

Moraga School District

December 8, 2020



2020-21

1st Interim Budget Report

Governing Board:

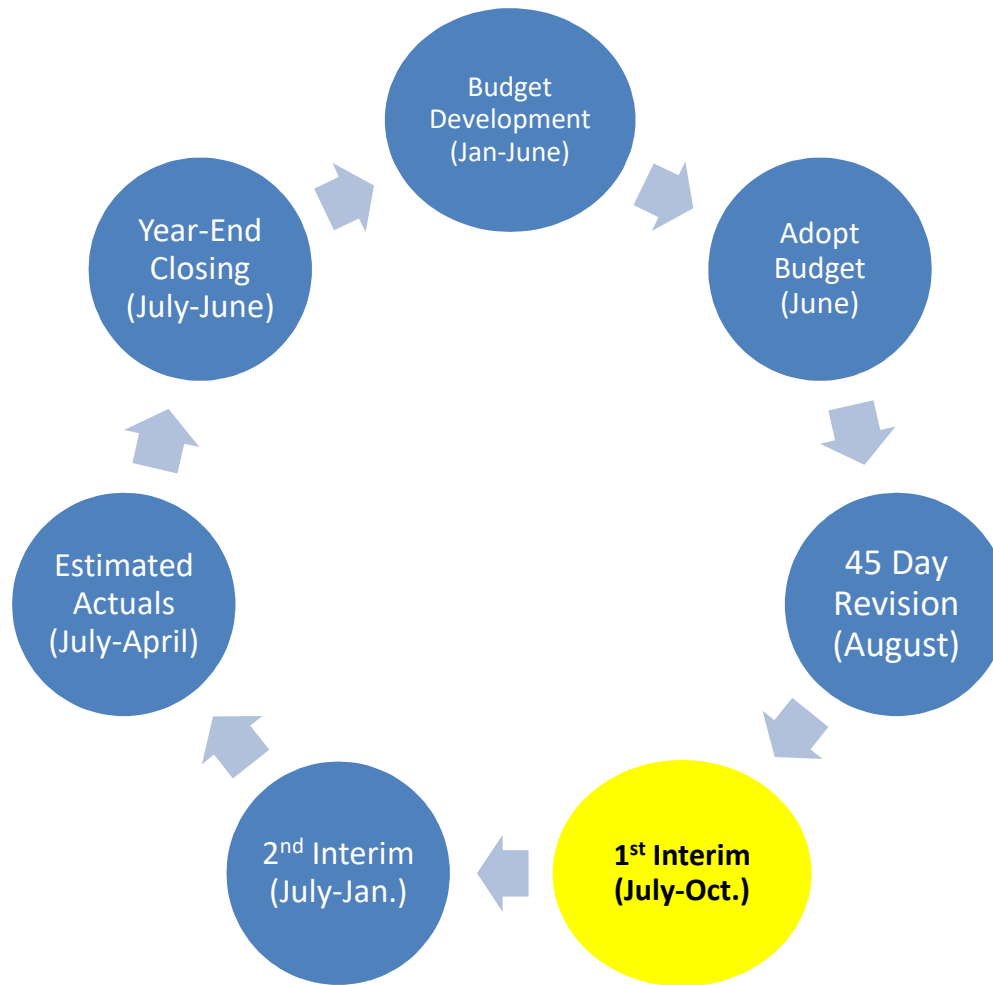
Heather Davis, President
Janelle Chng, Vice-President
Larry Jacobs, Board Member
Jon Nickens, Board Member
Richard Severy, Board Member

District Staff:

Bruce Burns, Superintendent
Daniela Parasidis, Chief Business Official



2020-21 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, 2020.



