



**2023-2024  
Second Interim  
Budget Report**

**March 18, 2024**

**MOUNTAIN VIEW-LOS ALTOS  
UNION HIGH SCHOOL DISTRICT**

**TO:** Superintendent and Board of Trustees

**SUBJECT:** 2023-2024 Second Interim Budget Report

**DATE:** March 18, 2024

The 2023-2024 Second Interim Budget Report is submitted for your approval. This financial report is based on the latest information and best estimates and reflects the District's financial status as of January 31, 2024. Secured property tax revenue increased by 6.57 percent over the prior year, which was less than the target of 7 percent growth that was forecast in the adopted budget. This figure is the same as was reported in the First Interim report. The overall growth reflects the extremely positive residential and commercial property assessed valuations within our District boundaries as well as Santa Clara County-wide. Unsecured property taxes currently show an increase of 5.95 percent, which equates to an increase of \$339,000. State revenue in the form of the Minimum State Aid (MSA) is flat from the prior year and continues at \$2,979,534. Based on the current short-term agreement, revenue from the Mountain View Shoreline Community Educational Enhancement Reserve JPA is \$4,179,221, which is \$538,626 more than was reported in the First Interim Report. This is due to an additional payment received in January 2024.

The budget continues to include an additional \$1.385 million in one-time state and federal funding, primarily to support the impact from COVID-19. Most of the State funds are in the form of the Arts, Music and Instructional Materials Discretionary Block Grant (\$1,285,252). The State Educator Effectiveness Grant in 2021-2022 provided \$1,092,424 in revenue with expenditures to be spread over the subsequent five years. Although there is no new revenue for that grant in the current year, the available funds are included in the restricted beginning balance and the current year expenditures are included. One change from the First Interim budget report is the addition of \$25,440 in transportation funding that is a reimbursement from the State due to a recently adopted State initiative to support school transportation costs. The funding level is based on a state-determined percentage of actual prior-year District transportation expenses.

On the expenditure side of the General Fund budget, unrestricted expenditures have increased \$378,008 for staffing costs due to additional hours provided to employees as well as health and welfare benefit costs. In addition, the current budget reflects a \$177,665 increase in restricted expenditures when compared to the First Interim Report due to additional staffing costs. The budget shows a restricted fund ending balance and those funds will be spent in subsequent years.

As reported in our Adopted Budget and First Interim Budget reports, we have assigned a portion of our General Fund reserves to expend against future instructional material purchases. The remaining assigned fund balance is applied toward the reserve level set by board policy that calls for the state-required three-percent minimum plus two months of operating expenses.

This financial report also includes the other funds outside the General Fund, which are an integral part of the District's finances. Due to the combination of Federal and State funding for universal meals, the Cafeteria Fund is no longer supported by a contribution from the General Fund. This is the third straight year in which this is the case. Staff will continue to monitor this situation as the State funding for universal meals continues to be year-to-year and is coordinated with the Federal Meals Program to supplement the cost.

The Adult Education Fund continues to be funded primarily by the Adult Education Block Grant, with a four percent increase from the prior year, which is based on the cost-of-living adjustment (COLA) calculated by the State. This report also shows the annual required contribution to the fund for Other Post-Employment Benefits (OPEB).

The final component to the 2023-2024 Second Interim Budget Report is the multi-year projection (MYP). Included with this projection are the main assumptions that form the basis of the District's plan to meet its ongoing operational needs. Secured property tax growth is forecast at five percent in 2024-2025 and five percent in 2025-2026. Projected enrollment decline reduces certificated staff by two in 2024-2025 and by three in 2025-2026. Salary negotiations with the district's employee associations are ongoing. As there is no current agreement for 2024-2025 and beyond, no increase in salary schedules is included for those years. A \$400,000 placeholder is included each year to account for anticipated, but yet to be identified, non-personnel cost increases to special education. Health and welfare increases are forecast at ten percent each year.

We trust you will find this Second Interim Budget Report helpful in reviewing the current financial state of the District and determining its ability to maintain fiscal stability into the future.

