

# 2019-20 Unaudited Actuals and 2020-21 Adopted Budget

September 15, 2020

Information Report No. 5

Presented by: Stephen Dickinson

Chief Business and Financial Officer

Budget Report No. 1





# 2019-20 UNAUDITED ACTUALS

2019-20 Unrestricted General Fund Balance		
Unrestricted General Fund	Audited Actuals 2018-19	Unaudited Actuals 2019-20
Designated for Economic Uncertainty	\$ 9,475,059	\$ 9,665,367
Revolving Cash, Warehouse & Prepaid Expense	126,773	210,012
Reserve for School Site, Program Carry Overs, MAA, & LACOE System Charges	9,576,900	15,366,715
Reserve for One-Time 2017-18 Discretionary Funding	1,712,663	751,851
Unassigned Reserve	22,943,447	19,749,913
<b>Total Unrestricted General Fund Balance</b>	<b>\$ 43,834,842</b>	<b>\$ 45,743,858</b>

BLUE

RED

\$3,193,534 Decrease



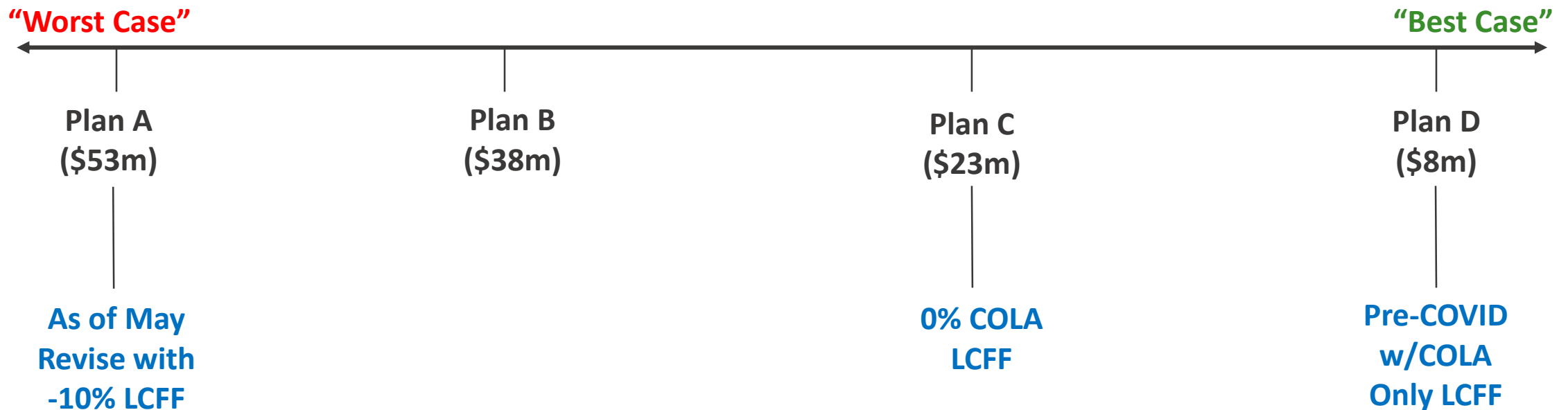
# Summary of COVID-19 Expenses & Revenue

- 2019-20 COVID-19 Expense as of August 25, 2020 is \$5.1 million
  - 2020-21 COVID-19 Expense as of September 3, 2020 is \$11.7 million
  - Total COVID-19 Expense as of September 3, 2020 is \$16.8 million
- 
- Total One-time CARES Act Funding Estimated at \$21 million
    - ✓ Multiple sources, criteria and spending deadlines – some of which are yet to be determined.



