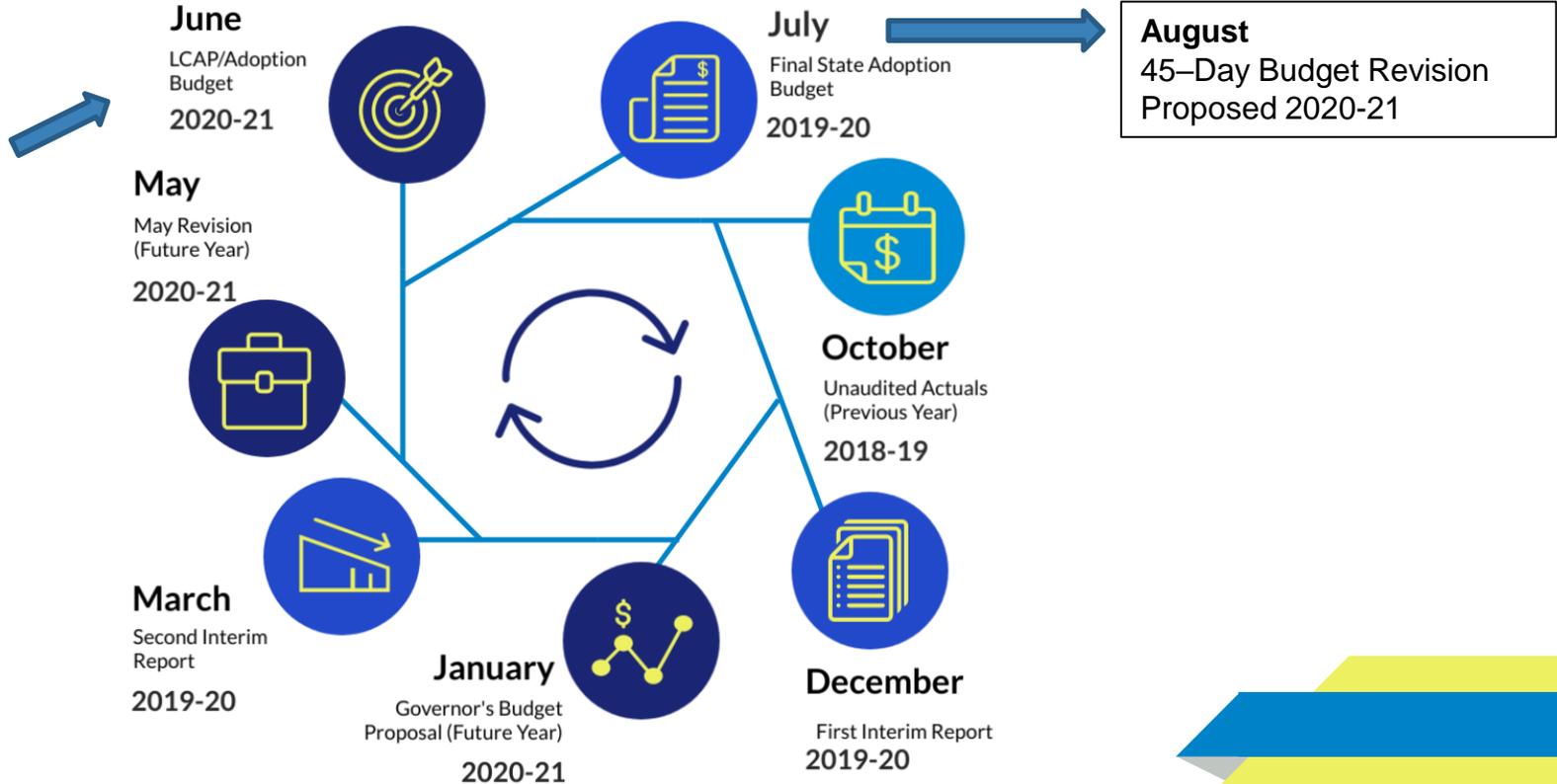


2020-21 Adoption Budget Board Summary Report

June 18, 2020

Budget Reporting Cycle



Executive Summary

The budgets were completed based on the latest information available to date. The current year budgets were reviewed to estimate actual revenues and spending. For 2020-21, the proposed budget contains projected reductions in funding for LCFF which creates a \$6 million budget challenge for DJUSD. These projections are from the Governor's May Revision and are subject to change with the Final State Budget.

