

DOWNEY UNIFIED SCHOOL DISTRICT 2022-23 Fiscal Year Budget

Presented by:

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State Budget Update

- **As always, the Governor's May Revision is the keystone to drafting the District's 2022-23 budget.**
- **Proposition 98 funding is \$110.3 billion for 2022-23, an increase of \$8.3 billion over the January proposal or an increase of 1.23% funded COLA (from 5.33% to 6.56%).**
- **The Governor proposes a one-time \$8 billion Discretionary Block Grant for LEAs for the 2022-23 fiscal year.**
- **The Governor also proposes an on-going \$2.1 billion additional investment in LCFF.**
- **LCFF and Local Control Accountability Plan (LCAP) in place for 2022-23 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

- **2022-23 District Budget in accordance with LCAP and LCFF funding**
- **COLA applied to LCFF**
 - Statutory COLA 6.56%
- **LCFF Base Funding For DUSD**
 - LCFF Base funding is projected at \$207.7 million or \$11.8 million increase over prior year
 - S&C funding is projected at \$47.4 million or \$2.1 million increase over prior year
- **Enrollment/ADA**
 - Projected at 22,194/21,151. Representing 95.30% 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)
 - 65% of base for Concentration (UPP above 55%)

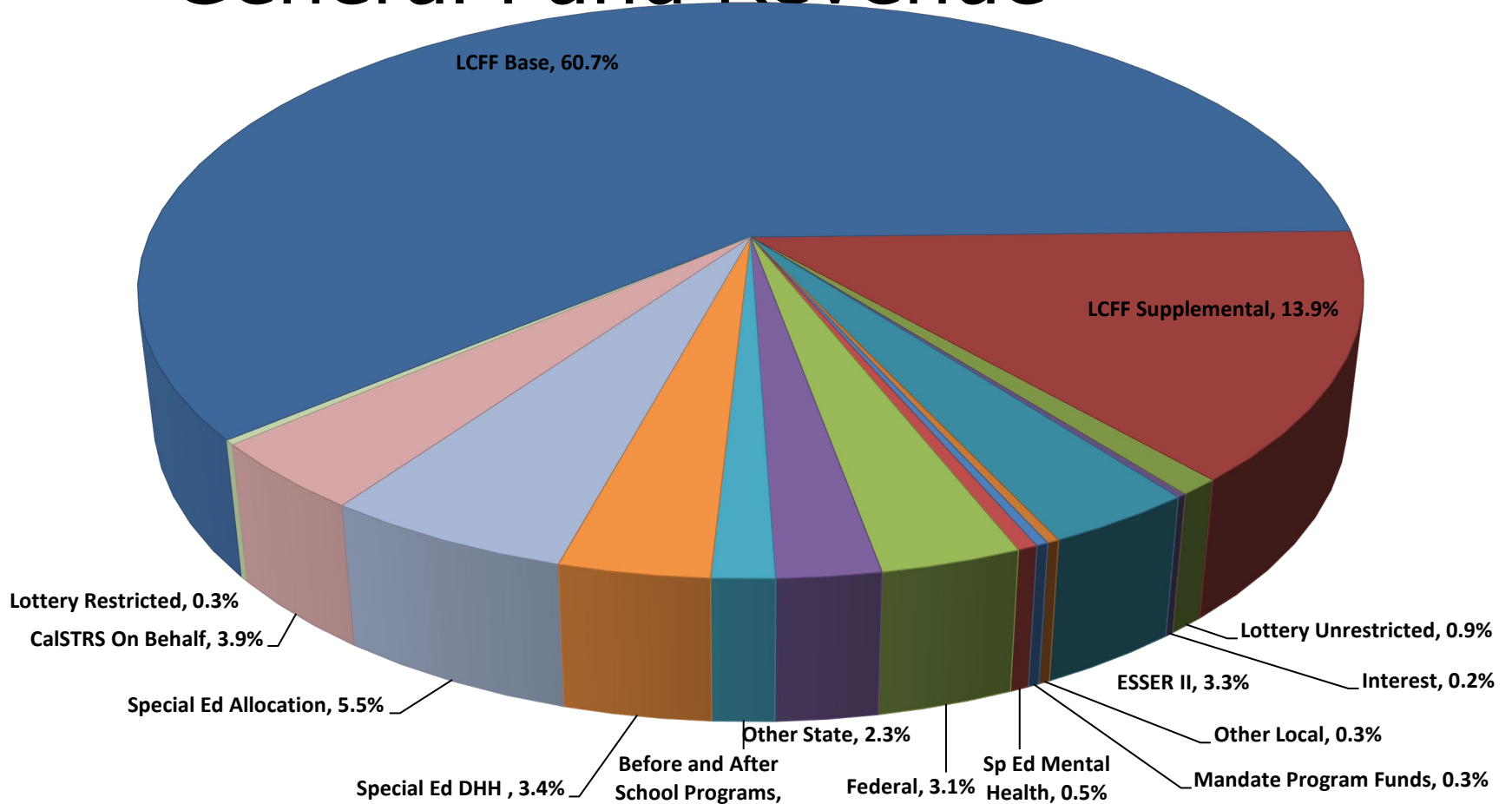
General Fund Revenue

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

- **Special Education**
 - Will receive COLA of 6.56% or a Base Funding increase from \$715/ADA to \$820/ADA
 - 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 staffing for Universal TK, by 4 teacher FTEs and 9 support FTEs
 - Increase staffing including Special Education Classes cost of \$619k
- **Statutory Benefits**
 - Rate increases for STRS in the amount of \$2.7 million
 - Rate increases for PERS in the amount of \$677k
 - 22.60% for Certificated Positions CalSTRS Eligible
 - 35.85% for Classified Positions CalPERS Eligible
 - 5.60% for Part-time Positions not Eligible to Pension

General Fund Expenditures

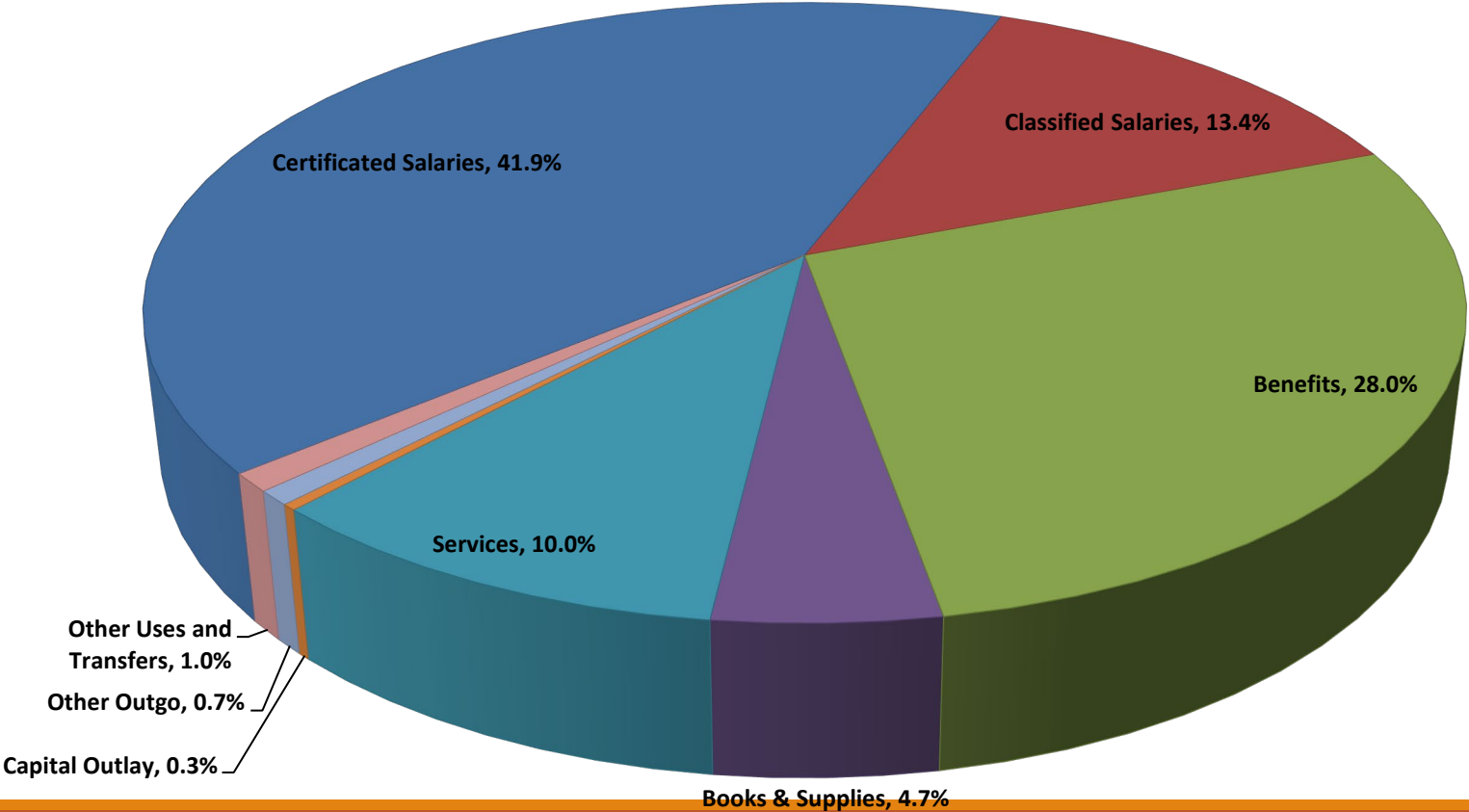
Assumptions/Guidelines – Assumptions Tab, Page 1; cont.

