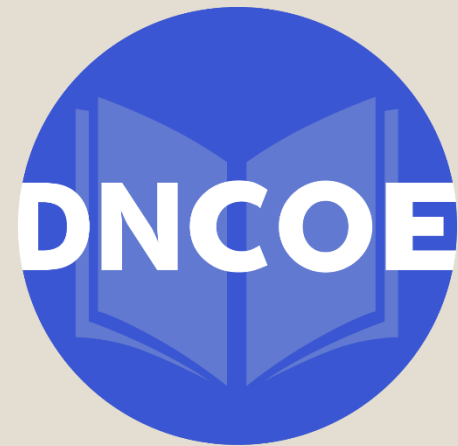


2020/21 Final Budget

Overview and Highlights
County Office



Budget Process Comments

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Then COVID happened.

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This budget will be revised for August, and there will be additional opportunities for input by all stakeholders.

This current budget provides a balanced starting point, from which we can adopt revenue changes from the approved State Budget and then review expenditures that have been, or may be, eliminated or restored. If additional reductions are necessary, we will be able to discuss which reductions would be the most prudent and do the least harm.

Process cont...

Additional Analysis and information on the State Budget will be available from the State in mid July.

After we have received the new information and analysis, we will begin hosting input sessions and discussions on the budget revision.

Note: The State has announced that the State Budget will be revised in late August or September, and again in October, if there is no additional Federal funding.

Enrollment

County schools are comprised of Elk Creek, and Community School.

County School CBEDS Enrollment is projected at 29 students for COE students. Another 18 students are projected as District referred students.

Average Daily Attendance

ADA for County Schools is projected to be at 84% of Enrollment.

Community School tends to have lower rates of attendance.

Elk Creek has 100% attendance.

Revenues

County Office LCFF Revenues are currently capped at the 13/14 level until the target revenues exceed current revenues (estimated 2032).

Federal Revenues are projected to increase due to the receipt of Federal ESSER funds (COVID).

State revenues are projected decrease from 19/20 due to loss of grant funds.

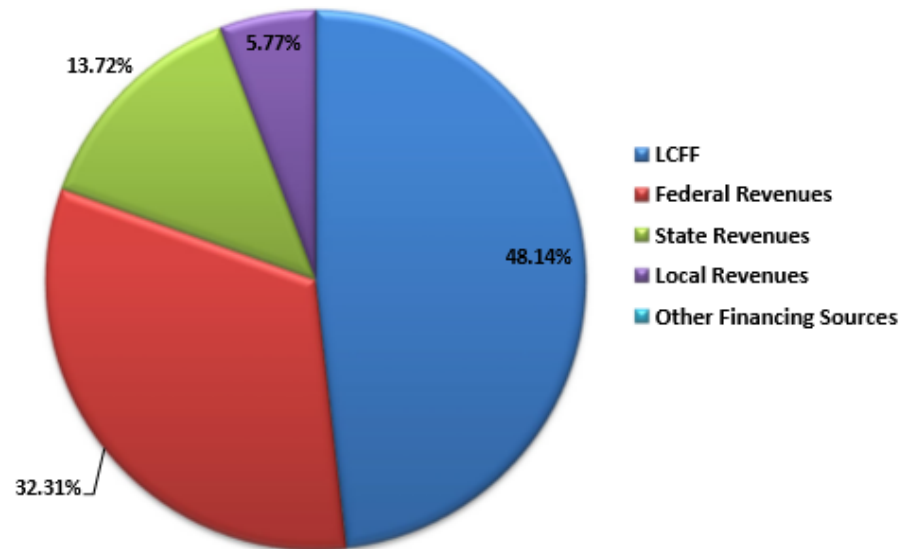
Total Projected revenues = \$6,007,368

Summary of Revenues

Following is a summary of General Fund revenues for both 2019-20 and 2020-19:

Source	2019-20 Estimated Actuals May	2020-21 Adopted Budget	Increase / (Decrease)
LCFF	2,928,945	2,892,052	(36,893)
Federal Revenues	1,910,347	1,941,121	30,774
State Revenues	833,515	824,367	(9,148)
Local Revenues	592,926	346,378	(246,548)
Other Financing Source	3,600	3,450	(150)
Total	6,269,333	6,007,368	(261,965)

General Fund Revenues



Expenditures

The County Office directly funds staff to support the district and the districts' students. Examples include:

Nurses (RN and LVN)

All technology department staff

SARB and Truancy

CTE (ROP) teachers

Portions of District site administrators salaries

County funds pay for all County Schools staff at Community School and Elk Creek.

