Updated 4:45 p.m. 6/7/21

2021-22 GUSD BUDGET

Presented to the Governing Board on June 10, 2021

Topics

GUSD

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- ✓Public Hearing on GUSD Budget conducted on May 20, 2021
- ✓Approval of the Expanded Learning Opportunities Grant
- 2021-22 GUSD Budget
  - Updated Revenue & Expenditure Assumptions from Public Hearing
- Updated Multi-Year Projection
- Disclosure on balances in “excess of reserves”
- Budget Overview for Parents

Cost of Living Adjustments included in the MYP

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FISCAL TOOLS

Local Control Funding Formula Resources

Version 22.1 of the newly designed Local Control Funding Formula (LCFF) Calculator is now available for download.
The new calculator simplifies navigation and data entry and improves the overall preparation experience.

	21-22	22-23	23-24
LCFF Funded COLA	5.07%	2.48%	3.11%
Prior Assumptions on Funded COLA	3.84%	1.28%	1.61%
Statutory COLA	1.70%	2.48%	3.11%
2020-21 COLA 2.31% + 1% super COLA (compounded)	3.366%	-	-

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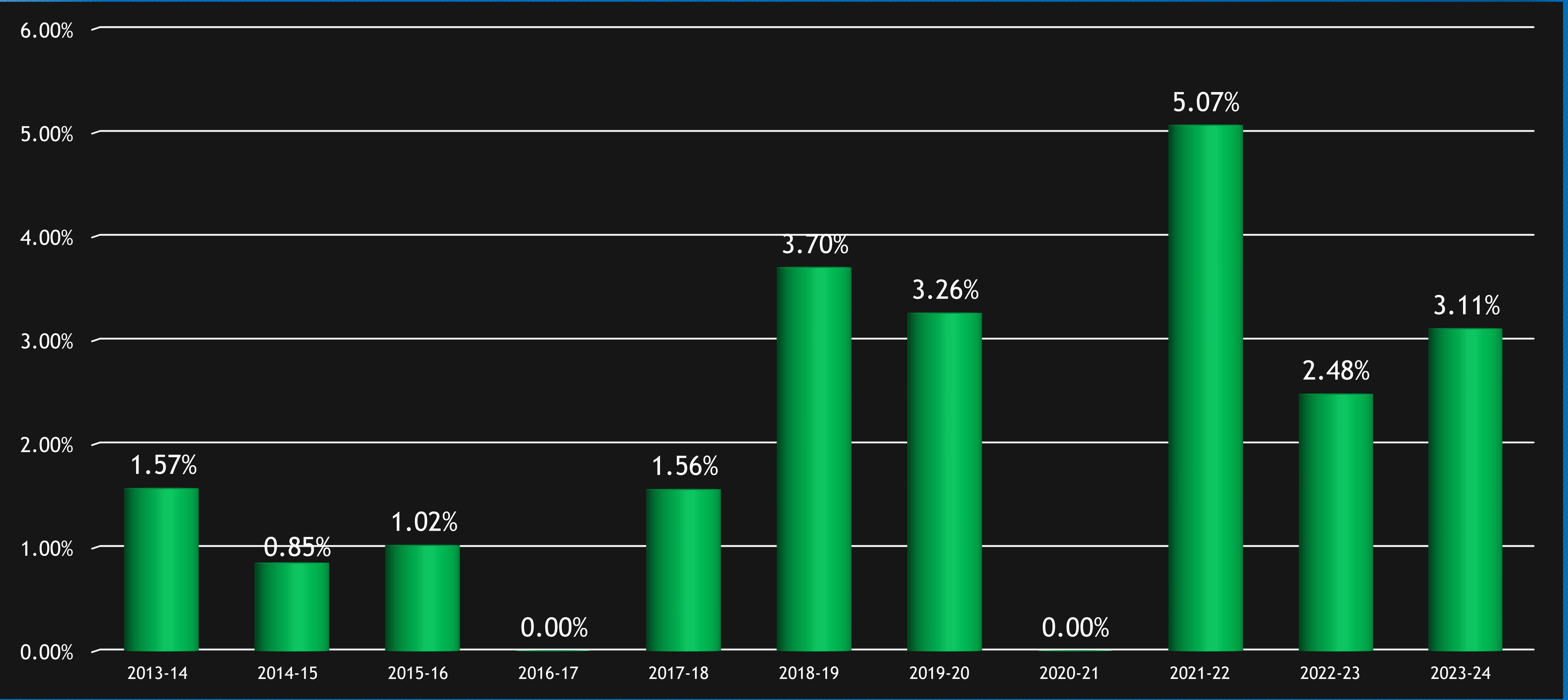
History of Funded Cost of Living Adjustments



