



# **Marysville Joint Unified School District**


## **Second Interim Budget Update**

*March 12, 2019*

## School District Interim Reports 2018–19

Criteria and Standards for reviewing school district 2018–19 interim reports.

### Criteria Information: Interim Reports



A positive certification indicates that, based on current projections, the school district will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

A qualified certification indicates that, based on current projections the school district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

A negative certification indicates that, based on current projections, the school district will be unable to meet its financial obligations for the remainder of the current fiscal year or subsequent fiscal year.

Deviations from the standards must be explained, and may affect the interim certification.

### Fund Summaries

Illustrated below is a summary of each Fund's fund balance and corresponding change.

FUND	2017-18	Est. Net Change	2018-19
→ GENERAL (UNRESTRICTED & RESTRICTED)	\$33,775,134	(\$2,798,476)	\$30,976,658
→ CHARTER SCHOOL	\$1,019,729	(\$49,240)	\$970,489
→ CHILD DEVELOPMENT	\$388,170	\$41,551	\$429,721
→ CAFETERIA FUND	\$1,094,060	\$49,873	\$1,143,933
→ DEFERRED MAINTENANCE	\$1,029,038	\$589,422	\$1,618,460
→ SPECIAL RESERVES	\$0	\$1,934,000	\$1,934,000
→ BUILDING FUND	\$15,712	\$12,437,259	\$12,452,971
→ CAPITAL FACILITIES	\$3,857,536	(\$1,455,305)	\$2,402,231
COUNTY SCHOOL FACILITIES	\$147,698	\$2,010	\$149,708
BOND INTEREST & REDEMPTION	\$4,585,282	\$20,000	\$4,605,282
BLENDED COMPONENT DEBT SERVICE	\$2,362,082	\$5,400	\$2,367,482
SCHOLARSHIP TRUST FUND	\$1,009,374	\$131,549	\$1,140,923
<b>TOTAL</b>	<b>\$49,283,815</b>	<b>\$10,908,043</b>	<b>\$60,191,858</b>