County funds also are expended on portions of Business, Human Resources and Ed Services administration and staff.

Total Budgeted Expenditures = \$5,838,891

Transfers to other funds = \$ 298,465.

Expenditures continued

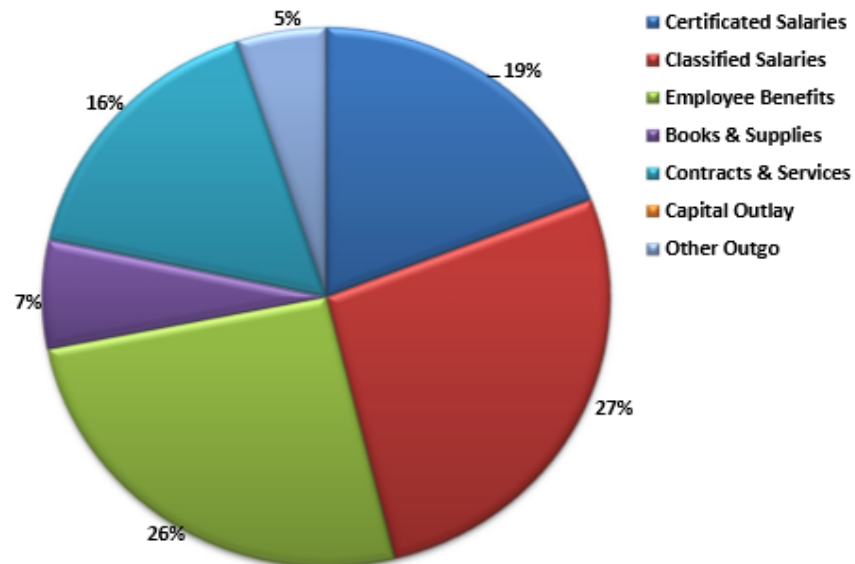
Per LCAP, the County Office of Education is focusing expenditures on COE schools and programs including at risk and foster youth.

