



Mountain View  
Whisman  
School District

# 2023-2024 Second Interim Budget Report

March 14, 2024





Mountain View  
Whisman  
School District

# Strategic Plan

# Strategic Plan 2027

## Goal Area 5

- Equitable distribution of resources that support student success.
- Goal 5a: Ensure facilities and resources equitably serve all students.

# Reserve Level and Balanced General Fund

## **Board Resolution 1664.1/18 (January 4, 2018)**

A balanced general fund shall be defined as the unrestricted general reserve level in the third year of any Board-enacted budget adoption or interim budget report falls within the range of 17%-20%, and may include deficit spending in any or all of the three years included in the multi-year projection.



Mountain View  
Whisman  
School District

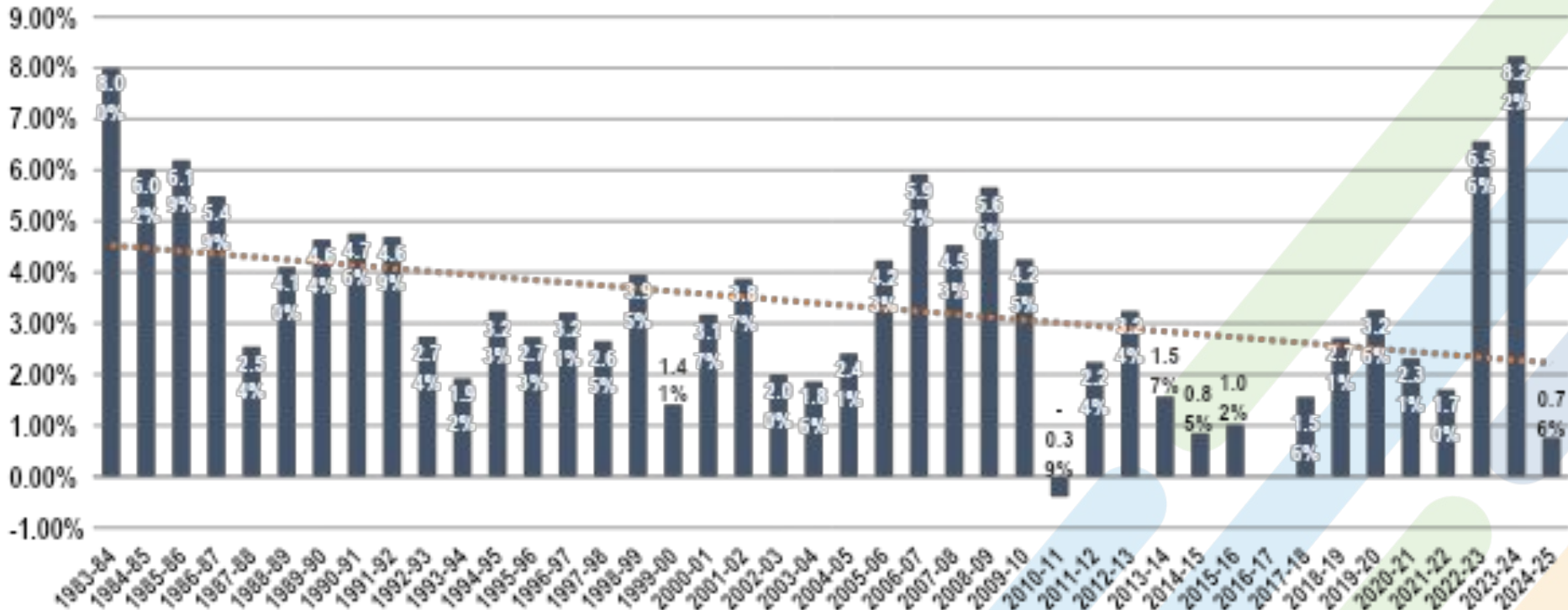
# Governor's January Budget

# Governor's Budget Themes

- Governor Gavin Newsom measures a \$37.9 billion budget shortfall, due largely to 2022 tax collections below the budget's assumptions
- Proposal attempts to ensure that the education profession remains an attractive career choice by removing obstacles to entry and enabling agencies to provide competitive wages
- Governor's focus is on students whose learning was and continues to be deeply impacted by the COVID-19 pandemic
- The Governor's Budget uses less pessimistic revenue assumptions than the Legislative Analyst's Office (LAO)

# Historical Statutory COLAs

- The statutory COLA for 2024-25 feels anomalous relative to the last two years, but when looking back, COLA is beginning to normalize to historical trends—COLAs above 6% are the anomalies



# Fluctuating Statutory COLA from Department of Finance

- The changing statutory COLA is NOT related to the state's financial health
  - Rather, the statutory COLA is computed using federally aggregated metrics
- The significant projected decline in 2024-25 is the result two primary factors:
  - Reversal in price increases that occurred in 2022
  - Revisions to historical data points

