

2019-20 Adopted Budget

June 19, 2019



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Assumptions for the 2019-20 Budget Development

During the months of May and June each year, the District finalizes its budget for the coming year. In order to project the budget, a series of assumptions about the conditions of the District must be determined. These assumptions are then inserted into state and District formulas in order to determine the final budget for the next year.

The accuracy of the District's budget projection for the next year is only as good as the assumptions that are used in developing the budget. If the assumptions are wrong, so too will be the budget. As a consequence, the assumptions—at least the primary ones—have to be carefully considered in evaluating the accuracy of next year's income and expense. Often, the assumptions for budget development are revised several times during a fiscal year.

Since it is impossible to accurately predict all of the assumptions that are needed in budget development, Oxnard School District updates its budget—and the assumptions—three times after the original budget is adopted. The assumptions are updated with a revision that occurs within 45 days after the adoption of the State Budget and with two interim reports that are delivered to the Board of Trustees in January and March of each fiscal year.

Financial Assumptions for 2019-20 Budget Development

	% Change	Total
Funded ADA percentage change over prior year	-2.384%	15,657.76
Projected COLA applied to LCFF funding	3.260%	
Unduplicated Pupil Percentage change over prior year	-1.399%	84.600%
Total Projected LCFF funding		\$170,226,857
LCFF funding change over prior year	0.138%	\$235,356
District's estimated Unrestricted Beginning Balance		\$15,507,327
Staffing reductions from prior year, in FTE and dollars reduced	88.1	(\$6,651,834)
Certificated and Classified increases due to step and column movement	1.500%	\$1,304,937
STRS percentage change over prior year	0.420%	\$213,911
PERS percentage change over prior year	2.671%	\$90,535

The District's budget projection is only as good as the assumptions that are used in developing the District's revenues and expenses

2019-20 Budget Development

- **DECLINING ENROLLMENT**
 - Continued declining enrollment in 2018-19 greater than previously anticipated
 - Corresponding decline in Unduplicated Pupil Percentage further impacts funding
 - Adjustments made to enrollment projections
- **DEFICIT SPENDING**
 - Need to alleviate deficit spending
 - Need for significant budget cuts identified at 2018-19 1st Interim reporting period
- **BUDGET ADVISORY COMMITTEE**
 - Advisory body, convened in December 2018
 - Comprised of stakeholder representatives: Board of Trustees, PTA, Community-at-Large, Principals, OEA, OSSA, CSEA, Classified Management
 - Co-Chaired by Assistant Superintendents of Business, Educational Services, and Human Resources
 - Developed and prioritized list of suggested budget reductions
- **FINAL BUDGET REDUCTION RECOMMENDATIONS TO BOARD**
 - Staffing reductions of \$6.6 million
 - Major programmatic reductions of \$2.5 million
 - Further reductions to Books & Supplies and Services & Operations of \$1.6 million
 - Total identified reductions of \$10.7 million

2019-20 Budget Assumptions – REVENUE

- LCFF REVENUE

- State Cost of Living Adjustment (COLA) of 3.26%
- Declining Enrollment and Unduplicated Pupil Percentage equates to Declining Funded ADA and Declining Supplemental & Concentration Grant funding
- *Total LCFF Revenue **Increase** nets to **\$235,356***

- FEDERAL REVENUE

- Projected decrease in Title program funding, corresponding to declining enrollment
- Carryover funds not budgeted; funds will be added once the 2018-19 books are closed
- *Total Federal Revenue **Decrease** nets to **<\$3.4 million>***

