

# Moraga School District

## June 3, 2020



2020-21

Adopted Budget-Public Hearing

**Governing Board:**

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

**District Staff:**

Bruce Burns, Superintendent  
Daniela Parasidis, Chief Business Official



# 2020-21 Adopted Budget

- Review 2019-20 Estimated Actuals
  - Final revision and review of the 2019-20 budget
    - Revised for early school closure*
  - Provides a better estimate of how the year will end
- Review 2020-21 Adopted Budget
  - First formal look at the 2020-21 budget
- Review Multi-year Projection for 2021-22 and 2022-23



# 2019-20 Schedule of Changes-Revenue

REVENUES	2019-20 Estimated Actuals	2019-20 2nd Interim	Change	Explanation
LCFF Sources (includes SpEd)	15,452,216	15,443,283	8,933	Increase in LCFF due to an increase in ADA of 1.
Federal	424,468	424,457	11	Slight increase to Title I.
State	1,641,497	1,662,972	(21,475)	Increase of \$31.5k for State Covid-19 Funding, off-set by a reduction of \$53k in projected State lottery funds.
Local	5,656,964	5,761,406	(104,442)	Reduction of \$121k in fieldtrip donations due to cancelled trips and \$14k in lost After School Sports revenue, off-set by an increase of \$8k in site donations and \$23k in Kiwanis Donations.
<b>TOTAL REVENUES:</b>	<b>23,175,145</b>	<b>23,292,118</b>	<b>(116,973)</b>	



Revenues Reduced by \$116,973



# 2019-20 Schedule of Changes-Expenditures

EXPENDITURES	2019-20 Estimated Actuals	2019-20 2nd Interim	Change	Explanation
Certificated Salaries	9,951,241	10,013,736	(62,495)	Reduction due to a savings of \$23k from a SpEd teacher leaving mid-year, \$34k of unused substitute costs, \$14k of unused extra teacher hours, off-set by an increase of \$9k for teachers to pack up JM and LP.
Classified Salaries	3,802,818	3,761,833	40,985	Increase primarily due to projected Vacation Payout in the amount of \$43k and 2% increase for the Confidential group of \$8k, off-set by savings of \$10k due to unused staff overtime
Benefits	6,241,388	6,224,988	16,400	Driven benefit costs are adjusted for changes in salaries and includes \$20k toward the Classified School Employee Summer Assistance Program
Books & Supplies	905,644	1,142,445	(236,801)	Reduction of \$146k in site funds, \$49k in technology funds, \$15k in curriculum funds and \$26k in reduced lottery funds.
Contracts & Services	2,971,182	3,150,859	(179,677)	Reduction of \$121k in cancelled field trips, \$28k in other unused site funds, \$30k in cancelled professional development contracts and conferences, \$47k in reduced PG&E and Water usage, \$17k in unused IT contracts and reduced \$17k in SpEd contracts, off-set by increased SpEd legal costs of \$61k and \$19k for Parcel Tax Election Costs
Capital Outlay	6,883	36,883	(30,000)	Reduction due to cabling work being deferred to 2020-21.
Indirect Support Costs	(74,000)	(74,000)	-	
Transfers Out	22,795	18,995	3,800	Free and Reduced meals costs have increased from prior year due to increased participation and rising food costs.
<b>TOTAL EXPENDITURES:</b>	<b>23,827,951</b>	<b>24,275,739</b>	<b>(447,788)</b>	



