

CENTRAL UNION HIGH SCHOOL DISTRICT

DATE: August 4, 2020

TO: Dr. Ward Andrus, Superintendent

FROM: Arnold Preciado, Assistant Superintendent, Business and Support Services

SUBJECT: **STATE 2020-21 BUDGET AND THE IMPACT ON THE CENTRAL UNION HIGH SCHOOL DISTRICT'S BUDGET – 45-DAY BUDGET UPDATE.**

INFORMATION ITEM

BACKGROUND:

Pursuant to Ed Code 42127 (I) (4), "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."

The State's Budget Act was officially signed by the Governor on June 29, 2020. The major changes to the District's July 1 Adopted Budget that requires revenue and expenditure revisions base on the final 2020-21 State Adopted Budget are included in the attached worksheet.

DISCUSSION/ALTERNATIVE/CONCERNS:

FINANCIAL IMPLICATIONS:

Additions and modifications as described in the attached worksheet.

ACTION REQUESTED:

This is an information item only. No action required.

2020-21 45 Day Budget Update

School District:

Pursuant to Ed 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."

The Budget Act was officially signed by the Governor on June 29, 2020. The major changes between the May Revise and the Adopted State Budget that require revenue and expenditure revisions are as follows:

The major change pertaining to the 45-day revision based on the final Budget Act is the adjustment to LCFF Revenue. Instead of enacting a 10% reduction based on the May Revise, the Governor and the Legislature agreed not to make cuts to revenue. The Budget Act includes major deferrals or cash being withheld from school districts. It is anticipated the State will move forward with upwards of \$11 Billion in cash deferrals. Although, in terms of the budget we are not seeing a cut, we will be receiving less cash to operate. The Central Union High School District will be issuing a Tax Revenue Anticipation Note (TRANS) for the 2020-21 to receive cash necessary for the operation of the District. The Ending Fund Balance increase is a budget mirage since the District will not be receiving this cash until the following year.

	Board Adopted Budget	45 Day Budget Revision	Difference	Descriptions/Explanation
Revenues				
LCFF	45,180,535	49,079,334	3,898,799	No 2.31% COLA - Elimination of 10% Cut
Federal	4,615,068	4,615,068	-	
State	4,168,361	4,168,361	-	
Local	1,609,173	1,609,173	-	
Total Revenues	55,573,137	59,471,936	3,898,799	
Expenditures				
Certificated	24,861,268	24,861,268	-	
Classified	7,954,444	7,954,444	-	
Employee Benefits	13,608,189	13,608,189	-	
Books & Supplies	3,361,692	3,361,692	-	
Services and Other Operating	4,375,127	4,375,127	-	
Capital Outlay	541,547	541,547	-	
Other Outgo	630,372	630,372	-	
Indirect Costs	(107,000)	(107,000)	-	
Interfund Transfers	200,000	200,000	-	
Total Expenditures	55,425,639	55,425,639	-	

Net Increase (Decrease) in Fund Balance	147,498.00	4,046,297.00		
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Beginning Fund Balance		-		
Projected Ending Balance, June 30, 2021	147,498	4,046,297		