



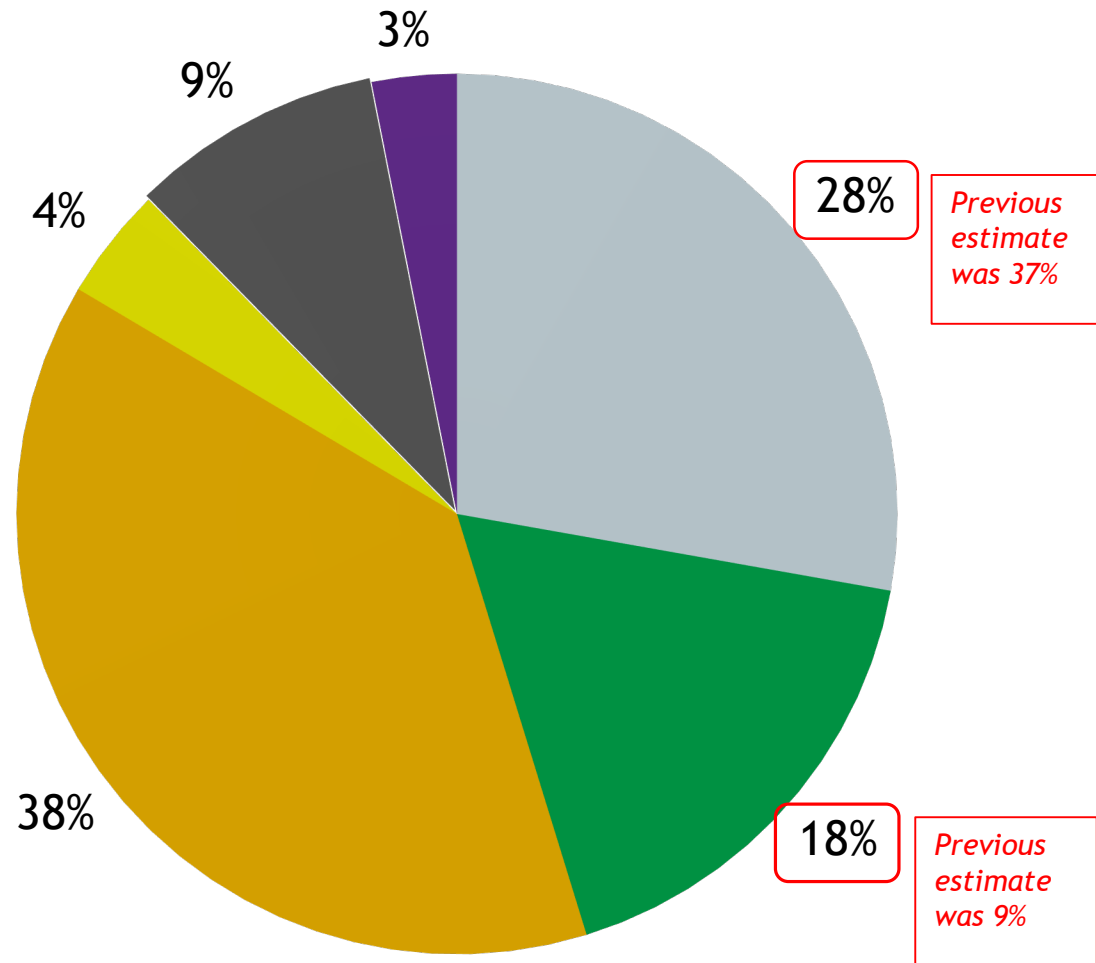
THE 2022-23 GUSD BUDGET

June 16, 2022

TOPICS

- Updates from the Public Hearing held on May 19, 2022
 - Includes costs associated with salary and benefit increase to CSEA (all bargaining units have been included)
 - Includes costs associated with the Management and Confidential salary increase.
- Updated Multi-Year Projection
- Updated Required Disclosures:
 - LCFF Overview for Parents
 - Statement of Reasons for Excess Reserves
- Next Steps

