



2020 – 2021 Budget and Cash Flow Update

West Contra Costa Unified School District
May 13, 2020

Tony Wold, Ed.D.,
Associate Superintendent, Business Services

2019 – 2020 Budget Calendar

Budgeting for a school district is a continuous, year-round process. Projections continually change based on new and changing information. There are 6 formal reports presented to the Board:

- | | |
|-------------------------|---|
| ❖ June 30, 2019 | Adopted 2019 – 20 Budget |
| ❖ September 18, 2019 | Unaudited Actuals |
| ❖ December 11, 2019 | 1 st Interim Budget <i>(Data as of October 31, 2019)</i> |
| ❖ March 11, 2020 | 2nd Interim Budget <i>(Data as of January 31, 2020)</i> |
| ❖ May 20, 2020 | 3 rd Interim Budget <i>(Data as of April)</i> |
| ❖ June 10, 2020 | Adopted 2020 – 21 Budget |




Other than the presentation of the actual financial information (unaudited actuals) all other budget presentations are a combination of actuals and projections for the current and upcoming year

Tonight's Agenda

- District Budget Reductions Review
- State Budget Update
- Cash Flow Analysis
- 2020 – 2021 Budget Cycle
- Next Steps

**COMPLETED
JANUARY 26,
2020**

Budget Reductions Current Year 2019 – 2020 (\$39.9 million)

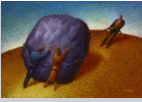




Action	Description	Amount	Cut Target Remaining
	Utilization of Fund 71 (OPEB)	\$15.6	\$24.3
	Utilization of One-time PreSchool Block Grant	\$4.5	\$19.8
	Fund 17 and Reserves	\$19.8	\$---

ACTIONS COMPLETED JANUARY 26, 2020 AND BOARD APPROVED

The District would be projected to maintain an Ending Fund Balance of approximately \$23 million at the end of the school year (which includes the audit adjustment) and is approximately \$9 million over the minimum required amount of 3%

COMPLETED
May 6, 2020

Budget Reductions Next Year 2020 – 2021 (\$47.8 million)

Action	Description	Amount	Cut Target Remaining
	Utilization of Fund 71 (OPEB)	\$15.8	\$32.0
	Identified Non-Salary Reductions	\$6.0	\$26.0
	Site Budget Allocation Reductions	\$2.0	\$24.0
	Unrepresented Management Reductions	\$2.0	\$22.0
	Reductions Completed with Bargaining units (UTR, Teamsters, SSA, WCCAA)	\$19.8	\$2.2

A total of **\$18.0 million in additional cuts** will need to be identified for 2021-22 prior to any impact from COVID-19 to State Revenue

Summary of Board Approved Budget Actions Pre COVID-19 Impact

- Resolved current year budget deficit of \$39.9 million
 - Utilized one-time Fund 17 reserve and OPEB trust
- Adopted 2020 – 2021 reductions and one-time shifts to mitigate \$45.6 million of the structural deficit
 - Utilized one time OPEB (\$15.8 million) and Adopted cuts (\$29.8 million)
- Targeted need to identify \$18.0 million in additional reductions for the 2021 – 2022 school year through negotiations during the 2020 – 2021 school year to be adopted by June 2021
 - Possible supporting solutions Schools and Communities First and Parcel Tax options for November election
 - Utilization of ending fund balances (remaining reserves) one-time

