



Ravenswood City School District
Journey to Excellence

Second Interim Report 2018-2019

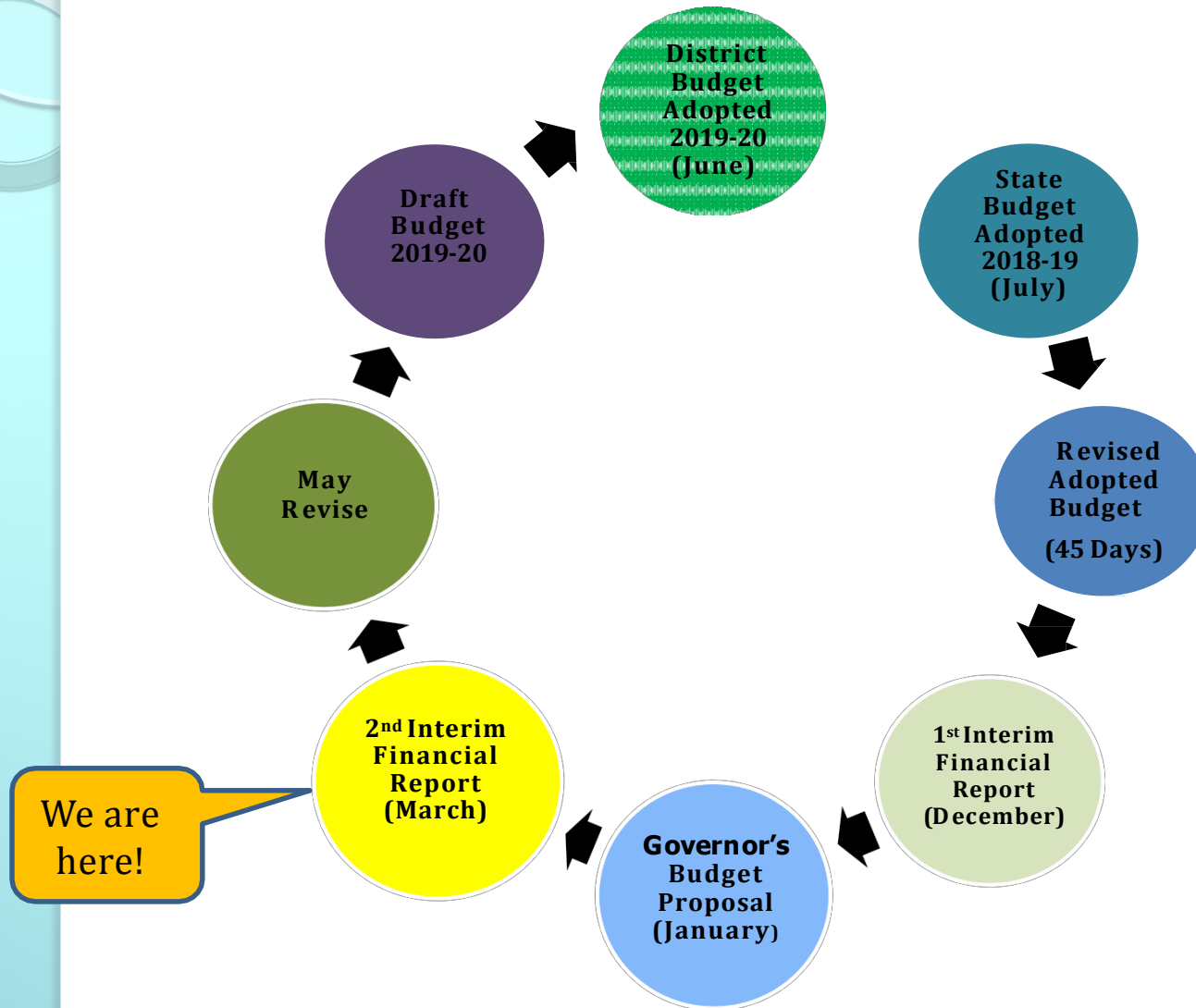
March 14, 2019

Presented to the Board of Trustees

Presented by
Steven J. Eichman
Chief Business Official

Reviewed by
Ms. Gina Sudaria
Acting Superintendent

Annual State Budget Cycle



State mandated budget process and dates

Fiscal Reform Package (FRP) – Why Needed

During the 2017-18 fiscal year the District's financial condition displayed risk of fiscal insolvency.

To correct this, under the leadership of the Superintendent and the Chief Business Official, the District submitted to the Board the Fiscal Reform Package.