2022-23 TOTAL GENERAL FUND REVENUES

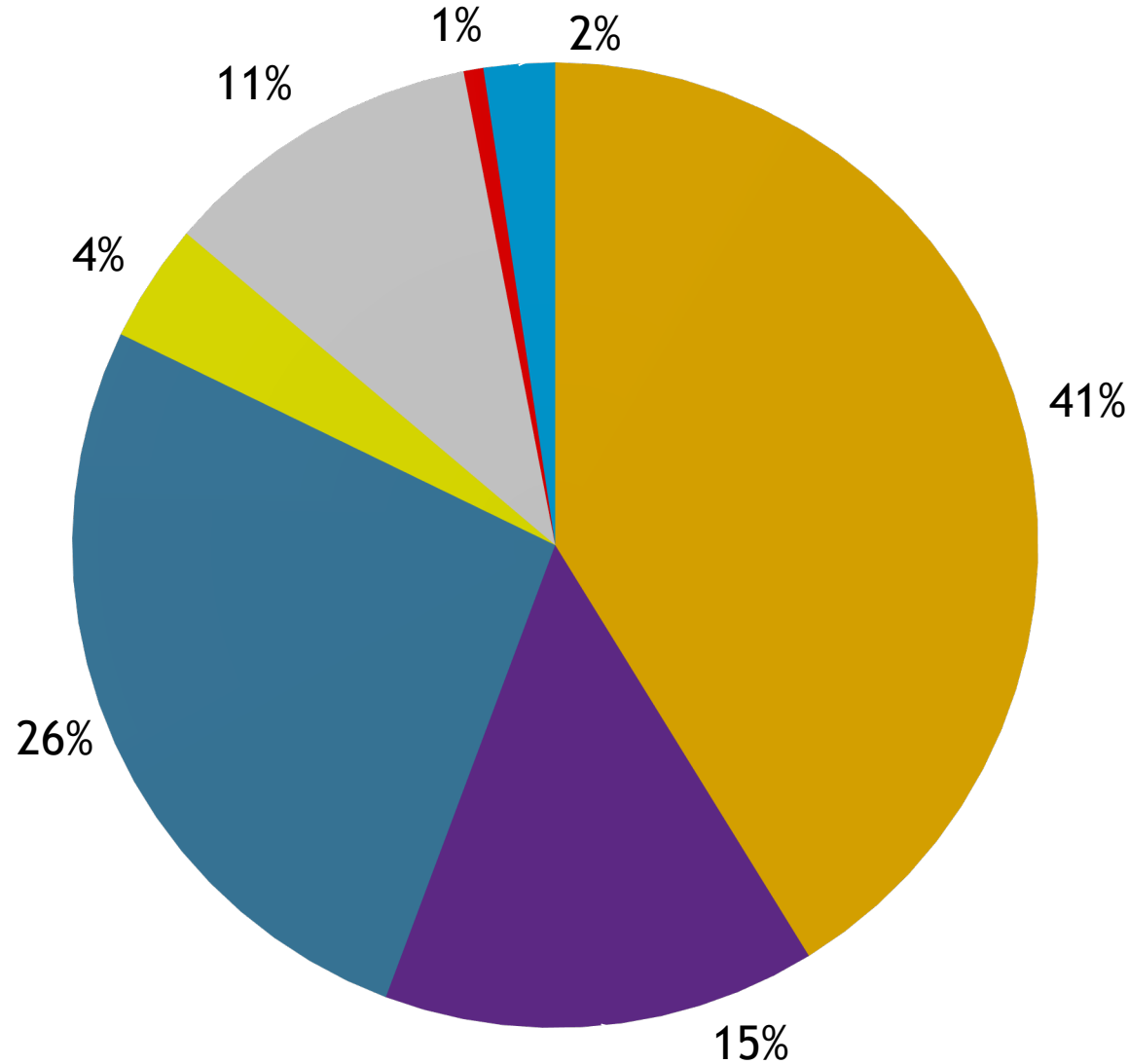


\$143,387,053

- State Aid (LCFF/RL)
- Prop 55
- Property Taxes
- Federal
- Other State Revenue
- Other Local Revenue

Prop 55, Education Protection Act will expire in 2030, shifting the burden to the State.

