



# Contra Costa County Office of Education

77 Santa Barbara Road, Pleasant Hill, CA 94523 • (925) 942-3388  
Lynn Mackey, Superintendent of Schools

October 15, 2020

Adam Clark, Ed.D., Superintendent  
Mt. Diablo Unified School District  
1936 Carlotta Dr.  
Concord, CA 94519

Subject: 2020-21 Budget Adoption

Dear Superintendent Clark:

In accordance with California Education Code, the Contra Costa County Office of Education has reviewed the adopted budget of the Mt. Diablo Unified School District for the 2020-21 fiscal year. The Education Code requires the County Superintendent to approve, conditionally approve, or disapprove the adopted final budget for each school district after doing the following:

- Examine the adopted budget to determine whether it complies with the standards and criteria established pursuant to section 33127 and identify any technical corrections needed to bring the budget into compliance with those standards and criteria.
- Determine whether the adopted budget will allow the district to meet its financial obligations during the current fiscal year and is consistent with a financial plan that will enable the district to satisfy its multi-year financial commitments.
- Determine whether the adopted budget includes a combined assigned and unassigned ending fund balance that exceeds the minimum recommended reserve for economic uncertainties.

Based upon our review of the adopted budget, the District's 2020-21 adopted budget has been **approved**.

## **A Word of Caution**

State deferrals total approximately 27 percent of the district's local control funding formula revenues for the 2020-21 fiscal year. State deferrals are not cash revenues and more closely resemble an IOU. For this reason, there is an increased need to monitor monthly cash receipts and disbursements to ensure there will be adequate cash to meet the District's payment obligations.

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State revenues are expected to be flat for the 2020-21 fiscal year. The receipt of additional federal stimulus continues to be uncertain. Now more than at any time in recent memory, districts are encouraged to develop both short-term and long-term cost reduction proposals in preparation for any additional, unexpected adjustments to revenues and expenditures, which might threaten the fiscal solvency of the District.

If you have any questions about the adopted budget, please contact me at (925) 942-3418.

Sincerely,

A handwritten signature in black ink that reads "Bill Clark". The signature is written in a cursive style with a large initial "B" and "C".

Bill Clark, Deputy Superintendent  
Business and Administrative Services

BC:bf

cc: Lisa Gonzalez, Chief Business Official, Mt. Diablo USD

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