



GUSD'S 45 DAY BUDGET REVISION

Based on California's Enacted State Budget

Presented to the Board on August 10, 2023

TOPICS



- 45-Day Budget Revision Requirement
- Key changes to the California's Enacted State Budget from the May Revision
 - Key changes to the GUSD Budget
- Revised Multi-Year Projection
- GUSD Enrollment Projection for 2023-24
- Next Steps

45 DAY BUDGET REVISION REQUIREMENT

- Education Code 42127(h):
Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act.
- Governor Newsom signed the Budget Legislation (SB 101) on June 27, 2023
- 45 Day Requirement for GUSD
 - Budget Revisions must be made public by August 11, 2023



2023-24 ENACTED BUDGET (IN MILLIONS)

2023-24 Enacted Budget (In Millions)	
Prior-Year Balance	\$26,352
Revenues and Transfers	\$208,688
Total Resources Available	\$235,040
Non-Proposition 98 Expenditures	\$147,533
Proposition 98 Expenditures	\$78,395
Total Expenditures	\$225,928
Fund Balance	\$9,112
Reserve for Liquidation of Encumbrances	\$5,272
Special Fund for Economic Uncertainties	\$3,840
Public School System Stabilization Account	\$10,831
Safety Net Reserve	\$900
Budget Stabilization Account/Rainy Day Fund	\$22,252