The District has developed a preliminary spending plan for next year that addresses the following needs;

- Required (State/Local) Expenditures
- State Pension Cost Changes
- Inflation/Cost Increases
- K-3 Class Size regulations and local teacher staffing
- Spending Reductions to maintain minimum reserve level of 3%

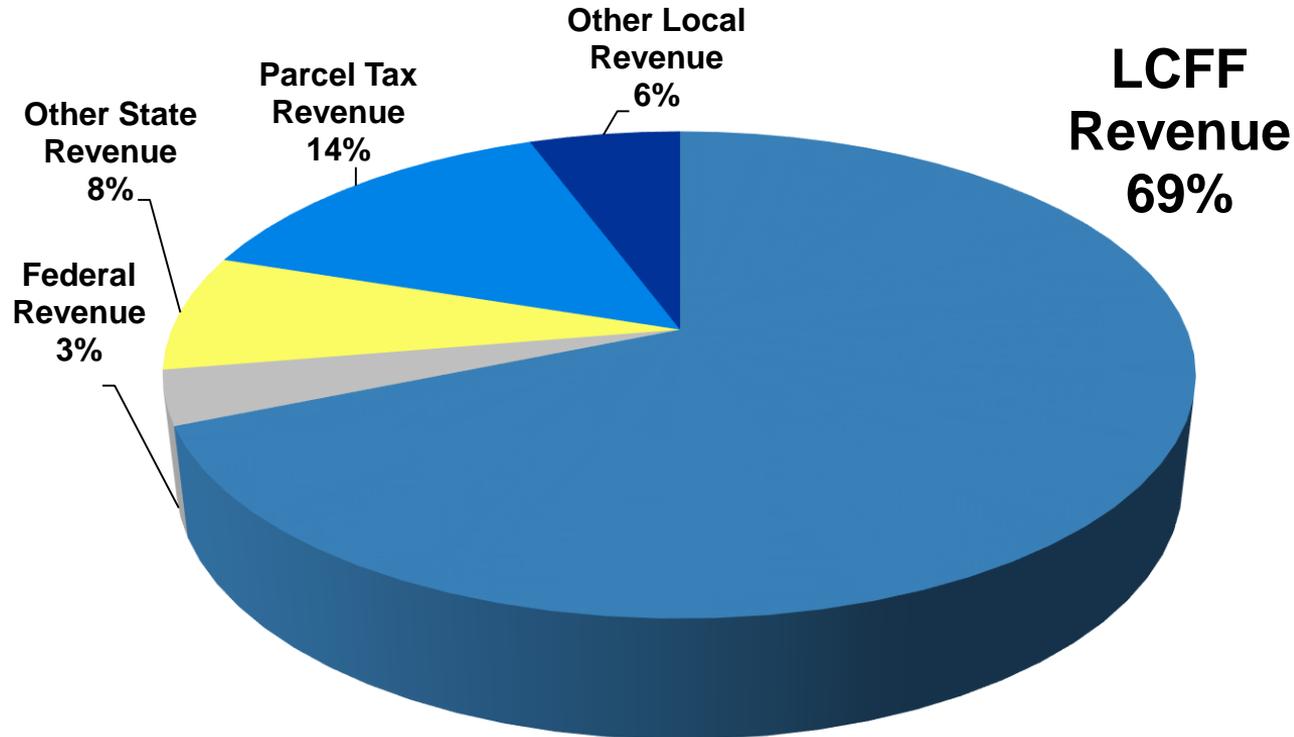
Budget Summary 2020-21

- 2020-21 Local Control Funding Formula (LCFF)
 - LCFF Zero COLA and a funding reduction
 - LCFF revenue reduction of \$6 million
- The District budget adopts
 - Budget reductions and use of reserves to cover budget deficits due to the reduction in LCFF revenue over multi-year projection
- Cash deferrals of LCFF apportionment payments
- Final State budget details subject to change reductions in LCFF funding

