

Moraga School District

December 10, 2019



2019-20

1st Interim Budget Report

Governing Board:

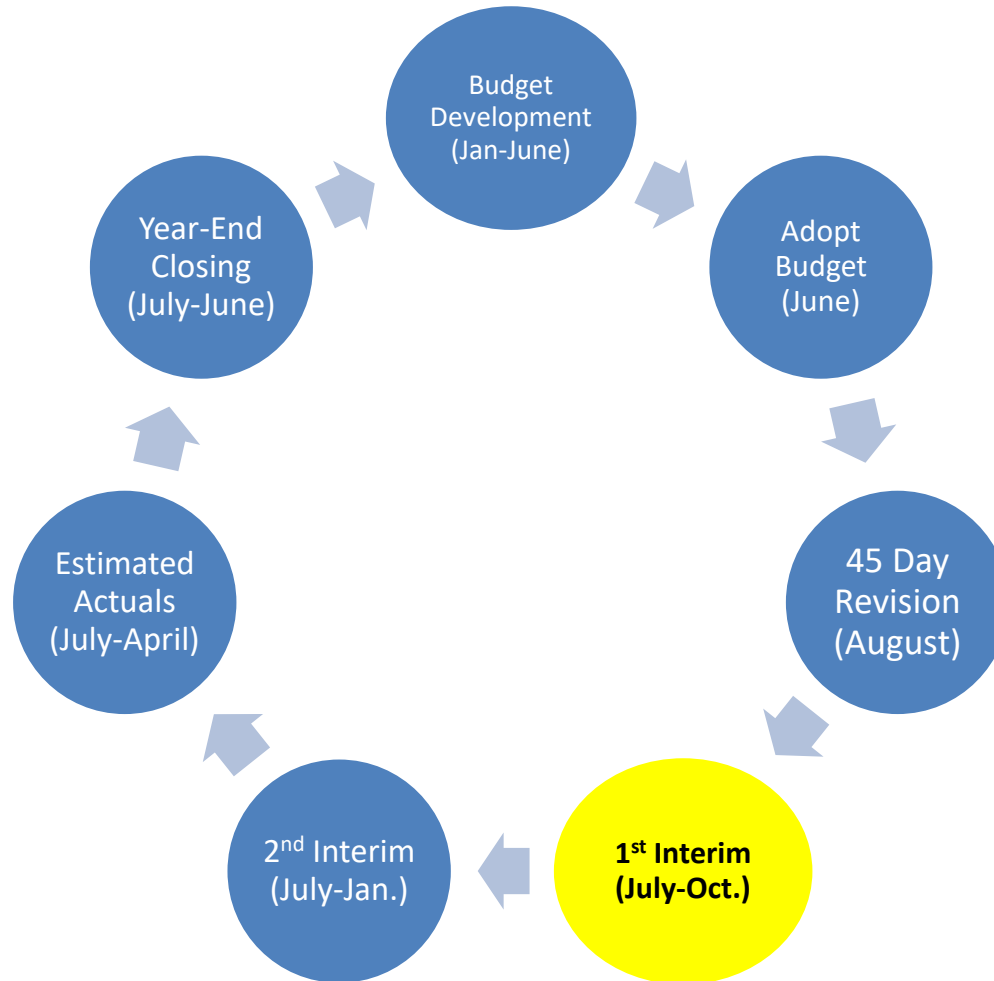
Jon Nickens, President
Heather Davis, Vice-President
Richard Severy, Board Member
John Giordani, Board Member
Janelle Chng, Board Member

District Staff:

Bruce Burns, Superintendent
Daniela Parasidis, Chief Business Official



2019-20 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, 2019.