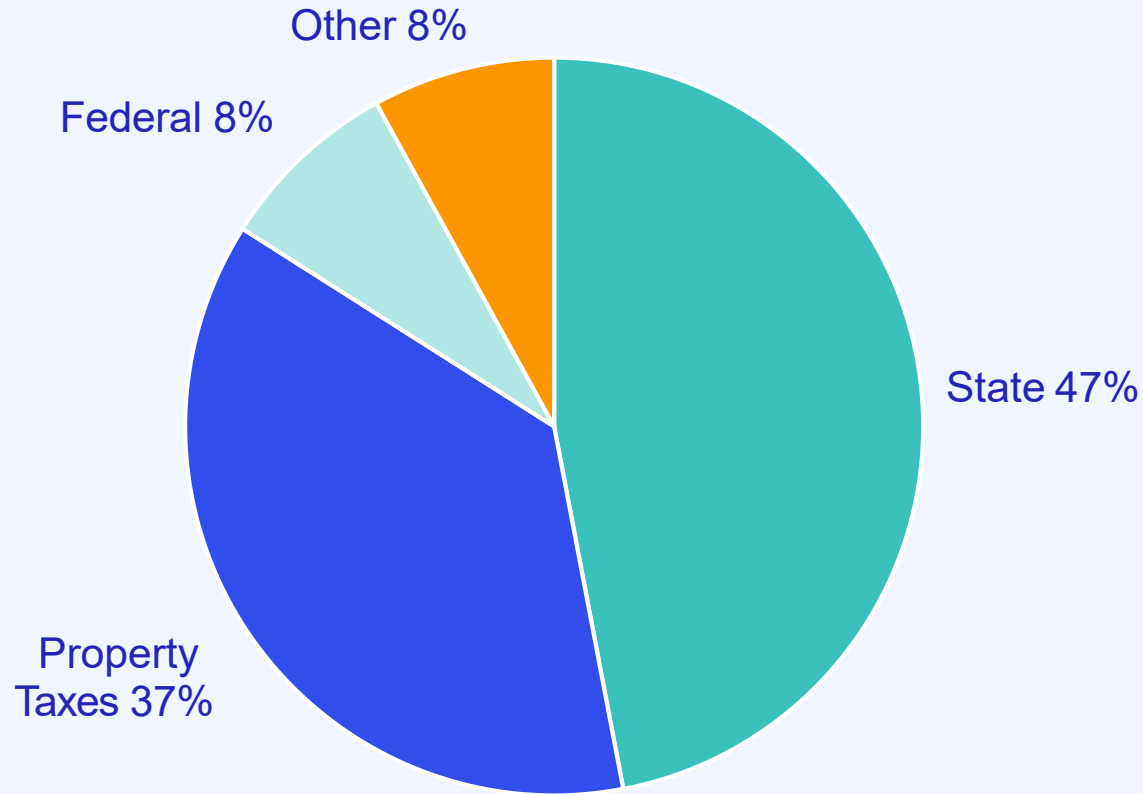
State Budget Update

COVID-19 Impact

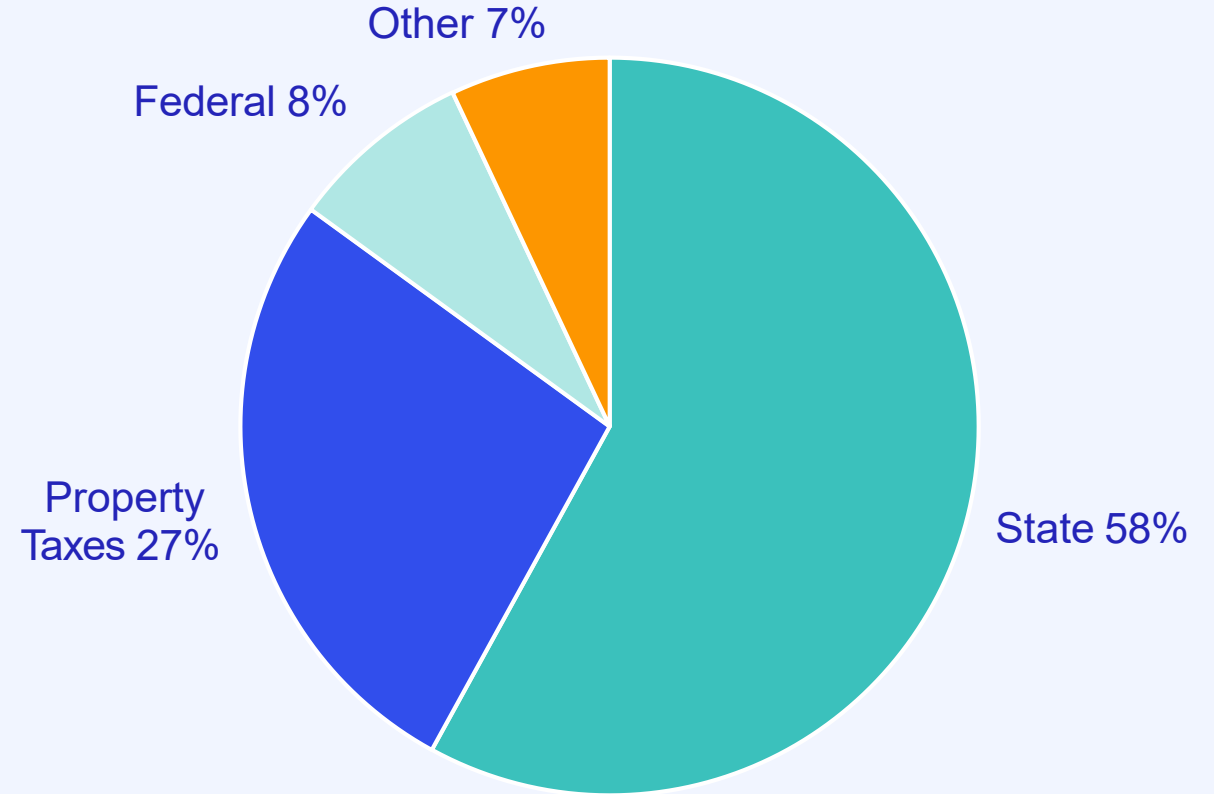
- The COVID-19 Pandemic shifted the date that income taxes were due from April 15, 2020 to July 15, 2020
 - The State has only received 40% of the normal Cash revenue due to this filing extension
- Unemployment has increased - 4.2 million in new claims have been filed with the State since mid-March
 - The Department of Finance estimates that the 2020 unemployment rate will reach 18%
- On May 7, 2020 the Department of Finance released an update that stated that the 2020-2021 State budget has estimated to have shifted from a \$5.6 billion surplus to a \$54.3 billion deficit
 - \$13.4 billion is attributed to the current year and \$40.9 billion to 2020-2021

Public School Revenue Sources

United States



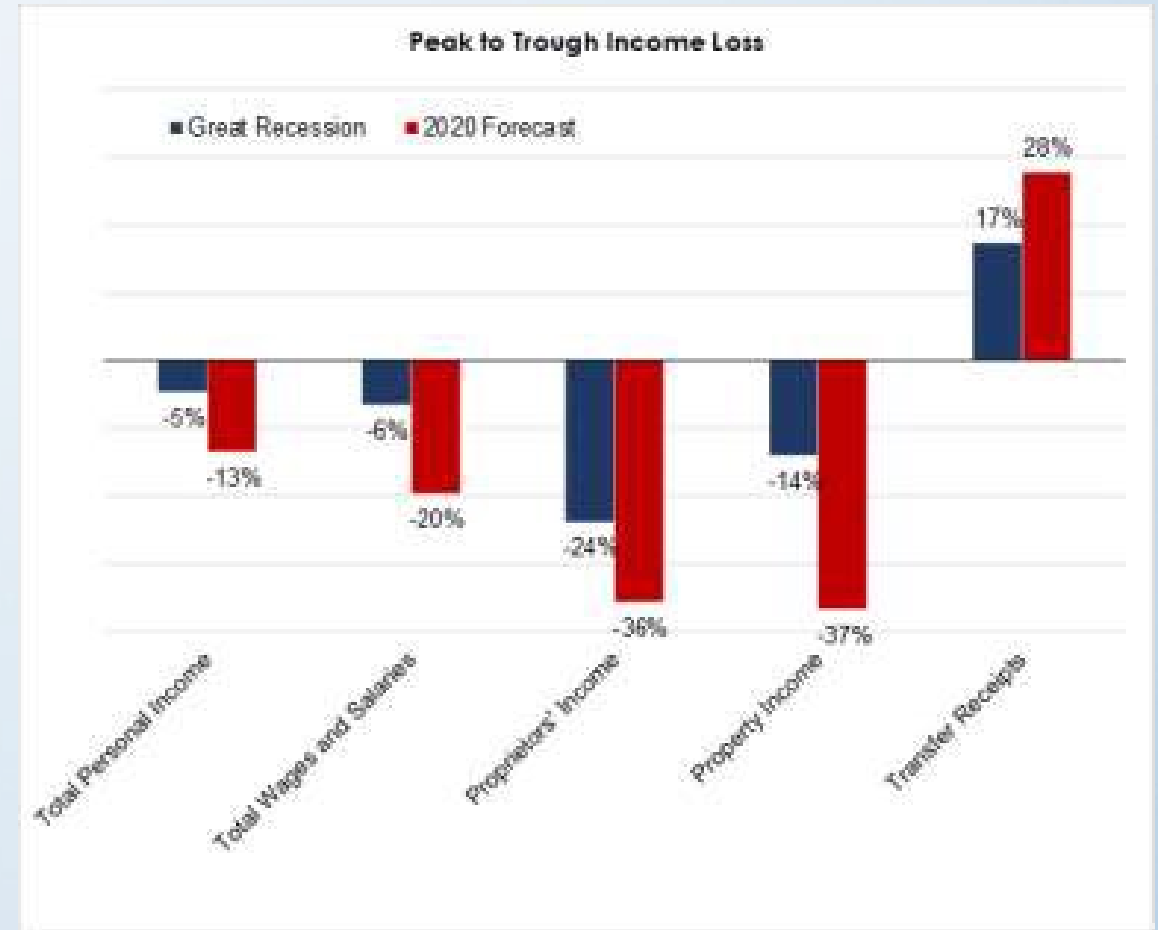
California



Source: National Center for Education Statistics, April 2020

State Income is Based upon Taxes

- Losses in 2020 – 2021 State Revenue are projected to be much more severe than what occurred during the Great Recession of 2008
- Reductions in the “Big 3”
 - Personal Income Tax **(25.5%)**
 - Sales and Use Tax **(27.2%)**
 - Corporation Tax **(22.7%)**



