GUSD 2020-21 BUDGET

Presented to the Governing Board on Thursday, June 11, 2020

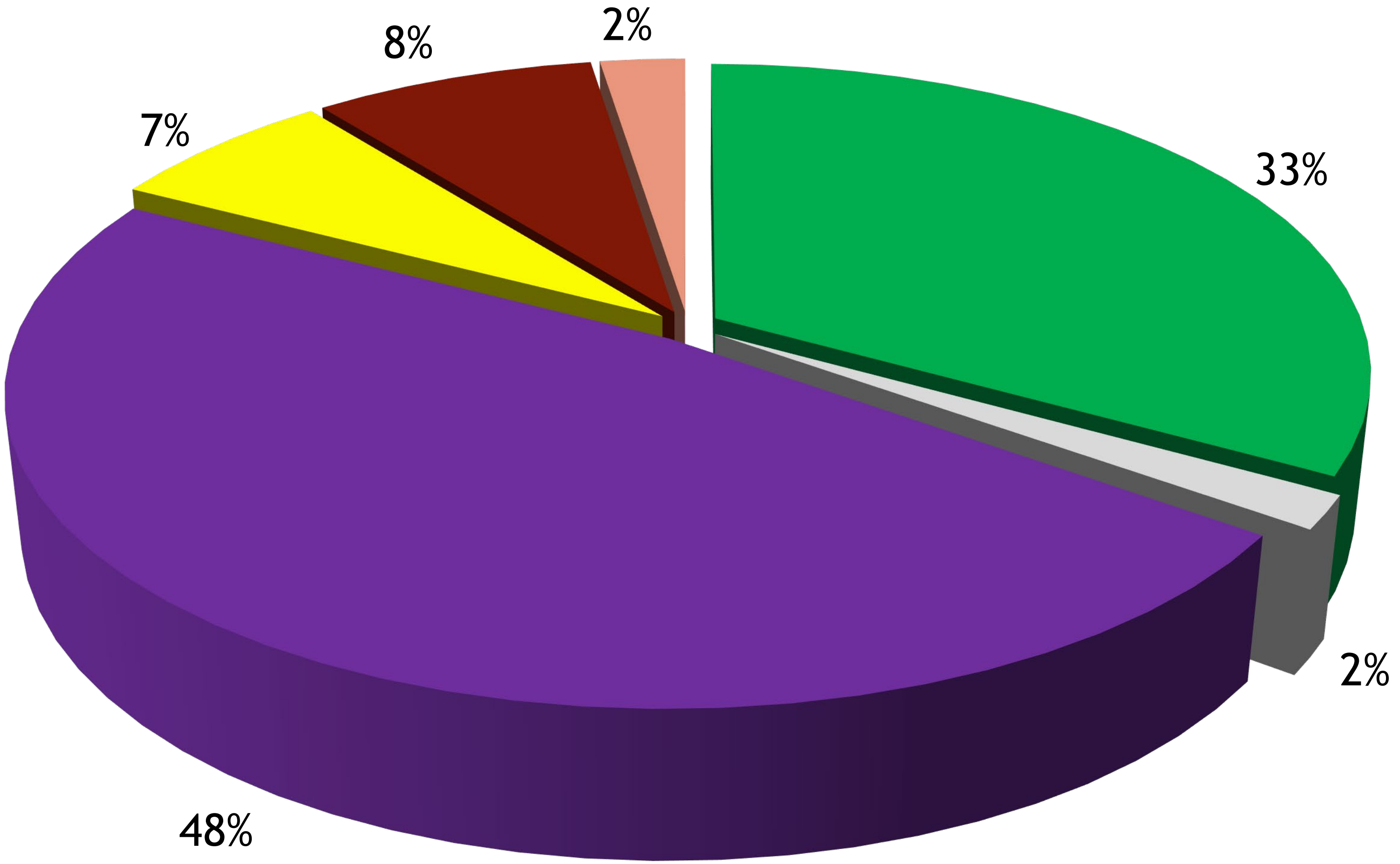
GUSD

EXCELLENCE: IT TAKES EVERYONE!