# 2020-21 Adopted Budget – June 16, 2020

## Budget Planning for 2021-22

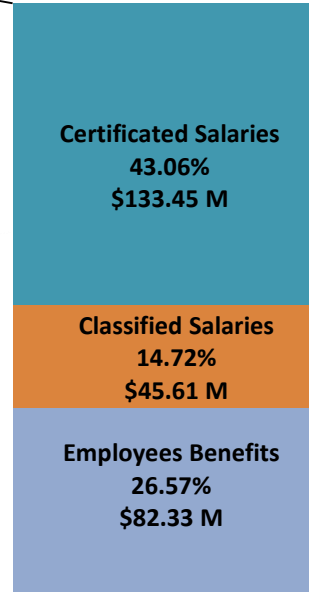
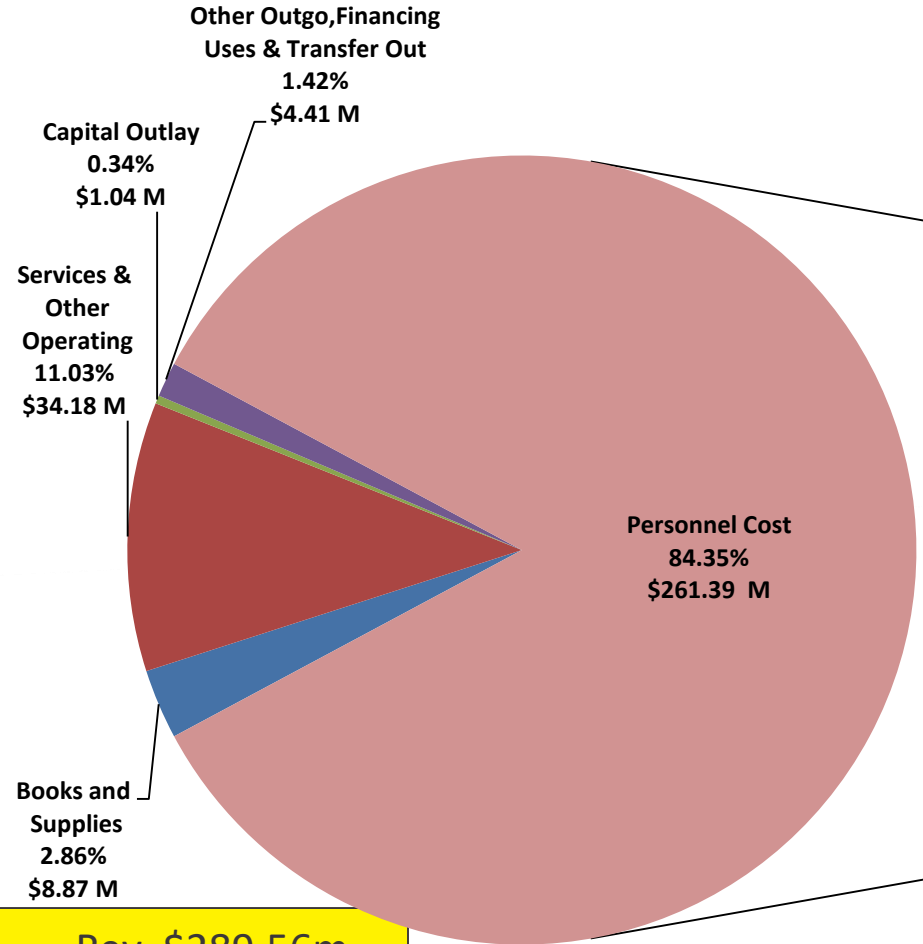
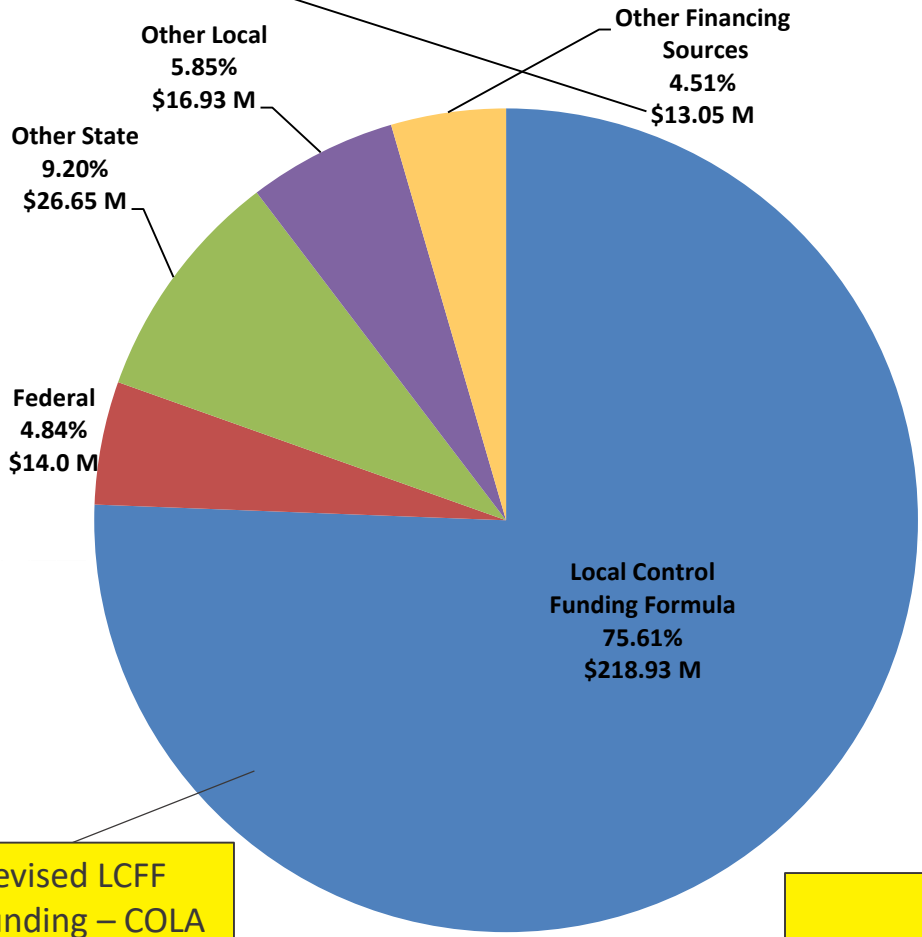