45 Day Revise Recap

- Restores 10% reduction to LCFF
 - Expands deferrals of 2020-21 apportionments
 - Adds trigger language that reduces deferrals IF Federal Funding is received.
 - ADA Hold Harmless Provision
- Adds One-time funding for Learning Loss Mitigation (CARES Act Funding)
- Buydown of employer contribution rates for CalSTRS and CalPERS

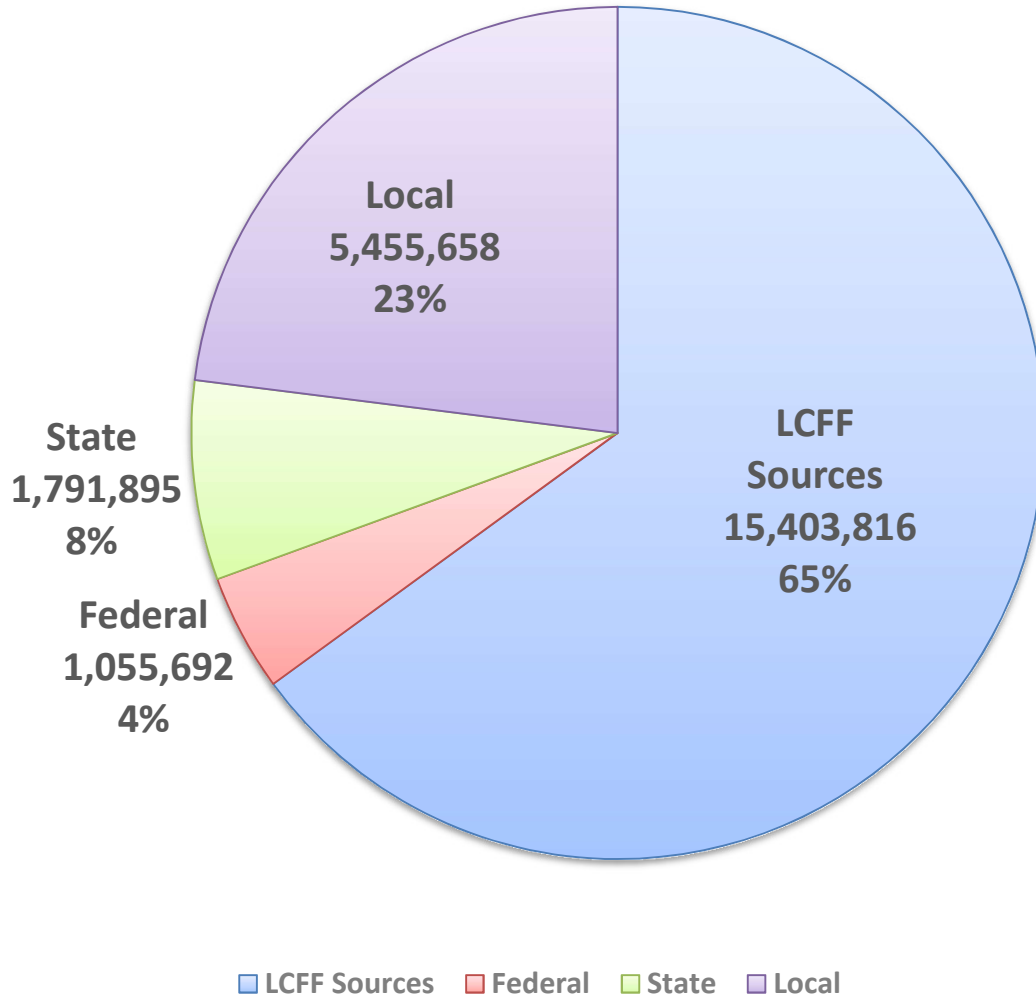


Current Year Revenue Adjustments

- LCFF Funds:
 - Enrollment: 1,761
 - Funded ADA: 1,808.08
- Lottery projections at \$199/ada
- Classified Employee Summer Assistance Program
- Facility Use Fees