**Expenses Reduced by \$447,788**



# 2019-20 Schedule of Changes-Fund Balance

FUND BALANCE, RESERVES	2019-20 Estimated Actuals	2019-20 2nd Interim	Change
Beginning Balance	6,118,405	6,118,405	-
<b>Ending Balance</b>	<b>5,465,599</b>	<b>5,134,784</b>	<b>330,815</b>
<b>RESERVES:</b>			
<b>Nonspendable:</b>			
<i>Revolving Cash</i>	25,000	25,000	-
<i>Prepaid Expenditures</i>			-
<b>Restricted:</b>			
<i>Legally Designated (restricted programs)</i>	365,723	182,599	183,124
<b>Assigned:</b>			
<i>Textbooks</i>	117,934	160,000	(42,066)
<i>Curriculum &amp; Instruction</i>	167,640	156,000	11,640
<i>Technology Replacement/Upgrades</i>	583,210	456,238	126,972
<b>Unassigned:</b>			
<i>Designated for Economic Uncertainties</i>	714,839	728,272	(13,433)
Unassigned Fund Balance	3,491,253	3,426,675	64,579

**Fund Balance Increases by \$330,815**



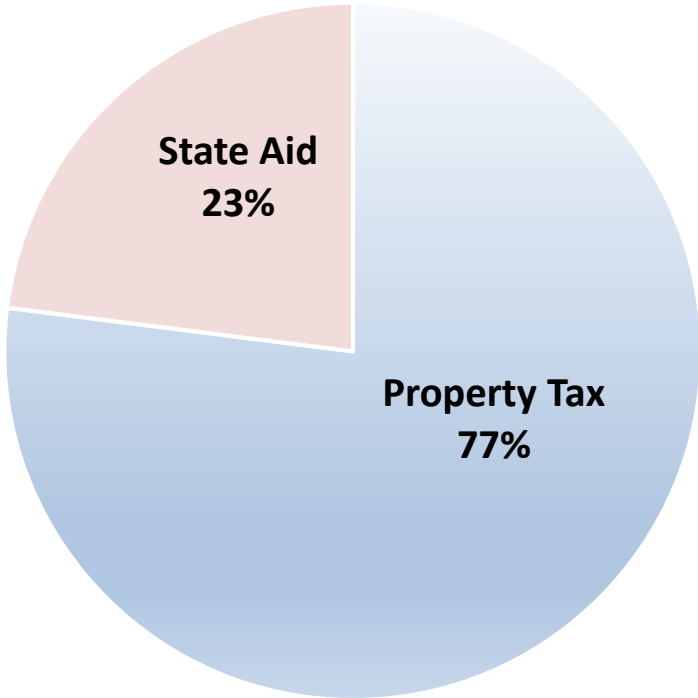
## Summary of Governor's 2020-21 Proposal for Education-May 2020

Based on a lot of “**UNKNOWN**S” and includes:

- 10% Reduction to the Local Control Funding Formula
- State Pension Relief for employers
- Maintenance of AB602 SpEd funding
- Draw down of State Rainy Day Reserve Funds over 3 years
- Cash Deferrals in 2019-20 and 2020-21
- No Federal Stimulus Funding (Trigger Language)-  
HEROES Act = **No Federal Approval at this time**



