

Moraga School District

December 11, 2018



2018-19

1st Interim Budget Report

Governing Board:

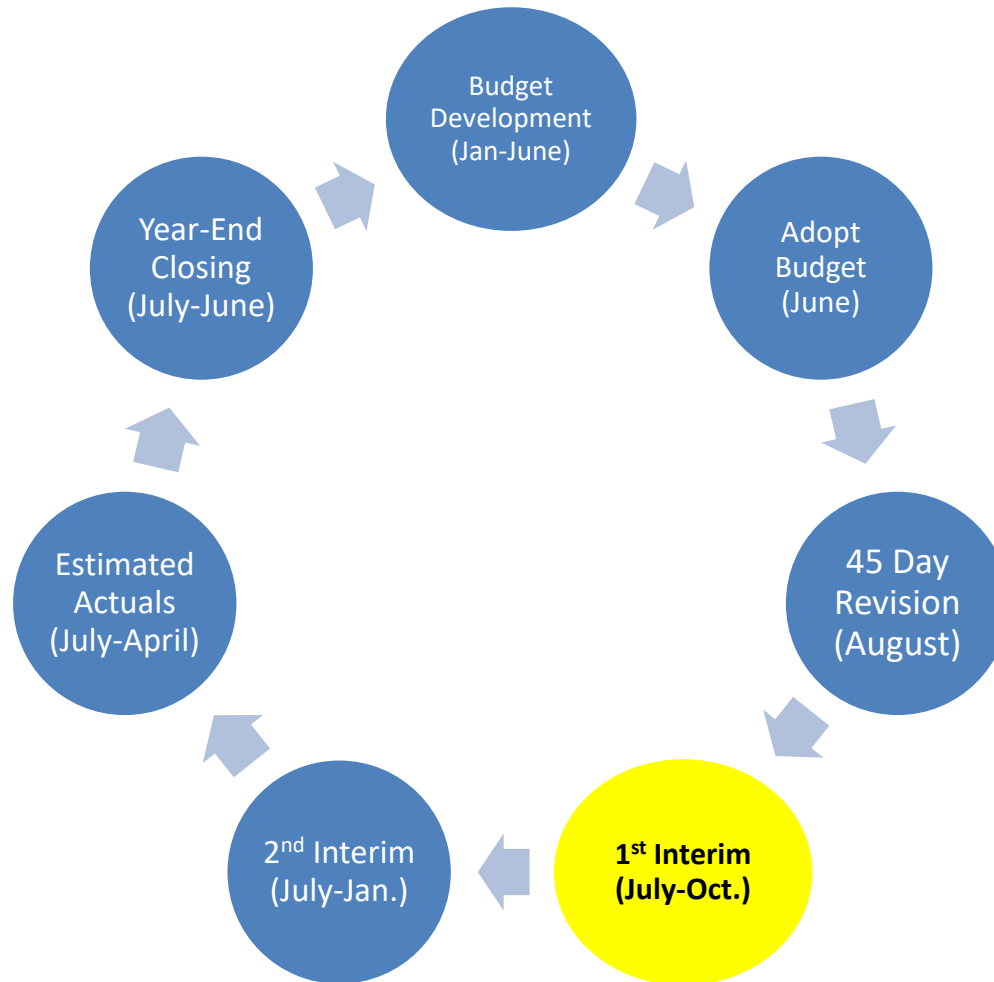
Richard Severy, President
Joe Rosenbaum, Vice-President
Heather Davis, Board Member
John Giordani, Board Member
Jon Nickens, Board Member

District Staff:

Bruce Burns, Superintendent
Daniela Parasidis, Chief Business Official



2018-19 Financial Review Timeline





Purpose of the 1st Interim

- Analyze and revise the operating budget for updated information
- Communicate the overall financial condition of the District to the Governing Board, County Office of Education, State, and the community for the fiscal period ending October 31, 2018.