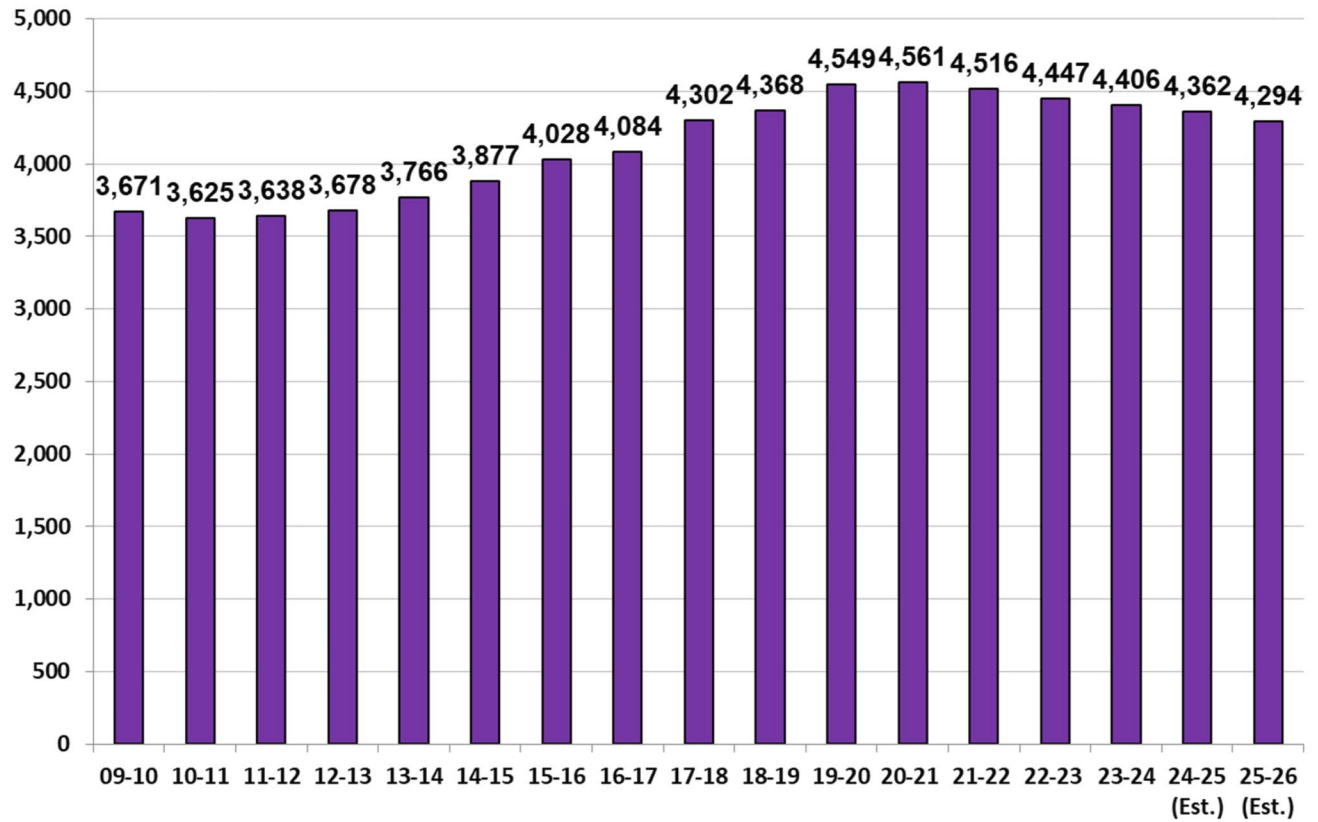


Mike Mathiesen  
Associate Superintendent, Business Services



Elvis Lopez  
Director Fiscal Services

## CBEDS ENROLLMENT HISTORY



**MOUNTAIN VIEW LOS ALTOS UNION HIGH SCHOOL DISTRICT**

**GENERAL FUND MULTI-YEAR PROJECTION**

**2023-2024 2nd Interim**

	2023-2024	2024-2025	2025-2026
<b>Enrollment</b>	4,406	4,362	4,294
<b>Revenues:</b>			
LCFF/Property Taxes	116,531,235	121,685,035	127,096,525
Federal Revenue	1,879,074	1,893,355	1,945,044
Other State Revenue	9,869,297	7,323,999	7,293,395
Other Local Revenue	10,215,481	9,939,612	9,663,743
<b>Total Revenues</b>	<b>138,495,087</b>	<b>140,842,002</b>	<b>145,998,707</b>
<b>Expenditures</b>			
Certificated Salaries	56,165,272	55,720,596	56,034,468
Classified Salaries	21,393,753	21,574,659	21,898,279
Employee Benefits	37,937,852	39,142,460	40,562,547
Books & Supplies	5,961,118	4,280,625	4,396,201
Operating Expenses	17,397,521	17,866,525	18,748,922
Capital Outlay	1,699,500	1,740,394	1,780,513
Other Outgo	270,000	270,000	270,000
Direct/Indirect Costs	(245,473)	(245,473)	(245,473)
<b>Total Expenditures</b>	<b>140,579,542</b>	<b>140,349,785</b>	<b>143,445,456</b>
Transfer In	-	-	-
Transfer Out	(184,670)	(232,149)	(297,534)
Contributions to Restricted	-	-	-
All Other Sources/Uses	-	-	-
<b>Increase/(Decrease) In Fund Balance</b>	<b>(2,269,125)</b>	<b>260,068</b>	<b>2,255,717</b>
<b>Beginning Fund Balance</b>	<b>17,561,032</b>	<b>15,291,907</b>	<b>15,551,975</b>
Non Spendable	13,700	13,700	13,700
Restricted	1,781,287	249,236	1
Committed	-	-	-
Assigned	9,273,994	11,071,581	13,481,701
Reserve for Econ. Uncertainty	4,222,926	4,217,458	4,312,290
Unassigned	-	-	-
<b>Ending Fund Balance</b>	<b>15,291,907</b>	<b>15,551,975</b>	<b>17,807,692</b>

## **MULTI-YEAR PROJECTION ASSUMPTIONS 2023 – 2026**

- 2023-2024 budget is the basis for adjustments made in the subsequent two years.
- Enrollment is projected to decrease by 44 students in 2024-2025 and decrease by 68 students in 2025-2026. As a result, certificated staff is planned to decrease by two full-time equivalents (FTE) in 2024-2025 and three FTE in 2025-2026.
- Secured property tax growth is assumed to be 5.0% in 2024-2025 and 5.0% in 2025-2026. Zero percent (0%) growth is assumed for unsecured taxes.
- Revenue from the Shoreline Education Enhancement Reserve is budgeted at the current level of \$4,179,221 for 2024-2025 and 2025-2026, which is the guaranteed amount based on the current short-term agreement.