Topics

- ✓ Public Hearing on the Budget conducted on May 28, 2020
- ✓ Covid-19 Impact on State Revenues and Prop 98
- 2020-21 GUSD Budget
  - Updated Revenue & Expenditure Assumptions from the Public Hearing
- Updated Multi-Year Projection
- Disclosure on balances in “excess of reserves”
- Next Steps

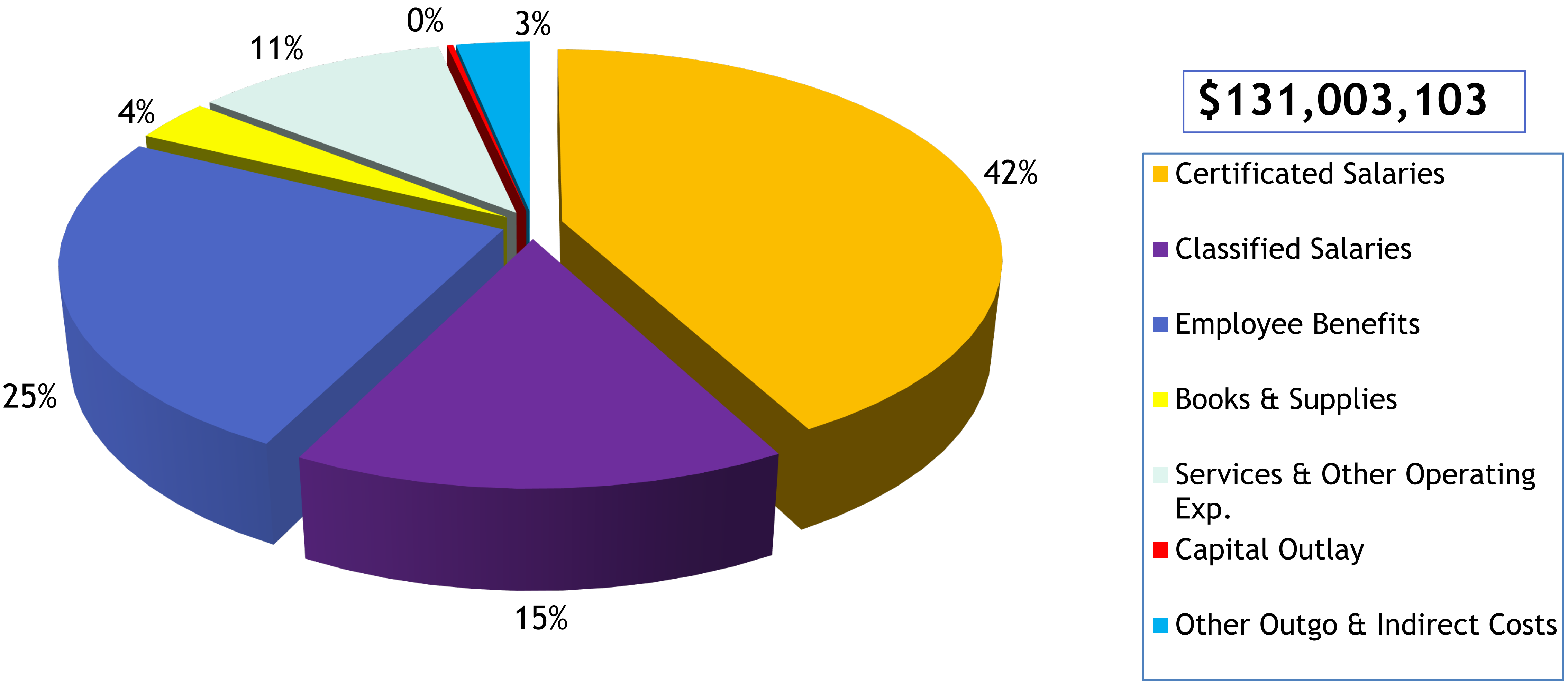
2020-21 Total General Fund Revenues



$125,031,724

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

2020-21 Total General Fund Expenditures



Key Assumptions of the Multi-Year Projection

Revenues

- Includes 10% reduction to LCFF
  - $11 million reduction!
  - Revenues decreased by $75,337 in 2020-21 Per LCFF FCMAT Calculator
- Includes $1.8 million in Federal Revenue in ESSER Funds (Restricted Federal Revenue). Prior estimate was $1.5 million.
- Total Contributions (Sp Ed) reduced by $182,095, per SELPA revenue projections in 2020-21.
- Zero COLA through 2022-23 (no new revenues)
- Projected enrollment decline of 100 per year in MYP, results in a *net reduction to revenues in 2021-22.*
- Does not include any part of $4.4 billion CARES ACT funds
- Draw down on reserves in 2020-21, plan for Fiscal Solvency efforts in subsequent years.

Expenditures

- Immediate efforts to boost reserves and limit spending now.
- Holding vacancies to avoid layoffs, staffing tightly into August.
- Removes $950k equipment replacement budget to reduce future cuts.
- Placeholder budget reduction of $6 million for fiscal year 2021-22 .
- Placeholder budget reduction of $5 million for fiscal year 2022-23.
- Includes reduced pension rates for 2020-21 and 2021-22.

Highlighted text notes changes from the Public Hearing on the Budget on May 28, 2020

MULTI-YEAR PROJECTION

	2019-20 Estimated Actuals			2020-21 Projection BASED ON MAY REVISE			2021-22 Projection (absent Federal Aid)			2022-23 Projection (absent Federal Aid)		
