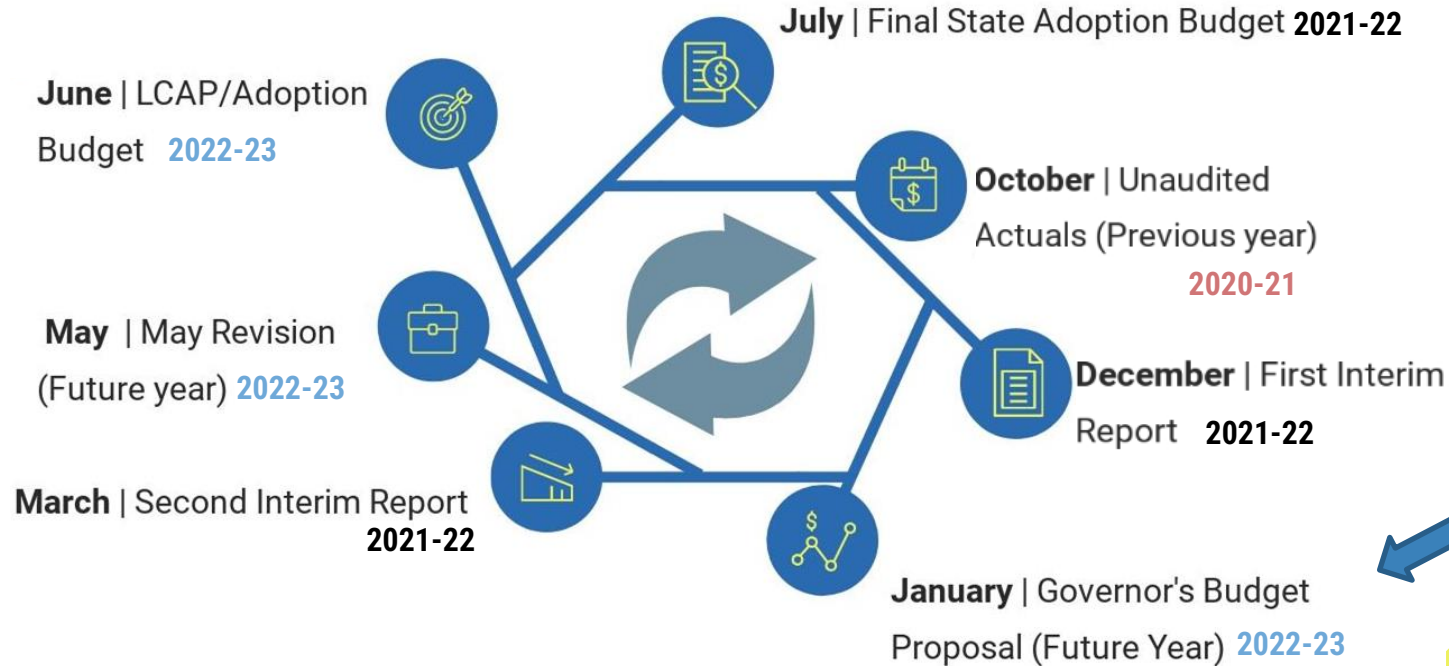


January Governor's Budget Update 2022-2023 Fiscal Year

February 3, 2022

Budget Reporting Cycle



January Governor's Budget Update

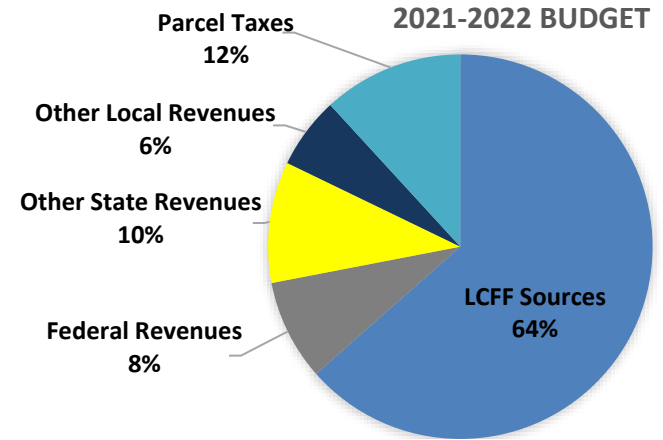
- Overview
- 2022-23 Cost-of-Living Adjustment (COLA) and Inflation
- Special Education Funding
- Child Care and Preschool & Early Literacy
- Universal Meals
- CalSTRS and CalPERS Pension Costs
- Cost Pressures on Multiyear Projections
- What's Not in the Proposed Budget
- Local DJUSD Considerations

Overview

- Highest funded education budget in State's history (again)
- Significant restricted funding ongoing for Expanded Learning Opportunities exceeds investment in Local Control Funding Formula (LCFF) base funding
- Proposed protection from declining enrollment and ADA Cliff by amending funding formula
- Reserve cap triggered
- Numerous targeted investments in early learning, career pathway programs, dual enrollment, educator workforce, and school facilities

