

2023-24 Proposed Budget

June 6, 2023

Public Hearing No. 2

Presented by: Santhasundari Rajiv
Chief Financial Officer

Budget Report No. 8



Excelling Together with Endless Pathways for Success!



Board of Education Priorities



Maximize Student Achievement

- Close the digital and equity gap.
- Offer robust in-person and independent study learning programs.
- Accelerate learning and improve attendance and engagement.

Foster a Positive Culture of Learning

- Ensure equitable teaching and learning opportunities led by excellence.
- Support culturally relevant curriculum that emphasizes inclusion.
- Increase school connectedness for students, parents, and families.

Ensure the Health and Safety of Students and Employees

- Strengthen mental health support and programs.
- Ensure best practices for safe and healthy learning environments.
- Support physical, social, and emotional wellbeing.

Maintain District Financial Responsibility

- Ensure the fiscal health of the District.
- Implement a fiscal plan to preserve the District resources.
- Plan for the District's future educational and facility needs.

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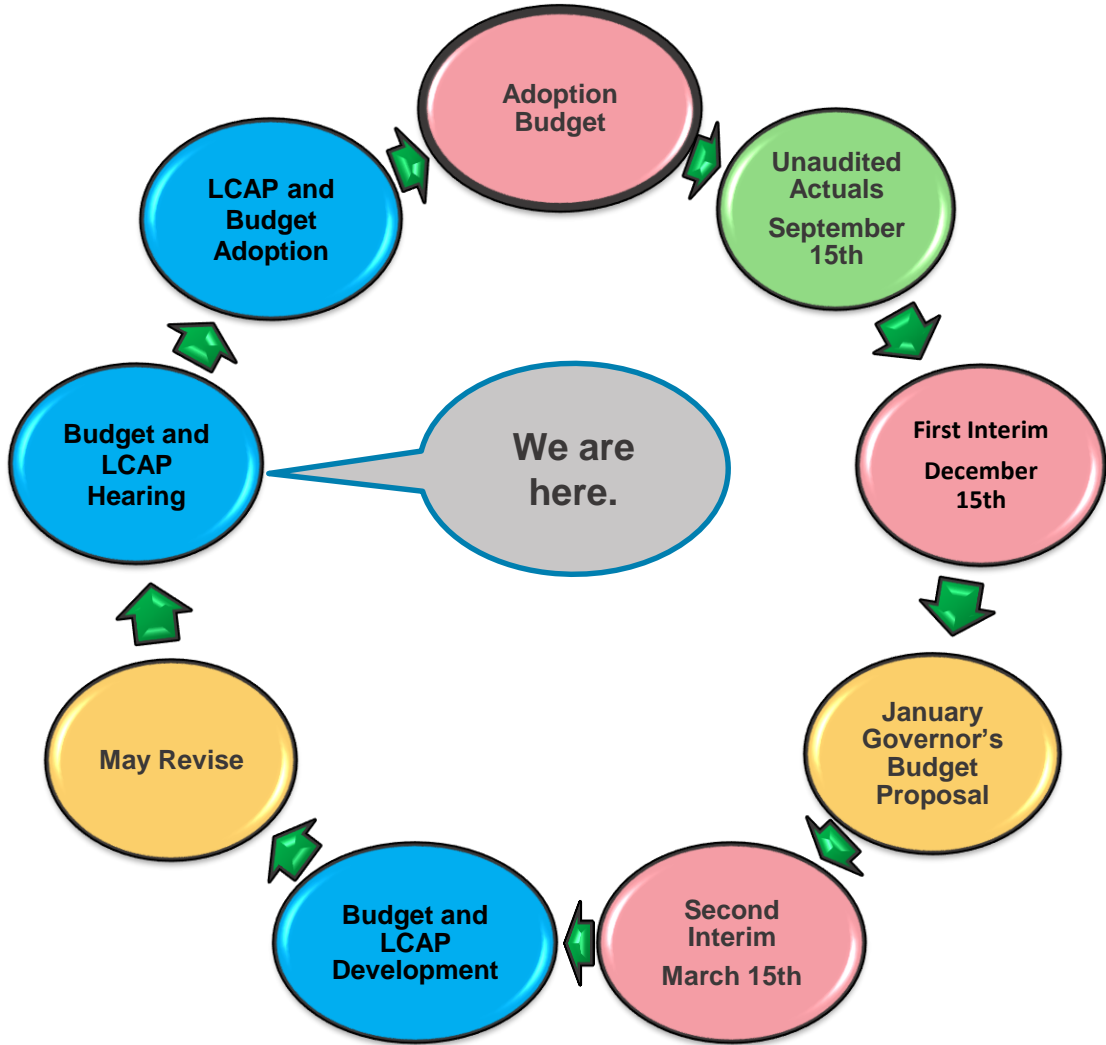
Proposed Budget