Current Year Revenue Adjustments

- Enrollment: 1,852
- Projected ADA: 1,811.49
- State One-Time SpEd Pre-K Funding: \$171k
- Revised Award Letters (State, Federal and Local Grants)
- School Donations (PE, Science, Fieldtrips, PTA)
- State Lottery: \$207/ADA



Sources of Revenue

State, Local, Federal Funding	*Restricted or Unrestricted	Program Description	**One-time	***On-going	Note
Federal	Restricted	Title I Supplemental Support		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 Professional Development		X	
Federal	Restricted	Title IV Student Support		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 SpEd Preschool Funds	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.

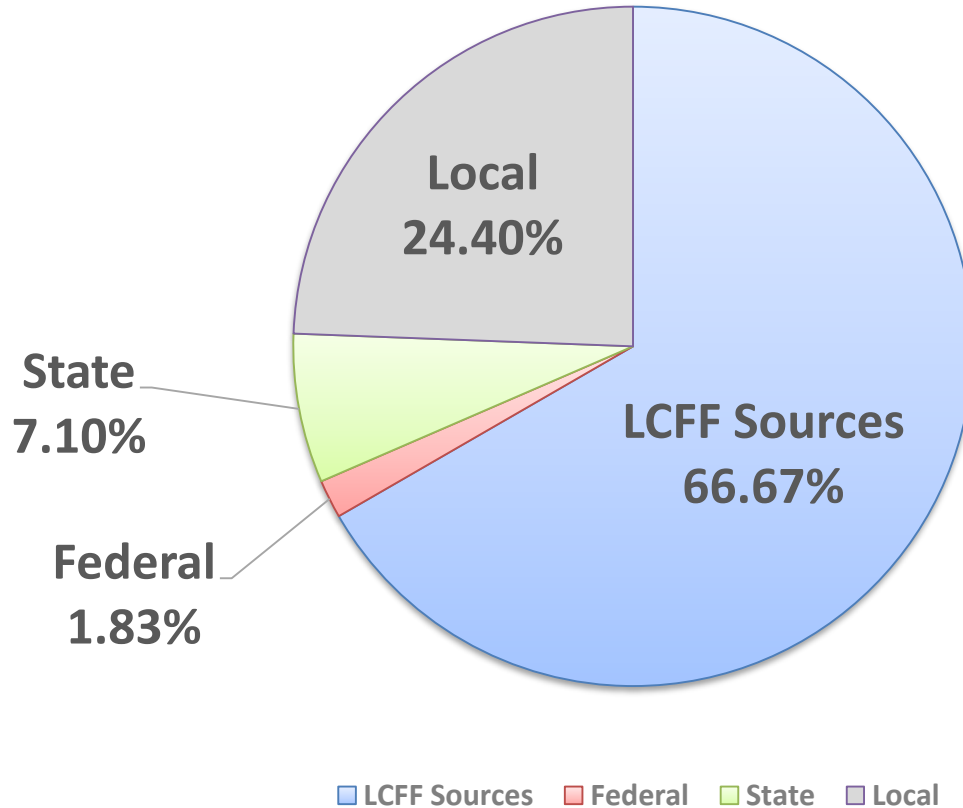
**One-time: DISTRICT CANNOT EXPECT FUNDING YEAR AFTER YEAR AND/OR DISTRICT IS NOT ABLE TO ESTIMATE REVENUES FOR THIS FUNDING SOURCE