Current Year Revenue Adjustments

- Enrollment: 1,851
- Projected ADA: 1,804.89
- LCFF GAP funding rate: 100%
- State One-Time Funding: \$184/ADA
- Revised Award Letters (State, Federal and Local Grants)
- School Donations (PE, Science, Fieldtrips, PTA)
- State Lottery: \$204/ADA



Sources of Revenue

State, Local, Federal Funding	*Restricted or Unrestricted	Program Description	**One-time	***On-going	Note
Federal	Restricted	Title I		X	
Federal	Restricted	SpEd IDEA		X	
Federal	Restricted	SpEd Preschool IDEA		X	
Federal	Restricted	SpEd Preschool IDEA Local		X	
Federal	Restricted	SpEd IDEA Mental Health		X	
Federal	Restricted	Title II		X	
Federal	Restricted	Title III Immigrant and English Learner	X		
Local	Restricted	Tier III California School Garden-JM ONLY	X		
Local	Restricted	After School Program-Waiting for budget	X		
Local	Restricted	Tier III IMFRP-TEXTBOOK	X		
Local	Restricted	Routine Restricted Maintenance-3% based AB		X	
Local	Restricted	Foodwaste-JM		X	
Local	Restricted	COE TUPE (Tobacco-Use Prevention Education)	X		
Local	Restricted	Binder Hospital	X		
Local	Restricted	School Bookfair	X		
Local	Restricted	Lost Textbooks	X		
Local	Restricted	School Science Donations	X		
Local	Restricted	PE Donations (JM)	X		
Local	Restricted	Lost Textbook (JM)	X		
Local	Restricted	Site Donations	X		
Local	Restricted	Site Fieldtrips	X		
Local	Restricted	PTA Donations	X		
Local	Restricted	Wastebusters	X		
Local	Restricted	Moraga Sports Alliance		X	
Local	Unrestricted	Parcel Tax		X	Measure B Expires 6/30/2020
Local	Unrestricted	Moraga Education Fund		X	
State	Restricted	Prop 39-Clean Energy	X		
State	Restricted	Restricted Lottery		X	
State	Restricted	Special Education		X	
State	Restricted	SpEd-Mental Health		X	
State	Unrestricted	One-time Mandated Cost	X		
State	Unrestricted	Unrestricted Lottery		X	
State/Local	Unrestricted	LCFF-Base Grant		X	
State/Local	Unrestricted	LCFF-Supplemental/Concentration Grant		X	

*Restricted Funds are tied to specific activities that must be performed in order to receive the funding.

*Unrestricted Funds are not tied to specific activities and are at the discretion of the District to determine how these funds will be used.

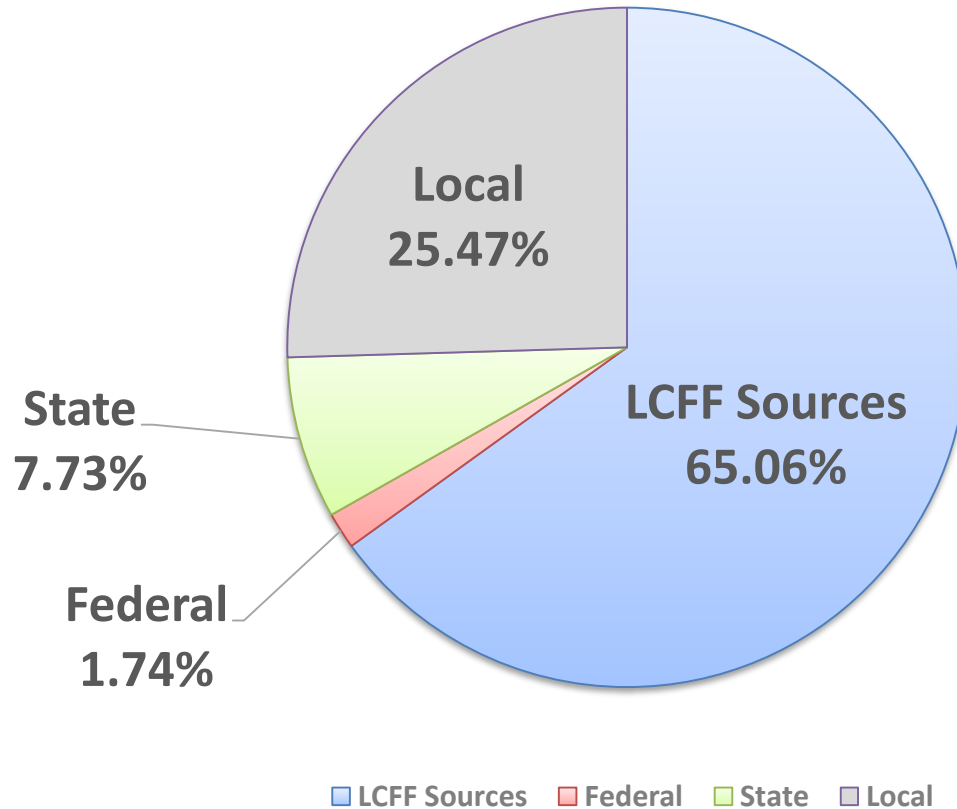
**One-time: DISTRICT CANNOT EXPECT FUNDING YEAR AFTER YEAR AND/OR DISTRICT IS NOT ABLE TO ESTIMATE REVENUES FOR THIS FUNDING SOURCE