Summary of Expenditures

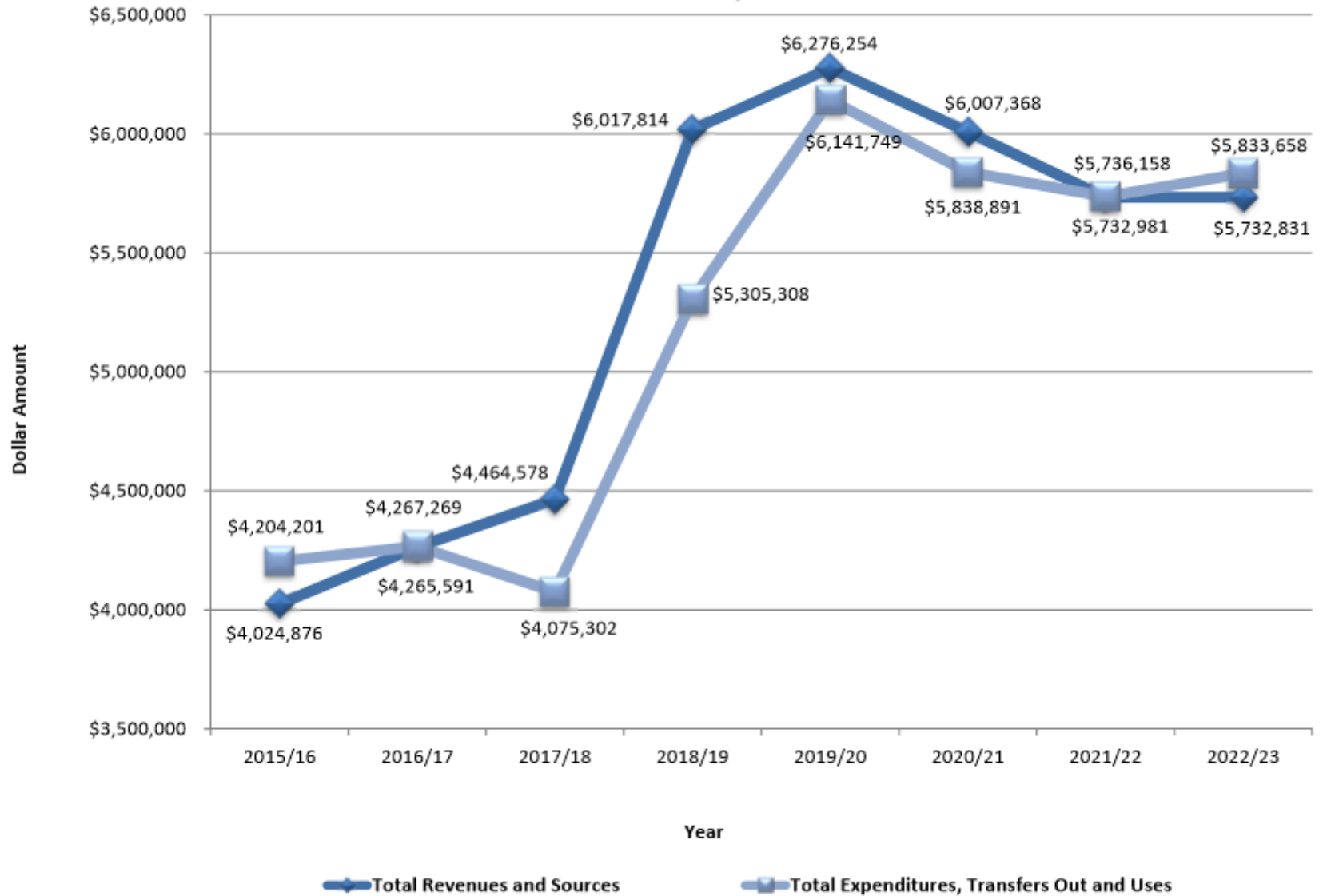
Following is a summary of General Fund expenditures for both 2019-20 and 2020-19:

Source	2019-20 Estimated Actuals May	2020-21 Adopted Budget	Increase / (Decrease)
Certificated Salaries	1,212,450	1,115,695	(96,755)
Classified Salaries	1,487,355	1,576,526	89,171
Employee Benefits	1,452,081	1,505,384	53,303
Books & Supplies	331,344	380,997	49,653
Contracts & Services	1,355,953	961,824	(394,129)
Capital Outlay	-	-	-
Other Outgo	302,566	298,465	(4,101)
Total	6,141,749	5,838,891	(302,858)

General Fund Expenditures



Revenues vs. Expenditures



Fund Balance

The COE is projected to have an ending fund balance of \$1,746,994 and out year projections show a decrease in fund balance.

Increased expenditures such as increased employee compensation costs, additional programs, and additional staffing will affect final fund balances.

The COE maintains the required 5% minimum reserve.

Castle Rock Charter School

Overview and Highlights

Enrollment/ADA

Castle Rock CBEDS enrollment is projected to be 350.

ADA for Castle Rock traditionally is 98%.

Due to the nature of the school, if students are not turning in work, they are exited.

Revenues/Expenditures

LCFF Revenues are projected to remain flat.

Expenditures are expected to decrease from 19/20 due a reduction in materials and supply purchasing, travel, and other contracts.

Expenditure of Supplemental funds will be described in the LCAP for Castle Rock Charter.