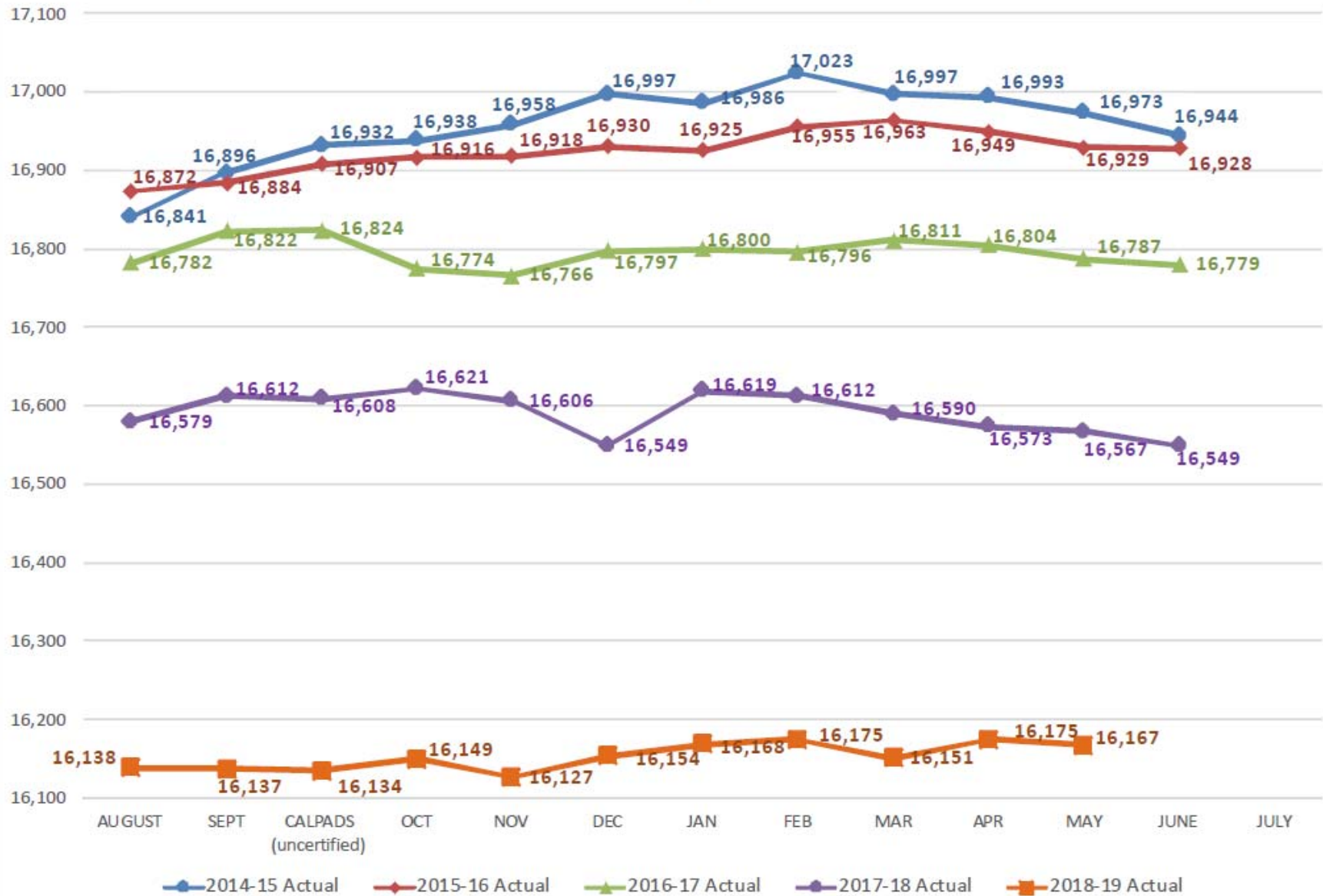
- OTHER STATE REVENUE

- One-time discretionary funding eliminated (\$2.9 million)
- First 5/NFL funding eliminated (\$1.4 million)
- Prop 39 Clean Energy funding/projects complete in 2018-19
- Carryover of Low Performing Student Block Grant not budgeted; funds will be added once the 2018-19 books are closed
- *Total Other State Revenue **Decrease** nets to **<\$6.4 million>***