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



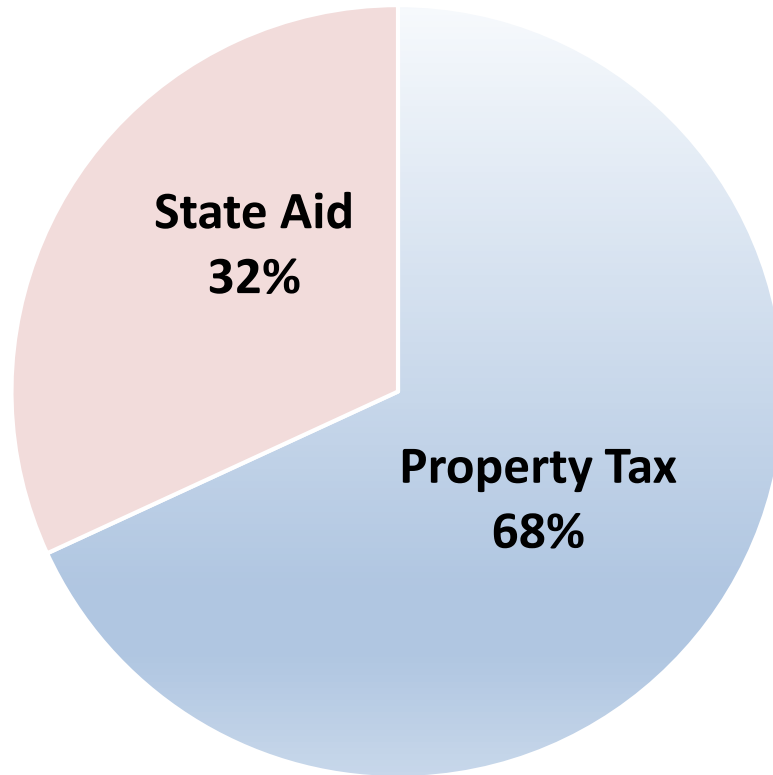
Current Year Revenue

% of Total Revenues



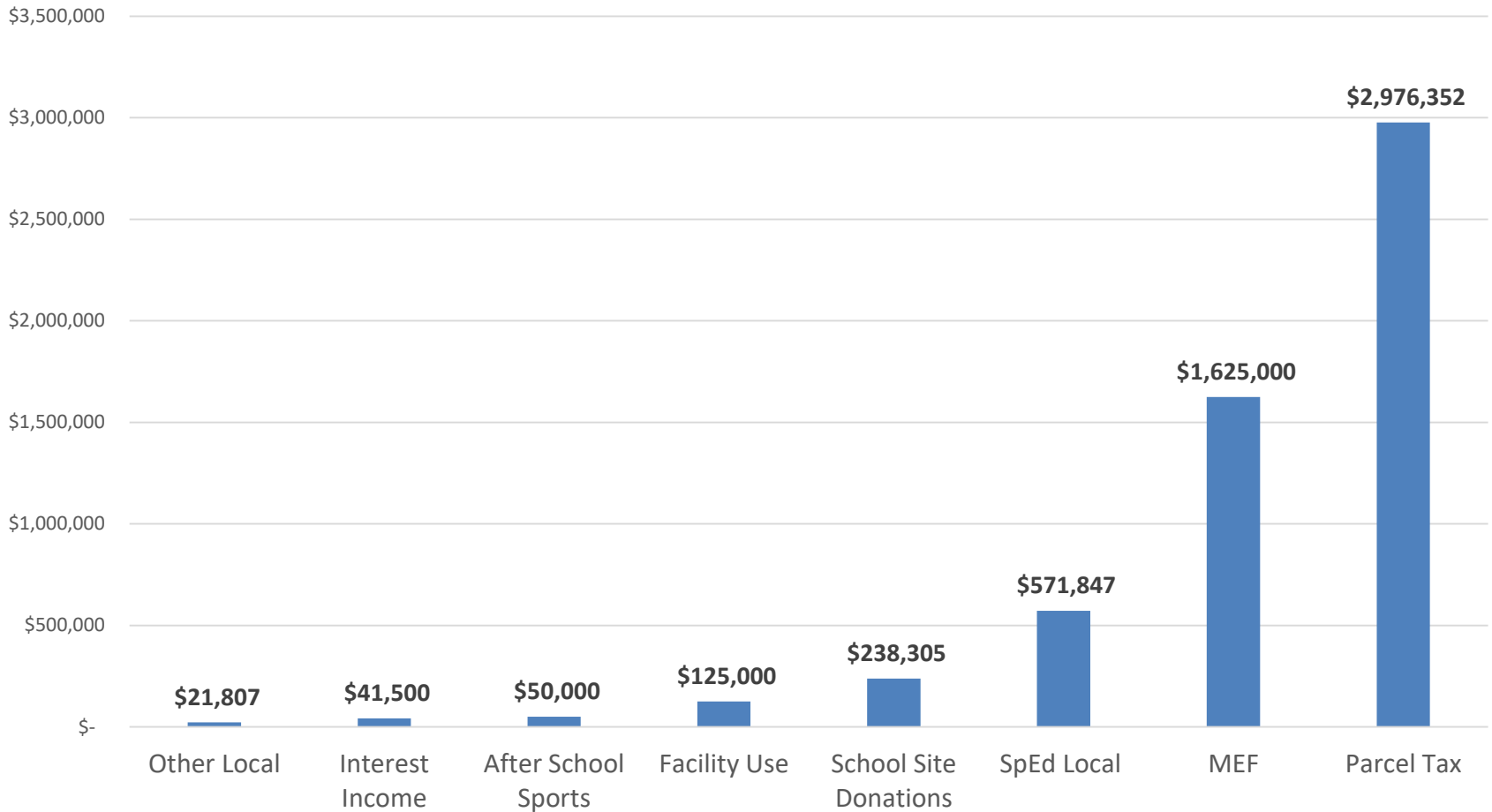


LCFF Revenue = 66.67%





Local Revenue Sources = 24%





Other State Revenue = 8%

- State Lottery: \$375k
- SpEd Mental Health: \$115k
- One-time SpEd Pre-K Funds: \$171k
- Mandated Block Grant: \$58k

Federal Revenue Sources = 2%

- Special Education:
 - Local Assistance IDEA: \$328k
 - Pre-K IDEA: \$9k
 - Mental Health: \$20k
- Title I Supplemental Support: \$29k
- Title II Professional Development: \$17k
- Title IV Student Support: \$20k

