

DOWNEY UNIFIED SCHOOL DISTRICT 2021-22 Fiscal Year Budget

Presented by:

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June 1, 2021

State Budget Update

- **On May 14, 2021, Governor Newsom released his 2021-22 May Revise Budget**
- **Proposition 98 funding is \$93.7 billion for 2021-22, an increase of \$7.9 billion over the January proposal or an increase of 1.23% funded COLA (from 3.84% to 5.07%).**
- **LCFF and Local Control Accountability Plan (LCAP) in place for 2021-22 Budget**
 - Have been on file for public inspection
 - Public hearings to be held at this Board meeting
 - Adopted budget and approval of LCAP to be held at the June 15 Board meeting

General Fund Revenue

Assumptions/Guidelines – Assumptions Tab, Page 1

- **2021-22 District Budget in accordance with LCAP and LCFF funding**
- **COLA applied to LCFF**
 - Statutory COLA 1.70%
 - Compounded COLA 4.05%
 - “Mega” COLA 5.07%
- **LCFF Base Funding For DUSD**
 - LCFF Base funding is projected at \$196.2 million or \$9.7 million increase over prior year
 - S&C funding is projected at \$40.7 million or \$1.4 million increase over prior year
- **Enrollment/ADA**
 - Projected at 21,986/21,227. Consistent with 2019-20 enrollment/ADA
- **LCFF Supplemental and Concentration Grant (LCAP)**
 - Dedicates portion of LCFF funding to services for limited English, low income, homeless and foster youth students (Unduplicated Pupil Count or UPP)
 - 20% of base for Supplemental (total UPP)
 - 50% of base for Concentration (UPP above 55%)