The Impact to the Proposition 98 Guarantee could be \$18.3 billion

... with a potentially major impact on state budgets

COVID-19 State Budget Shortfalls Could Be Largest on Record

Total shortfall in each fiscal year, in billions of 2020 dollars



“equal to more than a third of state revenues.”

* Estimates based on CBPP calculations using Congressional Budget Office and Goldman Sachs unemployment estimates. Does not reflect use of rainy day funds or federal aid already enacted.
Source: CBPP survey of state budget offices (through 2013); CBPP calculations (2020-2022)

With less revenue, state leaders must also contend with rising health care costs, poverty and unemployment – while addressing the need for education recovery

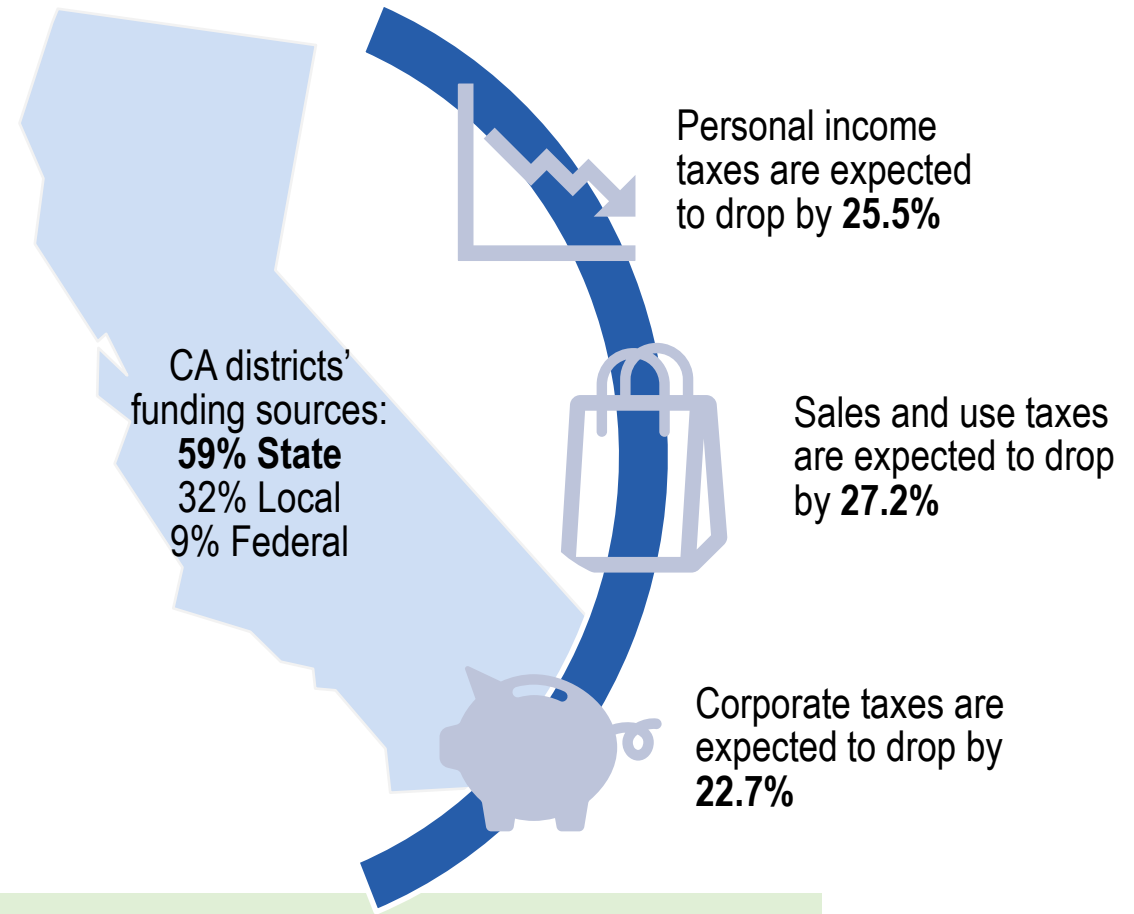
CA's reliance on state revenue for district funding will result in losses during the upcoming recession

For FY20-21, Governor Newsom projected a **27% (\$40B)** loss in state revenue...

...which lowers the *required* K-12 and community college funding level by **30% (\$18B)**

There are a number of ways to mitigate the impact of a funding cut including:

- Deferrals of districts' employee pension payments
- Funding schools beyond the minimum



Districts may not have clear direction from the State until August or September

County Budget Guidance

Fiscal Alert

April 2020

LEAs need to keep in mind that Proposition 98 funding considerations by the state may not be clear at the May Revision or the June adopted budget. In fact, with rapidly declining state revenues and a delay in tax receipts, Proposition 98 funding levels likely will not be determined until fall. Early in the Great Recession, state tax receipts fell so rapidly that multiple state budgets were adopted during one fiscal year, setting the stage for mid-year changes for Proposition 98 as well.

This fiscal alert is lengthy, providing guidance on what FCMAT believes is prudent financial planning. The best practices outlined here are applicable irrespective of the times. The guidance presented is built on realistic considerations based on available data, which will be updated with the May Revision, June state budget adoption, and likely mid-year changes (a second adoption) in the fall.

Budget updates should not be limited to internal distribution, but should also be shared with county offices of education, the LEA's governing board, and the community. Maintaining open communication and efforts to keep all stakeholders informed is vital. The need to communicate about financial planning has never been greater.