# 2020-21 Adopted Budget (June 16, 2020)

## TOTAL REVENUES & EXPENDITURES – GENERAL FUND

The \$13.05 million is a placeholder in 2020-21 for Fiscal Stabilization Plan



Revised LCFF funding – COLA change to 0%

Rev \$289.56m  
-Exp \$309.89m  
Current Deficit= (\$20.33)m

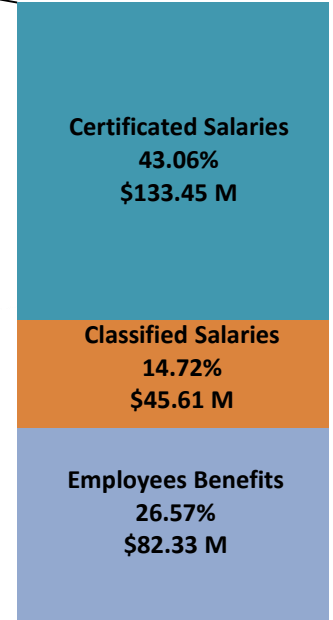
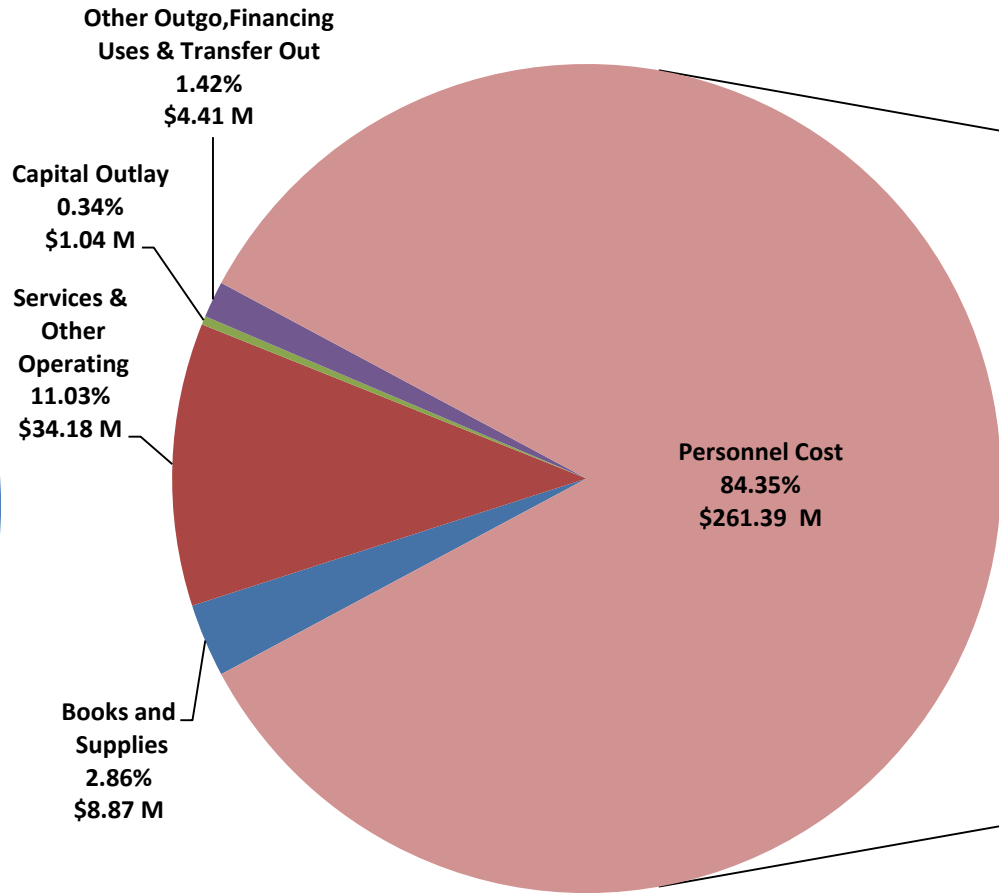
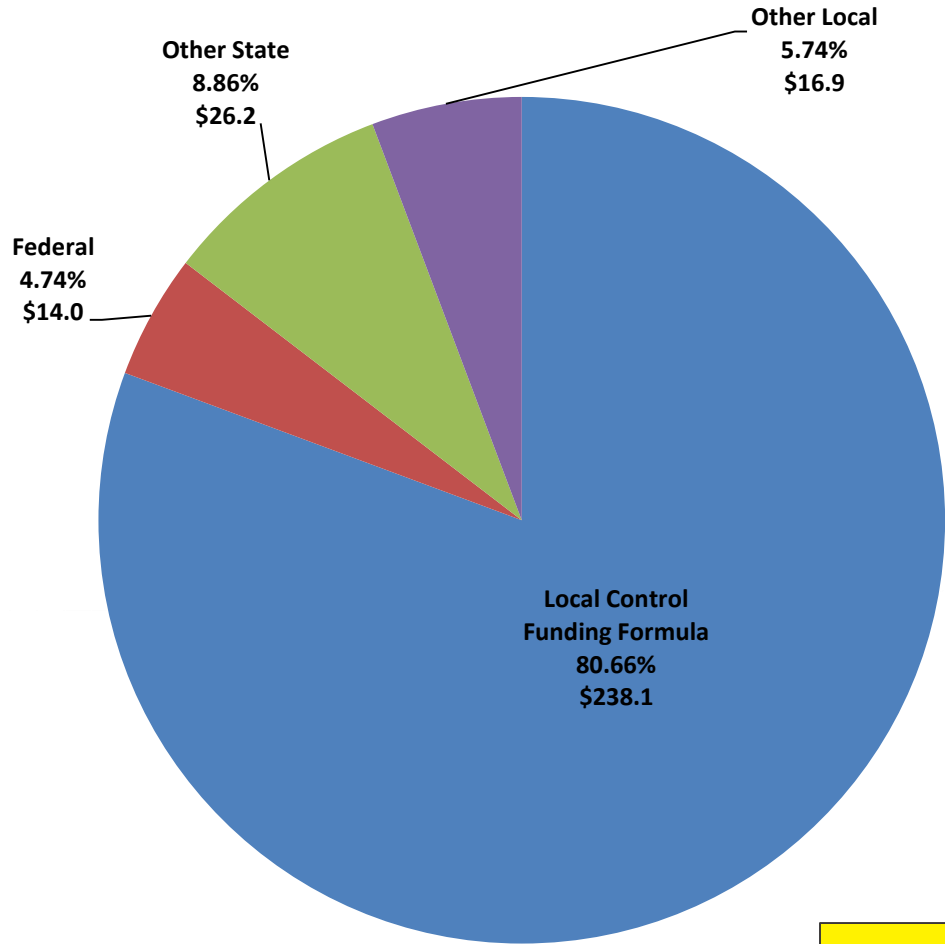
Be aware of annual carryover process