- The Proposed Budget and multiyear projections based on the most recent information available for major assumptions.
- Governor Gavin Newsom attempts to reach a balance of protecting existing investments while anticipating continued economic uncertainty.
- Statutory Cost-of-Living-Adjustment (COLA) 8.22% **set** at May Revise, which is higher from the January Budget of 8.13%.



Budget Cycle

Prior Year	2021-22 Actuals
Current Year	2022-23 Budget
Next Year – State Proposals	2023-24 Budget Proposals
Next Year	2023-24 Adopted Budget





Governor's Budget vs. May Revision

Item	Governor's Budget	May Revision
LCFF Funding Increase	\$5.04 billion ¹	\$4.04 billion ²
Proposition 98 Minimum Guarantee 2021-22	\$110.4 billion	\$110.6 billion
2022-23	\$107.0 billion	\$106.8 billion
2023-24	\$108.8 billion	\$106.8 billion
2023-24 Statutory COLA	8.13%	8.22%
Arts, Music, and Instructional Materials Discretionary Block Grant Reduction	-\$1.2 billion	-\$1.8 billion
Learning Recovery Emergency Block Grant Reduction	No Reduction	-\$2.5 billion

¹Reflects an LCFF increase of \$4.2 billion for the 8.13% COLA and \$855 million to support TK expansion

²Reflects an LCFF increase of \$3.6 billion for the 8.22% COLA and \$460 million to support TK expansion



State Local Control Funding Formula (LCFF)

Statutory
COLA

Statutory Cost Of Living Adjustment is up **from 8.13%** estimates in January **to 8.22%** the highest statutory COLA since 2016-17.

The Impact

LCFF revenue for GUSD will **increase by \$20.5M** overall at the 8.22% level, with the use of the three prior year average ADA.



State Local Control Funding Formula (LCFF)

Grade Span	2022-23 Base Grant per ADA	8.22% COLA	Grade Span Adjustment	Adjusted Base Grant	Supplemental Grant *
K-3	\$9,166	\$753	\$1,032	\$10,951	\$2,190
4-6	\$9,304	\$765	0	\$10,069	\$2,014
7-8	\$9,580	\$787	0	\$10,367	\$2,073
9-12	\$11,102	\$913	\$312	\$12,327	\$2,465

**Supplemental Grant funding is provided for students that qualify for Free/Reduced Priced Meals, Foster Youth, English Learners and Homeless students. This funding is included in the Local Control Accountability Plan (LCAP) target for increased and improved services.*

AB 1948 Legislative Proposal That Changes the LCFF Calculation

- Assembly Bill (AB) 1948 (Ting)
 - Change the fiscal year average daily attendance (ADA) to be computed based on the **higher of:**
 - **Current-year ADA,**
 - **Prior-year ADA, or**
 - **The average of the three most recent prior fiscal years.**
 - GUSD's LCFF calculation includes the average of the three most recent prior fiscal years.



General Fund Revenue Funding Factors

	2023-24	2024-25	2025-26
<u>Revenue</u>			
LCFF Revenue Increase	\$20.5 M	\$12.2 M	\$5.8 M
COLA %	8.22%	3.94%	3.29%
Unduplicated %	52.19%	53.22%	53.22%

PRIMARY BUDGET COMPONENTS FOR GUSD

- Net LCFF Impact of COLA, UPP, and other factors
 - Increase of \$28.6 million for 2022-23 & an increase of \$20.5 million for 2023-24
- 2023-24 CalSTRS employer rate remains flat at 19.10%
- 2023-24 CalPERS employer rate increases from 25.37% to 26.68%
- 2023-24 unduplicated pupil percentage is 52.19% from 51.78% in 2022-23 (Statewide average is approx. 62%)