Fund Balance

Castle Rock is projected to maintain a fund balance of \$511,829

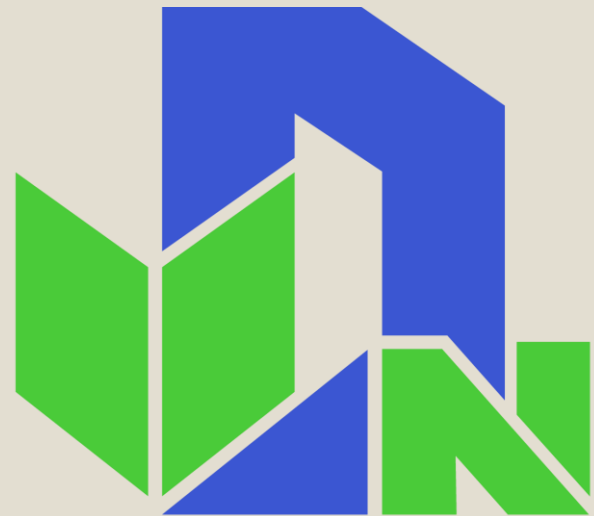
A decrease from 19/20.

Castle Rock has been deficit spending for the past 4 years.

Castle Rock is projected to have 13.5% reserves in 20/21.

Del Norte County Unified School District

Overview and Highlights



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Budget Assumptions

Assumption Page located in Final Budget Document

Class size assumption: K-3 24:1, 6-12 35:1

Revenues based on Governor's May Revise budget.

Expenditure reductions outlined in Board study session and preliminary budget public hearing.

Current Projected Enrollment and Staffing for K-5 and K-8 Schools, Green indicates 29:1 contract maximum for K-3 grade spans. Blue indicates 35:1 student to staff level. The single asterisk indicates students will be mainstreamed in the class and are included in the class counts.

Bess Maxwell	Enrollment		Joe Hamilton	Enrollment		Mary Peacock	Enrollment		Pine Grove	Enrollment
Kindergarten	20		Kindergarten	24 (projected)		Kindergarten	21*		TK	22
Kindergarten	20		Kindergarten	24 (projected)		Kindergarten	23*		Kindergarten	25
1st	22*		1st	18		1st	21		Kindergarten	25
1st	23*		1st	20		1st	21		1st	23
2nd	24*		1st	19		2nd	29		1st	22
2nd	24*		2nd	22		2nd/3rd	28		2nd	22
3rd	29*		2nd	21		3rd	28		2nd	22
3rd/4th Combo	27*		2nd/3rd	24		4th	28		2nd/3rd	25
4th	32		3rd	22		4th/5th	26		3rd	25*
5th	33		3rd	20		5th	30		4th	35
			4th	27*					4th/5th	36
			4th/5th	31					5th	35*
			5th	30*						

Notes: One teacher removed from budget.

Notes: Room in Kindergarten and 1st if more Kindergarten students enroll. One teacher was removed from budget.

Notes: There are likely more mainstreamed students but they are not indicated in other grades with the exception of Kindergarten. One teacher was removed from budget.

Notes: One teacher was removed from budget.

Margaret Keating	Enrollment		Redwood	Enrollment		Smith River	Enrollment		Mountain	Enrollment
Kindergarten & TK	24		Kindergarten	25		Kindergarten & TK	20**		K-2	8
1st	18		Kindergarten	19 (projected)		Kindergarten/1st	22**		3-5	23
2nd	20		1st	24		1st	24**		6-8	25
3rd/4th	27		1st	23		2nd	24**			
5th/6th	10		2nd	27		3rd	23**			
			2nd	28		4th	31**			
			3rd	28		5th	22**			
			3rd	29		6th	33**			
			4th	27		7th	31**			
			4th	27		8th	34*			
			5th	34						
			5th	34						
			6th	26						
			6th	26						
			7th	29						
			7th	30						
			8th	31						
			8th	31						

Notes: All but 3 6th graders are going to Crescent Elk.

Notes: Will need to add a teacher in August revise for these numbers. A potential moving of one teacher would cause 6th/7th and 7th/8th combination classes.

Notes: **This denotes all projected numbers.

Notes: Roughly half of the students use transportation to get to Mountain. Removal of this bus route will likely impact the enrollment numbers above.

Enrollment

Projected Enrollment for 20/21 is 3703 students TK-12.

Decrease over previous year of 3.

Enrollment trends show decreases in elementary grades and increases in high school for 20/21.

