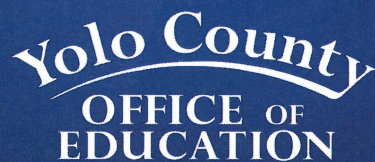
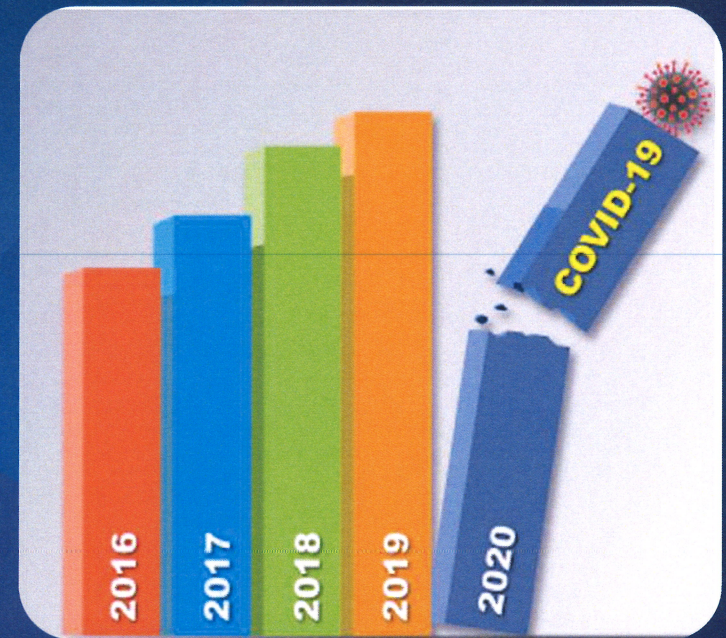


8-11-20 ycoe Reg. Mtg. PK+.
Item 4.5 Handout #1

2020 - 2021 45-Day Budget Revision

August 11, 2020
Presented by Debra Hinely
Director, Internal Business Services

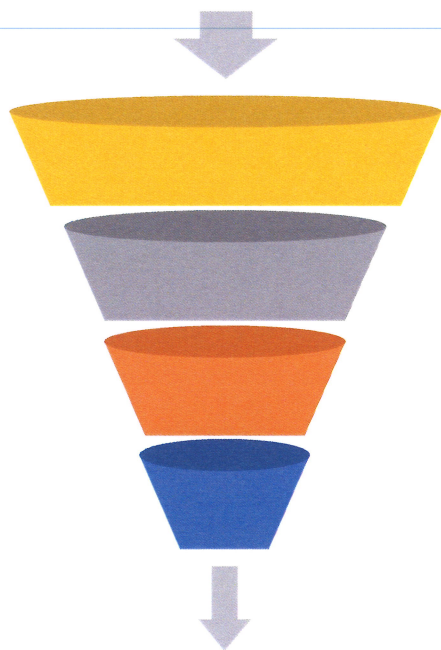


Significant Changes Since May Revision

- The primary change from the May Revision is the restoration of Local Control Funding Formula (LCFF) revenues and the increase in cash deferrals.
- Below are the major changes:
 - Removes the 10% reduction to LCFF base grant amount.
 - Sets COLA at 0.00%, (statutory COLA was 2.31%).
 - Restores categorical program reductions.
 - Adds \$1 billion to learning loss mitigation and changes formulas.
 - Adjusts Special Education formula and sets the base rate at \$625/ADA.
 - Expands deferrals of 2020-21 apportionments to \$11 billion.
 - Eliminates triggers in revenue reductions.
 - Adds triggers to reduce \$11 billion of deferrals if federal legislation to provide additional federal funds to the state is not enacted by September 1.