## Marysville Joint Unified School District

## 2018-19 Second Interim Budget

## General Fund Report Comparison

Description	First Interim			Second Interim			Variance (A)		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>REVENUES</b>									
General Purpose Revenue	100,195,203	0	100,195,203	100,954,384	0	100,954,384	759,181	0	759,181
Federal Revenue	14,204	8,638,989	8,653,193	14,204	8,737,543	8,751,747	(0)	98,554	98,554
State Revenue	3,341,900	7,133,513	10,475,413	3,414,730	7,606,581	11,021,311	72,830	473,068	545,898
Local Revenue	554,345	3,568,484	4,122,829	866,570	3,606,896	4,473,466	312,225	38,412	350,636
<b>Total Revenues</b>	<b>104,105,652</b>	<b>19,340,987</b>	<b>123,446,639</b>	<b>105,249,888</b>	<b>19,951,020</b>	<b>125,200,908</b>	<b>1,144,236</b>	<b>610,033</b>	<b>1,754,269</b>
<b>EXPENDITURES</b>									
Certificated Salaries	39,221,387	6,907,736	46,129,123	38,982,107	6,679,691	45,661,798	(239,280)	(228,045)	(467,325)
Classified Salaries	12,779,925	5,503,561	18,283,486	12,869,938	5,556,663	18,426,600	90,013	53,102	143,114
Benefits	19,437,864	7,821,101	27,258,965	19,441,994	7,750,523	27,192,517	4,130	(70,578)	(66,448)
Books and Supplies	6,656,180	4,233,002	10,889,182	6,578,684	3,248,738	9,827,423	(77,496)	(984,264)	(1,061,759)
Other Services & Oper. Expenses	8,322,029	5,898,802	14,220,831	8,417,036	6,488,585	14,905,621	95,007	589,783	684,790
Capital Outlay	1,652,436	1,216,764	2,869,200	2,491,165	2,030,844	4,522,009	838,729	814,080	1,652,809
Other Outgo 7xxx	3,422,957	3,313,300	6,736,257	3,422,957	3,300,300	6,723,257	0	(13,000)	(13,000)
Transfer of Indirect 73xx	(1,911,219)	697,881	(1,213,338)	(1,913,606)	690,479	(1,223,128)	(2,387)	(7,402)	(9,790)
<b>Total Expenditures</b>	<b>89,581,559</b>	<b>35,592,147</b>	<b>125,173,706</b>	<b>90,290,275</b>	<b>35,745,821</b>	<b>126,036,097</b>	<b>708,716</b>	<b>153,674</b>	<b>862,391</b>
<b>Excess / (Deficiency)</b>	<b>14,524,093</b>	<b>(16,251,160)</b>	<b>(1,727,067)</b>	<b>14,959,612</b>	<b>(15,794,801)</b>	<b>(835,189)</b>	<b>435,519</b>	<b>456,359</b>	<b>891,878</b>
<b>OTHER SOURCES/USES</b>									
Transfers In	0	0	0	0	0	0	0	0	0
Transfers Out	(1,029,732)	0	(1,029,732)	(1,959,732)	0	(1,959,732)	(930,000)	0	(930,000)
Net Other Sources (Uses)	0	0	0	0	0	0	0	0	0
Contributions to Restricted	(14,531,127)	14,531,127	0	(14,130,316)	14,130,316	(0)	400,811	(400,811)	(0)
<b>Total Financing Sources/Uses</b>	<b>(15,560,859)</b>	<b>14,531,127</b>	<b>(1,029,732)</b>	<b>(16,090,048)</b>	<b>14,130,316</b>	<b>(1,959,732)</b>	<b>(529,189)</b>	<b>(400,811)</b>	<b>(930,000)</b>
<b>Net Increase (Decrease)</b>	<b>(1,036,766)</b>	<b>(1,720,033)</b>	<b>(2,756,799)</b>	<b>(1,130,436)</b>	<b>(1,664,485)</b>	<b>(2,794,921)</b>	<b>(93,670)</b>	<b>55,548</b>	<b>(38,122)</b>
<b>FUND BALANCE, RESERVES</b>									
Beginning Balance	27,731,022	5,031,291	32,762,313	28,743,844	5,031,291	33,775,134	1,012,822	(0)	1,012,821
<b>Ending Balance</b>	<b>26,694,256</b>	<b>3,311,258</b>	<b>30,005,514</b>	<b>27,613,408</b>	<b>3,366,806</b>	<b>30,980,214</b>	<b>919,152</b>	<b>55,548</b>	<b>974,700</b>
Nonspendable	298,273		298,273	350,425		350,425	52,152	0	52,152
Restricted		3,311,257	3,311,257		3,366,806	3,366,806	0	55,549	55,549
Committed	1,702,728			2,715,549			1,012,821	0	1,012,821
Assigned	5,154,493		5,154,493	4,598,417		4,598,417	(556,076)	0	(556,076)
Unassigned - REU	3,787,000		3,787,000	3,840,000		3,840,000	53,000	0	53,000
Unassigned - Other	15,751,762	0	15,751,762	16,109,017	0	16,109,017	357,255	(1)	357,254
<b>Total - Fund Balance</b>	<b>26,694,256</b>	<b>3,311,257</b>	<b>28,302,785</b>	<b>27,613,408</b>	<b>3,366,806</b>	<b>28,264,664</b>	<b>919,152</b>	<b>55,548</b>	<b>974,700</b>

**Marysville Joint Unified School District**  
**2018-19 Second Interim Budget**  
**General Fund Multi-Year Projection**