Kindergarten projections anticipate a larger group of kindergarteners coming in than seniors graduating...

Kindergarten projections are not always reliable

District experienced increased enrollment in 19/20. However, given the current pandemic, enrollment numbers for next year are uncertain.

Attendance

Attendance projections for 20/21 are calculated at 93% overall.

Although 19/20 actual attendance calculated 93.1% ADA, a 3 year average of CBEDS to P2 ADA by grade span was utilized for calculations.

A funded ADA of 3449 is projected due to declining enrollment calculation even though actual ADA projected at 3433

Grade spans have been calculated into the revenues.

Revenues

LCFF funding revenue is projected to **decrease** by 2.8 million dollars.

Federal Revenues increase 1.2 million over 2019/20

Due to one time federal ESSER (COVID relief) funding.

Other state revenues decrease by \$900,000

10% or more cuts to afterschool, CTE, other state funds.

Local revenues projected to decrease by \$600,000.

Loss of grants and other local revenue

Total Projected Revenues \$46,697,631

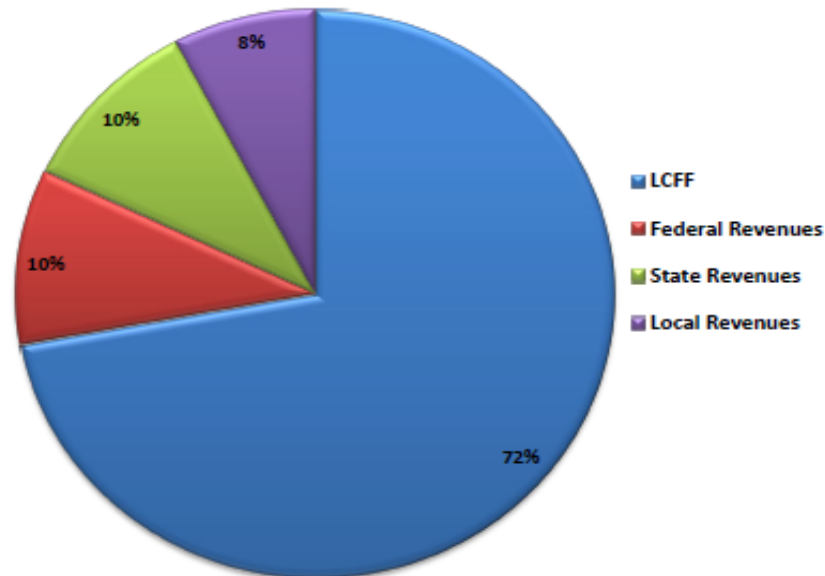
A decrease of 2.3 million from 19/20 revised budget

Summary of Revenues

Following is a summary of General Fund revenues for both 2019-20 and 2020-19:

Source	2019-20 Estimated Actuals May	2020-21 Adopted Budget	Increase / (Decrease)
LCFF	35,606,532	33,674,616	(1,931,916)
Federal Revenues	3,429,914	4,655,626	1,225,712
State Revenues	5,621,321	4,770,441	(850,880)
Local Revenues	4,151,102	3,596,949	(554,153)
Other Financing Sources	-	-	-
Total	48,808,869	46,697,632	(2,111,237)

General Fund Revenues



Expenditures

Proposed budget assumes a 0% compensation increase for 20/21.
Negotiations are currently taking place.

Employee mandatory costs are reduced slightly due to a projected state contribution to PERS and STRS.

May Revise contains proposal to decrease STRS contribution to 16.5% instead of the 18.4% as legislated. (19/20 rate was 17.10%)

PERS rates increasing to 20.7% instead of 22.8% as planned. (19/20 rate was 19.721%)

Total projected expenditures and transfers = \$46,296,856

At present, with the expenditure reductions included, the district budget is balanced for the 20-21 year. Any new expenditures will create a deficit situation.

Expenditure Reductions

As presented with the preliminary budget and at the board budget workshop, expenditure reductions of 2.5 million dollars for 20-21 were accomplished by not funding currently vacant positions, moving ongoing expenditures into one time revenues, and making cuts to site and district office budgets.