The Department of Finance welcomes you to the

California Budget

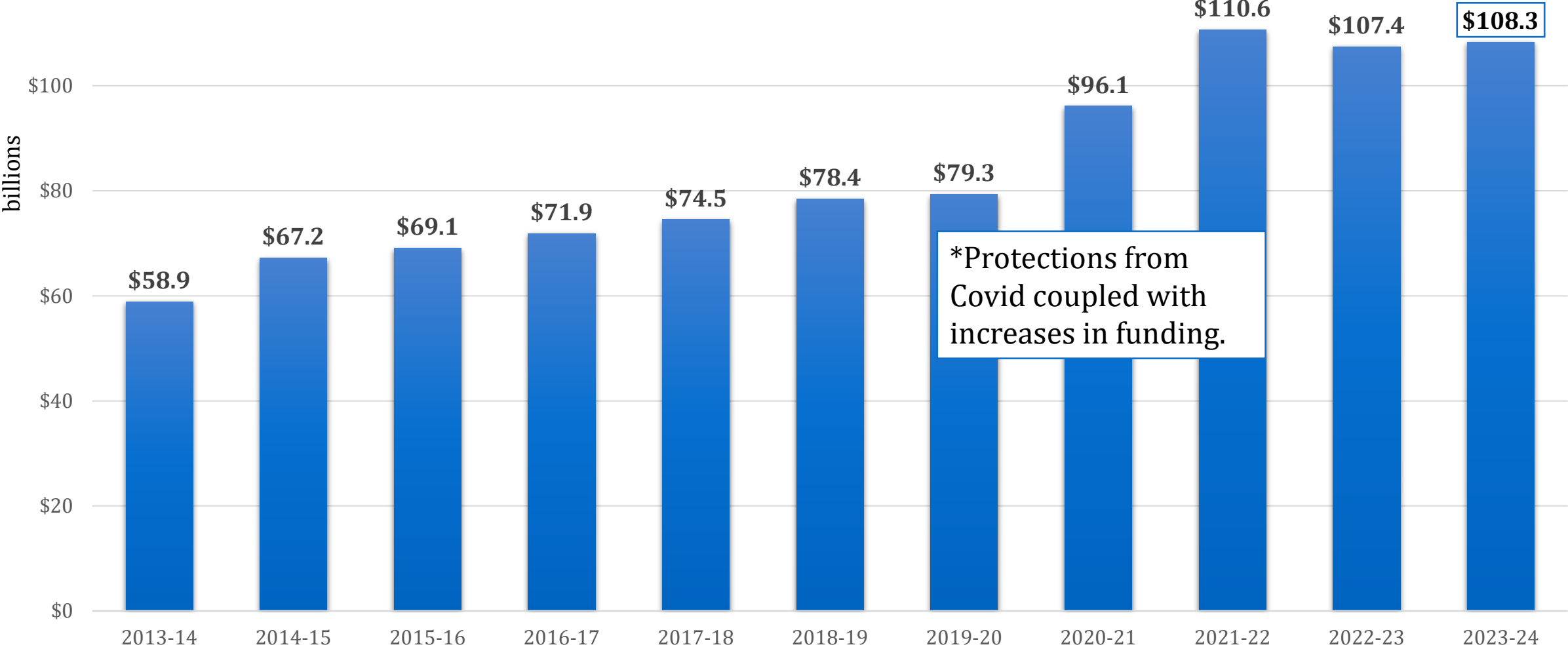
2023-24

Gavin Newsom Governor
State of California

Proposition 98 reserve: \$10.8 billion

Main state reserve: \$22.3 billion

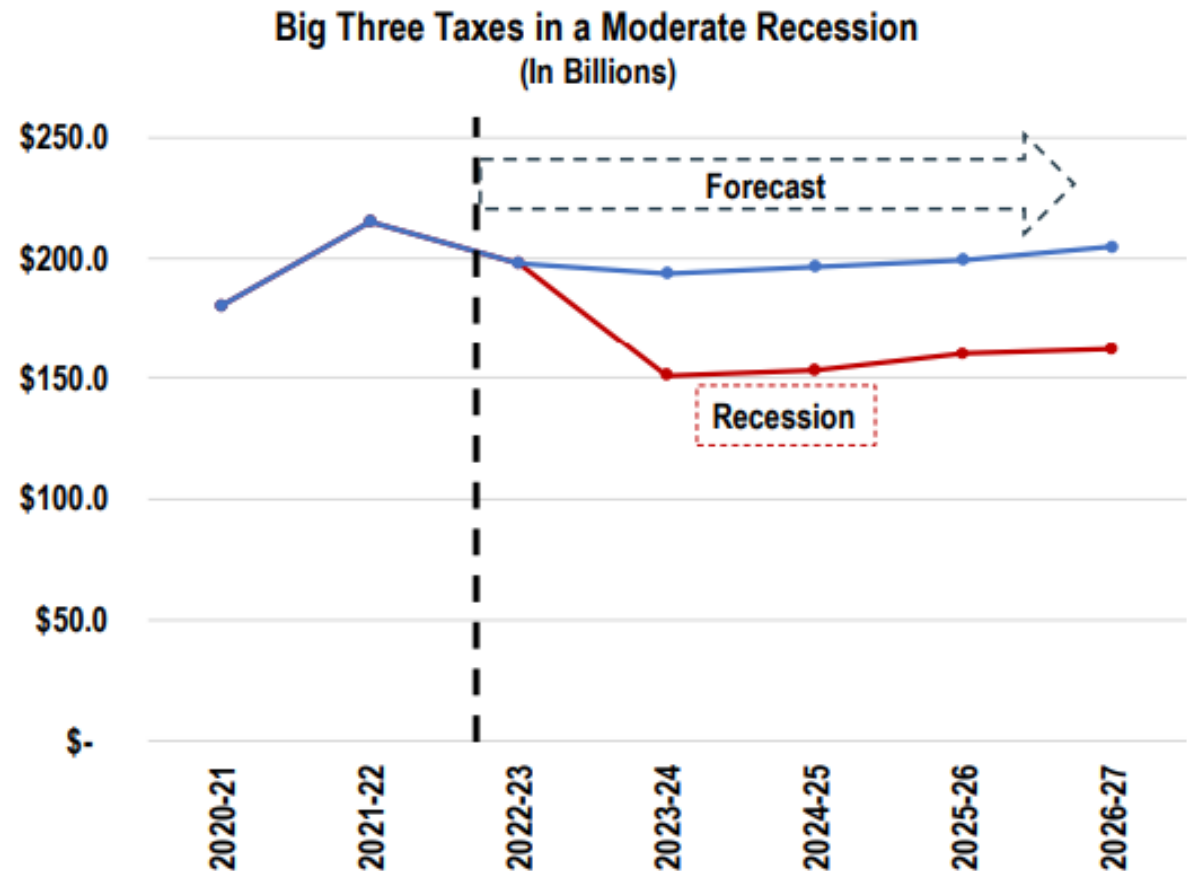
PROP 98 FUNDING UNDER LCFF



BIG THREE TAXES IN A MODERATE RECESSION

(in billions)