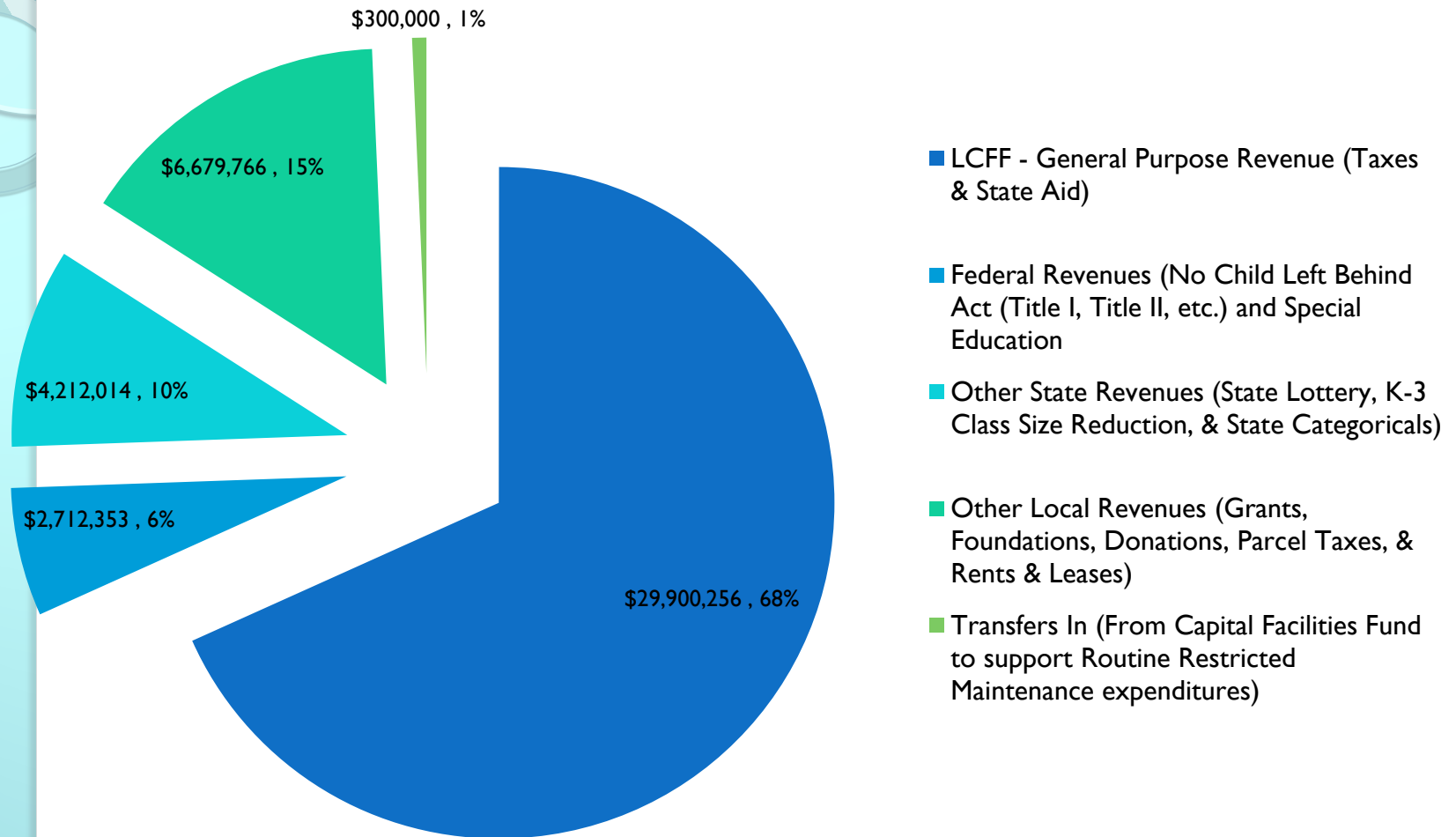
The Board approved the Fiscal Reform Package at the January 18, 2018 meeting.

Fiscal Reform Package

Major components of the Fiscal Reform Package include the following:

- A plan to reduce staffing levels proportional to enrollment
 - Using formula based staffing where appropriate.
- Reduction in the number of consultants and Special Education contracted services proportional to the number of students served.
- A freeze in hiring, overtime, conference/travel, and non-mission critical purchases in an effort to reduce current year costs.
- Close review & monitoring of all budgets to identify other immediate on-going and one time savings, including identification of money budgeted but not yet spent.
- Identification of additional unrestricted expenditures that are more appropriately charged to restricted programs.

