



ADOPTION OF THE 2023-24 GUSD BUDGET

June 15, 2023

TOPICS

- Key changes to the 2023-24 Budget from the Public Hearing held on May 18, 2023
- Highlight Pension Costs during 2022-23 Fiscal Year
- Updated MYP
- Updated Disclosure Requirements

KEY CHANGES TO THE GUSD 2023-24 BUDGET SINCE PUBLIC HEARING

Cost of Living Adjustment (COLA)s

- Estimated COLA for 2024-25 and 2025-26 have been updated

	2024-25 COLA estimate	2025-26 COLA estimate
Public Hearing (May 18th)	3.54%	3.31%
Budget Adoption (June 15th)	3.94%	3.29%

Contributions to Special Education (COE costs)

- Based on SELPA's latest 2023-24 cost estimates

	2022-23	2023-24
Public Hearing (May 18th)	\$15,717,000	\$16,624,917
Budget Adoption (June 15th)	\$15,717,000	\$16,317,000

One time funds during Covid specific to Sp Ed services helped with 2022-23 costs.

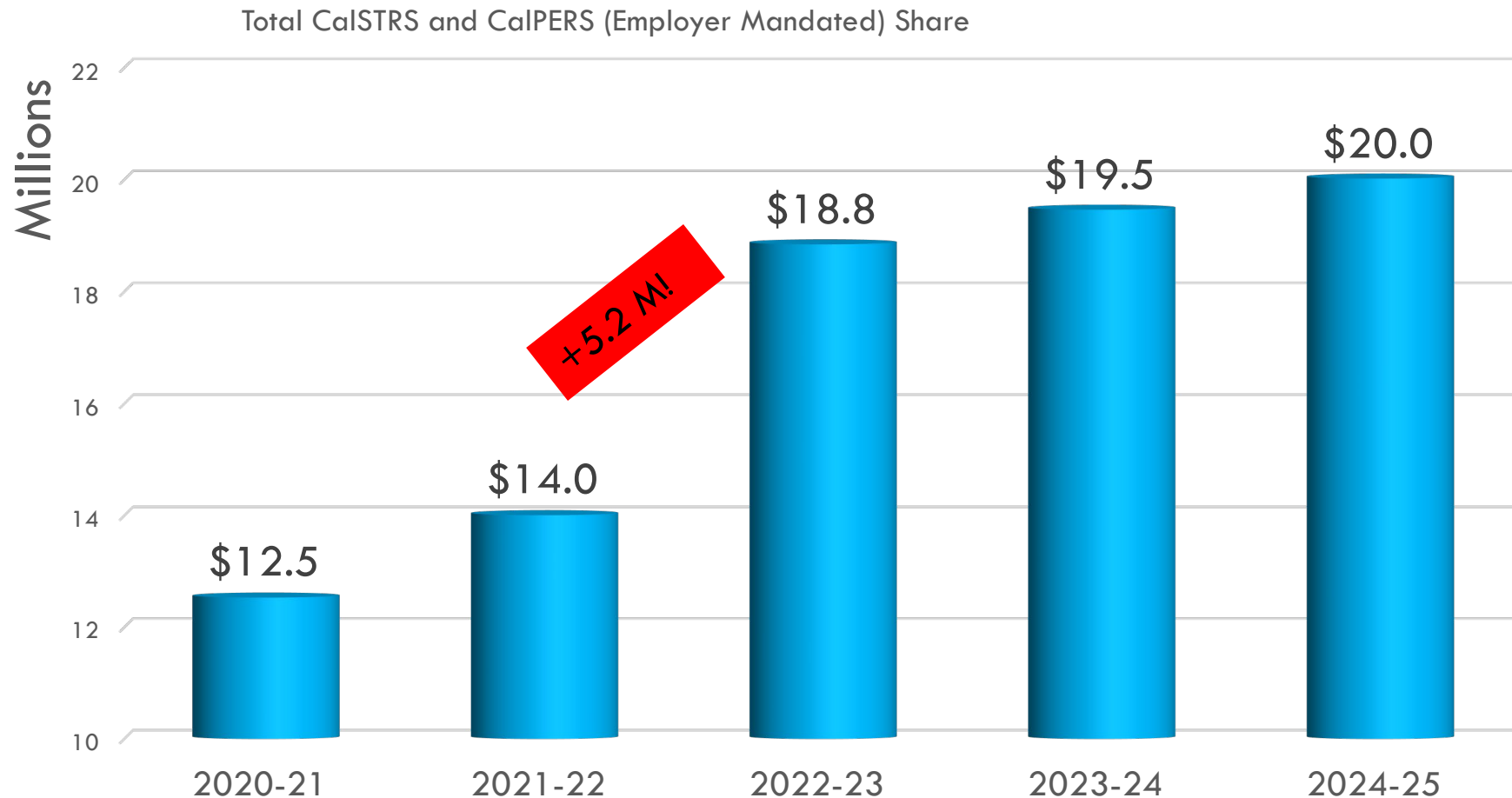
IMPACT OF REDUCTIONS TO CURRENT ALLOCATIONS!