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January Proposal vs. May Revision

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Updated with May Revise and FCMAT's LCFF Calculator

LCFF REVENUES

	2021-22 Proj.	2022-23 proj.	2023-24 Proj.
JANUARY Proposal	$ 110,557,016	$ 104,169,248	$ 104,583,775
MAY REVISION	**$ 111,981,933**	**$ 106,751,953**	**$ 108,730,356**
Diff	**$ 1,424,917**	**$ 2,582,705**	**$ 4,146,581**

*Subsequent years are using full projected COLAs

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Summary of One-Time Funds
Updated ESSER III Allocation Per CDE

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Gilroy Unified
Santa Clara County

Funding Type	Resource Code	Amount
ESSER I	3210	$1,524,983
ESSER II	3212	$4,887,242
ESSER III*	3213; 3214	Per CDE $10,977,337
ELO†	7425; 7426	$7,494,859
~~IPI**~~	~~7422~~	~~$3,449,554~~
LLM CR	3220	$6,618,538
LLM GEER I	3215	$667,016
LLM P98	7420	$909,094

ESSER III FUNDS ARE NOT INCLUDED IN THE BUDGET.

GUSD not eligible for In-person instruction grant

ESSER: Elementary Secondary School Emergency Relief Fund (I & II under Trump Administration. III is under Biden Administration)
ELO: Expanded Learning Opportunities Grant
IPI: In-person Instruction Grant
LLM CR: Learning Loss Mitigation Coronavirus Relief
GEER: Governor's Emergency Education Relief
LLM P98 – Learning Loss Mitigation General Fund

