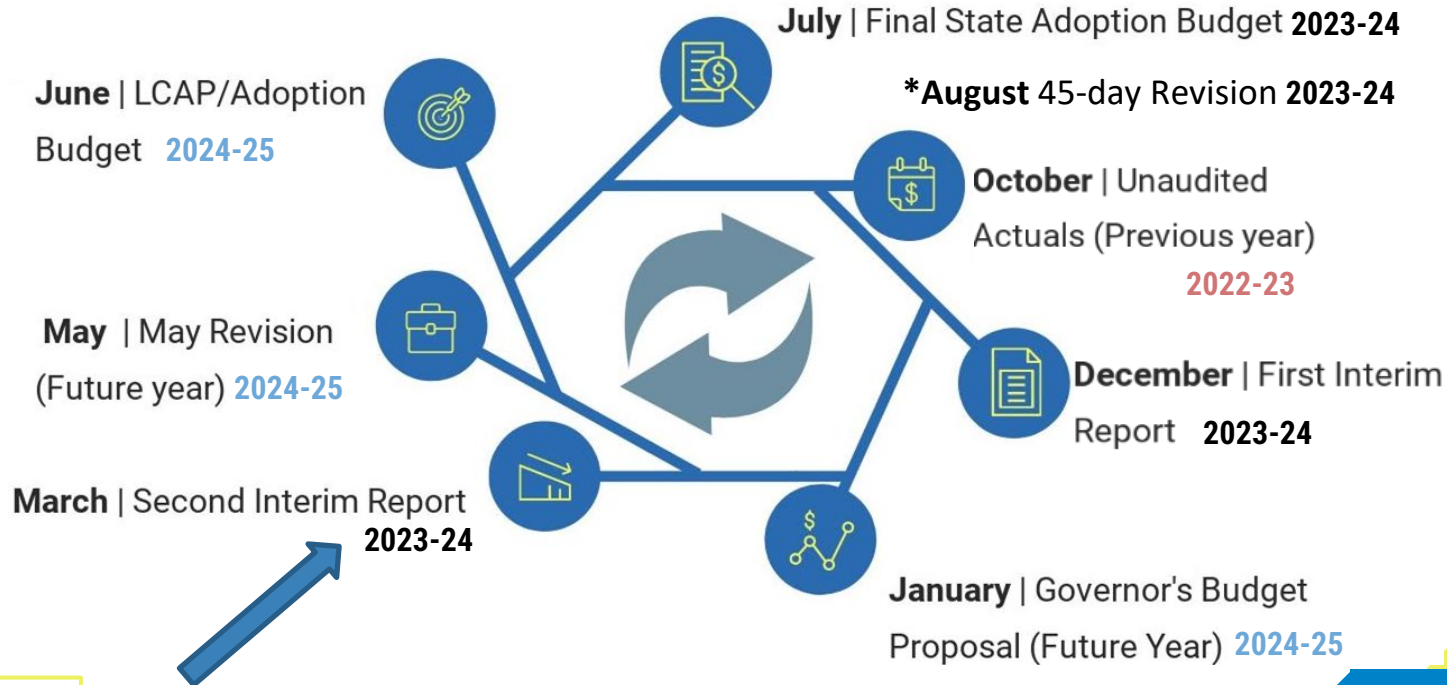


Second Interim Budget Fiscal Year 2023-24

March 21, 2024

Budget Reporting Cycle 2023-24



Second Interim Summary

The Second Interim report includes updates since the last budget in December, a review of actuals to date, and projections for future years using the Governor's January Budget proposals.

The State has a budget deficit of \$56-\$73 billion according to different State sources. There is a lower projected COLA than previous years coupled with declining attendance that creates a budget deficit for DJUSD. Additionally, the District must reduce the use of one-time COVID relief sources as these funds have ended and remaining balances are being depleted. The District has enacted budget reductions to mitigate the DJUSD budget deficit, and to offer compensation increases in collective bargaining.

With uncertain State revenues expected as of July's approved State budget, the District must plan for current assumptions to change, which could result in lower revenues, and maintain any excess fund balance in a spending reserve to cover potential deficit spending.

Second Interim Overview

- Comparisons to First Interim Budget
- Multi Year Projections
- One-time Funds
- Considerations for Fiscal Solvency

Second Interim Compared to First Interim

Total General Fund Revenues (Unrestricted and Restricted)

2023-24	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
LCFF	-\$37,887	\$0	-\$37,887	NPS and County Special Education ADA
Federal Revenues	\$0	\$0	\$0	Deferred Revenue Carryover
Other State Revenues	-\$522	\$514,053	\$513,531	Teacher Credentialing Grants-YSTC and Classified School Employees Summer Assistance Program
Other Local Revenues	\$7,971	-\$22,767	-\$14,796	Local Grants and Yolo SELPA
Total Revenues	-\$30,438	\$491,286	\$460,848	<i>0.4% Variance from First Interim</i>

Second Interim Compared to First Interim

Total General Fund Expenditures (Unrestricted and Restricted)

2023-24	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
Salaries and Benefits	\$568,988	-\$253,427	\$315,561	Position Control reconciliations, program transfers.
Books, Supplies and Capital	\$583,163	-\$812,054	-\$228,891	Reductions and transfers of expenditures to other funds, expenditures for new grant funds
Services, Other Operating and Other Outgo	\$509,693	-\$257,331	\$252,362	Transfers to other funds and increases for new grant funds
Total Expenditures	\$1,661,844	-\$1,322,812	\$339,032	0.3% Variance from First Interim

Second Interim Compared to First Interim

Total General Fund Sources and Uses (Unrestricted and Restricted)

