

# **2019-20 FIRST INTERIM REPORT December 18, 2019 Board Meeting**

Presented by:

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Assistant Superintendent, Business & Fiscal Services

and

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# SIGNIFICANT CHANGES SINCE ADOPTED BUDGET

AB 48, if approved by the voters on the March 2020 ballot, would provide facilities funding  
Preschool through Grade 12:

- \$5.2 billion for modernization
- \$2.8 billion for new construction
- \$500 million for career technical education
- \$500 million for charter schools

Higher Education:

- \$2 billion for University of California
- \$2 billion for California State University
- \$2 billion for California Community Colleges

# ITEMS OF KEY INTEREST FOR BUDGET PREPARATION

- Reserves – the need for reserves in excess of the minimum reserve for economic uncertainty remains vital to District fiscal health and is recommended to be at 17%. Districts should consider the external factors in determining the reserve level appropriate:
  - State and Federal economic forecasts, and their volatility
  - Ending balance impact due to declining enrollment
  - Cash flow requirements
  - Protection against unanticipated/unbudgeted expenditures
  - Impact of bargaining unit proposals

# ITEMS OF KEY INTEREST FOR BUDGET PREPARATION

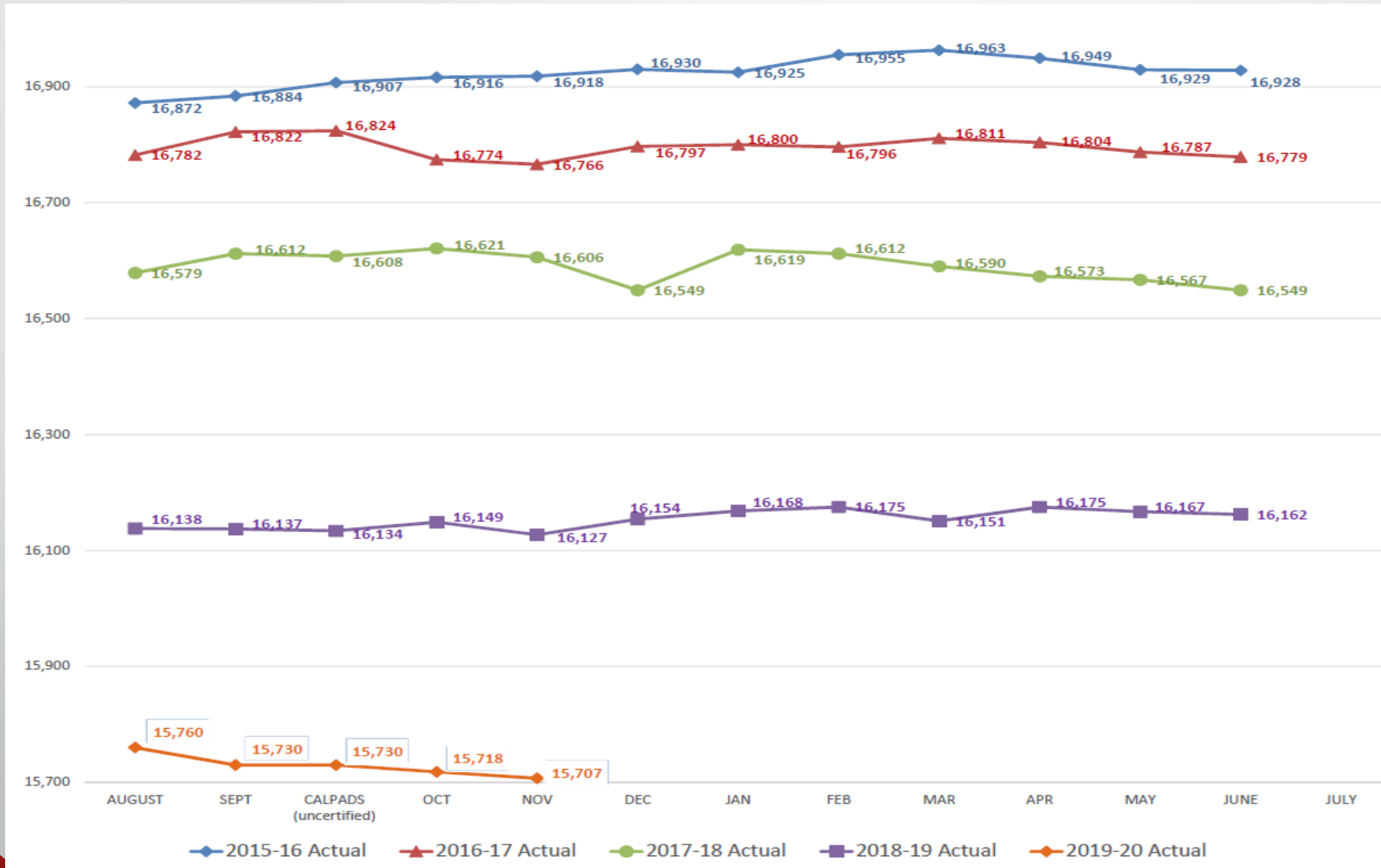
- Negotiations
  - Although higher COLA's have been generated in recent years, the need for fiscal prudence to maintain reserves and refrain from deficit spending remains
  - COLA is projected currently at 3% for 2020/21, however there are rumors of COLA dropping to below 2%
  - Districts only have COLA to plan on, no additional funding mechanisms
  - Class size ratios must be maintained
  - Supplemental & Concentration funds must support the populations generating the funds

