

Budget Advisory & Parcel Tax Oversight Committee (BAC/PTO)

FY 2021-2022
Business Services



*Inspiring our community with opportunities to learn and thrive, we are committed to a shared purpose that guarantees each student a strong academic foundation while ensuring **equity** through **access** and opportunity for all.*

OVERSIGHT COMMITTEES

Presented by:
Ralph Crame
Chief Business Official
March 23, 2022

Budget Advisory Committee

The goal of the committee is to *inform* stakeholders on how the District's budget works, budget assumptions, LCFF and LCAP process, and provide a forum to answer questions.

Parcel Tax Oversight Committee

To *assist the Board* in fulfilling its fiduciary duties to review expenditures of Measure N revenue to ensure its use in accordance with the voter approved tax ballot measure.

Agenda



Phase I

- ❖ **Budget Workshop**
 - **Definitions**
 - **Budget**
 - **Cash**
 - **Parcel Tax**

Phase II

- ❖ **Measure N Parcel Tax Report**
- ❖ **Second Interim Report**
- ❖ **Questions**

PHASE I

Budget Workshop

What is a Budget?



Definition:

A budget is a financial plan used to estimate revenues and expenditures for a specific period of time. It is a management and planning tool, not just an accounting document. It assists in the allocation of resources.

- ❖ **Budget Allocation**
- ❖ **Budget Category Allocations**
- ❖ **Adjusting Budgetary Allocations**

Reference:

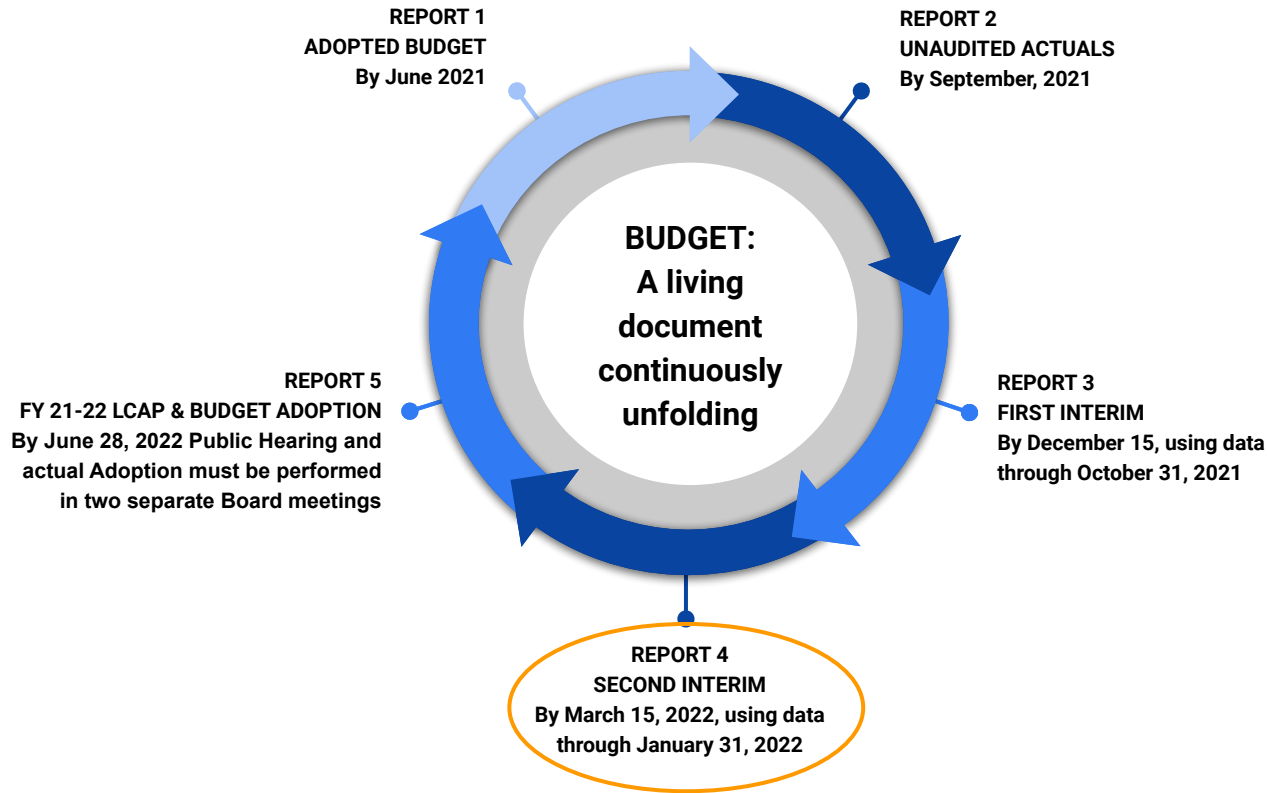
<https://www.investopedia.com>

<https://smallbusiness.chron.com/budgetary-allocation>

Purpose:

Creating this spending plan allows you to determine in advance whether you will have enough money to do the things you need to do or would like to do. than they earn and slowly sink deeper into debt every year.