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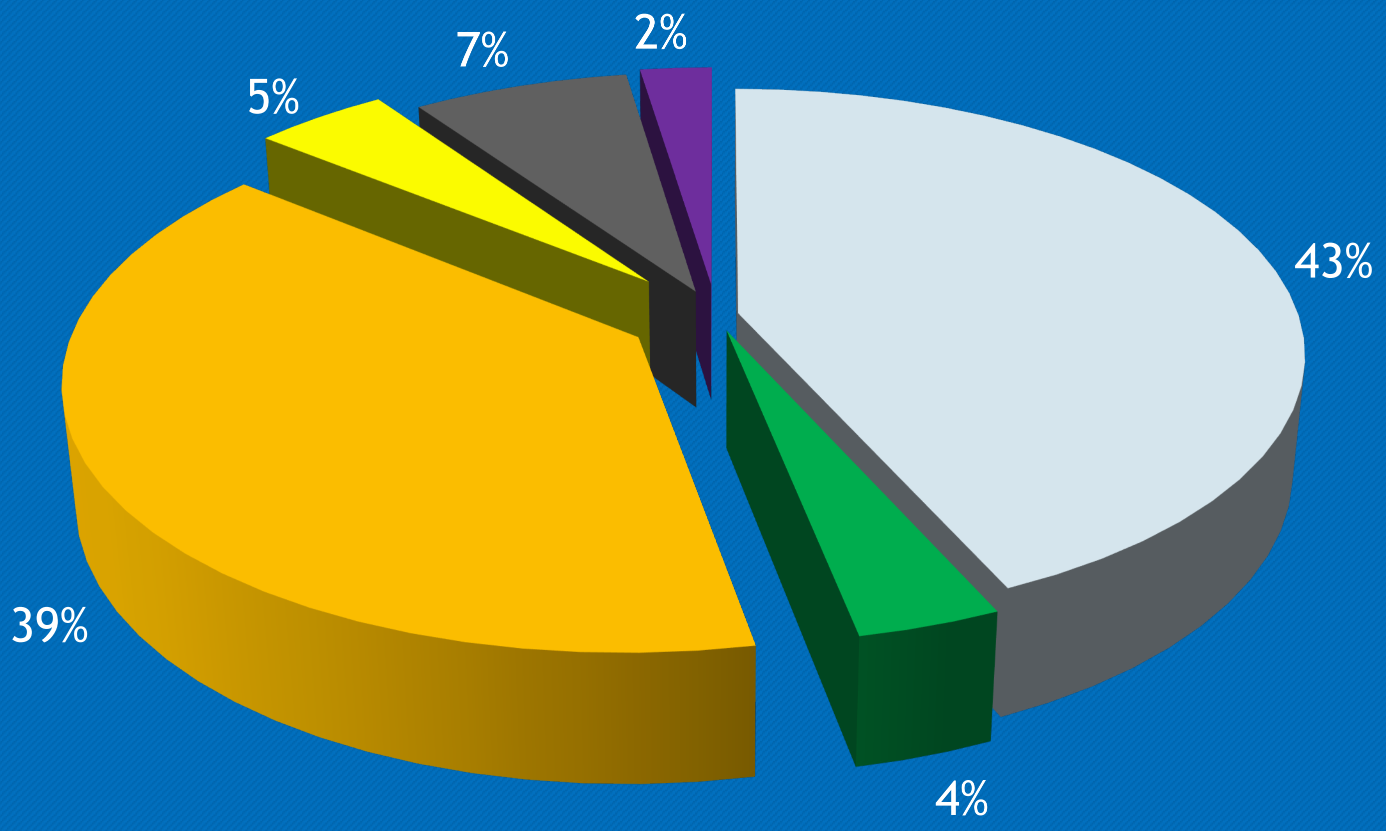
2021-22 Total General Fund Revenues