	2024-25	2025-26	2026-27
January 2024	0.76%	2.73%	3.11%
June 2023	3.94%	3.29%	3.19%
<i>Percentage Point Decrease</i>	<i>-3.18</i>	<i>-0.56</i>	<i>-0.08</i>



# State Categorical Funding Receiving

## COLA

- The Governor's Budget includes \$65 million to fund the 0.76% COLA for the Equity Multiplier and the following programs:

**Adults in Correctional Facilities**

**Mandate Block Grant**

**American Indian Early Childhood Education Program**

**Charter School Facility Grant Program**

**Special Education**

**American Indian Education Centers**

**Child Nutrition**

**Youth in Foster Care**

# Impact on MVWSD

- 7% of MVWSD's funding is from State categorical sources.
- As a basic aid district the State's funding has a much smaller impact on us.
- One of the reasons MVWSD has more in reserves is to allow it to weather storms when there is slow AV growth.



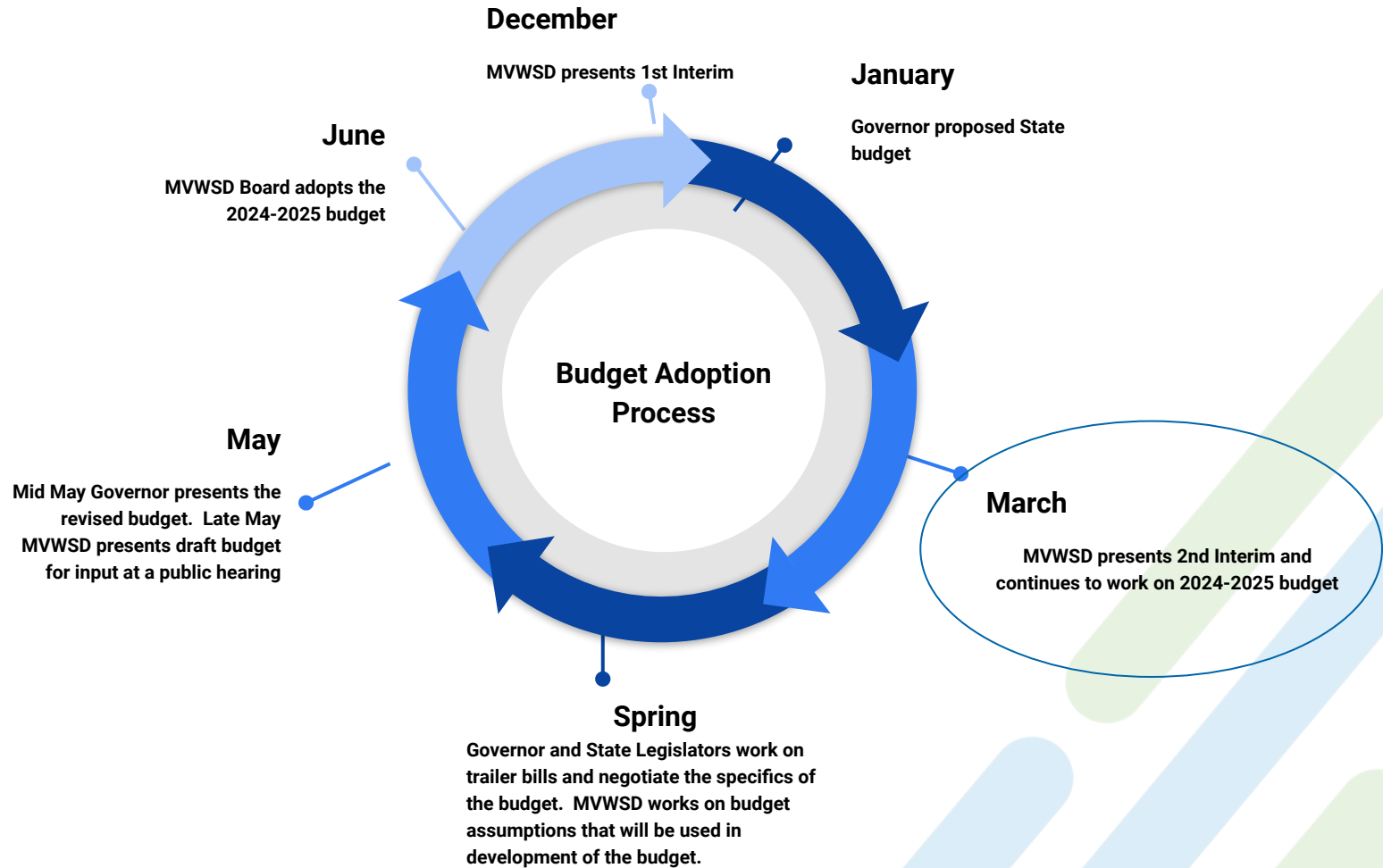
Mountain View  
Whisman  
School District

# 2023-2024 Second Interim Report

# Budget Process

- The District is required twice during the year to certify the revenues and expenditures of the current year.
  - The First Interim Report reflects activities for July 1 – October 31 and is adopted by December 15.
  - – The Second Interim Report reflects activities for July 1 – January 31 and is adopted by March 17.