Total Revenues \$289,562,752      Total Expenditures \$ 309,888,662



# 2020-21 Initial Budget Adjustment

## TOTAL REVENUES & EXPENDITURES – GENERAL FUND



Rev \$295.18m  
 -Exp \$309.89m  
 Current Deficit= (\$14.71)m

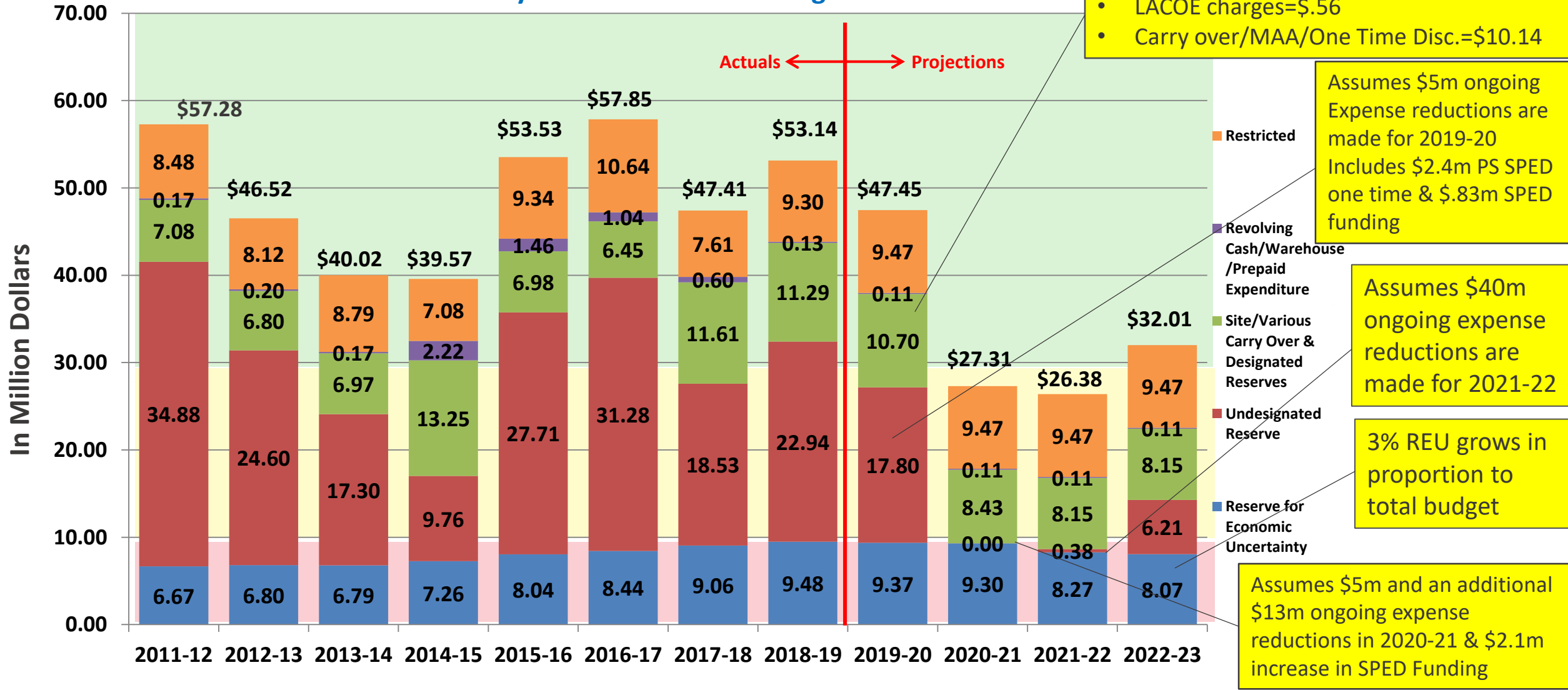
Be aware of annual carryover process

**Total Revenues \$295,175,526**

**Total Expenditures \$ 309,888,662**



## Adopted Budget 2020-21 (June 16, 2020) Summary of General Fund Ending Fund Balances

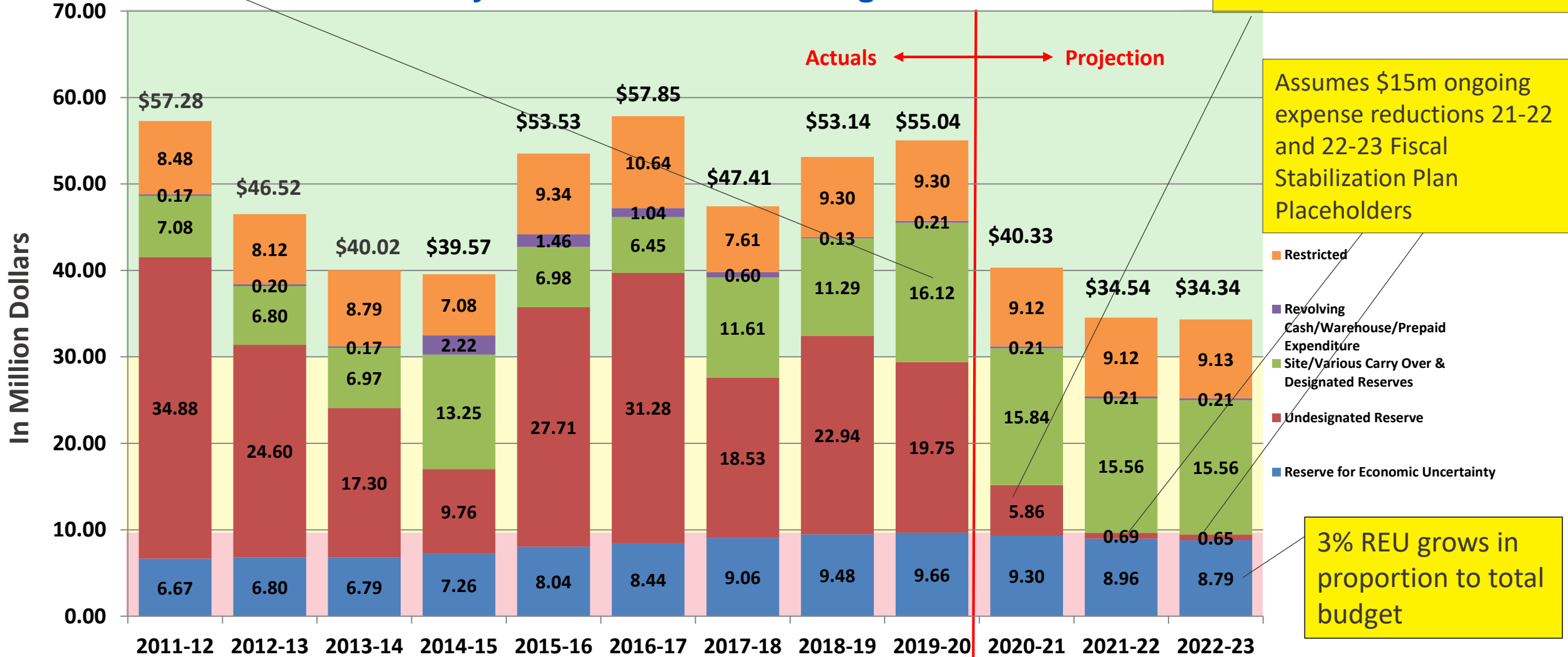


**Designated Reserves:**

- LACOE charges= \$.56
- Carry over/MAA =\$14.8
- One Time 17-18 Disc. Fund=\$.75

Assumes \$5m ongoing expense reductions are made for 20-21 and reversal of \$13m Adopted Budget Fiscal Stab. Plan Placeholders

## 2020-21 Initial Budget Adjustments Summary of General Fund Ending Fund Balances



Assumes \$15m ongoing expense reductions 21-22 and 22-23 Fiscal Stabilization Plan Placeholders

3% REU grows in proportion to total budget

AS of 9/10/2020





**DRAFT GLENDALE UNIFIED SCHOOL DISTRICT 2021-22 Fiscal Stabilization Plan**  
**\$12,000,000+ (Year 1 of multi-year plan to address total estimated ongoing deficit of up to \$30m)**