$136,604,003

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

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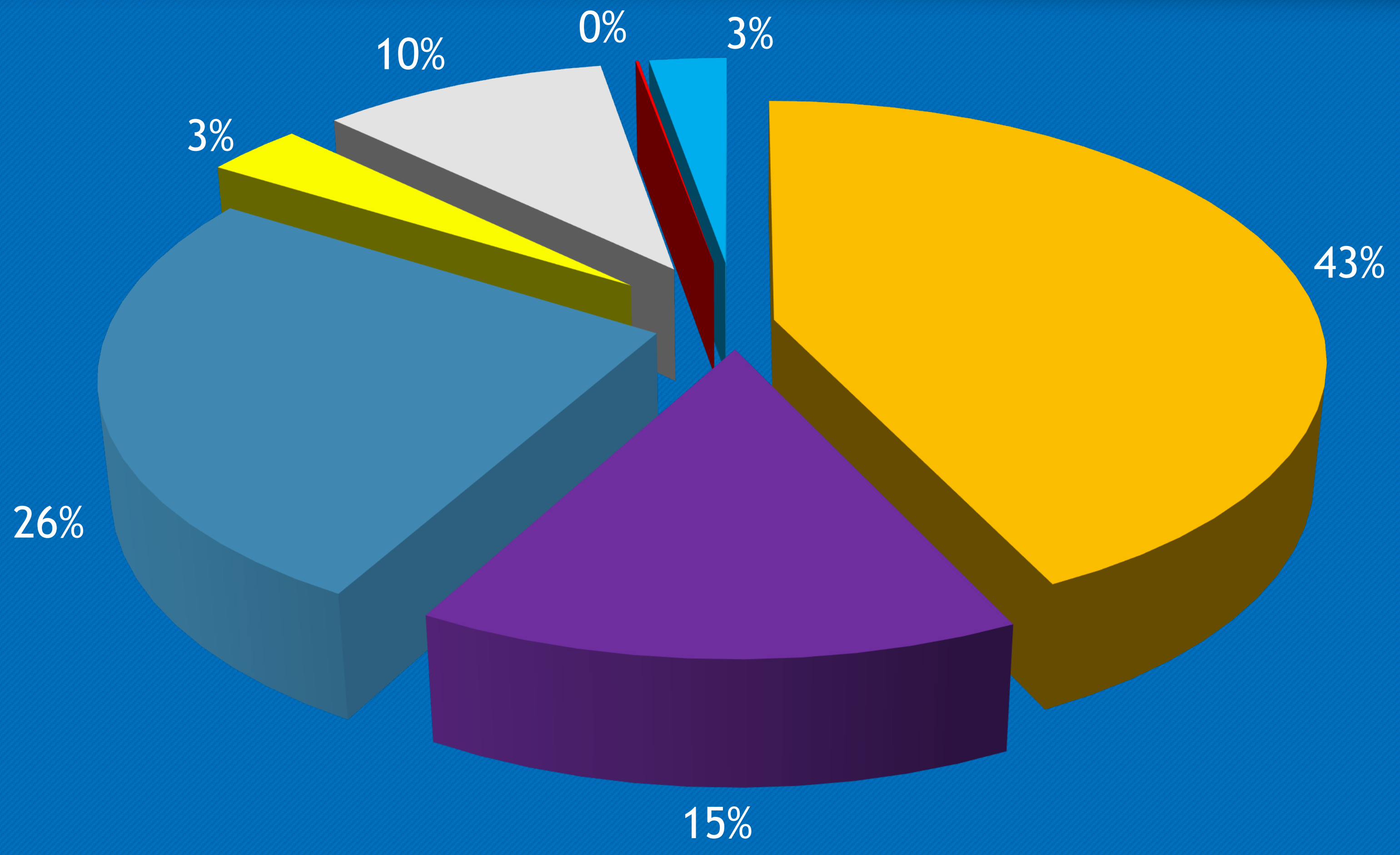
2021-22 Total General Fund Expenditures



$133,776,097

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

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Unrestricted General Fund Salary & Benefits

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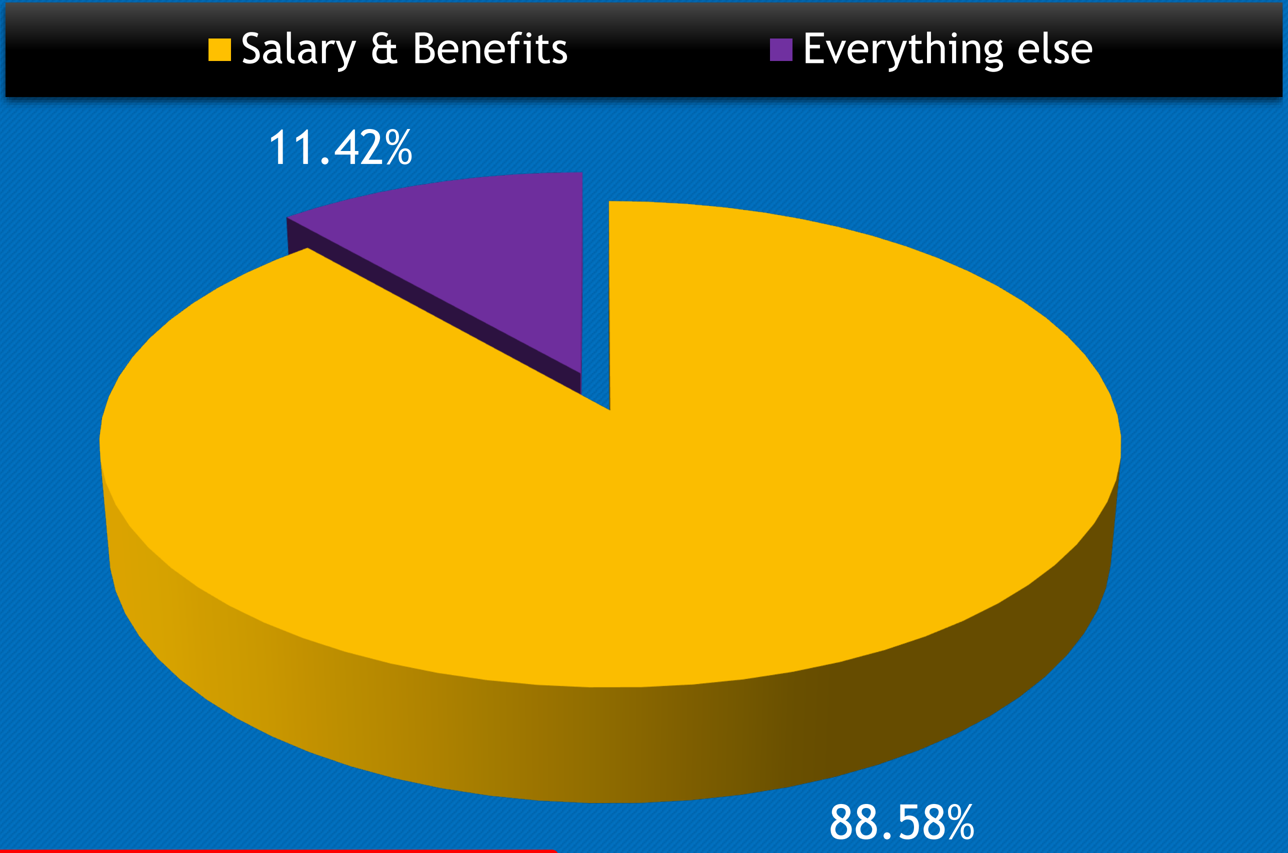
Gilroy Unified
Santa Clara County