# ITEMS OF KEY INTEREST FOR BUDGET PREPARATION

- Pension Contribution Rates
  - 2019-20 state budget included some pension relief; however, employer rates continue to increase
  - CalSTRS contribution rates are 17.1% in 2019/20 and 18.4% in 2020/21
  - CalPERS contribution rates are 19.721% in 2019/20 and proposed to be 22.8% in 2020/21
- Special Ed
  - The enacted state budget includes the statutory COLA for 2019/20 applied to Special Ed funding
  - State budget includes ongoing funding to support low-funded SELPA's
  - One-time funding to provide Special-Ed early intervention preschool grants

# OXNARD SCHOOL DISTRICT ENROLLMENT HISTORY

## 2015-16 THROUGH 2019-20 ACTUALS



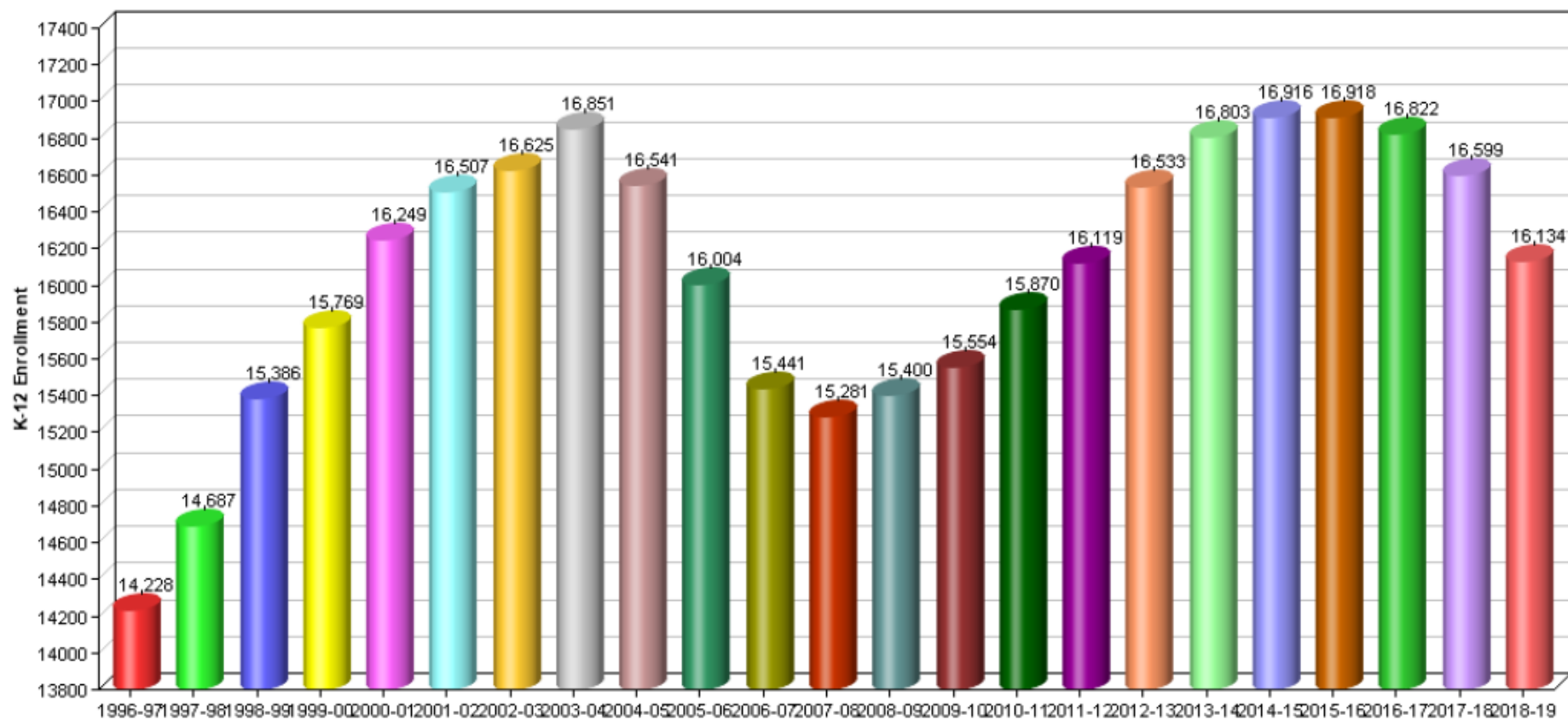


## K-12 Public School Enrollment

5672538-Oxnard

Select Report Time Series - Public School Enrollment

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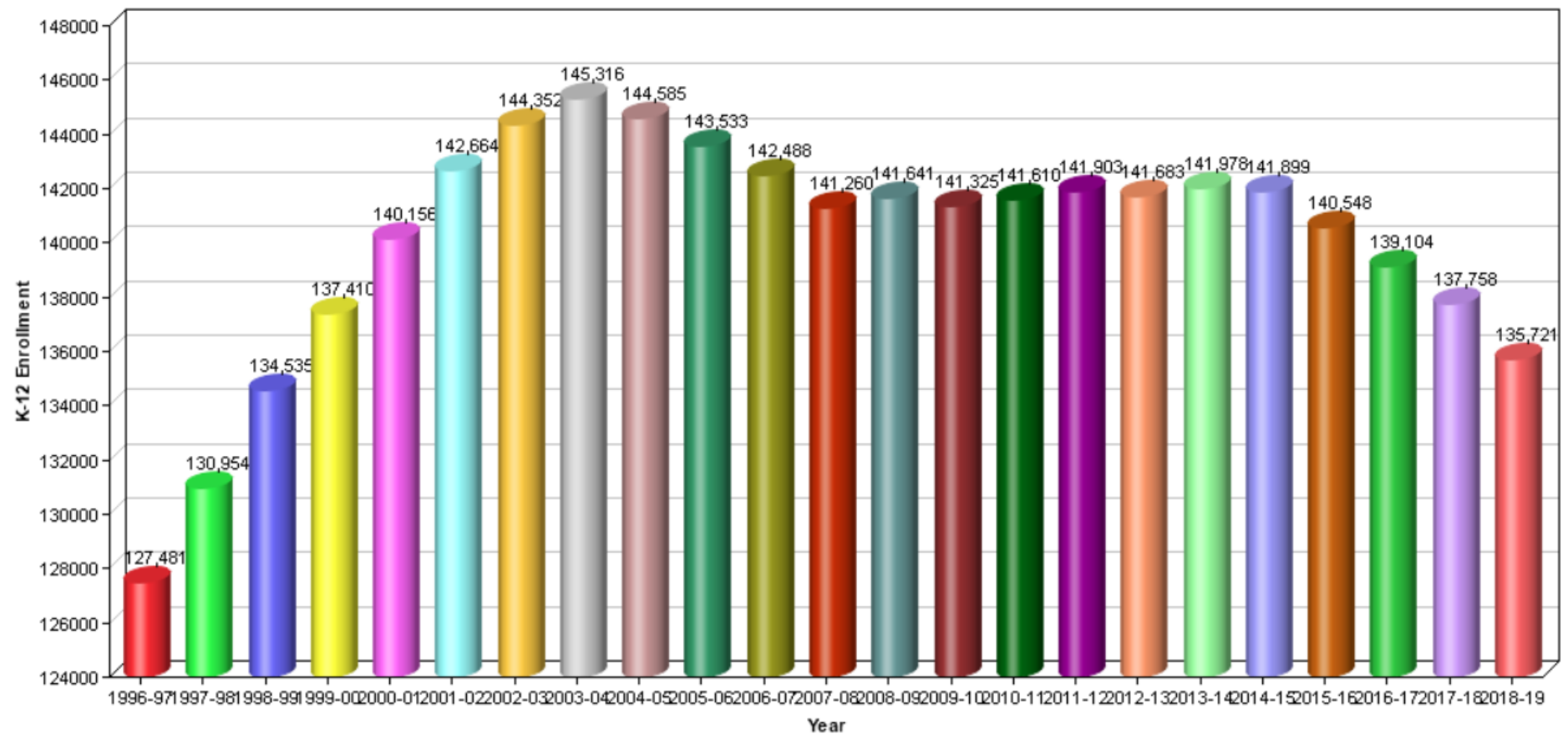