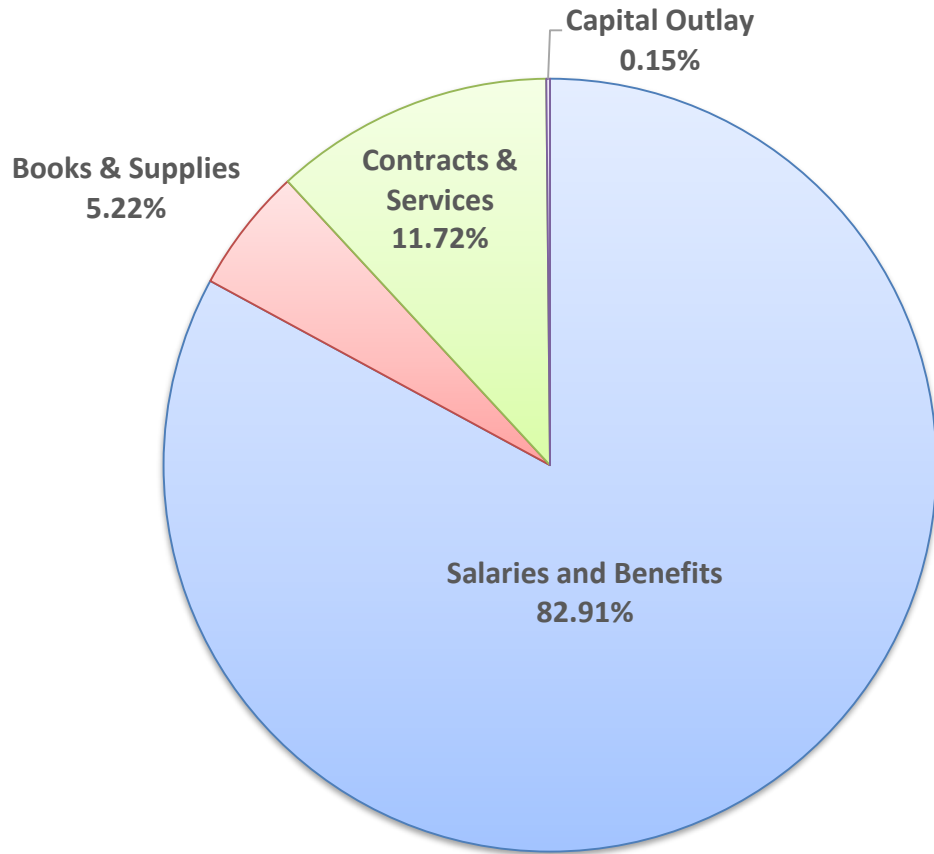


Current Year Expenditure Adjustments

- Updated personnel costs
 - Includes 2% salary increase for MTA and CSEA bargaining units
 - New Hires and staffing changes
 - Master Stipend and Column Increases for Moraga Teachers Association
- Updated health benefit costs
 - New hire benefit choices
 - New 2020 health care rates
- Updated materials/supplies and contracted services
 - Allocation of 2018-19 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	15,442,629	15,435,971	(6,658)	Reduction in projected ADA of 0.55.
FEDERAL	417,040	423,911	6,871	Deferred Revenue for Title IV of \$10k offset by a reduction to Title I/II funding of \$3,129.
STATE	1,446,646	1,643,913	177,267	New One-Time funds of \$171k for SpEd Pre-K Program and additional lottery funds due to a projected increase of \$204 to \$207 per ADA.
LOCAL	5,661,828	5,649,811	(12,017)	Reduction of \$68k in Orinda's share of the EIP Program and a reduction of \$5k due to Parcel Tax Sr. Exemptions, offset by increases of approx. \$49k in school site donations including PTA, Fieldtrip, PE and Science donations and an increase to the MSA fund of \$12k.
TOTAL REVENUES:	22,988,413	23,153,606	165,463	



Schedule of Changes-Expenditures

	ADOPTED BUDGET	1ST INTERIM	CHANGE	EXPLANATION
Certificated Salaries	9,788,957	9,939,269	150,312	Increase due to 2% salary increase for MTA members approved in August and additional long-term substitute costs due to an increase of employees on a Leave of Absence.
Classified Salaries	3,640,407	3,732,051	91,644	Increase due to higher than projected costs for the new Speech and Language Assistant, additional long-term substitute costs due to an increase of employees on a Leave of Absence and Longevity Stipends.
Benefits	6,148,457	6,230,375	81,918	Increase is related to the increase in certificated and classified salaries as well as to the increased cost in health benefits offered by the District.
Books & Supplies	1,316,674	1,252,927	(63,747)	Reduction of \$175k for the K-5 History textbook adoption being moved to 2020-21, offset by increases of \$72k in school site carryover, \$12k for the JM Irrigation project and approx. \$26k in current year donations and transfers to other expenditure line items.
Contracts & Services	2,551,061	2,812,661	261,600	Increase due to \$24k in carryover funds for the final Prop. 39 lighting project, \$15k in legal fees, \$88k in SpEd contracts, \$43k in school site donations for fieldtrips, PE and PTA donations, \$75k in maintenance contracts for repairs and approx. \$17k for other services.
Capital Outlay	30,000	36,883	6,883	Adjustment for final lighting project at Donald Rheem Elementary
Indirect Cost	(74,000)	(74,000)	-	
Transfers Out	18,995	18,995	-	
TOTAL EXPENDITURES:	23,420,551	23,949,161	528,610	
Excess (Deficiency) of Revenues over Expenditures	(432,408)	(795,555)	(363,147)	



