



2014-15 Second Interim Budget Presentation

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MVWSD Budget Development /Financial Reporting Calendar for the 2014-15 & 2015-16 Budget

- June 2014 Adoption of 2014-15 MVWSD Budget
- July 2014 Governor signs the 2014-15 State Budget
- November 2014 MVWSD 2014-15 Enrollment Projections
- December 2014 First Interim MVWSD Financial Report
- January 2015 Release of Governor's Recommended 2015-16 State Budget
- March 2015 MVWSD 2015-16 Enrollment Projections
- March 2015 Second Interim MVWSD Financial Report
- May 2015 State Budget Update
- May 2015 Governor's May Revise
- June 2015 Adoption of 2015-16 MVWSD Budget
- July 2015 Governor Signs State Budget

2014-15 State Budget Update

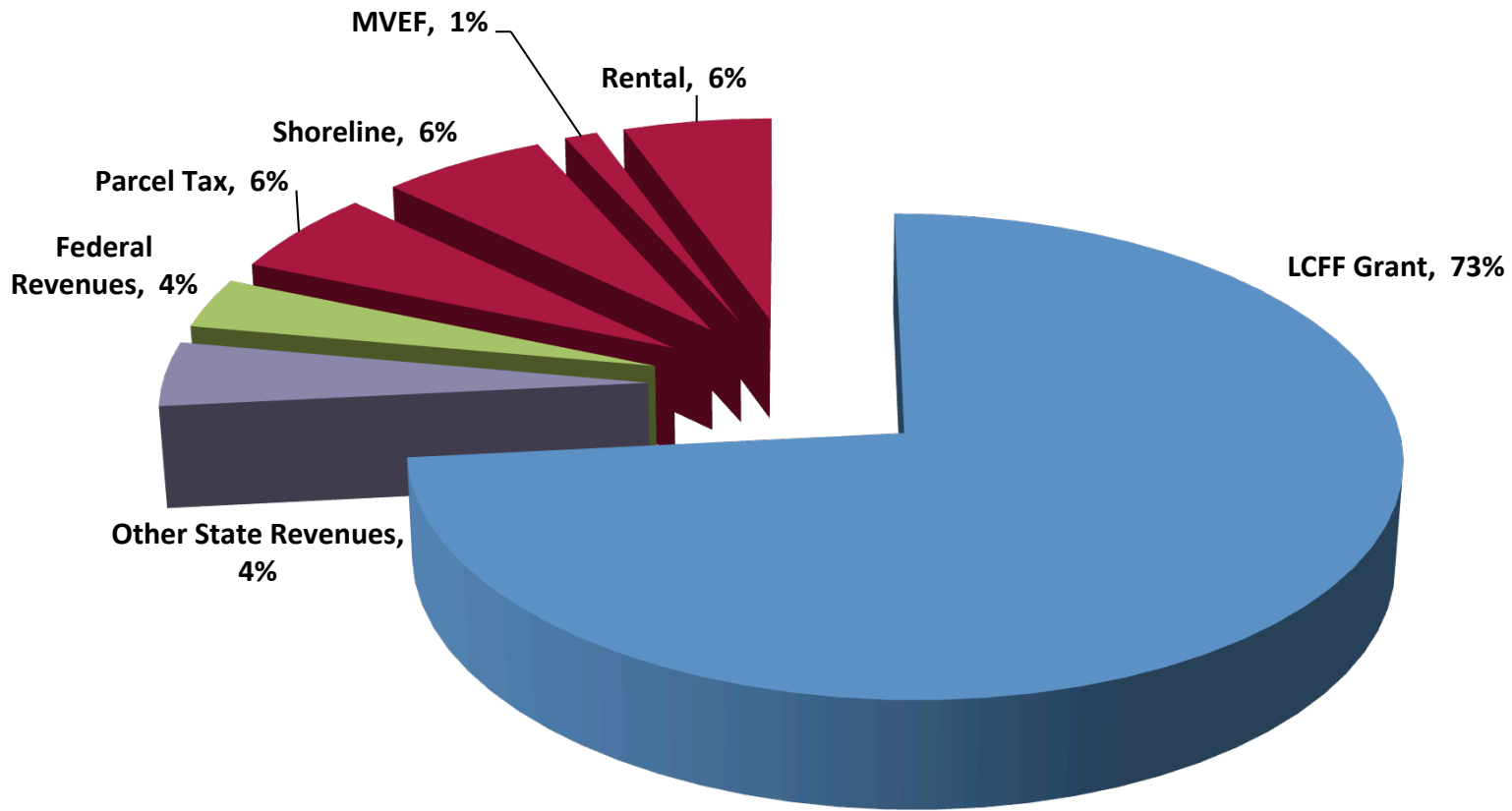
- State revenue is \$2.5 billion above projections but in line with Legislative Analyst's Office (LAO) projections.
 - State economy is stable and growing at about 3% annually. Growth expected through 2019 when temporary taxes expire.
- Reserve cap goes into effect, but Governor willing to revisit and modify.