## K-12 Public School Enrollment

### VENTURA County

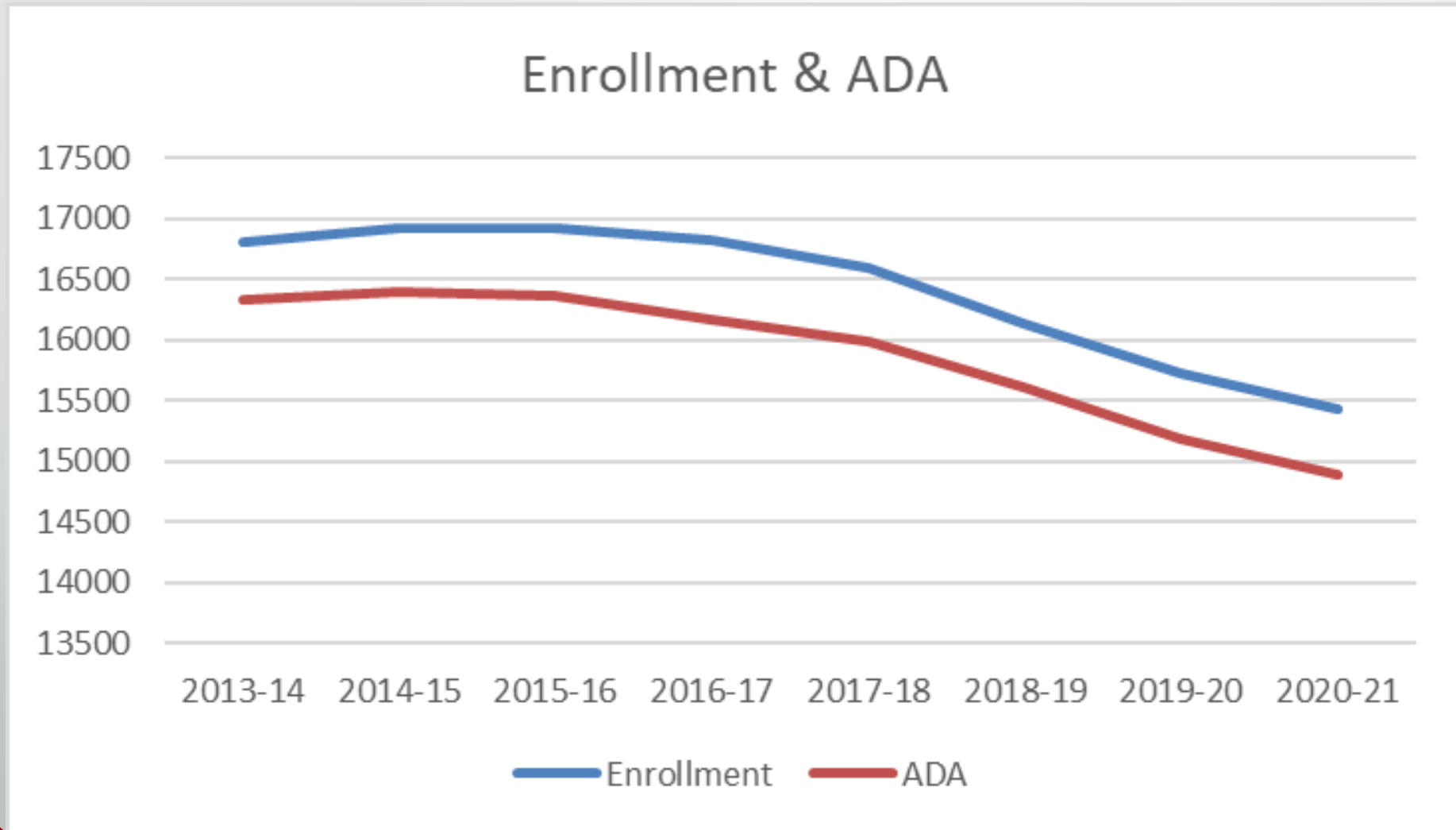
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**DISTRICT ATTENDANCE RATES ARE STEADY AT 96.3% – 96.7%**