- REDUCTIONS to **2022-23** allocations!
 - Arts, Music, Instructional Materials and Discretionary Block Grant
 - 50% Reduction
 - \$3 million to GUSD!
 - Learning Recovery Emergency Block Grant
 - 31.64% Reduction
 - \$4 million to GUSD!



Included in Estimated Actuals 2022-23 Fiscal Year

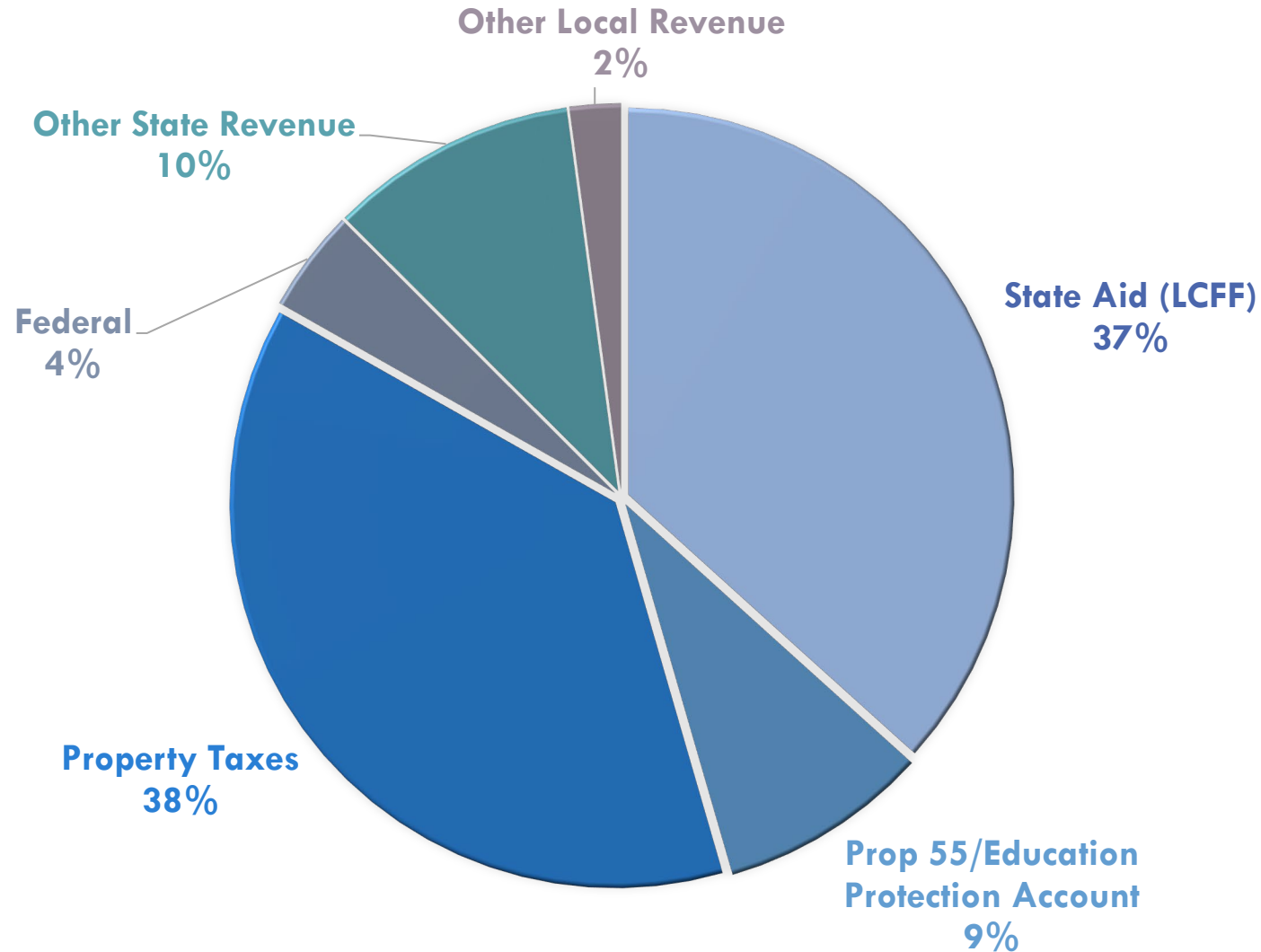
WHAT WERE THE PENSION OBLIGATION COSTS FOR GUSD IN 2022-23 (UPDATED WITH SALARY INCREASES)



