



2013-14 2nd Interim Budget Presentation to Board

March 6, 2014

Terese McNamee - Chief Business Officer

Jean Yao - Director of Fiscal Services

Mountain View Whisman School District

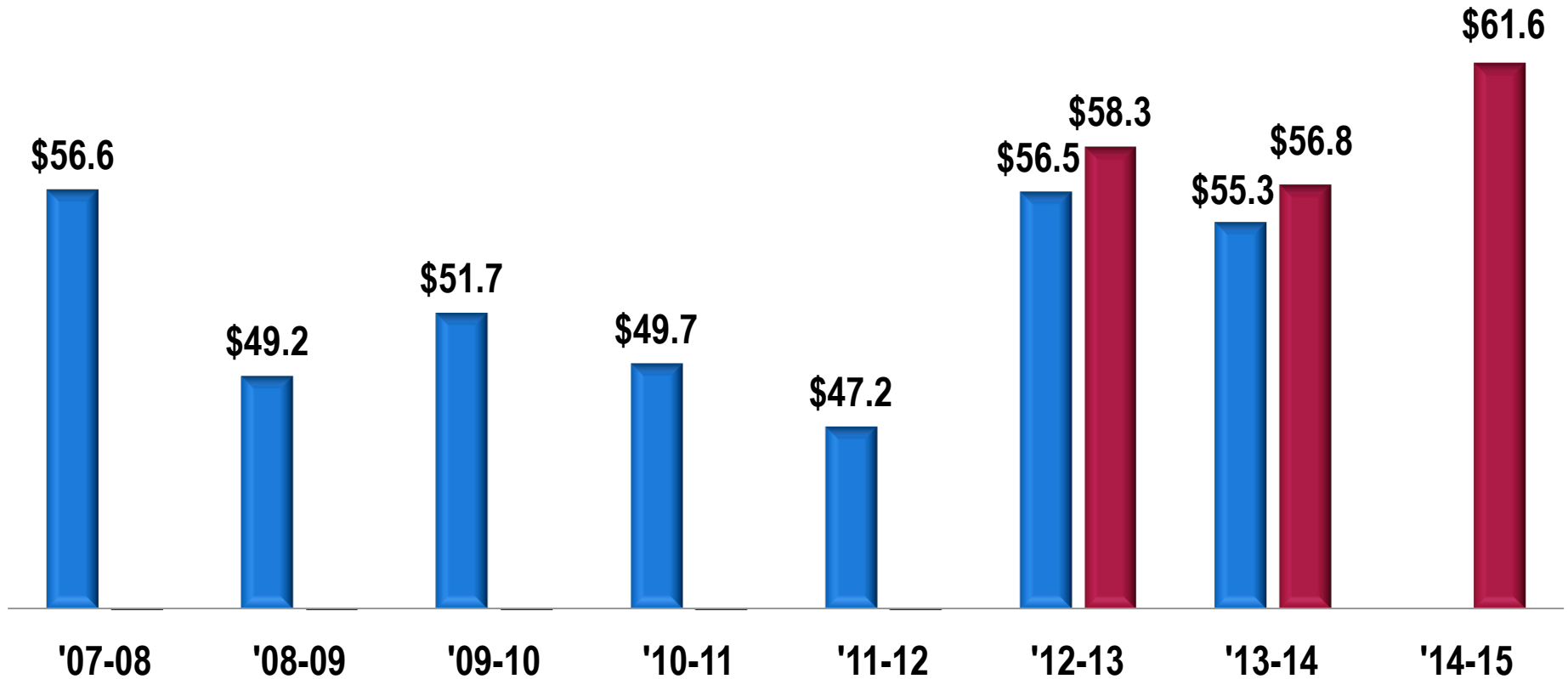
National & State Economic Outlook

- US economy shows positive growth but below normal growth (3.5%) and well below recovery level growth.
- California is also recovering but employment is still an issue. California's unemployment rate is top 5 in the US at 8.3%.
- State revenue is above budget for 2013-14. Excess funds will be used to fund one time expenses and pay down debt.
- Education budget for 2014-15 projected to increase by 8.5%. State forecast budget surplus through 2019 however decreasing due to expiration of temporary taxes in 2019.
- Governor's proposed budget and proposed LCFF increase for 14-15 is an average 10.9% increase (9.66% for MVWSD projected)

Proposition 98 Revenues

Proposition 98 (In Billions)

