



Mountain View
Whisman
School District

Looking at MVWSD'S Financial Picture

January 24, 2019





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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

Board goal

Board-directed reserve of 17-20% in the year three of the multi-year projection



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Understanding our Financial Picture

Why do we have a 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 programming and support, \$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 looked at eliminating deficit spending

Discussion in December:

- 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

Board of Trustee priorities

- Academic Achievement
 - Specifically for At-Risk Students
- Programs focused on the Achievement Gap
- Yosemite and Science Camp
- Programs focused on mental health



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Process

Process for seeking input from staff

- Received Trustee direction on where to prioritize programmatic reductions
- Sought input from Leadership Team (Principals, Directors, Coordinators, Asst. Superintendents)
- Members of Cabinet (Directors, Asst. Superintendents) worked on departmental proportional cuts
- Superintendent reviewed list and codified recommendations



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Recommendations

Restructuring Proposal

Rationale: Coaching is still needed to support improvement in instructional practices and a reduction in time will support more strategic use of coaches at sites

- Elementary Schools
 - Provide each elementary school a 0.5 FTE coach (share sites or job share - 4.5 FTE)
- Middle Schools
 - 1.0 FTE instructional coach per school (2.0 FTE)
- Approximate Cost Savings: \$792,000

Additional Reduction Proposed

Eliminate District Funded Release Days

Rationale: Inability to cover days consistently with substitutes due to sub shortage and last minute cancellations. Sites can use their funds for release days as needed

Cost Savings: \$100,000

Additional Reduction Proposed

Eliminate District Summer School Program

Rationale: Elimination of Education Services Coordinator makes running summer school a bigger challenge for remaining staff.

- Expensive program for only 19 instructional days

Keep programs for most needy students.

- Stretch to Kindergarten (students with no preschool)
- Title 1 Schools (paid for with Title 1 funds not general fund)
- Extended School Year (required by Education Code)

Cost Savings: \$150,000

Special Education Reductions

Do not replace Special Education Coordinator

Rationale: Special Education team can be restructured to cover duties of 3rd coordinator

Cost Savings: \$200,000

Special Education Reductions

Hire Board Certified Behavior Analyst and Behavior Techs as District employees and reduce contracted services

Rationale: Provides for career movement for Instructional Assistants. Less expensive to hire in-house and not contract

Potential Cost Savings: \$500,000

Consolidation of Positions

1. Four job types have been identified for possible consolidation which will help to reduce redundancy ~ \$1,200,000
2. Reduce the number of service staff in one category
 - a. adjust hours by 30%
 - b. adjust hours for remaining staff to provide a continuation of services ~ \$350,000

Reduction or elimination of contracted services

CloudLock	Elimination	\$12,700.00
Lynda.com	Reduction	\$10,000.00
Raptor	Reduction	\$5,225.00
Staff Laptops	Reduction	\$45,000.00
Summer PD	Reduction	\$10,000.00
Elementary Chromebooks	Reduction	\$95,000.00
Panorama Contract	Elimination	\$18,750.00
EAB contract	Elimination	\$21,500.00
Infinity Systems	Reduction	\$30,000.00
B43 production	Reduction	\$16,000.00
		\$264,175.00

Proposed Reductions

Proposed Reduction	Cost Saving
Restructure Coaching Team	\$792,000
Eliminate Release Days	\$100,000
Eliminate District Summer School and keep programs for target students	\$150,000
Eliminate Summer ALL Program - Keep program during the year which is connected to instruction and progress	\$25,000
Do not replace Special Ed Coordinator	\$200,000
Restructure IA positions for Behavior technicians	\$500,000
Eliminate Lexia for LTELs	\$13,000
District ESL Classes (move to a site based model)	\$48,000
Proposed consolidation of 2 support positions #1	\$800,000
Total Proposed Reductions	\$2,628,000

Proposed Reductions continued...

Proposed Reduction	Cost Saving
Total from page 1	\$2,628,000
Proposed consolidation of 2 support positions #2	\$350,000
Proposed consolidation of 2 support positions #3	\$400,000
Reduction or elimination of contracted services	\$264,175
Total Proposed Reductions	\$3,642,175

Fund 01 General Fund: Multi-Year Projection as of 1st Interim 2018-2019

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

Reserve Level

34.0%

26.0%

20.0%

13.7%

Fund 01 General Fund: Multi-Year Projection

After Budget cut

	2017-2018 Unaudited Actual	2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
Beginning Balance, July 1	\$25,129,405	\$27,030,060	\$22,013,327	\$20,460,108
Total Revenues	\$74,202,023	\$75,635,747	\$75,187,839	\$77,202,699
Total Expenditures	\$72,301,367	\$80,652,480	\$76,741,058	\$78,232,563
Net Increase/(Decrease)	\$1,900,656	(\$5,016,733)	(\$1,553,219)	(\$1,029,864)
Ending Balance, June 30	\$27,030,060	\$22,013,327	\$20,460,108	\$19,430,244

Reserve Level

34.0%

25.80%

25.52%

23.51%



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Next Steps/Timeline

Feedback...

Are the suggested reductions in line with Trustee direction?

Maintaining these efforts ...

- Academic Achievement
 - Specifically for At-Risk Students
- Programs focused on the Achievement Gap
- Yosemite and Science Camp
- Programs focused on mental health

Are there any other possibilities that staff should explore?

- I.e. ways to maximize our lease revenues on the general budget
- Alternative funding sources?
- Other ideas...

Important dates

January 24: BOT Discussion / Review Methodology

February 7: Governor's Budget Update - Bring updated recommendations

February 9: BOT retreat

March 7: 2nd Interim, Release and Non-Re-Elect of Employees

March-April: Development of BOT goals, report on staffing allotments, site enrollment

May 16: Governor's May Revise

May 30: Budget Adoption

June 14: Action on Budget