	CalSTRS	CalPERS
21-22	16.92%	22.91%
22-23	19.10%	25.37%

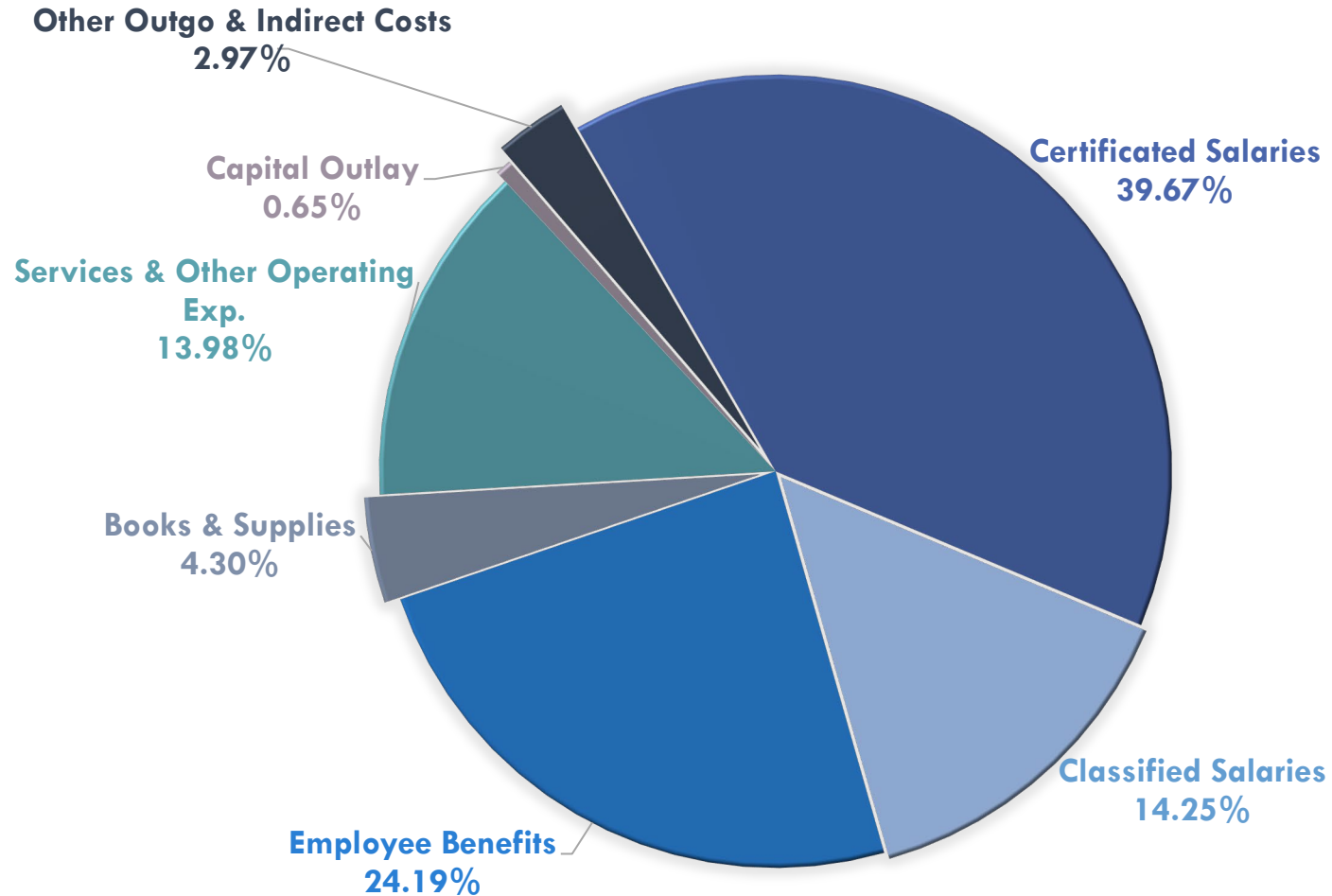
“Augmented BASE” increase in 2022-23 provided relief for this cost increase.