# LCFF Revenue = 66%

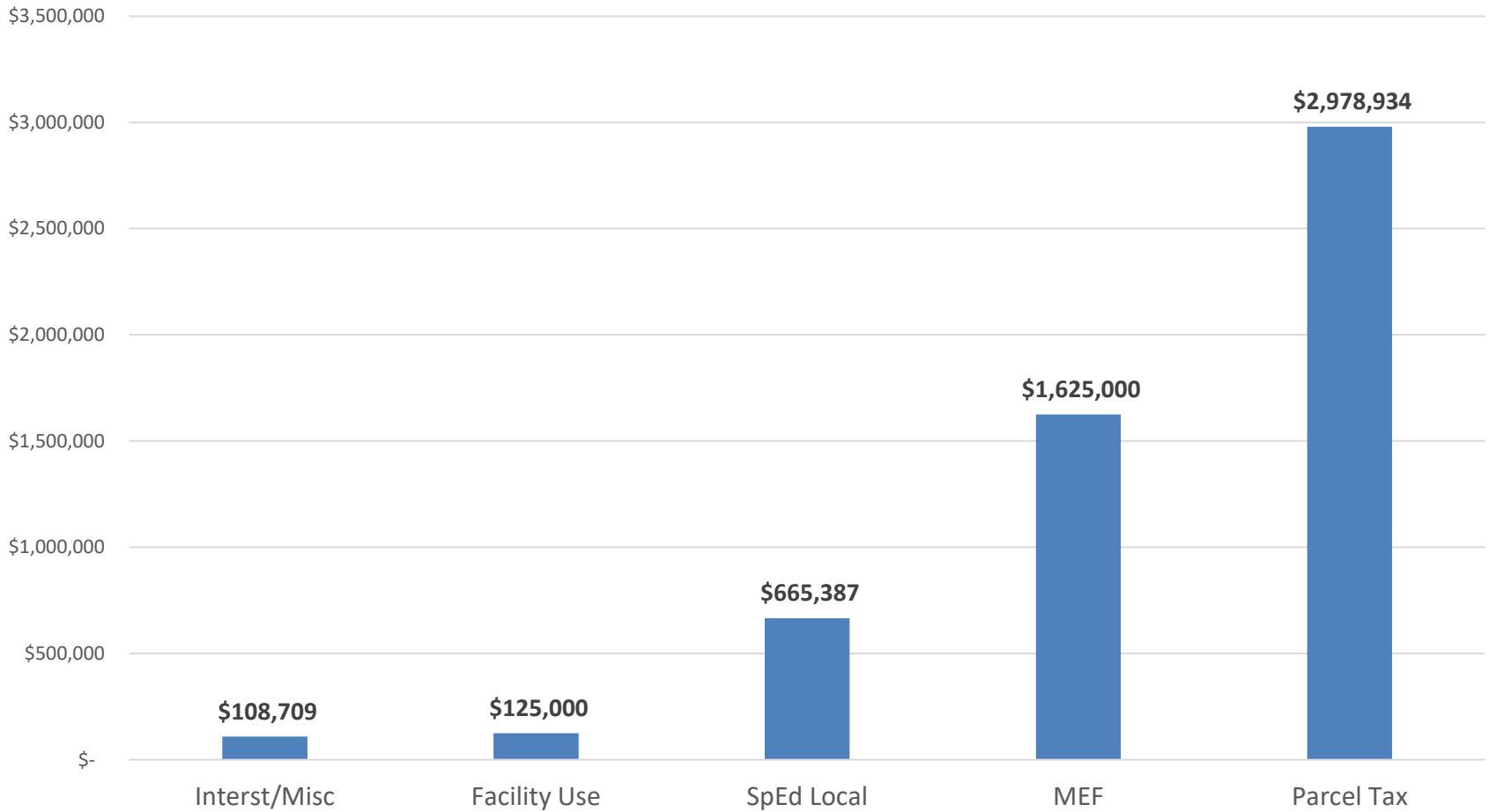


<b>Funded ADA</b>	<b>1,807.00</b>
<b>COLA</b>	<b>2.31%</b>
<b>State % Cut</b>	<b>-10%</b>
<b>LCFF Reduction</b>	<b>-7.92%</b>
<b>LCFF Revenue</b>	<b>\$13,763,740</b>

<b>19-20 Base per ADA</b>	<b>\$7,702</b>
<b>2.31 COLA</b>	<b>+178</b>
<b>20-21 Base per ADA</b>	<b>\$7,880</b>
<b>10% Reduction</b>	<b>-\$788</b>
<b>NEW 20-21 Base per ADA</b>	<b>\$7,092</b>
<b>Change from 19-20</b>	<b>-7.92% or \$610/ada</b>