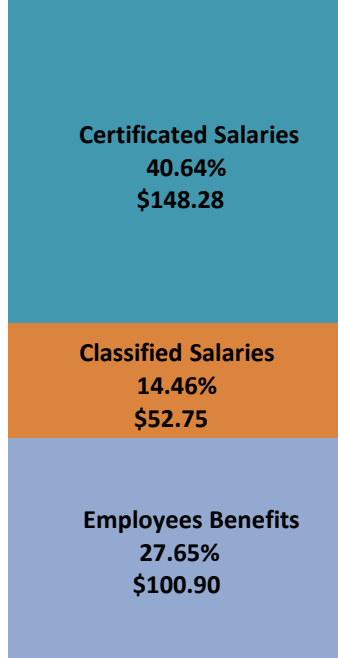
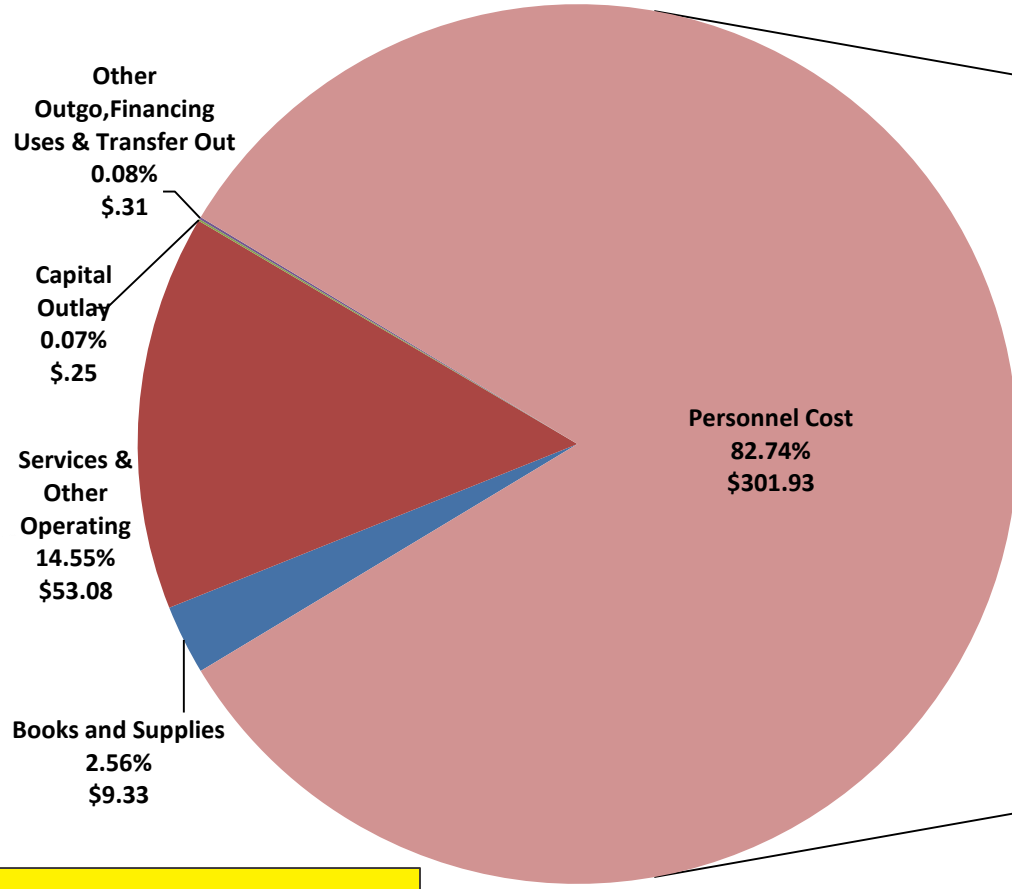
