

2019-20 2nd Interim Report

April 1, 2020

Presented by:

Janet Penanhoat, Assistant Superintendent,
Business & Fiscal Services

and

Mary Crandall Plasencia, Director of Finance

2019-20 2ND INTERIM REPORT

The 2019-20 2nd Interim Report is presented for the Board's consideration of the filing of a Positive Certification with the Ventura County Office of Education, which will only be possible if the Board approves an action/reduction plan to align expenditures with revenues for future years.

CERTIFICATION OF FINANCIAL CONDITION

There are four times in the year that the Board of Trustees will be presented with a full budget/financial activity review for approval/certification:

- 1) **Budget Adoption (by July 1st):** Must hold a public hearing on the budget to be adopted. This must follow the adoption of the LCAP (Local Control Accountability Plan) and must be aligned with the LCAP.
- 2) **1st Interim (by December 15th):** The board must certify the report with a Positive, Qualified or Negative Certification (defined below).
- 3) **2nd Interim (by March 15th):** The board must certify the report with a Positive, Qualified or Negative Certification (defined below).
- 4) **Unaudited Actuals (by September 15th):** Approve the actual financial activity for the school year that ended June 30th, pending audit review.

CERTIFICATION OF FINANCIAL CONDITION (cont.)

- **POSITIVE CERTIFICATION** - The Board certifies that, based upon current projections, the district will meet its financial obligations for the current fiscal year and subsequent two fiscal years. In meeting this designation, the Multi-Year Projections report must show a positive Unrestricted ending fund balance for all three years no less than the state minimum required level.
- **QUALIFIED CERTIFICATION** - The Board certifies that, based upon current projections, the district may not meet its financial obligations for the current fiscal year or two subsequent fiscal year. In meeting this designation, the Multi-Year Projections report will show an Unrestricted ending fund balance less than the state minimum required level.
- **NEGATIVE CERTIFICATION** - The Board certifies that, based on current projections, the district will be unable to meet its financial obligations for the remainder of the current fiscal year or for the subsequent fiscal year.

WHAT IS A MULTI-YEAR PROJECTION?

- A Multi-Year Projection (MYP) is only a projection, not a forecast, based on solid assumptions.
- School Services of California outlines many of the assumptions used in the MYP.
- The MYP reports current year budget and projects two years out.
- The MYP is part of the financial packet presented to the board during Budget Adoption, 1st Interim, and 2nd Interim. After the Board meeting, the MYP and the financial report are submitted to the County Office of Education for review.
- Certification of the district's financial condition is based on the MYP and the cash flow report. The Board is responsible for this certification.
- The MYP is broken out into three parts: Unrestricted, Restricted and Combined.
- The Unrestricted side of the report determines the district's financial condition and certification.
- The MYP is used as a tool for planning budget cuts and is used by the County Office of Education to determine if the district can afford its financial obligations, including negotiated Tentative Agreements with the bargaining units.

BUDGET FACTORS/ASSUMPTIONS - SSC

SSC School District and Charter School Financial Projection Dartboard 2020-21 Governor's Proposed State Budget

This version of School Services of California Inc.'s (SSC) Financial Projection Dartboard is based on the 2020-21 Governor's State Budget proposal. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF GRADESPAN FACTORS

Entitlement Factors Per ADA*	K-3	4-6	7-8	9-12
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
COLA at 2.29%	\$176	\$179	\$184	\$214
2020-21 Base Grants	\$7,878	\$7,997	\$8,234	\$9,543
Grade Span Adjustment Factors	10.4%	—	—	2.6%
Grade Span Adjustment Amounts	\$819	—	—	\$248
2020-21 Adjusted Base Grants	\$8,697	\$7,997	\$8,234	\$9,791
Supplemental Grants (% Adj. Base)	20%			
Concentration Grants (% Adj. Base)	50%			
Concentration Grant Threshold	55%			

*Average daily attendance (ADA)