2022-23 TOTAL GENERAL FUND EXPENDITURES



\$150,652,116

- Certificated Salaries
- Classified Salaries
- Employee Benefits
- Books & Supplies
- Services & Other Operating Exp.
- Capital Outlay
- Other Outgo & Indirect Costs

WHAT % OF THE UNRESTRICTED GENERAL FUND IS BUDGETED FOR SALARY AND BENEFITS?

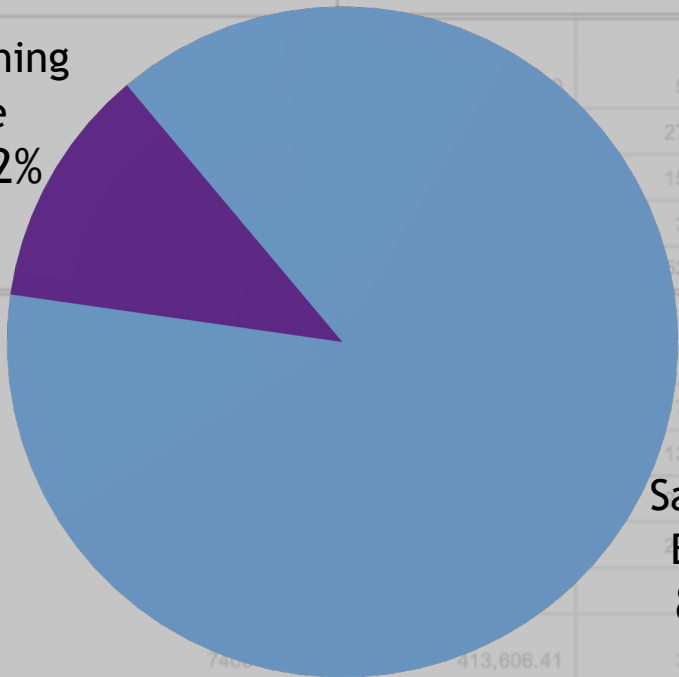
Gilroy Unified
Santa Clara

Budget, July 1
General Fund / County School Service Fund
Expenditures by Object

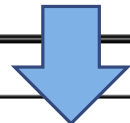
4369484000000
Form 01
D8BTXWDWBC(2022-23)

Description	Resource Codes	Object Codes	2021-22 Estimated Actuals			2022-23 Budget			% Diff Column C & F
			Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	
A. REVENUES									
1) LCFF Sources				5,638,776.00	118,516,615.00	113,282,484.00	5,656,070.00	118,938,554.00	0.4%
2) Federal Revenue				27,502,825.21	27,502,825.21	0.00	6,121,871.96	6,121,871.96	-77.7%
3) Other State Revenue				15,864,149.49	18,014,232.49	2,021,850.00	11,691,160.93	13,713,010.93	-23.9%
4) Other Local Revenue				3,984,996.57	5,194,496.57	1,249,500.00	3,364,116.00	4,613,616.00	-11.2%
5) TOTAL, REVENUES				22,990,747.27	169,228,169.27	116,553,834.00	26,833,218.89	143,387,052.89	-15.3%
B. EXPENDITURES									
1) Certificated Salaries				1,036,877.25	58,402,807.94	51,153,474.94	10,911,484.45	62,064,959.39	6.3%
2) Classified Salaries				7,850,512.91	21,337,625.89	15,151,179.28	6,701,293.02	21,852,472.30	2.4%
3) Employee Benefits				13,325,365.90	34,493,383.02	25,381,441.30	14,536,759.48	39,918,200.78	15.7%
4) Books and Supplies					27,759,809.35	2,282,589.20	3,705,777.43	5,988,366.63	-78.4%
5) Services and Other Operating Expenditures					31,134,152.20	9,245,600.59	6,999,362.51	16,244,963.10	-47.8%
6) Capital Outlay					2,757,170.44	820,000.00	175,000.00	995,000.00	-63.9%
7) Other Outgo (excluding Transfers of Indirect Costs)				413,606.41	3,773,992.41	418,909.93	3,491,570.00	3,910,479.93	3.6%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(1,499,644.08)	1,236,666.08	(262,978.00)	(709,263.13)	386,937.00	(322,326.13)	22.6%
9) TOTAL, EXPENDITURES				99,851,452.11	179,395,963.25	103,743,932.11	46,908,183.89	150,652,116.00	-16.0%