2019-20 Budget Assumptions – EXPENDITURES

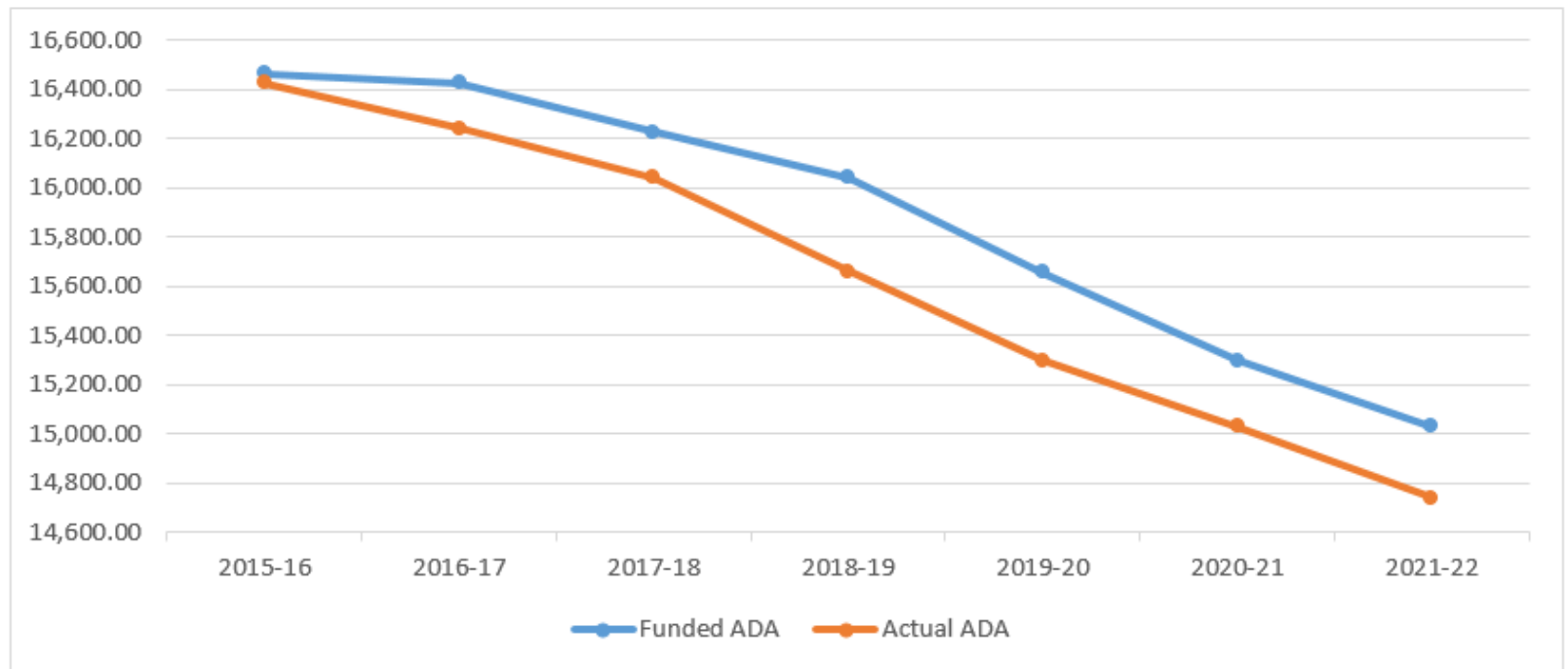
- **CERTIFICATED AND CLASSIFIED SALARIES**
 - Reduction in force of 88.1 FTE for budget savings of \$6.6 million
 - Increases due to step and column movement of \$1.3 million
 - Increases due to increased STRS & PERS rates of \$300,000
- **REDUCTIONS IDENTIFIED IN BUDGET PROCESS (Aligned to LCAP)**
 - Convert 1:1 iPads to classroom sets of 10 in grades TK-1 for savings of \$1 million
 - Reduce Summer School from 4 weeks to 2 weeks for savings of \$250,000
 - Decrease Contribution to Deferred Maintenance by \$500,000
 - Reduce PBIS Program by 50%
 - Reduce School Site Allocations by 14%
- **OTHER EXPENDITURE ITEMS**
 - Additional reductions to Books & Supplies/Services & Operations of \$1.6 million
 - Contribution to Routine Restricted Maintenance at 3% of total expenditures
 - Contribution to Special Education remains consistent
- **FUND BALANCE SET-ASIDES**
 - Set-aside for Core Subject Instructional Materials of \$1.5 million
 - Set-aside for Bus Replacement of \$150,000
 - Set-aside for 16-17 one-time funds dedicated construction of \$1.4 million
 - Set-aside for potential salary increase of \$2.1 million

