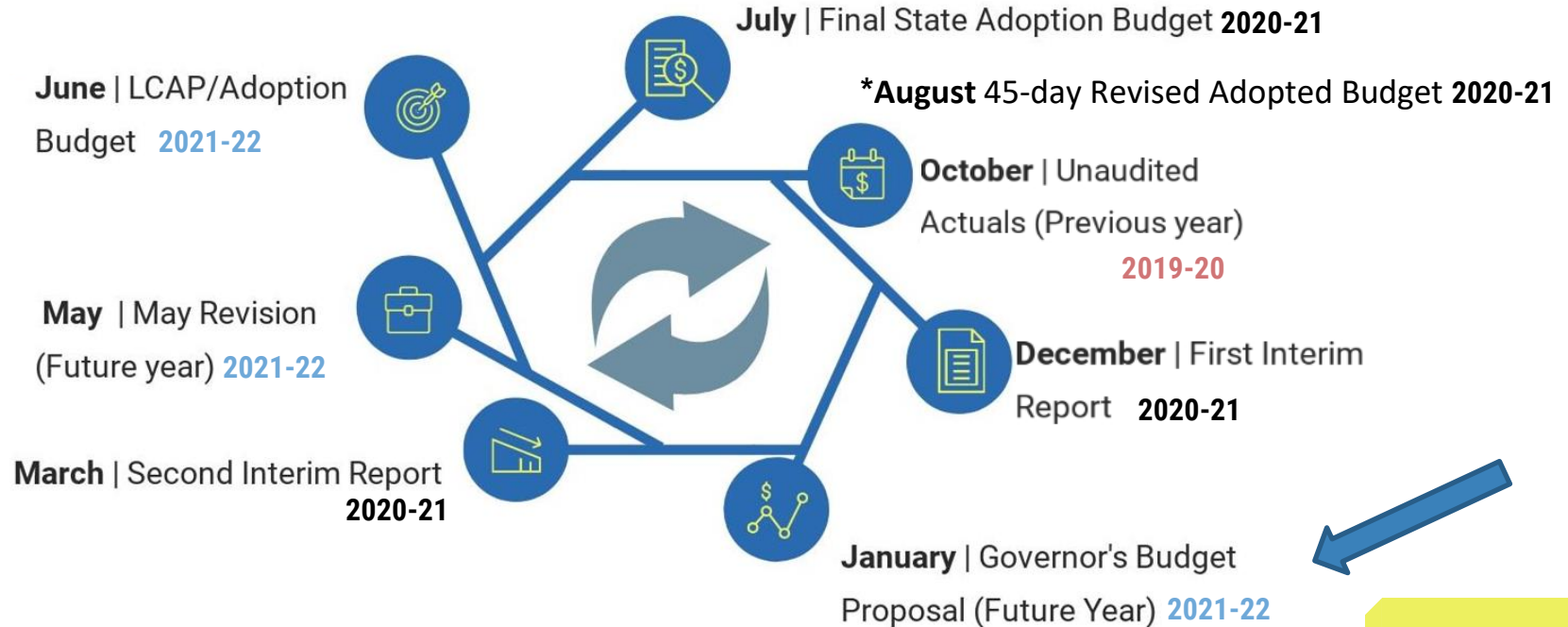


January Governor's Budget Update 2021-2022 Fiscal Year

February 4, 2021

Budget Reporting Cycle



*Additional for 2020-21 Fiscal Year

January Governor's Budget Update

- Overview
- Cashflow and deferrals
- 2021-22 Cost-of-Living Adjustment (COLA)
- Special Education funding
- California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) costs
- Per-ADA growth of revenues and expenditures
- COVID-19 relief and proposed one-time funding opportunities
- Local DJUSD considerations

Overview

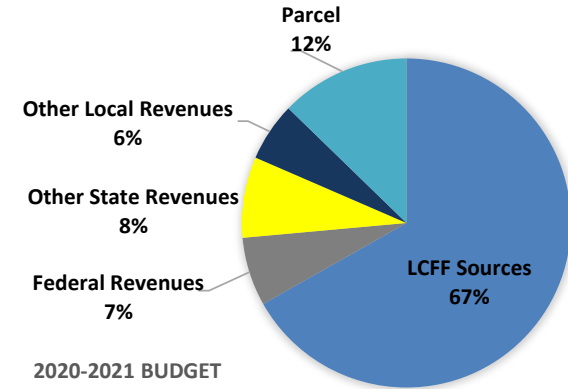
- Highest funded education budget in State's history
- Governor's priority is addressing the pandemic
- Significant restricted, one-time grant funding proposed to address impacts of COVID-19, such as learning loss and reopening schools
- Budget does not include impact of Federal Stimulus funding approved in late December 2020

Cashflow and Deferrals

- Budget proposes paying down on-going deferrals scheduled for February through May 2022
- June 2022 will continue to be deferred until July 2022
- This pay-down does not impact the current year deferrals planned for February through June 2021

2021-22 COLA

- 3.84% Compounded (“Catch-up”) COLA
- Catch-up COLA only applies to LCFF base grant funding, not categorical funding such as Special Education, Child Nutrition, Child Care and Preschool funding