■ Enacted Budget ■ 2014-15 Governor's Budget



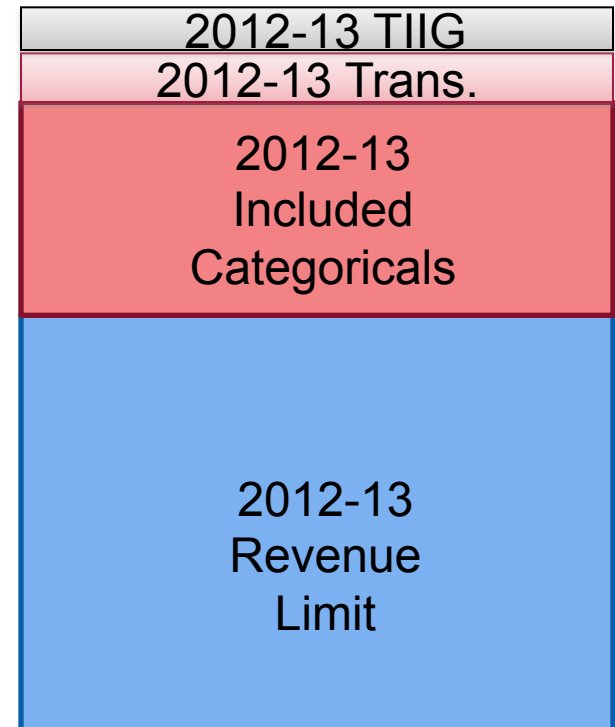
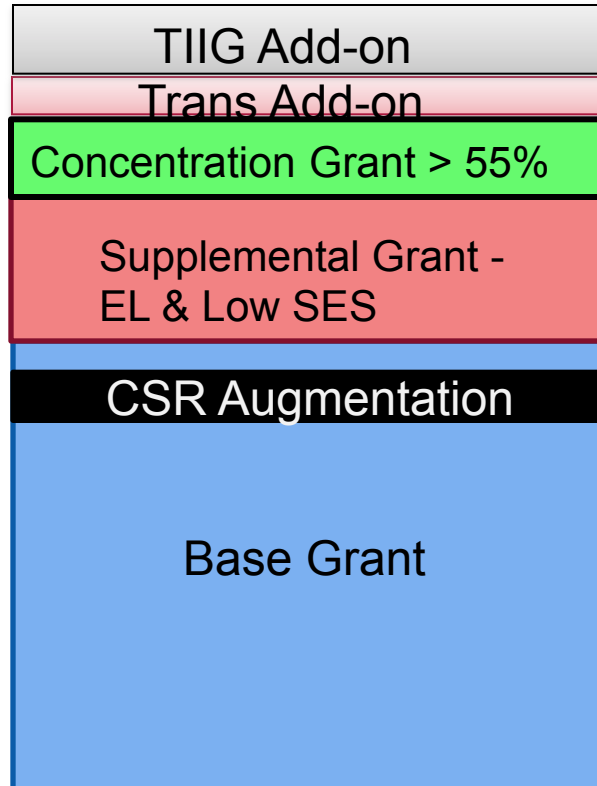
LCFF – A Quick Review

- The LCFF makes fundamental changes to how we allocate state Proposition 98 revenues to schools
- At full implementation, the LCFF will fund every student at the same base rate
- The LCFF provides two weighting factors applied against the LCFF base grant
 - 20% on behalf of each eligible student
 - An additional 50% for the eligible students exceeding 55% of total enrollment
- Each school district receives at least as much state aid in future fiscal years as the District received in 2012-13
- Performance Based Budgeting begins in 2014-15 with LCAP, where student achievement goals are tied to budgeting and stakeholder engagement is included in the planning process.