Description	2018-19 Projected Budget			2019-20 Projected Budget			2020-21 Projected Budget			2021-22 Projected Budget			2022-23 Projected Budget		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
<b>REVENUES</b>															
General Purpose Revenue (A)	100,954,384	0	100,954,384	104,232,914	0	104,232,914	107,029,283	0	107,029,283	109,968,602	0	109,968,602	113,137,887	0	113,137,887
Federal Revenue (B)	14,204	8,737,543	8,751,747	1,000	6,995,675	6,996,675	1,000	6,969,560	6,970,560	1,000	6,969,560	6,970,560	1,000	6,943,445	6,944,445
State Revenue (C)	3,414,730	7,606,581	11,021,311	1,862,400	4,587,927	6,450,327	1,862,400	4,587,927	6,450,327	1,862,400	4,587,927	6,450,327	1,862,400	4,587,927	6,450,327
Local Revenue (D)	866,570	3,606,896	4,473,466	565,870	3,477,388	4,043,258	565,870	3,477,388	4,043,258	565,870	3,477,388	4,043,258	565,870	3,477,388	4,043,258
<b>Total Revenues</b>	<b>105,249,888</b>	<b>19,951,020</b>	<b>125,200,908</b>	<b>106,662,184</b>	<b>15,060,990</b>	<b>121,723,174</b>	<b>109,458,553</b>	<b>15,034,875</b>	<b>124,493,428</b>	<b>112,397,872</b>	<b>15,034,875</b>	<b>127,432,747</b>	<b>115,567,157</b>	<b>15,008,760</b>	<b>130,575,917</b>
<b>EXPENDITURES</b>															
Certificated Salaries (E)	38,982,107	6,679,691	45,661,798	40,235,386	6,924,899	47,160,285	41,040,094	7,063,397	48,103,491	41,860,896	7,204,665	49,065,561	42,698,114	7,348,758	50,046,872
Classified Salaries (E)	12,869,938	5,556,663	18,426,600	13,297,090	5,553,427	18,850,517	13,563,032	5,664,496	19,227,528	13,834,293	5,777,786	19,612,079	14,110,979	5,893,342	20,004,321
Benefits (F)	19,441,994	7,750,523	27,192,517	21,045,428	7,994,034	29,039,462	22,099,200	8,247,715	30,346,915	23,174,048	8,506,470	31,680,518	24,270,393	8,770,400	33,040,793
Books and Supplies (G)	6,578,684	3,248,738	9,827,423	4,647,071	1,811,950	6,459,021	4,759,065	1,855,618	6,614,683	4,892,319	1,900,338	6,792,657	5,010,224	1,946,136	6,956,360
Other Services & Oper. Exp (G)	8,417,036	6,488,585	14,905,621	8,478,897	3,890,931	12,369,828	8,683,238	3,984,702	12,667,940	8,926,369	4,080,733	13,007,102	9,141,494	4,179,079	13,320,573
Capital Outlay	2,491,165	2,030,844	4,522,009	841,429	213,644	1,055,073	841,429	213,644	1,055,073	841,429	213,644	1,055,073	841,429	213,644	1,055,073
Other Outgo 7xxx (H)	3,422,957	3,300,300	6,723,257	1,345,408	3,300,300	4,645,708	1,341,708	3,300,300	4,642,008	1,341,708	3,300,300	4,642,008	4,158,008	3,300,300	7,458,308
Transfer of Indirect 73xx (I)	(1,913,606)	690,479	(1,223,128)	(1,913,606)	638,534	(1,275,072)	(1,913,606)	638,534	(1,275,072)	(1,913,606)	638,534	(1,275,072)	(1,913,606)	638,534	(1,275,072)
<b>Total Expenditures</b>	<b>90,290,275</b>	<b>35,745,821</b>	<b>126,036,097</b>	<b>87,977,103</b>	<b>30,327,719</b>	<b>118,304,822</b>	<b>90,414,160</b>	<b>30,968,406</b>	<b>121,382,566</b>	<b>92,957,456</b>	<b>31,622,470</b>	<b>124,579,926</b>	<b>98,317,035</b>	<b>32,290,193</b>	<b>130,607,228</b>
