



Mountain View  
Whisman  
School District

# 2018-2019 First Interim Budget Report

6 December 2018





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# Strategic Plan 2021

# Strategic Plan 2021

## Goal 5: Resource Stewardship

**Desired Outcome:** The District will maintain a balanced general fund.

### **Board Resolution 1664.1/18 (January 4, 2018)**

A balanced general fund shall be defined as the unrestricted general reserve level in the third year of any Board-enacted budget adoption or interim budget report falls within the range of 17%-20%, and may include deficit spending in any or all of the three years included in the multi-year projection.

# Unrestricted and Restricted Categories

- **Unrestricted Revenues/Expenditures**
  - Discretionary funding used for general operations, all ongoing expenses, and shortfalls in other funds such as Special Education and Transportation (LCFF Sources/Community-Funded, Lease Revenue, Lottery).
- **Restricted Revenues/Expenditures**
  - Non-discretionary revenue used for specific expenditures for which the funding is intended (Special Education, Title I, II, III, ASES)
- **Reserves**
  - The “unrestricted ending balance” of Fund 01 used to fund “economic uncertainty” and one-time expenses.



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## Fund 01 General Fund: Highlights of Changes

- Final assessed valuation growth for 2018-2019 of 5.24% resulted in loss of \$785,188 in planned property tax revenue.
- Staff salary increases at 5%, with CSEA pending, \$2.8MM
- Transfer excess lease revenue from Fund 40 to Fund 01, \$1,591,984
- State one-time discretionary funding reduced by \$790,000
- Shoreline revenues estimated to exceed budget by \$1.18M
- Contributions to Fund 12 Preschool and Beyond the Bell Program for \$90,000 and \$100,000 respectively
- Musical Instruments purchases \$100,000
- Added teaching staff at \$390,000
- Technology Chromebook purchase \$117,000
- Increase in Special Education restricted programs spend down at \$665,000

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## Fund 01 General Fund: Unrestricted/Restricted

	Unrestricted Programs	Restricted Programs	Combined
<b>Estimated Beginning Balance, July 1, 2018</b>	<b>\$24,570,380</b>	<b>\$2,459,680</b>	<b>\$27,030,060</b>
<b>Total Revenues</b>	\$44,913,273	\$30,722,474	\$75,635,747
<b>Total Expenditures</b>	\$48,542,982	\$31,975,421	\$80,518,402
<b>Net Increase/(Decrease)</b>	<b>(\$3,629,709)</b>	<b>(\$1,252,946)</b>	<b>(\$4,922,655)</b>
<b>Ending Balance, June 30, 2019</b>	<b>\$20,940,671</b>	<b>\$1,206,734</b>	<b>\$22,147,405</b>

**Reserve Level** **26.0%**

(Unrestricted Ending Balance divided by Total Combined Expenditures)

# From Adopted Budget to First Interim

<b>2018-2019</b>	<b>Revenues</b>	<b>Expenditures</b>
<b>Adopted, June 2018</b>	\$ 74,863,972	\$ 74,495,201
<b>First Interim, December 2018</b>	\$ 75,635,747	\$ 80,518,402
<b>Increase, from Adopted to First Interim</b>	\$771,775	\$6,023,201

## **Major Changes to Revenue:**

Property Tax – (\$785,000); Contribution to Other Programs – (\$750,000); One-time discretionary funding – (\$790,000); Shoreline - \$1.18MM; Title I - \$210,000; Excess lease revenue - \$1.6MM

## **Major Changes to Expenditures:**

Salary increases - \$2.8MM; Shoreline - \$700,000; Chromebooks - \$117,000; Contribution for Beyond the Bell and Preschool meal programs - \$190,000; Added teaching staff over the summer - \$390,000; Prop 39 transfer to Fund 21 Bond - \$1.15MM; Donations - \$436,000; Spend down of Restricted Special Education resources - \$665,000

# 2017-2018 Unaudited Actual Report

## Fund 01 General Fund: Multi-Year Projection

	2017-2018 Unaudited Actual	First Interim 2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
<b>Beginning Balance, July 1</b>	\$25,129,405	\$27,030,060	\$22,147,405	\$16,952,012
<b>Total Revenues</b>	\$74,202,023	\$75,635,747	\$75,187,839	\$77,202,699
<b>Total Expenditures</b>	\$72,301,367	\$80,518,402	\$80,383,233	\$81,874,738
<b>Net Increase/(Decrease)</b>	\$1,900,656	(\$4,882,655)	(\$5,195,393)	(\$4,672,040)
<b>Ending Balance, June 30</b>	\$27,030,060	\$22,147,405	\$16,952,012	\$12,279,972

Reserve Level

34.0%

26.0%

20.0%

13.7%



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# Considerations for the Future

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- Assessed valuation growth slowing
  - 2015: 12.9%, 2016: 12.7%; 2017: 11.65%; 2018: 5.24%
- Developer fees are down for first quarter
  - Oct 2016: \$630,148; Oct 2017: \$689,661; Oct 2018: \$124,323
  - Lower developer fees = excess lease revenue decrease
- Bullis Charter School and facilities' needs
  - Charter petition budget revenue estimate \$1.68MM
  - Full impact of potential charter school unknown
- Budget decisions for reductions
  - Needs and Wants process to follow



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# Next Steps

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- Develop a prioritized list of Budgetary Needs and Wants
- 2017-2018 Audit Board presentation in January 2019
- 2018-2019 Second Interim Budget Report at March Board meeting, with budget reductions in place for 2019-2020 and 2020-2021