



Mountain View  
Whisman  
School District

# Looking at MVWSD'S Financial Picture

February 7, 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 and staff 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, \$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



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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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# Recommendation From January 24 Meeting

# 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 Educational 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

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# 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. Elimination of two positions ~ \$1,200,000
  - a. Elimination of Library Technicians
    - i. Clerks to become 1.0 FTE and would assist with inventorying of books
    - ii. School Engagement Facilitator position is eliminated at all sites
2. Reduction of custodial staff (3 staff)
  - a. adjust cleaning schedule to A day B day schedule
  - 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
<a href="#">Lynda.com</a>	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
Elimination of School Engagement Facilitator position	\$800,000
<b>Total Proposed Reductions</b>	<b>\$2,628,000</b>

# Proposed Reductions continued...

<b>Proposed Reduction</b>	<b>Cost Saving</b>
Total from page 1	\$2,628,000
Custodial Staff reduction	\$350,000
Elimination of Library Technician and Clerk becomes a full-time position.	\$400,000
Reduction or elimination of contracted services	\$264,175
<b>Total Proposed Reductions</b>	<b>\$3,642,175</b>

# Fund 01 General Fund: Multi-Year Projection as of 1<sup>st</sup> Interim 2018-2019

	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
<b>Reserve Level</b>	<b>34.0%</b>	<b>26.0%</b>	<b>20.0%</b>	<b>13.7%</b>

# 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)
<b>Beginning Balance, July 1</b>	\$25,129,405	\$27,030,060	\$22,013,327	\$20,460,108
<b>Total Revenues</b>	\$74,202,023	\$75,635,747	\$75,187,839	\$77,202,699
<b>Total Expenditures</b>	\$72,301,367	\$80,652,480	\$76,741,058	\$78,232,563
<b>Net Increase/(Decrease)</b>	\$1,900,656	(\$5,016,733)	(\$1,553,219)	(\$1,029,864)
<b>Ending Balance, June 30</b>	\$27,030,060	\$22,013,327	\$20,460,108	\$19,430,244
<b>Reserve Level</b>	<b>34.0%</b>	<b>25.80%</b>	<b>25.52%</b>	<b>23.51%</b>



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# Updated Recommendations

# What has changed

- Early indications of MVWSD Assessed Value growth have come in at our projected number of 5%
- Additional review of district revenue and expenditures
- Staff has developed creative solutions to reduce ongoing expenditures

# Recommendation

- Changes to School Community Engagement Facilitators (SCEF) position
  - 10-month position
  - Eliminate planned SCEF at Vargas Elementary
  - Eliminate 2 SCEF positions at sites with low needs
    - Schools with low unduplicated counts will share a SCEF - Stevenson, Huff, Landels, Bubb and Vargas



# Recommendations

- Changes to Library Technician
  - Eliminate planned addition of Library Tech at Vargas Elementary
    - Educational Services team will develop a rotating schedule where each elementary site's Library tech will provide a week of coverage at Vargas elementary (1 week every 9 weeks).
    - Reduce Graham from 1.125 to 1 FTE.

# Recommendations

- Four temporary At-Risk Coordinators for the 2018-19 school year will not continue during the 2019-20 school year and not budgeted for the 2019-20 school year, will not be extended (Huff, Monta Loma, Landels, Mistral)
  - Castro, Theuerkauf, Crittenden and Graham will keep their At-Risk coordinator positions
    - These positions will be 10-month employees
- Textbook adoptions (Social Studies and Science) will be contingent on excess property tax (above projections).
- Adjusted proposed staffing of instructional coach for Vargas elementary
  - Position will be shared (similar to other Elem. schools)

# Recommendation

Recommended Reduction	Cost Saving
Restructure Coaching Team	\$792,000
Eliminate Release Days	\$100,000
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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
Changes to SCEF positions	\$49,800
<b>Total Proposed Reductions</b>	<b>\$1,877,800</b>

# Recommendations continued...

<b>Recommended Reduction</b>	<b>Cost Saving</b>
Total from page 1	\$1,877,800
Changes to Library Technicians	\$49,000
Elimination of Vargas Elementary Instructional Coach	\$123,000
Reduction or elimination of contracted services	\$264,175
Delay in planned Textbook adoptions over 2 years	\$1,200,000
<b>Total Proposed Reductions</b>	<b>3,513,975</b> <i>(original recommendation \$3,642,175)</i>

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# Fund 01 General Fund: Multi-Year Projection

## After Budget Cuts

	2017-2018 Unaudited Actual	2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
<b>Beginning Balance, July 1</b>	\$25,129,405	\$27,030,060	\$22,013,327	\$20,460,108
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# Fund 01 General Fund: Multi-Year Projection

## After New Proposed Budget Cuts with BMV

	2017-2018 Unaudited Actual	2018-2019 (Year 1)	2019-2020 (Year 2)	2020-2021 (Year 3)
<b>Beginning Balance, July 1</b>	\$25,129,405	\$27,030,060	\$22,013,327	\$18,539,008
<b>Total Revenues</b>	\$74,202,023	\$75,635,747	\$75,187,839	\$77,202,699
<b>BMV Charter School Revenue Transfer out</b>			(\$1,670,000)	(\$2,230,000)
<b>Total Expenditures</b>	\$72,301,367	\$80,652,480	\$76,992,158	\$78,083,663
<b>Net Increase/(Decrease)</b>	\$1,900,656	(\$5,016,733)	(\$3,474,319)	(\$3,110,964)
<b>Ending Balance, June 30</b>	\$27,030,060	\$22,013,327	\$18,539,008	\$15,428,044
<b>Reserve Level</b>	<b>34.0%</b>	<b>25.11%</b>	<b>22.94%</b>	<b>18.43%</b>

# Important dates

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

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