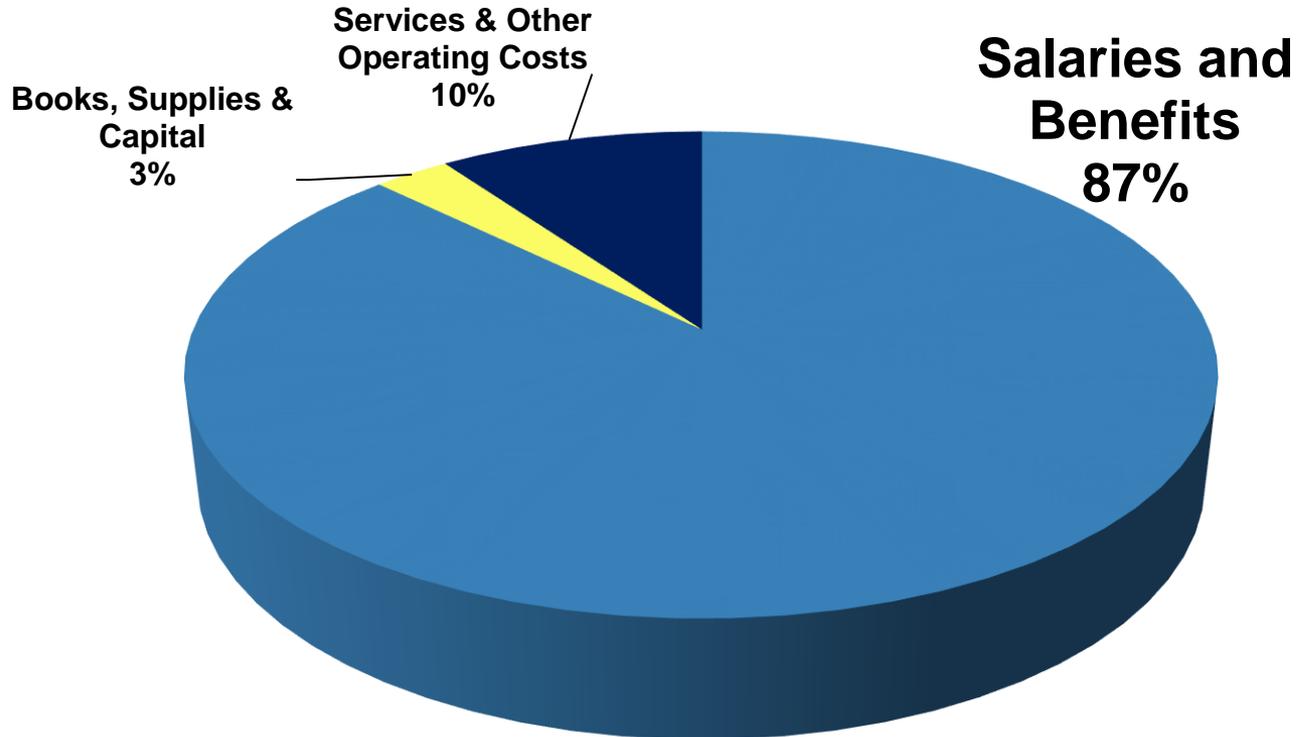
Total General Fund Budget

(In Millions)	2019-20 Estimated Actuals	2020-21 Adoption Budget	% Difference	
Beginning Balance July 1	\$10.5	\$6.1	-41.9%	
+ Revenues	\$99.2	\$93.2	-6.1%	LCFF funding reduction
- Expenditures	\$102.5	\$94.4	-7.9%	Budget reductions and one-time programs
+ Other Financing Sources/Uses	(\$1.1)	(\$0.8)	-24.2%	Reduced by impact of COVID-19 on transfers
= Surplus/(Deficit) Spending	(\$4.4)	(\$2.1)	-53.4%	
Ending Balance June 30	\$6.1	\$4.1	-33.6%	
<i>Unrestricted Ending Balance %</i>	3.9%	3.1%	-20.3%	<i>State minimum 3% plus 0.1% non-spendable</i>

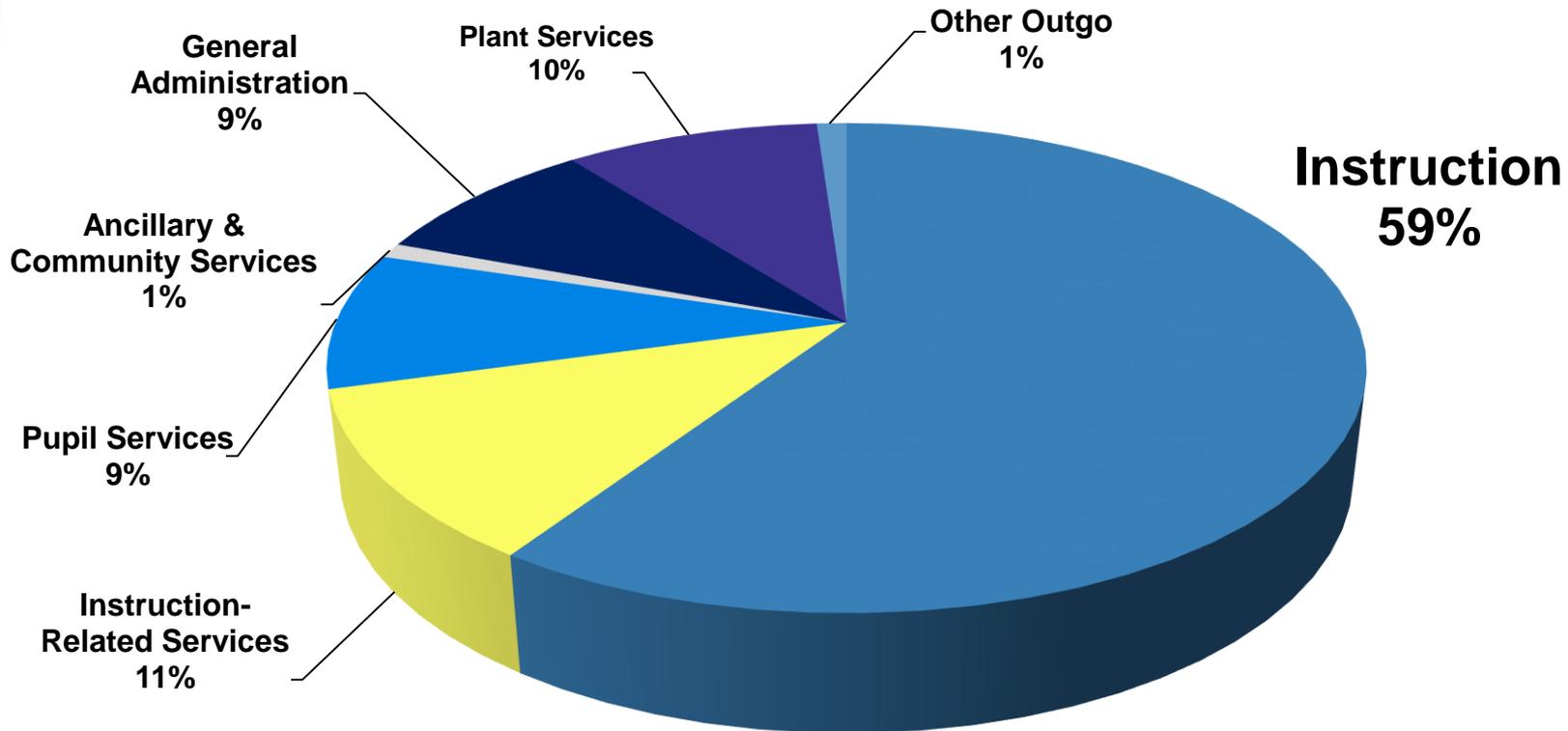
2020-21 Sources of Revenue: \$93.2 Million



