2021-2022
Second Interim Budget Report

March 10, 2022
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.
2021-2022 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.
Budget Adoption Process

January
Governor proposed State budget

March
MVWSD presents 2nd Interim and continues to work on 2022-2023 budget

Spring
Governor and State Legislators work on trailer bills and negotiate the specifics of the budget. MVWSD works on budget assumptions that will be used in development of the budget.

May
Mid May Governor presents the revised budget. Late May
MVWSD presents draft budget for input at a public hearing

June
MVWSD Board adopts the 2022-2023 budget

December
MVWSD presents 1st Interim
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.
General Fund
One time/COVID restricted funds “parked” in books and supplies.

Contribution to Child Nutrition: $766,487

Increased operations Water and Electricity: $328,000

Increase to Maintenance Operations and Transportation $319,074

Increase to Special Ed. $377,971

Salary increase 5% and 2% off salary for CSEA, unrepresented, and management.

Unsecured Property Tax from 2% to 5% $1.6M

Shoreline Funds/Bonus $2.1M

Unfilled positions savings from 21-22 budget
## 2021-2022 Second Interim Budget Report
### Fund 01 General Fund: Unrestricted/Restricted

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted Programs</th>
<th>Restricted Programs</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Beginning Balance, July 1, 2020</td>
<td>$26,221,450</td>
<td>$5,293,369</td>
<td>$31,514,819</td>
</tr>
<tr>
<td>Total Revenues</td>
<td>$57,144,203</td>
<td>$42,857,822</td>
<td>$100,002,025</td>
</tr>
<tr>
<td>Total Expenditures</td>
<td>$55,491,295</td>
<td>$44,381,659</td>
<td>$99,872,955</td>
</tr>
<tr>
<td>Net Increase/(Decrease)</td>
<td>$1,652,908</td>
<td>$(1,523,837)</td>
<td>$129,070</td>
</tr>
<tr>
<td>Ending Balance, June 30, 2021</td>
<td>$27,874,357</td>
<td>$3,769,532</td>
<td>$31,643,889</td>
</tr>
</tbody>
</table>

**Reserve Level**

27.91%

(Unrestricted Ending Balance divided by Total Combined Expenditures)
Assumptions and Uncertainties in the MYP

• Increase to health benefits could change
• AV growth can continue to fluctuate
• Food service cost has been fluctuating due to the cost of food and number of meals served.
• We follow all CASBO and School Services guidance.
• An MYP is based on current assumptions/conditions and is out of date almost as quickly as we create the MYP.
Key Assumptions for MYP

- 5% percent AV growth for 2021-22, 3% for 2022-2023 and 2023-2024
- 5% for health and welfare each year
- Retirement contributions
  - Based on School Services the MYP uses
    - STRS 19.10% year 2, 19.10% year 3
    - PERS 25.40% year 2, 25.20% year 3
    - STRS $9,047,457 and PERS $3,572,307 for 21-22
- 2% for yearly step and column-in addition to the raise that was given.

*STRS, PERS and H/W based on School Services
### 2021-2022 Second Interim MYP Fund 01 General Fund:

<table>
<thead>
<tr>
<th></th>
<th>2021-2022 (Year 1)</th>
<th>2022-2023 (Year 2)</th>
<th>2023-2024 (Year 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance, July 1</strong></td>
<td>$31,514,819</td>
<td>$31,643,889</td>
<td>$30,009,972</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$100,002,025</td>
<td>$93,494,441</td>
<td>$95,930,996</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$99,872,955</td>
<td>$95,128,359</td>
<td>$98,588,276</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease)</strong></td>
<td>$129,070</td>
<td>($1,633,917)</td>
<td>($2,657,280)</td>
</tr>
<tr>
<td><strong>Ending Balance, June 30</strong></td>
<td>$31,643,889</td>
<td>$30,009,972</td>
<td>$27,352,692</td>
</tr>
<tr>
<td><strong>Reserve Level</strong></td>
<td>27.91%</td>
<td>27.58%</td>
<td>24.58%</td>
</tr>
</tbody>
</table>
### 2021-2022 Second Interim with current offer to MVEA

**Fund 01 General Fund:**

<table>
<thead>
<tr>
<th></th>
<th>2021-2022 (Year 1)</th>
<th>2022-2023 (Year 2)</th>
<th>2023-2024 (Year 3)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Beginning Balance, July 1</strong></td>
<td>$31,514,819</td>
<td>$29,142,132</td>
<td>$24,456,764</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$100,002,025</td>
<td>$93,494,441</td>
<td>$95,930,996</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$102,374,712</td>
<td>$98,179,810</td>
<td>$102,761,689</td>
</tr>
<tr>
<td><strong>Net Increase/(Decrease)</strong></td>
<td>($2,372,687)</td>
<td>($4,685,368)</td>
<td>($6,830,693)</td>
</tr>
<tr>
<td><strong>Ending Balance, June 30</strong></td>
<td>$29,142,132</td>
<td>$24,456,764</td>
<td>$17,626,071</td>
</tr>
<tr>
<td><strong>Reserve Level</strong></td>
<td>24.78%</td>
<td>21.07%</td>
<td>14.12%</td>
</tr>
</tbody>
</table>
Possible Adjustments

• If AV growth comes in higher our reserves could increase.
• Adjustments due to operational costs due to having solar. Due to after school tutoring, we are using our schools longer.
• Looking for cost savings in Child Nutrition and MOT.
Other Funds
<table>
<thead>
<tr>
<th>Fund Title</th>
<th>Beginning Balance</th>
<th>Contribution From General Fund/Other source*</th>
<th>Revenue</th>
<th>Expenditures</th>
<th>Projected Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 Preschool</td>
<td>$70,892</td>
<td>($327,107)</td>
<td>$2,052,569</td>
<td>$2,416,954</td>
<td>$33,614</td>
</tr>
<tr>
<td>13 Food Service</td>
<td>$203,686</td>
<td>($766,487)</td>
<td>$3,563,900</td>
<td>$4,330,387</td>
<td>$203,686</td>
</tr>
<tr>
<td>20 Postemployment Benefits</td>
<td>$6,814,690</td>
<td>$0</td>
<td>$60,000</td>
<td>$0</td>
<td>$6,874,690</td>
</tr>
<tr>
<td>21 Capital Projects</td>
<td>$39,146,793</td>
<td>$174,000,000*</td>
<td>$150,120</td>
<td>$213,180,672</td>
<td>$116,241</td>
</tr>
<tr>
<td>25 Developer Fees</td>
<td>$3,581,097</td>
<td>$0</td>
<td>$498,500</td>
<td>$0</td>
<td>$4,079,597</td>
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<tr>
<td>40 Special Reserve for Capital Projects</td>
<td>$1,456,552</td>
<td>($25,000)</td>
<td>$900</td>
<td>$653,280</td>
<td>$829,171</td>
</tr>
</tbody>
</table>
Considerations for the Future
Considerations For The Future

• Long term future we are looking at increased enrolment. As a basic aid district this means we have less to spend on each student.
• AV growth rate greatly depends on the local economy and possibly remote work availability for companies.
• Shoreline agreement is in the process of being renewed.
Next Steps

• Board questions and discussion
• Staff recommends approval of the 2021-2022 Second Interim Budget Report as presented
• 2022-23 Budget and LCAP Development - Spring
• 2022-23 Budget and LCAP Hearing on June 2
• 2022-23 Budget Adoption on June 16