Statutory COLA

Statutory COLA: 2.31%



Funded COLA: 0%

- The statutory cost-of-living adjustment (COLA) is 2.31%; however, the adopted State Budget provides no COLA for 2020–21
 - No changes were made to the LCFF add-ons (e.g., Home-to-School Transportation, Targeted Instructional Improvement Grants, etc.)
- While the Legislature can say “no cuts were made to education,” the elimination of the statutory COLA is a cut
- The COLA has been eliminated not only for LCFF, but for all categorical programs outside of the LCFF

Special Education

No COLA applied to special education resources



Increases base rates to \$625 per ADA for those Special Education Local Plan Areas (SELPAs)/LEAs funded at or below that rate. (January the per pupil rate was \$660 per ADA, May the rate was adjusted to \$645 per ADA)

SELPAs/LEAs currently funded above \$625 per ADA will continue to receive their historic rate, without COLA

Increase Low Incidence Funding by \$100 million

Planning Factors for 2020-21 and MYPs

Key planning factors for 2020-21 multiyear projections are listed on the latest Dartboard, information is from the final 2020-21 adopted state budget.

SSC School District and Charter School Financial Projection Dartboard Adopted State Budget for 2020-21

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2020-21 Adopted State Budget. 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	2019-20	2020-21	2021-22	2022-23	2023-24
Statutory COLA and DOF Latest Estimates	3.26%	2.31%	2.48%	3.26%	N/A
Funded COLA	3.26%	0.00%	N/A	N/A	N/A
SSC Estimated Statutory COLA	3.26%	2.31%	0.60%	0.70%	1.60%
SSC Recommended Planning COLA ^{1,2}	3.26%	0.00%	0.00%	0.00%	0.00%

*Department of Finance (DOF)

LCFF GRADE SPAN FACTORS FOR 2020-21				
Entitlement Factors Per ADA*	K-3	4-6	7-8	9-12
2019-20 Base Grants	\$7,702	\$7,818	\$8,050	\$9,329
Statutory COLA at 2.31%	\$178	\$181	\$186	Find
2020-21 Base Grants Before Deficit Factor	\$7,880	\$7,999	\$8,236	Find
Deficit Factor Impact	(\$178)	(\$181)	(\$186)	0
2020-21 Base Grants After Deficit Factor	\$7,702	\$7,818	\$8,050	\$9,329
Grade Span Adjustment Factors	10.4%	-	-	2.0%
Grade Span Adjustment Amounts	\$801	-	-	\$243
2020-21 Adjusted Base Grants ³	\$8,503	\$7,818	\$8,050	\$9,572

*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors	2019-20	2020-21	2021-22	2022-23	2023-24	
California CPI	2.34%	0.98%	1.59%	1.87%	2.33%	
California Lottery	Unrestricted per ADA	\$149	\$150	\$150	\$150	\$150
	Restricted per ADA	\$48	\$49	\$49	\$49	\$49
Mandate Block Grant (District)	Grades K-8 per ADA	\$32.18	\$32.18	\$32.18	\$32.18	\$32.18
	Grades 9-12 per ADA	\$61.94	\$61.94	\$61.94	\$61.94	\$61.94
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$16.86	\$16.86	\$16.86	\$16.86	\$16.86
	Grades 9-12 per ADA	\$46.87	\$46.87	\$46.87	\$46.87	\$46.87
Interest Rate for Ten-Year Treasuries	1.25%	0.89%	1.24%	1.70%	2.10%	
CalSTRS Employer Rate ⁴	17.10%	16.15%	16.00%	18.10%	18.10%	
CalPERS Employer Rate ⁴	19.721%	20.70%	22.84%	25.50%	26.20%	

Multiyear Projections—Roller Coaster

- After several years of multiyear economic assumption stability, we will likely have significant ups and downs
 - The ride from January to May was a breathtaking drop, from a funded statutory COLA to a 10% LCFF cut
 - The May to Adopted Budget ride was a significant rise to flat funding for the LCFF



45 Day Budget Revision Revenue Detail

2020-2021 45 Day Budget Revision Budget Changes by Program/Object Code Revenue Detail