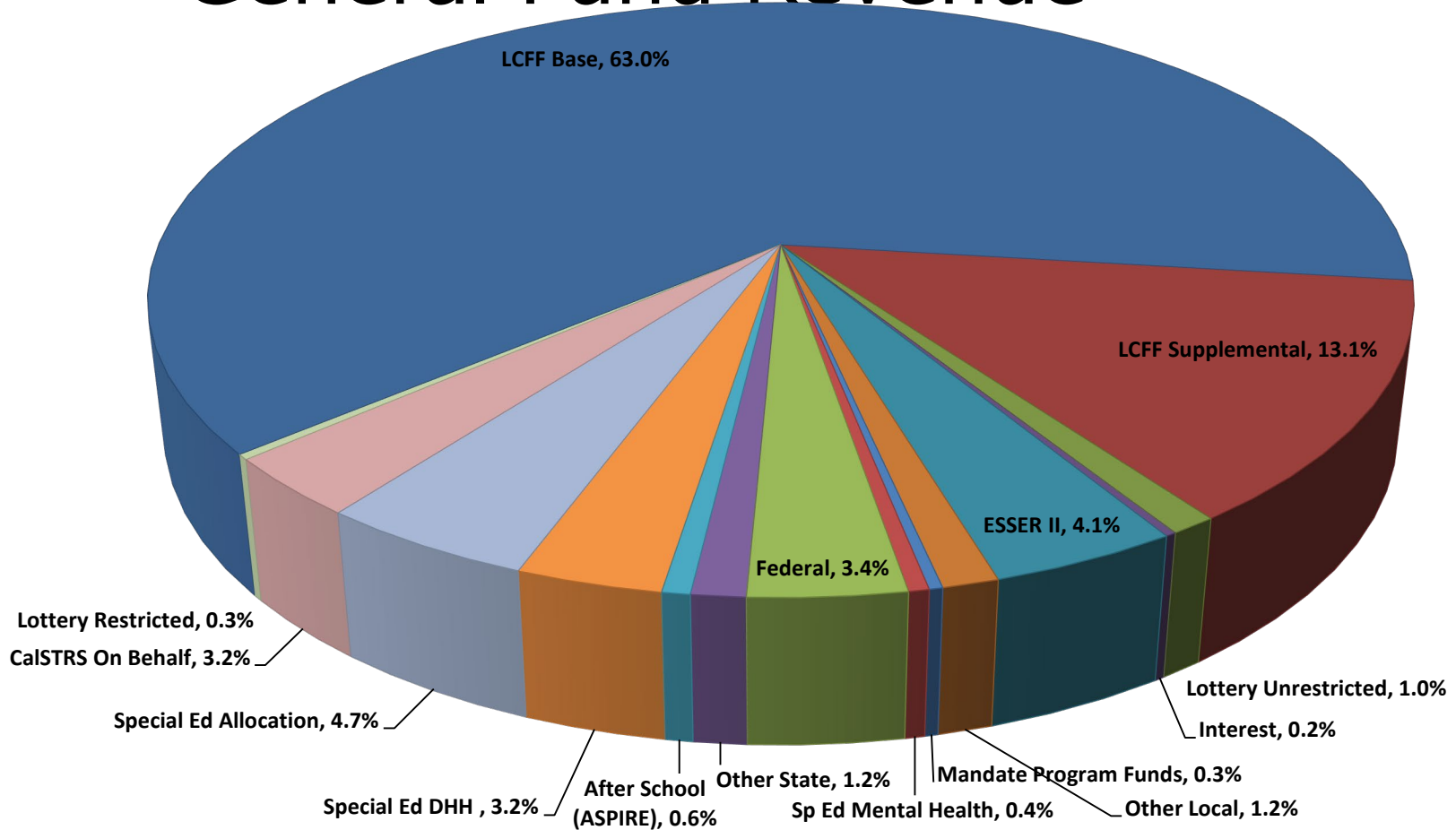
General Fund Revenue

Assumptions/Guidelines – Assumptions Tab, Page 1; cont.

- **Special Education**
 - Will receive COLA of 4.05%
 - Budgeted based on SELPA recommendations
 - Funded from a combination of LCFF, Federal, State and Local SELPA funding and Unrestricted General Fund contributions

- **Summary of May Revise on DUSD Budget**
 - COLA applied to LCFF and Special Ed as listed above
 - No other items from the May Revision reflected on this budget yet.

General Fund Revenue



General Fund Expenditures

Assumptions/Guidelines – Assumptions Tab, Page 1; cont.

- **Increases identified during the budget development process included**
- **Salaries**
 - Salaries include the increases for step and column movement \$2.5 million
 - Increase Special Education Classes by 8 certified FTEs and 3.25 classified FTEs at cost of \$1.2 million
- **Statutory Benefits**
 - Rate increases for STRS and PERS in the amount of \$1.8 million
 - Rate increase for SUI in the amount of \$1.9 million
 - 21.20% for Certificated Positions CalSTRS Eligible
 - 33.48% for Classified Positions CalPERS Eligible
 - 6.78% for Part-time Positions not Eligible to Pension

General Fund Expenditures

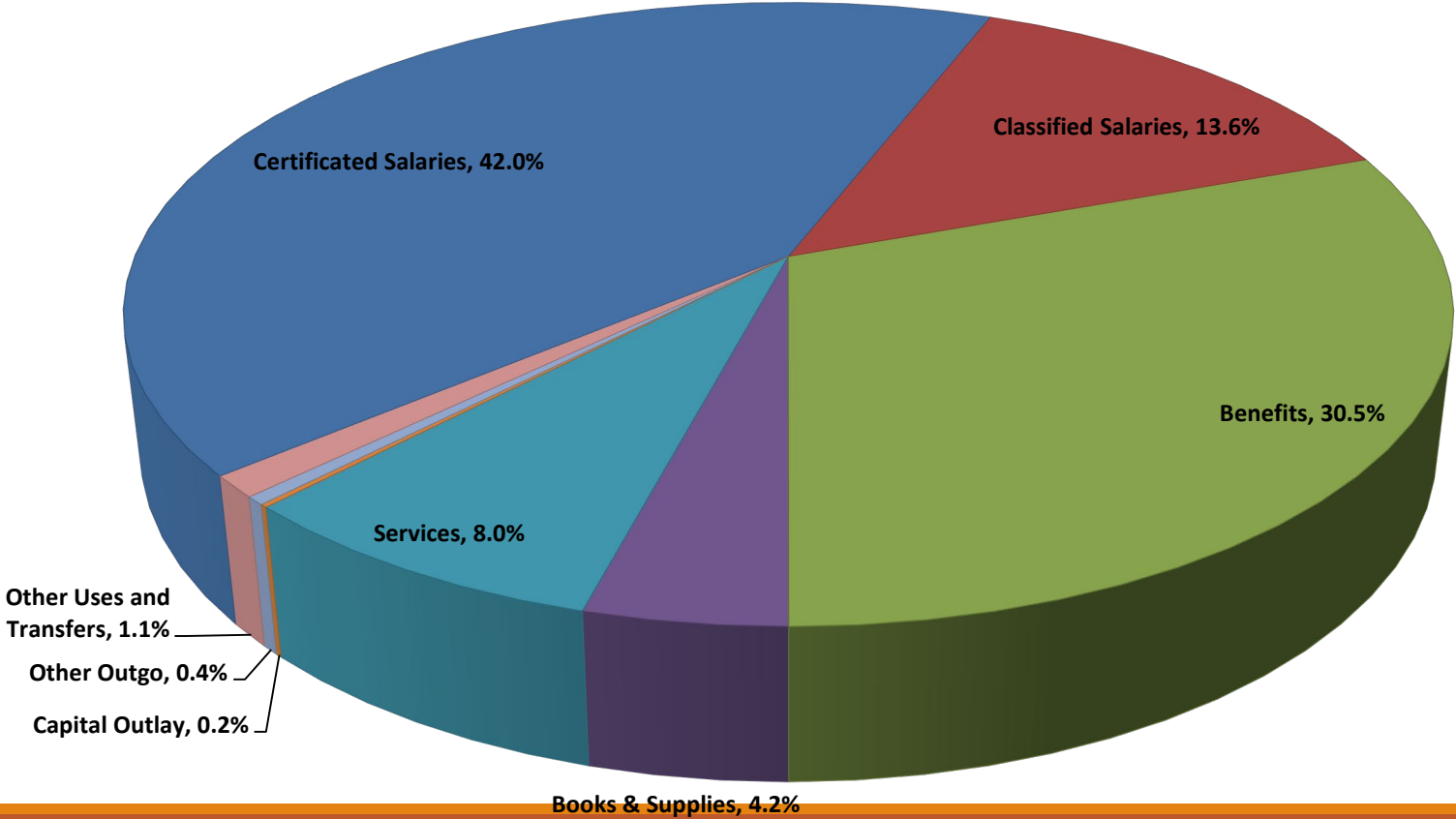
Assumptions/Guidelines – Assumptions Tab, Page 1; cont.