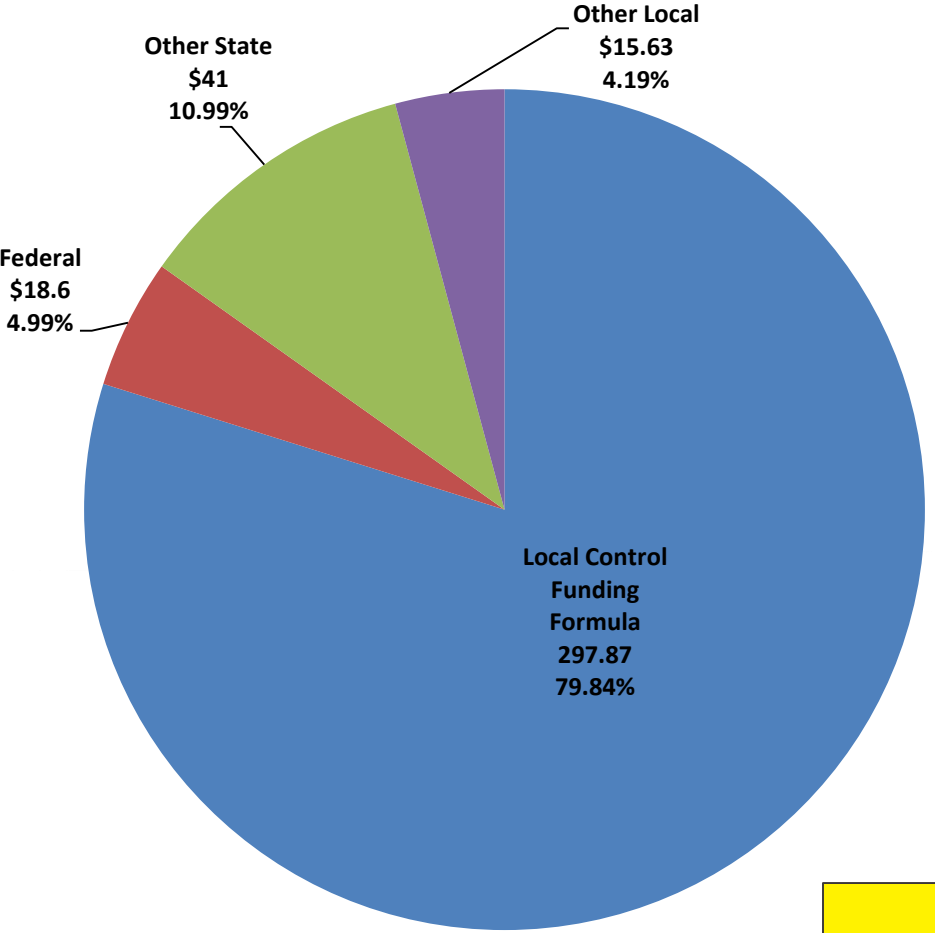