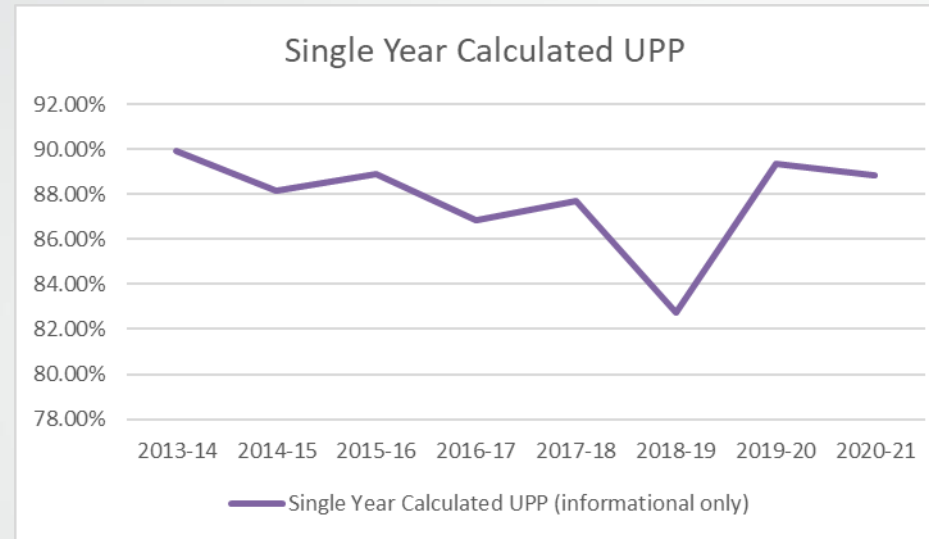


## PLANNING FACTORS FOR 2019-20 AND MULTI-YEAR PROJECTIONS

The key planning factors for OSD's Budget for 2019-20 1<sup>st</sup> Interim and MYP are listed below and are based on the latest information available.

Planning Factor	2019-20	2020-21	2021-22
Estimated Funded ADA (Average Daily Attendance)	15,661.81	15,234.01	14,946.85
Funded UPP (Unduplicated Pupil Percentage)	86.58%	86.92%	89.00%
Step & Column	1.50%	1.50%	1.50%
Statutory COLA	3.26%	3.00%	2.80%
STRS Employer Statutory Rates	17.10%	18.40%	18.10%
PERS Employer Projected Rates	19.72%	22.80%	24.90%
Lottery - Unrestricted per ADA	\$153	\$153	\$153
Lottery - Prop 20 per ADA	\$54	\$54	\$54
Mandated Block Grant per ADA	\$32.18	\$33.15	\$34.08
CPI	3.33%	3.14%	3.02%
Routine Restricted Maintenance Account	3% of total GF expenditures	3% of total GF expenditures	3% of total GF expenditures
Health Benefits - Hard Cap with no anticipated changes			

