

Mountain View Whisman School District

Agenda Item for Board Meeting of June 19, 2014

Agenda Category: Review and Action

Agenda Item Title: Approval of Final Budget for 2014-15 and
Public Hearing for Final Budget for 2014-15

Estimated Time: 20 minutes

Person Responsible: Terese McNamee, Chief Business Officer

Background:

The Board of Trustees is legally required to adopt a balanced budget with a 3% reserve for the 2014-15, 2015-16 and 2016-17 school years by June 30, 2014. On June 5, 2014, the Board adopted multi-year budget assumptions that are the basis of the 2014-15 multi-year budget projections. The 2014-15 budget will be adjusted at the First and Second Interim Reports to reflect any changes. These reports will be presented to the Board of Trustees in December 2014 and March 2015.

A copy of the budget has been provided under separate cover to the Board and is available at the District Office for review.

The Board will hold a public hearing on the proposed 2014-15 budget.

Fiscal Implication:

General Fund:

The General Fund revenues projected for 2014-15 are \$49,290,657. This is decrease of .7% compared to the 2013-14 General Fund Revenues of \$49,622,228 as projected actuals. The General Fund revenue for 2014-15 includes projected revenues of \$2,800,000 from the Parcel Tax and \$486,500 from the Mountain View Educational Foundation. The decrease comes primarily from the reduction of local revenue of a \$1 million Google grant and \$1 million in CCSS.

Total Outgo (including transfers and expenditures) in the General Fund is projected at \$49,791,266 for 2014-15. This increase of 7% includes combined increases to instructional materials, professional development and technology due to the funding for common core implementation and LCFF supplemental funds for expansion of Coaches, Facilitators and Middle School Math Pathways.

The estimated Ending Balance of the 2014-15 General Fund Budget is \$20,828,277. The estimated Ending Balance includes the following:

- \$639,140 for Parcel Tax Reserves, and
- \$61,458 for Revolving Cash and Prepaid Expense and
- \$8,598,606 in Assigned and Restricted Categorical Funds

The 3% required reserve for the district is \$1,493,738 of General Fund Unrestricted. Additional undesignated reserves above the 3% are \$8,048,379 or 19.16%. Given the volatility in State revenue, and historical revenue reductions as high as 23%, the recommended undesignated reserves should be

substantially higher than the State recommended 3%. It is expected that this Balance will be required to address our annual operating deficit.

The Multi-Year Projection indicates that the district will meet the required 3% reserve for all three years.

Other Funds:

Fund 12: Child Development Fund. The District operates preschool classes for needy families at Castro School and at the Slater School site. The Proposed Budget includes \$922,460 in revenues from State and Federal Sources and \$815,143 in expenditures. Estimated Ending Balance is projected to be \$336,247.

Fund 13: Cafeteria Fund. The District operates both Breakfast and National School Lunch Programs. Over 3700 meals are prepared and served per day by district staff. This is a substantial increase over 11-12 with the successful introduction of Dinner program at sites offering Beyond the Bell programming. The Proposed Budget includes \$2,043,889 in revenues and \$2,073,024 in expenditures. (At this time, there are no projected transfers from the General Fund in support of the Cafeteria Fund for 2014-15). Estimated Ending Balance is projected to be \$292,360 in stores and prepaid expenses.

Fund 14: Deferred Maintenance Fund. The Proposed Budget includes \$256,786 in revenue and \$15,000 in expenditures. Estimated Ending Balance is projected to be \$1,005,214.

Fund 17: Special Reserve for Whisman School Renovation Fund. This fund was established by Board action on May 31, 2001 for the purpose of meeting the repair and renovation needs of Whisman School since all of the site renovations recommended in the 1996 Whisman Long Range Facility Master Plan were not completed when the site was closed as a district school. The Proposed Budget includes \$550 in revenues and \$0 for expenditures. Estimated Ending Balance is projected to be \$120,036.

Fund 20: Special Reserve Fund for Post-employment Benefits. This Special Reserve Fund is used to account for amounts the District has earmarked for the future cost of retiree benefits, but has not contributed irrevocably to a separate trust for the retiree benefit plan. The Proposed Budget includes \$14,000 in revenue from interest and \$0 in expenditures. Estimated Ending Balance is projected to be \$5,833,552.

Fund 21: Building Fund. The Building Fund originated from sale of property owned by the District. The District has leveraged the fund to finance Certificates of Participation, financing a 5-year capital construction improvement plan, which was completed in 1998. The funds are used to pay for the District's major maintenance and repair needs. The Proposed Budget has a Beginning Balance in this Fund of \$662,812. Projected Interest Revenue is \$2,500. Projected Expenditures are \$10,000. Estimated Ending Balance is projected to be \$655,312.

Fund 25: Capital Facilities Fund. This is the Developer Fee fund. Revenues are fees collected from residential and commercial development to offset the impact of student growth from this new construction. Expenditures are made to accommodate increased enrollment or rehabilitate facilities to reduce the impact of new students. The Proposed Budget includes \$503,000 in revenues and \$10,000 in expenses. Estimated Ending Balance is projected to be \$2,929,775

Fund 73: The Whisman Sports Center Special Purpose Fund. This fund was established by Board Action on May 12, 1994 for the purpose of operating and maintaining the Whisman Sports Center, a joint venture of the Whisman School District and the City of Mountain View. Funds to establish this

program were from the sale of ½ interest in a 2.82-acre site of the Whisman Sports Center to the City of Mountain View. The Proposed Budget has a beginning Balance of \$120,072 with Revenues of \$15,514 and \$135,000 in expenditure, leaving an Ending Balance of \$586.

Recommended Action:

That the Board of Trustees approve the Budget for the 2014-15 school year as presented.