2020-21 Expenditures by Type: \$94.4 Million



2020-21 Expenditures by Activity: \$94.4 Million



Multi-Year Projections Summary

- **Local Control Funding Formula (LCFF)**
 - LCFF Zero COLA going forward
 - Decline in enrollment of 346 students FY 2021 - FY 2023
 - Reduction of \$900k per year of on-going LCFF revenue
- **Budget reductions and use of reserves to cover budget deficits due to the reduction in LCFF revenue over the multi-year projection**
- **Final State budget details subject to change reductions in LCFF funding**

Multi-Year Projections Budget Reductions

(In Millions)	2020-21	2021-22	2022-23	Total
Employee Expenditure Reductions	\$4,578,000	\$2,530,000	\$2,590,000	\$9,698,000
Non-Staff Expenditure Reductions	\$932,000	\$380,000	\$370,000	\$1,682,000
Unrestricted Fund Balance	\$816,000	\$0	\$0	\$816,000
Total Budget Reductions	\$6,326,000	\$2,910,000	\$2,960,000	\$12,196,000

Adoption Budget Multi-Year Projection (Unrestricted)

(In Millions)	2020-21	2021-22	2022-23
Beginning Balance July 1	\$4.0	\$2.9	\$2.8
+ Revenues	\$79.6	\$78.9	\$78.1
- Expenditures	\$63.2	\$61.5	\$60.5
+ Other Financing Sources/Uses	(\$17.4)	(\$17.5)	(\$17.6)
= Surplus/(Deficit) Spending	(\$1.1)	(\$0.1)	\$0.0
Ending Balance June 30	\$2.9	\$2.8	\$2.8
Ending Balance %	3.1%	3.1%	3.1%

Adoption Budget Multi-Year Projection (Restricted)

(In Millions)	2020-21	2021-22	2022-23
Beginning Balance July 1	\$2.1	\$1.1	\$1.4
+ Revenues	\$13.5	\$12.2	\$12.2
- Expenditures	\$31.1	\$28.6	\$29.1
+ Other Financing Sources/Uses	\$16.6	\$16.6	\$16.8
= Surplus/(Deficit) Spending	(\$1.0)	\$0.2	(\$0.1)
Ending Balance June 30	\$1.1	\$1.4	\$1.2

Transparency of Reserves

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves	2020-21 Budget
District Standard Reserve Level (per State law)	3%
District Minimum Reserve for Economic Uncertainties (3%)	\$2,856,662
Total Assigned and Unassigned Ending Fund Balances	\$2,856,923
Remaining Balance to Substantiate Need	\$261

Economic Uncertainties	
Additional Reserve for Economic Uncertainties	\$261
Total of Substantiated Needs	\$261

Next Steps

- Adoption Budget approved at the next Board meeting June 25
- Budget submitted to Yolo County Office of Education for review and approval
- Final State Budget Update and revisions (July-August)
- Unaudited Actuals September/October
- First Interim Budget December

Acknowledgements

The Adoption Budget represents the time and effort of our District team. This budget includes extra efforts by the fiscal team, as well as District department and program staff.