2018-19 Projected Second Interim Revenues



Total Revenues - \$43,804,389

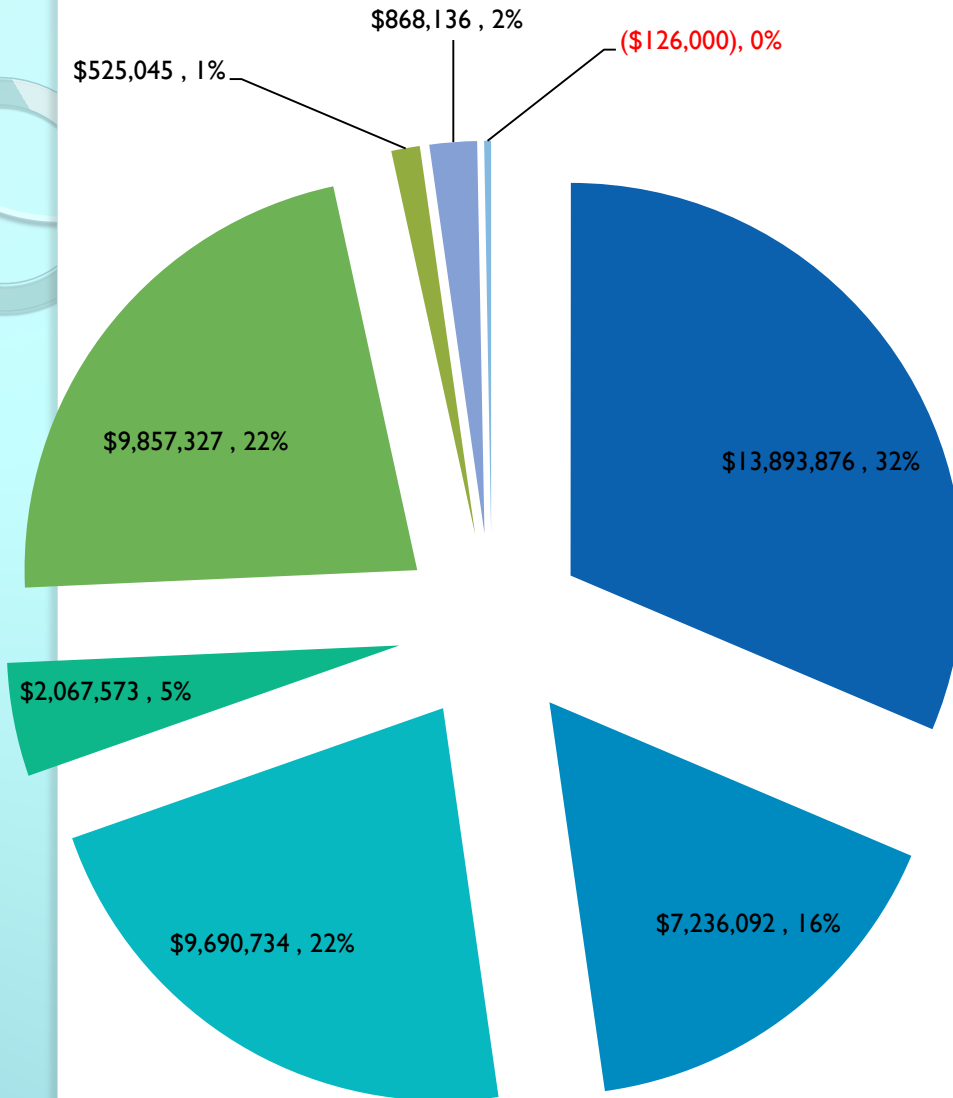
Second Interim Revenue Adjustments

Revenue increases since adopted budget:

- LCFF funding
- Federal revenues
- Other local revenue
- Other State revenue
 - Classified School Employees Professional Development Block Grant

Net increase in revenues at 2018-19 Second Interim:
\$422,996

2018-19 Projected Second Interim Expenditures



Total Expenditures - \$44,012,783

- Certificated Salaries (Teachers, Certified Pupil Support, Certified Supervisors & Administrators, etc.)
- Classified Salaries Clerical & Office Staff, Maintenance, Classified Supervisors & Administrators, etc.)
- Employee Benefits (Health & Welfare, Worker's Comp., etc.)
- Books and Supplies (Textbooks and Core Curricula Material, Books, and Materials & Supplies
- Other Services & Operating Expenses (Non-public schools, Non-public Agencies, Utilities, Rentals, Leases, Repairs, Legal Counsel, Travel & Conferences, etc.)
- Capital Outlay (Site Improvements, Equipment, & Equipment Replacement)
- Other Outgo (Payments to Districts and County Offices)
- Transfer of Indirect Costs (Oversight fees from Title programs & CNE)