Description	Special Education	SELPA	Ed. Services	College & Career Readiness / Charter	Curriculum, Instruction, College & Career Readiness	Early Childhood Education	County Office Operations	Total
LCFF Revenue						LCFF		310,938
Total LCFF Revenue	0	0	0	0	0	0		310,938 310,938
Federal								
Total Federal	0	0	0	0	0	0		0 0
State		Low Incidence	645,470					
Total State	0	645,470	0	0	0	0		0 645,470
Local / Other								
Regional Programs/Taxes	294,622							
Tuition	20,066							
				Dan Jacobs LCFF transfer increased	232,850		Dan Jacobs LCFF transfer increased	(232,850)
				CCC LCFF transfer reduced	(106,756)		CCC LCFF transfer reduced	106,756
				YCCP LCFF transfer increased	17,220		YCCP LCFF transfer increased	(17,220)
				Dan Jacobs reduced reserves contribution	(117,225)		Dan Jacobs reduced reserves contribution	117,225
				CCC increase reserve contribution	106,756		CCC increase reserve contribution	(106,756)
				YCCP reduced reserve contribution	(17,220)		YCCP reduced reserve contribution	17,220
				Decrease reserve contribution to Alt Ed.	-27,689		Increase to Ending Fund Balance	27,689
Total Local	314,688	0	0	0	115,625	0	(115,625)	314,688
Total Revenues	314,688	645,470	0	0	115,625	0	195,313	1,271,096

YOLO COUNTY OFFICE OF EDUCATION
 Estimated / Actual Average Daily Attendance
 2019 / 2020 & 2020 / 2021
PRIOR YEAR ACTUALS TO CURENT YEAR BUDGET TO HOLD HARMLESS

PROGRAM	2018/2019 Funded ADA	2019/2020 Original Budget (A)	2019/2020 1st Interim Revised October 31 est. funding	2019/2020 Period 1 Actual (B)	2019/2020 Period 2 Actual (C)	2020-2021 Hold Harmless Funding			2020/2021 Adopted Budget ADA	2020/2021 Adopted Budget Funding	2020/2021 HOLD HARMLESS State Adopted Budget	ADA DIFFERENCE
						2019/2020 Annual Actual Funded (D)	2019/2020 Annual Actual Funded	2020/2021 Period 2 Actual CORRECTION (C)				
Cesar Chavez - Wldd Campus	41.68	40.00	40.00	37.76	37.92	37.88	35.64	\$ 589,889	50.00	\$ 762,023	\$ (172,134)	-14.36
Cesar Chavez - W Sac Campus	8.93	7.20	7.20	4.36	4.11	4.11	3.95	\$ 65,378	0.00	\$ 65,378	\$ 65,378	3.95
Cesar Chavez - YCCP			12.00	11.69	12.84	12.84	12.09	\$ 200,106	12.00	\$ 182,886	\$ 17,220	0.09
	50.61	47.20	59.20	53.81	54.87	54.83	51.68	\$ 855,373	62.00	\$ 944,909	\$ (89,536)	-10.32
CCC LCFF transfer reduced \$ (106,756.00) YCCP LCFF transfer increased \$ 17,220.00 CCC increase reserve contribution \$ 106,756.00 YCCP reduced reserve contribution \$ (17,220.00) \$ 89,536.00 Increase Reserve Contribution												
CHARTER July - August 9, 2019 (closed)												
YCCP TRANSFERRED to CCC	13.28	12.00	0.24	2.00	1.04	1.46	1.37					
YCMP CLOSED	10.43	21.00	0.24	1.20	0.62	0.88	0.82					
	23.71	33.00	0.48	3.20	1.66	2.34	2.19					
Juvenile Hall YOLO	10.03	0.00	3.00	7.51	8.26	8.26	9.91	\$ 186,038	8.00	\$ 138,288	\$ 47,750	1.91
ORR	18.23	0.00	4.50	11.10	8.22	8.22	9.86	\$ 185,100		\$ 185,100	\$ 185,100	9.86
	28.26	0.00	7.50	18.61	16.48	16.48	19.77	\$ 371,138	8.00	\$ 138,288	\$ 232,850	11.77
Dan Jacobs LCFF transfer increased \$ 232,850.00 Dan Jacobs reduced reserves contribution \$ (117,225.00) Dan Jacob Revenue over Expenses \$ 115,625												
\$ (117,225.00) Decrease Reserve Contribution												
\$ 27,689.00 Net Change / Increase to EFB												
Special Education	128.39			130.52	128.79							
Special Education - ESY	9.64			9.43	9.43							
Special Education ADA by District												
Davis	1.87			22.86	23.40		23.40					23.40
Esparto	0.17			2.98	1.83		1.83					1.83
Washington	2.11			33.72	34.05		34.05					34.05
Winters	0.90			9.01	9.50		9.50					9.50
Woodland	4.38			61.95	60.01		60.01					60.01
	9.43			130.52	128.79		128.79					128.79

The CCC West Sacramento campus closed 06/30/2020 and the hold harmless funding will now shift to CCC Woodland.