REVENUES	**Unrestricted**	Restricted	Total	**Unrestricted**	Restricted	Total	**Unrestricted**	Restricted	Total	**Unrestricted**	Restricted	Total
LCFF	**104,107,955**	6,274,488	110,382,443	**98,137,041**	5,166,802	103,303,843	**97,005,820**	6,274,488	103,280,308	**96,064,643**	5,166,802	101,231,445
New LCFF Ongoing Revenues	**1,985,122**	-	1,985,122	-	-	-	-	-	-		-	-
One Time Revenues (Sp Ed)	900,997	-	900,997	-	-	-	-	-	-	-	-	-
Revenue from ADB				120,000		120,000	160,000		160,000	200,000		200,000
CRS FUNDS through STATE				-		-	-		-			-
Federal Revenues (include one-time ESSER funds FY20-21)	114,581	8,440,359	8,554,939	114,581	8,257,127	8,371,707	114,581	6,457,127	6,571,707	114,581	6,457,127	6,571,707
Other State Revenues	2,057,931	10,396,605	12,454,536	2,057,931	8,196,346	10,254,277	2,057,931	8,418,467	10,476,398	2,057,931	8,646,607	10,704,538
Other Local Revenues	1,084,500	502,159	1,586,659	994,500	1,987,397	2,981,897	994,500	1,987,397	2,981,897	994,500	1,987,397	2,981,897
TOTAL, REVENUES	**110,251,086**	**25,613,611**	**135,864,697**	**101,424,053**	**23,607,671**	**125,031,724**	**100,332,832**	**23,137,478**	**123,470,310**	**99,431,655**	**22,257,933**	**121,689,587**
EXPENDITURES												
Fiscal Solvency Phase 1	Boost reserves NOW, prior to June 30th			-		-	-		-	-	-	-
Fiscal Solvency Phase 2			-	Identify Phase 2 cuts by 1st Interim (Dec 2020)			(6,000,000)		(6,000,000)	(6,000,000)	-	(6,000,000)
Fiscal Solvency Phase 3			-	-		-	Identify Phase 3 cuts by 1st Interim (Dec 2021)			(5,000,000)	-	(5,000,000)
Certificated	44,783,781	9,811,500	54,595,281	45,184,117	10,050,428	55,234,545	45,861,878	10,201,185	56,063,063	46,549,807	10,354,202	56,904,009
Classified	12,902,919	7,056,722	19,959,641	12,788,149	7,190,852	19,979,002	12,979,972	7,298,715	20,278,687	13,174,671	7,408,196	20,582,867
Employee Benefits	20,329,875	13,228,195	33,558,069	19,889,414	12,607,365	32,496,779	19,729,035	12,861,990	32,591,025	21,176,035	13,122,249	34,298,284