Everything else
11.62%



Salary and Benefits
88.38%



51,153,474.94
15,151,179.28
25,381,441.30

103,743,932.11

MULTI-YEAR PROJECTION (MYP) ASSUMPTIONS

2022-23 REVENUE ASSUMPTIONS

- **Based on CURRENT LAW**
- 2021-22 P2 ADA: **9,605 (90.4% ADA) – information ONLY**
- 2022-23 P2 ADA: Funded on current year estimate of 9,960 (**94% ADA**)

Funded Cost of Living Adjustments (COLAs)

- **6.56%** for statutory COLA 2022-23
- 3.61% for 2023-24
- 3.64% for 2024-25

Incorporates PowerSchool's projected in enrollment as follows:

- 29 decline in 2022-23
- 6 decline in 2023-24
- 145 decline in 2024-25

- Does NOT include the Proposal of using prior 3-year average ADA.

EXPENDITURE ASSUMPTIONS

- GTA 7.25% and HW increase INCLUDED in the 2022-23 Budget
- GFP 7.25% and HW increase INCLUDED in the 2022-23 Budget
- ✓ **CSEA 7.25% and HW increase INCLUDED in the 2022-23 Budget**
- ✓ **Management & Confidential – 7.25% & HW INCLUDED in the 2022-23 Budget.**
- Includes changes in employer mandated CalSTRS and CalPERS rates that cost \$1.8 million in 2022-23

	2021-22	2022-23
CalSTRS	16.92%	19.10%
CalPERS	22.91	25.37%

- Removes placeholder budget reductions in 2022-23 and in 2023-24 (formerly tied to enrollment decline)
- Maintains the \$500k reduction for enrollment decline in 2024-25
- Removes corresponding expenditures of the one-time grants/entitlements

MULTI-YEAR PROJECTION (MYP)



	2022-23 JUNE BUDGET			2023-24 Projection			2024-25 Projection		
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF	113,282,484	5,656,070	118,938,554	116,866,676	5,656,070	122,522,746	120,489,972	5,656,070	126,146,042
Revenue from ADB	200,000		200,000	200,000		200,000	200,000	-	200,000
Federal Revenues	-	6,121,872	6,121,872	-	6,121,872	6,121,872	-	6,121,872	6,121,872
Other State Revenues	2,021,850	11,691,161	13,713,011	2,021,850	12,113,212	14,135,062	2,021,850	12,554,133	14,575,983
Other Local Revenues	1,049,500	3,364,116	4,413,616	1,049,500	3,364,116	4,413,616	1,049,500	3,364,116	4,413,616
TOTAL, REVENUES	116,553,834	26,833,219	143,387,053	120,138,026	27,255,270	147,393,296	123,761,322	27,696,191	151,457,513
EXPENDITURES									
Placeholder cuts (24-25) Declining Enroll.			-			-	(500,000)		(500,000)
Certificated	51,153,475	10,911,484	62,064,959	51,920,777	11,075,157	62,995,934	52,699,589	11,241,284	63,940,873
Classified	15,151,179	6,701,293	21,852,472	15,454,203	6,801,812	22,256,015	15,686,016	6,903,840	22,589,856
Employee Benefits	25,381,441	14,536,759	39,918,201	25,791,162	14,754,811	40,545,973	26,178,030	14,976,133	41,154,163
Books & Supplies	2,282,589	3,705,777	5,988,367	2,282,589	3,706,378	5,988,967	2,282,589	3,706,986	5,989,575
Services & Operating Expenses	9,245,601	6,999,363	16,244,963	9,245,601	7,317,900	16,563,500	9,245,601	7,568,255	16,813,855
Capital Outlay	820,000	175,000	995,000	252,325	87,183	339,508	252,325	87,183	339,508
Other Outgo	418,910	3,491,570	3,910,480	449,358	3,527,994	3,977,352	449,358	3,527,994	3,977,352
Transfers of Indirect Costs	(709,263)	386,937	(322,326)	(793,248)	360,125	(433,123)	(804,864)	366,247	(438,617)
TOTAL, EXPENDITURES	103,743,932	46,908,184	150,652,116	104,602,767	47,631,360	152,234,127	105,488,644	48,377,921	153,866,565
Transfers Out	-	-	-	-	-	-	-	-	-
Contributions	(20,074,965)	20,074,965	-	(20,376,089)	20,376,089	-	(20,681,731)	20,681,731	-
TOTAL, OTHER SOURCES/USES	(20,074,965)	20,074,965	-	(20,376,089)	20,376,089	-	(20,681,731)	20,681,731	-
NET INCREASE (DECREASE)	(7,265,063)	-	(7,265,063)	(4,840,831)	(0)	(4,840,831)	(2,409,052)	0	(2,409,052)
FUND BALANCE									
Beginning Fund Balance	37,849,212	0	37,849,212	30,584,149	0	30,584,149	25,743,318	(0)	25,743,318
Proj. Ending Fund Balance	30,584,149	0	30,584,149	25,743,318	(0)	25,743,318	23,334,266	\$ (0)	23,334,266
Nonspendable Revolving Cash	50,000		50,000	50,000		50,000	50,000		50,000
Board Recommended Committed Balance	15,500,000			10,600,000			8,000,000		
Mimumin RESERVE	\$ 10,545,648			\$ 10,656,389			\$ 10,770,660		
UNRESTRICTED RESERVE	9.98%			9.91%			9.93%		
<i>Unassigned/Unappropriated</i>	4,488,501			4,436,929			4,513,606		