LCFF Entitlement Versus Annual Funding

Entitlement Target
\$ 40,634,074

Funded LCFF
\$ 31,331,042



2013-14 2nd Interim Budget Report

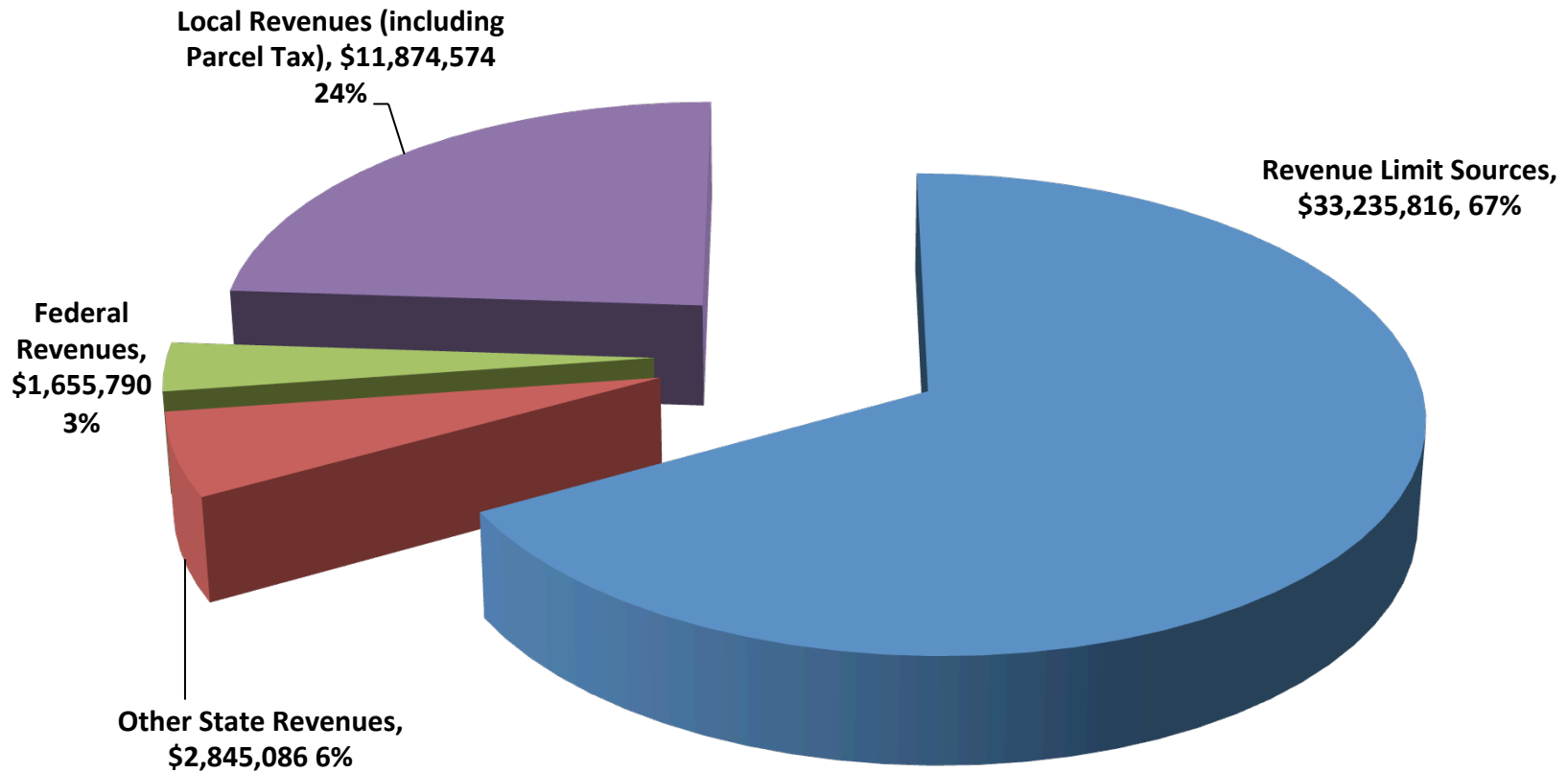
Revenues and Expenditures by Sub-Fund

2013-14 2nd INTERIM BUDGET											
	BEGINNING BALANCE	\$8,652,923	\$1,005,206	\$3,986,156		\$81,400	\$6,226,464	\$0	\$0		\$19,952,149
	General Fund	Parcel Tax	Tier III Flex	Total Unrestricted	Routine R. Maint	Categoricals	Transportation	Special Ed.	Total Restricted	AMS	
	03-01,03-02,03-03	03-04	03-05		06-05	06-06	06-07	06-08		TOTAL	
REVENUE											
LCCF Grant: 8010-8099	\$ 31,331,042			\$ 31,331,042				\$ 1,904,774	\$ 1,904,774	\$ 33,235,816	
Other State Sources: 8300-8599	\$ 764,268		\$ -	\$ 764,268		\$ 1,828,173	\$ -	\$ 252,645	\$ 2,080,818	\$ 2,845,086	
Federal Sources: 8100-8299	\$ 161,506			\$ 161,506		\$ 438,487		\$ 1,055,797	\$ 1,494,284	\$ 1,655,790	
Local Sources: 8600-8799	\$ 2,938,169	\$ 2,800,000		\$ 5,738,169		\$ 4,914,185	\$ 359,205	\$ 863,015	\$ 6,136,405	\$ 11,874,574	
TOTAL REVENUES	\$ 35,194,985	\$ 2,800,000	\$ -	\$ 37,994,985	\$ -	\$ 7,180,845	\$ 359,205	\$ 4,076,231	\$ 11,616,281	\$ 49,611,266	
EXPENDITURE											
1000-1999 Certificated Salaries	\$ 15,916,634	\$ 926,862	\$ 22,530	\$ 16,866,026	\$ -	\$ 1,540,073	\$ -	\$ 2,985,877	\$ 4,525,950	\$ 21,391,976	
2000-2999 Classified Salaries	\$ 3,179,628	\$ 755,500	\$ -	\$ 3,935,128	\$ 316,627	\$ 584,414	\$ 299,659	\$ 1,851,136	\$ 3,051,836	\$ 6,986,964	
3400 Health/Welfare	\$ 3,402,261	\$ 319,417	\$ -	\$ 3,721,678	\$ 75,136	\$ 233,426	\$ 107,085	\$ 936,328	\$ 1,351,975	\$ 5,073,653	
3000-3999 Others Fringes	\$ 2,675,612	\$ 257,387	\$ 2,668	\$ 2,935,667	\$ 64,073	\$ 253,426	\$ 75,987	\$ 776,146	\$ 1,169,632	\$ 4,105,299	
4000-4999 Supplies	\$ 747,267	\$ 19,355	\$ 364,543	\$ 1,131,165	\$ 80,000	\$ 1,200,602	\$ 55,000	\$ 55,500	\$ 1,391,102	\$ 2,522,267	
5000-5999 Contracts	\$ 1,998,022	\$ 586,161	\$ 20,000	\$ 2,604,183	\$ 602,766	\$ 1,308,614	\$ 222,336	\$ 1,943,337	\$ 4,077,053	\$ 6,681,236	
6000-6999 Capital	\$ -	\$ -	\$ -	\$ -	\$ 40,000	\$ 80,000	\$ 329,205	\$ -	\$ 449,205	\$ 449,205	