July 1 Budget
General Fund
Unrestricted and Restricted
Expenditures by Object

43 69484 0000000
Form 01

Description	Resource Codes	Object Codes	2020-21 Estimated Actuals Unrestricted (A)	Restricted (B)	Total Fund col. A + B (C)	2021-22 Budget Unrestricted (D)	Restricted (E)	Total Fund col. D + E (F)	% Diff Column C & F
A. REVENUES									
1) LCFF Sources		8010-8099	106,948,636.00	5,215,622.00	112,164,258.00	111,981,933.00	5,301,227.00	117,283,160.00	4.6%
2) Federal Revenue		8100-8299	114,580.57	21,757,539.95	21,872,120.52	0.00	6,168,623.00	6,168,623.00	-71.8%
3) Other State Revenue		8300-8599	2,032,360.00	18,685,212.01	20,717,572.01	2,041,737.00	7,831,468.01	9,873,205.01	-52.3%
4) Other Local Revenue		8600-8799	2,439,923.74	2,988,058.47	5,427,982.21	1,169,500.00	2,109,515.00	3,279,015.00	-39.6%
5) TOTAL, REVENUES			111,535,500.31	48,646,432.43	160,181,932.74	115,193,170.00	21,410,833.01	136,604,003.01	-14.7%
B. EXPENDITURES									
1) Certificated Salaries		1000-1999	44,921,713.75	11,521,281.08	56,442,994.83	47,339,614.25	10,178,604.99	57,518,219.24	1.9%
2) Classified Salaries		2000-2999	12,691,476.58	8,318,146.70	21,009,623.28	13,423,827.22	6,732,634.36	20,156,461.58	-4.1%
3) Employee Benefits		3000-3999	19,711,291.71	12,492,398.45	32,203,690.16	21,875,791.51	12,797,372.58	34,673,164.09	7.7%
4) Books and Supplies		4000-4999	7,501,670.52	15,903,006.20	23,404,676.72	2,656,667.14	1,832,345.08	4,489,012.22	-80.8%
5) Services and Other Operating Expenditures		5000-5999	13,011,512.11	14,595,611.47	27,607,123.58	8,195,506.00	5,187,642.34	13,383,148.34	-51.5%
6) Capital Outlay		6000-6999	799,352.28	3,635,129.19	4,434,481.47	0.00	150,000.00	150,000.00	-96.6%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	423,305.95	3,477,447.00	3,900,752.95	425,305.95	3,238,353.00	3,663,658.95	-6.1%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(950,624.78)	707,199.78	(243,425.00)	(620,490.66)	362,923.66	(257,567.00)	5.8%
9) TOTAL, EXPENDITURES			98,109,698.12	70,650,219.87	168,759,917.99	93,296,221.41	40,479,876.01	133,776,097.42	-20.7%