PLANNING FACTORS

Factors		2019-20	2020-21	2021-22	2022-23	2023-24
Statutory COLA ¹		3.26%	2.29%	2.71%	2.82%	2.60%
California CPI		3.09%	2.99%	2.89%	2.69%	2.73%
California Lottery	Unrestricted per ADA	\$153	\$153	\$153	\$153	\$153
	Restricted per ADA	\$54	\$54	\$54	\$54	\$54
Mandate Block Grant (District)	Grades K-8 per ADA	\$32.18	\$32.92	\$33.81	\$34.76	\$35.74
	Grades 9-12 per ADA	\$61.94	\$63.36	\$65.08	\$66.92	\$68.81
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$16.86	\$17.25	\$17.72	\$18.22	\$18.73
	Grades 9-12 per ADA	\$46.87	\$47.94	\$49.24	\$50.63	\$52.06
One-Time Discretionary Funds per ADA		—	—	—	—	—
Interest Rate for Ten-Year Treasuries		2.07%	2.25%	2.51%	2.50%	2.60%
CalSTRS Employer Rate ²		17.10%	18.40%	18.10%	18.10%	18.10%
CalPERS Employer Rate ³		19.721%	22.80%	24.90%	25.90%	26.60%

STATE MINIMUM RESERVE REQUIREMENTS

Reserve Requirement	District ADA Range
The greater of 5% or \$69,000	0 to 300
The greater of 4% or \$69,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

¹Applies to LCFF, Special Education, Child Nutrition, Preschool, Foster Youth, American Indian Education Centers/American Indian Early Childhood Education and Mandate Block Grant.

²California State Teachers' Retirement System (CalSTRS) rates in 2019-20 and 2020-21 are final. Rates in the following years are subject to change based on determination by the CalSTRS Board.

³California Public Employees' Retirement System (CalPERS) rate in 2019-20 is final. Rates in the following years are subject to change based on determination by the CalPERS Board.

BUDGET FACTORS/ASSUMPTIONS - OSD

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/Estimated COLA	3.26%	2.29%	2.71%
STRS Employer Statutory Rates	17.10%	18.40%	18.10%
PERS Employer Projected Rates	19.721%	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	\$32.92	\$33.81
CPI	3.09%	2.99%	2.89%
Routine Restricted Maintenance Account	3% of total GF expenditures	3% of total GF expenditures	3% of total GF expenditures
Health Benefits	Hard Cap negotiated with each Bargaining Unit		
Reductions in Classroom Teachers due to declining enrollment (number of FTE each year)		32	16
Additional Reductions required to maintain Positive Certification		\$11,289,719	\$1,000,000

ENROLLMENT

Moderate District-wide Projection by Grade Level

Oxnard School District



Projections (Oxnrd20Mod) (2020)

Grade	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029
TK	299	267	294	250	254	253	254	259	260	261	259	258	256	255
K	1707	1692	1513	1518	1541	1539	1543	1570	1581	1584	1575	1566	1557	1549
1	1803	1699	1681	1526	1524	1546	1545	1567	1587	1590	1581	1572	1564	1555
2	1798	1797	1661	1657	1514	1508	1533	1549	1576	1588	1579	1570	1562	1553
3	1802	1761	1768	1644	1639	1497	1494	1534	1557	1576	1576	1567	1559	1550
4	1830	1782	1716	1755	1632	1628	1487	1501	1543	1559	1567	1567	1559	1550
5	1906	1798	1756	1696	1738	1616	1613	1489	1505	1542	1548	1556	1557	1548
6	1817	1867	1736	1703	1654	1695	1576	1618	1485	1485	1502	1509	1516	1517
7	1731	1779	1836	1711	1682	1627	1677	1588	1638	1490	1472	1488	1494	1502
8	1665	1708	1746	1804	1689	1655	1611	1681	1599	1638	1478	1461	1477	1483
Subtotals:	16358	16150	15707	15264	14867	14564	14333	14356	14331	14313	14137	14114	14101	14062
Pct Chg:	0%	-1.3%	-2.7%	-2.8%	-2.6%	-2%	-1.6%	0.2%	-0.2%	-0.1%	-1.2%	-0.2%	-0.1%	-0.3%
SDC:	447	450	448	476	465	455	446	447	446	447	442	443	442	442
Totals:	16805	16600	16155	15740	15332	15019	14779	14803	14777	14760	14579	14557	14543	14504
Capacity:	20334	20334	20334	20334	20334	20334	20334	20334	20334	20334	20334	20334	20334	20334
Open Seats:	3529	3734	4179	4594	5002	5315	5555	5531	5557	5574	5755	5777	5791	5830