Dept	Program	Est. Savings/Rev
1. LCFF Funding	Increased revenue from “Schools and Communities First” (November 3, 2020 ballot initiatives)	\$ 0
2. LCFF Funding	2021-22 LCFF above current COLA projection of 0%; 1% = \$2.2m (Governor’s January Proposal)	\$ 0
3. State/Federal	One-time funding that can be used to offset reductions	\$ 0
4. Other Sources	One-time and/or ongoing funding that can be used to offset reductions	\$ 0
5. Non-personnel	6.67% reduction in all non-site department budgets – supplies, consulting services, conferences, etc.	\$ 3,000,000
6. Benefits budget	Reduce annual increase in projected H&W rates from +8% (May 2021); 1% = \$300,000	\$ 0
7. Elem	Est. Adjust Teaching positions due to declining enrollment from 2020-21	\$ 900,000
8. Middle	Est. Adjust Teaching positions due to declining enrollment from 2020-21	\$ 200,000
9. HS	Est. Adjust Teaching positions due to declining enrollment from 2020-21	\$ 100,000
10. Classified	Adjust Classified staffing due to declining enrollment from 2020-21	\$ 720,000
11. Management	Adjust Management staffing due to declining enrollment from 2020-21	\$ 250,000
12. Certificated	TK-3 class size to 26:1 if 2020-21 LCFF per ADA is equal to or below 2019-20	\$ 2,000,000
13. Districtwide	Furlough days; every 1 day = \$1,000,000 (must be negotiated)	\$ 3,000,000
14. TBD	Additional budget reductions yet to be determined	\$ 1,830,000
15.		\$ 0
	<b>AS OF 9/15/20</b>	\$ 0
	<b>Total Needed = \$12,000,000+</b>	<b>Current Total = \$ 12,000,000</b>



# 2019-20 & 2020-21 Deferrals and the Impact on Cashflow

## ➤ 2019-20 Deferral

- ✓ June 2020 LCFF deferral of \$17 million paid in July 2020

## ➤ 2020-21 Deferral

- ✓ February 2021 through June 2021 LCFF

- June 2021 paid in July 2021
- May 2021 paid in August 2021
- April 2021 paid in September 2021
- March 2021 paid in October 2021
- February 2021 paid in November 2021

- ✓ Total Estimated deferral of \$35.1 million

➤ These multiyear deferrals will create a cashflow shortfall

➤ Expect to see a recommendation soon regarding a Tax and Revenue Anticipation Note (TRAN)



# Concerns

- Future Funding – Unstable COLA%, UPP, and Enrollment ↑ ↓
- Possibility of mid-year cuts
- Additional Deferrals
- Special Education – Program Needs Increasing
- Projected Negative Unrestricted General Fund Adjusted Balances in future if budget reductions are not made
- Financial Stability Plan for 2020-21 of \$5m, for 2021-22 will likely be between \$12-\$15m, and another \$12-\$15m for 2022-23
- Ongoing Impact of COVID-19 on 2020-21 and future budgets