## HOW THE UNDUPLICATED PUPIL PERCENTAGE AFFECTS FUNDING



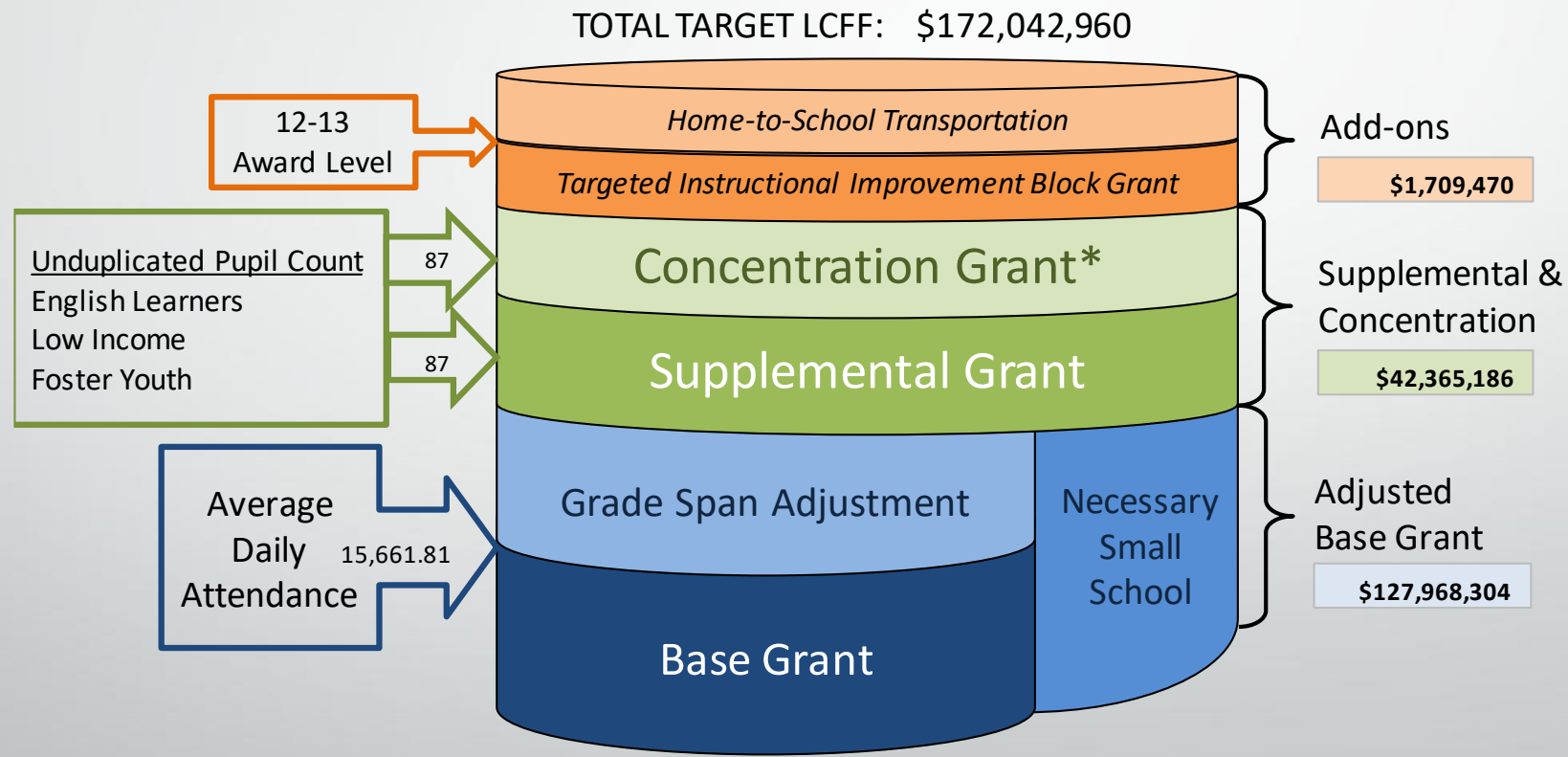
### UNDUPLICATED PUPIL PERCENTAGE

	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
District Enrollment	16,803	16,916	16,915	16,821	16,599	16,133	15,730	15,434	15,102	14,740
COE Enrollment	69	66	71	72	65	60	60	60	60	60
Total Enrollment	16,872	16,982	16,986	16,893	16,664	16,193	15,790	15,494	15,162	14,800
District Unduplicated Pupil Count	15,125	14,924	15,047	14,629	14,569	13,371	14,081	13,736	13,440	13,118
COE Unduplicated Pupil Count	50	46	51	44	46	27	27	27	27	27
Total Unduplicated Pupil Count	15,175	14,970	15,098	14,673	14,615	13,398	14,108	13,763	13,467	13,145
	1-yr percentage	2-yr percentage	3-yr percentage	3-yr rolling percentage	3-yr rolling percentage	3-yr rolling percentage	3-yr rolling percentage	3-yr rolling percentage	3-yr rolling percentage	3-yr rolling percentage
Single Year Unduplicated Pupil Percentage	89.94%	88.15%	88.88%	86.86%	87.70%	82.74%	89.35%	88.83%	88.82%	88.82%
Unduplicated Pupil Percentage (%)	89.94%	89.04%	88.99%	87.97%	87.82%	85.80%	86.58%	86.92%	89.00%	88.82%