7100-7299 Other Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7300-7399 Indirect Costs	\$ (289,776)	\$ -	\$ -	\$ (289,776)	\$ -	\$ 151,878	\$ -	\$ 14,784	\$ 166,662	\$ (123,114)	
7400-7499 Interest & Principal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
7600 Transfers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
TOTAL EXPENDITURES	\$ 27,629,648	\$ 2,864,682	\$ 409,741	\$ 30,904,071	\$ 1,178,602	\$ 5,352,433	\$ 1,089,272	\$ 8,563,108	\$ 16,183,415	\$ 47,087,486	
EXCESS OF REVENUE/EXPENDITURE	\$ 7,565,337	\$ (64,682)	\$ (409,741)	\$ (1,178,602)	\$ (1,178,602)	\$ 1,828,412	\$ (730,067)	\$ (4,486,877)	\$ (4,486,877)	\$ 2,523,780	
INTERFUND											
To OPEB	\$ (867,200)			\$ (867,200)						\$ (867,200)	
TOTAL OUTGO	\$ (867,200)	\$ -	\$ -	\$ (867,200)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (867,200)	
CONTRIBUTION											
1, 06-08 Special Ed	\$ (4,486,877)			\$ (4,486,877)				\$ 4,486,877		\$ 4,486,877	
TO RESTRICTED											
2, 06-07 Transportation	\$ (730,067)			\$ (730,067)			\$ 730,067			\$ 730,067	
SUB-FUND											
3, 06-05 Routine Maintenance	\$ (1,178,602)			\$ (1,178,602)	\$ 1,178,602					\$ 1,178,602	
4, 01-01 General Fund	\$ -			\$ -						\$ -	
TOTAL CONTRIBUTION	\$ (6,395,546)	\$ -	\$ -	\$ (6,395,546)	\$ 1,178,602	\$ -	\$ 730,067	\$ 4,486,877	\$ 4,486,877	\$ 6,395,546	
RESERVE											
BALANCE	\$ 8,955,513.81	\$ 940,523.81	\$ 3,576,415.15	\$ 13,472,453	\$ 81,400.00	\$ 8,054,876.39	\$ -	\$ -	\$ -	\$ 21,608,729	
3% Designated Reserve	\$ 1,412,624.59	\$ -	\$ -	\$ 1,412,625						\$ 1,412,625	
Revolving Cash	\$ 8,000									\$ 8,000	
Prepaid Expense	\$ 50,000									\$ 50,000	
Designated- Site	\$ 200,507		\$ 250,000			\$ 27,785				\$ 478,292	
Designated- Flex			\$ -							\$ -	
Designated- Routine R. Maint.					\$ 81,400					\$ 81,400	
Designated- Def Maint										\$ -	
Designated- Categorical						\$ 8,027,092				\$ 8,027,092	
Designated Reserve-						\$ -				\$ -	
Parcel Tax Reserves		\$ 940,524								\$ 940,524	
Undesignated	\$ 7,284,382	\$ -	\$ 3,326,415	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,610,797	