2023-24 TOTAL GENERAL FUND REVENUES



\$166,948,446

2023-24 TOTAL GENERAL FUND EXPENDITURES



\$170,680,290

MULTI-YEAR PROJECTION (MYP)



REVENUE ASSUMPTIONS				
	2022-23	2023-24	2024-25	2025-26
Enrollment	10,428	10,173	9,913	9,757
Annual Decline	-196	-255	-260	-156
3 YR Avg. Funded ADA	10,437	10,067	9,721	9,453
COLA	6.56%	8.22%	3.54% 3.94%	3.31% 3.29%
Additional increase to base LCFF	6.7%	-	-	-
Supplemental & Concentration Funds	\$16 M	\$16.4 M	\$16 M	\$15.5 M
Unduplicated Pupil Percentage (UPP)	60%	58%	58%	58%

ADA > Enrollment



EXPENDITURE ASSUMPTIONS				
	2022-23	2023-24	2024-25	2025-26
Includes cost of the Proposed salary & ben for GTA (10.5% on salary and HW increase)	\$7.38 M	\$7.81 M	\$7.93 M	\$8.04 M
	Negotiations NOT settled – District obligation per proposal			
Cert. & Classified Step & Column Adjustments	1.5%	1.5%	1.5%	1.5%
Health & Welfare	Based on negotiated caps			
General Fund Contributions	-\$20 M	-\$20.3 M	-\$20.7 M	-\$21 M
Deferred Maint. LCAP share		\$712K (annually, on-going)		
CalSTRS Employer Contribution	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Contribution	25.37%	26.68%	27.70%	28.30%
Routine Restricted Maintenance (RRM)	3% of total expenditures			

MULTI-YEAR PROJECTION (MYP)