## Components of LCFF Target Entitlement

	2019-20	
Base Grant / Necessary Small School	\$ 122,481,566	15,661.81 ADA
Grade Span Adjustment	\$ 5,486,738	
Supplemental Grant	\$ 22,158,991	87%
Concentration Grant	\$ 20,206,195	87%
Add-ons (TIIBG & Transportation)	\$ 1,709,470	
<b>Total</b>	<b>\$ 172,042,960</b>	

Change the fiscal year here to update all of the charts and graphics on this page that only display a single fiscal



\*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

## Multi-Year Projections

	2019-20	2020-21	2021-22
	Proposed Budget	Projections	Projections
Revenues	\$203,727,593	\$201,306,268	\$205,487,423
Expenditures	\$212,797,201	\$205,299,279	\$202,793,847
<b>Excess (Deficiency) of Revenue over Expenditures</b>	<b>(\$9,069,608)</b>	<b>(\$3,993,011)</b>	\$2,693,577
Transfers from Other Funds	0	0	0
Transfers to Other Funds	\$330,606	\$200,000	\$200,000
<b>Net Increase (Decrease) in Fund Balance</b>	<b>(\$9,400,214)</b>	<b>(\$4,193,011)</b>	\$2,493,577
Beginning Fund Balance	\$20,322,944	\$10,922,730	\$6,729,719
Components of Ending Fund Balance			
Total Ending Fund Balance	\$10,922,730	\$6,729,719	\$9,223,296
3% Reserve for Economic Uncertainty	\$6,393,834	\$6,164,978	\$6,089,815
Non-Spendable (Stores & Revolving Cash)	\$120,000	\$120,000	\$120,000
Legally Restricted	\$2,689,671	\$0	\$0
Other Assignments	\$150,000	\$150,000	\$150,000
<b>Undesignated/Unappropriated Fund Balance</b>	<b>\$1,569,225</b>	<b>\$294,741</b>	<b>\$2,863,480</b>

# GENERAL FUND MULTI-YEAR PROJECTIONS (DETAIL)

General Fund (Unrestricted & Restricted)		2019-20 (1st Interim)	2020-21 (projected)	2021-22 (projected)
REVENUES:				
1	Total LCFF Funding	\$171,042,960	\$171,584,861	\$174,933,817
2	Federal Revenues	\$12,471,714	\$12,845,865	\$13,205,550
3	Other State Revenues	\$11,386,751	\$8,196,589	\$8,426,093
4	Other Local Revenues	\$8,826,168	\$8,678,953	\$8,921,964
5 a	Transfers In	\$0	\$0	\$0
5 c	Contributions/Encroachments	\$34,440,149**	\$30,370,005**	\$31,303,410**
TOTAL REVENUES		\$203,727,593	\$201,306,268	\$205,487,423
EXPENDITURES				
1 a	Base Certificated Salaries	\$86,830,032	\$86,089,474	\$86,763,684
b	Step & Column (1.5%)	\$0	\$1,291,342	\$1,301,455
Total Certificated Salaries		\$86,830,032	\$87,380,816	\$88,065,139
2 a	Base Classified Salaries	\$30,047,892	\$29,747,892	\$30,044,111
b	Step (1.5%)	\$0	\$446,218	\$450,662
Total Classified Salaries		\$30,047,892	\$30,194,110	\$30,494,772
3	Employee Benefits	\$46,679,947	\$48,572,680	\$48,982,930
4	Books & Supplies	\$16,938,534	\$13,889,598	\$12,500,638
5	Services & Other Operating Exp.	\$28,064,382	\$23,012,793	\$20,711,514
6	Capital Outlay	\$1,670,217	\$145,000	\$145,000
7	Other Outgo (excl. trxf of indirect costs)	\$3,101,934	\$2,543,586	\$2,289,227
8	Other Outgo - Trxf of Indirect Costs	(\$535,737)	(\$439,304)	(\$395,374)
9	Other Financing Uses	\$0	\$0	\$0
a	Transfers Out	\$330,606	\$200,000	\$200,000
b	Other Uses	\$0	\$0	\$0
TOTAL EXPENDITURES		\$213,127,807	\$205,499,279	\$202,993,847
INCREASE/(DECREASE) IN FUND BALANCE		(\$9,400,214)	(\$4,193,011)	\$2,493,577
FUND BALANCE				
1	Net Beginning Fund Balance	\$20,322,944	\$10,922,730	\$6,729,719
3 a	Non-Spendable Balance	\$120,000	\$120,000	\$120,000
b	Restricted Balance	\$2,689,671	(\$0)	\$0
c	Committed	\$0	\$0	\$0
d	Assigned Balance	\$150,000	\$150,000	\$150,000
e	Reserved for Economic Uncertainties 3%	\$6,393,834	\$6,164,978	\$6,089,815
UNASSIGNED ENDING BALANCE		\$1,569,225	\$294,741	\$2,863,480
TOTAL ENDING FUND BALANCE		\$10,922,730	\$6,729,719	\$9,223,296
Unassigned Ending Balance % of Total Expenditures		0.74%	0.14%	1.41%
**Contribution from Unrestricted to Restricted nets to zero				

