

Moraga School District

March 12, 2019



2018-19

2nd Interim Budget Report

Governing Board:

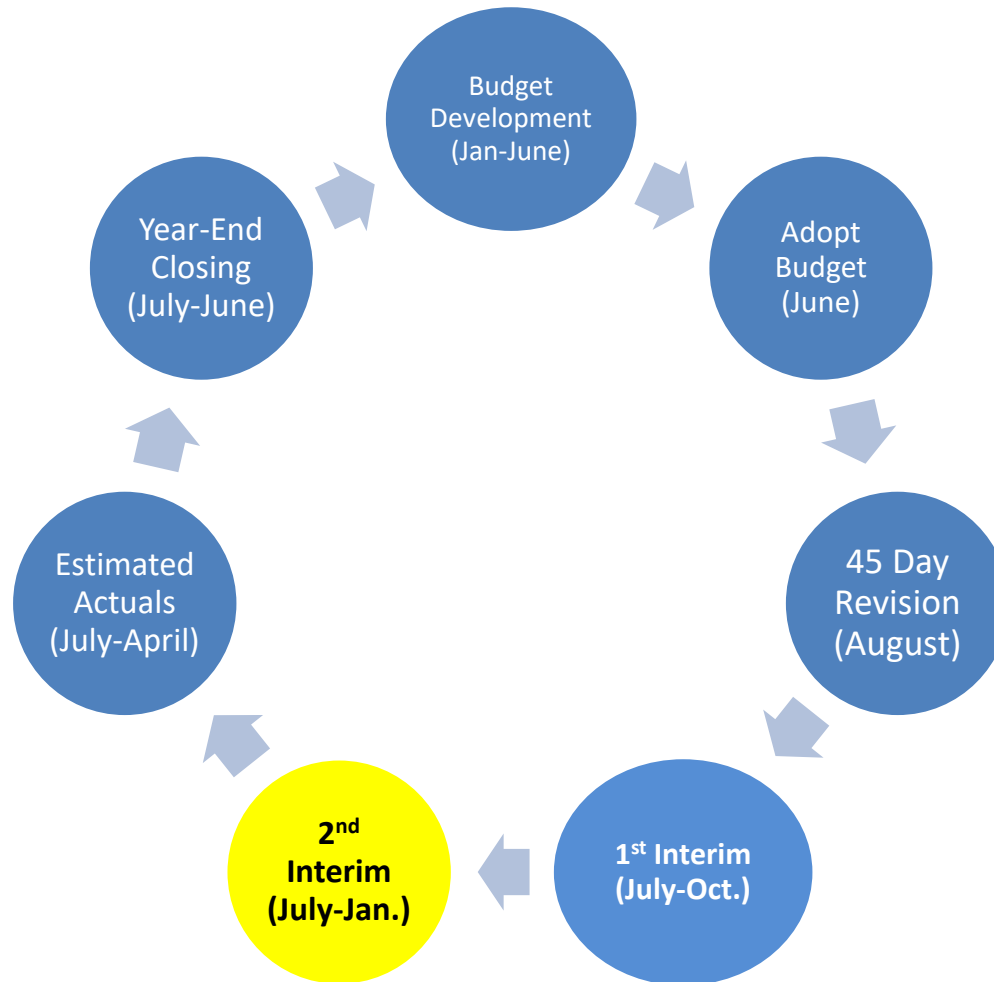
Joe Rosenbaum, President
Jon Nickens, Vice-President
Richard Severy, Board Member
Heather Davis, Board Member
John Giordani, Board Member

District Staff:

Bruce Burns, Superintendent
Daniela Parasidis, Chief Business Official



2018-19 Financial Review Timeline





Purpose of the 2nd 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 January 31, 2019.



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.