County Budget Guidance

Fiscal Alert

April 2020

At this time, FCMAT believes best case funded COLA could be in the -2% range, and worst case in the -10% range, depending on a multitude of considerations including:

- The overall size of the state revenue reductions and the resulting impact on Proposition 98
- The size of interyear apportionment deferrals
- The size of non-LCFF Proposition 98 program cuts (e.g., preschool, grants)
- Relief from non-Proposition 98 funding sources such as the Budget Stabilization Account (state's rainy day fund) for either revenue increases or expenditure reduction

The answers to these considerations lie partially in financial data and analysis, and partially in political decisions. At this time, FCMAT has more confidence in the best case value of -2% than it does in the worst case value of -10%, but -10% is not unrealistic given the economic cliff that is being experienced.

How Will the State Approach P98 Gap

- Proposition 98 will be severely impacted by rapid degradation of state tax receipts
- Considerations will be both financial and political:
 - The overall size of the state revenue reductions and the resulting impact on Proposition 98 (\$18.3B)
 - The size of interyear apportionment deferrals
 - The size of non-LCFF Proposition 98 program cuts (preschool, grants)
 - Relief from non-Proposition 98 funding sources such as the Budget Stabilization Account (rainy day fund) for either revenue increases or expenditure reduction
 - LCFF rate reductions - CUTS

Fiscal Realities For LEAs – Current Year

- **Revenue** – fairly stable; ADA held harmless; lottery and local down
- **Expenditures** – unplanned, extraordinary expenses are up
- **Reserves** – trending down from start of the pandemic
- **Cash** – was strong, will decline rapidly with a June apportionment deferral
- **Key takeaway** – update cash projections now!

Fiscal Realities For LEAs – Budget Year

- **Revenue** – Jan 10 proposals scrapped; rapid decline in state resources; federal assistance; statutory COLA 2.31%, funded COLA ? But expect range of -2% to -10% in LCFF reductions
- **Expenditures** – continued distance learning costs; potentially significant physical distancing costs; some flexibility in regulations
- **Reserves** – need to maintain but likely trending down rapidly
- **Cash** – will continue to decline with a June+ apportionment deferral
- **Key takeaway** – little current data; May Revision and June adoption will not answer funding question; expect budget revisions in fall; LCAP delayed; big unknown is school year and configuration

Fiscal Realities For LEAs – Outyears

- Multiyear Financial Projections (MYFP) are critical.
- The effects of today's operations and financial decisions are indelibly printed on the future.
- All decisions should be made through the added lens of the MYFP and the impact on the district's overall financial health.
- Budget year (2020-21) will not reflect the full impact of the downward spiral.
- Depending on the amount of time in a recessionary condition it is likely that 2021-22 state tax receipts and COLA calculations will be harder hit than 2020-21.
- Some thought partners see 2021-22 with additional 15% reductions.

Potential Impacts to WCCUSD Budget

- Based upon FCMAT and County Office direction the District is removing the projected COLA from the 2020 – 2021 revenue projection (the impact will likely be greater in 2021 – 2022)
- It is likely that the full impact of loss of State revenue will not be known at the May Revision or Budget Adoption in June.

	Revenue loss	2021 – 2022 Cut Target
Pre COVID-19 Required Budget Reductions		\$18.0 million
Elimination of COLA for 2020 – 2021 (from 3% to 0%)	\$8.8 million	\$26.8 million
POSSIBLE SCENARIOS FROM STATE IN AUGUST/SEPT		
Negative COLA (-1%)	\$2.8 million	\$29.6 million
Negative COLA (-2%)	\$5.6 million	\$32.4 million
Negative COLA (-5%)	\$14.0 million	\$40.8 million
Negative COLA (-10%)	\$28.0 million	\$54.8 million
Negative COLA (-15%)	\$42.0 million	\$68.8 million

Third Interim Multiyear Projections Based Upon 0% COLA in 2020 - 2021

	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022
Revenue	\$366,105,319	\$369,849,490	\$363,245,286	\$357,685,777
Expenses	\$379,764,236	\$406,261,567	\$390,170,758	\$394,945,264
Difference	(\$13,658,917)	(\$36,412,077)	(\$26,925,472)	(\$37,259,487)
Beginning Balance (Unrestricted + Fund 17+ Audit Adj)	\$48,849,344	\$42,963,296	\$19,170,063	\$7,830,581
Ending Balance	\$38,082,475	\$19,170,063	\$7,830,581	(\$29,428,906)
Components of Ending Fund Balance				
Fund 17 Reserve for Economic Uncertainties	\$11,392,927	\$14,618,076	\$7,830,581	\$0
Deficit to maintain 3%	\$0	\$0	(\$7,087,495)	(\$14,918,076)
Stores	\$264,189	\$230,000	\$230,000	\$230,000
Revolving Cash	\$70,000	\$70,000	\$70,000	\$70,000
Unallocated	\$3,710,443	\$0	\$0	\$0
Assigned for Future Cuts	\$22,644,916	\$4,251,987	\$0	\$0

2020 – 2021 will utilize the OPEB transfer for the second year to maintain fund balance

The District anticipates that the ending balance for 2019 – 2020 will be increased to mitigate a portion of the deficit for that year once the books have been closed at audited actuals.

Restricted fund balances are not included in this chart of ending fund balances

Major Expenditure Assumptions – Out Years (Pre COVID-19 – Fund 01 ONLY)