***On-going: DISTRICT CAN EXPECT FUNDING YEAR AFTER YEAR AND IS ABLE TO ESTIMATE REVENUE FOR THIS FUNDING SOURCE



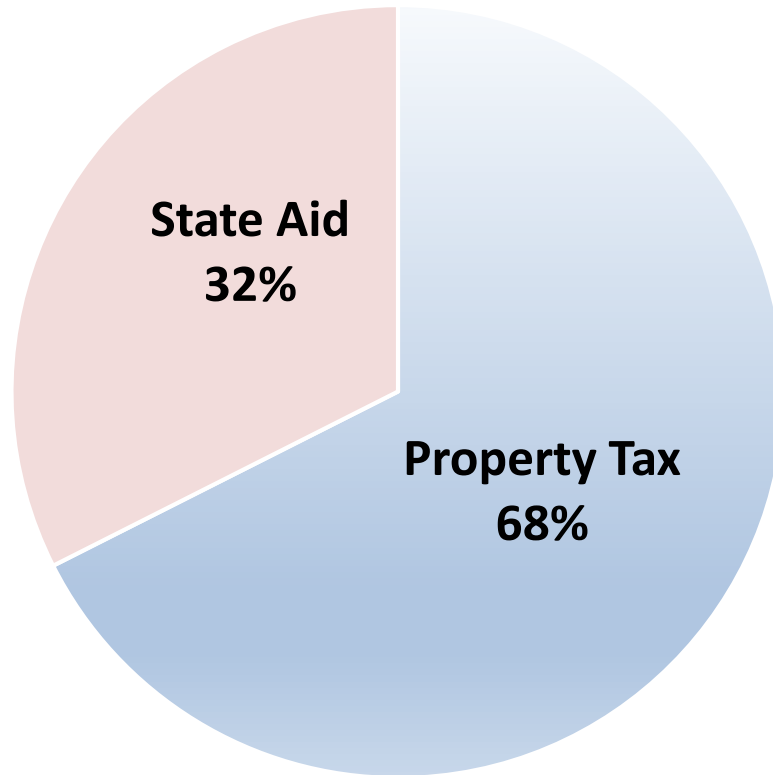
Current Year Revenue

% of Total Revenues



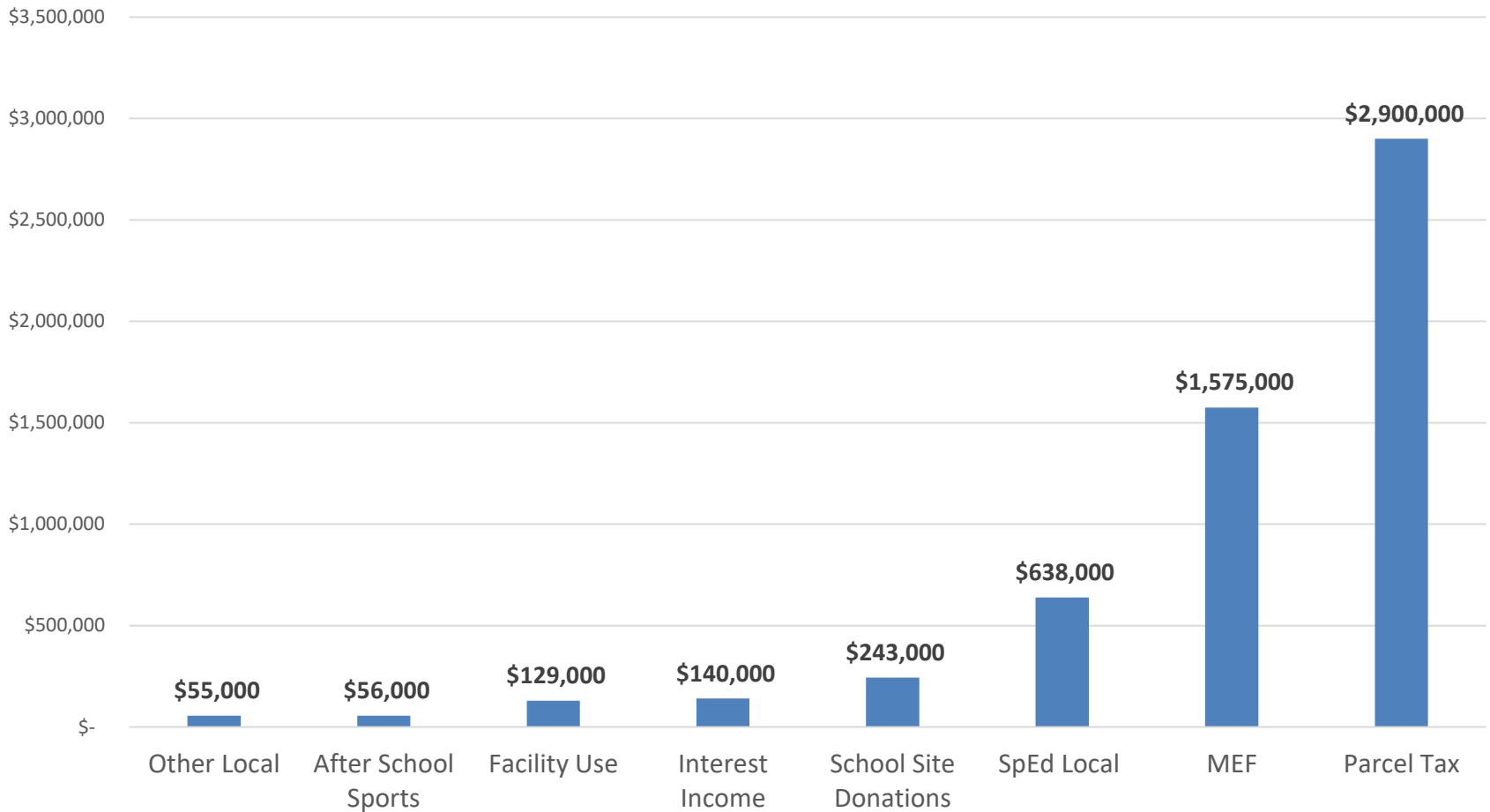


LCFF Revenue = 65%





Local Revenue Sources = 25%





Other State Revenue = 8%

- State Lottery: \$407k
- SpEd Mental Health: \$109k
- One-time Funds: \$184/ADA or \$330k

Federal Revenue Sources = 2%

- Special Education:
 - Local Assistance IDEA: \$312k
 - PreK IDEA: \$8k
 - Mental Health: \$20k
- Title I Low Income: \$32k
- Title II Teacher Quality: \$17k
- Title III Immigrant Education: \$8k