Mountain View Whisman School District General Fund (Restricted & Unrestricted Combined) Budget Comparison 2013-14 @ 2nd Interim prepared as of February 3, 2014		2012-13 Actual @ Year End \$ Amount	2013-14 Budget @ June Budget \$ Amount	2013-14 Budget @ 1st Interim \$ Amount	2013-14 Budget @ 2nd Interim \$ Amount	2013-14 Variance to 1st Interim Budget \$ Amount
	Budget ADA	4,848.74	4,972.65	4,972.65	4,905.42	(67.23)
	BEGINNING FUND BALANCE	\$ 15,035,170	\$ 20,690,931	\$ 19,952,149	\$ 19,952,149	
REVENUES	LCFF Grant	28,864,764	28,532,607	32,820,116	33,235,816	415,700
	Other State Revenues	6,459,233	4,846,089	3,428,385	2,845,086	(583,299)
	Federal Revenues	1,487,320	1,430,521	1,585,790	1,655,790	70,000
	Local Revenues (including Parcel Tax)	11,451,144	7,961,315	11,673,893	11,874,574	200,681
	TOTAL REVENUES	\$ 48,262,462	\$ 42,770,532	\$ 49,508,184	\$ 49,611,266	103,082
EXPENDITURES	Certificated Salaries	19,378,216	21,376,799	21,069,696	21,391,976	322,280
	Classified Salaries	6,483,872	7,013,575	6,974,170	6,986,964	12,794
	Benefits - H&W	4,746,578	5,719,011	5,074,793	5,073,653	(1,140)
	Benefits -Statutory	4,183,942	4,277,104	4,101,729	4,105,299	3,570
	Books & Supplies	1,707,332	1,813,257	2,491,124	2,522,267	31,143
	Contracts & Services	5,769,179	5,769,988	6,255,765	6,681,236	425,471
	Capital Outlay & Equipment	227,598	40,000	449,205	449,205	-
	Other Outgo	(111,037)	(130,527)	(128,817)	(123,114)	5,703
	SUB-TOTAL EXPENDITURES	\$ 42,385,679	\$ 45,879,207	\$ 46,287,665	\$ 47,087,486	799,821
	Excess (Deficiency) of Revenue over Expenditures	5,876,783	(3,108,675)	3,220,519	2,523,780	(696,739)
						-
TRANSFERS OUT	Transfer Out to Deferred Maintenance	-	-	-	-	-
	Transfer Out to OPEB	959,803	680,498	867,200	867,200	-
	Total Transfers Out	959,803	680,498	867,200	867,200	-
	TOTAL EXPENDITURES & TRANSFERS OUT	\$ 43,345,482	\$ 46,559,705	\$ 47,154,865	\$ 47,954,686	799,821
	Excess (Deficiency) of Revenue over Outgo & Expenditures	4,916,979	(3,789,173)	2,353,319	1,656,580	(696,739)
TRANSFERS IN	TIER III TRANSFERS IN				0	
	ENDING BALANCE with current budget projections	\$ 19,952,149	\$ 16,901,758	\$ 22,305,468	\$ 21,608,729	
BALANCES	Revolving Cash, Stores & Prepaid Exp.	23,968	61,458	58,000	58,000	
	Designated-Site Discretionary	422,915	359,780	228,292	228,292	
	Designated-Tier III Categorical	342,320	-	250,000	250,000	
	Assigned-Routine Repair & Maintenance	81,400	68,296	-	81,400	
	Restricted Categorical	6,170,895	4,073,083	7,950,368	8,027,092	
	Assigned Reserve - Greater of /ADA or Fair Share		2,177,495			
	Restricted Parcel Tax Reserves	856,310	918,874	947,545	940,524	
UNRESTRICTED and UNASSIGNED Reserve for Economic Uncertainties	Reserve as % of Total Expense	\$ 12,054,341	\$ 6,318,874	\$ 13,155,569	\$ 12,023,422	
	% of Required Reserve for this school district	28.44%	13.77%	28.42%	25.53%	
	% of Required Reserve for this school district	3%	3%	3%	3%	
	\$ Amount of Required Reserve for this school district	\$ 1,271,570	\$ 1,301,050	\$ 1,379,447	\$ 1,412,625	\$ -
	ADDITIONAL Reserves above that needed to maintain required reserve	\$ 10,782,771	\$ 5,017,824	\$ 11,776,123	\$ 10,610,797	