Governor's 2015-16 State Budget Proposes:

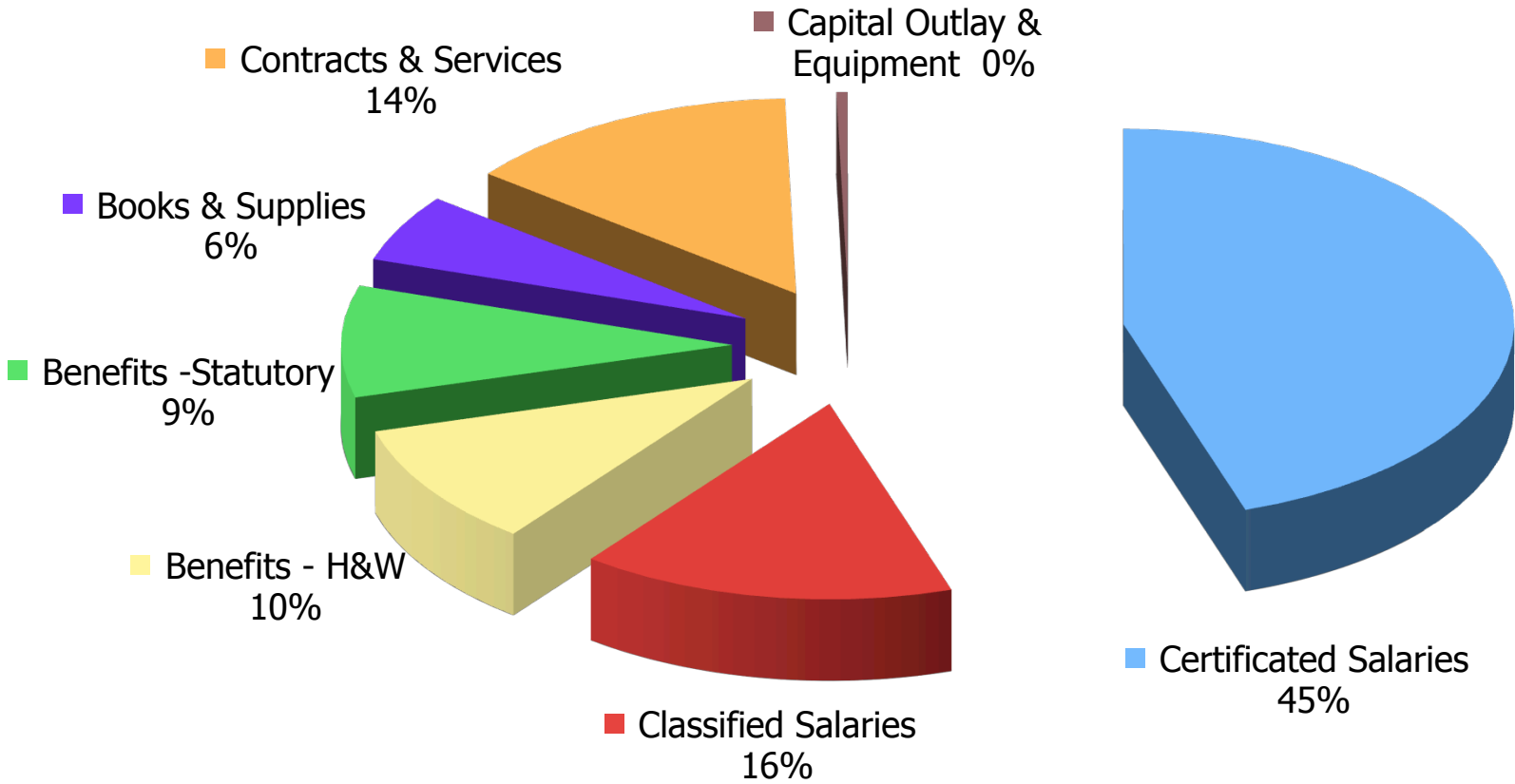
- \$4 billion for Local Control Funding Formula (LCFF) gap closure
 - New funding is estimated to close the gap between 2014-15 funding levels and LCFF full implementation targets by 32.19%
 - When combined with 2013-14 and 2014-15 LCFF funding, implementation progress would cover almost 58% of the gap in just three years
- \$1.1 billion for discretionary one-time uses, including Common Core implementation (one-time)
 - The allocation amounts to about \$180 per ADA for districts
- \$1 billion to eliminate apportionment deferrals
- \$100 million for Internet connectivity and infrastructure