	2022-23 Estimated Actuals			2023-24 PRELIMINARY BUDGET			2024-25 Projection			2025-26 Projection		
	UPP% at 59.97%. ADA% at 90% for 2022-23. Cert. CBEDS 10,428, a decline of -196. Using 3PY average. Mid-YR cut to Arts, Music and Inst. Blk Grant			UPP% at 58%. ADA% at 94%. Proj. decline -255 (Proj CBEDS still at 10,173) , using 3PY average, 8.22% COLA			UPP at 58%, ADA% at 94%, proj. decline by -260, using 3PY average, updated 3.94% COLA			UPP at 58%, ADA at 94%, proj. decline by -156, using 3PY average, updated 3.29% COLA		
Mid year reductions to Arts, Music, & Learning Recovery grants (-\$5 million)												
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
LCFF	\$126,584,519	6,024,440	132,608,959	\$132,193,385	6,669,441	138,862,826	\$132,757,711	6,932,217	139,689,928	\$133,124,561	7,160,287	140,284,848
Revenue from ADB	200,000		200,000	200,000		200,000	206,000	-	206,000	212,180	-	212,180
Federal Revenues	-	23,145,662	23,145,662	-	7,174,327	7,174,327	-	7,174,327	7,174,327	-	7,174,327	7,174,327
Other State Revenues	2,079,030	31,004,729	33,083,759	2,583,875	14,761,675	17,345,550	2,687,230	14,761,675	17,448,905	2,767,847	14,761,675	17,529,522
Other Local Revenues	867,500	5,171,977	6,039,477	877,500	2,488,244	3,365,744	877,500	2,488,244	3,365,744	877,500	2,488,244	3,365,744
TOTAL, REVENUES	129,731,049	65,346,808	195,077,857	135,854,760	31,093,686	166,948,446	136,528,441	31,356,463	167,884,904	136,982,088	31,584,533	168,566,621
EXPENDITURES												
Placeholder cuts 2024-25							(801,236)		(801,236)	(801,236)		(801,236)
Placeholder cuts 2025-26							-		-	(480,742)		(480,742)
Certificated	56,722,683	11,754,566	68,477,248	57,419,328	10,283,255	67,702,583	58,280,618	10,437,504	68,718,121	59,154,827	10,594,066	69,748,893
Classified	16,936,036	7,550,972	24,487,009	16,131,445	8,190,647	24,322,092	16,373,417	8,313,507	24,686,923	16,619,018	8,438,209	25,057,227
Employee Benefits	27,489,433	13,488,476	40,977,910	27,552,302	13,728,488	41,280,790	27,771,301	13,934,415	41,705,716	28,036,323	14,143,431	42,179,754
Books & Supplies	4,797,355	29,197,686	33,995,041	4,319,399	3,016,289	7,335,687	4,448,981	3,016,289	7,465,269	4,564,654	3,016,289	7,580,943
Services & Operating Expenses	13,539,906	26,172,777	39,712,683	12,807,403	11,048,182	23,855,585	12,871,440	11,789,387	24,660,827	12,921,344	12,222,430	25,143,774
Capital Outlay	1,609,856	1,735,295	3,345,151	263,285	852,470	1,115,755	252,325	852,470	1,104,795	252,325	852,470	1,104,795
Other Outgo	484,607	3,834,777	4,319,384	484,707	4,967,571	5,452,278	449,358	4,580,449	5,029,807	449,358	4,580,449	5,029,807
Transfers of Indirect Costs	(1,841,142)	1,455,272	(385,869)	(1,000,925)	616,445	(384,480)	(1,225,138)	366,247	(858,891)	(1,282,288)	-	(1,282,288)
TOTAL, EXPENDITURES	119,738,734	95,189,821	214,928,555	117,976,943	52,703,346	170,680,290	118,421,065	53,290,267	171,711,333	119,433,584	53,847,345	173,280,929