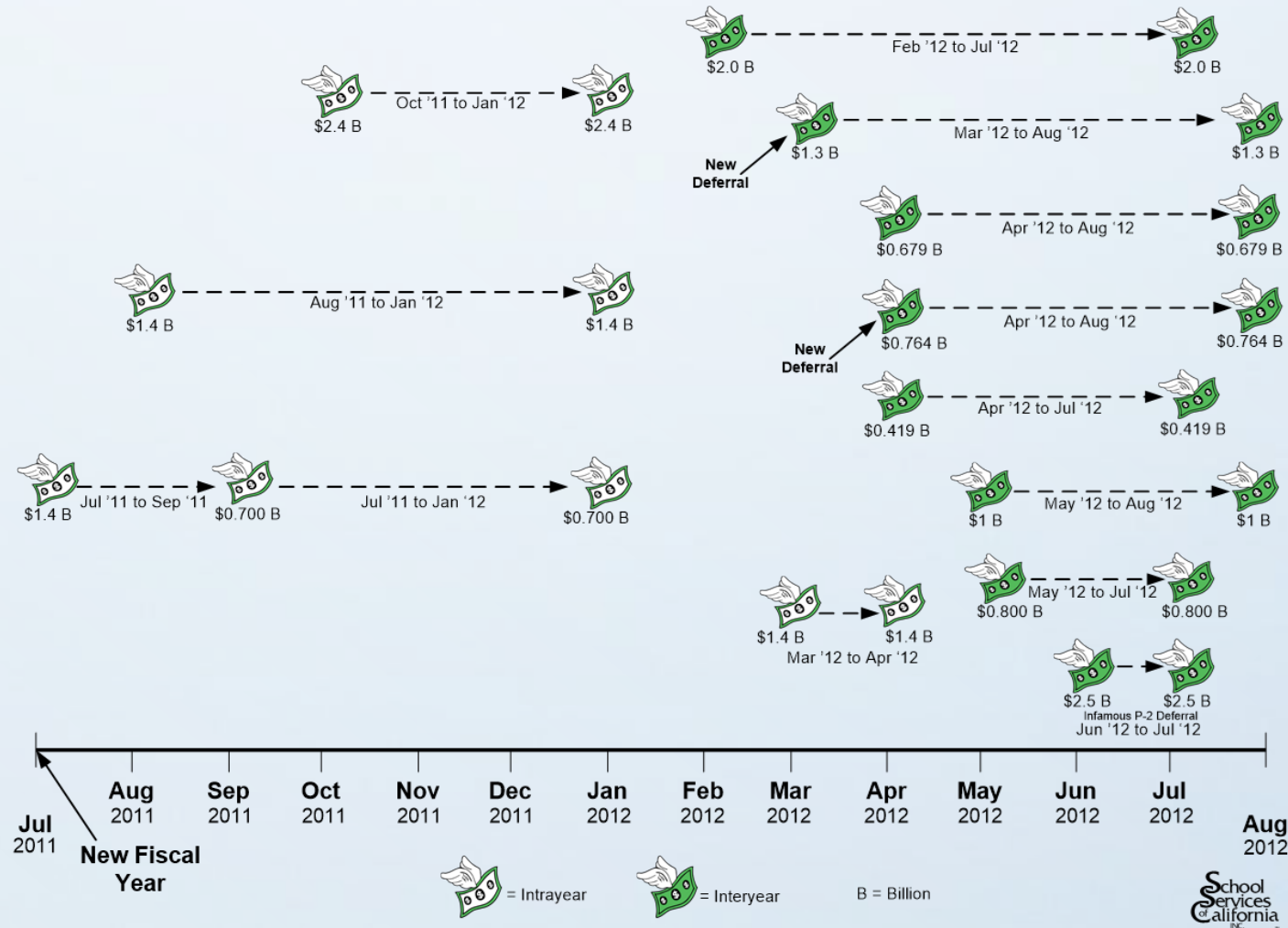
	2018 -2019	2019-2020	2020-2021	2021-2022
LCFF Gap Rate Projection	100%	0%	0%	0%
Projected COLA (DOF)	3.70%	3.26%	0.0%	0.0%
Step & Column cost	\$1,364,047	\$1,507,905	\$1,506,120	\$1,396,478
STRS (increased rate)	\$921,867	\$953,242	\$1,385,781	(\$322,993)
PERS (increased rate)	\$327,558	\$384,525	\$1,079,586	\$700,974
Restricted Maintenance (3% contribution)	\$73,421	\$61,558	(\$642,739)	(\$144,078)
Reserve for Economic Uncertainties	\$9,968	\$143,635	\$339,539	\$124,446
Declining Enrollment (loss of revenue)	\$691,824	\$2,657,835	\$559,795	\$84,466
Special Education Contribution (SELPA)	\$2,665,897	\$2,745,873	\$2,814,519	\$2,884,882
Insurance / Workers Compensation	\$1,439,759	\$439,899	\$650,000	\$650,000
Salary Settlements	\$11,354,185	\$9,751,423	\$5,325,722	\$0
Statutory Benefits Cost Increases	\$273,115	\$358,527	\$399,465	\$413,806
Program Contributions (CPI estimate)	\$1,202,452	\$1,115,029	\$948,361	\$829,524
TOTAL New Expenditures	\$20,324,093	\$20,119,415	\$15,584,858	\$7,134,894

Cash Flow

- Because the District has needed to utilize reserves to mitigate the current year budget deficit the management of cash is critical
- The District receives Property Tax and State Apportionment for the bulk of our revenue
 - Property Taxes are fairly consistent and do not change significantly year over year
 - State aid makes up the difference between what is received in Property Taxes and what is required from the LCFF formula
- When the State has had budget issues in the past they have deferred revenue from one month to a later month
 - For Example the State does not pay the June apportionment until July which “saves” the State money. Districts are required to “book” the apportionment as deferred revenue but would not have the cash available for expenses until the following month