<b>Excess / (Deficiency)</b>	<b>14,959,612</b>	<b>(15,794,801)</b>	<b>(835,189)</b>	<b>18,685,081</b>	<b>(15,266,729)</b>	<b>3,418,352</b>	<b>19,044,393</b>	<b>(15,933,531)</b>	<b>3,110,862</b>	<b>19,440,416</b>	<b>(16,587,595)</b>	<b>2,852,821</b>	<b>17,250,122</b>	<b>(17,281,433)</b>	<b>(31,311)</b>
<b>OTHER SOURCES/USES</b>															
Transfers In	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Transfers Out (J)	(1,959,732)	0	(1,959,732)	(2,000,000)	0	(2,000,000)	(2,000,000)	0	(2,000,000)	(2,000,000)	0	(2,000,000)	0	0	0
Net Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Contributions to Restricted (K)	(14,130,316)	14,130,316	(0)	(15,266,729)	15,266,729	0	(15,933,531)	15,933,531	0	(16,587,595)	16,587,595	0	(17,281,433)	17,281,433	0
<b>Total Financing Sources/Uses</b>	<b>(16,090,048)</b>	<b>14,130,316</b>	<b>(1,959,732)</b>	<b>(17,266,729)</b>	<b>15,266,729</b>	<b>(2,000,000)</b>	<b>(17,933,531)</b>	<b>15,933,531</b>	<b>(2,000,000)</b>	<b>(18,587,595)</b>	<b>16,587,595</b>	<b>(2,000,000)</b>	<b>(17,281,433)</b>	<b>17,281,433</b>	<b>0</b>
<b>Net Increase (Decrease)</b>	<b>(1,130,436)</b>	<b>(1,664,485)</b>	<b>(2,794,921)</b>	<b>1,418,352</b>	<b>0</b>	<b>1,418,352</b>	<b>1,110,862</b>	<b>0</b>	<b>1,110,862</b>	<b>852,821</b>	<b>0</b>	<b>852,821</b>	<b>(31,311)</b>	<b>0</b>	<b>(31,311)</b>
<b>FUND BALANCE, RESERVES</b>															
Beginning Balance	28,743,844	5,031,291	33,775,134	27,613,408	3,366,806	30,980,214	29,031,760	3,366,806	32,398,566	30,142,622	3,366,806	33,509,428	30,995,443	3,366,806	34,362,249
<b>Ending Balance</b>	<b>27,613,408</b>	<b>3,366,806</b>	<b>30,980,214</b>	<b>29,031,760</b>	<b>3,366,806</b>	<b>32,398,566</b>	<b>30,142,622</b>	<b>3,366,806</b>	<b>33,509,428</b>	<b>30,995,443</b>	<b>3,366,806</b>	<b>34,362,249</b>	<b>30,964,132</b>	<b>3,366,806</b>	<b>34,330,938</b>
Nonspendable	350,425	0	350,425	350,425	0	350,425	350,425	0	350,425	350,425	0	350,425	350,425	0	350,425
Restricted	0	3,366,806	3,366,806	0	3,366,806	3,366,806	0	3,366,806	3,366,806	0	3,366,806	3,366,806	0	3,366,806	3,366,806
Committed (L)	2,715,549	0	2,715,549	1,785,549	0	1,785,549	855,549	0	855,549	0	0	0	0	0	0
Assigned (L)	4,598,417	0	4,598,417	4,598,417	0	4,598,417	4,598,417	0	4,598,417	4,598,417	0	4,598,417	4,598,417	0	4,598,417
Unassigned - REU @ 3%	3,840,000	0	3,840,000	3,610,000	0	3,610,000	3,702,000	0	3,702,000	3,798,000	0	3,798,000	3,919,000	0	3,919,000
Unassigned - Other	16,109,017	0	16,109,017	18,687,369	0	18,687,369	20,636,231	0	20,636,231	22,248,601	0	22,248,601	22,096,290	0	22,096,290
<b>Total - Fund Balance</b>	<b>27,613,408</b>	<b>3,366,806</b>	<b>30,980,214</b>	<b>29,031,760</b>	<b>3,366,806</b>	<b>32,398,566</b>	<b>30,142,622</b>	<b>3,366,806</b>	<b>33,509,428</b>	<b>30,995,443</b>	<b>3,366,806</b>	<b>34,362,249</b>	<b>30,964,132</b>	<b>3,366,806</b>	<b>34,330,938</b>