# Local Revenue Sources = 25%







## Other State Revenue = 7%

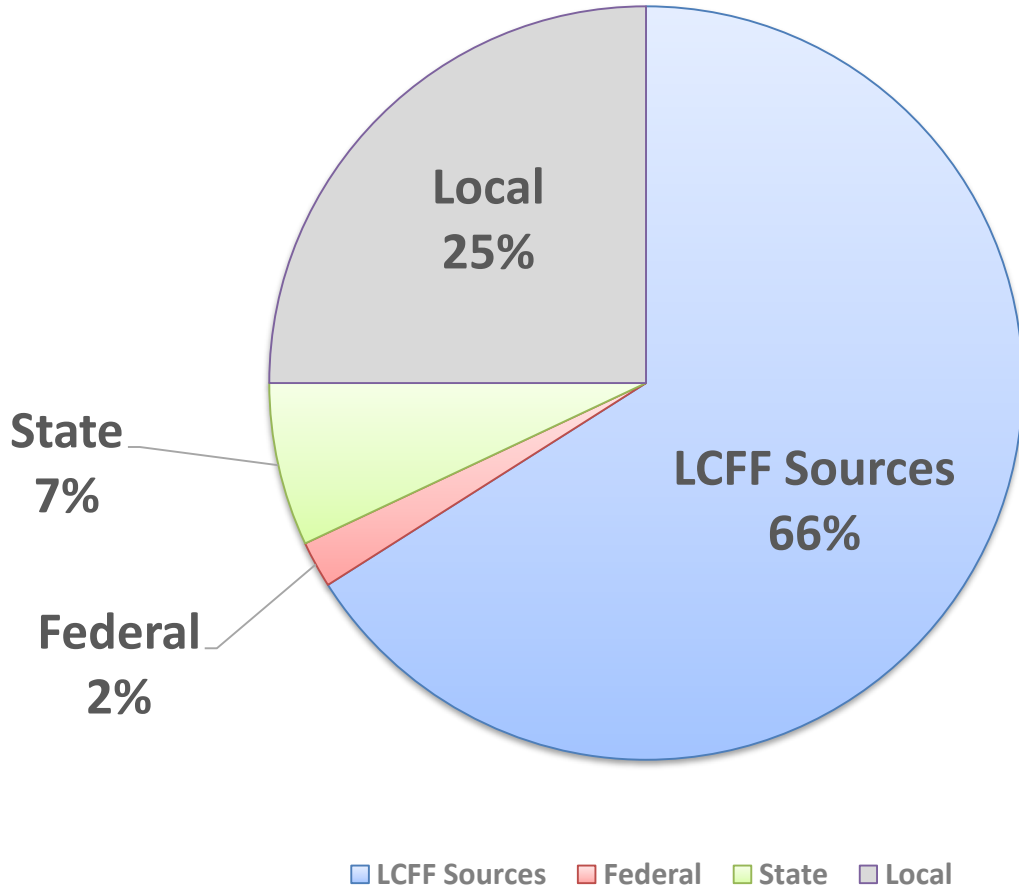
- State Lottery: \$337k
- SpEd Mental Health: \$114k
- Mandated Block Grant: \$58k

## Federal Revenue Sources = 2%

- Special Education:
  - Local Assistance IDEA: \$327k
  - PreK IDEA: \$4k
  - Mental Health: \$20k
- Title I Low Income: \$29k
- Title II Teacher Quality: \$17k
- Title IV Student Success: \$10k



# 2020-21 % of Total Revenue





# 2020-21 Expenditures Factors

- Staffing
  - Enrollment of 1,786 TK-8 Students
  - Certificated Staff: 102.00 fte
  - Classified Staff: 69.10 fte
  - Administrative Staff: 15.80 fte
- Certificated/Classified Salaries
  - Step and Column Increases
- Updated health benefit costs
  - Projected increase of 2% to health premiums
- STRS Employer Contribution Rate: 16.15%
- PERS Employer Contribution Rate: 20.70%
- Updated Workers Compensation Rate 1.87%