* Does not include Special Education Student Population

ENROLLMENT

Declining Enrollment

Declining Enrollment

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Impact of ADA Decline

Income Loss	Proportional Layoff
<ul style="list-style-type: none">114 ADA decline at \$10,000 each—yields marginal revenue loss	<ul style="list-style-type: none">120 students requires 5 teachers at 24:1Five teachers times cost per novice teacher yields savings of: \$350,000 (\$70,000 per teacher, including benefits, x 5 teachers)Miscellaneous savings (\$400/ADA) <u>\$48,000</u>
Lost Revenue: \$1,140,000	Total proportional savings: \$398,000

Proportional layoff leaves a \$742,000 deficit

In this example, 11 more teachers would need to be laid off to cover the decline

STAFFING

Class Size

Recognizing that district enrollment is projected to fall below 16,000 in future years, in 2020-21 FY Class Size for TK -3rd will follow the State Grade Span Adjustment of 24:1

RESERVES

- Per CDE: “Available reserves are the Unrestricted amounts in the Reserve for Economic Uncertainties and the Unassigned/Unappropriated accounts in the General Fund and the Special Reserve Fund for Other Than Capital Outlay Projects...”
- Oxnard School District Minimum requirement is 3% (this is governed by the State and by the size of the District)
- Adequate reserves are one of the most significant methods school districts use to maintain fiscal health and help mitigate changes in school funding.

RESERVES (cont.)

Local Agency Reserves

- A larger reserve is recommended because of:

- ▣ State economic crisis
- ▣ Declining enrollment
- ▣ Deficit spending

- Remember, the state-required minimum reserve is just that – a minimum

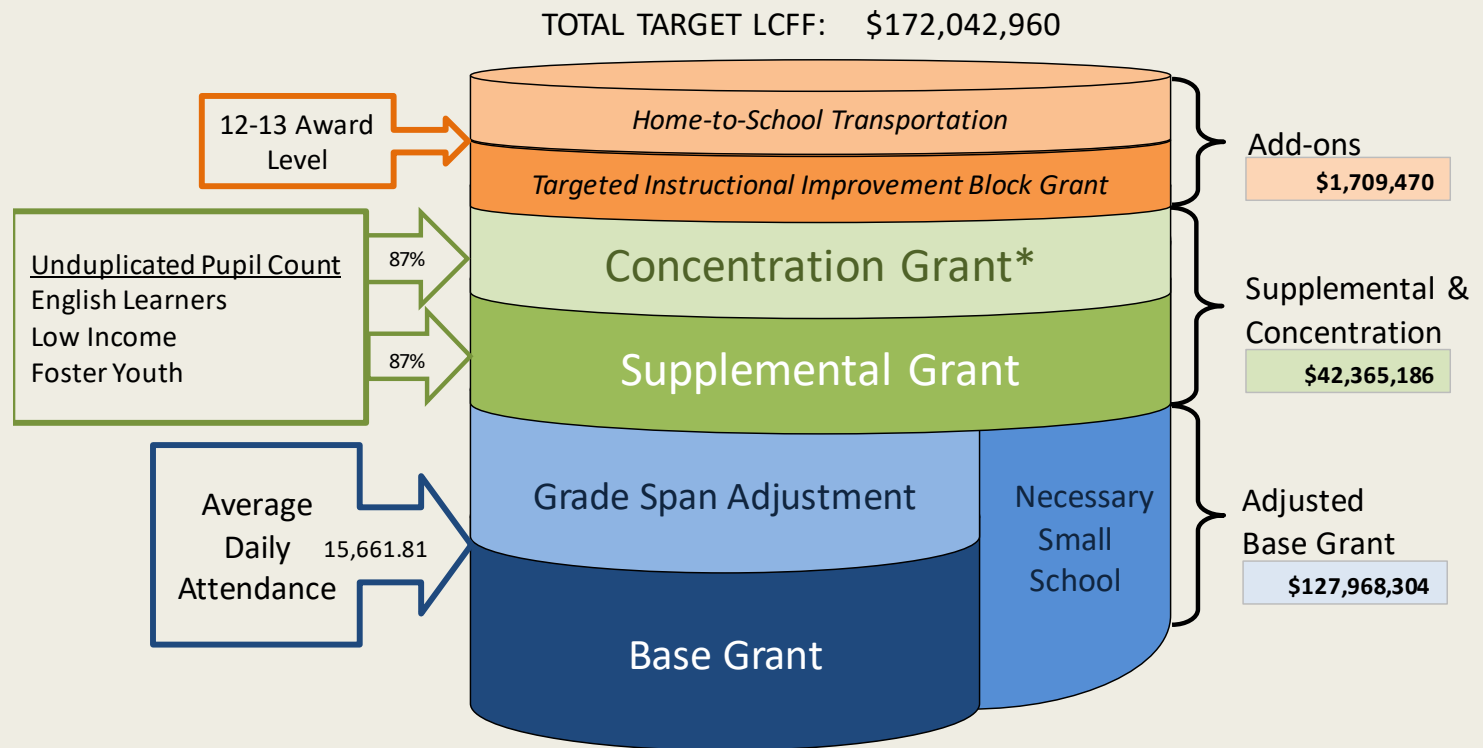
- ▣ All local agencies in California need more