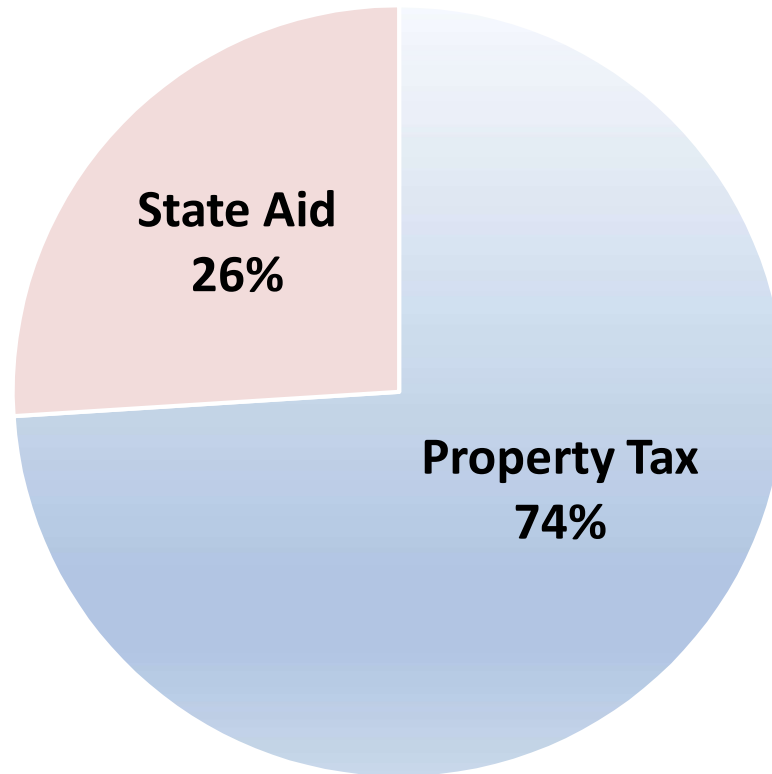


Current Year Revenue



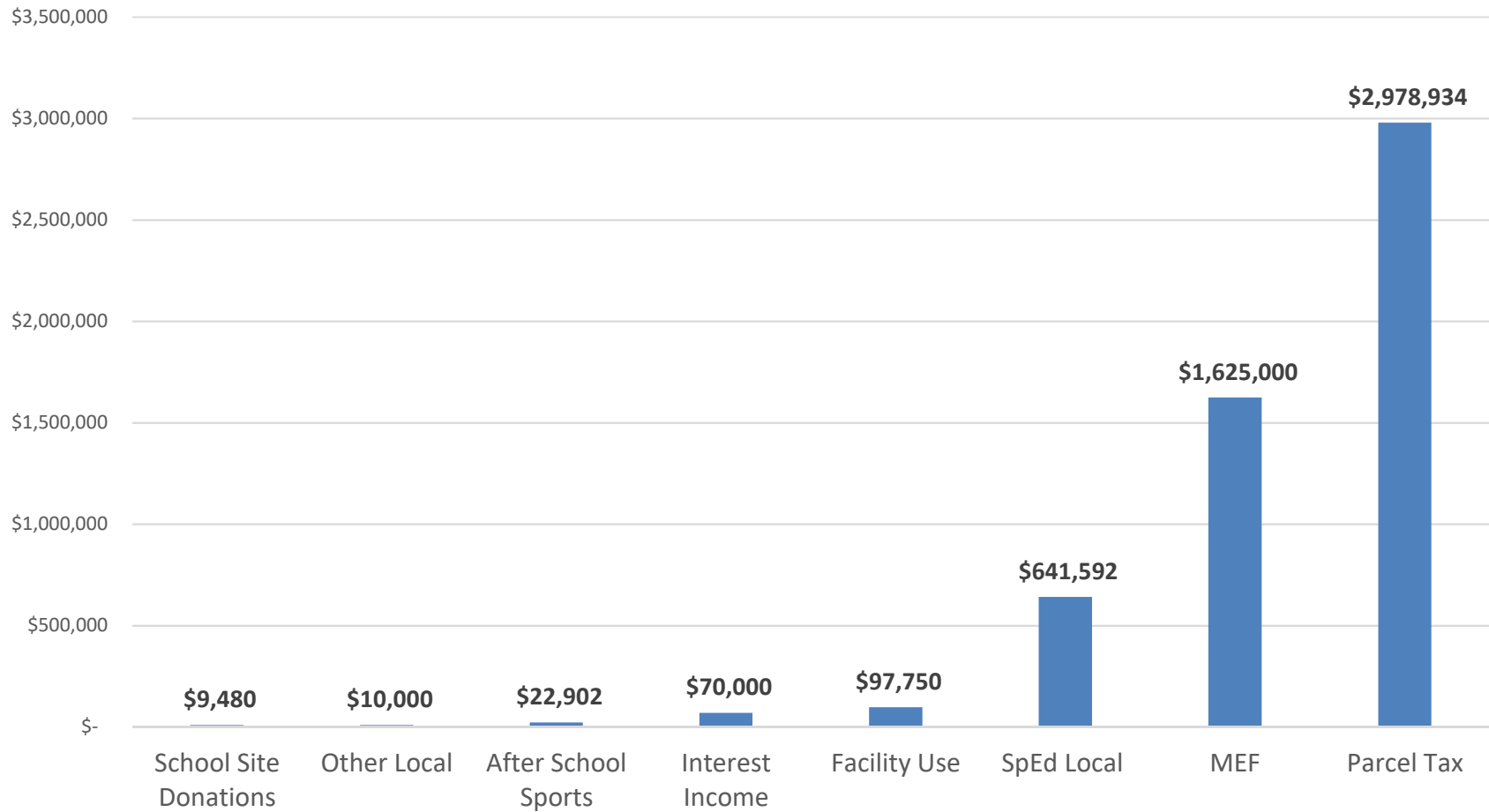


LCFF Revenue = 65%





Local Revenue Sources = 23%





Other State Revenue = 8%

- State Learning Loss Mitigation (CARES): \$128k*
- State Lottery: \$385k
- SpEd Mental Health: \$115k
- Classified Employee Summer Assistance: \$66k*
- Mandated Block Grant: \$58k

Federal Revenue Sources = 4%

- Federal Learning Loss Mitigation (CARES): \$651k*
- Special Education: \$353k
- Title I Supplemental Support: \$25k
- Title II Professional Development: \$17k
- Title IV Student Support: \$10k