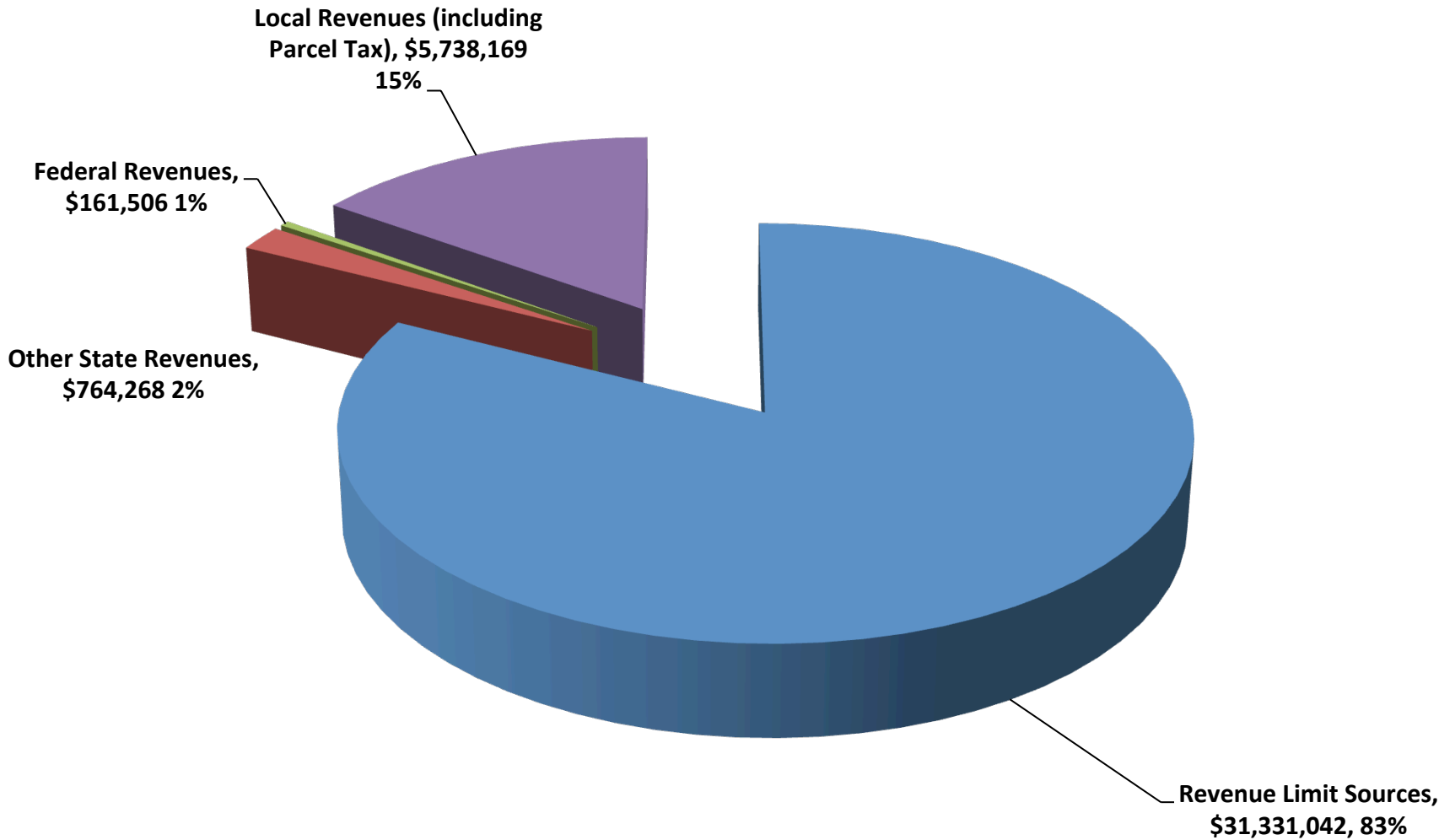
2013-14 2nd Interim Budget Report

Sources of Revenue (All Sub-funds)