- An example of budget is how much Revenues are we expecting to receive on a given Fiscal Year (FY).
- An example of budget is how much our Food Service department is “estimating to expend” to operate in a given FY.

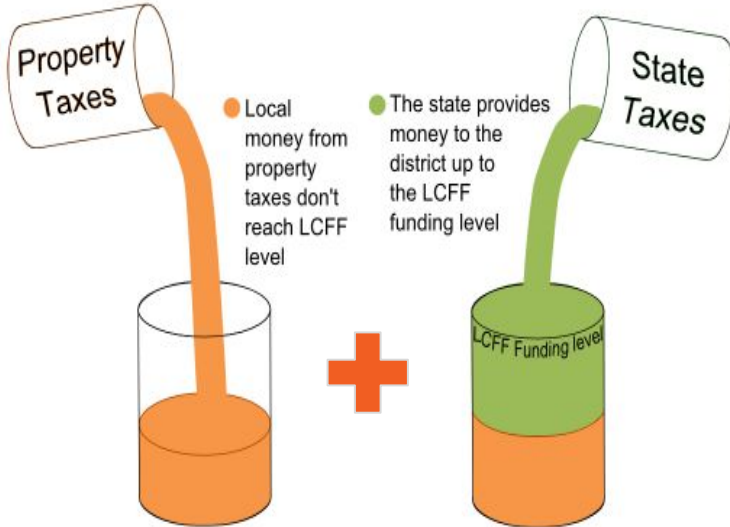


Budget Reporting Calendar

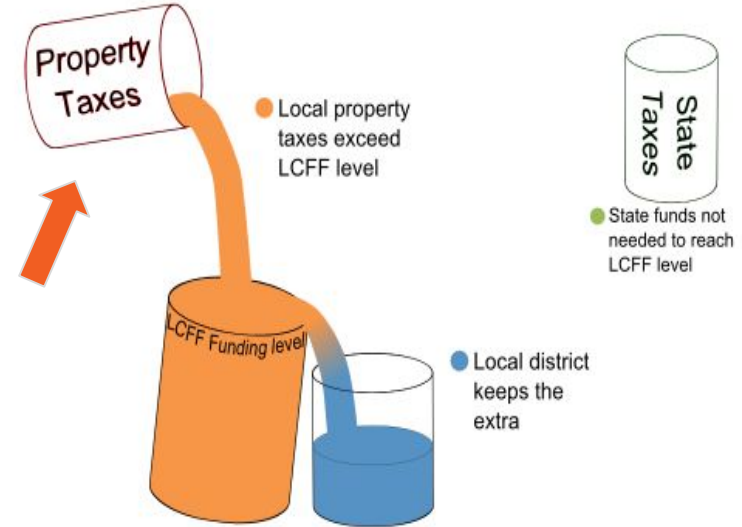
How MESD is funded?



District Funding Under LCFF =



"Basic Aid" District Funding



Budget Development Assumptions



Planning Factors	2021-22	2022-23	2023-24
Cost of Living Adjustment (COLA)			
LCFF COLA	5.07%	5.33%	3.61%
Special Education COLA	4.05%	5.33%	3.61%
Statutory COLA	1.70%	5.33%	3.61%
2020-21 COLA recaptured in 2021-22	2.31%	0.00%	0.00%
STRS Employer Rates	16.92%	19.10%	19.10%
PERS Employer Rates	22.91%	26.10%	27.10%
Unemployment Insurance	.50%	.50%	.20%
Lottery – Unrestricted per ADA	\$163.00	\$163.00	\$163.00
Lottery – Prop. 20 per ADA	\$65.00	\$65.00	\$65.00
Mandated Block Grant for Districts K-8 per ADA	\$32.79	\$34.54	\$35.79
Routine Restricted Maintenance Account (Flexibility for calculation to exclude STRS and PERS on behalf payments)	3%	3%	3%

Measure N Parcel Tax



To maintain high-quality education in Millbrae schools, on February 6, 2018, the Millbrae School District Board of Trustees voted to place a local parcel tax measure on the June 5, 2018 ballot to provide locally-controlled funding that could not be taken away by the State.