- Salary & Benefits are 88.58% of the total budget

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GUSD LCFF Projected Revenues

Hold Harmless protections in place

If Projected COLAS beyond historical average materialize

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Expiration of the Hold Harmless

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Fiscal Year	Enrollment	Average Daily Attendance (ADA)
2019-20	11,135	* Funded at 10,600 ADA
2020-21	10,821	* Funded at 10,600 ADA
2021-22	10,395 projected	* Funded at 10,600 ADA
2022-23	10,295 projected	Hold harmless expires. Funding will be based on 2021-22 ADA (est. 9,849 *)

$5 million revenue loss in a single year!

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MULTI-YEAR PROJECTION

Key Assumptions of the Multi-Year Projections

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Revenues

- Includes 5.07% Cost of Living Adjustment (COLA)
- Assumes a 2.48% COLA in 2022-23
- Assumes a 3.11% COLA in 2023-24
- Assumes a declining enrollment of 100 students in each 2022-23 and 2023-24

Expenditures

- Reduced Sp Ed contribution by $394k
- Includes increase to the CalSTRS employer rate (16.92%)
- Includes increase to the CalPERS employer rate (22.91%)
- Adds $850k for the increase in Unemployment Insurance
- Eliminated Transfer Out to the Food Service Fund ($1 M)
- Removed placeholder cuts in subsequent years – *linked to Trigger on Reserve Cap*

Summary of Multi-Year Projection

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Full MYP Version is posted with the agenda

	2020-21 Estimated Actuals	2021-22 Budget COLA: 5.07%	2022-23 Projection COLA: 2.48% (Hold Harmless Expires)	2023-24 Projection COLA: 3.11%
Revenues	160,181,933	136,604,003	131,540,651	133,822,643
Expenditures	168,759,918	133,776,097	137,574,431	140,397,731
Transfers Out	1,145,333	-	-	-
Net increase (decrease)	(9,723,318)	2,827,906	(6,033,781)	(6,575,288)
Beg. Fund Balance	35,341,355	25,618,037	28,445,942	22,412,161
Fund Balance	25,618,037	28,445,942	22,412,161	15,836,873
Reserves (7% min)	11,893,368	9,364,327	9,630,210	9,827,855
Reserve	15.05%	21.23%	16.25%	11.24%

Updated 4:45 p.m. 6/7/21

Statement of Reasons for Excess Reserves

REQUIRED DISCLOSURE

FY 2021-22

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 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	**2021-22 Budget**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$28,445,942	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$28,445,942	
	District Standard Reserve Level	7%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$9,364,327	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$19,081,615	

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	$19,031,615	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The deficit spending projected for 2022-23 is over $6 million. By 2023-24, the deficit spending is over $8.5 million.
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$19,081,615	
	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.

Updated 4:45 p.m. 6/7/21

Statement of Reasons for Excess Reserves

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Adopted Budget
2021-22 Projection 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 Projection**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$22,412,161	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$22,412,161	
	District Standard Reserve Level	7%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$9,630,210	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$12,781,951	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	**Fund**	**2022-23 Projection**	**Description of Need**
01	General Fund/County School Service Fund	$12,731,951	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The deficit spending projected for 2022-23 is over $6 million. By 2023-24, the deficit spending is over $8.5 million.
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$12,781,951	
	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

Updated 4:45 p.m. 6/7/21

Statement of Reasons for Excess Reserves

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REQUIRED DISCLOSURE

FY 2023-24

Adopted Budget
2022-23 Projection 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	**2023-24 Projection**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$15,836,873	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0.00	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$15,836,873	
	District Standard Reserve Level	7%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$9,827,855	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$6,009,018	

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	$5,959,018	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. The deficit spending projected for 2022-23 is over $6 million, and remains at that same level through 2023-24, despite a 3.11% COLA. The District lost 314 studetns last year. The subsequent years only include a decline of 100 students per year. The District must be prepared should the decline in enrollment be higher than anticipated.
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$6,009,018	
	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.