Oxnard School District Enrollment History 2014-15 through 2018-19 Actuals



LCFF Actual vs. Funded ADA

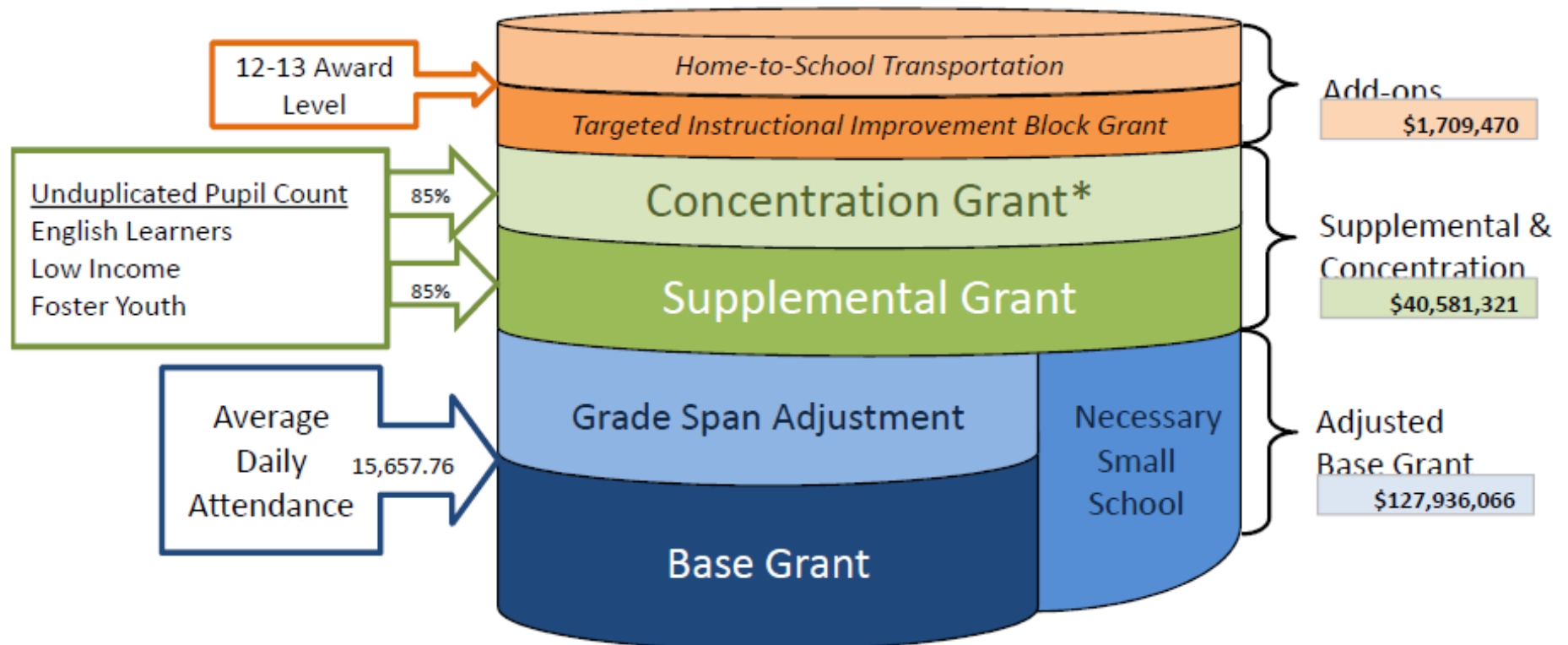
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Actual ADA	16,425.59	16,240.93	16,042.50	15,660.78	15,299.82	15,028.70	14,737.81
Funded ADA	16,464.91	16,426.91	16,226.82	16,040.08	15,657.76	15,299.82	15,028.70
Net Percent Change	0.24%	1.13%	1.14%	2.36%	2.29%	1.77%	1.94%