LOCAL CONTROL FUNDING FORMULA (LCFF)

2019-20 Funding

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	
Total	\$ 172,042,960	



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

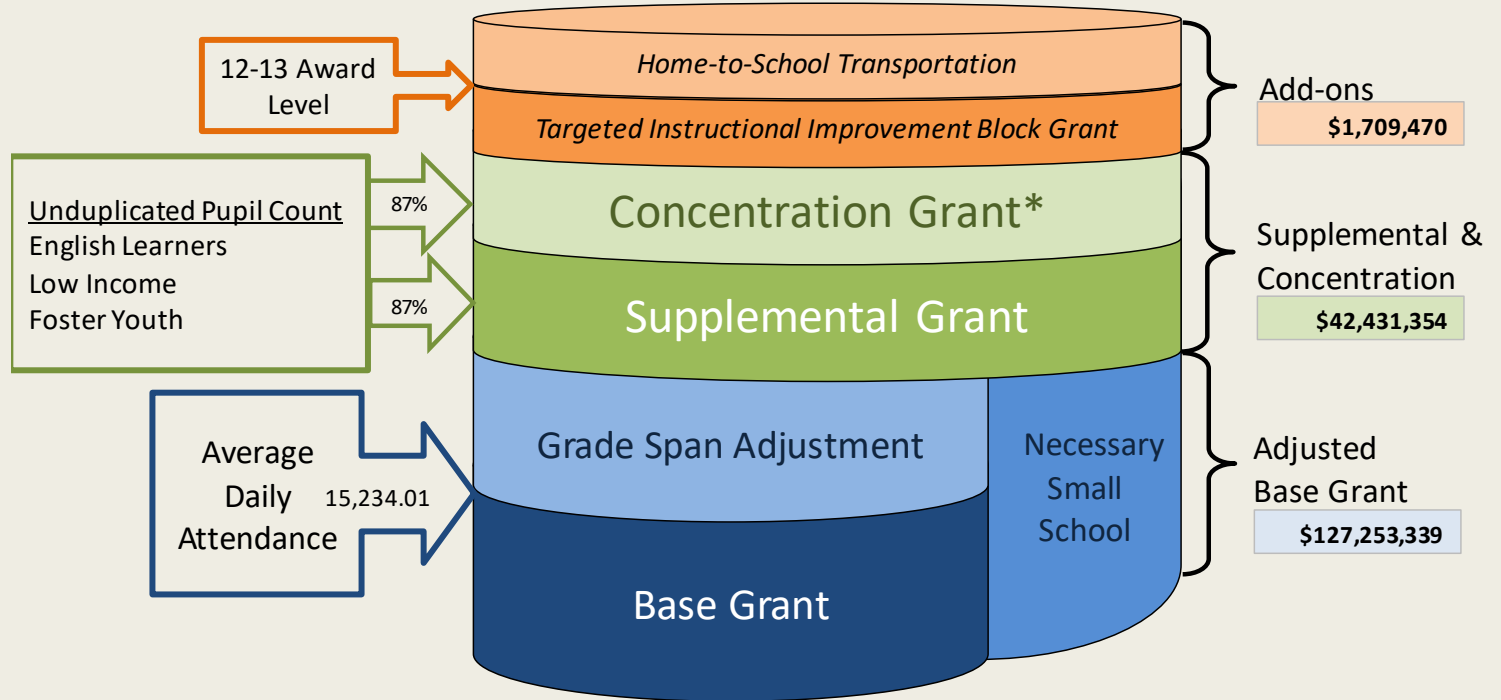
LOCAL CONTROL FUNDING FORMULA (LCFF)

