



MT. DIABLO UNIFIED SCHOOL DISTRICT

2021-2022 Proposed Budget

June 9, 2021, Board Meeting

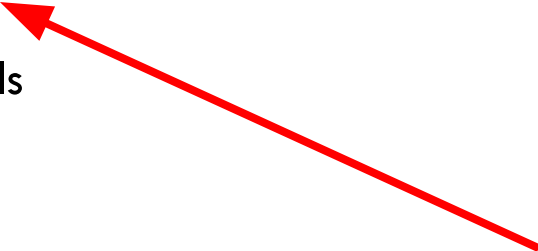
Dr. Adam Clark, Superintendent

Dr. Lisa Gonzales, Chief Business Officer

Mika Arbelbide, Director of Fiscal Services

Budget Timeline for the 21 /22 Fiscal Year

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- ❑ **June 2021**
 - ❑ **2021-22 Proposed Budget, 2021-22 Budget Adoption**
 - ❑ September 2021
 - ❑ 2020-21 Unaudited Actuals
 - ❑ December 2021
 - ❑ First Interim Report
 - ❑ January 2022
 - ❑ 2022-23 Governor's Proposed Budget, Preliminary Enrollment Projections
 - ❑ February 2022
 - ❑ 2022-23 Staffing & Budget Assumptions
 - ❑ March 2022
 - ❑ 2021-22 Second Interim Report
 - ❑ May 2022
 - ❑ 2022-23 Governor's May Revise
 - ❑ June 2022
 - ❑ 2021-22 Budget Adoption
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Factors Used for Budget Development & Multi-Year Projections

SSC School District and Charter School Financial Projection Dashboard 2021–22 May Revision

This version of School Services of California Inc. (SSC) Financial Projection Dashboard is based on the Governor’s 2021–22 May Revision. We have updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. We have also updated the Local Control Funding Formula (LCFF) factors. We rely on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS

Factor	2020–21	2021–22	2022–23	2023–24	2024–25
Department of Finance (DOF) Statutory COLA	2.31%	1.70% ¹	2.48%	3.11%	3.54%
SSC Estimated Planning COLA	0.00%	5.07% ²	2.48%	3.11%	3.54%

LCFF GRADE SPAN FACTORS FOR 2021–22

Entitlement Factors per ADA*	K–3	4–6	7–8	9–12
2020–21 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Mega COLA at 5.07%	\$390	\$396	\$408	\$473
2021–22 Base Grants	\$8,092	\$8,214	\$8,458	\$9,802
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$842	–	–	\$255
2021–22 Adjusted Base Grants ^{3,4}	\$8,934	\$8,214	\$8,458	\$10,057

*Average daily attendance (ADA)

Factors Used for Budget Development & Multi-Year Projections

OTHER PLANNING FACTORS						
Factors		2020-21	2021-22	2022-23	2023-24	2024-25
California CPI		2.14%	3.84%	2.40%	2.23%	2.42%
California Lottery	Unrestricted per ADA	\$150	\$150	\$150	\$150	\$150
	Restricted per ADA	\$49	\$49	\$49	\$49	\$49
Mandate Block Grant (District)	Grades K-8 per ADA	\$32.18	\$32.79	\$33.60	\$34.64	\$35.87
	Grades 9-12 per ADA	\$61.94	\$63.17	\$64.74	\$66.75	\$69.11
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$16.86	\$17.21	\$17.64	\$18.19	\$18.83
	Grades 9-12 per ADA	\$46.87	\$47.84	\$49.03	\$50.55	\$52.34
Interest Rate for Ten-Year Treasuries		1.30%	2.13%	2.40%	2.30%	2.40%
CalSTRS Employer Rate ⁵		16.15%	16.92%	19.10%	19.10%	19.10%
CalPERS Employer Rate ⁵		20.70%	22.91%	26.10%	27.10%	27.70%
Unemployment Insurance Rate ⁶		0.05%	1.23%	0.20%	0.20%	0.20%

STATE MINIMUM RESERVE REQUIREMENTS	
Reserve Requirement	District ADA Range
The greater of 5% or \$71,000	0 to 300
The greater of 4% or \$71,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 400,000
1%	400,001 and higher

Multi Year Projections (MYP) & Assumptions

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- ❑ **Cost of Living Adjustment (COLA)** is proposed at
 - 1.70% for 2021/22 (LCFF/SpEd base)
 - 2.31% for 2021/22 (LCFF and SpEd base) = 4.07% (compounded)
 - 1.00% COLA augmentation (LCFF only)
 - 2.48% for 2022/2023 3.11% for 2023/2024
- ❑ The **annual step & column increase** of 1.5% a year plus the impact of the CPI puts us at expense increases of about 4.5% a year
- ❑ **Enrollment calculations** in 2022-23 will include a reduction of approximately 1,166 students compared to 2019-20 (hold harmless until 2022-23 for LCFF only)
- ❑ **Average daily attendance** stays flat at 94.8%

MYP & Assumptions (cont.)