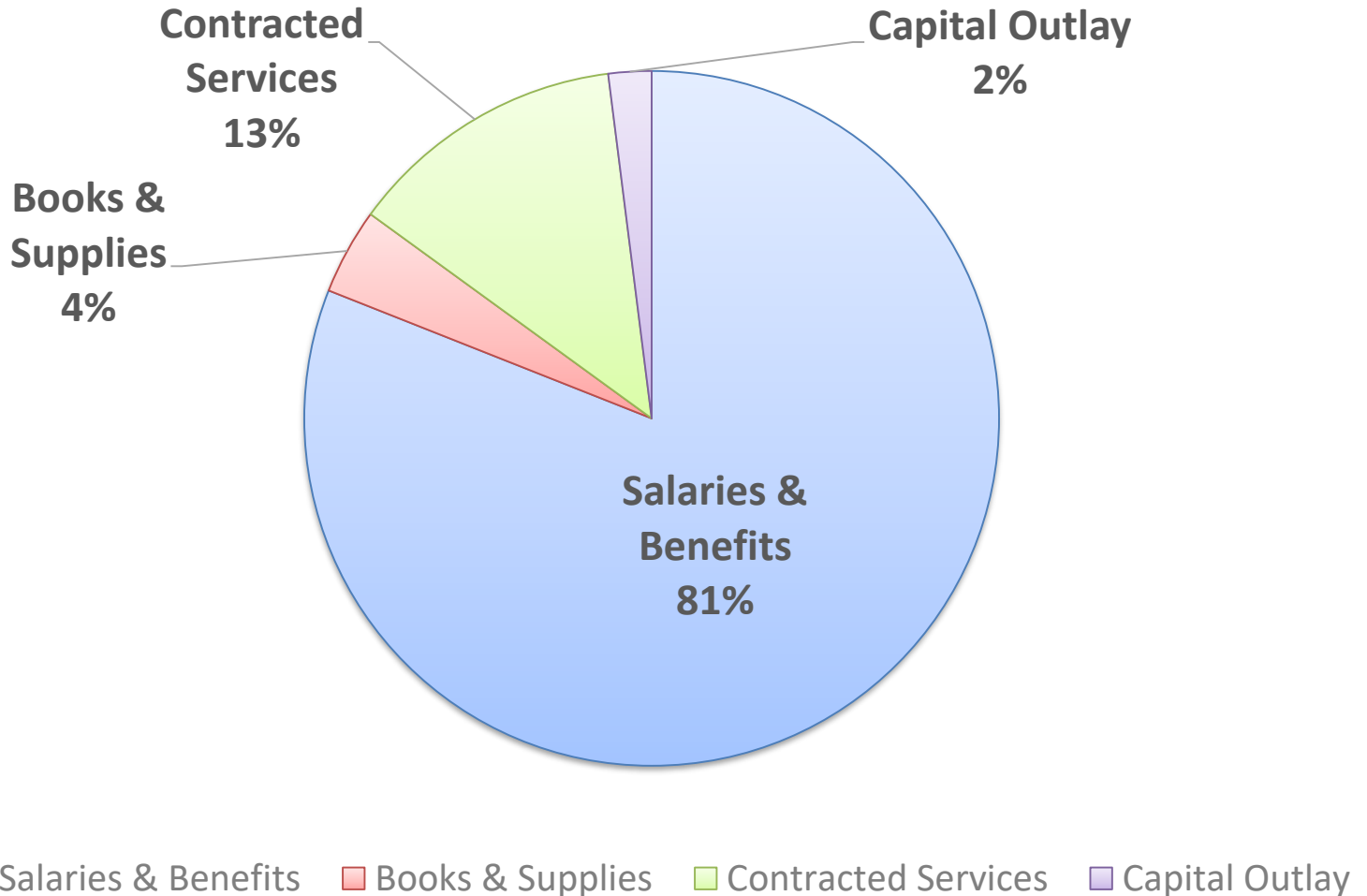


Current Year Expenditure Adjustments

- Updated personnel costs
 - *Includes 1.5% salary increase for all except CSEA bargaining unit*
 - *New Hires and staffing changes*
 - *Master Stipend and Column Increases for Moraga Teachers Association*
- Updated health benefit costs
 - *New hire benefit choices*
- Updated materials/supplies and contracted services
 - *Allocation of 2017-18 carry-over funds*
 - *Technology purchases*
 - *Special Education*
- Updated Capital Outlay
 - *Prop. 39 Lighting Project*



