Cecilia A. Massetti, Ed.D.
Superintendent of Schools

Agenda Item 8.3

Board of Education Action Item
March 9, 2021

Topic:
Consideration of MCSOS Second Interim Report

Background:
The attached Second Interim Report was prepared based on the following assumptions:

1. LCFF and Special Education Revenue continues to be conservatively presented. ADA is based on 20-21 P-1 certifications which were just certified by the state a few weeks ago. These numbers are derived from our last official ADA calculations submitted with data prior to the Covid-19 outbreak. Special Education is budgeted to remain flat and Alternative Education/Charter ADA is budgeted to return to prior Covid-19 numbers in two out years. COLA is budgeted at 0% for 20-21, 3.84% for 21-22 and 2.98% for 22-23.

2. All Special Education Classes are operating with small cohorts at some locations distance learning at others. There continue to be openings in hard to fill positions such as Nurse, Psychologist, and Deaf/Hard of Hearing Teacher. The Second Interim Report reflects contracting for these hard to fill positions from outside agencies.

3. PERS and STRS rates were increased to meet the required rates for 20-21, 21-22 and 22-23. STRS rates used are 16.15%, 15.92%, and 18.0%. PERS rates used are 20.7%, 23.0%, and 26.3%. The cumulative increase for the three years is budgeted to be approximately $819,528.

4. Local and State revenue budgets have been updated to reflect updated grant and local funding amounts. ESSER II funds

5. (Coronavirus Response and Relief Supplemental Appropriations Act, 2021 - Elementary and Secondary School Relief Fund) have not been included in the budget at this point due to preliminary allocations were just recently announced.

6. Step and Column increases are budgeted to increase by 1.5%

7. Differentiated Assistance is budgeted to increase by $200,000 due to using the now certified P-1 amounts.

The current Projected Budget shows an increase to the Unrestricted General Fund ending balance for 20-21 of $96,161. The budget change raises our Net Increase in Fund Balance from $1,027,891 to $1,124,052. The change is due to an increase of approximately $200,000 for differentiated assistance funding, a reduction in contributions to Restricted Programs by approximately $125,000 and an expense increase of approximately $230,000 made up of Services & Supplies due to budgeting parking lot repairs, air conditioning repairs and building painting.

The current Restricted Budget Projections show an increase in Restricted General Fund Ending Fund balance of $396,605 from the previously approved budget. This change is mainly due to recognizing additional revenues in Federal and Local categories.

We are projecting to maintain at least the minimum required reserve level in the current and next two years. Retiree Benefits liability, STRS and PERS increases, and COLA barely covering the cost of Steps and Columns remain problematic for us.

Financial Impact:
Increase in Net Ending Fund balance of $492,766

Resource:
Julie DeWall
Chief Business and Administrative Services Officer
Business Services Division

Recommendation:
Acceptance of the Positive Certification, as presented

Madera County Superintendent of Schools

2020-2021 General Fund Second Interim Budget

	Adopted Budget			Board Approved Revised Budget			Projected Budget			
	2020-2021 Unrestricted	2020-2021 Restricted	2020-2021 Total	2020-2021 Unrestricted	2020-2021 Restricted	2020-2021 Total	2020-2021 Unrestricted	2020-2021 Restricted	2020-2021 Total	Percent Change
Revenues/Sources										
Total 8000	$ 9,519,002.00	$ 30,600,567.00	$ 40,119,569.00	$ 10,306,509.00	$ 34,731,599.00	$ 45,038,108.00	$ 10,496,249.00	$ 35,268,559.00	$ 45,764,808.00	1.8%
Expenditures										
Total 1000 Certificated	$ 2,199,134.00	$ 8,517,504.00	$ 10,716,638.00	$ 2,032,666.00	$ 8,470,939.00	$ 10,503,605.00	$ 2,057,535.00	$ 8,454,835.00	$ 10,512,370.00	0.1%
Total 2000 Classified	4,101,969.00	6,557,943.00	10,659,912.00	4,010,291.00	6,688,251.00	10,698,542.00	3,962,493.00	6,770,152.00	10,732,645.00	0.3%
Total 3000 Benefits	2,592,282.00	7,164,963.00	9,757,245.00	2,494,735.00	7,114,906.00	9,609,641.00	2,455,002.00	7,073,518.00	9,528,520.00	-0.8%
Total Labor and Benefits	$ 8,893,385.00	$ 22,240,410.00	$ 31,133,795.00	$ 8,537,692.00	$ 22,274,096.00	$ 30,811,788.00	$ 8,475,030.00	$ 22,298,505.00	$ 30,773,535.00	-0.1%
Total 4000 Books & Supplies	$ 383,360.00	$ 660,684.00	$ 1,044,044.00	$ 399,909.00	$ 1,852,529.00	$ 2,252,438.00	$ 458,361.00	$ 1,865,417.00	$ 2,323,778.00	3.2%
Total 5000 Services & Other	736,296.00	4,679,478.00	5,415,774.00	927,960.00	6,363,784.00	7,291,744.00	1,113,707.00	6,200,372.00	7,314,079.00	0.3%
Total Books and Services	$ 1,119,656.00	$ 5,340,162.00	$ 6,459,818.00	$ 1,327,869.00	$ 8,216,313.00	$ 9,544,182.00	$ 1,572,068.00	$ 8,065,789.00	$ 9,637,857.00	1.0%
Total Labor, Benefits and supplies	$ 10,013,041.00	$ 27,580,572.00	$ 37,593,613.00	$ 9,865,561.00	$ 30,490,409.00	$ 40,355,970.00	$ 10,047,098.00	$ 30,364,294.00	$ 40,411,392.00	0.1%
Capital Outlay	$ 149,300.00	$ 37,996.00	$ 187,296.00	$ 156,916.00	$ 170,404.00	$ 327,320.00	$ 156,916.00	$ 336,066.00	$ 492,982.00	50.6%
Other Outgo/Uses	(574,686.00)	2,102,883.00	1,528,197.00	(743,859.00)	2,188,313.00	1,444,454.00	(831,817.00)	2,289,121.00	1,457,304.00	0.9%
Total Capital Outlay/Outgo	$ (425,386.00)	$ 2,140,879.00	$ 1,715,493.00	$ (586,943.00)	$ 2,358,717.00	$ 1,771,774.00	$ (674,901.00)	$ 2,625,187.00	$ 1,950,286.00	10.1%
Total Expenditures	$ 9,587,655.00	$ 29,721,451.00	$ 39,309,106.00	$ 9,278,618.00	$ 32,849,126.00	$ 42,127,744.00	$ 9,372,197.00	$ 32,989,481.00	$ 42,361,678.00	0.6%
Net Increase (Decrease) in Fund Balance	$ (68,653.00)	$ 879,116.00	$ 810,463.00	$ 1,027,891.00	$ 1,882,473.00	$ 2,910,364.00	$ 1,124,052.00	$ 2,279,078.00	$ 3,403,130.00	16.9%
Beginning Fund Balance	$ 7,453,690.00	$ 2,481,432.00	$ 9,935,122.00	$ 8,200,088.00	$ 3,052,378.00	$ 11,252,466.00	$ 8,200,088.00	$ 2,997,364.00	$ 11,197,452.00	
Est Ending Fund Balance	$ 7,385,037.00	$ 3,360,548.00	$ 10,745,585.00	$ 9,227,979.00	$ 4,934,851.00	$ 14,162,830.00	$ 9,324,140.00	$ 5,276,442.00	$ 14,600,582.00	