	Unrestricted Variance	Restricted Variance	Total Variance +/-	Reason(s)
Interfund Transfers	\$377,214	\$0	\$377,214	One-time transfer of prior year facilities debt payments
Other Sources/Uses	-\$703,342	\$0	-\$703,342	Lease accounting journal transfer to other funds
Contributions	\$919,833	-\$919,833	\$0	Special Education program transfers to other restricted categorical funds
Total Financing Sources and Uses	\$593,705	-\$919,833	-\$326,128	

Second Interim Compared to First Interim

Total General Fund Ending Fund Balances (Unrestricted and Restricted)

<i>2.7% Variance from First Interim</i>	Unrestricted Variance	Restricted Variance	Total Variance	Reason(s)
Total Revenues +	-\$30,438	\$491,286	\$460,848	
Total Expenditures -	\$1,661,844	-\$1,322,812	\$339,032	
Interfund Transfers -	\$377,214	\$0	\$377,214	
Other Sources/Uses +	-\$703,342	\$0	-\$703,342	
Contributions +	\$919,833	-\$919,833	\$0	
Net Ending Fund Balance	\$2,225,111	-\$1,751,359	\$473,752	<i>\$1.8 M Unrestricted variance committed for collective bargaining proposals</i>

Multi Year Projection (MYP) Assumptions Second Interim (2024-2026)

- Enrollment and ADA projections adjusted since First Interim
- LCFF COLA adjusted for latest projections
- Parcel Tax Rate adjusted for inflation
- Continued Employee Cost increases (pensions, step and column)
- Federal and State restricted programs using current funding assumptions
- Maintains minimum required 3% reserve
- Projected increase in compensation committed in fund balance

Second Interim Multi Year Projection

Unrestricted General Fund

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$5,792,964	\$7,352,535	\$9,455,890
+ Revenues	\$105,110,630	\$104,398,375	\$106,825,253
- Expenditures	\$83,591,429	\$81,912,227	\$83,011,227
+ Other Financing Sources/Uses	(\$19,959,630)	(\$20,382,793)	(\$20,589,719)
= Surplus/(Deficit) Spending	\$1,559,571	\$2,103,355	\$3,224,307
Ending Balance June 30	\$7,352,535	\$9,455,890	\$12,680,197
Non-Spendable %	0.3%	0.3%	0.3%
Committed % - Collective Bargaining	1.4%	4.0%	6.6%
Committed % - Budget Deficit	1.0%	0.3%	0.3%
Assigned/Reserve for Economic Uncertainties/Unappropriated %	3.0%	3.0%	3.0%

Multi Year Projection Summary

Unrestricted General Fund

2023-24 Second Interim	2023-24	2024-25	2025-26
LCFF Statutory COLA & Augmentation	8.22%	0.76%	2.73%
LCFF Revenue Growth	\$5,184,000	(\$806,000)	\$1,991,000
Operating Deficit/Surplus	\$1,560,000	\$2,103,000	\$3,224,000
Ending Fund Balance	\$7,353,000	\$9,456,000	\$12,680,000
<u>Components of Fund Balance:</u>			
<i>Reserve for Economic Uncertainties 3%</i>	\$3,909,000	\$3,760,000	\$3,749,000
<i>Nonspendable</i>	\$350,000	\$350,000	\$350,000
<i>Committed Fund Balance: Collective Bargaining</i>	\$1,800,000	\$5,000,000	\$8,200,000
<i>Committed Fund Balance: Budget Deficits</i>	\$1,293,221	\$345,881	\$380,722
<i>Available Fund Balance above 3%</i>	\$0	\$0	\$0

Second Interim Multi Year Projection

Restricted General Fund

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$15,539,751	\$10,604,950	\$6,198,766
+ Revenues	\$20,599,511	\$18,586,980	\$18,586,980
- Expenditures	\$46,699,017	\$43,401,376	\$41,951,261
+ Other Financing Sources/Uses	\$21,164,705	\$20,408,212	\$20,615,138
= Surplus/(Deficit) Spending	(\$4,934,801)	(\$4,406,184)	(\$2,749,143)
Ending Balance June 30	\$10,604,950	\$6,198,766	\$3,449,623

Second Interim Multi Year Projection

Restricted General Fund State One Time Sources

6762 Arts, Music, and Instructional Materials Discretionary Block Grant

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$3,458,575	\$2,784,541	\$2,111,405
+ Revenues	\$99,102	\$0	\$0
- Expenditures	\$773,136	\$673,136	\$483,711
= Surplus/(Deficit) Spending	(\$674,034)	(\$673,136)	(\$483,711)
Ending Balance June 30	\$2,784,541	\$2,111,405	\$1,627,694

7435 Learning Recovery Emergency Block Grant

	2023-24	2024-25	2025-26
Beginning Balance July 1	\$2,208,220	\$724,908	\$0
+ Revenues	\$0	\$0	\$0
- Expenditures	\$1,483,312	\$724,908	\$0
= Surplus/(Deficit) Spending	(\$1,483,312)	(\$724,908)	\$0
Ending Balance June 30	\$724,908	\$0	\$0

Considerations

- DJUSD is highly dependent on State funding which is shrinking due to State Budget deficits and lower inflation funding projections
- District programming is highly dependent on the continuation of Measure H parcel taxes
- Decreased sources of one-time funding will reduce current spending activities
- Reserve for Economic Uncertainties is at the minimum % required by the State

Acknowledgements

The Second Interim Budget represents the time and effort of our District team. This budget includes extra efforts by the fiscal team, as well as District department and program staff.

Questions?