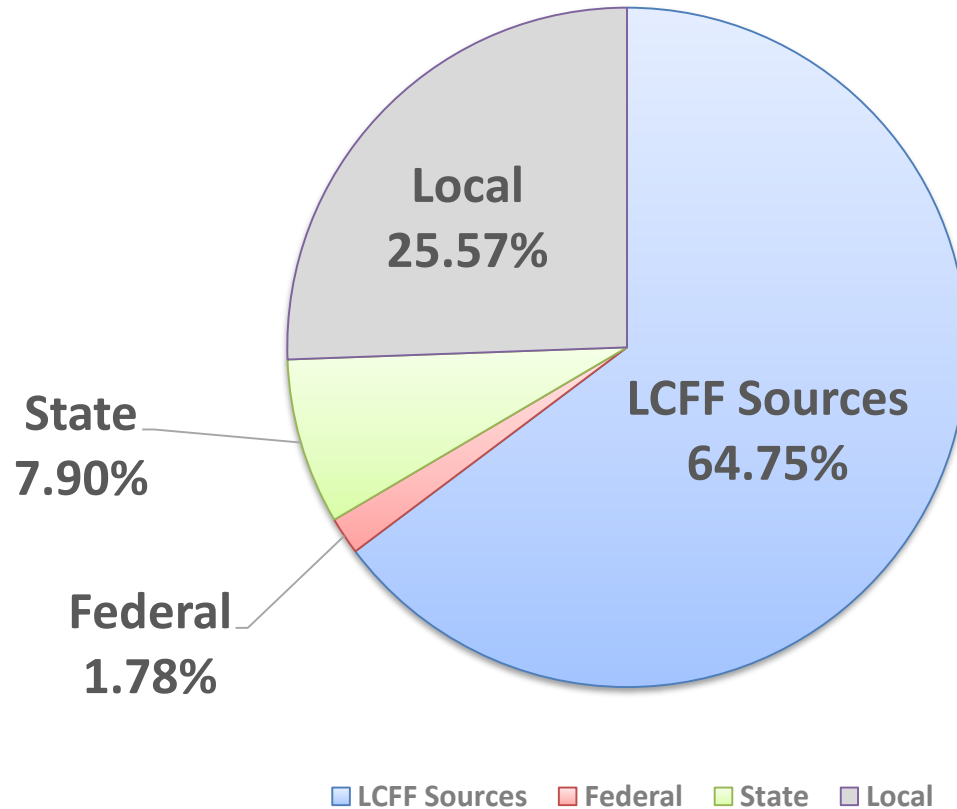
**One-time: DISTRICT CANNOT EXPECT FUNDING YEAR AFTER YEAR AND/OR DISTRICT IS NOT ABLE TO ESTIMATE REVENUES FOR THIS FUNDING SOURCE