# Economic Projections

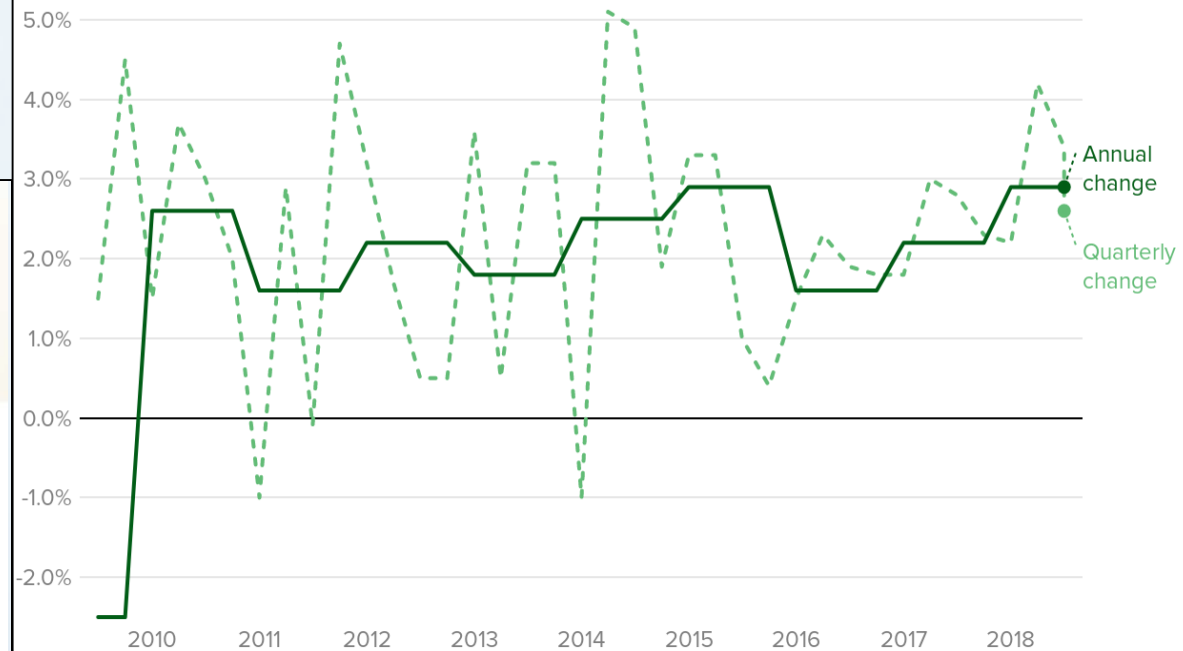


## UCLA's Economic Outlook

- UCLA economists forecast a “3-2-1” economy
  - ▣ 3% GDP growth in 2018
    - 2018 second quarter U.S. GDP was 4.1%
  - ▣ 2% GDP growth in 2019
  - ▣ 1% GDP growth in 2020
- However, as the economy slows, the chances of a recession increase
  - ▣ One-sixth chance of a recession in 2019
  - ▣ One-third chance of a recession in 2020

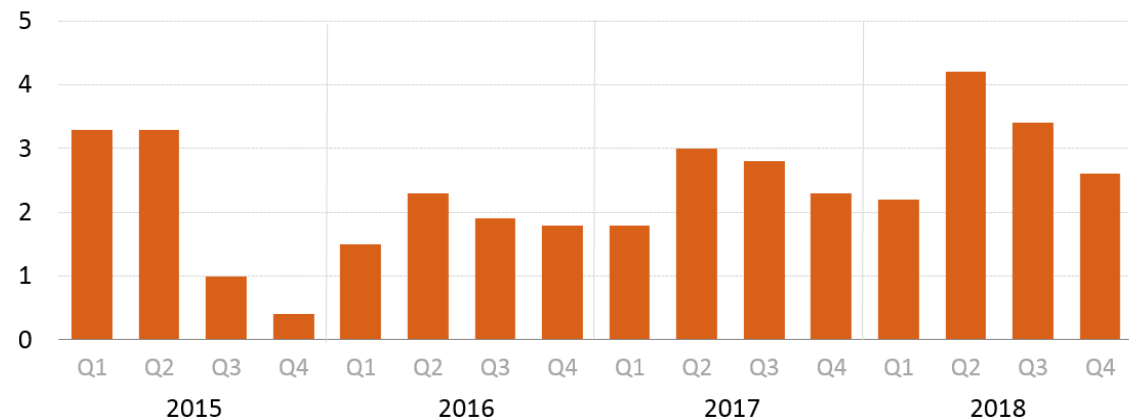
## The economy after the Great Recession

GDP grew at 4% or higher in five separate quarters; yearly growth maxed out at 2.9%