Components of LCFF Target Entitlement

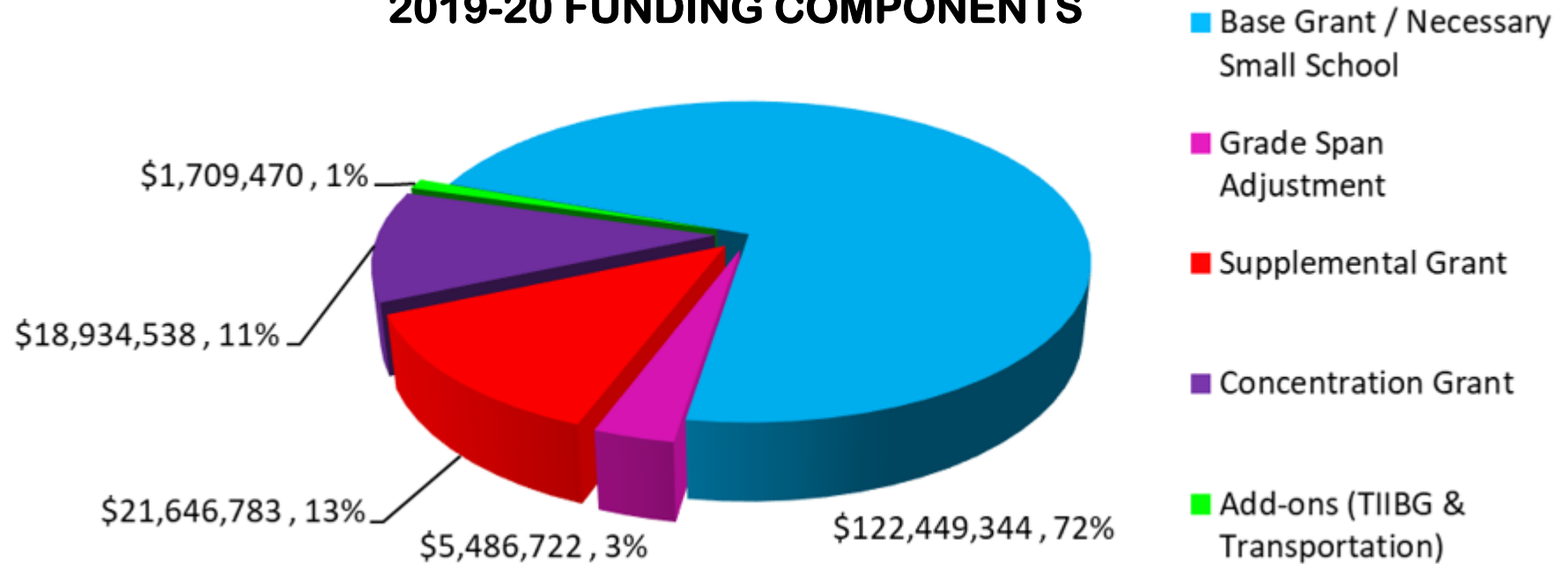
	2019-20	
Base Grant / Necessary Small School	\$ 122,449,344	15,657.76 ADA
Grade Span Adjustment	\$ 5,486,722	
Supplemental Grant	\$ 21,646,783	85%
Concentration Grant	\$ 18,934,538	85%
Add-ons (TIIBG & Transportation)	\$ 1,709,470	
Total	\$ 170,226,857	

TOTAL TARGET LCFF: \$170,226,857



*Unduplicated Pupil Percentage must be above 55%

2019-20 FUNDING COMPONENTS



2019-20 LCAP BUDGET CHANGES

(Since June 5, 2019 Study Session)

- Goal 1, Action 47 – Reduce to one (1) existing PAR teacher, funded by Supplemental & Concentration Grants, for a budget reduction of \$116,390
- Goal 2, Action 9 – Reduce the contribution to Deferred Maintenance, funded by Supplemental & Concentration Grants, for a budget reduction of \$500,000

2019/20 Multi-Year Projections Snapshot

	2018-19 Estimated Actuals	2019/20 Proposed Budget	2020/21 Projections	2021/22 Projections
Revenues	\$205,723,423	\$195,082,887	\$194,975,266	\$197,002,914
Expenditures	\$213,833,388	\$195,929,087	\$198,207,285	\$197,690,612
Excess (Deficiency) of Revenue over Expenditures	(\$8,109,965)	(\$846,200)	(\$3,232,019)	(\$687,698)
Transfers from Other Funds	\$0	\$0	\$0	\$0
Transfers to Other Funds	\$2,995,344	\$1,830,606	\$1,750,000	\$1,750,000
Net Increase (Decrease) in Fund Balance	(\$11,105,309)	(\$2,676,806)	(\$4,982,019)	(\$2,437,698)
Beginning Fund Balance	\$28,434,828	\$17,329,519	\$14,652,713	\$9,670,694
<u>Components of Ending Fund Balance</u>				
Total Ending Fund Balance	\$17,329,519	\$14,652,713	\$9,670,694	\$7,232,996
3% Reserve for Economic Uncertainty	\$6,504,862	\$5,932,856	\$5,998,719	\$5,983,218
Non-Spendable (Stores)	\$120,000	\$120,000	\$120,000	\$120,000
Legally Restricted	\$1,822,192	\$1,822,192	\$0	\$0
Other Assignments	\$5,158,235	\$5,340,800	\$500,000	\$500,000
Undesignated/Unappropriated Fund Balance	\$3,724,230	\$1,436,865	\$3,051,975	\$629,777

