Cecilia A. Massetti, Ed.D.
Superintendent of Schools

Agenda Item 8.3

Board of Education Action Item
March 10, 2020

Topic:
Consideration of MCSOS Second Interim Report

Background:
The attached Second Interim Report was prepared based on the following assumptions:

1. LCFF and Special Education Revenue continues to be conservatively presented. ADA is estimated to increase from First Interim by approximately 10.4 in Juvenile Hall and 19.09 in the Charters based on P-1 Attendance counts. Special Education ADA is budgeted to remain flat. COLA is budgeted at 3.26% for 19-20, 2.29% for 20-21 and 2.71% for 21-22.

2. All Special Education Classes are operating. There continue to be openings in hard to fill positions such as Speech and Language. The Second Interim Report reflects contracting for Speech and other hard to fill positions from outside agencies.

3. PERS and STRS rates were increased to meet the required rates for 19-20, 20-21 and 21-22. STRS rates used are 17.1%, 18.4%, and 18.1%. PERS rates used are 19.721%, 22.7%, and 24.6%. The cumulative increase for the three years is budgeted to be approximately $1,066,000.

4. Local and State revenue budgets have been updated to reflect updated grant and local funding amounts.

5. Step and Column increases are budgeted to increase by 1.5%

6. Differentiated Assistance is budgeted to increase by $200,000 due to the number of schools falling in DA.

The current Projected Budget shows a decrease in the Unrestricted General Fund deficit spending for 19-20 of $1,082,713. This reduces our deficit spending from $3,247,293.06 to $2,164,580.01. The change is due to approximately $100,000 increase due to ADA, $200,000 due to differentiated assistance, $100,000 reduction to RRM contribution, $500,000 reduction for

unfilled positions YTD and the remainder due to State and Local Revenue changes.

The current Restricted Budget Projections show an increase in Restricted General Fund deficit spending for 19-20 of $26,762.81. Increases in Salary and Benefits have been offset by revenues from District bill back. State Revenue budget has decreased slightly.

We are projecting to maintain at least the minimum required reserve level in the current and next two years. Retiree Benefits liability, STRS and PERS increases, and COLA barely covering the cost of Steps and Columns remain problematic for us.

Financial Impact:
Reduction in deficit spending by $1,055,950.

Resource:
Julie DeWall
Chief Officer
Business and Administrative Services

Recommendation:
Acceptance of the Positive Certification, as presented.

Madera County Superintendent of Schools

	Adopted Budget			Board Approved Revised Budget			Projected Budget			
	2019-2020 Unrestricted	2019-2020 Restricted	2019-2020 Total	2019-2020 Unrestricted	2019-2020 Restricted	2019-2020 Total	2019-2020 Unrestricted	2019-2020 Restricted	2019-2020 Total	Percent Change
Revenues/Sources										
Total 8000	$ 11,853,768.34	$ 28,434,160.04	$ 40,287,928.38	$ 9,680,640.38	$ 31,425,621.94	$ 41,106,262.32	$ 10,292,633.38	$ 32,157,401.94	$ 42,450,035.32	3.3%
Expenditures										
Total 1000 Certificated	$ 2,029,910.00	$ 9,394,025.00	$ 11,423,935.00	$ 2,039,395.00	$ 8,822,412.00	$ 10,861,807.00	$ 2,079,745.91	$ 8,873,992.61	$ 10,953,738.52	0.8%
Total 2000 Classified	4,778,388.00	5,908,903.00	10,687,291.00	4,054,741.00	6,720,020.00	10,774,761.00	3,753,054.88	6,888,781.50	10,641,836.38	-1.2%
Total 3000 Benefits	3,073,895.00	7,021,506.00	10,095,401.00	2,581,260.00	7,274,287.00	9,855,547.00	2,397,656.66	7,666,925.54	10,064,582.20	2.1%
Total Labor and Benefits	$ 9,882,193.00	$ 22,324,434.00	$ 32,206,627.00	$ 8,675,396.00	$ 22,816,719.00	$ 31,492,115.00	$ 8,230,457.45	$ 23,429,699.65	$ 31,660,157.10	0.5%
Total 4000 Books & Supplies	$ 518,113.34	$ 517,793.00	$ 1,035,906.34	$ 444,161.34	$ 746,414.00	$ 1,190,575.34	$ 448,591.34	$ 776,853.91	$ 1,225,445.25	2.9%
Total 5000 Services & Other	1,568,460.46	3,805,983.00	5,374,443.46	1,399,743.46	6,512,644.94	7,912,388.40	1,386,880.96	6,494,026.49	7,880,907.45	-0.4%
Total Books and Services	$ 2,086,573.80	$ 4,323,776.00	$ 6,410,349.80	$ 1,843,904.80	$ 7,259,058.94	$ 9,102,963.74	$ 1,835,472.30	$ 7,270,880.40	$ 9,106,352.70	0.0%
Total Labor, Benefits and supplies	$ 11,968,766.80	$ 26,648,210.00	$ 38,616,976.80	$ 10,519,300.80	$ 30,075,777.94	$ 40,595,078.74	$ 10,065,929.75	$ 30,700,580.05	$ 40,766,509.80	0.4%
Capital Outlay	$ 2,702,515.00	$ 10,000.00	$ 2,712,515.00	$ 4,105,067.64	$ 291,073.00	$ 4,396,140.64	$ 4,077,067.64	$ 313,808.00	$ 4,390,875.64	-0.1%
Other Outgo/Uses	(1,419,346.00)	2,414,267.00	994,921.00	(1,696,435.00)	3,070,270.00	1,373,835.00	(1,685,784.00)	3,181,275.70	1,495,491.70	8.9%
Total Capital Outlay/Outgo	$ 1,283,169.00	$ 2,424,267.00	$ 3,707,436.00	$ 2,408,632.64	$ 3,361,343.00	$ 5,769,975.64	$ 2,391,283.64	$ 3,495,083.70	$ 5,886,367.34	2.0%
Total Expenditures	$ 13,251,935.80	$ 29,072,477.00	$ 42,324,412.80	$ 12,927,933.44	$ 33,437,120.94	$ 46,365,054.38	$ 12,457,213.39	$ 34,195,663.75	$ 46,652,877.14	0.6%
Net Increase (Decrease) in Fund Balance	$ (1,398,167.46)	$ (638,316.96)	$ (2,036,484.42)	$ (3,247,293.06)	$ (2,011,499.00)	$ (5,258,792.06)	$ (2,164,580.01)	$ (2,038,261.81)	$ (4,202,841.82)	-20.1%
Beginning Fund Balance	$ 9,680,889.60	$ 4,255,515.53	$ 13,936,405.13	$ 9,680,889.60	$ 4,255,515.53	$ 13,936,405.13	$ 9,680,889.60	$ 4,255,515.53	$ 13,936,405.13	
Est Ending Fund Balance	$ 8,282,722.14	$ 3,617,198.57	$ 11,899,920.71	$ 6,433,596.54	$ 2,244,016.53	$ 8,677,613.07	$ 7,516,309.59	$ 2,217,253.72	$ 9,733,563.31	