Source: Bureau of Economic Analysis

## Real GDP: Percent change from preceding quarter



U.S. Bureau of Economic Analysis

Seasonally adjusted at annual

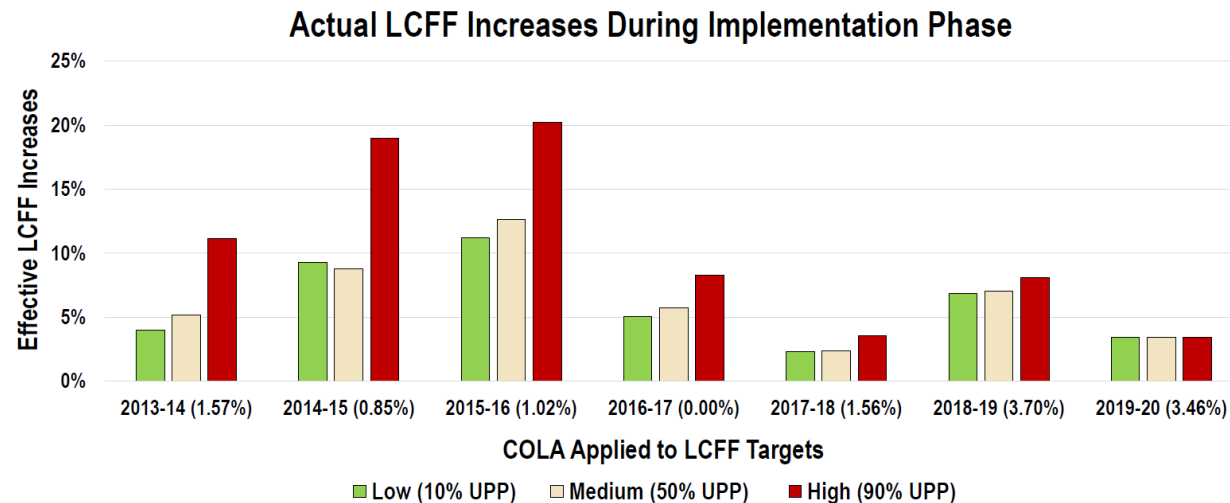




## LCFF Increases During Implementation

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## Discretionary Grant Funding

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- During the last four years of the economic recovery, school districts have experienced major upward revisions of the current-year Proposition 98 guarantee, providing huge one-time discretionary grants in the following year
  - 2018-19: \$1.1 billion or \$184 per ADA
  - 2017-18: \$877 million or \$147 per ADA
  - 2016-17: \$1.3 billion or \$214 per ADA
  - 2015-16: \$3.2 billion or \$530 per ADA
- In contrast, the Governor's Budget indicates that Proposition 98 has been revised downward in the current year and therefore no discretionary grant funding is proposed for 2019-20
  - Nor does Governor Newsom use other one-time funds for discretionary grant funding