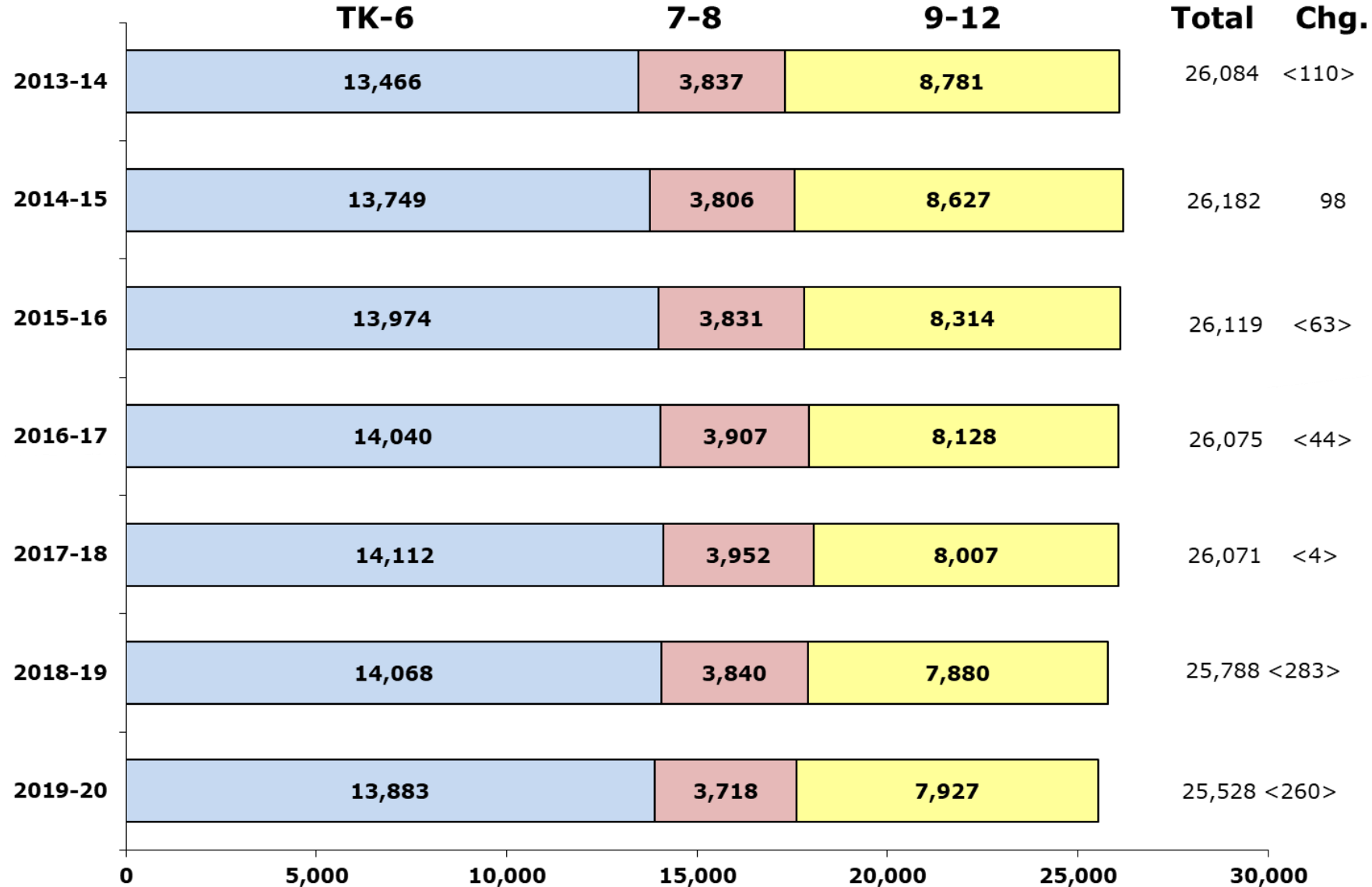


## Factors That Could Improve Budget

- Prop 15 on November ballot – estimated to generate over \$12 million per year for GUSD
- Fast and strong economic recovery
- Significant increase in the LCFF



## Historical Enrollment (CALPADS Data)





# Budget Modes: Deficit – Balanced – Surplus

Surplus/ Additions	8	
	7	
	6	Innovation
	5	Build reserves
	4	Increase employee compensation
	3	Build/expand programs
	2	Reduce class size
	1	LCAP goals
Balanced Budget		
Deficit/ Reductions	1	LCFF revenue increases above projections
	2	Use of one-time funds and/or current reserves
	3	Supplies & Equipment
	4	Contracted services
	5	Administrative and management staffing
	6	Classified staffing (reduce support and service)
	7	Certificated staffing (reduce programs and
	8	increase class size)



# Budget Book 2019-20

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## Next Steps

- Continue to review 2021-22 Fiscal Stabilization Plan
- 2020-21 First Interim Report – December 2020
- Governor's January 2021-22 Budget Proposal



# QUESTIONS?

## FOR MORE BUDGET INFO . . .

[WWW.GUSD.NET/BUDGET](http://WWW.GUSD.NET/BUDGET)

[WWW.ED100.ORG](http://WWW.ED100.ORG)

CALL OR EMAIL STEPHEN DICKINSON, CFO  
 (818) 241-3111 EXT. 1271  
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