



Mountain View  
Whisman  
School District

# Governor's Proposed State Budget 2022-2023

February 10, 2022





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# Strategic Plan 2027

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## Goal Area 5

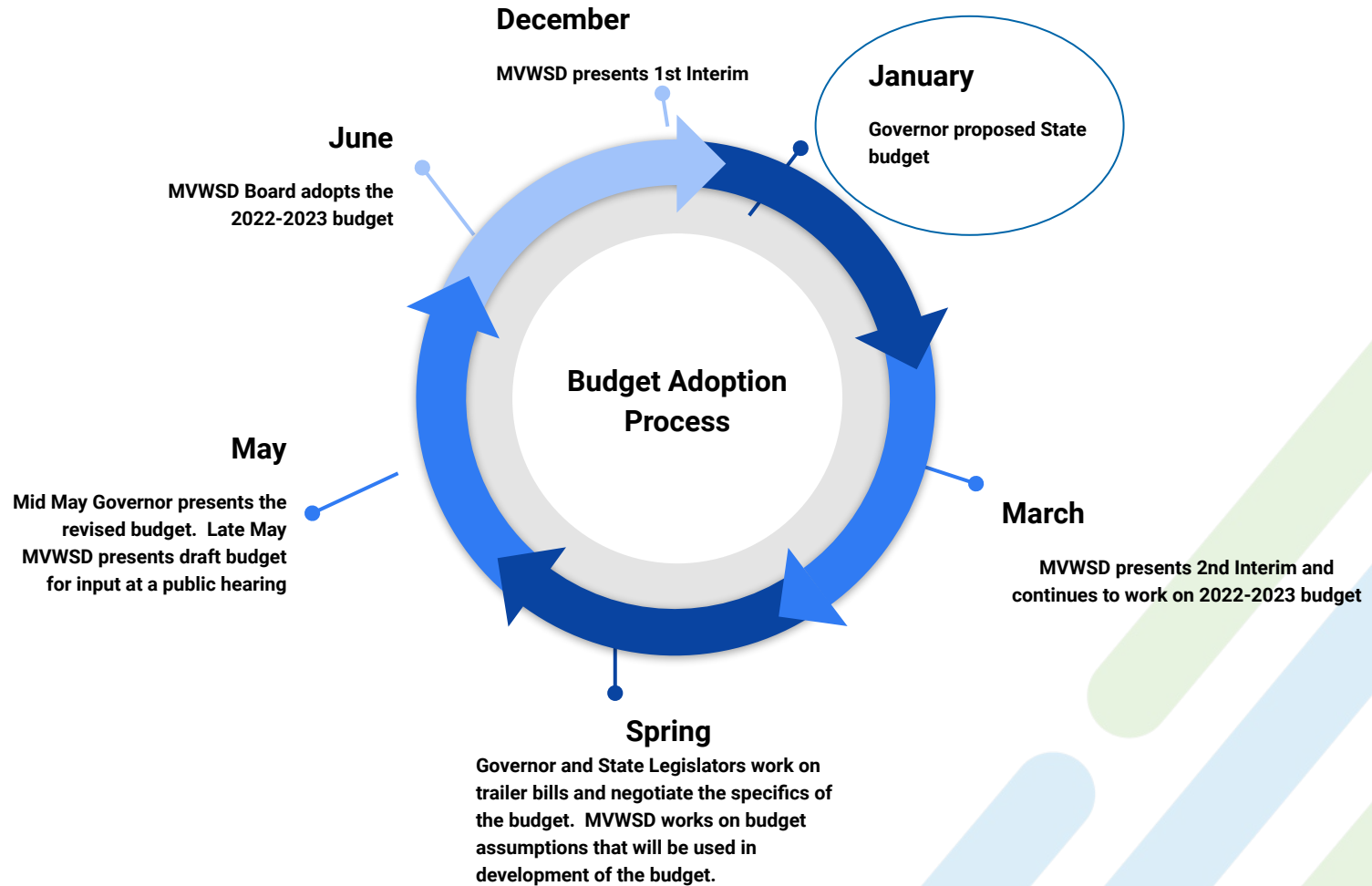
- Equitable distribution of resources that support student success.
- Goal 5a: Ensure facilities and resources equitably serve all students.



