



Mountain View  
Whisman  
School District

# Looking at MVWSD Financial Picture





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# Maintaining fiscal solvency

# Strategic Plan

Goal 5.1(a): The District will maintain a balanced general fund

Goal 4.1(b): Employees will benefit from competitive compensation packages



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# Understanding our Financial Picture

# Why do we have an planned operational deficit

Starting in the 2014-15 school year, Trustees expressed a desire to lower the district's reserves for the benefit of students. Results:

- Turnaround funding for two sites
- Increase in teacher salaries
- Targeted programs to improve student outcomes, specifically at-risk students

# Planned operational deficit

Since the 2015-16 school year, MVWSD has implemented the following (non-exhaustive list):

- Raised salaries
- Added Response to Instruction teachers
- Revised the middle school schedule
- Restored health benefits to impacted employees
- Added instructional coaches at each site
- Added School Community Engagement Facilitators
- Provided turnaround funding to two school sites
- Expanded summer school
- Provided summer and winter meals to students

# Decrease in revenue

- **Impact of revenue changes**

- As a community funded district, our changes in revenue are subject to our district's tax revenue
  - Referred to as Assessed Value (AV)
    - 2015-16 growth increased by 12.9%
    - 2016-17 growth increased by 12.7%
    - 2017-18 growth increased by 11.65%
    - 2018-19 growth increased by 5.24%
      - Lower than projected 7%
      - Loss of projected revenue (\$785,188)
      - One-time State discretionary funding reduced (\$790K)

Drop in AV was due in large part to a \$350 million write off of unsecured debt by a major corporation.

# Decrease in revenue continued

## Year to year variance in developer fees

- 2016-17 resulted in ~ \$2.5 million
- 2017-18 resulted in ~ \$1.7 million
  - Lower developer fees required a transfer of excess lease revenue to service Certificate of Participation (COP) that is being used to build Vargas Elementary - \$1,591,984



# Financial Picture as of First Interim

- **Projected and Planned Operational Deficit**

- Year 1 - \$4.3M deficit, with 28.6% reserve
- Year 2 - \$4.4M deficit, with 22.8% reserve
- Year 3 - \$4.2M deficit, with 17.3% reserve

- **Actual Operational Deficit**

- Year 1 - \$4.8M deficit, with 26.0% reserve
- Year 2 - \$5.2M deficit, with 19.9% reserve
- Year 3 - \$4.7M deficit, with 13.7% reserve

# Financial Picture as of First Interim

- Reasons for growing deficit and decreasing reserves
  - **Expenditure Changes**
    - Middle school 8-period day impact, \$390K
    - DO staffing changes, (\$653K) from post adoption
    - MVEA/Mgmt/CSEA negotiations, \$2.8M
    - Food for BTB and Preschool, \$190K
    - School Counseling/CHAC, \$249K
    - Title I (various increases in programs), \$340K
    - Special Ed restricted spend down, \$665K
    - Musical instruments purchase, \$100K
    - Chromebooks purchase, \$117K
    - Prop 39 moved to F21 to reimburse, \$1.15MM

# District Spending Reductions in 2018

Superintendent eliminated several non-school related positions for 2018-19 school year that resulted in \$1,088,890 savings

- **Maintenance and Operations**
  - 1 MOT staff - \$79,500
  - 1 bus driver - \$82,790
  - 1 bus supervisor - \$111,200
- **Fiscal Services**
  - Accountant - \$132,500
- **Educational Services**
  - RTI Coordinator - \$145,700
- **State and Federal Programs**
  - District Translator - \$55,400
- **Special Education**
  - 10 Roving Instructional Assistants - \$402,000
- **Administrative Services**
  - 1 secretary - \$79,800

# Estimated Financial Cost of Bullis

- 168 students/159.6 ADA
- Reduction in Revenue
  - Property tax, EPA, State Aid: \$1,455,992 at \$9,121/ADA
  - Title I and Title II: \$600 and \$123 per F/R student?  
(\$486,000) *[per student amount is in question]*
  - Lottery (2020-2021): \$32,558

Total requested revenue from Bullis in petition

Year 1 = \$ 1.67 million

Year 2 = \$ 2.23 million

Year 3 = \$ 2.82 million

Year 4/5 = \$ 3.43 million



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# What do we *Need* vs what do we *Want*?

# In order to maintain our fiscal solvency we are looking to eliminate deficit spending

Things to consider for December 20 discussion...

- Guiding questions:
  - What items from our Strategic Plan should we prioritize?
  - Should we do across-the-board cuts or proportional cuts?
    - Across-the-board means we will cut an amount regardless of department or school site
    - Proportional means each site and department will have discretion to make changes
  - I.e., Department A expends 6.5% of the general budget.  
Department A's proportional cut = \$312,000



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# Next Steps/Timeline

# Next steps

## November

- 11/13: Needs vs. Wants - Leadership Team
- 11/14: Verification of enrollment night
- 11/19: Cabinet - Needs vs. Wants

## December

- 12/4: Needs vs Wants - Leadership Team follow up
- 12/6: **Board Meeting**
  - First Interim
  - Needs vs. Wants initial discussion
- 12/20: Special Board Meeting
  - Needs vs Wants discussion continues



# Next steps

## January

- 1/10: Board Meeting
  - Needs vs. Wants continuing discussion
- 1/24: Board Meeting
  - Governor's budget
  - Staff recommendation on budgetary reductions

## February

- 2/7: Board decision on spending reductions