Schedule of Changes

	Adopted Budget	1st Interim	Change
FUND BALANCE, RESERVES			
Beginning Balance	5,561,963	6,118,405	556,442
Ending Balance	5,129,555	5,322,850	193,295
RESERVES:			
Nonspendable:			
<i>Revolving Cash</i>	25,000	25,000	-
Restricted:			
<i>Legally Designated (restricted programs)</i>	112,116	133,971	21,855
Assigned:			
<i>Textbooks</i>	-	175,000	175,000
<i>Curriculum & Instruction</i>	53,130	93,740	40,610
<i>Technology Replacement/Upgrades</i>	527,251	452,923	(74,328)
Unassigned:			
<i>Designated for Economic Uncertainties</i>	702,617	718,475	15,858
Unassigned Fund Balance	3,709,441	3,723,741	14,300



2020-21 Multi-Year Projection

Governor's Budget Proposal

- LCFF GAP Percentage: 100%
- Cost of Living Adjustment: 3.0%
- Consumer Price Index: 3.14%
- CalPERS Rate: 22.80% (increase of 3.08% from 2019-20)
- CalSTRS Rate: 18.40% (increase of 1.30% from 2019-20)

District Assumptions

- Funded ADA: 1,805.51
- Certificated Step/Column Increase: 1%
- Classified Step/Column Increase: 1%
- Health Benefit Increase: 5%
- Reserve for Economic Uncertainty Minimum: 4%
- Routine Restricted Maintenance: 3%
- Elimination of Parcel Tax Measure B Revenue of \$1 million



2021-22 Multi-Year Projection

Governor's Budget Proposal

- LCFF GAP Percentage: 100%
- Cost of Living Adjustment: 2.80%
- Consumer Price Index: 3.02%
- CalPERS Rate: 24.90% (increase of 2.10% from 2019-20)
- CalSTRS Rate: 18.40% (no increase projected at this time)

District Assumptions

- Funded ADA: 1,805.51
- Certificated Step/Column Increase: 1%
- Classified Step/Column Increase: 1%
- Health Benefit Increase: 5%
- Reserve for Economic Uncertainty Minimum: 4%
- Routine Restricted Maintenance: 3%