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# Adoption Process Steps

# Budget Adoption Process

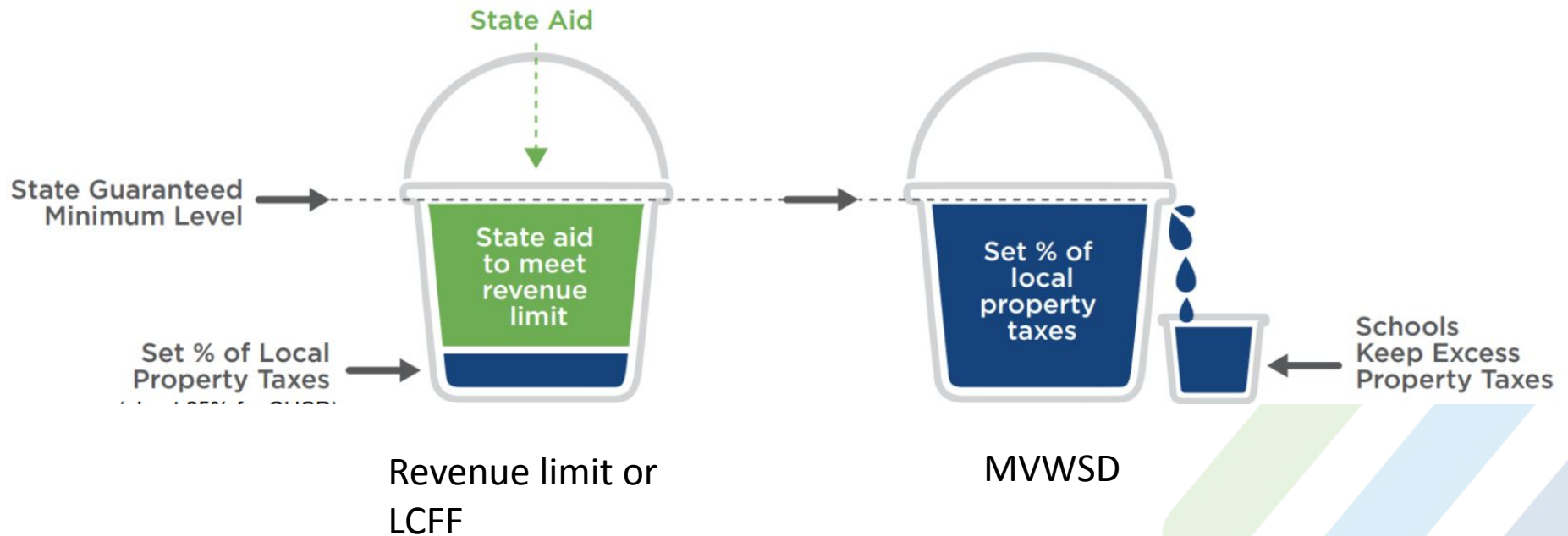




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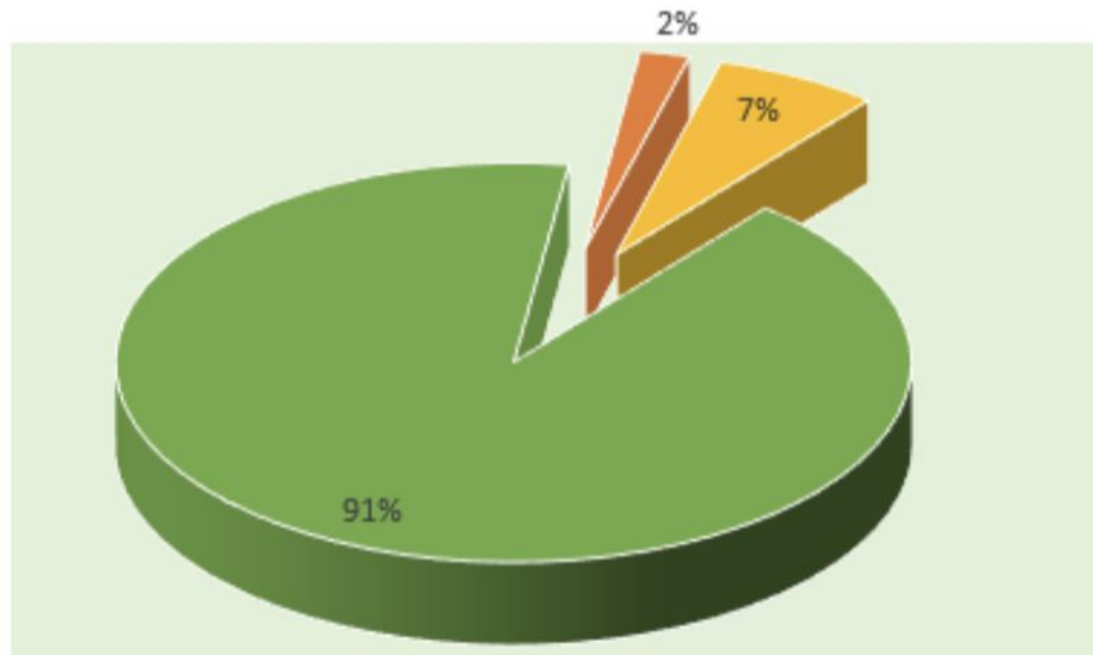
# MVWSD's Revenue

# What is Basic Aid



## Budget Adoption 21-22

General Fund Revenue	
Federal	1,793,252
Other State	5,919,070
Local & LCFF	81,032,645
<b>Grand Total</b>	<b>88,744,967</b>





# Developer Fees

<b>Developer Fees Collection</b>					
(Data from QCC Budget report / F250-OB8681)					
<b>Revenue Rec'd</b>	<b>18-19</b>	<b>19-20</b>	<b>20-21</b>	<b>21-22</b>	<b>20-21 vs 21-22(+/-)</b>
JULY	11,628	12,516	1,783,921	15,288	(1,768,633)
AUGUST	17,126	3,552	702,387	32,442	(669,945)
SEPTEMBER	5,063	14,982	23,017	19,309	(3,708)
OCTOBER	90,506	63,956	15,849.00	80,290.00	64,441
NOVEMBER	53,378	587	83,196	25,043	(58,153)
DECEMBER	12,476	12,035	31,411	48,615	17,204
JANUARY	55,020	32,842	2,040		(2,040)
FEBRUARY	53,276	68,619	15,308		(15,308)
MARCH	7,415	36,706	62,307.04		(62,307)
APRIL	278,779	-	18,183		(18,183)
MAY	53,133	146,422	105,360		(105,360)
JUNE	51,825	2,135	19,513		(19,513)
<b>YTD Total</b>	<b>689,622</b>	<b>394,352</b>	<b>2,862,493</b>	<b>220,987</b>	<b>(2,641,505)</b>

Can be spent on new construction or modernization that would extend the life of a building to serve the incoming students.



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# Themes and Highlights of Governor's Budget

# US Economic Outlook

The national economy continues to grow, but inflation, labor constraints, and supply and demand imbalances pose threats

## Gross Domestic Product

- 2021: 5.6%
- 2022: 4.2%
- 2023: 2.7%

Resumes pre-pandemic trends by the third quarter of 2023

## Employment

- Economy will add 200,000 to 400,000 jobs each month
- Unemployment rate reaches 3.4% by the end of 2022
- Labor force participation continues to lag

