
	Executive Summary State Budget Update Leonard Kahn, Chief Business Officer June 22, 2021	1305 E. VINE STREET LODI, CA 95240 TEL (209) 331-7121
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- Legislature passed the State’s 2021-2022 Budget (AB/SB 128) on June 14, 2021, one (1) day ahead of the Constitutional requirement of June 15, 2021
- Some concern exists over whether the budget was rushed through in order to meet the Constitutional deadline...
 - This is not outside the norm of the past few years, but there are still differences between AB/SB 128 and Governor’s May Revise
 - Different Revenue Assumptions
 - Governor’s 2021-2022 May Revise (DOF) revenue is \$7b greater than Legislature’s (LAO) Budget
 - Governor’s 2020 – 2021 May Revise (DOF) revenue was \$2.9b less than Legislature’s (LAO) Budget
 - SSCal reports that negotiations will continue, and when a deal is reached Legislature will likely propose and pass a “State Budget bill junior”
 - Once “tri-party” (Governor, Senate, Assembly) Budget bill junior agreement is reached, trailer bills will be released, and Governor should sign Budget early July
 - Current media reports indicate that the ‘large’ parts of May Revise are likely to remain (COLA, etc.), but the revenue differential, depending on the agreement, could impact reduction of deferrals, implementation of rainy day fund, etc.
- 65% Concentration
 - Reports indicate that the proposed increase in concentration funding took a beating in Senate deliberations, with comments weighted toward increasing base rather than concentration
- \$100 billion surplus
 - \$76 billion State generated
 - \$24 billion federal generated
 - Capital gains realizations increased to over \$200 billion
- Economy
 - Unemployment stubbornly high (Lodi USD’s UI cost will rise from ~\$160,000 per annum to \$2,500,000 per annum), but...
 - Appears likely that the District will be able to charge UI increase to CARES money
 - ...asset prices on a tear, but...
 - Fed Chairman stated on June 16, 2021 that it is time to “...begin talking about talking about...” reducing Fed stimulus to the economy
 - Inflation is high off of last year’s low base, but running slightly higher when compared to previous years
 - ...commodities seem to have peaked, and consumer sentiment regarding housing and automobile purchases has waned of late

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- Enrollment Decline ([California public schools suffer record enrollment drop | CalMatters](#), 1/26/2021)
 - PPIC projects 7% decline over next 10 years
 - Pandemic decline of 155,000 statewide, kinder especially hard hit
- Lodi USD enrollment
 - Declined by ~1,200 since the 2018-2019 school year
 - Kinder declined by ~150 over recent years, but has increased steadily over pandemic
 - Fiscal implications (Mr. Neely request)

	K-3	4-6	7-8	9-12	
Base	\$7,702	\$7,818	\$8,050	\$9,329	
5.07% COLA	\$390	\$396	\$408	\$473	
New Base	\$8,092	\$8,214	\$8,458	\$9,802	
GSA/CTE	\$842			\$255	
Adj Base	\$8,934	\$8,214	\$8,458	\$10,057	
Supplemental (20%)	\$1,734	\$1,634	\$1,692	\$2,011	
Concentration (50%)	\$4,467	\$4,107	\$4,229	\$5,029	
LodiUSD Enrollment	7,768	6,280	4,248	8,752	
ADA (93.5%)	7,263	5,872	3,972	8,183	
UPP (73%)					
↓ 100	(\$ 1,100,388)	(\$ 1,014,608)	(\$ 1,045,438)	(\$ 1,243,025)	(\$ 4,403,459)
↓ 500	(\$ 5,501,940)	(\$ 5,073,040)	(\$5,227,190)	(\$ 6,215,125)	(\$ 22,017,295)
↓ 1000	(\$ 11,003,880)	(\$ 10,146,080)	(\$ 10,454,380)	(\$ 12,430,250)	(\$44,034,590)

Financial Information Source: SSCal, 2021-2022 May Revise Dartboard
Enrollment Information Source: Lodi USD Business Services Enrollment Graphs, June 17,2021