## 2019-20 GENERAL FUND COMPARISON EXPLANATION OF CHANGES FROM ADOPTED BUDGET

Object	Original Budget	1st Interim	Difference	Explanation
<b>Revenue:</b>				
8010-8099	\$ 170,226,857	\$ 171,042,960	\$ 816,103	Increase due to increased Unduplicated Pupil Percentage
8100-8299	\$ 8,659,991	\$ 12,471,714	\$ 3,811,723	Recognize prior year carryover of Federal revenue, and increased Title funding.
8300-8599	\$ 8,010,317	\$ 11,386,751	\$ 3,376,434	Received \$2.5 million Special Education Early Intervention PreK Grant; Increase in ASES funding; Recognize LPSBG one-time funding.
8600-8799	\$ 8,185,722	\$ 8,826,168	\$ 640,446	Received \$400,000 Workers Comp rebate from VCSSFA; Increases in Local revenues such as VC Innovates, safety credit funds, and higher interest rates.
<b>Expenditures:</b>				
1000-1999	\$ 83,649,054	\$ 86,830,032	\$ 3,180,978	Addition of 25 new certificated positions (23 Special Education); Reflects cost of 2018-19 salary increase, not included in Adopted Budget.
2000-2999	\$ 29,307,904	\$ 30,047,892	\$ 739,988	Addition of 3 new Classified positions; Includes vacation payoffs; Reflects cost of 2018-19 salary increase, not included in Adopted Budget
3000-3999	\$ 40,135,169	\$ 46,679,947	\$ 6,544,778	Adjustment for new positions and salary increases. Adopted Budget did not fully reflect all the positions that include District-paid H&W benefits (accounts for \$4m). Budget corrections for extra help hours now include related fringe benefits.
4000-4999	\$ 13,900,863	\$ 16,938,534	\$ 3,037,671	Increase of budgeted expenditures that correlate to increased Federal revenue.
5000-5999	\$ 24,697,971	\$ 28,064,382	\$ 3,366,411	Increase in attorney fees related to Special Education class action settlement; Increase of budgeted expenditures that correlates to increased Federal revenue.
6000-6999	\$ 1,667,843	\$ 1,670,217	\$ 2,374	Vehicle replacement for District Warehouse.
7100-7499	\$ 3,091,734	\$ 3,101,934	\$ 10,200	Increase in cost of VCOE tuition.
7300-7399	\$ (521,451)	\$ (535,737)	\$ 14,286	Increase in Indirect Costs due to increase in budgeted expenditures.
7600-7629	\$ 1,830,606	\$ 330,606	\$ (1,500,000)	Contribution to Deferred Maintenance moved to revenue account line (\$1m). Decrease in contribution to Child Nutrition Fund (\$500,000).
8980-8999	\$ (30,514,744)	\$ (34,440,149)	\$ 3,925,405	Increase in contribution to Special Education.

# NEXT STEPS

January 2020	Governor's Preliminary 2020-21 Budget Released
January - February 2020	Work will happen on enrollment and staffing projections for 2020-21
January – June 2020	Work on the 2020-21 LCAP and Budget happens
March 2020	2 <sup>nd</sup> Interim Report for 2019-20 presented to the Board for approval
June 2020	LCAP and Budget for 2020-21 presented to the Board for review and approval



# QUESTIONS?