Measure N was approved reflecting a cost of \$97 per parcel and generating approximately \$700,000 per year, for five years, for our schools.

No changes to report from previous update provided on 12/14/2020

Measure N Parcel Tax



Revenue:	2021-22
Parcels	7,382
Less: Exemptions	(738)
Remaining Parcels	6,644
Amount Per Parcel	\$97.00
Parcel Tax Revenue	\$644,468.00
Less: Admin Fee (\$1.42/Parcel)	-\$9,434.00
Total Parcel Tax Revenue Available	\$635,034.00

PHASE II

Measure N

Second Interim Report

Second Interim Report

Board Approved on
03/15/2022



Revenues



General Fund Revenues: \$30,768,155
(Unrestricted \$18,275,207; Restricted \$12,492,948)

2021-22 2 nd Interim Revenues		Unrestricted	Restricted	Total Combined
LCFF Sources	8010-8099	\$20,915,646.00	\$1,534,629.00	\$22,450,275.00
Federal Revenue	8100-8299	\$0.00	\$2,759,933.00	\$2,758,300.00
Other State Revenue	8300-8599	\$423,803.00	\$2,802,047.00	\$3,225,368.00
Other Local Revenue	8600-8799	\$601,294.00	\$1,522,074.00	\$2,123,368.00
Transfers In	8900-8929	\$208,476.00	\$1,886.00	\$210,362.00
Contributions		-\$3,874,012.00	\$3,874,012.00	\$0.00
Total Revenues		\$18,275,207.00	\$12,492,948.00	\$30,768,155.00

Expenditures



General Fund Expenditures: \$30,531,691
(Unrestricted \$18,525,829; Restricted \$12,005,862)

2021-22 2 nd Interim Expenditures		Unrestricted	Restricted	Total Combined
Certificated Salaries	1000-1999	\$9,940,816.00	\$3,191,591.00	\$13,132,407.00
Classified Salaries	2000-2999	\$2,507,238.00	\$1,369,030.00	\$3,876,268.00
Employee Benefits	3000-3999	\$4,313,437.00	\$2,781,847.00	\$7,095,284.00
Books and Supplies	4000-4999	\$270,734.00	\$507,705.00	\$778,439.00
Services and Other Operating Costs	5000-5999	\$1,511,628.00	\$3,717,188.00	\$5,228,816.00
Capital Outlay	6000-6999	\$0.00	\$7,807.00	\$7,807.00
Other Outgo-Transfer of Direct Charges	7100-7299, 7400-7499	\$42,022.00	\$404,648.00	\$446,670.00
Other Outgo - Indirect Charges	7300-7399	-\$60,046.00	\$26,046.00	-\$34,000.00
Transfers Out	7600-7629	\$0.00	\$0.00	\$0.00
Total Expenditures		\$18,525,829.00	\$12,005,862.00	\$30,531,691.00

Summary of other Funds



2021-22 2nd Interim Summary	Student Activity Special Reserve Fund	Cafeteria	Special Reserve for Other than Capital Outlay	Foundation	Special Reserve for Post Employment Benefits	Capital Facilities	Special Reserve for Capital Outlay Projects
	Fund 08	Fund 13	Fund 17	Fund 19	Fund 20	Fund 25	Fund 40
Revenues	\$0.00	\$1,417,494.00	\$6,400.00	\$500.00	\$20,000.00	\$66,000.00	\$653,000.00
Expenditures	\$0.00	\$1,403,357.00	\$113,085.00	\$1,886.00	\$0.00	\$85,000.00	\$479,831.00
Net Increase (Decrease) In Fund Balance	\$0.00	\$14,137.00	(\$106,685.00)	(\$1,386.00)	\$20,000.00	\$57,500.00	\$173,169.00
Beginning Balance	\$97,215.35	\$322,519.24	\$640,825.14	\$51,892.84	\$2,097,922.67	\$842,834.65	\$13,338,280.52
Ending Fund Balance	\$97,215.35	\$366,656.24	\$534,140.14	\$50,506.84	\$2,117,922.67	\$903,834.65	\$13,511,449.52

Best Practices



MESD strives to follow these fundamental best practices:

1. Maintain a structurally balanced budget
2. Build strong reserves
3. Cash flow management
4. Risk factors awareness

Next Steps

- Board Adoption FY 2022-23 Budget & LCAP - June 2022
- Governor's May revise adjustments
- Unaudited Actual Financial Report - September 2022
- Governor's Proposed 2023-24 State Budget Release - January 2023
- 2022-23 First Interim Report - December 2022
- 2022-23 Second Interim Report - March 2023

Continue to review expenditures and opportunities to reduce deficit spending.

Questions