- The 2023-24 Enacted Budget does not contemplate a recession
- However, at May Revision, the Department of Finance projected what could happen to the Big Three tax revenues if we should experience a moderate recession
 - Revenues could drop by nearly \$50 billion in 2023-24
 - Would not fully recover by the end of the forecast period



Source: Data extrapolated from 2023-24 May Revision Budget Summary, Department of Finance

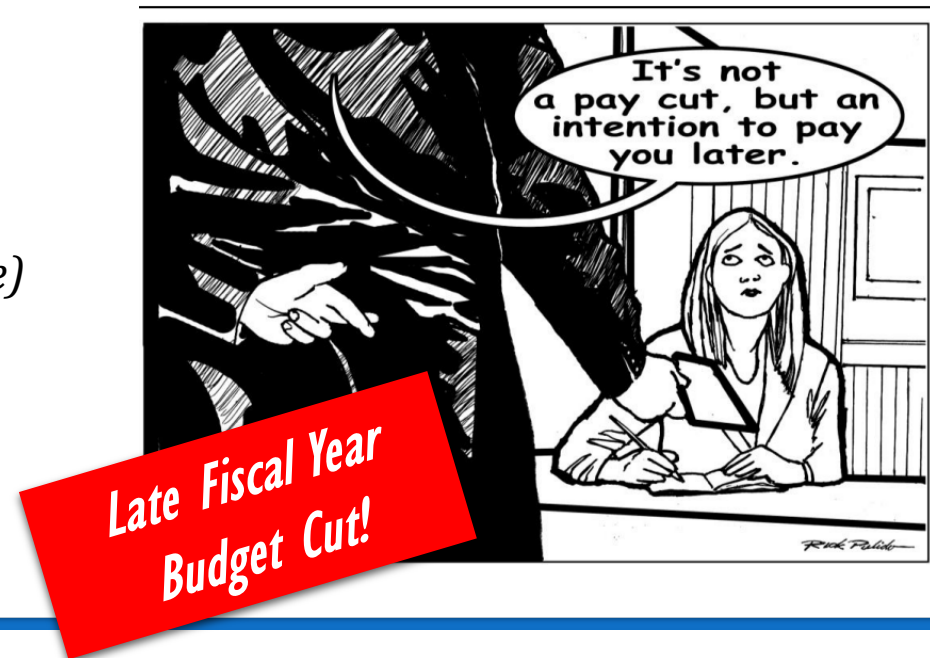
JAN BUDGET VS. MAY REVISE VS. ENACTED BUDGET

	2022-23 Budget Act	Governor's Jan. Proposal	May Revision <i>GUSD's 2023-24 Budget Assumptions</i>	Legislative Budget Deal	ENACTED 2023-24 BUDGET <i>(impacts 2022-23!)</i>
Arts, Music, and Instructional Materials Discretionary Block Grant	\$3.5 billion	\$1.2 billion budget cut	\$1.8 billion budget cut	\$200 million budget cut	\$200 million budget cut
Impact to GUSD's Arts, Music, Inst. Mat. Disc. Block Grant	\$6,397,814 allocation	\$2,175,256 budget cut	\$3,198,904 budget cut	\$364,675 budget cut	\$364,675 final budget cut
Learning Recovery Emergency Block Grant	\$7.9 billion	N/A	\$2.5 billion budget cut	\$494.5 million budget cut	\$1.1 billion budget cut
Impact to GUSD's Learning Recovery Emerg. Block Grant	\$13,583,417 allocation	N/A	\$4 million budget cut	\$850K budget cut	\$2 million final budget cut

Based on the May Revision, GUSD's allocation would have been cut by \$7.2 million!
The Enacted Budget included a final reduction of \$2.4 million. The \$4.8 million can be used on one-time expenditures.