Multiyear Projections (MYP)

General Fund Revenues

	2018-19	2018-19		
	1st Interim	2nd Interim	2019-20	2020-21
	Combined	Combined	Combined	Combined
<u>REVENUES</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
LCFF/Revenue Limit Sources	\$29,871,665	\$29,900,256	\$27,866,286	\$27,586,405
Federal Revenue	2,561,944	2,712,353	2,230,224	2,230,224
Other State Revenues	4,142,490	4,212,014	3,183,445	3,183,445
Other Local Revenues	6,505,294	6,679,766	6,431,194	6,431,194
Other Sources		300,000	300,000	300,000
Transfers In	300,000	0	0	0
Contributions	0	0	0	0
TOTAL REVENUES	\$43,381,393	\$43,804,389	\$40,011,149	\$39,731,268

Multiyear Projections (MYP)

General Fund Expenditures

	2018-19	2018-19		
	1st Interim	2nd Interim	2019-20	2020-21
	Combined	Combined	Combined	Combined
<u>EXPENDITURES</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
Certificated Salaries	\$13,983,961	\$13,893,876	\$14,632,840	\$14,459,840
Classified Salaries	7,246,709	7,236,092	6,682,092	6,511,092
Benefits	9,690,122	9,690,734	10,130,415	10,350,462
Books and Supplies	1,841,144	2,067,573	2,269,964	2,071,903
Services and Other Operating Expenses	9,750,366	9,857,327	6,233,053	5,563,053
Capital Outlay	493,045	525,045	0	0
Other Outgo	809,636	809,636	809,636	809,636
Indirect Costs	(119,600)	(126,000)	(126,000)	(126,000)
Transfers Out	58,500	58,500	0	0
TOTAL EXPENDITURES	\$43,753,883	\$44,012,783	\$40,632,000	\$39,639,986

Multiyear Projections (MYP)

General Fund Ending Balance

	2018-19	2018-19		
	1st Interim	2nd Interim	2019-20	2020-21
	Combined	Combined	Combined	Combined
<u>GENERAL FUND</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
Net Increase/(Decrease) in Fund Balance	(\$372,490)	(\$208,394)	(\$620,851)	\$91,282
Projected Beginning Fund Balance, July 1	5,441,483	5,441,843	5,233,449	4,612,598
Projected Ending Fund Balance, June 30	5,069,353	\$5,233,449	\$4,612,598	\$4,703,880
<u>COMPONENTS OF ENDING FUND BALANCE</u>				
Revolving Cash	10000	\$10,000	\$10,000	\$10,000
Prepaid Expenses	20,000	20,000	20,000	20,000
Stores	50,000	50,000	50,000	50,000
Reserve for Economic Uncertainties - 3%	1,315,070	1,320,383	1,218,960	1,189,200
Legally Restricted	406,775	407,075	217,746	217,746
Total	\$1,801,845	\$1,807,458	\$1,516,706	\$1,486,946
Remaining Reserve Balance	\$3,267,508	\$3,425,991	\$3,095,892	\$3,216,934
Remaining Reserve Balance Percentage	7.47%	7.78%	7.62%	8.12%

Preparing for the Future – Multiyear Projections

- On the natural, staffing costs continue to rise
 - Annual step and column increase
 - Health and welfare
 - CalPERS/CalSTRS contributions
- Contributions to restricted programs continue to increase
- New revenues will not cover new costs (and it gets worse in the out years)
- There is no such thing as a good budget without an adequate reserve

Fiscal Reform Package Continuation

Under the leadership of the Acting Superintendent and the Chief Business Official the District will continue to implement the Fiscal Reform Package to ensure the following outcomes:

- Remain fiscally solvent.
- Maintain an appropriate level of reserve (State mandated minimum level is 3%).
- Continue regular communications with the Board regarding cost savings and cost containment measures and their projected impact on the fiscal health of the District.

Certification of Financial Condition

- With the continuing implementation of the FRP by District staff, the District can show a positive certification based on the Second Interim projection of revenues and expenditures.
- The District will continue to make budget reprioritizations and reductions as needed and warranted and therefore **a positive certification for the following two years can also be made.**
- Positive Certification means that based upon the current assumptions and projections the District will meet its financial obligations for the current fiscal year and the subsequent two fiscal years.

2018-19 Second Interim Recommendation

Board of Trustees approve the Second Interim Budget and certify that this District *will be able to meet* its financial obligations for the current fiscal year and subsequent two fiscal years.

–POSITIVE CERTIFICATION