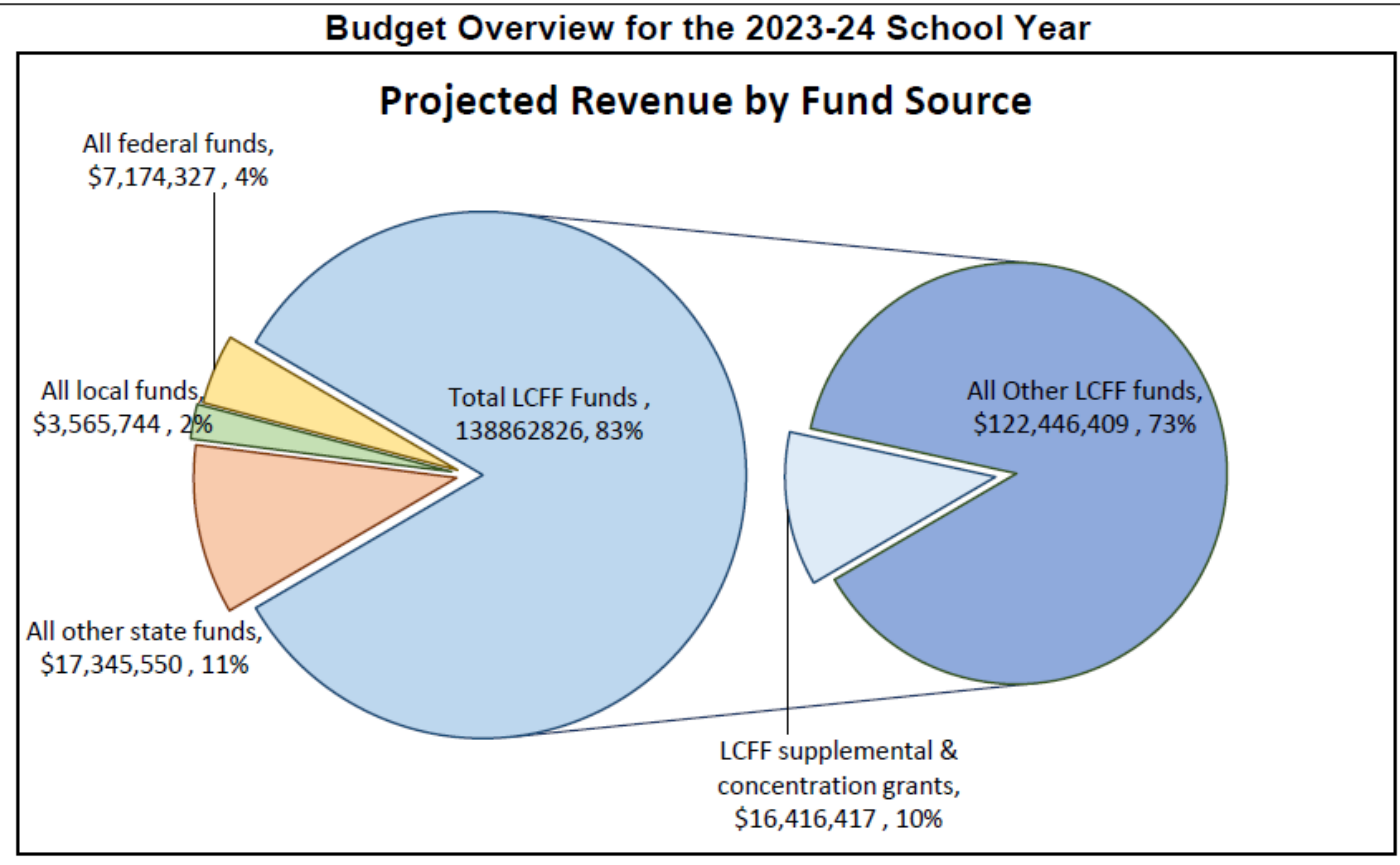
MULTI-YEAR PROJECTION (MYP)



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Mid year reductions to Arts, Music, & Learning Recovery grants (-\$5 million)												
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	(20,074,965)	20,074,965	-	(21,609,660)	21,609,660	-	(21,933,805)	21,933,805	-	(22,262,812)	22,262,812	-
TOTAL, OTHER SOURCES/USES	(20,074,965)	20,074,965	-	(21,609,660)	21,609,660	-	(21,933,805)	21,933,805	-	(22,262,812)	22,262,812	-
NET INCREASE (DECREASE)	(10,082,650)	(9,768,048)	(19,850,698)	(3,731,843)	-	(3,731,843)	(3,826,429)	0	(3,826,429)	(4,714,308)	0	(4,714,308)
FUND BALANCE												
Beginning Fund Balance	39,733,323	9,768,048	49,501,371	29,650,673	-	29,650,673	25,918,830	-	25,918,830	22,092,401	-	22,092,401
Proj. Ending Fund Balance	29,650,673	-	29,650,673	25,918,830	-	25,918,830	22,092,401	\$ 0	22,092,401	17,378,092	\$ 0	17,378,093
Nonspendable Revolving Cash	50,000		50,000	50,000		50,000	50,000		50,000	50,000		50,000
Board Committed Balances												
I.T. Techonology Replacement	2,996,000			2,996,000			2,996,000			-		
Deferred Maintenance	5,111,817			5,804,801			1,875,267			-		
Safeguard against unexplected declines/Linked to 3YR ADA adj. Board Policy (if moved to 10%)(one-time)												
Carryover assignments (below)												
Home to School Transportation												
Special Ed Transportation												
Textbook Adoption												
Deferred Maintenance												
Site-based Additional Concentration Funds												
LCAP -Centratlized												
LCAP - sites												
Equipment Replacement												
CTI New Teacher Induction Program												
Miminum RESERVE	\$ 21,492,856			\$ 17,068,029			\$ 17,171,133			\$ 17,328,093		
UNRESTRICTED RESERVE (after excluding Committed Balances)	10.00%			10.00%			10.00%			10.00%		
Unassigned/Unappropriated	0			(0)			0			(0)		