How ADA Translates to Funding for Glendale Unified School District

GUSD – 2023-24		
2023-24 LCFF Per ADA Funding	Projected Funded 2023-24 ADA	Projected 2023-24 LCFF Total Revenue
\$12,357	24,106	\$297,873,178



2023-24 Proposed TOTAL REVENUES & EXPENDITURES – GENERAL FUND



Rev \$373.11m
 -Exp \$364.90m
 Current Excess = \$ 8.21m

Be aware of
annual carryover
process

Total Revenues \$373,106,450

Total Expenditures \$ 364,897,905



Multi-Year Budget Projection - Unrestricted General Fund

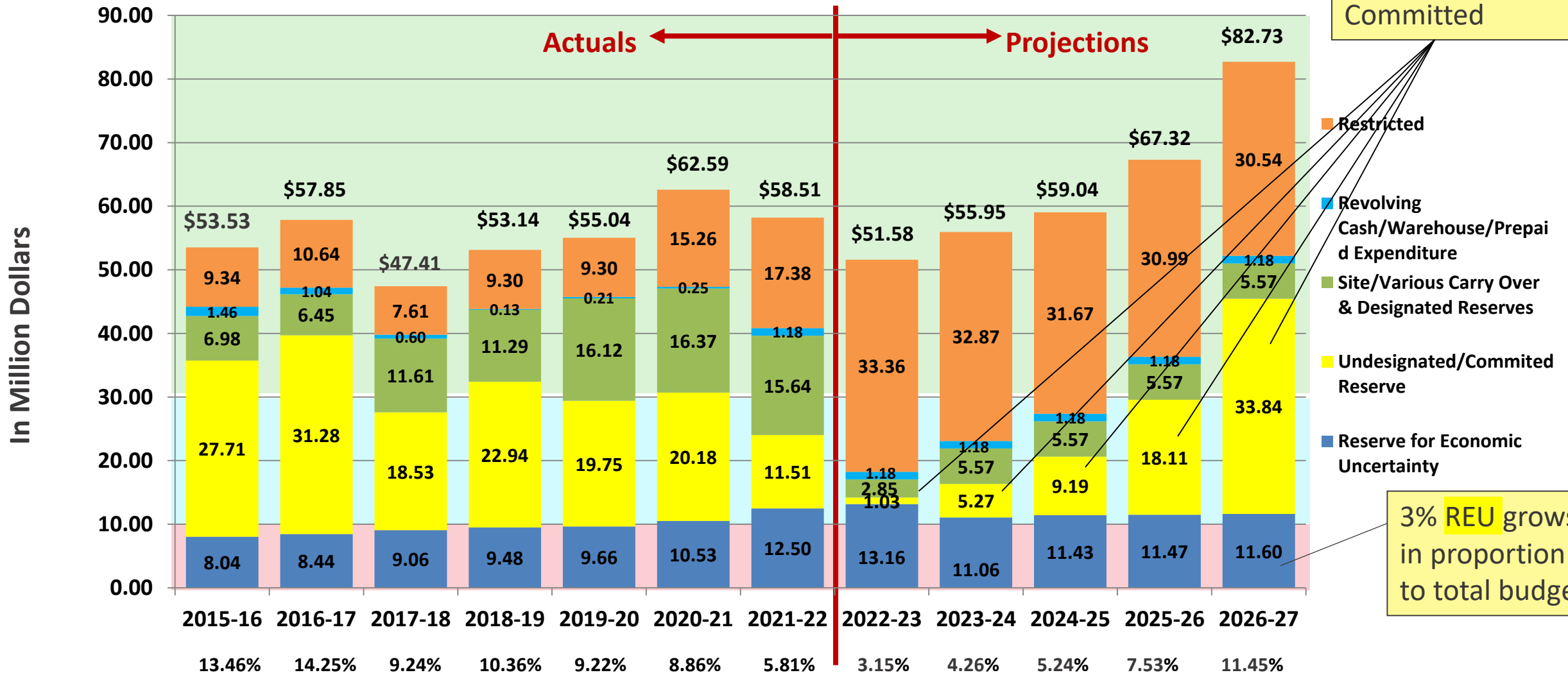
	2023-24	2024-25	2025-26	2026-27
Total Unrestricted General Fund Balance	\$23,081,282	\$27,373,629	\$36,330,232	\$52,186,203
Revolving Cash, Warehouse & Non-Spendable	\$1,180,429	\$1,180,429	\$1,180,429	\$1,180,429
Designated for Economic Uncertainty	\$11,062,220	\$11,432,711	\$11,468,452	\$11,595,214
Regular Carry-Over	\$5,573,494	\$5,573,494	\$5,573,494	\$5,573,494
Committed	\$5,265,139	\$9,186,995	\$18,107,857	\$33,837,066
Unassigned Ending Balance	\$0	\$0	\$0	\$0

- Please note that due to the Constitutional limits on the reserves being triggered in 2023-24, the District has commitments for 2023-24 and beyond. The Board Resolution No. 29 is being approved.