Books & Supplies	6,061,728	5,898,811	11,960,538	2,214,439	2,168,593	4,383,032	2,599,394	3,850,247	6,449,641	2,999,394	2,912,877	5,912,271
Services & Operating Expenses	10,496,781	7,545,574	18,042,355	8,195,506	6,164,471	14,359,977	8,195,506	3,773,658	11,969,164	8,195,506	3,600,846	11,796,352
Capital Outlay	775,268	426,848	1,202,115	252,325	100,000	352,325	252,325	87,183	339,508	252,325	87,183	339,508
Other Outgo	224,255	3,796,315	4,020,570	429,729	3,998,946	4,428,675	436,175	3,763,985	4,200,160	442,717	3,763,985	4,206,702
Transfers of Indirect Costs	(860,189)	629,463	(230,726)	(745,186)	513,954	(231,232)	(778,300)	775,258	(3,042)	(778,300)	775,258	(3,042)
TOTAL, EXPENDITURES	**94,714,418**	**48,393,426**	**143,107,844**	**88,208,493**	**42,794,609**	**131,003,103**	**83,275,984**	**42,612,221**	**125,888,205**	**81,012,155**	**42,024,796**	**123,036,951**
Contributions	(19,236,935)	19,236,935	-	(19,186,938)	19,186,938	-	(19,474,742)	19,474,742	-	(19,766,863)	19,766,863	-
TOTAL, OTHER SOURCES/USES	**(19,236,935)**	19,236,935	-	**(19,186,938)**	19,186,938	-	**(19,474,742)**	19,474,742	-	**(19,766,863)**	19,766,863	-
NET INCREASE (DECREASE)	**(3,700,267)**	**(3,542,880)**	(7,243,147)	**(5,971,379)**	**-**	(5,971,379)	**(2,417,895)**	**(0)**	(2,417,895)	**(1,347,363)**	**(0)**	(1,347,364)
Beginning Fund Balance	22,402,124	3,542,880	25,945,004	18,701,857	-	18,701,857	12,730,478	-	12,730,478	10,312,583	-	10,312,583
Proj. Ending Fund Balance	**18,701,857**	**-**	18,701,857	**12,730,478**	**(0)**	12,730,478	**10,312,583**	**(0)**	10,312,583	**8,965,220**	**(0)**	8,965,219
Nonspendable Revolving Cash	50,000		50,000	50,000		50,000	50,000		50,000	50,000		50,000
Miminum RESERVE	**$ 10,017,549**			**$ 9,170,217**			**$ 8,812,174**			**$ 8,612,587**		
UNRESTRICTED RESERVE	**13.03%**			**9.68%**			**8.15%**			**7.25%**		
Unassigned/Unappropriated	*8,634,308*			*3,510,261*			*1,450,409*			*302,633*		