2020-21 Funding

Components of LCFF Target Entitlement

	2020-21	
Base Grant / Necessary Small School	\$ 121,883,017	15,234.01 ADA
Grade Span Adjustment	\$ 5,370,322	
Supplemental Grant	\$ 22,121,721	87%
Concentration Grant	\$ 20,309,633	87%
Add-ons (TIIBG & Transportation)	\$ 1,709,470	
Total	\$ 171,394,163	

TOTAL TARGET LCFF: \$171,394,163



*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding 14

MULTI-YEAR PROJECTIONS

Multi-Year Projections			
	2019-20	2020-21	2021-22
	2nd Interim Budget	Projections	Projections
Revenues	\$202,821,986	\$198,869,013	\$201,872,455
Expenditures	\$212,155,123	\$201,364,623	\$201,097,595
Excess (Deficiency) of Revenue over Expenditures	(\$9,333,137)	(\$2,495,610)	\$774,860
Transfers from Other Funds	0	0	0
Transfers to Other Funds	\$325,960	\$200,000	\$200,000
Net Increase (Decrease) in Fund Balance	(\$9,659,097)	(\$2,695,610)	\$574,860
Beginning Fund Balance	\$20,322,944	\$10,663,847	\$7,968,237
Components of Ending Fund Balance			
Total Ending Fund Balance	\$10,663,847	\$7,968,237	\$8,543,097
3% Reserve for Economic Uncertainty	\$6,374,432	\$6,046,939	\$6,038,928
Non-Spendable (Stores & Revolving Ca	\$120,000	\$120,000	\$120,000
Legally Restricted	\$2,977,687	\$0	\$0
Other Assignments	\$150,000	\$150,000	\$150,000
Undesignated/Unappropriated Fund Balance	\$1,041,728	\$1,651,299	\$2,234,170

MULTI-YEAR PROJECTIONS (cont.)