Current Year Expenditures





Schedule of Changes-Revenues

	ADOPTED BUDGET	1 ST INTERIM	CHANGE	EXPLANATION
LCFF SOURCES	14,669,138	14,867,448	198,310	COLA increase from 3.0% to 3.7% and Funded ADA increase from 1,792.13 to 1,804.89
FEDERAL	400,014	397,847	(2,167)	Increase to Title III Immigrant Ed funding of \$8k with reductions to Title I and Title II Funding of approx. \$10k
STATE	1,992,648	1,765,491	(227,157)	Decrease in One-time funds from \$344/ada to \$184/ada offset by increases to Lottery Funds \$194/ada to \$204/ada
LOCAL	5,659,881	5,819,761	159,880	Increase due to Interest Income of approx. \$110k, SUMS Grant of \$25k and School Site Donations of \$51k offset by a reduction of \$25k in MEF Funds
TOTAL REVENUES:	22,721,681	22,850,547	128,866	



Schedule of Changes-Expenditures

	ADOPTED BUDGET	1ST INTERIM	CHANGE	EXPLANATION
Certificated Salaries	9,683,928	9,604,864	(79,064)	Total reduction to certificated salaries is a combination of savings through attrition, Master Stipend and Column increases, increases for teacher extra hours (Co-teaching prep, Summer Planning, Committees), an increase to the actual cost of the new Elementary Counselor and an increase to Speech and Language positions.
Classified Salaries	3,427,521	3,435,342	7,821	Increase is due to additional Section 504 Aide hours as well as the 2.25% increase for CSEA members not included in the Adopted Budget. These increases are off-set by a reduction of 3 Intensive Aide Positions
Benefits	5,669,736	5,693,250	23,514	Statutory (STRS, PERS, FICA, Medicare, Unemployment and Workers Compensation) Benefits adjust for changes in salaries. In addition, health benefit costs for new hires was greater than the benefit costs associated with the retiree they replaced.
Books & Supplies	869,759	973,906	104,147	Increase of approx. \$28k is due to IT purchases of chrome books, chrome carts and replacement monitors. Approx. \$95k is due to the allocation of school site carryover (Science, Waste busters, Lost Books, PE and Site Donations) from 2017-18. These increases were offset by approx. \$19k in reductions to cover expenditures in other categories.
Contracts & Services	3,446,389	3,110,528	(335,861)	\$360k in Prop.39 Lighting Project with Sylvania Lighting was "reclassified" to capital outlay from contracted services. In addition, approx. \$35k was reclassified to other expenditure categories. This decrease was off-set by increases in Nursing Services for the Section 504 Program of approx. \$52k and approx. \$8k for other services.
Capital Outlay	-	360,495	360,495	Prop.39 Lighting Project with Sylvania Lighting was "reclassified" to Capital Outlay from Contracted Services
Indirect Cost	(55,000)	(55,000)	-	
Transfers Out	18,995	18,995	-	
TOTAL EXPENDITURES:	23,061,328	23,142,380	81,052	
Excess (Deficiency) of Revenues over Expenditures	(339,647)	(291,833)	47,814	



Schedule of Changes

	Adopted Budget	1st Interim	Change
FUND BALANCE, RESERVES			
Beginning Balance	5,279,833	5,580,450	300,617
Ending Balance	4,940,186	5,288,617	348,431
RESERVES:			
Nonspendable:			
<i>Revolving Cash</i>	28,400	25,000	(3,400)
<i>Prepaid Expenditures</i>	-	-	-
Restricted:			
<i>Legally Designated (restricted programs)</i>	186,473	275,801	89,328
Assigned:			
<i>Textbooks</i>	350,000	350,000	-
<i>Curriculum & Instruction</i>	100,000	100,000	-
<i>Technology Replacement/Upgrades</i>	834,729	575,626	(259,103)
Unassigned:			
<i>Designated for Economic Uncertainties</i>	691,840	694,271	2,431
Unassigned Fund Balance	2,748,744	3,267,919	519,175