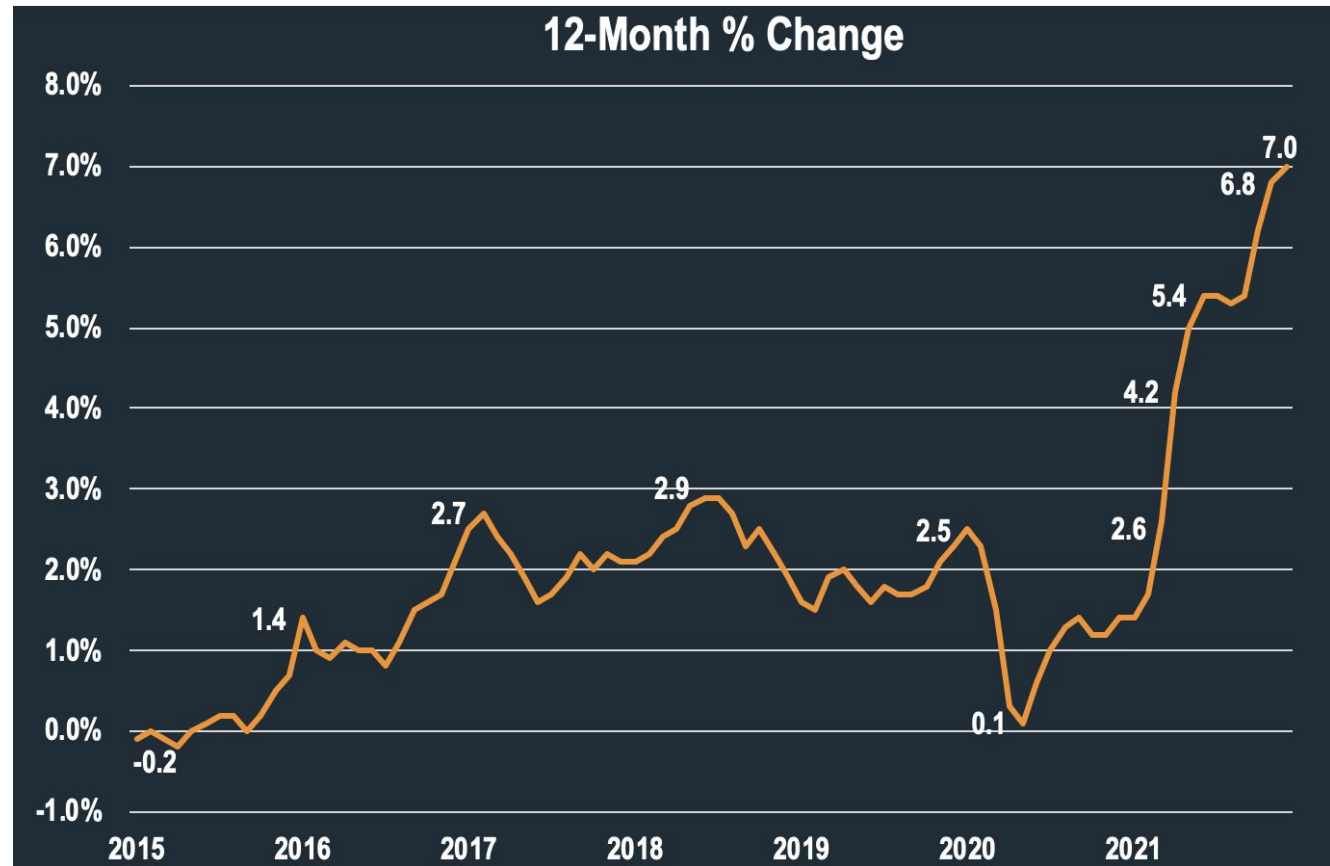
## Inflation

Inflation abates but still higher than pre-pandemic levels due to demand and supply imbalances