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- ❑ **Unduplicated pupil count funding** is 47.2% for 2020-21 but drops to to 46.3% in 2021-22, then increases to 46.5% in 2022-23 (3 year average calculation)
- ❑ **STRS and PERS increase significantly in 2022-23**
STRS (20/21=16.15%, 21/22=16.92%, 22/23=19.10%, 23/24=19.10%)
PERS (20/21=20.70%, 21/22=22.91%, 22/23=26.10%, 23/24=27.10%)
- ❑ **Health benefits increase** 8% in 21/22, 5% in 22/23 and 23/24
- ❑ **Indirect cost increases** from 1.47% in 2020-21 to 3.76% in 2021-22 and 2022-23
- ❑ **Unemployment Insurance increase significantly in 2021-22** from .05% to 1.23%

Multi-Year Projection

	2021-22			2022-23			2023-24		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
A. REVENUES AND OTHER FINANCING SOURCES	299,783,233	90,765,724	390,548,957	298,489,255	67,104,417	365,593,672	305,784,372	67,328,217	373,112,589
B. EXPENDITURES AND OTHER FINANCING USES	239,324,949	160,580,364	399,905,313	241,984,174	140,268,367	382,252,540	245,082,359	141,957,494	387,039,853
C. OVER/SHORT	60,458,284	(69,814,640)	(9,356,356)	56,505,082	(73,163,950)	(9,311,205)	60,702,014	(74,629,277)	(13,927,263)
D. CONTRIBUTIONS	(69,692,235)	69,692,235	0	(72,354,335)	72,354,335	0	(73,975,635)	73,975,635	0
E. NET INCREASE (DECREASE) IN FUND BALANCE	(9,233,951)	(122,405)	(9,356,356)	(15,849,254)	(809,615)	(16,658,868)	(13,273,622)	(653,642)	(13,927,263)
F. FUND BALANCE									
Beginning Fund Balance	55,937,214	7,657,188	63,594,402	46,703,263	7,534,783	54,238,046	30,854,009	6,725,169	37,579,178
Ending Fund Balance	46,703,263	7,534,783	54,238,046	30,854,009	6,725,169	37,579,178	17,580,388	6,071,527	23,651,914
Restricted	712,000	7,534,783	8,246,783	712,000	6,725,169	7,437,169	712,000	6,071,527	6,783,527
Assigned	20,856,969		20,856,969	18,674,432		18,674,432	5,257,192		4,346,187
Reserve for Economic Uncertainties	11,997,160		11,997,160	11,467,577		11,467,577	11,611,196		11,611,196

(REQUIRED AMOUNT FOR 3% RESERVE)

11,997,159

11,467,576

11,611,196

MYP with One Time Funds (AB86, ESSER II) and Related Expenses

Multi-Year Projection (without One-time Funds AB86/ESSER II)

	2021-22			2022-23			2023-24		
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined
A. REVENUES AND OTHER FINANCING SOURCES	299,783,233	68,344,899	368,128,132	298,489,255	67,104,417	365,593,672	305,784,372	67,328,217	373,112,589
B. EXPENDITURES AND OTHER FINANCING USES	239,324,949	138,159,539	377,484,488	241,984,174	140,088,223	382,072,396	245,074,088	141,999,642	387,073,729
C. OVER/SHORT	60,458,284	(69,814,640)	(9,356,356)	56,505,082	(72,983,806)	(9,311,205)	60,710,285	(74,671,425)	(13,961,140)
D. CONTRIBUTIONS	(69,692,235)	69,692,235	0	(72,354,335)	72,354,335	0	(74,194,935)	74,194,935	0
E. NET INCREASE (DECREASE) IN FUND BALANCE	(9,233,951)	(122,405)	(9,356,356)	(15,849,254)	(629,471)	(16,478,724)	(13,484,651)	(476,490)	(13,961,140)
F. FUND BALANCE									
Beginning Fund Balance	55,937,214	7,657,188	63,594,402	46,703,263	7,534,783	54,238,046	30,854,009	6,905,313	37,759,322
Ending Fund Balance	46,703,263	7,534,783	54,238,046	30,854,009	6,905,313	37,759,322	17,369,359	6,428,823	23,798,182
Restricted	712,000	7,534,783	8,246,783	712,000	6,905,313	7,617,313	712,000	6,428,823	7,140,823
Assigned	20,856,969		20,856,969	18,674,432		18,674,432	5,045,147		4,346,187
Reserve for Economic Uncertainties	11,324,535		11,324,535	11,462,172		11,462,172	11,612,212		11,612,212

(REQUIRED AMOUNT FOR 3% RESERVE)

11,324,535

11,462,172

11,612,212

MYP without One Time Funds (AB86, ESSER II)
and without Related Expenses

Future Considerations/Risks

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- ❑ Uncertainty in Future State Budget, LAO's warning of downward adjust for K-14 funding in 2022/2023
- ❑ A structural deficit still exists with our Multi-Year Projections and a reduction plan is needed
- ❑ Another round of restricted ESSER dollars (one time pandemic mitigation) that don't address the structural deficit
- ❑ Uncertainty around Fall 2021 post-pandemic enrollment
- ❑ ADA (average daily attendance) hold harmless ends after 2021-22
- ❑ All one-time funding is restricted
- ❑ Continued cost increases associated with pension & operating increases and less reliance on revenue increases



Thank you!

We will see you on
June 23, 2021 for approval
of the
Proposed Budget.