MULTI-YEAR PROJECTION – UNRESTRICTED ONLY

	2019-20 Estimated Actuals	2020-21 Projection BASED ON MAY REVISE	2021-22 Projection (absent Federal Aid)	2022-23 Projection (absent Federal Aid)
REVENUES	**Unrestricted**	**Unrestricted**	**Unrestricted**	**Unrestricted**
LCFF	**104,107,955**	**98,137,041**	**97,005,820**	**96,064,643**
New LCFF Ongoing Revenues	**1,985,122**	-	-	
One Time Revenues (Sp Ed)	**900,997**	-	-	-
Revenue from ADB		120,000	160,000	200,000
CRS FUNDS through STATE		-	-	
Federal Revenues (include one-time ESSER funds FY20-21)	114,581	114,581	114,581	114,581
Other State Revenues	2,057,931	2,057,931	2,057,931	2,057,931
Other Local Revenues	1,084,500	994,500	994,500	994,500
TOTAL, REVENUES	**110,251,086**	**101,424,053**	**100,332,832**	**99,431,655**
EXPENDITURES				
Fiscal Solvency Phase 1	Boost reserves	-	-	-
Fiscal Solvency Phase 2		Identify Phase 2	(6,000,000)	(6,000,000)
Fiscal Solvency Phase 3		-	Identify Phase 3	(5,000,000)
Certificated	44,783,781	45,184,117	45,861,878	46,549,807
Classified	12,902,919	12,788,149	12,979,972	13,174,671
Employee Benefits	20,329,875	19,889,414	19,729,035	21,176,035
Books & Supplies	6,061,728	2,214,439	2,599,394	2,999,394
Services & Operating Expenses	10,496,781	8,195,506	8,195,506	8,195,506
Capital Outlay	775,268	252,325	252,325	252,325
Other Outgo	224,255	429,729	436,175	442,717
Transfers of Indirect Costs	(860,189)	(745,186)	(778,300)	(778,300)
TOTAL, EXPENDITURES	**94,714,418**	**88,208,493**	**83,275,984**	**81,012,155**
Contributions	(19,236,935)	(19,186,938)	(19,474,742)	(19,766,863)
TOTAL, OTHER SOURCES/USES	**(19,236,935)**	**(19,186,938)**	**(19,474,742)**	**(19,766,863)**
NET INCREASE (DECREASE)	**(3,700,267)**	**(5,971,379)**	**(2,417,895)**	**(1,347,363)**
Beginning Fund Balance	22,402,124	18,701,857	12,730,478	10,312,583
Proj. Ending Fund Balance	**18,701,857**	**12,730,478**	**10,312,583**	**8,965,220**
Nonspendable Revolving Cash	50,000	50,000	50,000	50,000
Miminum RESERVE	**$ 10,017,549**	**$ 9,170,217**	**$ 8,812,174**	**$ 8,612,587**
UNRESTRICTED RESERVE	**13.03%**	**9.68%**	**8.15%**	**7.25%**
Unassigned/Unappropriated	*8,634,308*	*3,510,261*	*1,450,409*	*302,633*

Summary of MYP Highlights impact of Potential Budget Reductions – PENDING STATE BUDGET REVISION IN AUGUST 2020

Adopted Budget
2020-21 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.

Required Disclosure

2020-21 FY

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2020-21 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$12,730,478	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$12,730,478	
	District Standard Reserve Level	$0	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$9,170,217	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$3,560,261	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	**Fund**	**2020-21 Budget**	**Description of Need**
01	General Fund/County School Service Fund	$3,510,261	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. Absent place holder cuts of $6 million in 2021-22, and another $5 million in 2022-23, there would not be "excess reserves."
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$3,560,261	
	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.

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

Required Disclosure

2021-22 FY

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 Projection**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$10,312,583.00	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Projects	$0.00	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$10,312,583.00	
	District Standard Reserve Level	7%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$8,812,174.00	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$1,500,409.00	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	**Fund**	**2021-22 Projection**	**Description of Need**
01	General Fund/County School Service Fund	$1,450,409	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. Absent place holder cuts of $6 million in 2021-22, and another $5 million in 2022-23, there would not be "excess reserves."
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$1,500,409.00	
	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.

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.

Required Disclosure

2022-23 FY

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	**2022-23 Projection**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$8,965,220.00	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0.00	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$8,965,220.00	
	District Standard Reserve Level	7%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$8,612,587.00	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$352,633.00	

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	$302,633	Board Policy requires a minimum of 7% reserves designated for economic uncertainty. Absent place holder cuts of $6 million in 2021-22, and another $5 million in 2022-23, there would not be "excess reserves."
01	Nonspendable Revolving Cash	$50,000	Revolving cash balance is for emergency purposes.
	Total of Substantiated Needs	$352,633.00	
	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.

Next Steps…

- June 11 – Requested action from the Governing Board:
  - Recommend Approval of the GUSD 2020-21 Budget
- June 15 – California Legislative deadline to submit a budget to the Governor
- July 1 – Deadline for Governor Newsom to sign a budget into law
- July 15 – Deadline to file 2019 taxes
- August – Revised State Budget
  - ➢ Budget Development Calendar for the 2021-22 Fiscal Year
  - ➢ Fiscal Solvency Plan to define placeholder cuts in MYP
- September – Unaudited Actuals & Revised GUSD Budget