General Fund (Unrestricted & Restricted)		2019-20 (2nd Interim)	2020-21 (projected)	2021-22 (projected)
REVENUES:				
1	Total LCFF Funding	\$170,690,238	\$170,394,163	\$173,569,605
2	Federal Revenues	\$11,871,224	\$12,043,224	\$11,871,224
3	Other State Revenues	\$11,386,751	\$7,957,853	\$7,957,853
4	Other Local Revenues	\$8,873,773	\$8,473,773	\$8,473,773
5 a	Transfers In	\$0	\$0	\$0
5 c	Contributions/Encroachments	\$37,059,411 **	\$36,471,029 **	\$40,069,605 **
TOTAL REVENUES		\$202,821,986	\$198,869,013	\$201,872,455
EXPENDITURES				
1 a	Base Certificated Salaries	\$86,940,696	\$86,940,696	\$85,808,806
b	Step & Column (1.5%)	\$0	\$1,268,110	\$1,269,132
c	Cost-of-Living Adjustment	\$0	\$0	\$0
d	Other Adjustments (Staffing Reductions)	\$0	(\$2,400,000)	(\$1,200,000)
Total Certificated Salaries		\$86,940,696	\$85,808,806	\$85,877,939
2 a	Base Classified Salaries	\$29,879,576	\$29,879,576	\$30,176,299
b	Step (1.5%)	\$0	\$445,955	\$452,644
c	Cost-of-Living Adjustment	\$0	\$0	\$0
d	Other Adjustments (Staffing Reductions)	\$0	(\$149,232)	\$0
Total Classified Salaries		\$29,879,576	\$30,176,299	\$30,628,944
3	Employee Benefits	\$46,473,249	\$47,912,882	\$48,169,078
4	Books & Supplies	\$15,512,625	\$15,512,625	\$15,512,625
5	Services & Other Operating Exp.	\$30,468,425	\$30,468,425	\$30,468,425
6	Capital Outlay	\$310,248	\$205,000	\$160,000
7	Other Outgo (excl. trxf of indirect costs)	\$3,101,934	\$3,101,934	\$3,101,934
8	Other Outgo - Trxf of Indirect Costs	(\$531,630)	(\$531,630)	(\$531,630)
9	Other Financing Uses	\$0	\$0	\$0
a	Transfers Out	\$325,960	\$200,000	\$200,000
b	Other Uses	\$0	\$0	\$0
10	Other Adjustments (Budget Reductions)	\$0	(\$11,289,719)	(\$12,289,719)
TOTAL EXPENDITURES		\$212,481,083	\$201,564,623	\$201,297,595
INCREASE/(DECREASE) IN FUND BALANCE		(\$9,659,097)	(\$2,695,610)	\$574,860
FUND BALANCE				
1	Net Beginning Fund Balance	\$20,322,944	\$10,663,847	\$7,968,237
3 a	Non-Spendable Balance	\$120,000	\$120,000	\$120,000
b	Restricted Balance	\$2,977,687	(\$0)	(\$0)
c	Committed	\$0	\$0	\$0
d	Assigned Balance	\$150,000	\$150,000	\$150,000
e	Reserved for Economic Uncertainties 3%	\$6,374,432	\$6,046,939	\$6,038,928
UNASSIGNED ENDING BALANCE		\$1,041,728	\$1,651,299	\$2,234,170
TOTAL ENDING FUND BALANCE		\$10,663,847	\$7,968,237	\$8,543,097
Unassigned Ending Balance % of Total Expenditures		0.49%	0.82%	1.11%
**Contribution from Unrestricted to Restricted nets to zero				