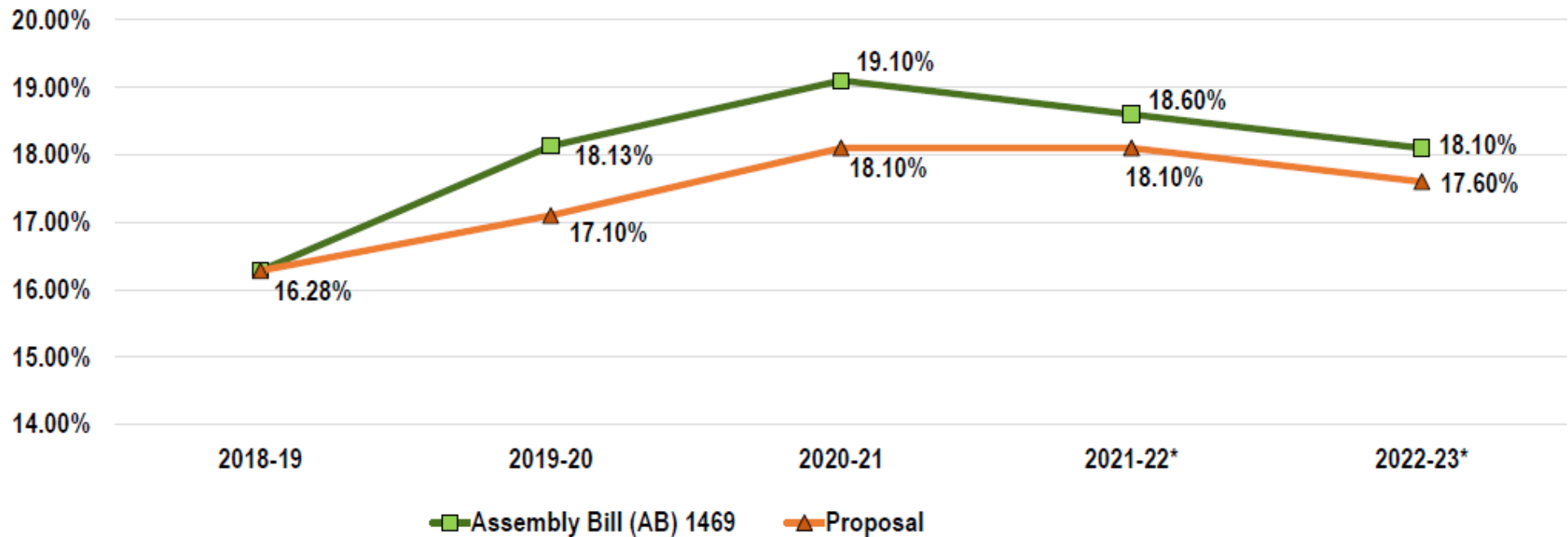




## CalSTRS Employer Contribution Rates – Current Law Versus Governor's Proposal

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\*Beginning in 2021-22, the CalSTRS Board has authority to increase/decrease the employer contribution rate (with some restrictions) to fully fund the unfunded liability by 2046





# Layoffs at Oxnard School District possibly coming next school year

*Dropping in enrollment may be to blame*

Paso Robles Joint Union School District approves \$2 million in budget cuts

Megan Healy 10:46 pm February 26, 2019



Vista school board approves \$12 million in budget cuts

Sweetwater may release up to 87 assistant principals, other administrators from positions

EDUCATION

Citing a \$6.8 million deficit, Coachella Valley Unified School District board of education will vote on whether to lay off 81 teachers and staffers at Thursday's public meeting at Desert Mirage High School in Thermal.

## Here's what a state takeover would mean at Sacramento City Unified

BY JOSÉ LUIS VILLEGAS

FEBRUARY 21, 2019 09:31 PM

### MUSD asks staff for budget cut recommendations

Donna Beth Weilenman | February 27, 2019 | 0 Comments

RSF School District considers teacher layoffs

**Consultant: Staffing cuts ahead for Ravenswood**

Board member suggests calling in fiscal experts to help district with budget woes

NEWS > EDUCATION

### Union denounces Larkspur-Corte Madera School District cuts

Classified workers say they are



By KERI BRENNER | kbrenner@marinij.com |

PUBLISHED: February 24, 2019 at 1:32 pm | UPDATE

## Oakland school board cuts \$20.2 million from budget, including 100 jobs

*Board said cuts needed to pay for teacher raises and balance district's budget*

Accountability

[AB 398](#)

**(Chu D)** School accountability: local control and accountability plans.

**Status:** 2/7/2019-From printer. May be heard in committee March 9.

**Location:** 2/6/2019-A. PRINT

**Summary:** Current law requires, on or before July 1, 2014, the governing board of each school district to adopt a local control and accountability plan using a template adopted by the State Board of Education. Current law requires the governing board of each school district to update its local control and accountability plan before July 1 of each year, and requires that annual update to be developed using a template adopted by the state board. This bill would make a nonsubstantive change to the latter provision.

[AB 878](#)

**(Committee on Education)** Elementary and secondary education: omnibus bill.

**Status:** 2/21/2019-From printer. May be heard in committee March 23.

**Location:** 2/20/2019-A. PRINT

**Summary:** Current law establishes a system of elementary and secondary education in this state under which local educational agencies provide instruction and other services to pupils in kindergarten and grades 1 to 12, inclusive, at schoolsites throughout the state. This bill would express the intent of the Legislature to enact future omnibus legislation relating to elementary and secondary education.