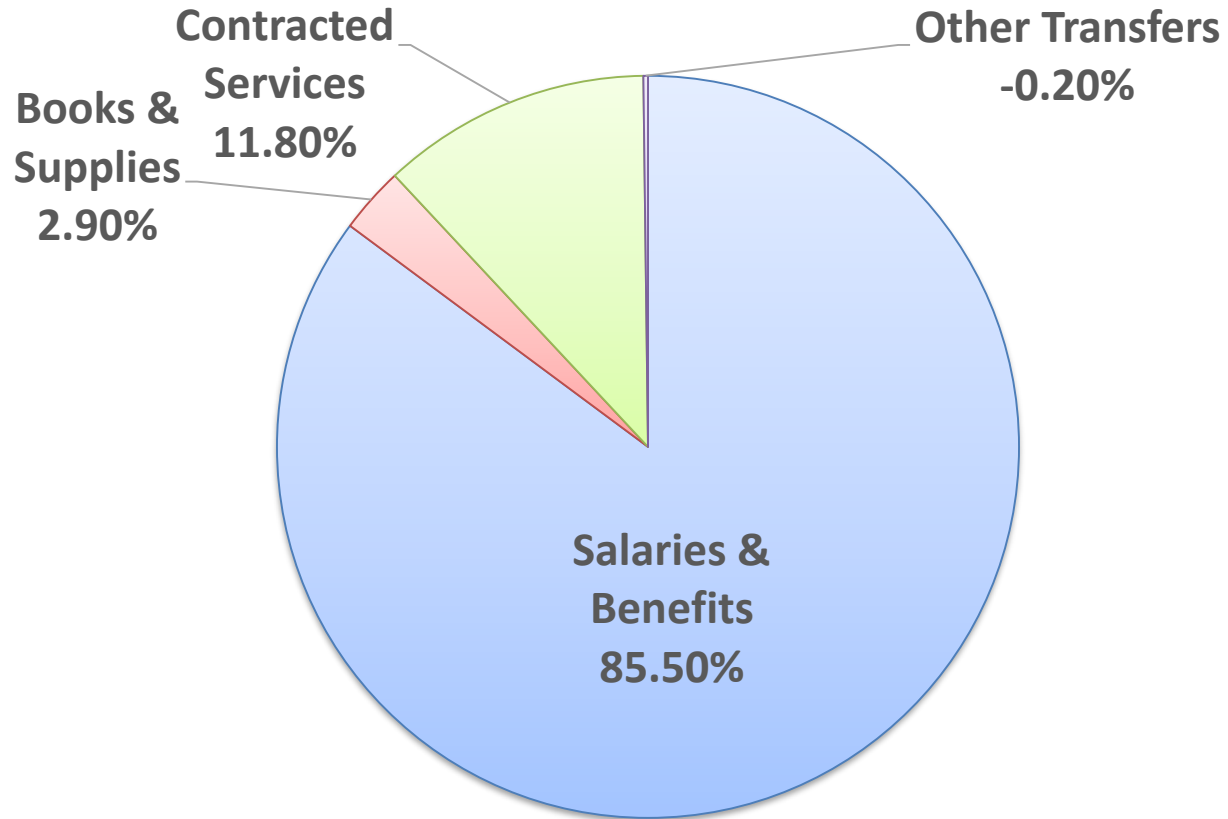


## 2020-21 Non-Personnel Expenditures Factors

- Utilities (PG&E, Garbage, Water, Phone, Sewer) = \$511k includes estimated 10% savings in water)
- School Site Budgets = \$160k
- Special Education Contracted Services = \$1.1m
- Pupil Services/Counseling/ELL = \$38k
- Curriculum & Instruction= \$146k
- K-5 History and Health Textbook Adoptions = \$168k
- Administrative Contracts/Supplies = \$557k
- Technology Replacement/Upgrade = \$435k
- Routine Restricted Maintenance Program = \$230k



