

Berkeley Unified School District

2020-21 Unaudited Actuals

September 8, 2021

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In tonight's presentation... Board is asked to approve

- 2020-21 Unaudited Actuals
- Gann Limit Resolution

Overview Unrestricted General Fund

- The District met the 3% State required reserve
- Undesignated Ending Fund Balance exceeds projections by \$.5 million

	Estimated Actuals	Unaudited Actuals	Variance
Change in Fund Balance	\$398,698	\$862,768	\$464,070
Ending Fund Balance	\$4,541,521	\$5,005,591	\$464,070
Undesignated Fund Balance	\$3,276,565	\$4,049,062	\$772,497

- \$1.1 million assigned
 - \$0.1 million for revolving cash
 - \$1.0 million for LCAP Reserve

LCAP Supplemental Designation

LCAP - 2010-21 Unaudited Actuals								
	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	Total
LCAP per Calculator	2,381,371	4,249,521	5,038,890	5,271,850	5,504,611	5,414,629	5,066,686	32,927,558
Spent/ Budgeted	2,126,754	3,841,536	4,537,287	5,075,506	5,228,015	5,188,864	4,903,837	30,901,799
Balance Resource 0500	254,617	407,985	501,603	196,344	276,596	225,765	162,849	2,025,759
Carryover								
Spent		35,139	-		225,321	228,444	260,852	749,756
Balance 0505		(35,139)	-	-	(225,321)	(228,444)	(260,852)	(749,756)
Unspent balance	254,617	372,846	501,603	196,344	51,275	(2,679)	(98,003)	1,276,003

LCAP Reserve \$1,000,000
 LCAP Carryover \$ 276,003

Variance Report

FY 2020-21 Unaudited Actuals Variance Report

Committed Reserve - Board Policy

Board Policy (Approved October 11, 2017) for an annual commitment of 1% additional reserve for Economic Uncertainty (to be shown as a specific line item in the budget)

Any year when all the following 3 conditions are met

1. Committed reserve is less than 1% of Combined General Fund
2. Adopted Budget has a positive certification
3. Unassigned General Fund Balance (after the 3% reserve) > than 2% of Combined General Fund expenditures

Then set up a reserve for half the increase of Unaudited Actuals over Estimated Actuals (budget)

In 2020-21, 2% of the Combined GF is \$3.6 million and the Unassigned GF balance is \$4.0 million.

However the balance includes a \$2.0 million transfer from Fund 20.

Without the transfer the Unassigned Fund Balance would be \$2.2 million which is less than the required \$3.6 million.

Special Education Trend

	Contribution	Change
2018-19 Actuals	20,917,667	2,435,260
2019-20 Actuals	24,058,980	3,141,313
2020-21		
Estimated Actuals	25,242,539	1,183,559
Unaudited Actuals	24,365,207	(877,332)
Increase over Prior Year	306,227	

Gann Limit

- Established in 1979 with the passage of Proposition 4
- It limits the allowable growth in state and local government spending
- It is expected to be triggered in 2021-22
- It is not expected to impact 2020-21 funding

Other Considerations/Next Steps

- Current funding based on prior year ADA, however the District will be funded on actual ADA in 2022-23 creating a revenue cliff
- The structural deficit is being funded by one-time transfers from Fund 20
- Increase in STRS/PERS costs continue to absorb a substantial amount of increase in revenue which is increasing the structural deficit
- Significant budget cuts are needed to balance the budget in the out years
- First Interim reporting for the period ending on October 31, 2021 will go to the Board on December 8, 2021. We will focus on out years in the Multi-Year Projections

Acknowledgements - Fiscal Team

- Ben Zohar - Budget Analyst II
- Siu Lau - Budget Analyst II
- Craig Kaufman - Budget Analyst II
- Monica McClinton - Budget Analyst II
- Jinying Ma - Budget Analyst II
- Miguel Dwin - Budget Analyst I
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- Vivian Ferguson - Executive Assistant

Discussion