**Position**  
Tracking

**Assigned**  
Sara

**Subject**  
Budget/ Finance

[AB 10](#)

[AB 967](#)

**(Smith D)** Local control and accountability plans.

**Status:** 2/22/2019-From printer. May be heard in committee March 24.

**Location:** 2/21/2019-A. PRINT

**Summary:** Would provide that the development, adoption, and transparency requirements for local control and accountability plans and the updates to those plans that are applicable to the governing boards of school districts and superintendents of school districts, are also applicable to the governing bodies of charter schools and administrators of charter schools, as specified. This bill would revise and impose additional requirements on superintendents of school districts and administrators for charter schools in regards to presenting the local control and accountability plan and the annual update to the local control and accountability plan to certain parent advisory committees.

**Position**  
Tracking

**Assigned**  
Elizabeth, Sara

**Subject**  
Budget/ Finance, Charter Schools

[AB 11](#)

[AB 1097](#)

[AB 12](#)

Budget/ Finance

[AB 15](#)

**(Nazarian D)** Children's Savings Account Program.

**Status:** 12/4/2018-From printer. May be heard in committee January 3.

**Location:** 12/3/2018-A. PRINT

**Summary:** Would express the intent of the Legislature to enact future legislation to establish a universal statewide children's savings account program, established for each child at entrance to children and families save, build assets, and achieve economic mobility.

**Position**  
Tracking

**Assigned**  
Sara

**Subject**  
Budget/ Finance

[AB 1464](#)

[AB 17](#)

[AB 39](#)

**(Muratsuchi D)** Education finance: local control funding formula: funding increase.

**Status:** 1/17/2019-Referred to Com. on ED.

**Location:** 1/17/2019-A. ED.

**Summary:** Current law establishes a public school financing system that requires state funding for school districts and charter schools to be calculated pursuant to a local control funding formula pursuant to the local control funding formula to include, in addition to a base grant, supplemental and concentration grant add-ons that are based on the percentage of pupils who are English learners, reduced-price meals, as specified, served by the school district or charter school. This bill would specify new, higher base grant amounts for the 2019-20 fiscal year, which would also increase amounts and result in various other changes to funding calculations for purposes of the local control funding formula.

**Position**  
Support

**Assigned**  
Sara

**Subject**  
Budget/ Finance

[AB 1744](#)

[SB 14](#)

385 Measures pending  
in the California  
Legislature for 2019-20

[AB 17](#)

[AB 17](#)

[AB 297](#)

**(Gallagher R)** Emergency average daily attendance.

**Status:** 2/7/2019-Referred to Com. on ED.

**Location:** 2/7/2019-A. ED.

**Summary:** Would require the Superintendent to extend through the 2019-20 fiscal year the period during which it is essential to alleviate continued reductions in average daily attendance at the Governor in November 2018, for a school district where no less than 5 percent of the residences within the school district or school district facilities were destroyed by the qualifying emergency.

**Position**  
Tracking

**Assigned**  
Sara

**Subject**  
Budget/ Finance

[AB 575](#)

**(Weber D)** Education finance: local control funding formula: supplemental grants: lowest performing pupil subgroup or subgroups.

**Status:** 2/25/2019-Referred to Com. on ED.

# SUMMARY



## School District Interim Reports 2018–19

Criteria and Standards for reviewing school district 2018–19 interim reports.

### Criteria Information: Interim Reports

A positive certification indicates that, based on current projections, the school district will meet its financial obligations for the current fiscal year and two subsequent fiscal years.

A qualified certification indicates that, based on current projections the school district may not meet its financial obligations for the current fiscal year or two subsequent fiscal years.

A negative certification indicates that, based on current projections, the school district will be unable to meet its financial obligations for the remainder of the current fiscal year or subsequent fiscal year.

Deviations from the standards must be explained, and may affect the interim certification.

- MJUSD is fiscally healthy for the 18-19 school year and for the foreseeable future.
  - ... but we should beware of the hazards that have ensnared other districts
- The Board should feel confident in confirming a “Positive Certification” for the 2<sup>nd</sup> Interim Report
- 19-20 formulation is beginning; and we await the May Revise / Adopted Budget





**THANK YOU**  
**Questions?**