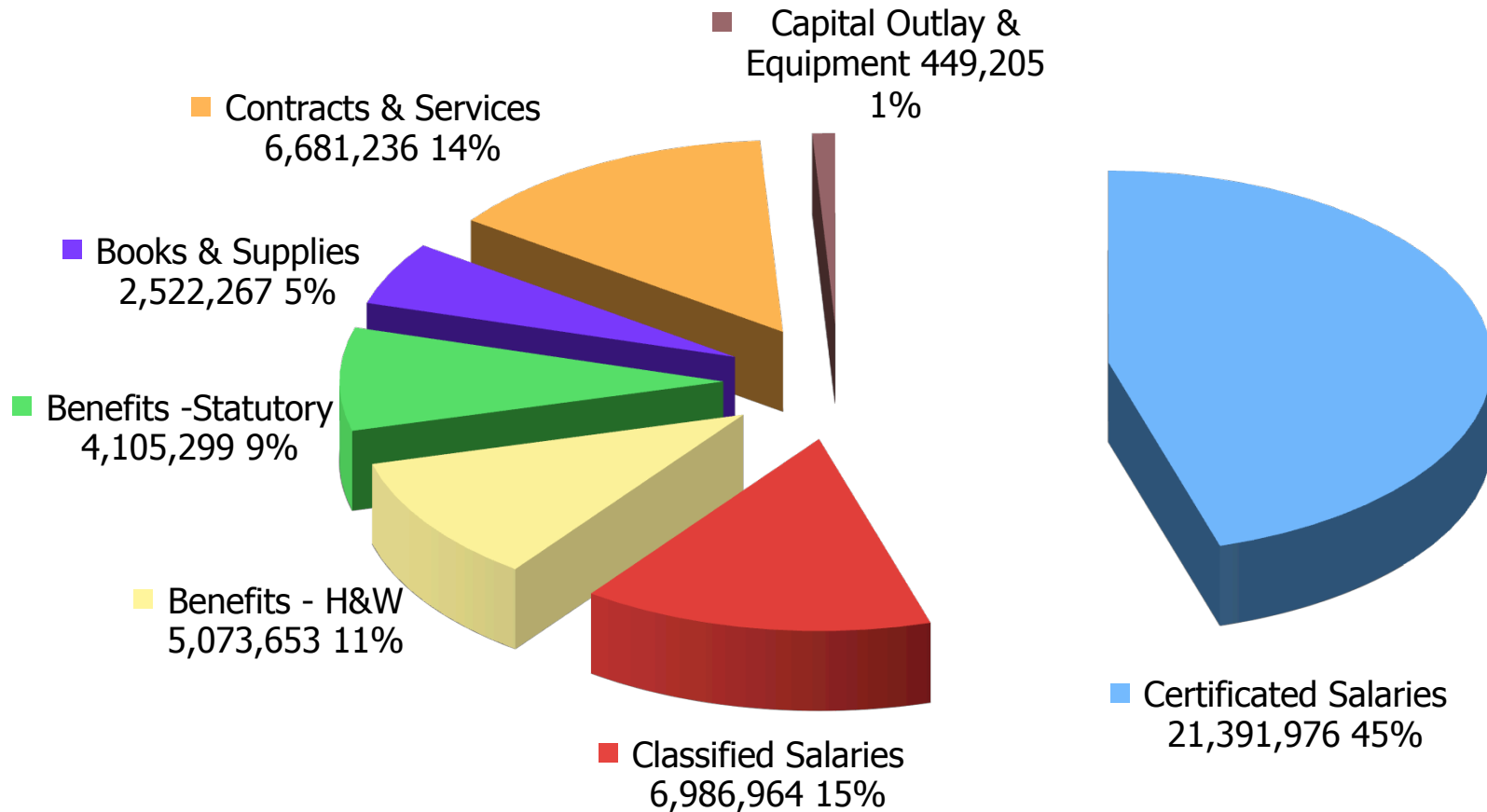


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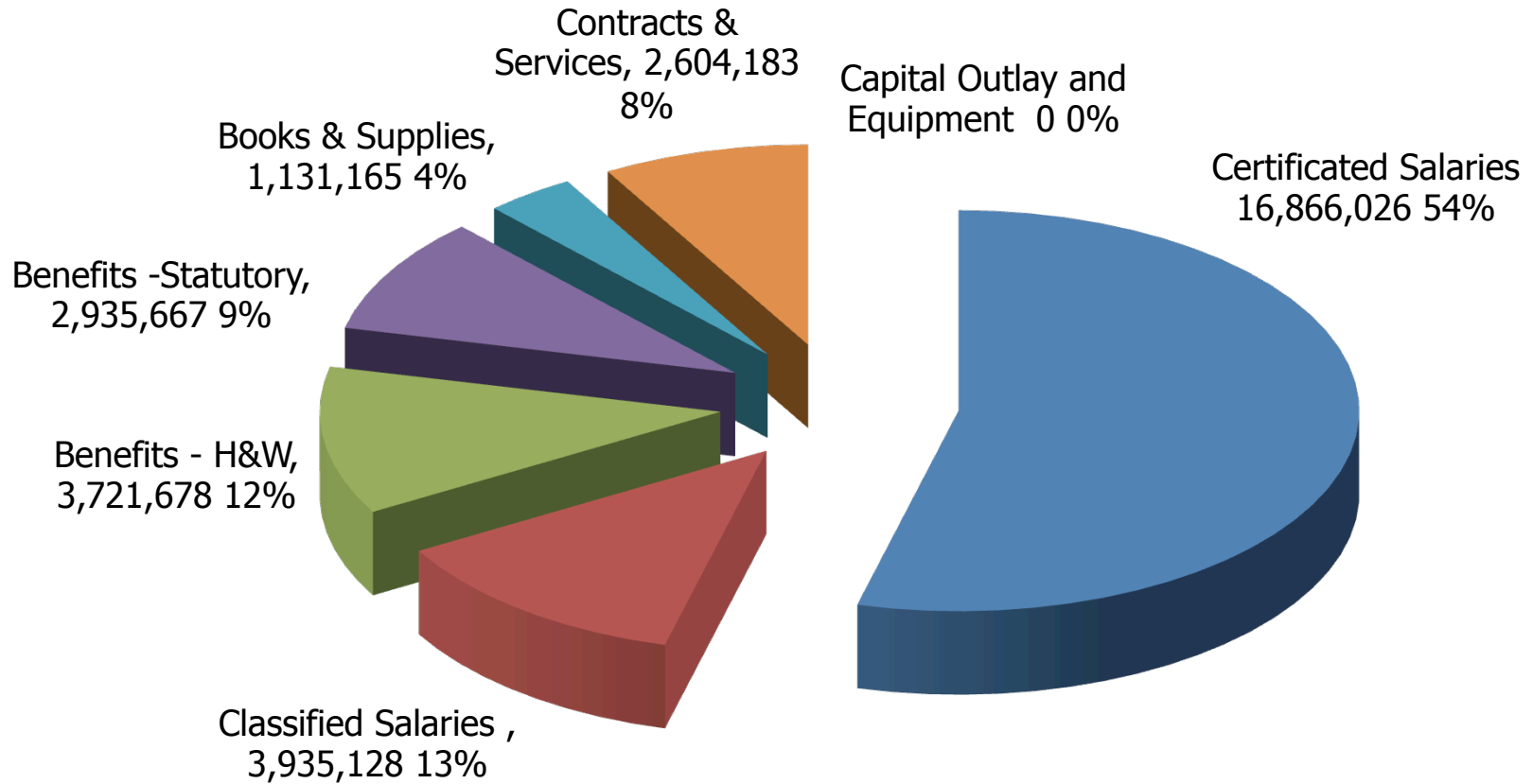
Sources of Revenue (Unrestricted General Fund)



2013-14 2nd Interim Budget Report - Summary of Expenditures (All Sub-funds)



2013-14 2nd Interim Budget Report - Summary of Expenditures (Unrestricted General Fund)