- 2021: 5.8%
- 2022: 3.4%
- 2023: 2.8%

# Inflation

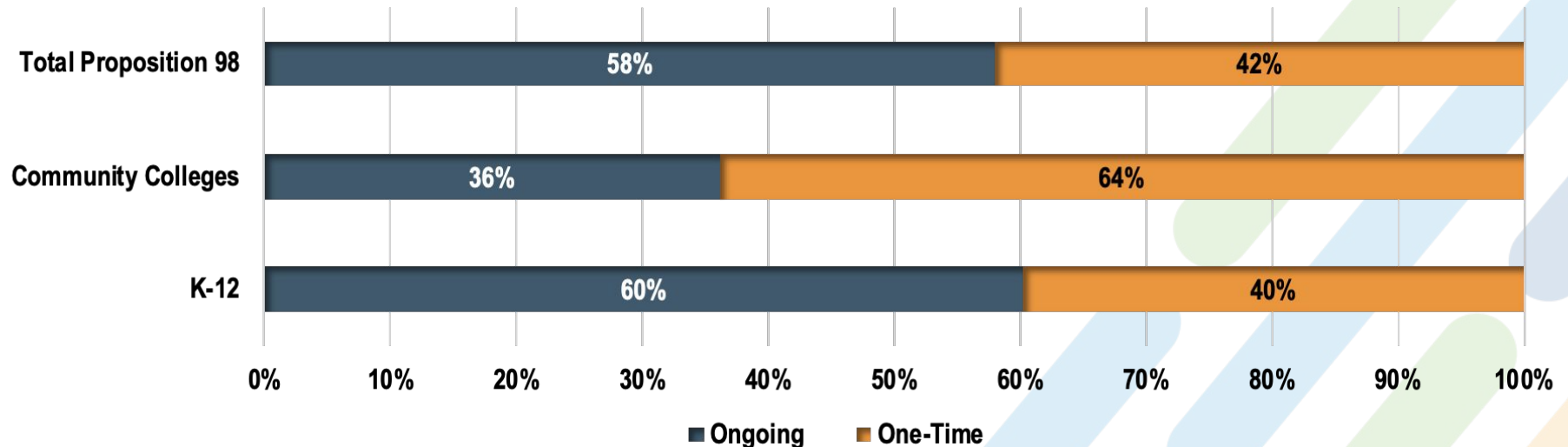
The confluence of federal stimulus funds, pent up consumer demand for goods, and scarce supplies have contributed to an historic rise in inflation not seen in over 30 years—as measured by the Consumer Price Index—which increased by 7.0% in 2021



# While there are new one-time investments as part of Prop 98 these are not available to MVWSD

- The Governor's spending of new Proposition 98 revenues relies heavily on one-time investments
  - General apportionment formulas for K-12 and community colleges are increasing by the cost-of-living adjustment (COLA) only, or 5.33%

Governor's Proposition 98 Spending Design  
Ongoing versus One-Time Spending



# Reserve Cap Does Not Apply to MVWSD

## Deposit Into Proposition 98 Rainy Day Fund

- The education community continues to grapple with the reserve cap
- When the four conditions are met, a state deposit into the Proposition 98 reserve is required



### Test 1

Minimum  
guarantee is  
determined by  
Test 1



### Maintenance Factor

Proposition 98  
maintenance factor  
prior to 2014-15 is  
fully paid



### ADA and COLA

Proposition 98  
minimum guarantee  
is sufficient to fund  
ADA\* and COLA



### Capital Gains

Capital gains  
exceed 8% of  
General Fund  
revenues

\*Average daily attendance (ADA)

# Reserve Cap Does Not Apply to MVWSD

## Reserve Cap

- **Senate Bill 751 (Chapter 674, Statutes of 2017) set the threshold for triggering the cap on district reserves and the limits of how much school districts can maintain in their local reserves**

When the state reserve reaches 3% of the K-12 portion of Proposition 98 in that year

Caps district reserves at 10% using assigned/unassigned ending balance of General and Special Reserve Funds

Exempts basic aid districts and districts with fewer than 2,501 ADA



# SSC Financial Projection Dartboard

Planning Factors					
	2021-22	2022-23	2023-24	2024-25	2025-26
<b>DOF* Planning COLA</b>	<b>5.07%**</b>	<b>5.33%</b>	<b>3.61%</b>	<b>3.64%</b>	<b>3.62%</b>
<b>CalSTRS***</b>	<b>16.92%</b>	<b>19.10%</b>	<b>19.10%</b>	<b>19.10%</b>	<b>19.10%</b>
<b>CalPERS***</b>	<b>22.91%</b>	<b>26.10%</b>	<b>27.10%</b>	<b>27.70%</b>	<b>27.80%</b>
<b>Unemployment Insurance</b>	<b>0.50%</b>	<b>0.50%</b>	<b>0.20%</b>	<b>0.20%</b>	<b>0.20%</b>

\*Department of Finance (DOF)