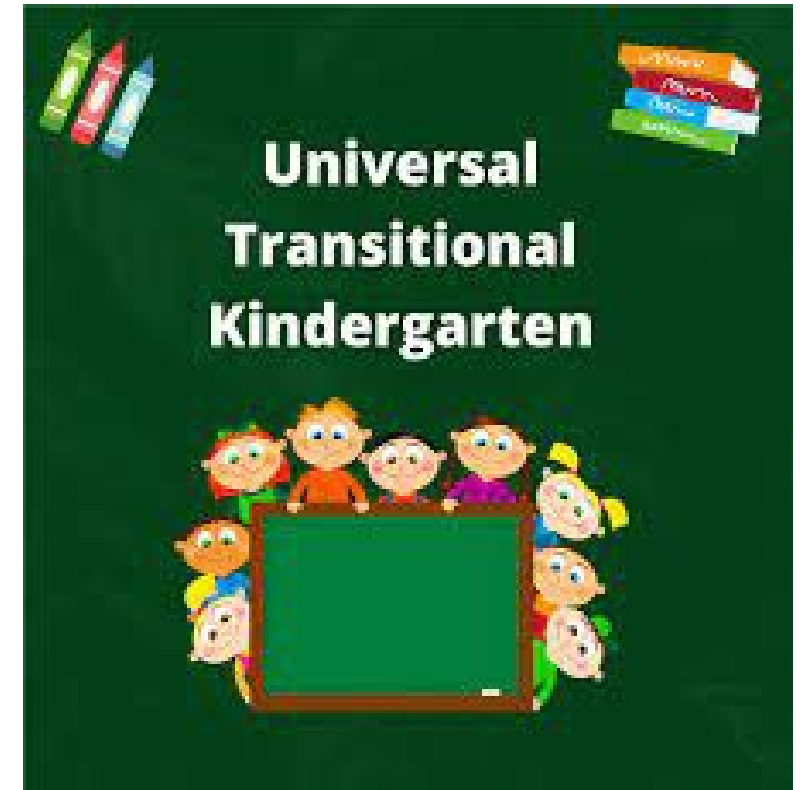
IMPACT OF THE ENACTED BUDGET TO GUSD

- GUSD is able to keep about **\$4.8** million of its 2022-23 one-time funds!
- Approximately **\$2.4 million in budget cuts!**
- **Arts, Music, Instructional Materials, and Discretionary Block Grant**
 - Revised **budget cut of \$364,675**
 - Revised 2022-23 Total allocation \$6,033,139 (estimate)
- **Learning Recovery Emergency Block Grant**
 - Revised **budget cut of \$2 million**
 - Revised 2022-23 Total allocation: **\$11,681,739** (estimate)



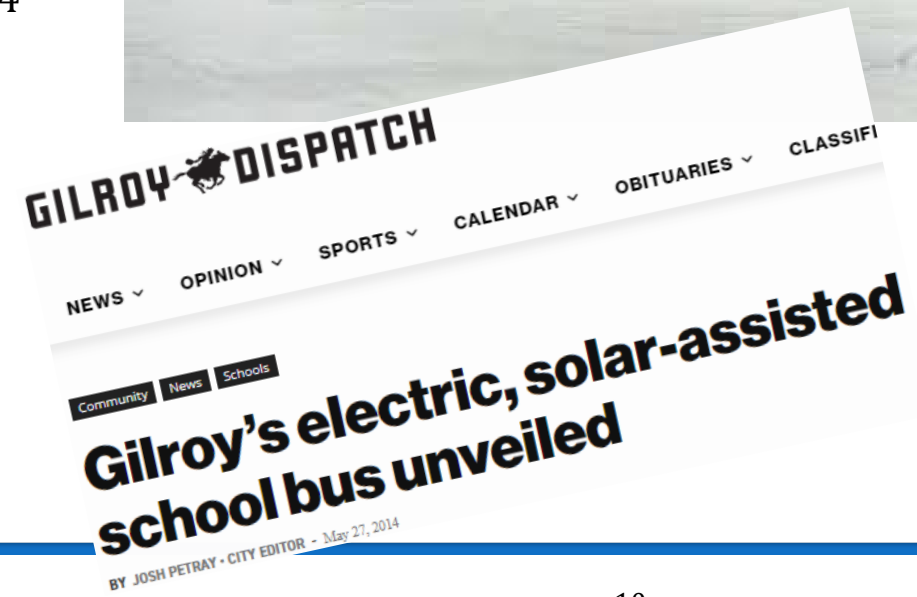
CALIFORNIA'S ENACTED BUDGET AND UNIVERSAL TRANSITIONAL KINDERGARTEN (UTK)