Multi-Year Projection

General Fund (Unrestricted & Restricted)		2018-19 (estimated actuals)	2019-20 (budget)	2020-21 (projected)	2021-22 (projected)
REVENUES:					
1	Total LCFF Funding	\$170,075,684	\$170,226,857	\$169,878,926	\$171,672,807
2	Federal Revenues	\$12,155,794	\$8,659,991	\$8,659,991	\$8,659,991
3	Other State Revenues	\$14,434,329	\$8,010,317	\$8,250,627	\$8,484,394
4	Other Local Revenues	\$9,057,616	\$8,185,722	\$8,185,722	\$8,185,722
5 a	Transfers In	\$0	\$0	\$0	\$0
5 c	Contributions/Encroachments	\$33,595,144**	\$30,514,744**	\$28,820,207**	\$29,954,638**
TOTAL REVENUES		\$205,723,423	\$195,082,887	\$194,975,266	\$197,002,914
EXPENDITURES					
1 a	Base Certificated Salaries	\$86,163,581	\$82,412,861	\$83,649,054	\$85,962,152
b	Step & Column (1.5%)	\$0	\$1,236,193	\$1,248,753	\$1,289,432
c	Cost-of-Living Adjustment	\$0	\$0	\$0	\$0
d	Other Adjustments	\$0	\$0	\$1,064,345	\$0
Total Certificated Salaries		\$86,163,581	\$83,649,054	\$85,962,152	\$87,251,584
2 a	Base Classified Salaries	\$29,694,334	\$28,874,783	\$29,307,904	\$30,117,475
b	Step (1.5%)	\$0	\$433,121	\$436,671	\$451,762
c	Cost-of-Living Adjustment	\$0	\$0	\$0	\$0
d	Other Adjustments	\$0	\$0	\$372,900	\$0
Total Classified Salaries		\$29,694,334	\$29,307,904	\$30,117,475	\$30,569,237
3	Employee Benefits	\$44,909,240	\$40,135,169	\$44,026,154	\$44,594,930
4	Books & Supplies	\$16,948,535	\$13,900,863	\$12,738,659	\$11,719,566
5	Services & Other Operating Exp.	\$30,534,197	\$24,697,971	\$22,722,133	\$20,904,363
6	Capital Outlay	\$1,110,783	\$1,667,843	\$60,000	\$60,000
7	Other Outgo (excl. trxf of indirect costs)	\$5,154,631	\$3,091,734	\$3,091,734	\$3,091,734
8	Other Outgo - Trxf of Indirect Costs	(\$681,913)	(\$521,451)	(\$511,022)	(\$500,802)
9	Other Financing Uses	\$0	\$0	\$0	\$0
a	Transfers Out	\$2,995,344	\$1,830,606	\$1,750,000	\$1,750,000
b	Other Uses	\$0	\$0	\$0	\$0
10	Other Adjustments (explain)	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES		\$216,828,732	\$197,759,693	\$199,957,285	\$199,440,612
INCREASE/(DECREASE) IN FUND BALANCE		(\$11,105,309)	(\$2,676,806)	(\$4,982,019)	(\$2,437,698)
FUND BALANCE					
1	Net Beginning Fund Balance	\$28,434,828	\$17,329,519	\$14,652,713	\$9,670,694
3 a	Non-Spendable Balance	\$120,000	\$120,000	\$120,000	\$120,000
b	Restricted Balance	\$1,822,192	\$1,822,192	(\$0)	\$0
c	Committed	\$0	\$0	\$0	\$0
d	Assigned Balance	\$5,158,235	\$5,340,800	\$500,000	\$500,000
e	Reserved for Economic Uncertainties	\$6,504,862	\$5,932,856	\$5,998,719	\$5,983,218
UNASSIGNED ENDING BALANCE		\$3,724,230	\$1,436,865	\$3,051,975	\$629,777
TOTAL ENDING FUND BALANCE		\$17,329,519	\$14,652,713	\$9,670,694	\$7,232,996
Unassigned Ending Balance % of Total Expenditures		1.72%	0.73%	1.53%	0.32%

Assumptions

- Set-aside for salary increase, plus step and column increases in all units
- 8% reduction in 2020-21 and 2021-22, in Books & Supplies, and Services & Operating Expenses
- Other assumptions per SSC Dartboard 2019-20 Governor's May Revision

**Contribution from Unrestricted to Restricted nets to zero

QUESTIONS?