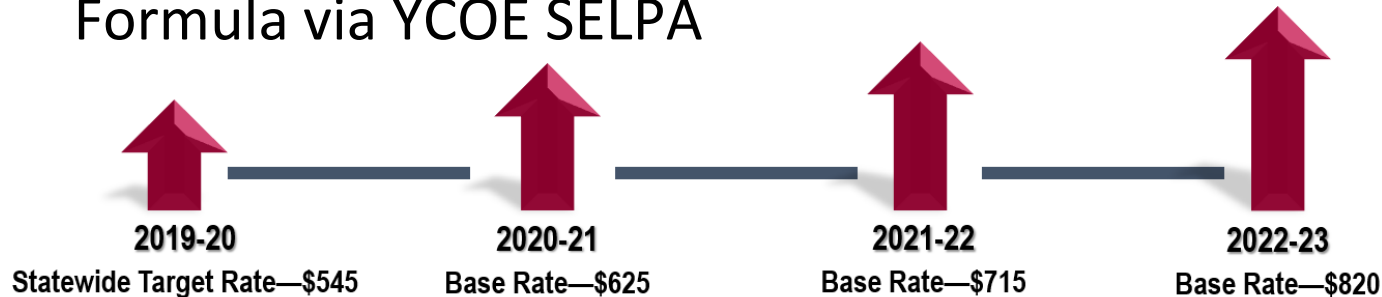
2022-23 COLA and Inflation

- 5.33% COLA
- Applies to LCFF base grant funding and Special Education funding
- 7% increase in inflation in 2021



Special Education Funding

- Ongoing special education funding commitments and investments in early prevention and intervention
 - Base rate increase estimated at \$820 per ADA
 - Funds will continue to flow through the AB 602 Funding Formula via YCOE SELPA



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Child Care and Preschool & Early Literacy

- Governor continues to implement the state's Master Plan for Early Learning and Care
- Accommodates the cost of expanding Transitional Kindergarten eligibility beginning in 2022-23 and pays for the costs of lower classroom ratios
- New one-time investments focused on early literacy via grants to create or expand multi-lingual school or classroom libraries offering culturally relevant texts to support reading instruction

Universal Meals

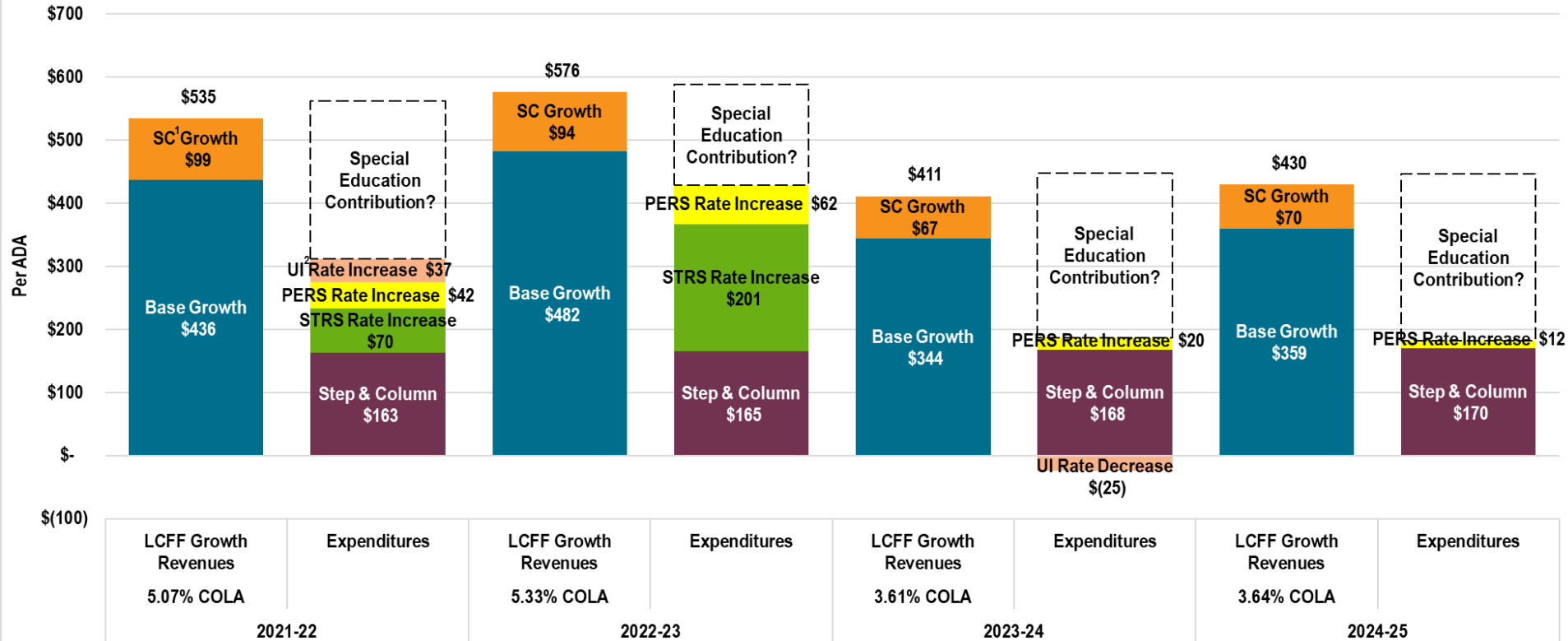
- Beginning in 2022-23, DJUSD must provide two free meals per day to any student who requests a meal
- Funding supports universal access to subsidized school meals, School Breakfast and Summer Meal expansion grants, upgrades to school kitchen infrastructure and equipment, and Farm to School program expansion

CalSTRS and CalPERS Pension Costs

- No new funding proposed by Governor

Employer Rates	2021-22	2022-23	2023-24	2024-25	2025-26
CalSTRS	16.92%	19.10%	19.10%	19.10%	19.10%
CalPERS	22.91%	26.10%	27.10%	27.70%	27.80%

Cost Pressures on Multiyear Projections



¹Supplemental and concentration; ²Unemployment insurance

What's Not in the Proposed Budget

Additional Pension Relief

The state's contribution to subsidize employer rates has run out

Both pension plans are projecting 2%+ increases in 2022-23

Augmented COLA

The current projected COLA of 5.33% reflects the estimated statutory COLA (i.e., minimum required by law)

UPP Solutions

Implementation of universal meals will likely have an immediate and direct impact on UPP

Local DJUSD Considerations

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

Questions?