Many of these cuts are for one year only as the funds used were one time funds.

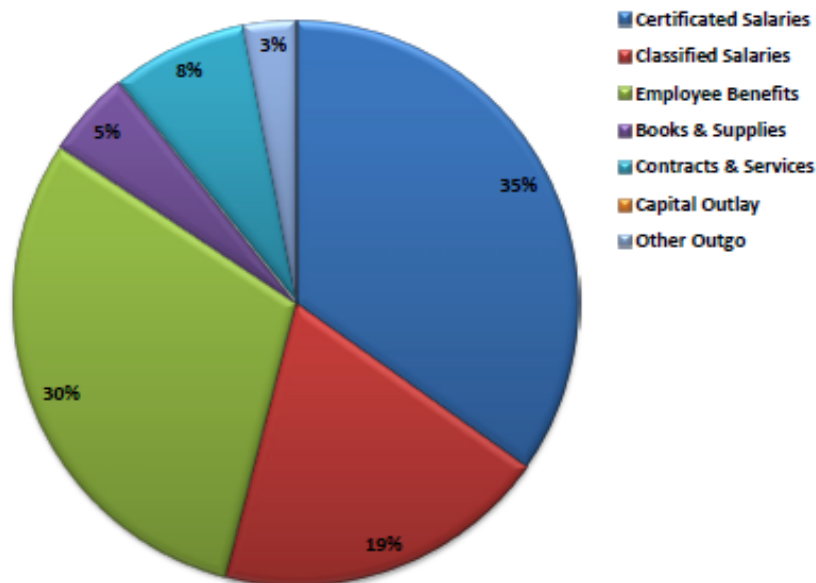
The district will have to continue to make expenditure reductions to balance the out years if additional revenue is not available.

Summary of Expenditures

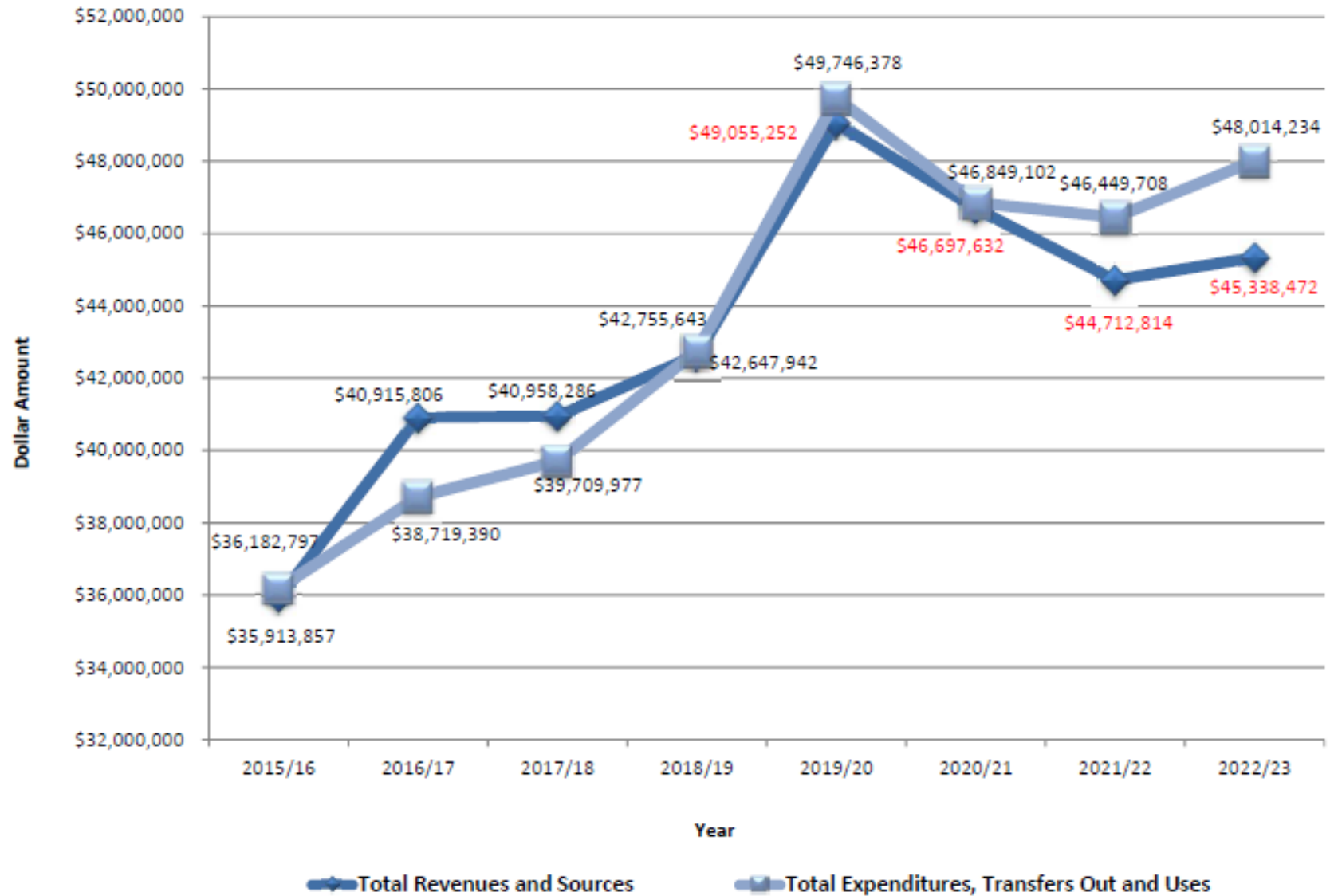
Following is a summary of General Fund expenditures for both 2019-20 and 2020-19:

