

2020-2021 Proposed Budget

PRESENTED BY:

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Assistant Superintendent, Business

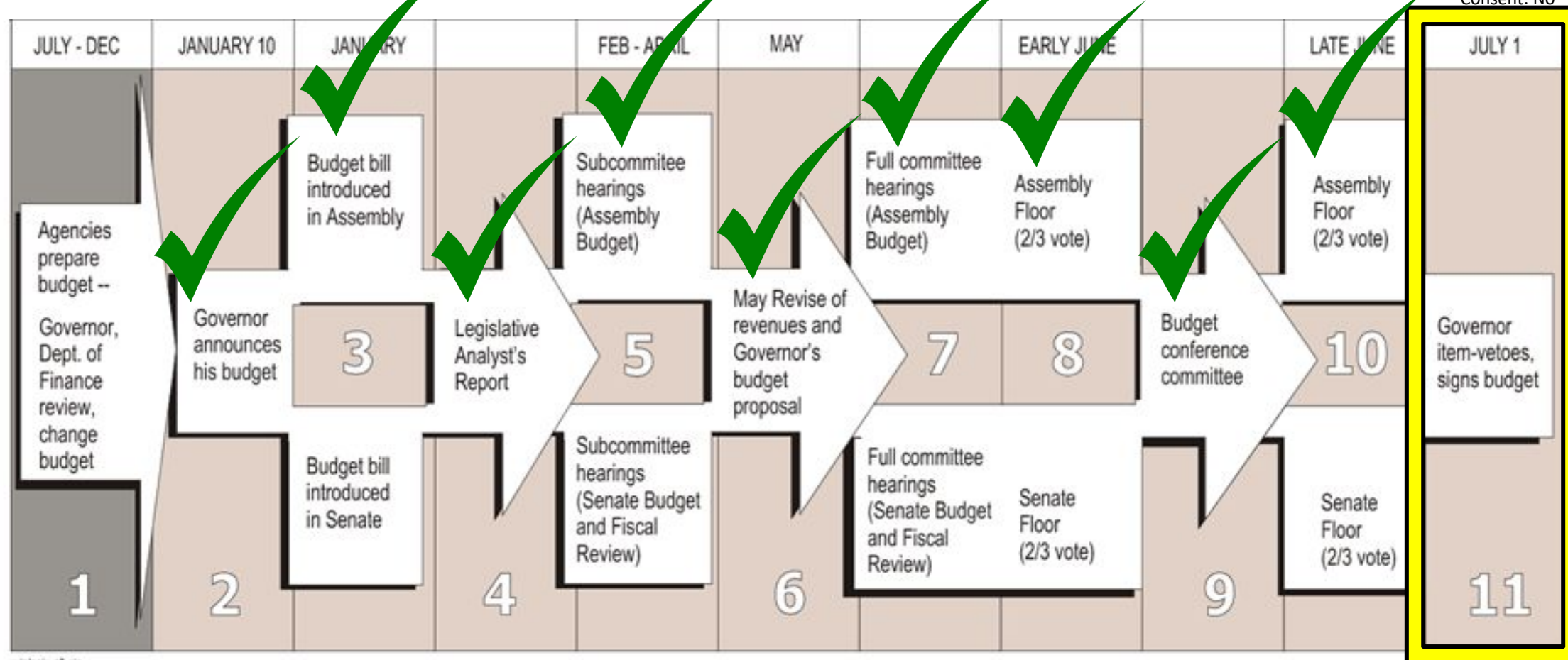
June 24 2020
Board Meeting



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We are still in the middle of the State budget process

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Board Meeting Date: 06/24/20
Consent: No



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Estimated Actuals - 2019-20

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Board Meeting Date: 06/24/20
Consent: No

Category - Unrestricted General Fund	2nd Interim (March 20)	Estimated Actuals (June 20)	Difference
Beginning Balance	18,605,372	18,605,372	0
LCFF	204,337,748	204,524,804	187,056
Other Funds	11,912,553	11,212,956	(699,597)
Salaries and Benefits	162,030,450	161,069,226	(961,224)
Supplies and Services	13,468,530	13,082,899	(385,631)
All Other Expenditures	47,004,587	46,293,515	(711,072)
Ending Balance	12,352,106	13,897,490	1,545,384
Unrestricted Reserves Beyond Minimum	3,634,367	5,214,770	1,580,403



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What is the latest information on the Budget?

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Board Meeting Date: 06/24/20

Consent: No

- The State is still projecting a \$54.3B shortfall next year based on incomplete data
- State Senate and State Assembly reached a deal on June 3, 2020 to protect funding for education and began negotiations with the Governor
 - No deal reached yet*
- State Senate and State Assembly approved SB-74, submitting a 2020-21 Proposed Budget to Governor Newsom
 - Governor Newsom has 12 days to take action: Sign, line-item veto, or reject
- Expect a State Revised Budget by August 15

* As of publication of this presentation on 6-19-20

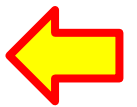
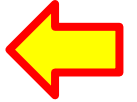


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2020-21 Governor's May Revise - June 3 Board Meeting

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Board Meeting Date: 06/24/20
Consent: No