Mountain View Whisman School District General Fund (Restricted & Unrestricted Combined) Multi-year Projection for 2013-14 @ 2nd Interim prepared as of February 3, 2014		2012-13 Actuals Except As Noted \$ Amount	2013-14 @ 2nd Interim Except As Noted \$ Amount	2014-15 @ 2nd Interim Except As Noted \$ Amount	2015-16 @ 2nd Interim Except As Noted \$ Amount
	Budget ADA	4848.74	4905.42	4905.42	4905.42
	BEGINNING FUND BALANCE	\$ 15,035,170	\$ 19,952,149	\$ 21,608,729	\$ 20,466,490
REVENUES	LCFF Grant	28,864,764	33,235,816	35,434,193	38,330,238
	Other State Revenues	6,459,233	2,845,086	1,855,437	1,880,647
	Federal Revenues	1,487,320	1,655,790	1,511,092	1,630,515
	Local Revenues (including Parcel Tax)	11,451,144	11,874,574	10,655,212	10,743,746
	TOTAL REVENUES	\$ 48,262,462	\$ 49,611,266	\$ 49,455,934	\$ 52,585,147
EXPENDITURES	Certificated Salaries	19,378,216	21,391,976	22,307,247	22,842,743
	Classified Salaries	6,483,872	6,986,964	7,344,920	7,521,198
	Benefits - H&W	4,746,578	5,073,653	5,799,973	6,627,941
	Benefits - Statutory	4,183,942	4,105,299	4,677,214	5,325,692
	Books & Supplies	1,707,332	2,522,267	2,543,958	2,358,632
	Contracts & Services	5,769,179	6,681,236	6,738,695	6,674,006
	Capital Outlay & Equipment	227,598	449,205	453,068	464,848
	Other Outgo/Indirect Cost Recovery	(111,037)	(123,114)	(130,595)	(133,990)
	SUB-TOTAL EXPENDITURES	\$ 42,385,679	\$ 47,087,486	\$ 49,734,480	\$ 51,681,071
	Excess (Deficiency) of Revenue over Expenditures	5,876,783	2,523,780	(278,546)	904,076
TRANSFERS OUT	Transfer Out to Deferred Maintenance	0	0	0	0
	Transfer Out to OPEB	959,803	867,200	863,693	897,624
	Total Transfers Out	959,803	867,200	863,693	897,624
	TOTAL EXPENDITURES & TRANSFERS OUT	\$ 43,345,482	\$ 47,954,686	\$ 50,598,173	\$ 52,578,695
	Excess (Deficiency) of Revenue over Outgo & Expenditures	4,916,979	1,656,580	(1,142,239)	6,452
TRANSFERS IN	TIER III TRANSFERS IN	0	0	0	0
	ENDING BALANCE with current budget projections	\$ 19,952,149	\$ 21,608,729	\$ 20,466,490	\$ 20,472,942
BALANCES	Revolving Cash, Stores & Prepaid Exp.	23,968	58,000	61,458	61,458
	Assigned-Site Discretionary	422,915	228,292	200,507	200,507
	Assigned-Tier III Categorical	342,320	250,000	183,991	112,543
	Assigned-Routine Repair & Maintenance	81,400	81,400	38,081	(56,193)
	Restricted Categorical	6,170,895	8,027,092	7,474,143	6,947,016
	Assigned Reserve				
	Restricted Parcel Tax Reserves	856,310	940,524	623,597	257,957
UNRESTRICTED and UNASSIGNED Reserve for Economic Uncertainties		\$ 12,054,341	\$ 12,023,422	\$ 11,884,712	\$ 12,949,654
	Reserve as % of Total Expense	28.44%	25.53%	23.90%	25.06%
	% of Required Reserve for this school district	3%	3%	3%	3%
	\$ Amount of Required Reserve for this school district	\$ 1,271,570	\$ 1,412,625	\$ 1,492,034	\$ 1,550,432
	ADDITIONAL Reserves above that needed to maintain required reserve	\$ 10,782,770	\$ 10,610,797	\$ 10,392,678	\$ 11,399,222

Other Funds

Fund #	Fund Name	2013-14 Actual Beginning Balance	2013-14 June Budget Revenues & Transfers	2013-14 Estimated Expenditures	2013-14 Estimated Ending Balance
10-80	General Fund	19,952,149	49,611,266	47,954,686	21,608,729
120	Child Development	70,869	937,965	774,673	234,161
130	Child Nutrition	210,775	2,208,134	2,090,010	328,899
140	Deferred Maintenance	587,709	235,720	60,000	763,429
170	Special Reserve Fund for Other Than Capital Outlay Projects	118,686	800	-	119,486
200	Special Reserve for Post-Employment Benefits	4,082,659	887,200	-	4,969,859
210	Building-Developer Fees	669,812	3,000	10,000	662,812
211	GO Bond Fund-Measure G	49,615,004	-	6,792,104	42,822,900
250	Capital Facilities- Developer Fees	1,693,775	753,000	10,000	2,436,775
730	Whisman Sports Center Special Purpose	253,481	16,591	150,000	120,072

Other Current Issues Likely to Impact District Financial Condition

- State budget and proposed LCFF increase for 2014-15
- Performance Based Budgeting begins in 2014-15 with LCAP
- Incorporating achievement into budgeting. Ability to sustain programs and evaluate effectiveness.
- Stakeholder engagement and collaboration amongst groups
- Ongoing negotiations with Bargaining Units and ability to recruit and retain talent
- Common Core State Standards and new testing protocol
- STRS Liability - Expect ongoing discussion with Governor pushing for employers to absorb the unfunded liability for STRS

Key Messages

- State recovery is strong and is showing a healthy income and has begun increasing funding for education.
- New funding formula will increase State funding to the District and is projected to take 8 years to fully implement. Once State taxes expire, State revenue will be more volatile.
- With increased State funding and Shoreline commitments, we continue to have a slight ongoing structural deficit.
- Plan to maintain all key operational programs including professional development, instructional coaches and expand short term on Common Core implementation.
- We anticipate the need to maintain high reserves in order to avoid fluctuations in the State education budget.