BUDGET OVERVIEW FOR PARENTS

2022-23 LCFF Budget Overview for Parents Data Input Sheet

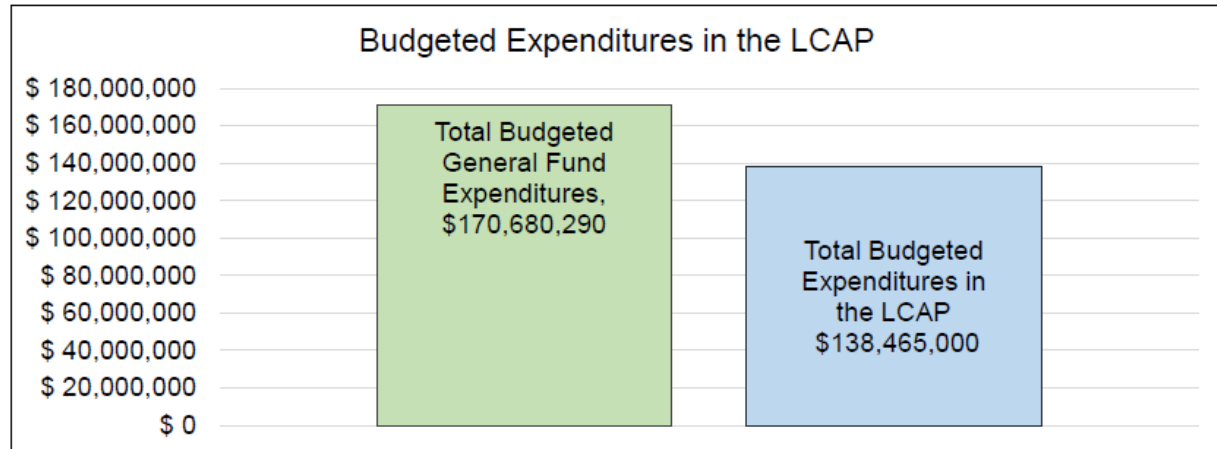


The Budget Overview for Parents is a separate documents attached to the agenda item.