Proposed Budget 2023-24 Summary of General Fund Ending Fund Balances

Starting 22-23, this amount is Committed

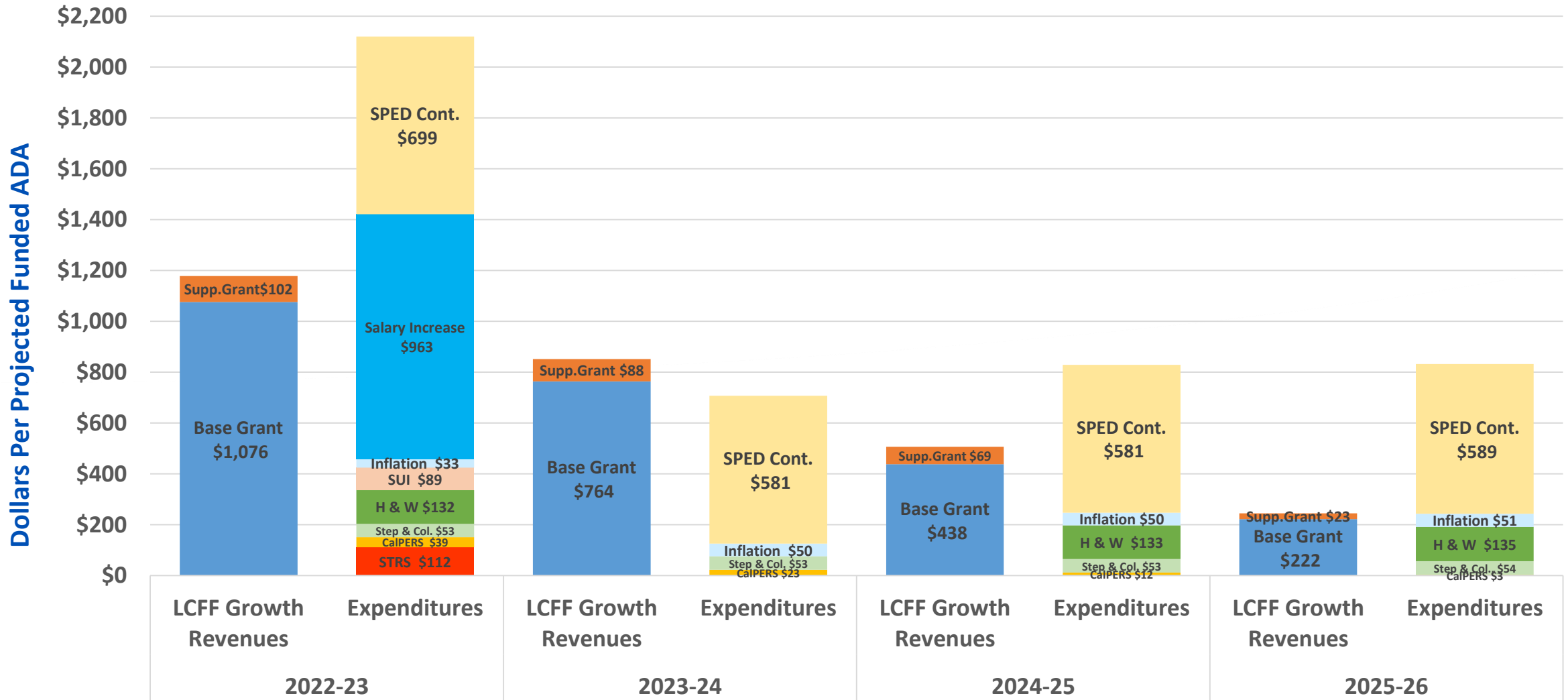


3% REU grows in proportion to total budget

Note: The percentages above represents the ratio of Undesignated/Committed Reserve and the 3% Reserve for Economic Uncertainties to the total General Fund Expenditures.



GUSD LCFF Revenue vs. Expenditure Increase per ADA Unrestricted General Fund – Proposed Budget 2023-24



What is the true COLA for GUSD?



Year	Enrollment	Attendance Yield	Funded ADA		Base Grant 4-6		Total
2022-23	24,455	94%	5,626	X	\$9,304	=	\$52,344,304
2023-24	25,000 ¹	95%	5,527	X	\$9,304		
					+ 765	COLA (8.22%)	
					\$10,069	=	\$55,651,363

The year-over-year difference is \$3,307,059, or 6.32%, and does not consider the increased cost associated with servicing existing salary schedules or increased employer contributions to employee benefits and CalSTRS/CalPERS