2014-15 2nd Interim Budget Report

Sources of Revenue (All Sub-funds)



2014-15 2nd Interim Budget Report - Summary of Expenditures (All Sub-funds)



2014-15 2nd Interim Budget Report

Revenues and Expenditures by Sub-Fund

2014-15 2nd Interim Budget											
BEGINNING BALANCE											
		\$14,549,564	\$6,571,268	\$159,784	\$21,280,616	\$1,042,958	\$0	\$1,824,046	\$559,763	\$3,426,767	\$ 24,707,384
CORE OPERATIONS											
TARGETED & RESTRICTED											
	General Fund	Shoreline	Other Operating	Total	Parcel Tax	LCFF Supplemental	Categoricals	CCSS	Total	TOTAL	
	03-01,03-02,03-03, 03-05		(SPED, MOT)	Operations	03-04		06-06		Target Restrict		
REVENUE											
LCFF Grant: 8010-8099	\$3,657,339		\$1,345,570	\$34,002,909		\$1,853,483			\$1,853,483	\$ 35,856,392	
Other State Sources: 8300-8599	\$1,128,393		\$258,054	\$1,386,447			\$755,946	\$0	\$755,946	\$ 2,142,393	
Federal Revenue: 8100-8299	\$231,185		\$1,064,725	\$1,295,910			\$390,755		\$390,755	\$ 1,686,665	
Local Revenue: 8600-8799	\$3,108,063	\$2,984,514	\$996,243	\$7,088,820	\$2,800,000		\$896,213		\$3,696,213	\$ 10,785,033	
TOTAL REVENUES	\$37,124,980	\$2,984,514	\$3,664,592	\$43,774,086	\$2,800,000	\$1,853,483	\$2,042,914	\$0	\$6,696,397	\$ 50,470,483	
EXPENDITURE											
1000-1999 Certificated Salaries	\$16,527,465	\$345,836	\$3,163,904	\$20,037,205	\$923,304	\$1,121,258	\$860,836	\$178,621	\$3,084,019	\$ 23,121,224	
2000-2999 Classified Salaries	\$3,075,107	\$382,502	\$2,876,961	\$6,334,510	\$793,537	\$470,220	\$366,064		\$1,629,821	\$ 7,964,331	
3400 Health and Welfare	\$3,458,209	\$242,912	\$1,126,277	\$4,827,398	\$370,906	\$16,953	\$44,260		\$432,119	\$ 5,259,517	
3000-3999 Other Fringe Benefits	\$3,080,844	\$124,583	\$1,053,275	\$4,258,702	\$275,491	\$52,962	\$155,356	\$19,492	\$503,301	\$ 4,762,003	
4000-4999 Supplies	\$1,329,204	\$705,000	\$155,500	\$2,189,704	\$19,355	\$71,607	\$303,314	\$300,000	\$694,276	\$ 2,883,980	
5000-5999 Contracts	\$2,308,055	\$566,206	\$2,760,767	\$5,635,028	\$668,588	\$97,000	\$772,740	\$36,318	\$1,574,646	\$ 7,209,674	
6000-6999 Capital	\$0	\$75,000	\$160,000	\$235,000	\$0	\$0	\$0	\$0	\$0	\$ 235,000	
7300-7399 Indirect Costs	-\$273,198	\$122,092	\$15,373	-\$135,733	\$0	\$0	\$47,743	\$25,332	\$73,075	\$ (62,658)	
7600 Transfers	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	
TOTAL EXPENDITURES	\$29,505,686	\$2,564,131	\$11,311,997	\$43,381,814	\$3,051,181	\$1,830,000	\$2,550,313	\$559,763	\$7,991,257	\$ 51,373,071	
EXCESS OF REVENUE/EXPENDITURE	\$7,619,294	\$420,383	-\$7,647,405	\$392,272	-\$251,181	\$23,483	-\$507,399	-\$559,763	-\$1,294,860	\$ (902,588)	
OTHER FINANCING SOURCE											
INTERFUND											
To Deferred Maintenance @ .5%	\$0		\$0	\$0					\$0	\$ -	
To OPEB	-\$863,193		\$0	-\$863,193					\$0	\$ (863,193)	
TOTAL OUTGO	-\$863,193		\$0	-\$863,193					\$0	\$ (863,193)	
CONTRIBUTION TO RESTRICTED SUB FUND											
1. 06-08 SPECIAL ED	-\$5,498,333		\$5,498,333	\$0					\$0	\$ -	
2.LCFF Supplemental	\$0		\$0	\$0					\$0	\$ -	
3. Transportation	-\$715,351		\$715,351	\$0					\$0	\$ -	
\$ 1,284,327 4.ROUTINE MAINTENANCE	-\$1,273,937		\$1,273,937	\$0					\$0	\$ -	
TOTAL CONTRIBUTION	-\$7,487,621	\$0	\$7,487,621	\$0	\$0	\$0	\$0	\$0	\$0	\$ -	
RESERVE											
BALANCE	\$13,818,044	\$6,991,651	\$0	\$20,809,695	\$791,777	\$23,483	\$1,316,647	\$0	\$2,131,907	\$ 22,941,602	
15% Designated Reserve	\$7,705,961		\$0	\$7,705,961					\$0	\$ 7,705,961	
Revolving Cash	\$8,000		\$0	\$8,000					\$0	\$ 8,000	
Prepaid Expense	\$23,856		\$0	\$23,856					\$0	\$ 23,856	
Assigned-Middle School Construction	\$0	\$4,920,466	\$0	\$4,920,466					\$0	\$ 4,920,466	
Designated-Site	\$449,132		\$0	\$449,132			\$203,618		\$203,618	\$ 652,750	
Designated-Targeted /Restricted	\$0	\$0	\$0	\$0			\$1,113,029		\$1,113,029	\$ 1,113,029	
Parcel Tax Reserves	\$0		\$0	\$0	\$791,777				\$791,777	\$ 791,777	
Undesignated	\$5,631,096	\$2,071,185	\$0	\$7,702,281	\$0	\$23,483	\$0	\$0	\$23,483	\$ 7,725,764	