Cash Flow – State History of Deferrals

2011–12 Apportionment Deferrals





Fiscal 2020 Cash Flow
Fund 01, All Resources

		19-20	July	August	September	October	November	December	January	February	March	April	May	June	Accrual	Totals	19-20
		3rd INTERIM BUDGET															BUDGET
A. BEGINNING CASH			17,114,315.32	8,462,175.06	(9,877,179.68)	(7,420,193.40)	(22,285,369.81)	(38,446,267.33)	18,331,738.43	29,098,541.95	(2,801,241.08)	5,021,604.26	41,752,841.64	38,388,731.89			
B. RECEIPTS																	
Principal Apportionment	8000-8019	195,873,279.00	8,048,653.50	8,048,653.50	25,863,529.30	14,487,576.50	14,487,576.30	25,636,619.30	14,615,581.30	-	38,933,003.05	13,458,456.65	13,458,456.65	-	18,835,172.95	177,038,106.05	195,873,279.00
Property Taxes	8020-8079	109,957,211.00	110,824,909.03	744,216.84		2,606,457.51	(2,289,632.73)	(14,760,235.77)	283,391.24	(150,334.86)	(86,230.86)	3,018,379.31	-	136,216.95	9,630,074.34	100,327,136.66	109,957,211.00
Miscellaneous Funds	8080-8099	(17,883,953.00)	-	(2,534,184.13)	765,106.13	(3,928,201.99)	(1,133,747.57)	(1,133,747.57)	(1,017,949.43)	(1,107,124.08)	(2,710,837.98)	(1,342,107.25)	(813,996.05)	(2,412,060.26)	(515,102.82)	(17,368,850.18)	(17,883,953.00)
Federal Revenue	8100-8299	25,578,982.00	495,663.85	142,937.51	117,914.63	2,087,766.82	335,022.74	367,392.39	4,990,710.32	45,225.00	54,842.00	566,443.47	2,023,664.11	10,050,358.76	4,301,040.40	21,277,941.60	25,578,982.00
Other State Revenue	8300-8599	38,391,319.00	2,253,320.47	1,674,722.40	3,436,862.56	1,609,710.66	2,841,266.99	3,834,878.63	5,785,108.41		5,531,745.24	5,854,488.94	104,991.70	-	5,464,223.00	32,927,096.00	38,391,319.00
Other Local Revenue	8600-8799	20,502,084.00	69,315.47	1,070,414.32	425,984.20	16,366,713.22	247,786.67	305,770.16	486,350.16	184,266.03	395,067.99	1,146,318.38	198,679.87	225,369.59	(619,952.06)	21,122,036.06	20,502,084.00
Interfund Transfers In	8900-8929	35,385,990.00	-	-	-	-	-	-	19,800,000.00	-	-	-	14,585,990.00	1,000,000.00		35,385,990.00	35,385,990.00
All Other Financing Sources	8930-8999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		407,804,912.00	121,691,862.32	9,146,760.44	30,609,396.82	33,230,022.72	14,488,272.40	14,250,677.14	44,943,192.00	(1,027,967.91)	42,117,589.44	22,701,979.50	29,557,786.28	8,999,885.04	37,095,455.81	370,709,456.19	407,804,912.00
C. DISBURSEMENTS																	
Certificated Salaries	1000-1999	157,683,208.00	1,202,840.35	12,978,844.87	13,548,302.11	13,707,879.33	13,669,950.57	13,964,293.69	13,365,343.41	13,654,976.27	13,651,920.00	13,120,551.14	13,180,219.50	13,180,219.50	8,457,867.26	149,225,340.74	157,683,208.00
Classified Salaries	2000-2999	63,336,941.00	2,864,462.41	4,690,693.02	5,025,150.78	5,300,125.65	5,355,115.53	4,923,101.87	4,999,753.02	5,207,203.93	5,245,097.29	4,812,014.62	4,575,912.88	4,575,912.87	5,762,397.13	57,574,543.87	63,336,941.00
Employee Benefits	3000-3999	99,532,487.00	4,947,047.42	7,773,747.93	8,047,904.23	8,133,987.26	8,109,971.47	8,096,716.91	8,080,245.12	8,143,085.44	8,109,994.50	7,473,357.83	7,486,430.94	7,486,430.94	7,643,567.01	91,888,919.99	99,532,487.00
Books & Supplies	4000-4999	14,022,969.00	15,625.42	427,885.31	773,005.58	744,799.78	1,030,754.57	601,851.54	447,427.14	401,530.20	737,998.73	468,697.07	1,891,826.17	2,436,390.63	4,045,176.86	9,977,792.14	14,022,969.00
Services	5000-5999	66,624,608.00	603,139.86	2,138,543.17	2,283,492.37	5,244,783.62	4,887,762.16	4,858,740.50	6,519,819.06	3,402,684.63	6,927,716.28	4,578,137.02	5,539,573.90	5,539,573.90	14,100,641.53	52,523,966.47	66,624,608.00
Capital Outlay	6000-6999	2,686,007.00		607.50	220,686.94	330,979.74	70,634.28	732,079.72	-	-	6,905.07	15,240.59	205,400.03	430,416.03	673,057.10	2,012,949.90	2,686,007.00
Other Outgo	7000-7499	2,376,130.00	380,909.50		(42,450.13)	(55,058.20)	-	829,352.90	1,017,685.37	-	(42,361.75)	(19,634.78)	23,000.01	284,687.08	-	2,376,130.00	2,376,130.00
Interfund Transfers Out	7600-7629		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS		406,262,350.00	10,014,024.96	28,010,321.80	29,856,091.88	33,407,497.18	33,124,188.58	34,006,137.13	34,430,273.12	30,809,480.47	34,637,270.12	30,448,363.49	32,902,363.43	33,933,630.95	40,682,706.89	365,579,643.11	406,262,350.00
D. BALANCE SHEET TRANSACTIONS																	
Cash Not In Treasury	9111-9199	-	25,295.86			(64,164.80)			(60,210.58)			(53,052.38)				(152,131.90)	-
Accounts Receivable	9200-9299		5,307,540.63	1,293,442.12	1,593,549.71	824,862.24	214,183.84	551,405.10	13,013,202.17	(38,521.88)	73,624.50	2,045,738.63	(19,532.60)	(12,798,091.00)		12,061,403.46	
Stores	9320-9329	-	44,418.15	(19,038.87)	19,938.58	15,718.09	(1,913.41)	13,333.45	28,933.73	(25,243.96)	8,473.63	(59,948.06)				24,671.33	-
Other Current Assets	9340-9499	-	(110,824,909.03)	(740,331.85)		(15,478,291.64)	2,269,457.62	75,940,325.12	12,706.47		270,587.38	42,538,285.15				(6,012,170.78)	-
Subtotal Assets			(105,447,654.39)	534,071.40	1,613,488.29	(14,701,876.11)	2,481,728.05	76,505,063.67	12,994,631.79	(63,765.84)	352,685.51	44,471,023.34	(19,532.60)	(12,798,091.00)		5,921,772.11	
Accounts Payable	9500-9599		13,997,758.62	9,864.78	(90,193.05)	(14,174.16)	6,709.39	(28,402.08)	18,233,303.65	(1,431.19)	10,159.49	(6,598.03)		(14,121,580.00)		17,995,417.42	
Unearned Revenue	9650-9699	-	884,564.61													884,564.61	-
Subtotal Liabilities			14,882,323.23	9,864.78	(90,193.05)	(14,174.16)	6,709.39	(28,402.08)	18,233,303.65	(1,431.19)	10,159.49	(6,598.03)	-	(14,121,580.00)		18,879,982.03	
Change in Fund Balance	9793-9799		-	-	-	-	-	-	5,492,556.50								
TOTAL BALANCE SHEET TRANSACTIONS			(120,329,977.62)	524,206.62	1,703,681.34	(14,687,701.95)	2,475,018.66	76,533,465.75	253,884.64	(62,334.65)	342,526.02	44,477,621.37	(19,532.60)	1,323,489.00	-	(7,465,653.42)	
E. NET INCREASE/DECREASE			(8,652,140.26)	(18,339,354.74)	2,456,986.28	(14,865,176.41)	(16,160,897.52)	56,778,005.76	10,766,803.52	(31,899,783.03)	7,822,845.34	36,731,237.38	(3,364,109.75)	(23,610,256.91)		(2,335,840.34)	
F. ENDING CASH			8,462,175.06	(9,877,179.68)	(7,420,193.40)	(22,285,369.81)	(38,446,267.33)	18,331,738.43	29,098,541.95	(2,801,241.08)	5,021,604.26	41,752,841.64	38,388,731.89	14,778,474.98			