Category - Combined General Fund	2nd Interim (March 20)	Estimated Actuals (June 20)	Difference
Beginning Balance	16,420,990	18,634,145	2,213,155
LCFF	209,064,046	188,499,472	(20,564,574)
Other Funds	72,893,012	75,083,012	2,190,000
Salaries and Benefits	248,707,543	245,932,543	(2,775,000)
Supplies and Services	34,443,747	34,443,747	0
All Other Expenditures	3,515,161	3,515,161	0
<u>Projected Necessary Reduction</u>	<u>0</u>	<u>(12,000,000)</u>	<u>(12,000,000)</u>
Ending Balance	11,711,599	10,325,180	(1,386,419)
Unrestricted Reserves Beyond Minimum	431,915	232,647	(199,267)



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What is included in the 2020-21 Proposed Budget?

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Consent: No

- State Legislature's Budget Deal - SB 74 Approved June 15, 2020
 - 2.31% COLA
 - No LCFF Reduction
 - No categorical reductions
 - CARES Act - ESSER Funding
 - Increase in AB-602 Special Education Funding
- Reduction in Interest, Lottery, and Facility-Use Revenues
- Temporary Reduction in PERS and STRS Contribution Rates



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Tentative Proposed Budget - 2020-21

Agenda Item: H.2.

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Board Meeting Date: 06/24/20

Consent: No

Category - Unrestricted General Fund	2nd Interim (March 20)	Proposed Budget (June 20)	Difference
Beginning Balance	12,352,106	13,897,490	1,545,384
LCFF	207,658,959	207,883,450	224,491
Other Funds	8,521,500	11,574,802	3,053,302
Salaries and Benefits	162,930,071	161,587,847	(1,342,224)
Supplies and Services	10,671,263	11,200,215	528,952
All Other Expenditures	45,764,587	44,441,664	(1,322,923)
<u>Projected Necessary Reduction</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance	9,166,644	16,126,016	6,959,372
Unrestricted Reserves Beyond Minimum	431,914	7,580,617	7,148,703



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Tentative Proposed Budget - Multi-Year Projection

Agenda Item: H.2.
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Board Meeting Date: 06/24/20
Consent: No

Category - Unrestricted General Fund	Proposed Budget (June 20)	Projected Budget 2021-22	Projected Budget 2022-23
Beginning Balance	13,897,490	16,126,016	8,734,668
LCFF	207,883,450	204,229,685	201,754,486
Other Funds	11,574,802	8,124,802	8,124,802
Salaries and Benefits	161,587,847	163,603,956	168,738,974
Supplies and Services	11,200,215	11,200,215	11,200,215
All Other Expenditures	44,441,664	46,941,664	46,941,664
<u>Projected Necessary Reduction</u>	<u>0</u>	<u>(2,000,000)</u>	<u>(15,000,000)</u>
Ending Balance	16,126,016	8,734,668	8,733,103
Unrestricted Reserves Beyond Minimum	7,580,617	112,551	406,161



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COVID-19 Operations Written Report

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Board Meeting Date: 06/24/20

Consent: No

Summary Report of changes made to operations during COVID-19

- Program Offering Changes
- Strategies to Support English Learners, Foster Youth, and Low-Income
- Steps to Continue to Deliver high-quality distance learning opportunities
- Steps to provide school meals while maintaining social distancing
- Steps to arrange supervision of students during ordinary school hours

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COVID-19 Operations Written Report - Highlights

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Consent: No

- HUSD Distance Learning Plan
- Extensive outreach to students and families
 - Particular focus on English Learners, Foster Youth, and Special Education
- Professional development opportunities
- Technology support, open wifi areas, and helpdesk hotlines were made available
- Distribution of over 500 wifi hotspots and over 5,000 chromebooks
- Nearly 90,000 meals served during the school closures



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We Still Have Several Key Unknowns:

Federal

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Consent: No

- Potential new federal funds

State

- Which budget proposal (Governor / Senate / Other) will be approved?
 - Allocation method of the \$4.4B in Federal funds to California
- Tax filings in July to update State projections (up or down)
- Duration and magnitude of the recession

Local

- Reopening schools plan and related staffing / service level requirements



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Budget Planning County Guidelines

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Consent: No

In order to finalize our budget prior to the June 30 statutory deadline ...

- ACOE will require a resolution committing the district to make immediate reductions (in 90 days), if reductions are needed this year
- ACOE will not require that all the reductions are fully identified in the June budget
 - ACOE formally approves, conditionally approves, or disapproves our budget by September 15

May not be necessary, but will not have a lot of time if action is necessary



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Next Steps for the Budget

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Board Meeting Date: 06/24/20

Consent: No

- June 24, 2020
 - Board Commitment to Expenditure Reductions
 - Board Adoption of the 2020-21 Budget
- By June 29, 2020
 - Governor has to take action
- **July 15 / July 29**
 - **Hold date for potential Budget Board Meetings**
- August 2020
 - State Revised Budget Expected for 2020-21
- September 2020
 - 2019-20 Unaudited Actuals
 - Initiate Community Budget Review Process
 - ACOE review of the HUSD Adopted Budget
- December 2020
 - 2020-21 LCAP Adoption



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