- **Supplies/Services/Capital Outlay**
 - Health and Welfare increase by \$613K
 - Property and Liability Insurance increase by \$110K
 - Department budgets are budgeted at the same level as prior year
 - School site budgets funded based on established formulas
 - The cost of services and supplies such as: gasoline, trash, natural gas, telephone, postage, etc. are budgeted at the same level as prior year.

General Fund Additions

Revenue Increase/Decrease	Amount
LCFF BASE Increase 5.07%	\$9,654,750
LCFF S/C Increase 5.07%	\$1,393,091
Increase in Special Ed Funding	714,000
Total Change in Revenue	\$11,761,841
Additional Expenditures	Amount
Step & Column Including Special Ed	\$2,540,000
Health & Welfare Increase	612,490
STRS Rate Change Including Special Ed	983,143
PERS Rate Change Including Special Ed	857,183
SUI Rate Change Including Special Ed	1,946,407
Property & Liability Insurance	110,000
Increase in Sp Ed staffing	1,190,306
Increase 2 FTEs - IT/M&O Positions	221,344
Increase in 3% contribution to RRM	254,447
Total Additional Expenditures	\$8,715,320
Net Difference	\$3,046,521

General Fund Expenditures



COVID-19 Relief One-Time Funding

COVID-19 Funding	Amount
Total COVID-19 Funding Awarded	\$101,386,910
Actual Cash Received as of May 31, 2021	\$35,282,254
Pending Cash to be received	66,104,656
COVID-19 Expenditures	Amount
Estimated Expenditures as of June 30, 2021	\$26,037,044
Budgeted Expenditures for 2021-22	12,756,817
Remaining Funds	62,593,049
Total COVID-19 Expenditures	\$101,386,910

Ending Fund Balance and Reserves

Ending Fund Balance Trend

- Projected use of reserves in budget year and two following years

Reserves

- The Reserve for Economic Uncertainties has been projected at an amount equal to 5% of General Fund expenditures
- Restricted ending fund balance is Committed for Specific Purpose of the Program

Financial Position

- Multi-year projection
 - Includes step/column estimated increases
 - Projected additional expenses based on trend in Special Education \$1.0 million each year
 - Other expenditures including Health & Welfare are budgeted at prior year level
 - Decline of 47 and 0 for the two out years respectively
 - Included lower COLA of 1.28% and 1.61% respectively, to be revised up to 2.48% and 3.11%
 - Use of one-time general fund unrestricted reserves
 - In order for the District to maintain this level of reserves, a \$7 million reduction in expenditures will be required in 2023-24, however, once COLA is revised according to May Revise, this amount will be significantly decreased or eliminated.

Conclusion

- The Local Control Accountability Plan is reflected in the budget
- The District maintains a positive financial position
- Continued growth in State funding (COLA only)
- The District anticipates meeting its financial obligations for this year and the next two years
- The District will present budget updates as significant information becomes available