¹Assumes enrollment increase in 2023-24 to 25,000

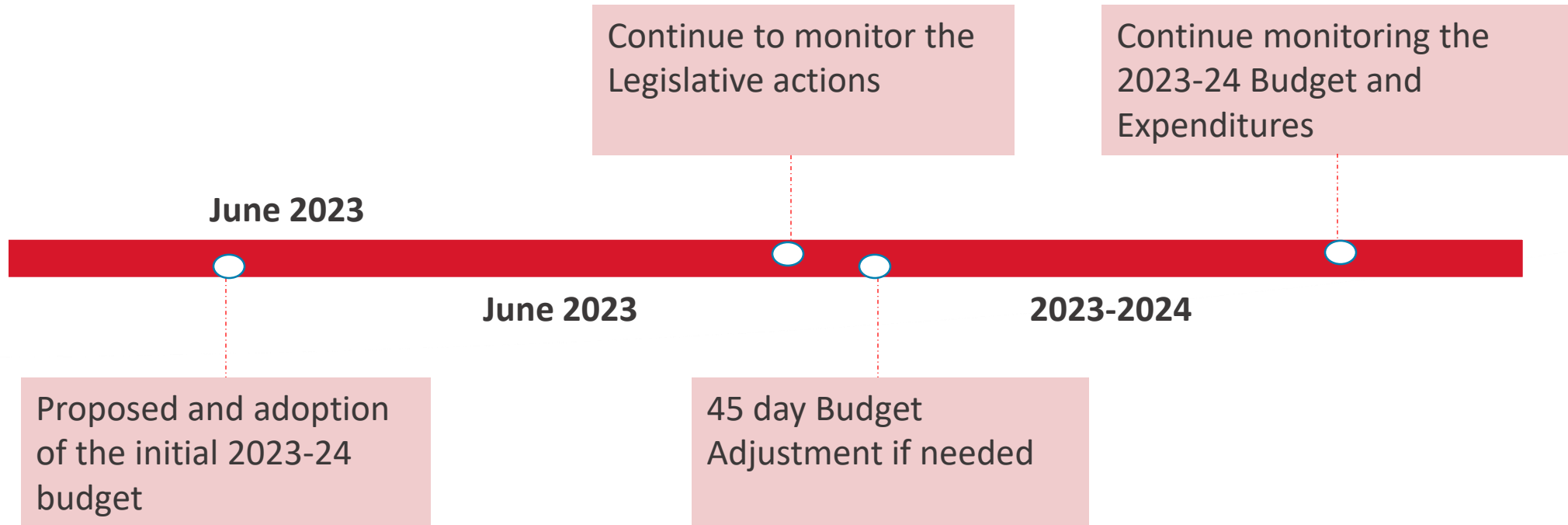


Budget Challenges

- Spending Deadlines and Restrictions
- Expiring one-time funds
- Compensation cost pressures



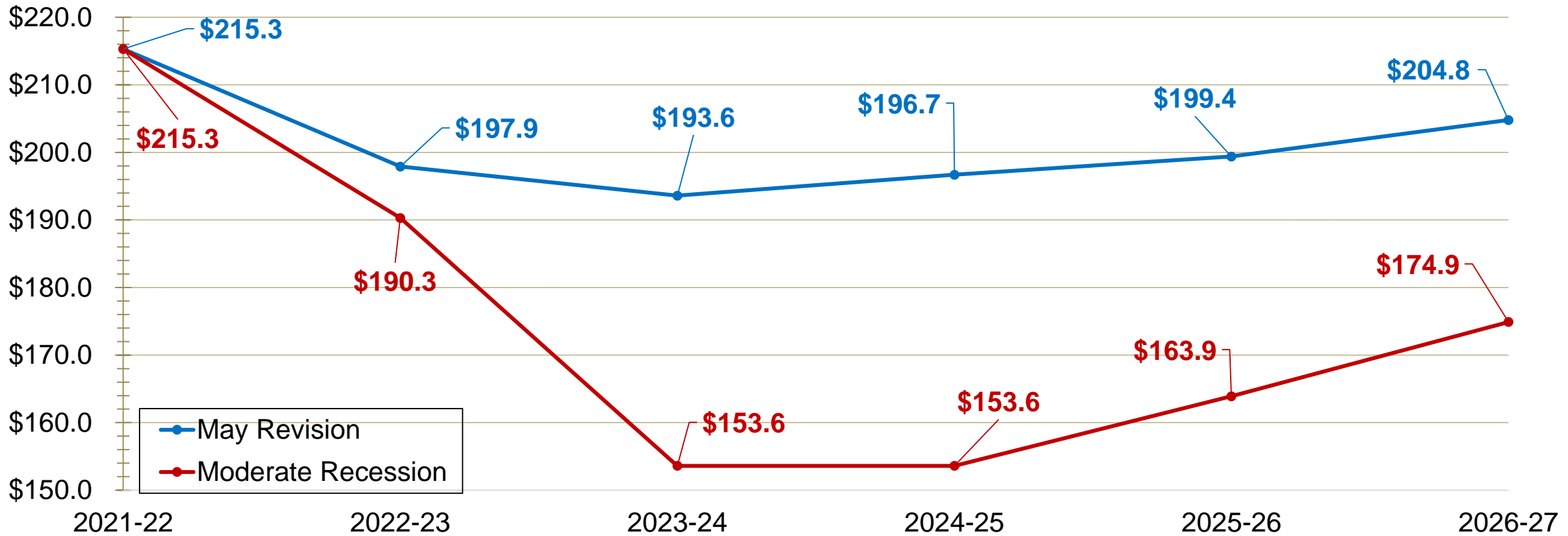
Next Steps





Moderate Recession Model

“The Big Three”
(Dollars in billions)





Questions or more information:

WWW.GUSD.NET/BUDGET

WWW.ED100.ORG

Thank You!