2nd Interim Budget Highlights

- Received additional \$326,042 in State Aid to repay outstanding mandated costs. Using for Instructional Materials as recommended by Governor.
- Received over \$150K in deferred Medi-Cal Administrative Activities Program (MAA) payments. This is back payment from 2010-2013 and District expects to begin receiving annual payments in 2015-16.
- Increased Classified Salaries to reflect negotiations- 5% on schedule, 2% off schedule.
- Reduced indirect cost reimbursement from Child Nutrition to reflect the Child Nutrition budget paying costs directly.
- Revised Child Nutrition meal counts to reflect current participation. Child Nutrition is showing a \$150K operating deficit. This is larger than prior budget as the initial start up costs, including equipment and food costs, exceeded our prior budget projections.

Mountain View Whisman School District General Fund (Restricted & Unrestricted Combined) Multi-year Projection for 2014-15 2nd Interim Budget prepared as of February 19, 2015		2014-15 June Budget Except As Noted \$ Amount	2014-15 1st Interim Budget Except As Noted \$ Amount	2014-15 2nd Interim Budget Except As Noted \$ Amount	2015-16 2nd Interim Budget Except As Noted \$ Amount	2016-17 2nd Interim Budget Except As Noted \$ Amount
	Budget ADA	4905.42	4905.42	4901.68	4901.68	4901.68
	BEGINNING FUND BALANCE	\$ 22,178,579	\$ 24,707,377	\$ 24,707,384	\$ 22,941,602	22,672,675
REVENUES	LCFF Base Grant (Including EPA)	33,334,499	33,850,672	34,002,909	34,500,092	35,040,738
	LCFF Supplemental	1,763,865	1,788,308	1,853,483	2,286,342	2,361,047
	Other State Revenues	1,764,193	2,150,576	2,142,393	2,723,434	1,842,169
	Federal Revenues	1,613,431	1,575,910	1,686,665	1,608,514	1,631,907
	Local Revenues (Including Parcel Tax)	10,814,669	10,779,223	10,785,033	10,976,674	11,197,444
	TOTAL REVENUES	\$ 49,290,657	\$ 50,144,689	\$ 50,470,483	\$ 52,095,056	\$ 52,073,306
EXPENDITURES	Certificated Salaries	22,402,820	23,073,547	23,121,224	23,147,455	23,633,552
	Classified Salaries	7,612,343	7,713,325	7,964,331	8,352,499	8,527,901
	Benefits - H&W	5,662,844	5,244,776	5,259,517	5,522,493	6,074,742
	Benefits - Statutory	4,758,996	4,711,702	4,762,003	4,817,459	4,567,448
	Books & Supplies	2,095,164	2,887,805	2,883,980	2,103,489	2,147,663
	Contracts & Services	7,147,428	7,241,434	7,209,674	7,180,713	7,331,508
	Capital Outlay & Equipment	235,000	235,000	235,000	458,364	467,990
	Other Outgo/Indirect Cost Recovery	(123,329)	(115,914)	(62,658)	(95,322)	(97,323)