2019-20 Multi-Year Projection

Governor's Budget Proposal

- LCFF GAP Percentage: 100%
- Cost of Living Adjustment: 2.57%
- Consumer Price Index: 3.5%
- CalPERS Rate: 20.80% (increase of 2.74% from 2018-19)
- CalSTRS Rate: 18.13% (increase of 1.85% from 2018-19)

District Assumptions

- Funded ADA: 1,804.89
- Certificated Step/Column Increase: 1%
- Classified Step/Column Increase: 1%
- Health Benefit Increase: 5%
- Reserve for Economic Uncertainty Minimum: 4%
- Routine Restricted Maintenance: 3%



2020-21 Multi-Year Projection

Governor's Budget Proposal

- LCFF GAP Percentage: 100%
- Cost of Living Adjustment: 2.67%
- Consumer Price Index: 3.23%
- CalPERS Rate: 23.50% (increase of 2.70% from 2019-20)
- CalSTRS Rate: 19.10% (increase of 0.97% from 2019-20)

District Assumptions

- Funded ADA: 1,804.89
- Certificated Step/Column Increase: 1%
- Classified Step/Column Increase: 1%
- Health Benefit Increase: 5%
- Reserve for Economic Uncertainty Minimum: 4%
- Routine Restricted Maintenance: 3%