# 2020-21 Expenditures



Salaries & Benefits   Books & Supplies   Contracted Services   Other Transfers



# Multiyear Assumptions

<b>GOVERNOR'S ASSUMPTIONS:</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Cost-of-Living Adjustment	3.26%	2.31%	2.48%	3.26%
LCFF Funded COLA	3.26%	-7.92%	0.00%	0.00%
Consumer Price Index	n/a	0.62%	1.73%	2.12%
CalPERS Employer Rate	19.72%	20.70%	22.84%	25.50%
CalSTRS Employer Rate	17.10%	16.15%	16.02%	18.10%
Classified Driven Benefits including PERS	29.23%	30.27%	32.41%	35.07%
Certificated Driven Benefits including STRS	20.41%	19.52%	19.39%	21.47%

<b>DISTRICT ASSUMPTIONS:</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>2022-23</b>
Funded ADA	1,813.56	1,807.00	1,742.82	1,742.82
Step and Column Increase	n/a	n/a	1%	1%
Health Benefit Rate Increase	12%	2%	5%	5%
Reserve for Economic Uncertainty Minimum	4%	4%	4%	4%
Routine Restricted Maintenance	3%	3%	3%	3%
Approved Expenditure Reductions	-	(324,000)	-	-



# Local Control Funding Formula (LCFF Funding)

	2019-20	2020-21	2021-22	2022-23
<b>LCFF Funding</b>	14,993,613	13,763,740	13,269,003	13,271,047
<b>\$ Change Per Year</b>	500,240	(1,229,873)	(494,737)	2,044
<b>% Change Per Year</b>	3.45%	-8.20%	-3.59%	0.02%

\*State funding cuts and declining enrollment are the main factors driving this decrease in funding.



# Multi-Year Projection

	2019-20	2020-21	2021-22	2022-23
Total Revenues:	23,175,145	21,673,109	21,178,372	21,180,416
Total Expenditures:	23,827,951	23,377,281	23,241,626	23,908,846
<b>Net Increase (Decrease) to Fund Balance:</b>	<b>(652,806)</b>	<b>(1,704,172)</b>	<b>(2,063,254)</b>	<b>(2,728,430)</b>
<b>FUND BALANCE RESERVES:</b>				
Beginning Balance	6,118,405	5,465,599	3,761,427	1,698,173
Net Increase (Decrease) to Fund Balance:	(652,806)	(1,704,172)	(2,063,254)	(2,728,430)
<b>ENDING FUND BALANCE:</b>	<b>5,465,599</b>	<b>3,761,427</b>	<b>1,698,173</b>	<b>(1,030,257)</b>
<b>COMPONENTS OF THE ENDING FUND BALANCE</b>				
<b>NONSPENDABLE:</b> Revolving Cash	25,000	25,000	25,000	0
<b>RESTRICTED:</b> Categorical Programs	365,723	340,570	258,212	56,534
<b>ASSIGNED:</b>				
Textbook Implementation	117,934	0	0	0
Curriculum & Instruction Professional Development	167,640	83,820	83,820	0
Technology Replacement/Upgrade	583,210	285,406	285,406	0
<b>UNASSIGNED AVAILABLE RESERVES:</b>				
**3% Required Reserve	714,839	701,318	697,249	0
**Undesignated Fund Balance:	3,491,253	2,325,313	348,486	(1,086,791)
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>				
**TOTAL AVAILABLE GENERAL FUND RESERVES	4,206,092	3,026,631	1,045,735	-1,086,791
ADD FUND 17 RESERVES	950,000	950,000	950,000	950,000
<b>TOTAL AVAILABLE RESERVES IN DOLLARS:</b>	<b>5,156,092</b>	<b>3,976,631</b>	<b>1,995,735</b>	<b>-136,791</b>
<b>TOTAL AVAILABLE RESERVES AS A PERCENTAGE:</b>	<b>21.64%</b>	<b>17.01%</b>	<b>8.59%</b>	<b>-0.57%</b>





# 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



# Next Steps

- Governing Board will be asked to adopt the budget on June 9, 2020.
- By June 15, the Legislature must pass the budget
- By June 30, the Governor Acts on the budget
- By August 15, 45 day budget revision brought back to Board of Education that will reflect local decisions and state and federal funding changes.