	SUB-TOTAL EXPENDITURES	\$ 49,791,266	\$ 50,991,675	\$ 51,373,071	\$ 51,487,151	\$ 52,653,480
	Excess (Deficiency) of Revenue over Expenditures	(500,609)	(846,986)	(902,588)	607,905	(580,174)
TRANSFERS OUT	Transfer Out to Deferred Maintenance	254,786	254,786	0	0	0
	Transfer Out to OPEB	849,693	849,693	863,193	876,831	895,245
	Total Transfers Out	1,104,479	1,104,479	863,193	876,831	895,245
	TOTAL EXPENDITURES & TRANSFERS OUT	\$ 50,895,745	\$ 52,096,154	\$ 52,236,264	\$ 52,363,983	\$ 53,548,725
	Excess (Deficiency) of Revenue over Outgo & Expenditures	(1,605,088)	(1,951,465)	(1,765,781)	(268,927)	(1,475,419)
TRANSFERS IN		0	0	0	0	0
	ENDING BALANCE with current budget projections	\$ 20,573,491	\$ 22,755,912	\$ 22,941,602	\$ 22,672,675	\$ 21,197,256
BALANCES	Revolving Cash, Stores & Prepaid Exp.	61,458	31,856	31,856	31,856	31,856
	Designated-Site Discretionary	384,498	652,750	652,750	652,750	652,750
	Designated-Reserve for Economic Uncertainties	1,493,738	1,529,750	7,705,961	7,723,073	7,898,022
	Assigned-Middle School Innovation Centers	0	4,920,466	4,920,466	4,920,466	4,920,466
	Restricted Categorical	8,494,576	3,350,864	1,113,029	1,080,820	1,021,719
	Restricted Parcel Tax Reserves	639,140	793,852	791,777	434,906	0
UNRESTRICTED and UNASSIGNED Reserve for Economic Uncertainties		\$ 9,500,081	\$ 11,476,374	\$ 7,725,764	\$ 7,828,805	\$ 6,672,443
	Reserve as % of Total Expense	19.08%	22.51%	15.04%	15.21%	12.67%
	% of Required Reserve for this school district	3%	3%	3%	3%	3%
	\$ Amount of Required Reserve for this school district	\$ 1,493,738	\$ 1,529,750	\$ 1,541,192	\$ 1,544,615	\$ 1,579,604

Key Messages

- State Revenue is expected to continue increasing an additional 10% until reaching the Local Control Funding Formula (LCFF) target of approximately \$40M.
- More than 75% of revenue comes from State resources, so revenue is volatile depending on State financial position.
- Long-Term objective is to sustain all key operational programs.
- Parcel Tax, lease revenue, and MVEF will be critical to maintaining programs and staff.
- Implementation of key initiatives, including Common Core, and turnaround for Castro and Theuerkauf, will require additional funding over next few years. Expected one-time revenue is budgeted and using reserves to fund these one time expenses is recommended.
- Notwithstanding strong cash balances, District projects operating in a deficit in 2014-15 and using cash reserves to fund deficit and maintain state required reserves.
- Critical to match ongoing expenses with ongoing revenue.