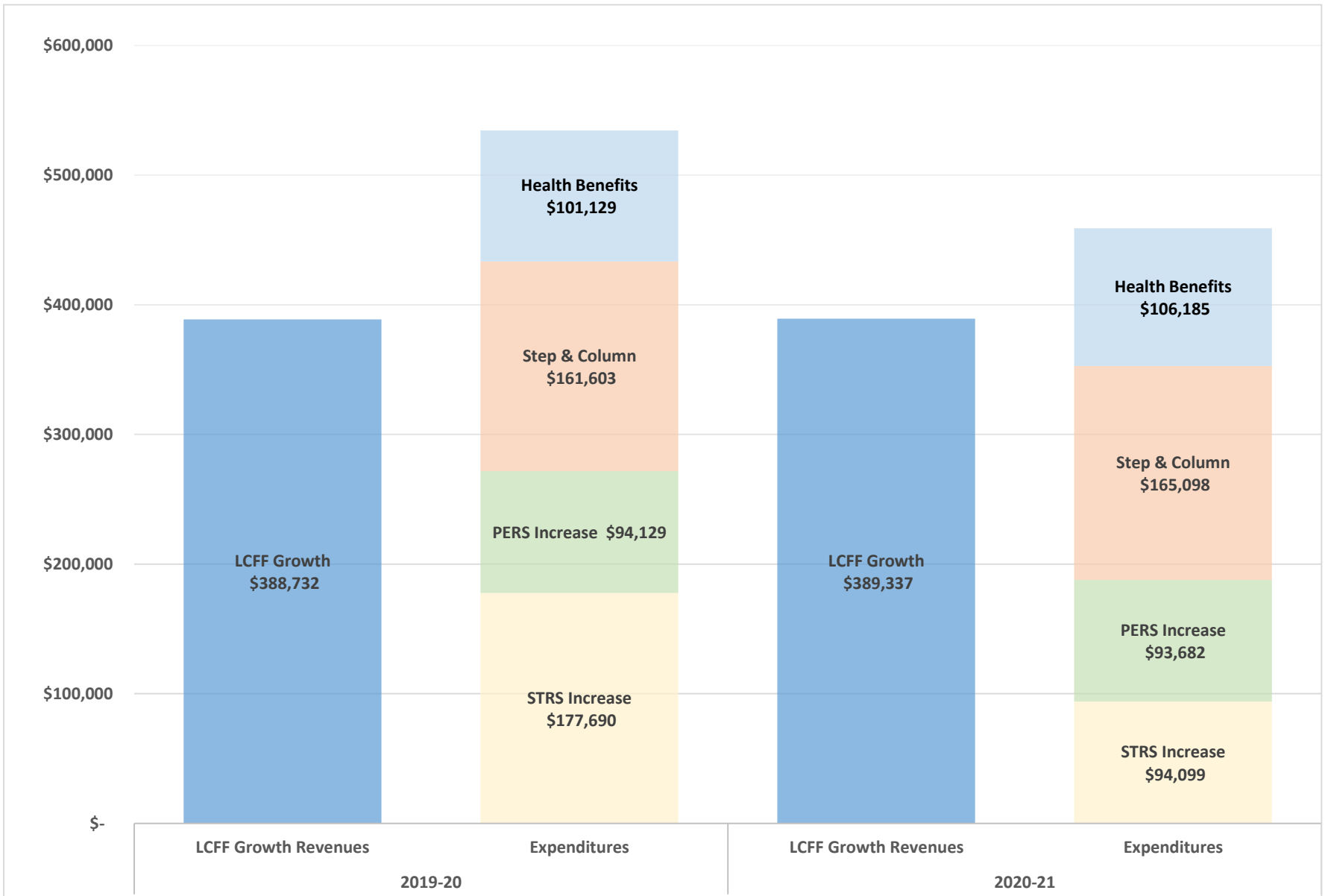


Local Control Funding Formula (LCFF Funding)

	2018-19	2019-20	2020-21
LCFF Funding	\$14,436,792	\$14,825,524	\$15,214,861
\$ Increase Per Year	\$624,184	\$ 388,732	\$ 389,337
% Increase per Year	4.52%	2.69%	2.63%



New Revenue vs. Natural Increases





Multi-Year Projection

	2018-19	2019-20	2020-21
Total Revenues:	22,850,547	22,884,915	22,163,724
Total Expenditures:	23,142,380	23,372,065	23,441,216
Net Increase (Decrease) to Fund Balance:	(291,833)	(487,150)	(1,277,492)
FUND BALANCE RESERVES:			
Beginning Balance	5,580,450	5,288,617	4,801,467
Net Increase (Decrease) to Fund Balance:	(291,833)	(487,150)	(1,277,492)
ENDING FUND BALANCE:	5,288,617	4,801,467	3,523,975
COMPONENTS OF THE ENDING FUND BALANCE			
NONSPENDABLE: Revolving Cash	25,000	25,000	25,000
RESTRICTED: Categorical Programs	275,801	154,188	0
ASSIGNED:			
Textbook Implementation	350,000	0	0
Curriculum & Instruction Professional Development	100,000	0	0
Technology Replacement/Upgrade	575,626	275,626	0
UNASSIGNED AVAILABLE RESERVES:			
**3% Required Reserve	694,271	701,162	703,236
**Undesignated Fund Balance:	3,267,919	3,645,491	2,795,739
FUND 17 RESERVES:	912,581	912,581	912,581
TOTAL DISTRICT AVAILABLE RESERVES IN DOLLARS:	4,874,771	5,259,234	4,411,556
TOTAL DISTRICT AVAILABLE RESERVES AS A PERCENTAGE:	21.06%	22.50%	18.82%



Other Funds

- The district administers 7 other funds:
 - Child Care Fund
 - Cafeteria Fund
 - Special Reserve Fund
 - Building Fund
 - Capital Facilities Fund
 - Capital Projects Reserve Fund
 - Bond Fund
- All are projected to have positive fund balances



CERTIFICATION OF 1ST INTERIM

Certification on the financial condition of the District can be reported as positive, qualified or negative.

- Positive: District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Qualified: District may not be able to meet its financial obligations for the current and subsequent two fiscal years.
- Negative: District will not be able to meet its financial obligations for the current and subsequent two fiscal years.



CERTIFICATION

- Positive – District will be able to meet its financial obligations for the current and subsequent two fiscal years.
- Staff recommends the Governing Board approve the District First Interim Report.