

District: Morgan Hill Unified School District  
 CDS #: 43-69583-0000000  
 Date of Public Hearing: June 1, 2021

**Adopted Budget  
 2021-22 Budget Attachment  
 Balances in Excess of Minimum Reserve Requirements**

**Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserve:**

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	2021-22 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$31,452,281.42	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$3,933,589.07	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$35,385,870.49	
District Standard Reserve Level		3%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$3,257,220.41	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$32,128,650.08	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2021-22 Budget	Description of Need
01	General Fund/County School Service Fund	\$464.30	Set aside CASHEE Carryover
01	General Fund/County School Service Fund	\$2,931.34	Set aside TIGG Carryover
01	General Fund/County School Service Fund	\$416,938.91	Set aside One-Time Discretionary Funds
01	General Fund/County School Service Fund	\$377,230.89	Set aside LCFF Supplemental Carryover
01	General Fund/County School Service Fund	\$42,567.67	Set aside CTE Carryover
01	General Fund/County School Service Fund	\$293,400.00	Set side MHCEA H&W Increases
01	General Fund/County School Service Fund	\$3,030,000.00	Set side MHFT Negotiations
01	General Fund/County School Service Fund	\$8,828,748.31	Technology/Facilities Identified Needs
01	General Fund/County School Service Fund	\$15,202,779.59	Fund Balance Policy requiring the District to maintain in a reserve for economic uncertainties equal to at least two months of general fund operating expenditures (BP3100). This reserve would be approximately \$18.4M less 3% required set-aside for minimum reserve indicated above.
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$3,933,589.07	Technology/Facilities Identified Needs
Total of Substantiated Needs		\$32,128,650.08	

Remaining Unsubstantiated Balance                      \$0.00                      Balance should be Zero

**Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.**