CASH FLOW

2019-20 Estimated Cash Flow Report as of February 29, 2020 - 2nd Interim Budget

	Actual July	Actual August	Actual Sept	Actual October	Actual November	Actual December	Actual January	Actual February	Estimated March	Estimated April	Estimated May	Estimated June	Total	2nd Interim Budget
Beg Cash Balance	\$28,770,187	\$28,443,269	\$16,468,246	\$19,688,165	\$9,185,189	\$10,181,915	\$28,976,661	\$27,396,316	\$23,439,060	\$26,259,275	\$30,130,697	\$23,681,930		
Revenue:														
State Apportionment*	\$ 6,187,014	\$ 6,187,014	\$ 11,136,627	\$ 11,136,627	\$ 11,136,627	\$ 11,136,627	\$ 11,136,627	\$ 10,824,887	\$ 10,824,887	\$ 10,824,887	\$ 10,824,887	\$ 11,815,431	\$ 123,172,142	\$ 122,819,420
EPA	\$ -	\$ -	\$ 6,397,962	\$ -	\$ -	\$ 6,397,961	\$ -	\$ -	\$ 6,070,250	\$ -	\$ -	\$ 5,414,826	\$ 24,280,999	\$ 24,280,999
Property Tax	\$ 302,874	\$ 8,242	\$ -	\$ 116,120	\$ 787,944	\$ 14,953,075	\$ 408,475	\$ 357,587	\$ 131,452	\$ 8,287,771	\$ 330,057	\$ (1,091,778)	\$ 24,589,819	\$ 24,589,819
Apportionment Transfers	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,000,000)	\$ (1,000,000)
Federal	\$ 217,977	\$ 4,025	\$ 200,764	\$ 987,428	\$ 24,631	\$ 28,459	\$ 1,425,274	\$ -	\$ 836,651	\$ 663,387	\$ 715,541	\$ 6,767,090	\$ 11,871,224	\$ 11,871,224
Other State	\$ 25,155	\$ 594,804	\$ 1,275,441	\$ (653,957)	\$ 2,734,883	\$ 2,372,732	\$ (261,431)	\$ 45,878	\$ 2,416,931	\$ 551,209	\$ 528,054	\$ 1,192,661	\$ 10,822,159	\$ 10,822,159
Local	\$ 1,241,749	\$ 368,181	\$ 701,539	\$ 1,054,796	\$ 691,026	\$ 856,917	\$ 747,844	\$ 815,168	\$ 810,077	\$ 933,295	\$ 894,577	\$ (230,279)	\$ 8,873,746	\$ 8,873,773
Interfund Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Revenue	\$ 7,974,770	\$ 7,162,065	\$ 19,712,333	\$ 11,641,012	\$ 15,375,110	\$ 35,745,771	\$ 13,454,788	\$ 12,043,520	\$ 21,090,248	\$ 21,260,550	\$ 13,293,116	\$ 23,515,229	\$ 202,257,367	\$ 202,257,394
Expenditures:														
Certificated Salaries	\$ 180,038	\$ 8,718,334	\$ 6,967,104	\$ 7,802,174	\$ 7,936,615	\$ 7,791,402	\$ 7,783,799	\$ 7,898,740	\$ 7,936,610	\$ 7,966,491	\$ 7,936,610	\$ 8,022,779	\$ 86,940,696	\$ 86,940,696
Classified Salaries	\$ 1,155,084	\$ 2,582,039	\$ 2,628,767	\$ 2,548,416	\$ 2,574,157	\$ 2,521,964	\$ 2,531,833	\$ 2,539,337	\$ 2,666,301	\$ 2,631,186	\$ 2,522,604	\$ 2,977,888	\$ 29,879,576	\$ 29,879,576
Benefits	\$ 623,300	\$ 5,012,503	\$ 3,886,399	\$ 3,286,435	\$ 4,101,069	\$ 4,073,234	\$ 4,076,443	\$ 4,083,296	\$ 4,196,541	\$ 4,235,883	\$ 4,763,237	\$ 4,134,909	\$ 46,473,249	\$ 46,473,249
Books & Supplies	\$ 111,036	\$ 2,168,906	\$ 300,153	\$ 590,047	\$ 292,847	\$ 457,785	\$ 298,135	\$ 252,595	\$ 904,714	\$ 1,160,586	\$ 1,207,348	\$ 7,768,474	\$ 15,512,625	\$ 15,512,625
Services & Operating	\$ 528,934	\$ 667,764	\$ 3,181,707	\$ 1,986,517	\$ 2,520,679	\$ 2,234,714	\$ 2,227,286	\$ 2,208,643	\$ 2,127,467	\$ 2,272,081	\$ 3,535,539	\$ 6,977,093	\$ 30,468,425	\$ 30,468,425
Capital Outlay	\$ -	\$ 43,932	\$ -	\$ 10,150	\$ 37,576	\$ 14,089	\$ 49,862	\$ -	\$ 138,854	\$ 226,700	\$ 313,568	\$ (524,484)	\$ 310,248	\$ 310,248
Other Outgo	\$ 311,565	\$ 30,442	\$ 1,254,796	\$ (1,045,204)	\$ 54,796	\$ 292,853	\$ (3,846)	\$ (58,564)	\$ 394,967	\$ 56,769	\$ 256,769	\$ 1,024,960	\$ 2,570,304	\$ 2,570,304
Total Expenses	\$ 2,909,958	\$ 19,223,920	\$ 18,218,927	\$ 15,178,534	\$ 17,517,738	\$ 17,386,041	\$ 16,963,513	\$ 16,924,047	\$ 18,365,453	\$ 18,549,696	\$ 20,535,676	\$ 30,381,619	\$ 212,155,123	\$ 212,155,123
Net Monthly	\$ 5,064,812	\$ (12,061,855)	\$ 1,493,406	\$ (3,537,522)	\$ (2,142,627)	\$ 18,359,729	\$ (3,508,725)	\$ (4,880,527)	\$ 2,724,795	\$ 2,710,854	\$ (7,242,560)	\$ (6,866,391)		
Prior Year Transactions:														
PY Audit Adjustment								\$ -						
Accounts Receivable	\$ (832,342)	\$ 228,832	\$ 1,104,147	\$ 225,415	\$ 2,419,688	\$ (9,603)	\$ 953,314	\$ (273,215)	\$ (500,605)	\$ 544,486	\$ 204,957	\$ 3,223,956	\$ 7,288,828	\$ -
Accounts Payable*	\$ 4,559,389	\$ 141,800	\$ (622,368)	\$ 7,190,869	\$ (878,729)	\$ (444,620)	\$ (975,066)	\$ (612,107)	\$ (596,025)	\$ (616,083)	\$ (588,836)	\$ 4,660,192	\$ 11,218,418	\$ -
Net Prior Year	\$ (5,391,731)	\$ 86,832	\$ 1,726,513	\$ (6,965,454)	\$ 3,139,353	\$ 435,017	\$ 1,928,380	\$ 923,272	\$ 95,419	\$ 1,160,568	\$ 793,793	\$ (1,436,236)	\$ (3,929,590)	\$ -
Net Monthly Increase/(Decrease)*	\$ (326,919)	\$ (11,975,023)	\$ 3,219,919	\$ (10,502,976)	\$ 996,726	\$ 18,794,746	\$ (1,580,345)	\$ (3,957,255)	\$ 2,820,215	\$ 3,871,422	\$ (6,448,767)	\$ (8,302,627)		
Tran Activity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Ending Cash	\$28,443,269	\$16,468,246	\$19,688,165	\$9,185,189	\$10,181,915	\$28,976,661	\$27,396,316	\$23,439,060	\$26,259,275	\$30,130,697	\$23,681,930	\$15,379,303		