2022-23 Budget

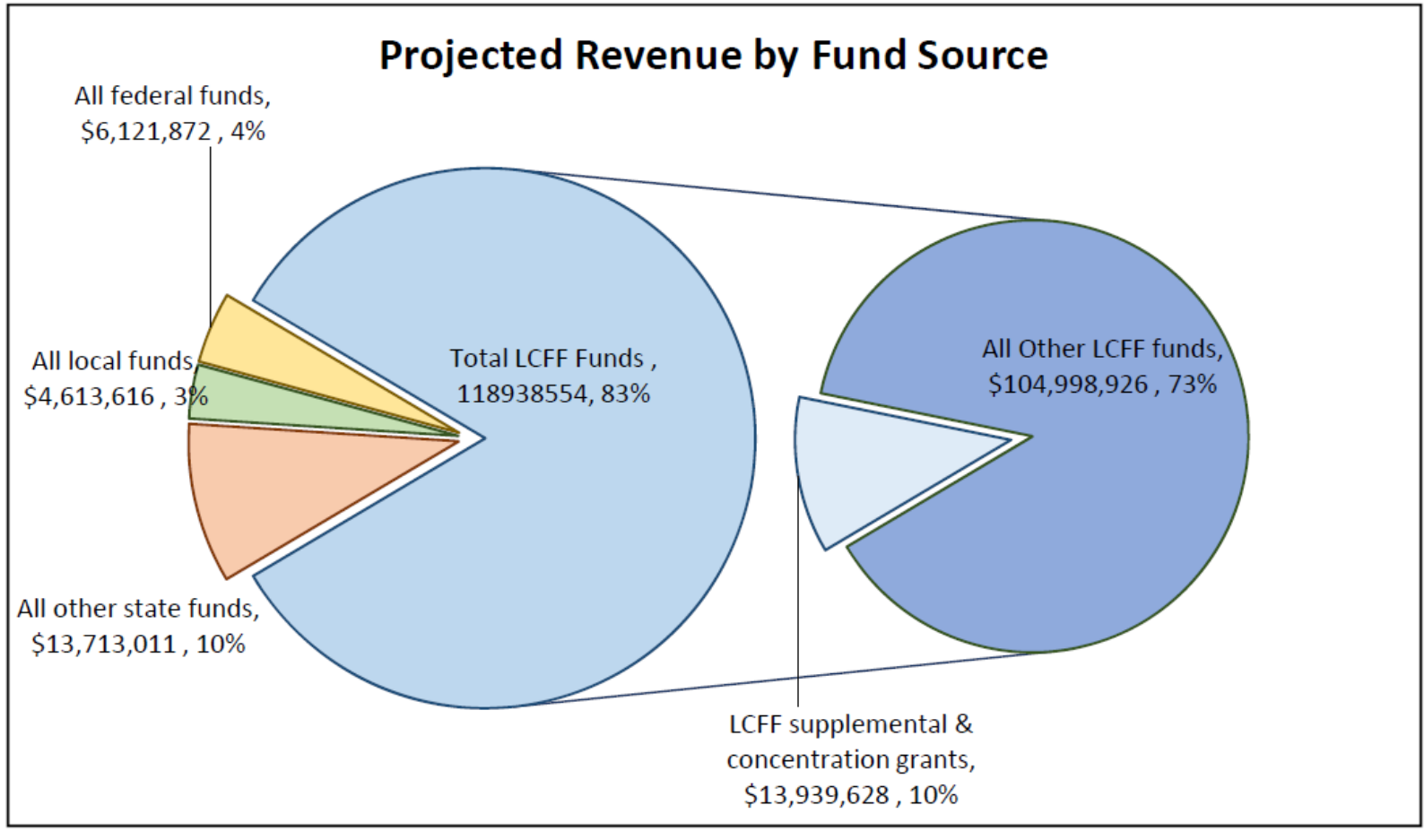
88.37%

Complies with reserve cap

BUDGET OVERVIEW FOR PARENTS

Budget Overview for the 2022 – 23 School Year

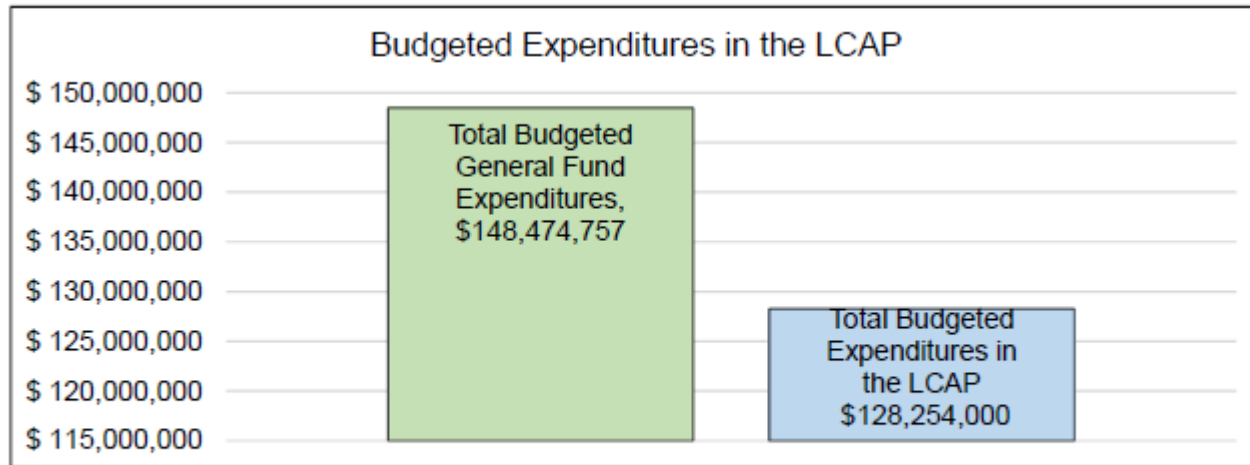
Projected Revenue by Fund Source



This chart shows the total general purpose revenue GILROY UNIFIED SCHOOL DISTRICT expects to receive in the coming year from all sources.