- SB 101 provides \$762 million to expand access to an estimated 42,000 new UTK enrollments in 2023-24
- Re-benches Prop 98 to maintain UTK ratios at 1:12 in the 2023-24 school year
- Requires classrooms to maintain **1:10 ratio in 2025-26** with legislative *intent* to appropriate funds.
- Extends the August 1, 2023 deadline for credentialed teachers to earn 24 units to **August 1, 2025.**
- UTK eligibility is for students whose 4th birthday falls between June 2nd and September 1st



CHANGES TO ZERO-EMISSION SCHOOL BUS FUNDING

- 2022 Budget Act contained roughly \$1.5 billion for green transportation initiatives.
- 2023 Budget Act cuts about \$1 billion and funds \$500 million in 2023-24
- State Air Resources Board funding
 - Reduced from \$1.1 billion to \$375 million and funding pushed out until 2023-24
 - [Intent](#) language to provide \$375 million in 2024-25 and 2025-26 fiscal years
- Energy Commission funding
 - Down from \$375 million to \$125 million and funding pushed out until 2023-24
 - [Intent](#) language to provide \$125 million in 2024-25 and 2025-26 fiscal years



MULTI-YEAR PROJECTION

(MYP)

Changes to the MYP

- Revised cuts to one-time 2022-23 allocations to align with the Enacted 2023-24 Budget
 - ✓ Arts, Music and Instructional Materials Block Grant
 - ✓ Learning Recovery Emergency Block Grant