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



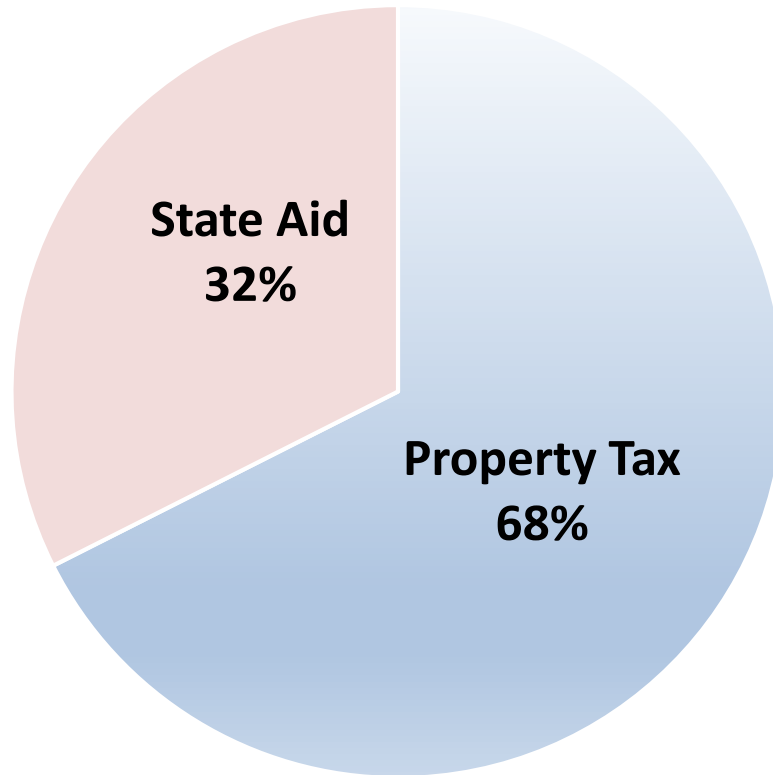
Current Year Revenue

% of Total Revenues



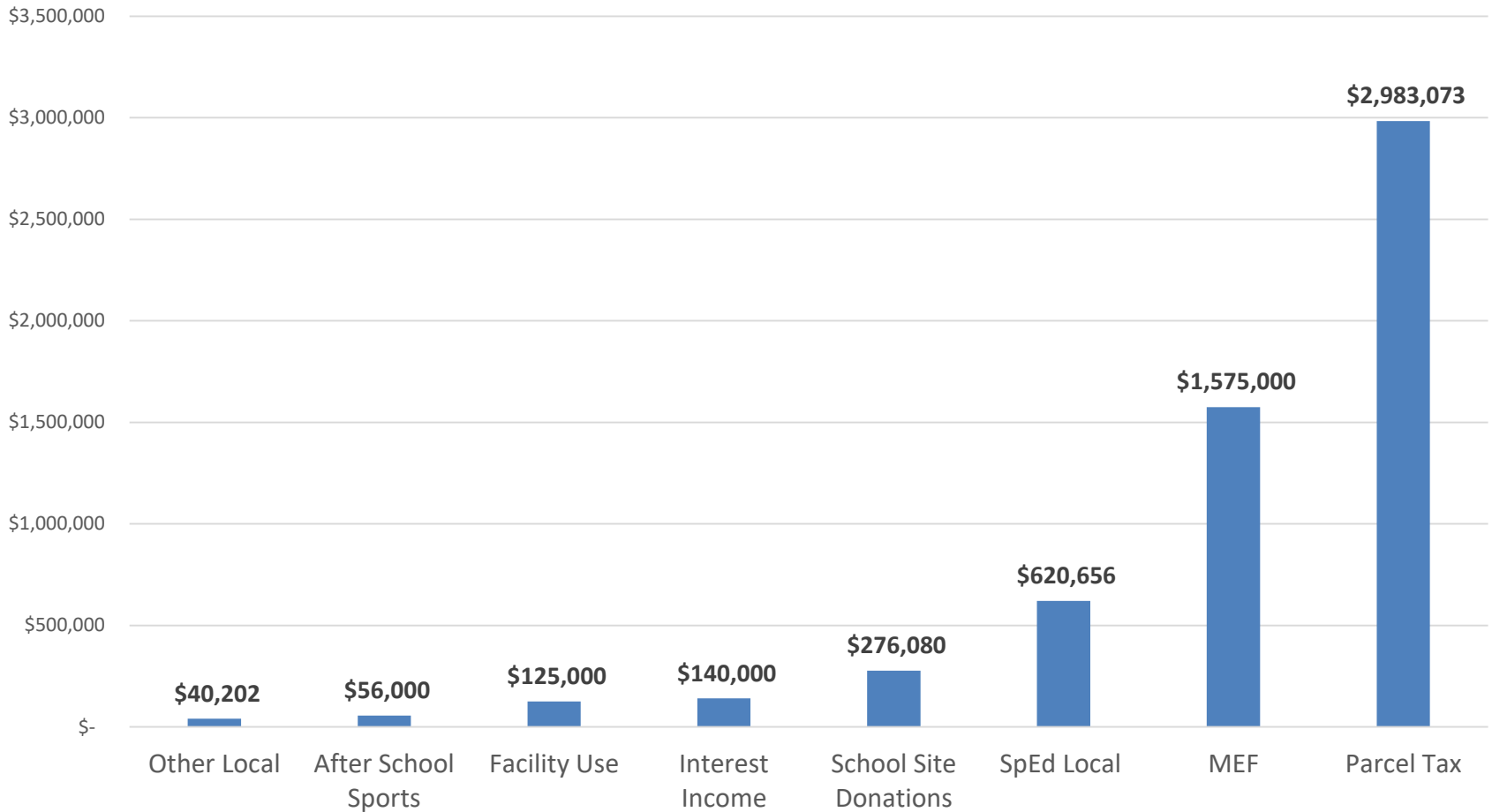


LCFF Revenue = 65%





Local Revenue Sources = 25%





Other State Revenue = 8%

- State Lottery: \$407k
- SpEd Mental Health: \$109k
- Low Performing Site Block Grant (LPSBG): \$49K
- 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
- Title IV Student Success: \$10k