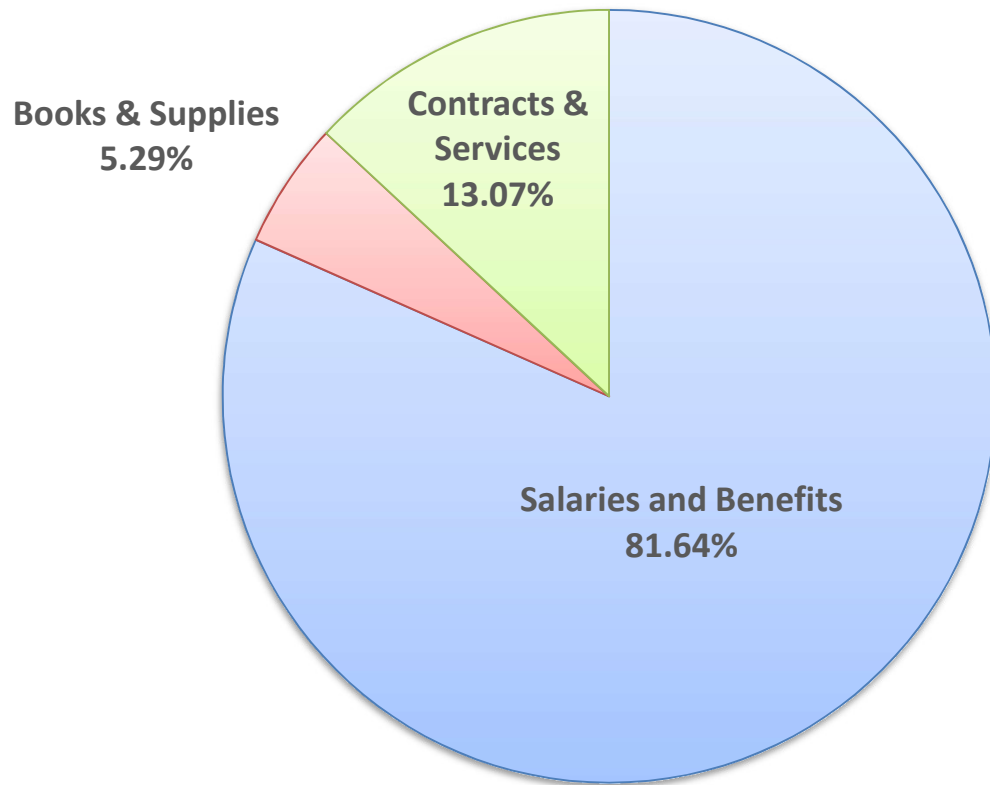


Current Year Expenditure Adjustments

- Updated personnel costs
 - *New Hires and staffing changes*
 - *Master Stipend and Column Increases for Moraga Teachers Association*
 - *New Psychologist Salary Schedule*
 - *Restored positions previously reduced*
- Updated employee benefit costs
 - *New hire benefit choices*
 - *Supplemental Employee Retirement Plan (SERP)*
- Updated materials/supplies and contracted services
 - *DL 2.0 Expenses*
 - *Allocation of 2019-20 carry-over funds*
 - *Technology purchases*



Current Year Expenditures





Schedule of Changes-Revenues

	Adopted Budget	1st Interim	Change	Explanation
LCFF Sources	14,211,632	15,403,816	1,192,184	Restores 10% reduction to LCFF and applies a 0% COLA for 2020-21
Federal	409,401	1,055,692	646,291	One-time Federal Coronavirus Aid Relief and Economic Securities (CARES) Act and Learning Loss Mitigation Funds
State	1,549,046	1,791,895	242,849	Increase is due to \$128k in One-time State Learning Loss Mitigation Funds, \$48k in improved Lottery Projections and \$66k for the Classified Employee Summer Assistance Program.
Local	5,503,030	5,455,658	(47,372)	Reduction of \$31k in Facility Use revenue and \$24k in SELPA funds offset by an increase in funding of \$8k for school site funds.
TOTAL REVENUES:	21,673,109	23,707,061	2,033,952	



Schedule of Changes-Expenditures

	Adopted Budget	1st Interim	Change	Explanation
Certificated Salaries	9,813,409	9,912,828	99,419	Increase is due to \$88k in DL 2.0 Sub Training, Staff Stipends and Extra Hours, an increase of \$43k due to the new Psychologist Salary Schedule, offset by \$32k in savings from attrition.
Classified Salaries	3,763,205	3,625,158	(138,047)	Decrease is due to \$115k in Vacant Custodian and Instructional Aide Positions, a decrease of \$93k in approved reductions to classified positions, and a decrease of \$19k in savings from attrition, offset by an increase of \$66k for the Classified Employee Assistance Program, an increase of \$8k in DL 2.0 training and extra hours as well as an increase of \$15k to restore the Textbook Coordinator and JM Aide positions.
Benefits	6,408,896	6,284,307	(124,589)	Decrease of \$170k is due to new hire benefit selections costing less than the employee they replaced and current employees terminating dependent coverage, as well as a decrease of \$10k in salary driven benefits, offset by an increase of \$56k in Supplemental Employee Retiree Plan for recently retired teachers.
Books & Supplies	677,363	1,283,537	606,174	Increase of \$100k is due to carryover funds being allocated to the current year budget, an increase of \$506k for DL 2.0 and Covid Safety related expenses, as well as an increase of \$11k for SpEd Low Incidence Equipment, offset by a decrease of \$4k in approved reductions and \$7k in misc. adjustments.
Contracts & Services	2,761,614	3,174,345	412,731	Increase of \$88k is due to carryover funds being allocated to the current year budget, an increase of \$86k in SpEd contracts, \$63k in Racial Equity Work, \$31k in technology upgrades, \$39k in M&O HVAC services and an increase of \$149k due to DL 2.0 related expenses, offset by a decrease in \$40k for unused election funds and \$4k in approved reductions.
Capital Outlay	4,000	4,000	-	
Indirect Support Costs	(74,000)	(25,000)	49,000	Reduction is directly related to the significant decline in childcare program expenses.
Transfers Out	22,795	22,795	-	
TOTAL EXPENDITURES:	23,377,282	24,281,970	904,688	