The Dan Jacobs ORR classroom closed 01/31/2020 and the hold harmless funding will now shift to the Dan Jacobs Yolo classroom.

This information is from the 45 Day Budget Revision Revenue Detail Spreadsheet

Hold Harmless Adjustment for Alternative Education Programs

2020-2021 YCOE ADOPTED BUDGET vs. JULY 2020 STATE ADOPTED BUDGET

45 Day Budget Revision - August 11, 2020

Education Code 42127(h) requires a public review of budget revisions within 45 days of an enacted state budget. Budget revisions in accordance with the 2020-21 Enacted State Budget will be incorporated into the LEA's 2020-21 First Interim Budget.

2020-2021 YCOE Adopted Budget

2020-2021 YCOE 45 Day Budget Revision

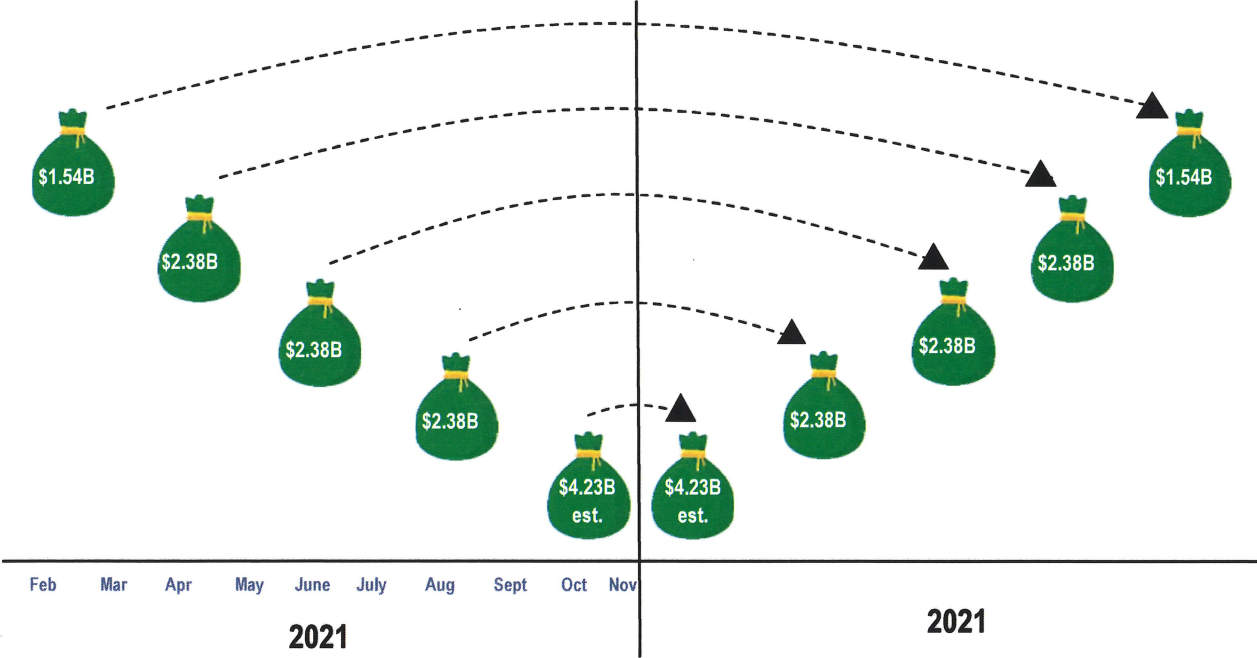
Estimated Changes in YCOE's MYP Projections