- Salaries are increased to account for step and column movement each year. Statutory benefits for certificated staff are 21.85% for 2024-2025 and 21.85% for 2025-2026. Statutory benefits for classified staff are 36.74% for 2024-2025 and 37.44% for 2025-2026.
- Salary schedules increased by 5% in 2023-2024 as a result of a multi-year agreement with employee associations that was approved in 2021-2022. As there is no agreement for 2024-2025 nor 2025-2026, no salary schedule increase is included for those years.
- CalSTRS (certificated retirement) is forecast at the current statutory rates of 19.10% for 2024-2025 and 19.10% for 2025-2026.
- CalPERS (classified retirement) is forecast at the current statutory rates of 27.80% for 2024-2025 and 28.5% for 2025-2026.
- Health and welfare costs to increase ten percent each year in 2024-2025 and 2025-2026.
- CPI increases are applied to certain non-salary expenditures: 2.83% for 2024-2025 and 2.7% for 2025-2026.
- Routine restricted maintenance contribution is 3% of total General Fund expenditures (including transfers out) plus \$200,000.
- Net special education costs are increased by \$400,000 in each year for 2024-2025 and 2025-2026 to support student population needs.
- The transition to end the Middle College partnership with Palo Alto Unified School District results in \$325,869 less revenue in 2024-2025, and a reduction again by the same amount in 2025-2026. The revenue will be zero in 2025-2026. Staffing levels at Middle College will remain the same as the plan is for MVLA students to fill all available slots. The staffing allocation at the school sites will be adjusted accordingly.
- One-time revenue, and corresponding offsetting expenditures, from the following sources in 2023-2024 are not included in the 2024-2025 and 2025-2026 budget years:
  - State COVID Relief Funds and One-Time Grants - \$1,285,252
- Educator Effectiveness Grant - \$249,236 in annual expenditures through 2025-2026, utilizing \$1,092,424 in revenue in 2021-2022.

- One-time spending in 2023-2024 of \$1,271,814 in restricted fund carryover from 2022-2023 (federal/state dollars, donations) is not included in the 2024-2025 and 2025-2026 budget years.
- Reserve for Economic Uncertainty is a component of the unassigned balance and is calculated at the state-required minimum of 3%: \$4,217,458 in 2024-2025 and \$4,312,290 in 2025-2026.

# **GENERAL FUND**



# **OTHER FUNDS**