes as we evaluate our expenses this fiscal year:</p> <ul style="list-style-type: none"><li>● <b>Personnel vs. Substitute Costs:</b> In Q1, we spent ~200K on substitute costs with a “savings” of 180K in unfilled rolls. We have taken a week to week; month to month analysis of substitute costs, as there are a few reasons for our needed coverage:<ul style="list-style-type: none"><li>○ COVID Absences</li><li>○ Vacancies - both Teaching and Special Education Aides</li><li>○ Regular staff absences</li><li>○ Short term / Long term Leaves of Absences</li></ul></li><li>● <b>Moving “pre-pay” purchases</b> for the following school year i to next year's budget. This largely hits operational, tech, and curriculum spending in the spring as they gear up for the upcoming school year,</li><li>● <b>Other unexpected expenses:</b> Contracted security and Legal</li></ul>

# Revenue Assumptions for 2023-24

## To have a strong fiscal close to the end of the FY:

- **LCFF:** Increase our revenue from budgeted ADA. This requires us holding our 92% attendance rate or higher for the end of the year, as well as adding students at the semester - 15 to 25.
- **Restricted Funding:** We are on pace to spend down all restricted funding budgeted for this FY, including ESSER which ends this summer.
- **New Grants:** Once we get our GAN letter from our BiPartisan Safety Grant (approx 500 to 700K), we may be able to offset a few key items:
  - Use a % of these funds to cover some of the safety needs at our campuses in lieu of bond funds (PA system, Cameras, etc.)
  - Use these funds to cover unbudgeted contracted campus safety costs (approx \$4K per week).

### Notes:

- 1) New grants are not included in the MYP



# Revenue Assumptions for MYP

## Key Revenue Assumptions for our Multi Year Projections

- **LCFF:**
  - Currently, we are projecting next school year at 1640 students and 92% attendance. (with hopes for an MR for LH K-8 enrollment increase for TK and SPED)
  - We anticipate a 3 to 3.5% COLA increase.
- **Restricted Funding:** We are evaluating our “spending plan” of the Learning Recovery Grant and a few others time bound funding related to post-pandemic investments
- **New Grants** (Awarded and Awaiting)
  - CCAP Grant: \$200K awarded, but will move to the next school year.
  - Will hear back from: ASSETs/ASSES/CCLC (after school), Strong Workforce, and a few others.
- **Increase individual donor/foundation revenue** from \$500K to 700k

### Notes:

- 1) New Grants are not included in the MYP





# Expenses Assumptions for 2023-24

## To have a strong fiscal close to the end of the FY:

- **1000, 2000, and 3000:** We are on pace to be within our budget for all certificated and classified employees, as well as for benefits costs.
- **4000 and 5000:** Here, we expect to be under budget, as historically, spring spending at the end of the year was largely for school readiness for the next. One shift in our accounting we want to make is to book revenue/expenses for purchases for the following SY
  - Note: this will have implications / shifts to our 2nd interim and end of year close that may be slightly different from adopted budget.
  - Next level streamlining of Tech, Operational, SPED Contracting, and Curriculum management.
- **Unbudgeted Expenses:** Continue to monitor substitute, legal, safety, facilities costs (example: city taxes were unbudgeted for Lodestar's 15 parcels).

Notes:

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# Expenses Assumptions for MYP

## Key Expenses Assumptions for Multi Year Projections

- **1000, 2000, and 3000:** With the expected increase in LCFF at 3 to 3.5%, we are:
  - Centering our Teacher compensation
  - Not adding any “headcount” to our budgeted 250 FTEs, as well as model for 240 to 245 FTEs due to compensation management
  - Modeling a range of total compensation increases from 3 to 4%
  - Modeling a range of benefits increases from 1.5 to 2% due to rising healthcare costs.
- **4000 and 5000:** Here, we do not expect any major changes (except in special education related contracting - example: increased counseling support), other than accounting for spring “pre-pay” of operational, tech, and curriculum that will be booked for the subsequent school year.

### Notes:

- Please refer to this deck for [Teacher Compensation preliminary plan](#)





	FY24 Adopted Budget	FY24 1st Interim Bud (Oct 23)	FY25 Forecast	FY26 Forecast
8010 - Principal Apportionment	21,716,737	21,792,153	23,901,703	25,075,174
8100 - Federal Revenue	2,638,598	2,838,598	2,481,610	2,464,020
8300 - Other State Revenues	9,067,095	8,913,095	7,619,744	5,546,093
8600 - Other Local Revenue	942,283	847,483	998,183	998,183
8800 - Donations/Fundraising	2,723,663	2,723,663	2,723,663	2,723,663
	-	-	-	-
<b>Total Revenue</b>	\$ 37,088,377	\$ 37,114,992	\$ 37,724,904	\$ 36,807,134
1000 - Certificated Salaries	16,956,609	16,786,609	17,577,156	18,092,563
2000 - Classified Salaries	3,018,110	3,018,110	3,096,220	1,389,107
3000 - Employee Benefits	4,282,699	4,252,699	4,736,181	4,635,822
4000 - Books & Supplies	3,067,633	3,117,633	3,131,556	3,225,502
5000 - Services & Other Operating Expenses	8,487,397	8,687,397	8,148,838	8,439,267
6000 - Capital Outlay	760,000	775,000	782,800	806,284
	-	-	-	-
<b>Total Expense</b>	\$ 36,572,447	\$ 36,637,447	\$ 37,472,752	\$ 36,588,546
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>515,929</b>	<b>477,545</b>	<b>252,152</b>	<b>218,588</b>

## Notes:

- FY 25 Budgeted at 1640 students / 92% attendance; FY26 at 1679 / 92%. (LH K8 MR assumption)
- Decline in State Revenue in FY 26 is conservatively low; we anticipate additional revenue from grants but will have spent down our COVID related block grants.. Decline in Classified Salaries (2000) is due to the number of employees connected to those state grants (ASSETs and ASESs)



# Teacher Compensation

## Preliminary Modeling to be shared at 12/6 Board Meeting:

LCPS Board approved teacher salary scale in February of 2023 exceeded the old Notes:

OUSD collective bargaining scale; **+\$8956** on average (largly due to the shortened scale for experienced teachers); for our "sweetspot" as most of our teachers are in years 3 to 10, it was **+\$5923**

Due to the OUSD strike and new collective bargaining in May of 2023, OUSD's BA+45 scale is higher than LCPS Board Approved scale. Currently, our teachers are on average **-\$2751** below; and for "sweetspot" of teachers with 3 to 10 we are at **-\$3800**

**Making Targeted Investments:** We are looking at a combination of next steps early in this work:

- We will be bringing a discussion around a material revision to add TK (40 students + ~20 to 30 students to the LH K8 charter)
- We are evaluating a yearly stipend for credentialed teachers (vs. teachers working toward their credential.
- We are evaluating the use of our after school program related grants for additional teacher stipends.

## Notes:

- Please refer to this deck for [Teacher Compensation preliminary plan](#)