**Fiscal 2021 Cash Flow**

Fund 01, All Resources

		20-21	July	August	September	October	November	December	January	February	March	April	May	June	Accrual	Totals	20-21
		Prelim Budget															BUDGET
A. BEGINNING CASH			14,778,474.98	(799,694.37)	(5,818,889.60)	(3,203,358.75)	(9,341,423.32)	(9,744,340.88)	55,208,376.97	49,641,994.43	20,425,634.37	27,672,742.41	47,349,163.99	51,105,014.97			
B. RECEIPTS																	
Principal Apportionment	8000-8019	192,892,779.00	-	16,360,858.77	24,999,521.76	14,724,772.90	15,280,536.74	25,319,932.11	14,724,772.90	-	33,832,853.14	11,482,111.41	11,482,111.41	14,370,696.68	10,314,611.18	182,578,167.82	192,892,779.00
Property Taxes	8020-8079	109,957,211.00	112,026,352.47	31,225.96	976,676.28	3,242,647.40	5,576,001.06	(14,625,389.18)	438,820.19	-	(199,974.80)	(4,898.00)	7,026,720.78	136,216.95	(4,667,188.10)	114,624,399.10	109,957,211.00
Miscellaneous Funds	8080-8099	(17,883,953.00)	-	(609,206.63)	(1,677,167.48)	(1,170,266.70)	-	(2,150,435.47)	-	(2,150,435.47)	(3,087,376.14)	(2,170,594.79)	(1,752,656.96)	(2,762,743.04)	(353,070.31)	(17,530,882.69)	(17,883,953.00)
Federal Revenue	8100-8299	24,015,115.00	465,359.58	134,198.49	110,705.48	1,960,123.37	174,728.28	979,140.76	1,166,210.72	1,359,673.34	650,252.09	1,627,642.00	1,899,939.82	9,435,892.38	4,051,248.70	19,963,866.30	24,015,115.00
Other State Revenue	8300-8599	37,882,190.00	2,223,437.91	1,652,512.96	3,391,284.38	1,588,363.38	1,960,221.14	6,002,095.72	8,641,163.30	99,363.39	3,993,020.57	3,970,370.38	103,599.34	4,386,981.94	(130,224.42)	38,012,414.42	37,882,190.00
Other Local Revenue	8600-8799	15,004,235.00	50,727.80	1,070,414.32	425,984.20	16,366,713.22	247,786.67	305,770.16	486,350.16	184,266.03	395,067.99	685,578.25	50,727.80	50,727.80	(5,315,879.40)	20,320,114.40	15,004,235.00
Interfund Transfers In	8900-8929	15,585,990.00	-	-	-	-	-	-	-	-	-	-	14,585,990.00	1,000,000.00	-	15,585,990.00	15,585,990.00
All Other Financing Sources	8930-8999	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL RECEIPTS		377,453,567.00	114,765,877.76	18,640,003.87	28,227,004.62	36,712,353.55	23,239,273.89	15,831,114.09	25,457,317.26	(507,132.71)	35,583,842.85	15,590,209.25	33,396,432.19	26,617,772.71	3,899,497.66	373,554,069.34	377,453,567.00
C. DISBURSEMENTS																	
Certificated Salaries	1000-1999	138,183,208.00	1,200,808.98	10,819,578.90	11,881,151.12	11,869,974.62	11,940,205.65	11,982,329.86	11,476,989.61	12,737,610.89	12,355,345.47	12,347,331.61	12,608,738.45	14,154,977.29	2,808,165.55	135,375,042.45	138,183,208.00
Classified Salaries	2000-2999	61,836,941.00	2,822,232.55	4,773,601.94	5,285,288.21	5,442,396.16	5,303,867.66	5,261,594.82	4,985,752.43	5,469,157.25	5,235,107.19	5,201,751.78	5,438,130.56	6,550,853.79	67,206.65	61,769,734.35	61,836,941.00
Employee Benefits	3000-3999	73,532,487.00	4,342,925.13	5,874,713.84	6,172,449.26	6,096,819.50	5,787,963.08	5,966,512.08	6,011,284.88	6,386,448.82	6,302,381.11	6,118,752.50	6,242,269.30	6,907,884.48	1,322,083.02	72,210,403.98	73,532,487.00
Books & Supplies	4000-4999	14,022,969.00	39,973.34	698,231.62	549,795.81	715,124.13	496,998.47	307,724.95	278,650.78	396,223.87	488,407.78	681,414.06	449,876.44	3,808,480.44	5,112,067.32	8,910,901.68	14,022,969.00
Services	5000-5999	60,624,608.00	857,583.40	1,804,618.55	3,133,458.14	3,469,217.75	2,563,232.57	4,100,506.20	4,298,079.50	3,489,373.54	4,484,607.41	5,760,556.91	4,141,781.20	13,439,325.21	9,082,267.62	51,542,340.38	60,624,608.00
Capital Outlay	6000-6999	2,686,007.00	16,590.29	212,660.88	444,833.54	344,584.57	24,942.68	23,809.66	15,218.78	168,078.33	50,785.68	11,424.47	231,007.34	1,142,070.78	0.00	2,686,007.00	2,686,007.00
Other Outgo	7000-7499	2,376,130.00	(224,599.45)	-	(151,820.96)	224,599.45	-	(230,615.58)	3,939,153.44	-	(237,373.82)	-	528,777.92	(1,471,991.00)	(0.00)	2,376,130.00	2,376,130.00
Interfund Transfers Out	7600-7629	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL DISBURSEMENTS		353,262,350.00	9,055,514.24	24,183,405.72	27,315,155.11	28,162,716.16	26,117,210.11	27,411,861.99	31,005,129.42	28,646,892.70	28,679,260.83	30,121,231.34	29,640,581.21	44,531,600.99	18,391,790.17	334,870,559.83	353,262,350.00
D. BALANCE SHEET TRANSACTIONS																	
Cash Not In Treasury	9111-9199	-	25,295.86			(64,164.80)			(60,210.58)							(99,079.52)	-
Accounts Receivable	9200-9299		5,307,540.63	1,293,442.12	1,593,549.71	824,862.24	214,183.84	551,405.10		(38,521.88)	73,624.50	(2,045,738.63)		(12,798,091.00)		(5,023,743.37)	
Stores	9320-9329	-	44,418.15	(19,038.87)	19,938.58	15,718.09	(1,913.41)	13,333.45	28,933.73	(25,243.96)	8,473.63	60,167.97				144,787.36	-
Other Current Assets	9340-9499	-	(111,783,464.29)	(740,331.85)		(15,478,291.64)	2,269,457.62	75,940,325.12	12,706.47		270,587.38	36,186,416.29				(13,322,594.90)	-
Subtotal Assets			(106,406,209.65)	534,071.40	1,613,488.29	(14,701,876.11)	2,481,728.05	76,505,063.67	(18,570.38)	(63,765.84)	352,685.51	34,200,845.63	-	(12,798,091.00)		(18,300,630.43)	
Accounts Payable	9500-9599		13,997,758.62	9,864.78	(90,193.05)	(14,174.16)	6,709.39	(28,402.08)		(1,431.19)	10,159.49	(6,598.03)		(14,121,580.00)		(237,886.23)	
Unearned Revenue	9650-9699	-	884,564.61													884,564.61	-
Subtotal Liabilities			14,882,323.23	9,864.78	(90,193.05)	(14,174.16)	6,709.39	(28,402.08)	-	(1,431.19)	10,159.49	(6,598.03)	-	(14,121,580.00)		646,678.38	
Change in Fund Balance		9793-9799	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL BALANCE SHEET TRANSACTIONS			(121,288,532.88)	524,206.62	1,703,681.34	(14,687,701.95)	2,475,018.66	76,533,465.75	(18,570.38)	(62,334.65)	342,526.02	34,207,443.66	-	1,323,489.00	-	(18,947,308.81)	
E. NET INCREASE/DECREASE			(15,578,169.35)	(5,019,195.23)	2,615,530.85	(6,138,064.56)	(402,917.56)	64,952,717.85	(5,566,382.54)	(29,216,360.05)	7,247,108.04	19,676,421.57	3,755,850.98	(16,590,339.28)		19,736,200.71	
F. ENDING CASH			(799,694.37)	(5,818,889.60)	(3,203,358.75)	(9,341,423.32)	(9,744,340.88)	55,208,376.97	49,641,994.43	20,425,634.37	27,672,742.41	47,349,163.99	51,105,014.97	34,514,675.69			