Department of Finance Estimated COLA	2020-21	2021-22
Statutory	2.31%	1.50%
Funded	0%	3.84%

Special Education Funding

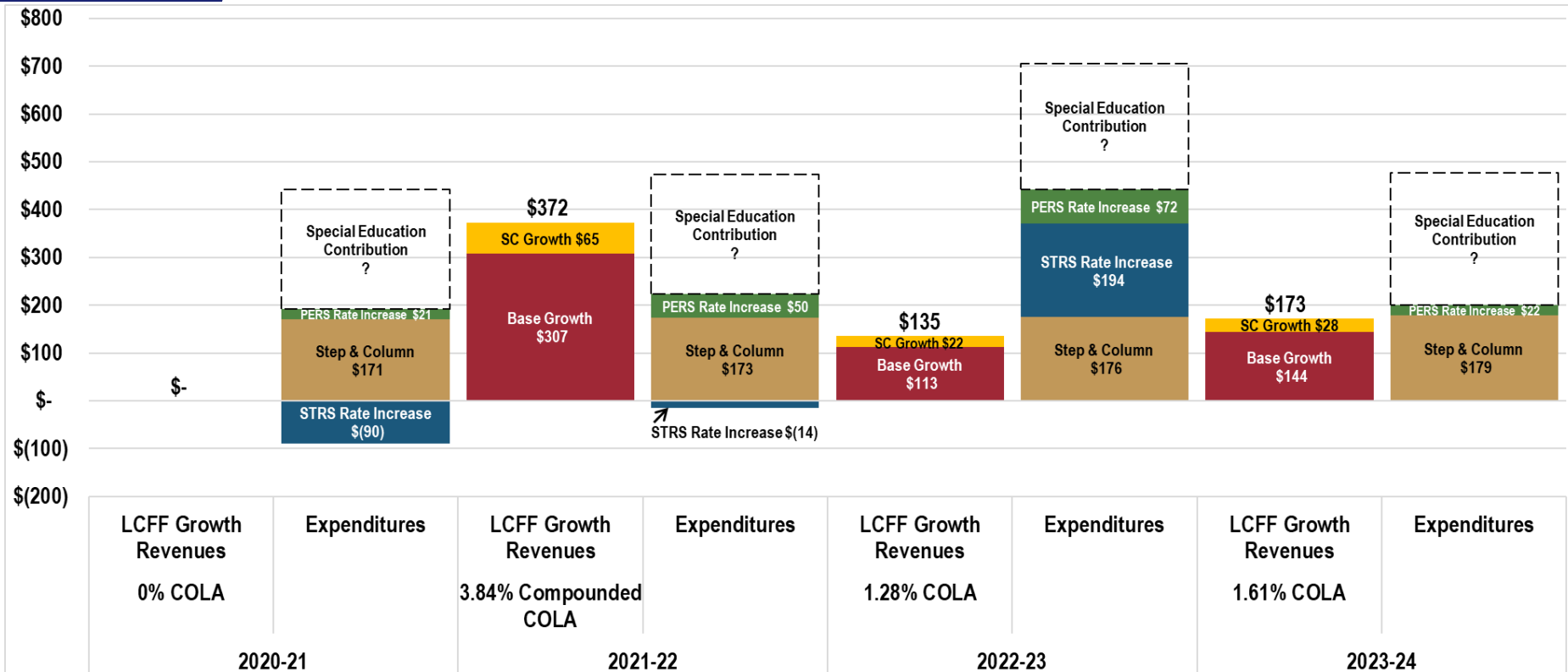
- Special Education base SELPA funding (AB 602)
 - Increase SELPA statewide target
 - Projected rate increase per ADA for the Yolo County SELPA
 - Base increased from \$625 to \$634.38
 - Only includes 2021-22 estimated statutory COLA of 1.5% with no proposal to make up 0% COLA in the current year
- Additional funds to support Special Education including Early Intervention Grants and professional learning networks

CalSTRS and CalPERS Pension Costs

- Changes in rates proposed for 2021-22 (adjusted by investment returns and \$2.3 billion state buy down):
CalSTRS – 18.1% to 15.92%
CalPERS – 24.9% to 23%
- No new funding proposed by Governor

Employer Rates	2020-21	2021-22	2022-23	2023-24
CalSTRS	16.15%	15.92%	18.00%	18.00%
CalPERS	20.70%	23.00%	26.30%	27.30%

Per-ADA Growth



COVID-19 Relief and One-Time Funding

- Proposed current year 2020-21 in-person instruction grants to support a safe reopening of schools (Safe Schools for All)
→ Legislature does not support the current budget proposal
- Expanded learning time and academic interventions grants targeted at learning loss and focus on high-needs students
- Additional funding addressing equity (such as investments in educators' professional development), student health and well-being, and early learning

What's Not in the Budget

- COVID-19 Liability Coverage
- Unduplicated Pupil Percentage Hold Harmless
- Additional CalSTRS and CalPERS employer rate reduction
- More discretionary dollars and less tied to restrictive programs

Local DJUSD Considerations

- Declining Enrollment
- Deficit Spending
- Unrestricted General Fund reserve projected at 3% minimum

Questions?