# Budget Adoption Process



# Unrestricted and Restricted Categories

- **Unrestricted Revenues/Expenditures**
  - Discretionary funding used for general operations, all ongoing expenses, and shortfalls in other funds such as Special Education and Transportation (LCFF Sources/Community-Funded, Lease Revenue, Lottery).
- **Restricted Revenues/Expenditures**
  - Non-discretionary revenue used for specific expenditures for which the funding is intended (Special Education, Title I, II, III, ASES)
- **Reserves**
  - The “unrestricted ending balance” of Fund 01 used to fund “economic uncertainty” and one-time expenses.



Mountain View  
Whisman  
School District

# General Fund

# 2023-2024 Second Interim Budget Report

## Fund 01 General Fund: Highlights of Changes

- State revenue recognized Arts and Music in Schools \$682,191. Plan is in process.
- Shoreline additional funds \$841,311
- Interest revenue \$312K
- Position control decrease adjustments to reflect current vacancies \$317K



# 2023-2024 Second Interim Budget Report

## Fund 01 General Fund: Unrestricted/Restricted

	Unrestricted Programs	Restricted Programs	Combined
<b>Estimated Beginning Balance, July 1, 2023</b>	\$40,264,916	\$10,594,491	\$50,859,408
<b>Total Revenues</b>	\$65,749,548	\$48,270,774	\$114,020,322
<b>Total Expenditures</b>	\$66,567,686	\$51,440,300	\$118,007,987
<b>Net Increase/(Decrease)</b>	<b>(\$818,139)</b>	<b>(\$3,169,526)</b>	<b>(\$3,987,665)</b>
<b>Ending Balance, June 30, 2024</b>	\$39,446,778	\$7,424,965	\$46,871,743

**Reserve Level**

**33.43%**

# Second Interim Multi Year Projection

	2023-2024 (Year 1)	2024-2025 (Year 2)	2025-2026 (Year 3)
<b>Beginning Balance, July 1</b>	<b>\$50,859,408</b>	<b>\$46,871,743</b>	<b>\$39,464,404</b>
<b>Total Revenues</b>	\$114,020,322	\$111,454,462	\$109,775,542
<b>Total Expenditures</b>	\$118,007,987	\$118,861,801	\$122,343,152
<b>Net Increase/(Decrease)</b>	<b>(\$3,987,665)</b>	<b>(\$7,407,339)</b>	<b>(\$12,567,610)</b>
<b>Ending Balance, June 30</b>	<b>\$46,871,743</b>	<b>\$39,464,404</b>	<b>\$26,896,795</b>
<b>Reserve Level</b>	<b>33.43%</b>	<b>28.64%</b>	<b>18.86%</b>

# Key Assumptions for MYP

- 6% percent AV growth for 2023-24, 3% for 2024-2025 and 3% 2025-2026
- 5% for health and welfare
- Parcel Tax revenue to expire in year 2025-26
- Google lease expiring in February 2026
- Retirement contributions
  - Based on School Services Dartboard the MYP uses :
    - STRS 19.10% year 2, 19.10% year 3
    - PERS 27.80% year 2, 28.50% year 3
    - STRS \$7,769,668 and PERS \$4,546,500 for 2023-24

# Possible Adjustments

- Full increased cost of pre-school will be added
- Salary increases once negotiations have concluded
- Adjustments based on our assessed value



Mountain View  
Whisman  
School District

# Other Funds

# Summary of Other Funds

Fund Title	Beginning Balance	Contribution From General Fund/Other source*	Revenue	Expenditures	Projected Ending Balance
12 Preschool	\$182,809	(\$202,773)	\$2,798,662	\$2,804,977	\$379,268
13 Food Service	\$417,675	\$0	\$3,994,212	\$3,853,545	\$558,342
20 Postemployment Benefits	\$6,830,622	\$0	\$86,892	\$0	\$6,917,514
21 Capital Projects	\$56,069,711	\$74,000,000*	\$103,038	\$130,172,750	\$0
25 Developer Fees	\$7,573,191	\$0	\$897,744	\$10,000	\$8,460,935
40 Special Reserve for Capital Projects	\$8,146,154	\$0	\$550,000	\$2,944,487	\$5,751,667

# Next Steps

- Board questions and discussion
- Staff recommends approval of the 2023-2024 Second Interim Budget Report as presented
- 2024-25 Budget and LCAP Development - Spring
- 2024-25 Budget and LCAP Hearing on May 30th
- 2024-25 Budget Adoption on June 13