Options for Cash Management

Temporary Interfund Borrowing

- The District may temporarily transfer cash between funds at the County Treasurer to ensure no fund carries a negative cash balance
- Maximum of 75% of the moneys held in the fund may be transferred
- However, borrowing from the Bond Fund risks significant violations of State and Federal law

Borrowing from the County

- The District may submit an application to borrow moneys from the County
- The deadline for this application had run before the current cash situation became clear

Pooled TRANs

- The District may form a “pool” with other school districts in the County to issue TRANs
- These Districts may, with minimal County involvement, offer TRANs for sale

County-Issued TRANs

- District Requests the County to Issue TRANs on its behalf
- Similar process to a General Obligation Bond offering

Other Funds that can Support Cash Flow

- Normal Budget practices allow Districts to utilize cash in other funds to manage cash needs with proper accounting procedures
- A maximum of 75% of the each fund's balance can be utilized
 - **BOND Funds cannot be used** for cash management purposes

Fund	Projected Ending Fund Balance
Fund 17 (Special Reserve)	\$14.6 million (includes 3% reserve)
Fund 25 (Capital Facilities (non-bond))	\$11.8 million
Fund 40 (Special Reserve for Capital Outlay)	\$9.5 million

- The District maintains the 3% required reserve in Fund 17
- The real cash flexibility for the District is Fund 25 and 40 equaling \$20 million
 - This allows the District to utilize 75% of those funds for cash flow purposes which equals approximately \$15 million

State and Federal Legal Requirements for TRANS

State Law

- Payable within 15 months after issuance, from revenue received or accrued during the Fiscal Year in which it is issued.
- Borrowing is limited to 85% of uncollected revenues available for payment of the TRANS
- TRANS are secured by taxes, income, revenue, cash receipt, or other moneys pledged by the District that are not encumbered for a specific purpose. The Notes are payable from the first moneys received from such pledged amounts.

Federal tax law for Tax-Exempt TRANS

- Sizing is generally limited to the greatest cash-flow deficit occurring within 6 months of the issue
 - This takes into account a “reasonable working capital reserve” (generally 5% of prior year general fund expenditures)
- The proceeds must be spent within six months of issue and are treated as spent only on when there are no other “available amounts” to pay such expenditures
 - I.e., TRANS proceeds are spent last, after all other available amounts are expended.
 - “Available amounts” include funds of the District that may legally be used for general fund expenditures of the type being financed, but do not include, however, a reasonable working capital reserve or the proceeds of the TRANS.
- TRANS that are not intended to be federally tax-exempt do not need to satisfy the above rules.



Conceptual TRAN Issuance Timeline

Date	Activity
TRAN Financing Commencement	
Week 1	<ul style="list-style-type: none">▪ Circulate draft of authorizing resolution, Preliminary Official Statement (POS) and legal documents.▪ Prepare TRAN Financing Analysis
Week 2	<ul style="list-style-type: none">▪ Comments due on authorizing resolution, POS and legal documents.▪ Finalize TRAN Financing Analysis
Week 3-4	<ul style="list-style-type: none">▪ Submit final financing documents for Board of Trustees and Contra Costa County Board of Supervisors prior to agenda deadlines.▪ Credit Rating meeting preparation or communication to affirm current ratings.
Week 5	<ul style="list-style-type: none">▪ Credit Rating conference calls.▪ <i>District Board of Trustees acts on authorizing resolution, POS and legal documents.</i>▪ Due Diligence conference call.
Week 6	<ul style="list-style-type: none">▪ Receive credit ratings (7-14 days approx.)▪ <i>County Board of Supervisors takes action on authorizing resolution</i>▪ POS posted electronically and distributed to investors
Week 7	<ul style="list-style-type: none">▪ Bond Pre-Pricing conference call.▪ <i>Bond Pricing; Final Pricing conference call.</i>
Week 8	<ul style="list-style-type: none">▪ Final Official Statement printed and distributed
Week 9	<ul style="list-style-type: none">▪ Pre-closing; bond counsel in receipt of all signed documents▪ <i>Closing.</i>

Calendar of Budget Events

- Third Interim Budget Adoption – May 20, 2020
- Budget Adoption – June 10, 2020
- Governor's Update Budget
 - August or September
- Unaudited Actuals Budget Report – September 2020
- Possible 45-day budget revision and determination of 2021-2022 Cut Target – September 2020
- November 2020 election
 - Schools and Communities First Initiative
 - Possible Parcel Tax
- First Interim Report and LCAP adoption – December 2020

District's Goal is to continue to work collaboratively with our associations to lobby the State and Federal Government to Adequately Fund k-12 Education