\*\*Calculated by compounding the unfunded COLA of 2.31% from 2020-21 and the statutory COLA of 1.70%, plus 1.00%, in 2021-22

\*\*\*California State Teachers' Retirement System (CalSTRS); California Public Employees' Retirement System (CalPERS)



# Child Care and Preschool

■ Governor Newsom continues to implement the state's Master Plan for Early Learning and Care

Provides  
additional 36,000  
child care slots

Supports a full  
year of rate  
increases for child  
care providers

Funds the Child  
Care Initiative  
Project through  
June 30, 2023, to  
address areas of  
underserved  
providers,  
increases slots, and  
supports providers  
that want to be  
licensed

Provides inclusive  
instruction for  
students with  
disabilities and  
support for dual  
language learners  
served by the  
California State  
Preschool Program

Funds the Inclusive  
Early Education  
Expansion Program  
  
(One-time Proposition 98  
General Fund)

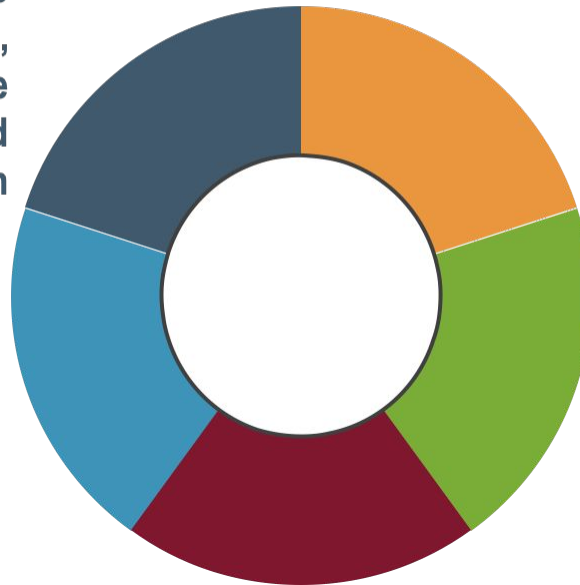


# Universal Meal Program- Good for MVWSD

**Beginning in 2022-23, LEAs must provide free breakfast and lunch each school day to any student requesting a meal, regardless of free or reduced-price meal eligibility**

In order to receive state reimbursement for the two meals, LEAs must participate in both the National School Lunch Program and School Breakfast Program

LEAs with defined high-poverty schools are also required to adopt a universal meal service provision, such as the Community Eligibility Provision or Provision 2



State intends to reimburse LEAs at the free meal rate, minus federal and state reimbursements for meals

All meals served must meet federal requirements for nutrition and reimbursement

# Legal Requirements of Universal TK

**2021-22**

**Offer transitional kindergarten (TK) to four-year-olds whose fifth birthday occurs between September 2 and December 2**

**2022-23**

**Expand offer of TK to four-year-olds whose fifth birthday occurs between September 2 and February 2; inclusive**

**2023-24**

**Expand offer of TK to four-year-olds whose fifth birthday occurs between September 2 and April 2; inclusive**

**2024-25**

**Expand offer of TK to four-year-olds whose fifth birthday occurs between September 2 and June 2; inclusive**

**2025-26**

**Expand offer of TK to three-year-olds whose fourth birthday occurs by September 1; inclusive**

# Universal TK Funding?

- Currently there is no funding for basic aid districts.
- Basic aid districts are advocating that there needs to be funding to support an entirely new grade level.
- We are part of Schools For Sound Finance which is advocating for support for basic aid schools

# New Categorical Funding Requires Additional Plans

- Governor Newsom has prioritized one time categorical funding
- MVWSD is not eligible for some of the funding

	Plan
➡	LCAP Supplement
	A-G Completion Improvement Grant
➡	Pre-Kindergarten Planning and Implementation Grant
➡	Expanded Learning Opportunities Program Plan
➡	ESSER* I, II, and III Quarterly and Annual
➡	GEER** I Quarterly and Annual



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# Next Steps

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- On March 10th we will present the 2021-22 Second Interim
- Staff will continue to monitor the State Budget and steps taken toward implementation for next year.