Schedule of Changes-Fund Balance

	Adopted Budget	1st Interim	Change
Excess (Deficiency) of Revenues over Expenditures	(1,704,173)	(574,909)	1,129,264
FUND BALANCE, RESERVES			
Beginning Balance	5,465,598	5,903,247	437,649
Ending Balance	3,761,425	5,328,338	1,566,913
RESERVES:			
<u>Nonspendable:</u>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>	-		-
<u>Restricted:</u>			
<i>Legally Designated (restricted programs)</i>	340,570	255,435	(85,135)
<u>Assigned:</u>			
<i>Textbooks</i>	-	-	-
<i>Curriculum & Instruction</i>	83,820	60,770	(23,050)
<i>Technology Replacement/Upgrades</i>	285,406	271,667	(13,739)
<u>Unassigned:</u>			
<i>Designated for Economic Uncertainties</i>	701,318	728,459	27,141
Unassigned Fund Balance	2,325,311	3,987,007	1,661,696



Multi-Year Projection

GOVERNOR'S ASSUMPTIONS:	2020-21	2021-22	2022-23
Cost-of-Living Adjustment	0.00%	0.00%	0.00%
Consumer Price Index	0.98%	1.59%	1.87%
CalPERS Employer Rate	20.70%	23.00%	26.30%
CalSTRS Employer Rate	16.15%	16.00%	18.10%
Classified Driven Benefits	30.27%	32.57%	35.87%
Certificated Driven Benefits	19.52%	19.37%	21.47%
DISTRICT'S ASSUMPTIONS:	2020-21	2021-22	2022-23
Enrollment	1761	1749	1749
Funded ADA	1808.08	1807	1708.62
Step & Column Increase	1.00%	1.00%	1.00%
Health Benefits Rates	5.00%	5.00%	5.00%
Reserve for Economic Uncertainty	4.00%	4.00%	4.00%
Routine Restricted Maintenance	3.00%	3.00%	3.00%
Reduction in workforce due to decline in enrollment	n/a	5 teachers	5 teachers



Local Control Funding Formula (LCFF Funding)

	2020-21	2021-22	2022-23
LCFF Funding	\$14,955,924	\$14,947,215	\$14,116,816
\$ Change Per Year	(\$37,689)	(\$8,709)	(\$830,399)
% Change per Year	(0.25%)	(0.06%)	(5.56%)



Multi-Year Projection

	2019-20	2020-21	2021-22	2022-23
Total Revenues:	23,455,504	23,707,061	22,852,967	22,022,568
Total Expenditures:	23,670,661	24,281,970	22,836,017	23,301,249
Net Increase (Decrease) to Fund Balance:	(215,157)	(574,909)	16,950	(1,278,681)
FUND BALANCE RESERVES:				
Beginning Balance	6,118,405	5,903,248	5,328,339	5,345,289
Net Increase (Decrease) to Fund Balance:	(215,157)	(574,909)	16,950	(1,278,681)
ENDING FUND BALANCE:	5,903,248	5,328,339	5,345,289	4,066,608
COMPONENTS OF THE ENDING FUND BALANCE				
NONSPENDABLE: Revolving Cash	28,700	25,000	25,000	25,000
RESTRICTED: Categorical Programs	463,447	255,435	224,205	128,678
ASSIGNED:				
Textbook Implementation	117,934	0	0	0
Curriculum & Instruction Professional Development	167,640	60,770	0	0
Technology Replacement/Upgrade	599,313	271,667	0	0
UNASSIGNED AVAILABLE RESERVES:				
**3% Required Reserve	710,120	728,459	685,081	699,037
**Undesignated Fund Balance:	3,816,094	3,987,008	4,411,003	3,213,893
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:				
**TOTAL AVAILABLE GENERAL FUND RESERVES	4,526,214	4,715,467	5,096,084	3,912,930
ADD FUND 17 RESERVES	950,380	950,380	950,380	950,380
TOTAL AVAILABLE RESERVES IN DOLLARS:	5,476,594	5,665,847	6,046,464	4,863,310
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:	23.14%	23.33%	26.48%	20.87%



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.