Name	Budget Year 2020/2021	Year 2 2021/2022	Year 3 2022/2023	Budget Year 2020/2021	Year 2 2021/2022	Year 3 2022/2023	Net change	
Revenues								
LCFF Sources	\$ 11,275,171.00	\$ 10,868,303.00	\$ 10,493,658.00	\$ 11,586,109.00	\$ 11,179,241.00	\$ 10,804,596.00	\$ 310,938.00	2019/2020 Hold Harmless
Federal Revenue	\$ 4,917,722.00	\$ 4,917,722.00	\$ 4,917,722.00	\$ 4,917,722.00	\$ 4,917,722.00	\$ 4,917,722.00	\$ -	
Other State Revenue	\$ 2,917,805.00	\$ 2,796,134.00	\$ 2,796,134.00	\$ 3,563,275.00	\$ 3,441,604.00	\$ 3,441,604.00	\$ 645,470.00	Low Incidence
Other Local Revenue	\$ 6,997,875.00	\$ 7,334,610.00	\$ 8,155,926.00	\$ 7,312,563.00	\$ 7,649,298.00	\$ 8,470,614.00	\$ 314,688.00	Regional Programs/Taxes/Tuition
Total Revenues	\$ 26,108,573.00	\$ 25,916,769.00	\$ 26,363,440.00	\$ 27,379,669.00	\$ 27,187,865.00	\$ 27,634,536.00	\$ 1,271,096.00	
Expenditures								
Certificated Salaries	\$ 6,412,560.00	\$ 6,572,874.00	\$ 6,737,196.00	\$ 6,412,560.00	\$ 6,572,874.00	\$ 6,737,196.00		
Classified Salaries	\$ 7,446,979.00	\$ 7,633,153.00	\$ 7,823,982.00	\$ 7,446,979.00	\$ 7,633,153.00	\$ 7,823,982.00		
Employee Benefits	\$ 6,920,161.00	\$ 7,294,403.00	\$ 7,953,885.00	\$ 6,920,161.00	\$ 7,294,403.00	\$ 7,953,885.00		
Books and Supplies	\$ 866,474.00	\$ 805,338.00	\$ 725,300.00	\$ 866,474.00	\$ 805,338.00	\$ 725,300.00		
Services and Other	\$ 4,469,754.00	\$ 3,492,794.00	\$ 3,492,794.00	\$ 5,740,850.00	\$ 4,763,890.00	\$ 4,763,890.00	\$ 1,271,096.00	
Capital Outlay	\$ 123,016.00	\$ -	\$ -	\$ 123,016.00	\$ -	\$ -		
Other Outgo	\$ 196,932.00	\$ 201,855.00	\$ 206,902.00	\$ 196,932.00	\$ 201,855.00	\$ 206,902.00		
Indirect Costs	\$ (327,303.00)	\$ (83,648.00)	\$ 8,737.00	\$ (327,303.00)	\$ (83,648.00)	\$ 8,737.00		
Total Expenditures	\$ 26,108,573.00	\$ 25,916,769.00	\$ 26,948,796.00	\$ 27,379,669.00	\$ 27,187,865.00	\$ 28,219,892.00	\$ 1,271,096.00	
Transfers In								
Transfers Out	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		
	\$ 26,108,573.00	\$ 25,916,769.00	\$ 26,948,796.00	\$ 27,379,669.00	\$ 27,187,865.00	\$ 28,219,892.00	\$ 1,271,096.00	
Fund Balance Effect	\$ -	\$ (0.00)	\$ (585,356.00)	\$ -	\$ (0.00)	\$ (585,356.01)		
FUND BALANCE	\$ 7,433,129.22	\$ 7,433,129.22	\$ 6,847,773.22	\$ 7,460,818.22	\$ 7,460,818.22	\$ 6,875,462.22	\$ 27,689.00	
Beginning Fund Bal	\$ 7,433,129.22	\$ 7,433,129.22	\$ 7,433,129.22	\$ 7,460,818.22	\$ 7,460,818.22	\$ 7,460,818.22	\$ 27,689.00	
Ending Fund Bal	\$ 7,433,129.22	\$ 7,433,129.22	\$ 6,847,773.22	\$ 7,460,818.22	\$ 7,460,818.22	\$ 6,875,462.21	\$ 27,689.00	Increase to EFB
Reserved Balances								
Nonspendable Revolving Cash								
Nonspendable Stores	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		
Nonspendable Prepaid Items	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00		
All Other Nonspendable Assets								
General Reserve								
Restricted Balance	\$ 1,062,184.44	\$ 1,062,184.44	\$ 1,062,183.17	\$ 1,062,184.44	\$ 1,062,184.44	\$ 1,062,183.17		
Designated for the Unrealized Gains of Investments and Cash in County Treasury								
Other Assignments	\$ 5,587,446.05	\$ 5,592,946.05	\$ 4,976,590.05	\$ 5,549,555.98	\$ 5,555,310.10	\$ 4,938,993.29	(\$ 37,596.76)	
Economic Uncertainties Percentage	3%	3%	3%	3%	3%	3%		
Reserve for Economic Uncertainties	\$ 783,500	\$ 778,000	\$ 809,000	\$ 821,390	\$ 815,636	\$ 846,597	\$ 37,597	Changes follow expenditure
Undesignated/Unappropriated	(\$ 1.27)	(\$ 1.27)	\$ 0.00	(\$ 1.27)	(\$ 1.27)	\$ 0.00		