- **Supplies/Services/Capital Outlay**
 - Health and Welfare increase by \$2.8 million
 - Property and Liability Insurance increase by \$100K
 - Various budget enhancements in the amount of \$580K
 - 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, unless otherwise noted.

General Fund Additions

Revenue Increase/Decrease	2022-2023
LCFF COLA Increase 6.56%	\$13,806,889
Increase in Special Ed Funding	2,234,358
LCFF on-going \$2.1 billion investment	Pending
One-time Discretionary Block Grant	Pending
Total Change in Revenue	\$16,041,247
Additional Expenditures	Amount
Step & Column Including Special Ed	\$2,515,722
Health & Welfare Increase	2,845,368
STRS Rate Change Including Special Ed	2,669,735
PERS Rate Change Including Special Ed	677,634
Property & Liability Insurance	100,000
Increase in Universal TK	883,080
Ongoing 2021-22 Budget Enhancements	579,996
Increase in staffing including Special Ed	618,659
Increase in required 3% contribution to RRM	515,703
Increase in Maintenance and Operations	109,000
Total Additional Expenditures	\$11,514,897
Net Difference	\$4,526,350
One-time Additional Expenditures	Amount
Excess Insurance One-time assessment	572,593

General Fund Expenditures



COVID-19 Relief One-Time Funding

COVID-19 Funding	Amount
Total COVID-19 Funding Awarded	\$105,764,262
Actual Cash Received as of June 1, 2022	52,708,845
Pending Cash to be received	53,055,417
COVID-19 Expenditures	Amount
Actual Expenditures in 2019-20	\$2,472,698
Actual Expenditures in 2020-21	30,361,497
Estimated Expenditures for 2021-22	18,790,663
Budgeted Expenditures for 2022-23	11,443,931
Estimated Remaining Funds	42,695,473
Total COVID-19 Expenditures	\$105,764,262

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 17 students followed by 0 and 42 for the two out years respectively
 - Included COLA of 6.56 followed by 5.38% and 4.02% for the two out years respectively
 - Use of one-time general fund unrestricted reserves
 - Additional on-going and one-time revenues and expenditures not included on this report will impact future years

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