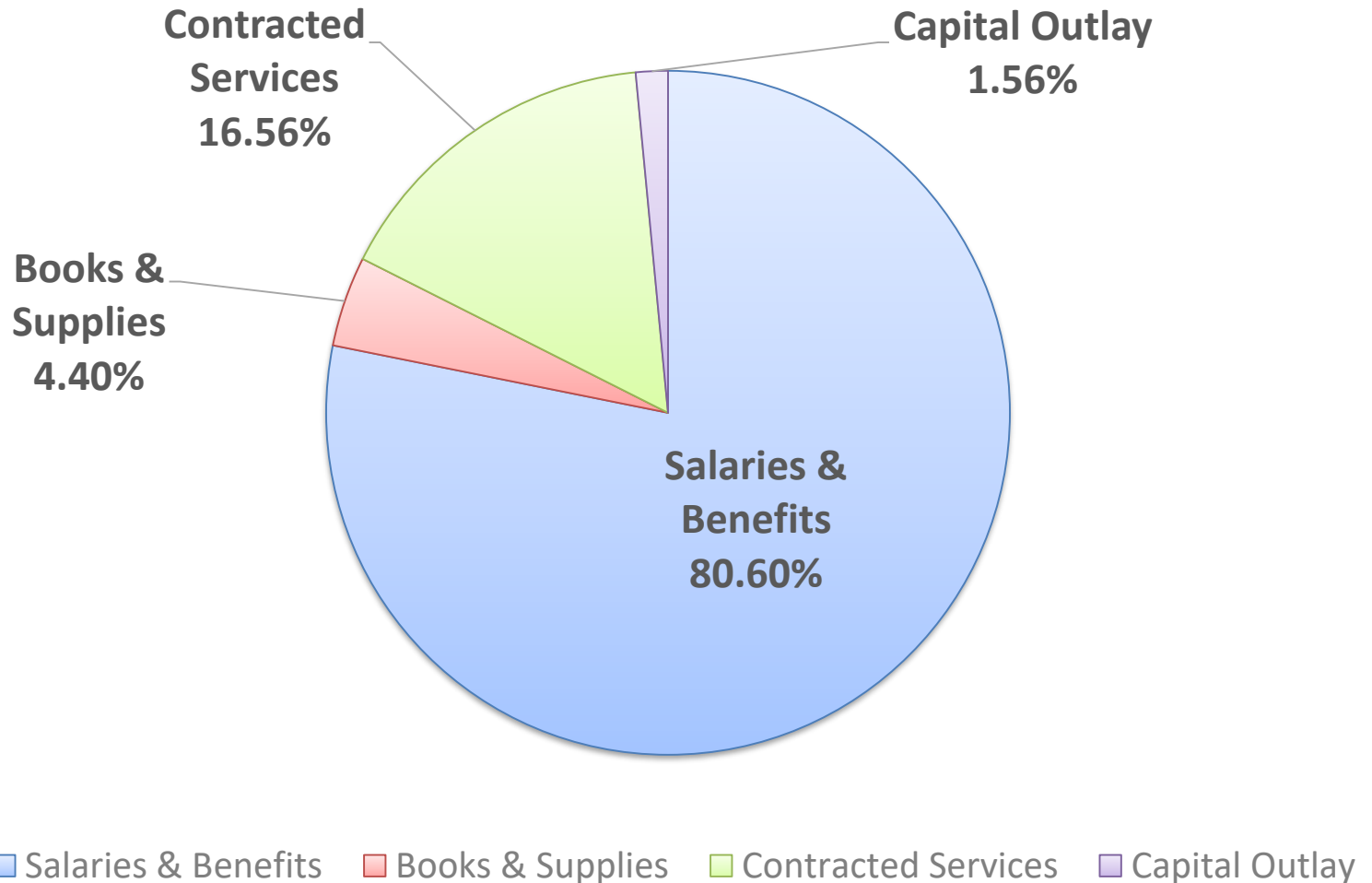


Current Year Expenditure Adjustments

- Updated personnel costs
 - *.2 FTE each for Psychology and Inclusion Specialist positions*
 - *Updated FTE and salary for certain site positions, update .2 FTE for Personnel Technician*
- Updated health benefit costs
 - *Commensurate with above adjustments plus adjustments for open enrollment changes*
- Updated materials/supplies and contracted services
 - *Allocation of new Title IV funds*
 - *Allocation of new LBSBG funds*
 - *Reclassification of Technology purchases*
 - *Updates for additional misc. revenues received*
- Updated Capital Outlay
 - *Prop. 39 Lighting Project*



Current Year Expenditures





Schedule of Changes-Revenues

	1st Interim	2nd Interim	Change	EXPLANATION
LCFF SOURCES	14,867,448	14,867,448	-	
FEDERAL	397,847	408,302	10,455	New Federal Grant-Title IV-Student Success-\$10,000; Adj to TI and TIV-\$682; Adj to Special Ed Funds-\$(\$227)
STATE	1,765,491	1,814,892	49,401	Addition of the Low Performing Student Block Grant (LPSBG)
LOCAL	5,819,761	5,871,011	51,250	Increase due to School Site Donations, PTA Donations, and Bookfair monies received. PG&E Rebate received-\$11,492
TOTAL REVENUES:	22,850,547	22,961,653	111,106	