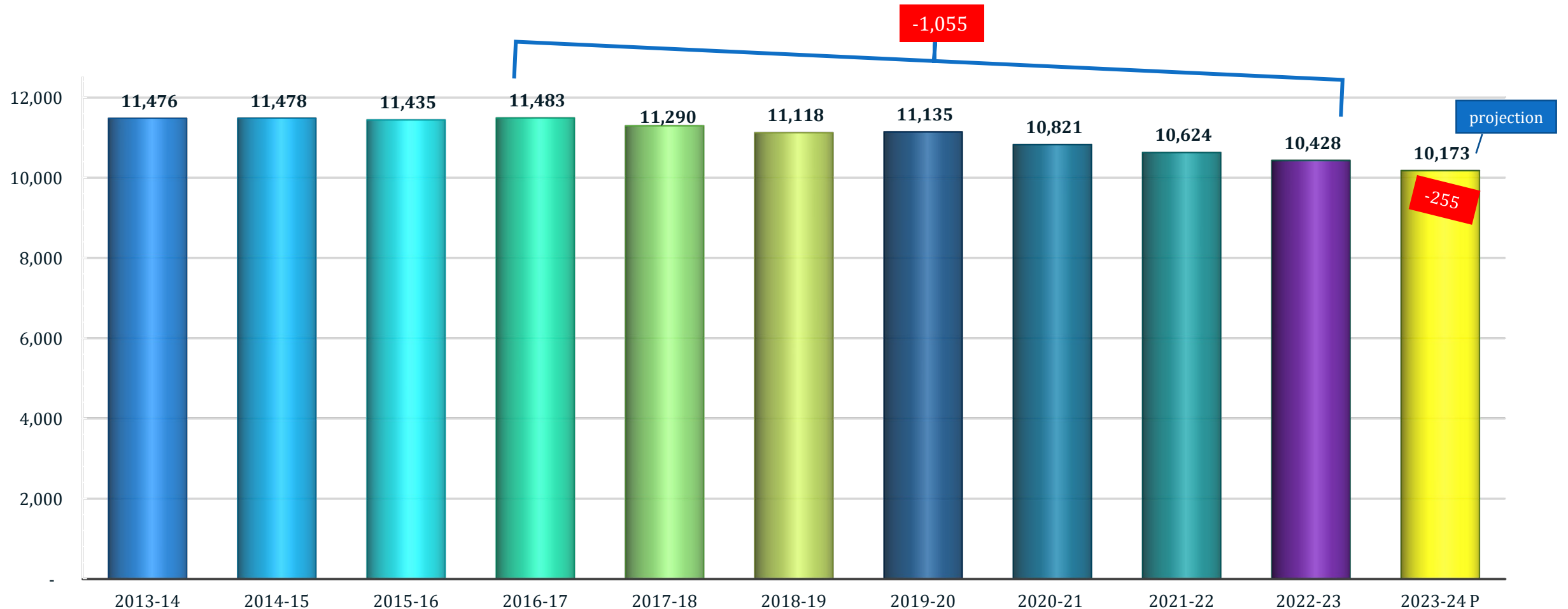
MULTI-YEAR PROJECTION

	2022-23 Estimated Actuals			2023-24 45 DAY BUDGET REVISION			2024-25 Projection			2025-26 Projection			
	UPP% at 59.97%, ADA% at 90% for 2022-23. Cort. CBEDS 10,429, a decline of +19%. Using 3PY average. Mid-YR cut to Arts, Music and Int. Bk Grant			UPP% at 58%. ADA% at 94%. Proj. decline - 255 (Proj CBEDS still at 10,173) , using 3PY			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			
REVISED cuts to Arts, Music, & Learning Recovery grants													
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	35,804,729	37,883,759	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	70,146,808	199,877,857	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	7,816,289	12,135,687	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	57,503,346	175,480,290	118,421,065	53,290,267	171,711,333	119,433,584	53,847,345	173,280,929	
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)	(4,968,048)	(15,050,698)	(3,731,843)	(4,800,000)	(8,531,843)	(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	4,800,000	34,450,673	25,918,830	-	25,918,830	22,092,401	-	22,092,401	
Proj. Ending Fund Balance	29,650,673	4,800,000	34,450,673	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			5,324,801			1,875,267			-			
Safeguard against unexplected declines/Linked to 3YR ADA adj.													
Board Policy (if moved to 10%)(one-time)													
Miminum RESERVE	\$21,492,856			\$ 17,548,029			\$ 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)			