REQUIRED DISCLOSURE

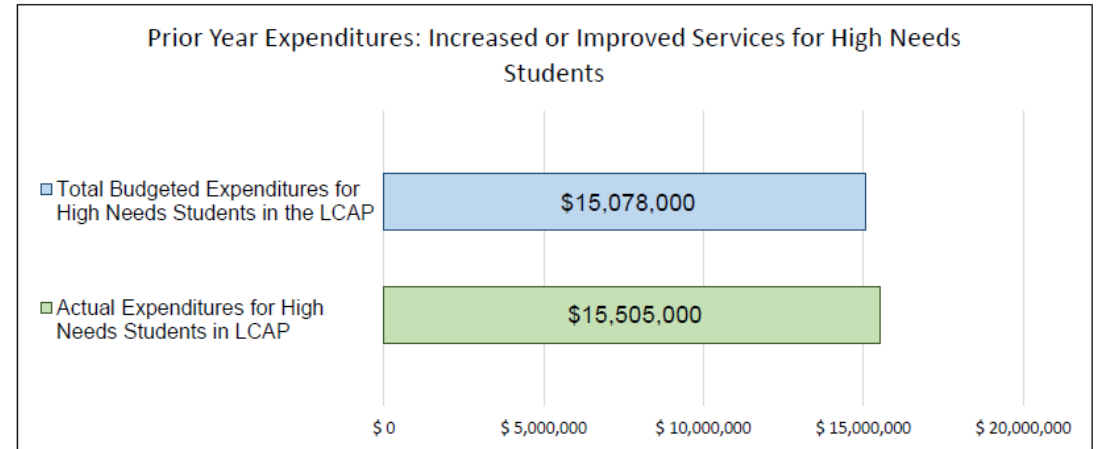
This chart provides a quick summary of how much Gilroy Unified School District plans to spend for 2023-24. It shows how much of the total is tied to planned actions and services in the LCAP.

BUDGET OVERVIEW FOR PARENTS



This chart provides a quick summary of how much Gilroy Unified School District plans to spend for 2023-24. 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 2022-23



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
2023-24 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	2023-24 Budget
01	General Fund/County School Service Fund	\$25,918,830
17	Special Reserve Fund for Other Than Capital Outlay Pro	\$0
Total Assigned and Unassigned Ending Fund Balances		\$25,918,830
District Standard Reserve Level		10%
Less District Minimum Reserve for Economic Uncertainties		\$0
Remaining Balance to Substantiate Need		\$25,918,830

Objects 9780/9789/9790

Form 01

Form 17

Form 01CS Line 10B-4

Form 01CS Line 10B-7

**REQUIRED
DISCLOSURE**

FY 2023-24

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2023-24 Budget	Description of Need
01	General Fund/County School Service Fund	\$17,068,029	Board Policy requires a minimum of 10% reserves designated for economic uncertainty. Furthermore, the MYP is projecting deficits in each of the subsequent years.
01	Committed Balances	\$8,800,801	Committed balances include Deferred Maintenance needs, & Technology replacement.
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.
Total of Substantiated Needs		\$25,918,830	

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.

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

Adopted Budget
2023-24 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	2024-25 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$22,092,401	Form 01
17	Special Reserve Fund for Other Than Capital Outlay Prc	\$0	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$22,092,401	
District Standard Reserve Level		10%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$22,092,401	

**REQUIRED
DISCLOSURE**

**FY 2024-25
projection**

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	\$17,171,133	Board Policy requires a minimum of 10% reserves designated for economic uncertainty. Furthermore, the MYP is projecting deficits in each of the subsequent years.
01	Committed Balances (see Resolution)	\$4,871,268	Committed balances include Deferred Maintenance needs, & Technology replacement.
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.
Total of Substantiated Needs		\$22,092,401	

Remaining Unsubstantiated Balance **\$0** Balance should be Zero

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STATEMENT OF REASONS FOR EXCESS RESERVES

Adopted Budget
2023-24 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	2025-26 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$17,378,092	Form 01
17	Special Reserve Fund for Other Than Capital Out	\$0.00	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$17,378,092	
District Standard Reserve Level		10%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$17,378,092	
Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2025-26 Projection	Description of Need
01	General Fund/County School Service Fund	\$17,328,092	Board Policy requires a minimum of 10% reserves designated for economic uncertainty.
01	Nonspendable Revolving Cash	\$50,000	Revolving cash balance is for emergency purposes.
Total of Substantiated Needs		\$17,378,092	
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 2025-26
projection**

This is a separate attachment accompanying the board briefing.

NEXT STEPS



- **Board Action on LCAP and Budget on June 15, 2023**
- State Enacted Budget by June 15, 2023
- Continue to monitor the State Budget Development Process
 - ❑ Senate Proposal v. Assembly Proposal
 - ❑ Trailer Budget bills into July!
- Revised GUSD Budget in late September 2023
 - ❑ Or... *Within 45 days if Enacted Budget varies significantly from our assumptions.*