Deferrals and Cash Flow

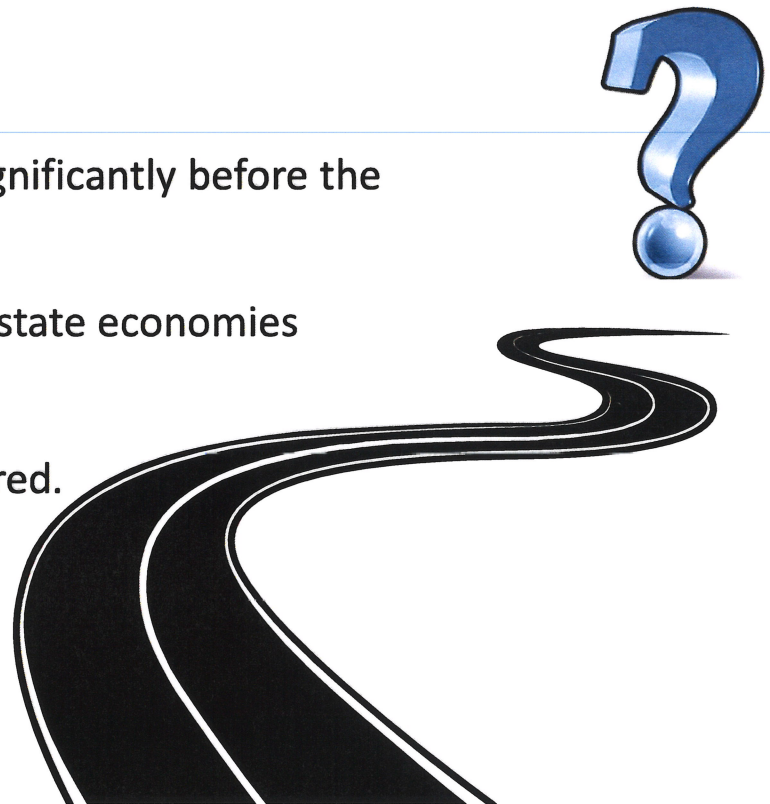
Cash Deferrals 2020–21 (in billions)

- The P-2 deferral is ongoing Plus, additional ongoing deferrals are implemented starting in February 2021:
- In effect, LEAs will receive only about 68% of the state aid apportionment during the year



The Road Ahead

- Clearly, the road ahead is a bumpy one
 - Local and state health guidance could change significantly before the school year starts
 - There are no models to guide how national and state economies will recover
- It is more important than ever to stay student centered. We need to focus on excellence in our educational services. We will need to be innovative in order to provide a positive impact to our students during these most turbulent times.



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