Source	2019-20 Estimated Actuals May	2020-21 Adopted Budget	Increase / (Decrease)
Certificated Salaries	17,221,909	16,207,897	(1,014,012)
Classified Salaries	8,875,523	8,934,739	59,216
Employee Benefits	14,350,383	14,078,392	(271,991)
Books & Supplies	3,423,508	2,290,212	(1,133,296)
Contracts & Services	4,469,132	3,636,144	(832,988)
Capital Outlay	-	-	-
Other Outgo	107,543	1,392,880	1,285,337
Total	48,447,998	46,540,264	(1,907,734)

General Fund Expenditures



Revenues vs. Expenditures



Fund Balance

Ending fund balance including 3% minimum is projected to be \$5,941,159.

Total reserves including state required minimum is 7.5%. Any additional negotiated salary increases or additional staffing not already reflected in budget will affect fund balance (reserves) and cause deficit

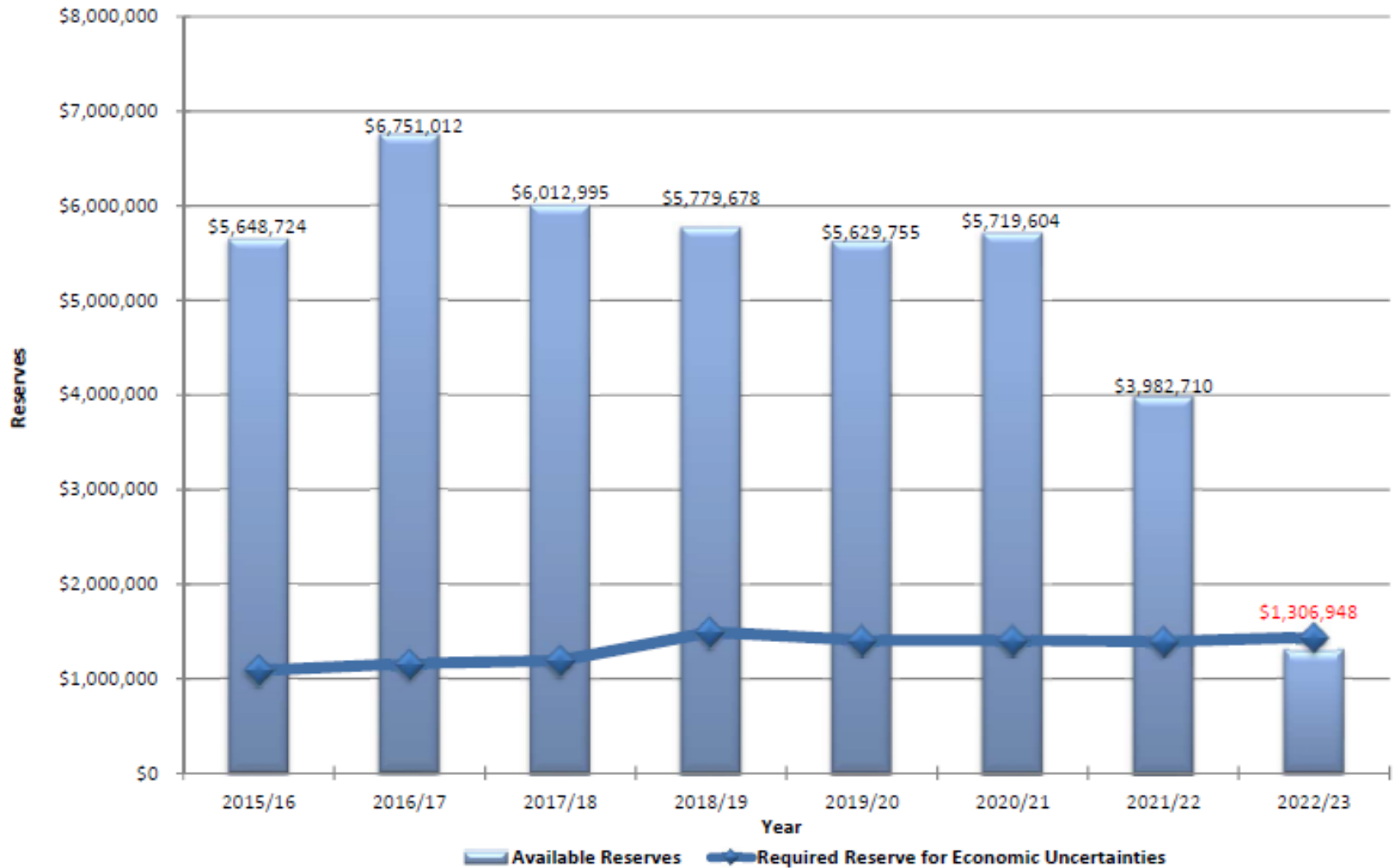
Projected ending fund balance to be less than beginning fund balance.

Carryovers are not included in fund balance until actuals.

Projected decrease to fund balance is estimated to be \$151,470. (Restricted funds).

Fund balances are one time funds (deficit spending).

General Fund Unrestricted Reserves



Multi-Year Projections

Before adopting a budget, a multi-year projection must be made that contains the budget year and the next two years.

AB 1200 legislation requires this as part of an approved budget.

These projections are based on budget assumptions we make now (future enrollment, future funding levels, future expenses), and are not predictions. Assumptions will change with economic realities and changes to other factors that affect budgets.

The purpose is to allow the board and public to view the impacts of current year budget decisions on out years and acts as a tool to guide budgeting practices and avoid fiscal distress.

State Budget additions

As of 6/25/2020 the State Budget has not been signed by the Governor. However, the Governor and Legislature have agreed on a compromise budget which projects more funding than the May revise, however the funding is contingent on additional Federal Aid. If the Federal funds do not materialize, mid year deferrals of up to 45% of district revenue will be enacted.

Revenue deferrals have the same effect as revenue cuts as cash flow issues will create a situation where borrowing funds to pay expenses will force expenditure reductions in order to pay back the borrowed funds.

Final Thoughts

The COVID 19 pandemic has created much uncertainty and unrest throughout the State and World. The California economy has been devastated. Tax revenues are expected to drastically fall next year and for the next 2 years (or more).

Our Multiyear projection has the district below the minimum required reserve levels in 22-23.

The district budget will be revised in August to make adjustments for the adopted state budget. While there is a ray of hope in not receiving such drastic cuts, the district must be prepared for the possibility of no additional federal funding and thus must take a conservative approach to revising the budget to insure the fiscal stability of the district in not just 20-21, but for the following years.