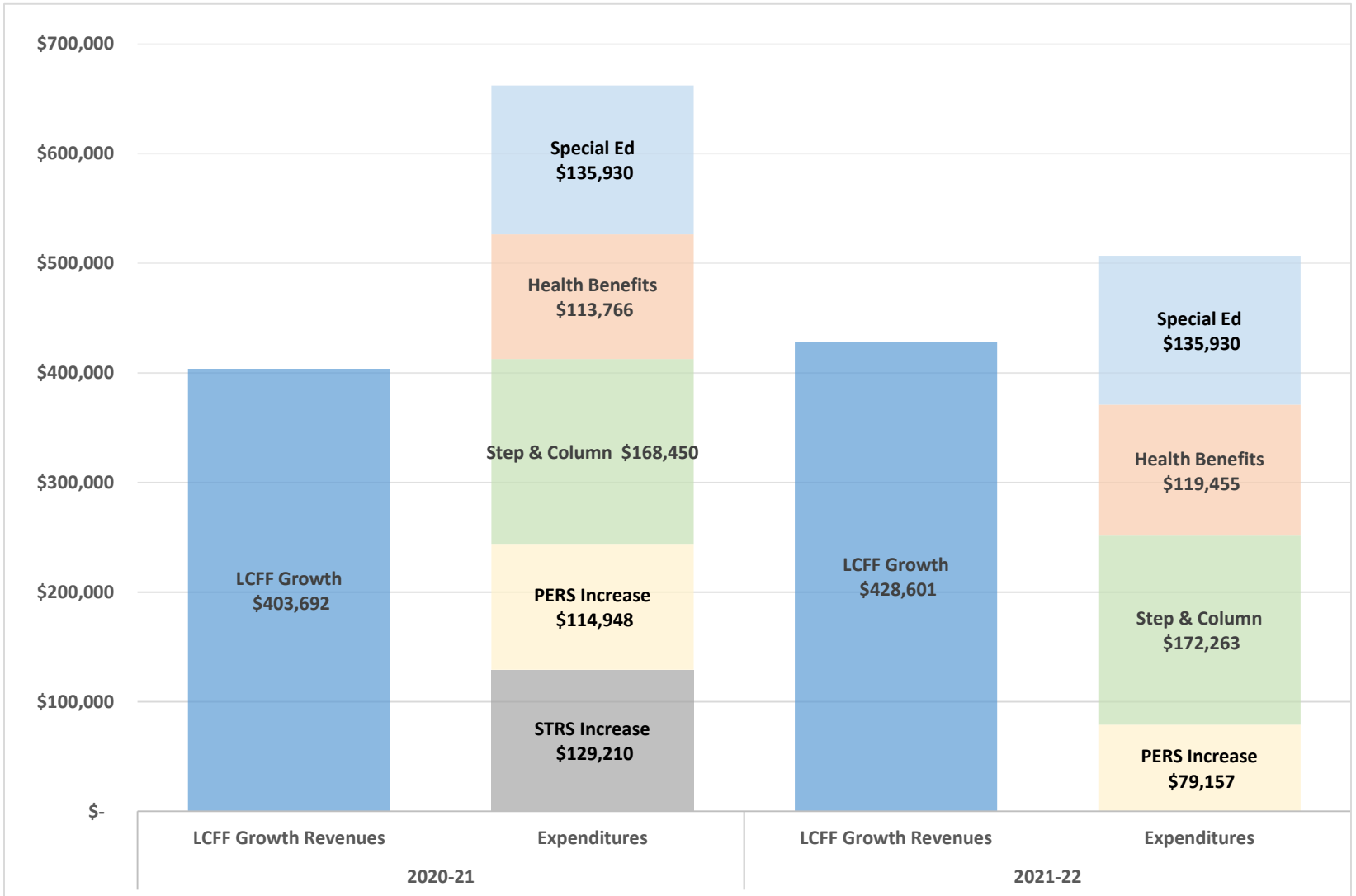


Local Control Funding Formula (LCFF Funding)

	2019-20	2020-21	2021-22
LCFF Funding	\$14,977,368	\$15,381,060	\$15,809,661
\$ Increase Per Year	\$483,955	\$403,692	\$428,601
% Increase per Year	3.34%	2.70%	2.79%



New Revenue vs. Natural Increases





Multi-Year Projection

	2019-20	2020-21	2021-22
Total Revenues:	23,153,606	22,376,108	22,804,709
Total Expenditures:	23,949,161	24,103,054	24,241,994
Net Increase (Decrease) to Fund Balance:	(795,555)	(1,726,946)	(1,437,285)
FUND BALANCE RESERVES:			
Beginning Balance	6,118,405	5,322,850	3,595,904
Net Increase (Decrease) to Fund Balance:	(795,555)	(1,726,946)	(1,437,285)
ENDING FUND BALANCE:	5,322,850	3,595,904	2,158,619
COMPONENTS OF THE ENDING FUND BALANCE			
NONSPENDABLE: Revolving Cash	25,000	25,000	25,000
RESTRICTED: Categorical Programs	133,971	128,981	0
ASSIGNED:			
Textbook Implementation	175,000	0	0
Curriculum & Instruction Professional Development	93,740	46,870	0
Technology Replacement/Upgrade	452,923	146,479	0
UNASSIGNED AVAILABLE RESERVES:			
**3% Required Reserve	718,475	723,092	727,260
**Undesignated Fund Balance:	3,723,741	2,525,482	1,406,359
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:			
**TOTAL AVAILABLE GENERAL FUND RESERVES	4,442,216	3,248,574	2,133,619
ADD FUND 17 RESERVES	934,033	934,033	934,033
TOTAL AVAILABLE RESERVES IN DOLLARS:	5,376,249	4,182,607	3,067,652
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:	22.45%	17.35%	12.65%



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.