Schedule of Changes-Expenditures

	1st Interim	2nd Interim	Change	EXPLANATION
Certificated Salaries	9,604,864	9,615,402	10,538	Increase to the actual cost due to addition of .2 FTE of Psychologist and .2 FTE of Inclusion Specialist
Classified Salaries	3,435,342	3,486,096	50,754	Increase is due to additional LP and RH Aide and Yard Duty costs-\$39,713, increase to .2 FTE to Personnel Technician position-\$3,158, Sub custodian not budgeted-\$5,111, and miscellaneous increases for clerical sub costs-\$2,772.
Benefits	5,693,250	5,706,906	13,656	Statutory (STRS, PERS, FICA, Medicare, Unemployment and Workers Compensation) Benefits adjust for changes in salaries. In addition, health benefit costs for new hires and open enrollment changes.
Books & Supplies	973,906	1,026,222	52,316	Increase due to addition of Title IV funds-\$10k; Addition of Bookfair fund-\$20k; Reclassification of Technology expenses of \$17k from 5000 category. Balance is due to additional Misc. Funds received.
Contracts & Services	3,110,528	3,170,660	60,132	Increase due to addition of LPSBG funds-\$49k; Reclassification of Technology expenses of \$17k to 4000 category. Balance is due to additional Local Funds received.
Capital Outlay	360,495	363,945	3,450	Increase in cost with the Prop.39 Lighting Project with Sylvania Lighting.
Capital Outlay	-	-	-	
Indirect Cost	(55,000)	(55,000)	-	
Transfers Out	18,995	18,995	-	
TOTAL EXPENDITURES:	23,142,380	23,333,226	190,846	
Excess (Deficiency) of Revenues over Expenditures	(291,833)	(371,573)	(79,740)	



Schedule of Changes

	1 ST Interim	2 nd Interim	Change
FUND BALANCE, RESERVES			
Beginning Balance	5,580,450	5,580,450	-
Ending Balance	5,288,617	5,208,877	(79,740)
RESERVES:			
Nonspendable:			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>			-
Restricted:			
<i>Legally Designated (restricted programs)</i>	275,801	279,675	3,874
Assigned:			
<i>Textbooks</i>	350,000	350,000	-
<i>Curriculum & Instruction</i>	100,000	100,000	-
<i>Technology Replacement/Upgrades</i>	575,626	575,626	-
Unassigned:			
<i>Designated for Economic Uncertainties</i>	694,271	699,997	5,725
Unassigned Fund Balance	3,267,919	3,178,579	(89,339)



2019-20 Multi-Year Projection

Governor's Budget Proposal

- LCFF GAP Percentage: 100%
- Cost of Living Adjustment: 3.46%
- Consumer Price Index: 3.18%
- CalPERS Rate: 20.70% (increase of 2.64% from 2018-19)
- CalSTRS Rate: 17.10% (increase of 0.82% 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: 2.86%
- Consumer Price Index: 3.05%
- CalPERS Rate: 23.40% (increase of 2.70% from 2019-20)
- CalSTRS Rate: 18.10% (increase of 1.00% 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	\$14,953,679	\$15,375,948
\$ Increase Per Year	\$624,184	\$ 516,887	\$ 422,269
% Increase per Year	4.52%	3.58%	2.82%



Multi-Year Projection

	2018-19	2019-20	2020-21
Total Revenues:	22,961,653	23,124,176	22,435,917
Total Expenditures:	23,333,226	23,445,116	23,512,247
Net Increase (Decrease) to Fund Balance:	(371,573)	(320,940)	(1,076,330)
FUND BALANCE RESERVES:			
Beginning Balance	5,580,450	5,208,877	4,887,937
Net Increase (Decrease) to Fund Balance:	(371,573)	(320,940)	(1,076,330)
ENDING FUND BALANCE:	5,208,877	4,887,937	3,811,607
COMPONENTS OF THE ENDING FUND BALANCE			
NONSPENDABLE: Revolving Cash	25,000	25,000	25,000
RESTRICTED: Categorical Programs	279,675	172,433	31,769
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	699,997	703,353	705,367
**Undesignated Fund Balance:	3,178,579	3,711,525	3,049,471
FUND 17 RESERVES:	912,581	912,581	912,581
TOTAL DISTRICT AVAILABLE RESERVES IN DOLLARS:	4,791,157	5,327,459	4,667,419
TOTAL DISTRICT AVAILABLE RESERVES AS A PERCENTAGE:	20.53%	22.72%	19.85%



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 2nd 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 Second Interim Report.