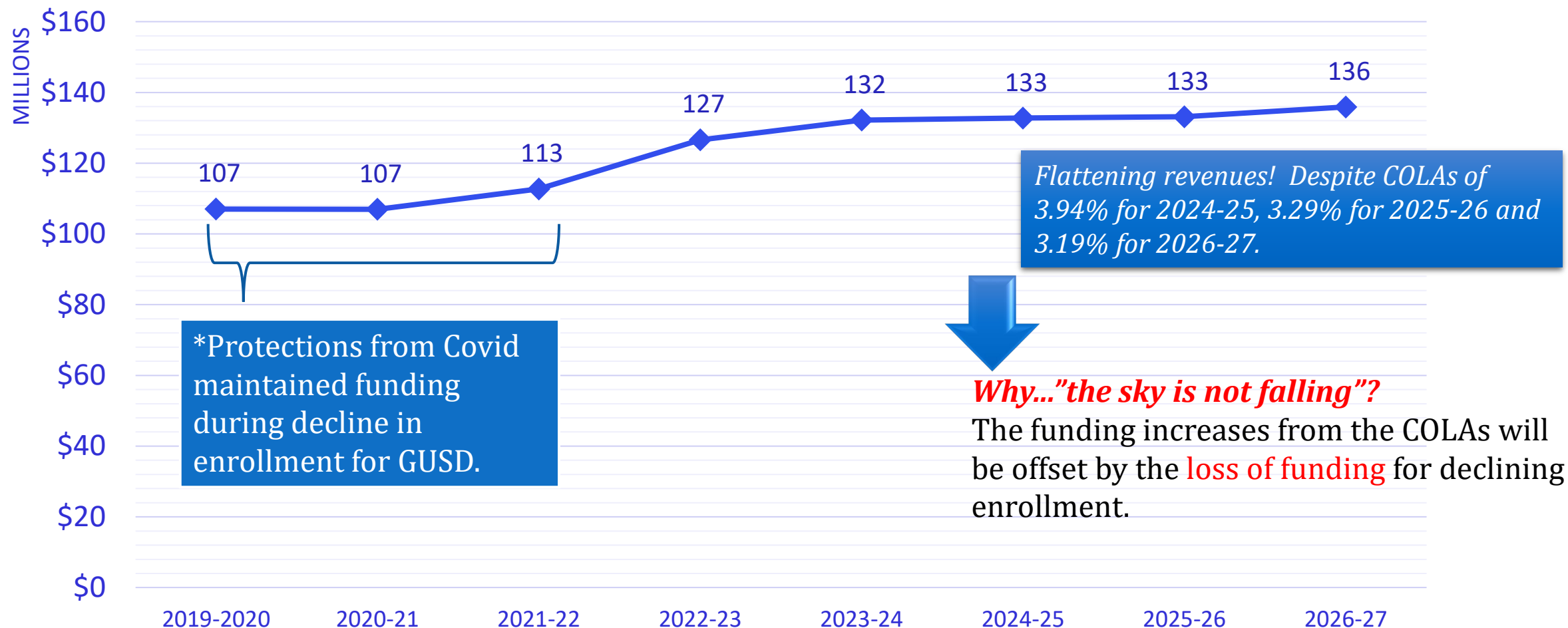
ENROLLMENT PROJECTIONS FOR OCTOBER 2023

ENROLLMENT HISTORY AND PROJECTION FOR 2023-24



California measures “enrollment” statewide annually on the first Wednesday in October.

GUSD LCFF FUNDING PROJECTED TO FLATTEN



PROJECTION FOR 2023-24 BY SCHOOL

Gilroy Unified School District



Predictive Enrollment Analytics

Single Projected Year

Projected Year: 2023

School	TK	K	1	2	3	4	5	6	7	8	9	10	11	12	SubTotal	SDC	Total
El Roble School	73	65	70	62	83	77	80								510	19	529
Eliot School	59	61	68	78	75	80	69								490	11	501
Glen View School		66	80	89	78	89	68								470	9	479
Las Animas School		120	123	130	123	137	118								751	17	768
Luigi Aprea	50	93	94	115	111	92	122								677	24	701
Rod Kelley School		83	106	113	122	123	127								674	0	674
Rucker School		57	64	72	89	102	92								476	11	487
Brownell MS								222	231	250					703	28	731
Solorsano (Ascencion) MS								249	225	247					721	44	765
South Valley MS								243	256	240					739	17	756
Virtual Learning Acad (Middle)								4	4	5					13	0	13
Christopher HS										376	417	357	370		1520	52	1572
Dr. TJ Owens Gilroy Early College Academy										71	70	72	64		277	0	277
Gilroy HS										366	419	419	395		1599	58	1657
Mt. Madonna HS										0	0	55	169		224	0	224
Virtual Learning Acad (High)										7	8	8	16		39	0	39
Totals:	182	545	605	659	681	700	676	718	716	742	820	914	911	1014	9883	290	10173

Total projected enrollment

Largest cohort will be our seniors!

NEXT STEPS

- **August 16, 2023 – 1st day of school!**
 - September – Certify 2022-23 Year-End Report (Unaudited Actuals) presented to the Board and Revised 2023-24 Budget (with carryover as applicable).
 - October 4, 2023 – Enrollment (CBEDS)
 - State Revenues vs. Projections by October 16th?
 - December 14, 2023 – 1st Interim Financial Report
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