

**Burbank Unified School District
Administrative Services**

REPORT TO THE BOARD

TO: Members of the Board of Education

FROM: Debbie Kukta, Assistant Superintendent, Administrative Services

PREPARED BY: Alyssa Low, Director of Fiscal Services

SUBMITTED BY: Ruthie DiFonzo, Senior Administrative Assistant

DATE: June 25, 2020

SUBJECT: Adoption of Resolution 58 Approving the Development of a Budget Balancing Plan and Implementation Timeline for Fiscal Year 2020-2021

Background:

The Burbank Unified School District must prepare an annual budget for the fiscal year July 1 through June 30 which must be reviewed and approved and submitted to LA County Office of Education on or before July 1 of the fiscal year (LACOE has always asked for it by June 30). This budget is based upon assumptions regarding projected enrollment, State and Federal funding. The impact of COVID-19 on the global economy has brought about a recession becoming a significant factor of change to the budget projections. Because of this, the budget assumptions that were presented in January for the upcoming 2020-21 fiscal year by Governor Gavin Newsom have drastically changed and the May revision budget now adversely affects K-12 funding.

Discussion/Issues:

Due to these changes, the Board, Superintendent and Staff have held Board Budget Discussions on May 19, May 26, June 4 and June 17 and June 18, 2020 to review the fiscal impact of the proposed cuts as they apply to Burbank USD. The affects result in approximately \$13,000,000 less in State aid with the potential of additional cuts to grant funding. In order to remain fiscally solvent, Burbank USD will need to make drastic cuts to reach the required 3% Reserve for Economic Uncertainty. These budget discussions have provided a framework for how to potentially proceed with the reductions necessary should the May Revision budget be signed by the Governor and adopted.

Fiscal Impact:

There is no fiscal impact in adopting this resolution.

Recommendation:

Debbie Kukta, Assistant Superintendent, Administrative Services, recommends that the Board of Education adopt Resolution 58 Approving the Development of a Budget Balancing Plan and Implementation Timeline for Fiscal Year 2020-2021, as presented.



RESOLUTION 58

**RESOLUTION OF THE BOARD OF EDUCATION OF THE
BURBANK UNIFIED SCHOOL DISTRICT
APPROVING THE DEVELOPMENT OF A BUDGET BALANCING PLAN AND
IMPLEMENTATION TIMELINE FOR FISCAL YEAR 2020-2021**

IN SUBMITTING, the 2020-21 Burbank Unified School District Budget the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years. At this time, there is a high degree of uncertainty due to COVID-19, the State's reduction or delay of District's revenue, and the rate of economic recovery, which would implement proposed trigger reductions for 2020-21 and forward. With the 2020-21 Budget submission, the Board is approving the development of a budget balancing plan along with an implementation timeline for fiscal year 2020-21.

FURTHERMORE, in the event that further cuts take place, additional reductions in revenue occur, and increased costs to provide education services to our students under new COVID – 19 requirements, the District's funding will be reduced. The Board acknowledges that the District has addressed the need for a contingency plan with the appropriate Board options by which to address this potential reduction in funding/increased expenditures. This plan will allow the District to maintain fiscal solvency for both 2020-21, 2021-22 and 2022-23. A more refined and specific plan will be submitted with the District's 2020-21 45-day revision and/or First Interim based upon the budget planning recommendations issued by the Los Angeles County Office of Education. Any additional updates to that plan will be dependent on the adopted 2020-21 State Budget.


PASSED AND ADOPTED by the Board of Education of the Burbank Unified School District on this June 25, 2020, by the following vote:

AYES: 5


NOES: 0

ABSENT: 0

ATTEST: 0



Clerk of the Board of Education
Burbank Unified School District



President of the Board of Education of the
Burbank Unified School District