Updated 4:45 p.m. 6/7/21

Budget Overview of Parents

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2021-22 LCFF Budget Overview for Parents Data Input Sheet

Local Educational Agency (LEA) Name:	Gilroy Unified School District
CDS Code:	43694840000000
LEA Contact Information:	Name: Deborah Flores Position: Superintendent Phone: debbie.flores@gilroyunified.org
Coming School Year:	2021-22
Current School Year:	2020-21

*NOTE: The "High Needs Students" referred to in the tables below are Unduplicated Students for LCFF funding purposes.

Projected General Fund Revenue for the 2021-22 School Year	Amount
Total LCFF Funds	$117,283,160
LCFF Supplemental & Concentration Grants	$13,070,226
All Other State Funds	$9,873,205
All Local Funds	$3,279,015
All federal funds	$6,168,623
Total Projected Revenue	$136,604,003

Total Budgeted Expenditures for the 2021-22 School Year	Amount
Total Budgeted General Fund Expenditures	$134,000,160
Total Budgeted Expenditures in the LCAP	$124,085,500
Total Budgeted Expenditures for High Needs Students in the LCAP	$16,313,000
Expenditures not in the LCAP	$9,914,660

Expenditures for High Needs Students in the 2020-21 School Year	Amount
Total Budgeted Expenditures for High Needs Students in the Learning Continuity Plan	$1,190,000
Actual Expenditures for High Needs Students in Learning Continuity Plan	$1,690,000

Funds for High Needs Students	Amount
2021-22 Difference in Projected Funds and Budgeted Expenditures	$3,242,774
2020-21 Difference in Budgeted and Actual Expenditures	$500,000

Required Prompts(s)	Response(s)
Briefly describe any of the General Fund Budget Expenditures for the school year not included in the Local Control and Accountability Plan (LCAP).	GILROY UNIFIED SCHOOL DISTRICT must demonstrate the planned actions and services will increase or improve services for high needs students compared to the services all students receive in proportion to the increased funding it receives for high needs students. Approximately 88.5% of the Unrestricted General Fund expenditures go towards all employee salary and benefits. The remaining general fund expenditures provide ongoing services, supplies, maintenance and operations to support the mission of the district.
	With the District's unduplicated count exceeding 55%, GUSD is able to utilize supplemental and concentration funds towards increasing teacher salaries in direct support of the Board's goal to retain and attract highly qualified teachers. This effort has led to an increase to overall teacher salary and benefits to be able to attract and retain teachers using supplemental and concentration funds
The amount budgeted to increase or improve services for high needs students in the 2021-22 LCAP is less than the projected revenue of LCFF supplemental and concentration grants for 2021-22. Provide a brief description of the additional actions the LEA is taking to meet its requirement to improve services for high needs students.	The 21-22 budget also continues a number of key actions and services from the 21-22 LCAP that contribute to the increased percentage for ELs, low income students and foster youth. These additional actions include additional Intervention Specialists that support the academic needs of students; Academic Coaches and Instructional Specialists to support teachers in meeting the needs of students; professional development specifically targeted to pupils with unique needs, professional development and Coach support for implementation of SEAL (Sobrato Early Academic Language) and GLAD (Guided Language Acquisition Design).

Next steps

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- Continue to monitor the State Budget Development process
- State Enacted Budget by June 15, 2021
- Revised GUSD Budget in late September 2021
  - *Or…Within 45 days if Enacted Budget varies significantly from our assumptions.*

Recommended Board Action

- Adopt the 2021-22 GUSD Budget.