EXPLANATION OF CHANGES

1st Interim to 2nd Interim – 2019/20 Unrestricted/Restricted

Object	1st Interim	2nd Interim	Difference	Explanation
Revenue:				
8010-8099	\$ 171,042,960	\$ 170,690,238	\$ (352,722)	Decrease due to prior year LCFF adjustment
8100-8299	\$ 12,471,714	\$ 11,871,224	\$ (600,490)	Decrease due to prior year adjustments to Federal funding
8300-8599	\$ 11,386,751	\$ 11,386,751	\$ -	
8600-8799	\$ 8,826,168	\$ 8,873,773	\$ 47,605	Increased revenue from Doris-Patterson leased property, and miscellaneous local revenue and donations
Expenditures:				
1000-1999	\$ 86,830,032	\$ 86,940,696	\$ 110,664	Increase due to staffing changes
2000-2999	\$ 30,047,892	\$ 29,879,576	\$ (168,316)	Decrease due to unfilled vacancies
3000-3999	\$ 46,679,947	\$ 46,473,249	\$ (206,698)	Decrease due to unfilled vacancies
4000-4999	\$ 16,938,534	\$ 15,512,625	\$ (1,425,909)	Decrease due to mid-year budget reductions
5000-5999	\$ 28,064,382	\$ 30,468,425	\$ 2,404,043	Increase in Special Education costs (legal, contracted services, NPS)_
6000-6999	\$ 1,670,217	\$ 310,248	\$ (1,359,969)	Decrease due to mid-year budget reductions
7100-7499	\$ 3,101,934	\$ 3,101,934	\$ -	
7300-7399	\$ (535,737)	\$ (531,630)	\$ (4,107)	Decrease of indirect costs due to revenue adjustments
7600-7629	\$ 330,606	\$ 325,960	\$ (4,646)	Decrease in contribution to Child Nutrition Fund
8980-8999	\$ (34,440,149)	\$ (37,059,411)	\$ 2,619,262	Increase in contribution to Special Education

BUDGET CHALLENGES

- Declining Enrollment
- Minimum Wage Increases
- Declining Reserves
- Special Education enrollment increasing
- Special Education funding remains fairly flat
- Continued STRS/PERS Increases

RECOMMENDATION

Staff recommends that the Board of Trustees approve an action/reduction plan to align expenditures with revenues for future years, thereby enabling and approving the filing of a Positive Certification for the 2019-20 2nd Interim Report.