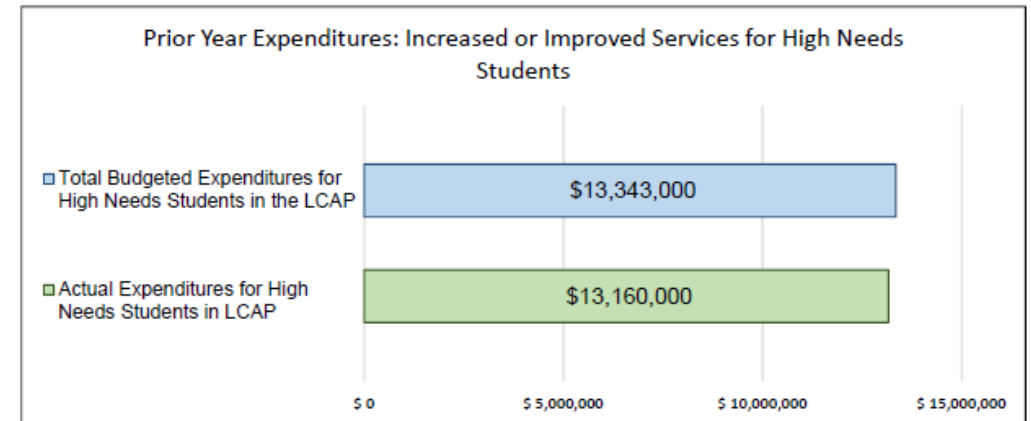
REQUIRED DISCLOSURE

BUDGET OVERVIEW FOR PARENTS



This chart provides a quick summary of how much GILROY UNIFIED SCHOOL DISTRICT plans to spend for 2022 – 23. It shows how much of the total is tied to planned actions and services in the LCAP.

Update on Increased or Improved Services for High Needs Students in 2021 – 22



This chart compares what GILROY UNIFIED SCHOOL DISTRICT budgeted last year in the LCAP for actions and services that contribute to increasing or improving services for high needs students with what GILROY UNIFIED SCHOOL DISTRICT estimates it has spent on actions and services that contribute to increasing or improving services for high needs students in the current year.

REQUIRED DISCLOSURE

STATEMENT OF REASONS FOR EXCESS RESERVES

Adopted Budget
2022-23 Budget Attachment
Balances in Excess of Minimum Reserve Requirements
Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

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	2022-23 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$30,584,149	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Pro	\$0	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$30,584,149	
District Standard Reserve Level		7%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$30,584,149	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties				
Form	Fund	2022-23 Budget	Description of Need	
01	General Fund/County School Service Fund	\$15,034,149	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The structural deficit projected in 2022-23 is (\$7.2 million), and the deficit in 2023-24 is (\$4.8 million). Prudent fiscal planning is needed to curtail the deficit.	
01	Committed Balances (see Resolution)	\$15,500,000	Committed balances include Deferred Maintenance needs, Technology replacement, and safeguard against unexpected declining enrollment.	
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.	
Total of Substantiated Needs		\$30,584,149		

Remaining Unsubstantiated Balance \$0 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.

REQUIRED DISCLOSURE

FY 2022-23

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

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	2023-24 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$25,743,318	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Prc	\$0	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$25,743,318	
District Standard Reserve Level		7%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$25,743,318	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties				
Form	Fund	2023-24 Projection	Description of Need	
01	General Fund/County School Service Fund	\$15,093,318	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The structural deficit projected in 2023-24 is (\$4.8 million), and the deficit in 2024-25 is (\$2.4 million). Prudent fiscal planning is needed to curtail the deficit.	
01	Committed Balances (see Resolution)	\$10,600,000	Committed balances include Deferred Maintenance needs, Technology replacement, and safeguard against unexpected declining enrollment.	
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.	
Total of Substantiated Needs		\$25,743,318		

Remaining Unsubstantiated Balance \$0 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.

REQUIRED DISCLOSURE

FY 2023-24 projection

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

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	2024-25 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$23,334,266	Form 01
17	Special Reserve Fund for Other Than Capital Out	\$0.00	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$23,334,266	
District Standard Reserve Level		7%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$23,334,266	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2024-25 Projection	Description of Need
01	General Fund/County School Service Fund	\$15,284,266	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The structural deficit projected in 2024-25 is (\$2.4 million). Prudent fiscal planning is needed to curtail the deficit.
01	Committed Balances (see Resolution)	\$8,000,000	Committed balances include Deferred Maintenance needs, Technology replacement, and safeguard against unexpected declining enrollment.
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.
Total of Substantiated Needs		\$23,334,266	
Remaining Unsubstantiated Balance		\$0	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.

REQUIRED DISCLOSURE

FY 2024-25 projection

NEXT STEPS



- Continue to monitor the State Budget Development Process
- State Enacted Budget by June 15, 2022
- Revised GUSD Budget in August 2022
 - Or...*Within 45 days if Enacted Budget varies significantly from our assumptions.*

RECOMMENDED BOARD ACTION

- Adopt the 2022-23 GUSD BUDGET