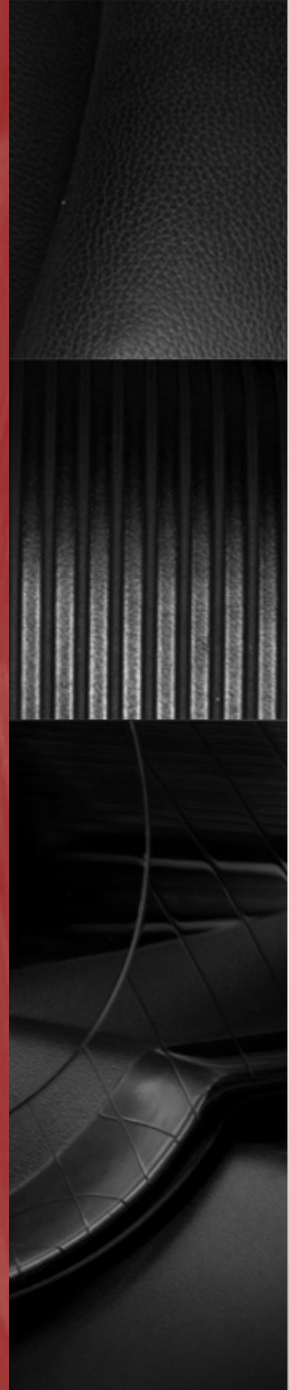


2019-20 Adoption Budget Board Summary Report

Davis Joint Unified School District

June 6, 2019





Executive Summary

The 2019-20 budgets were completed based on the latest information available to date. For 2019-20, the proposed budget contains funding for LCFF growth that calculates to \$2 million of on-going new funding next year.

The District has developed and approved a spending plan that addresses the following needs;

- Annual step and column increases
- Pension rate increases (per reported projection rates)
- LCFF supplemental student programs (LCAP specific)
- Insurance & utilities cost Increases
- Special Education
- Restricted maintenance contribution



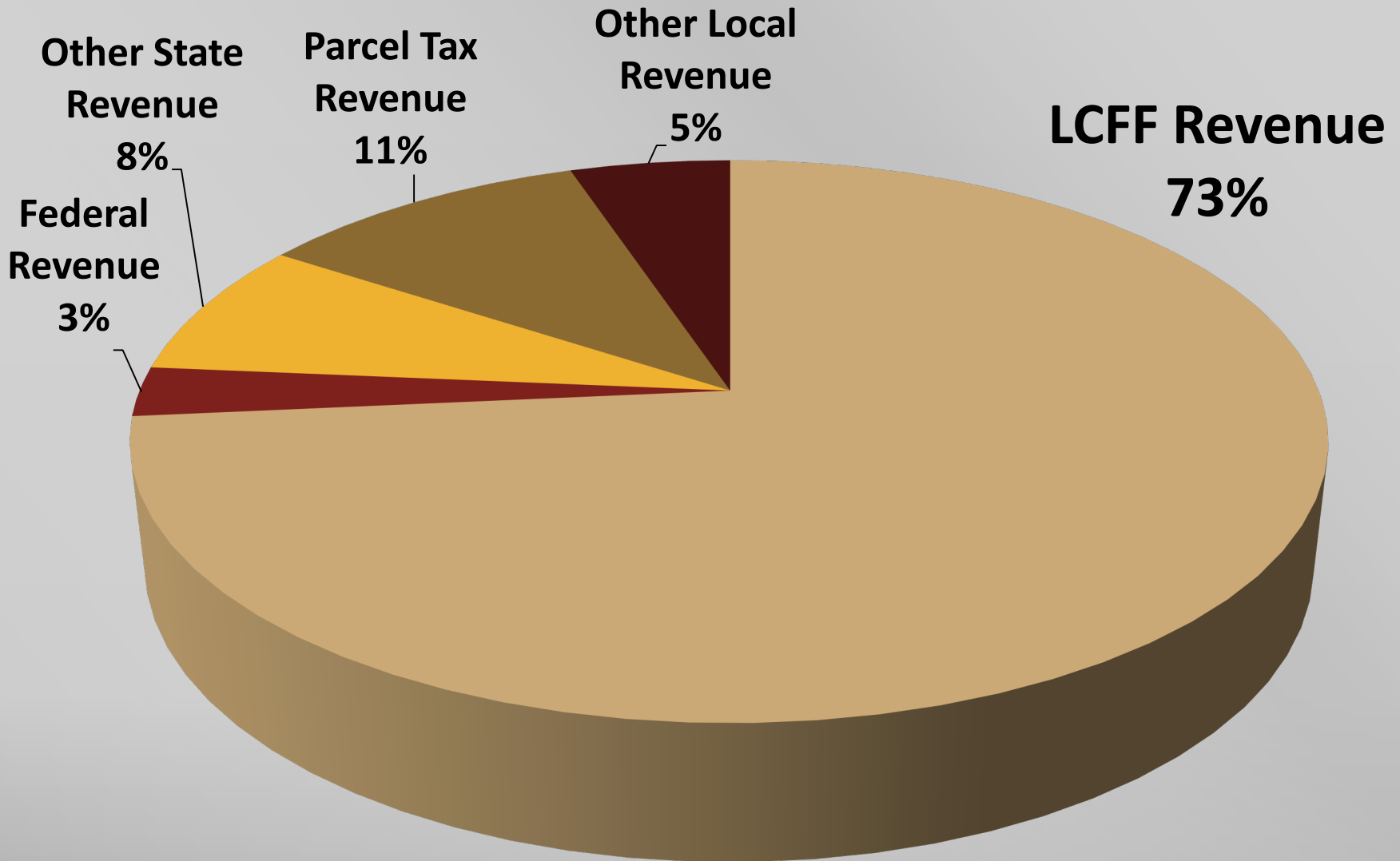
Budget Summary 2020

- 2019-20 Local Control Funding Formula (LCFF)
 - Total additional projected revenue increase of \$2 million
- LCFF increases used to cover required cost increases in multi-year projections
- The District budget adopts
 - Attrition reductions and use of reserves to cover structural budget deficit in multi-year projections
- State budget details being released subject to change
 - Final LCFF growth projections
 - STRS Pension rate
 - Categorical Programs

General Fund Budget

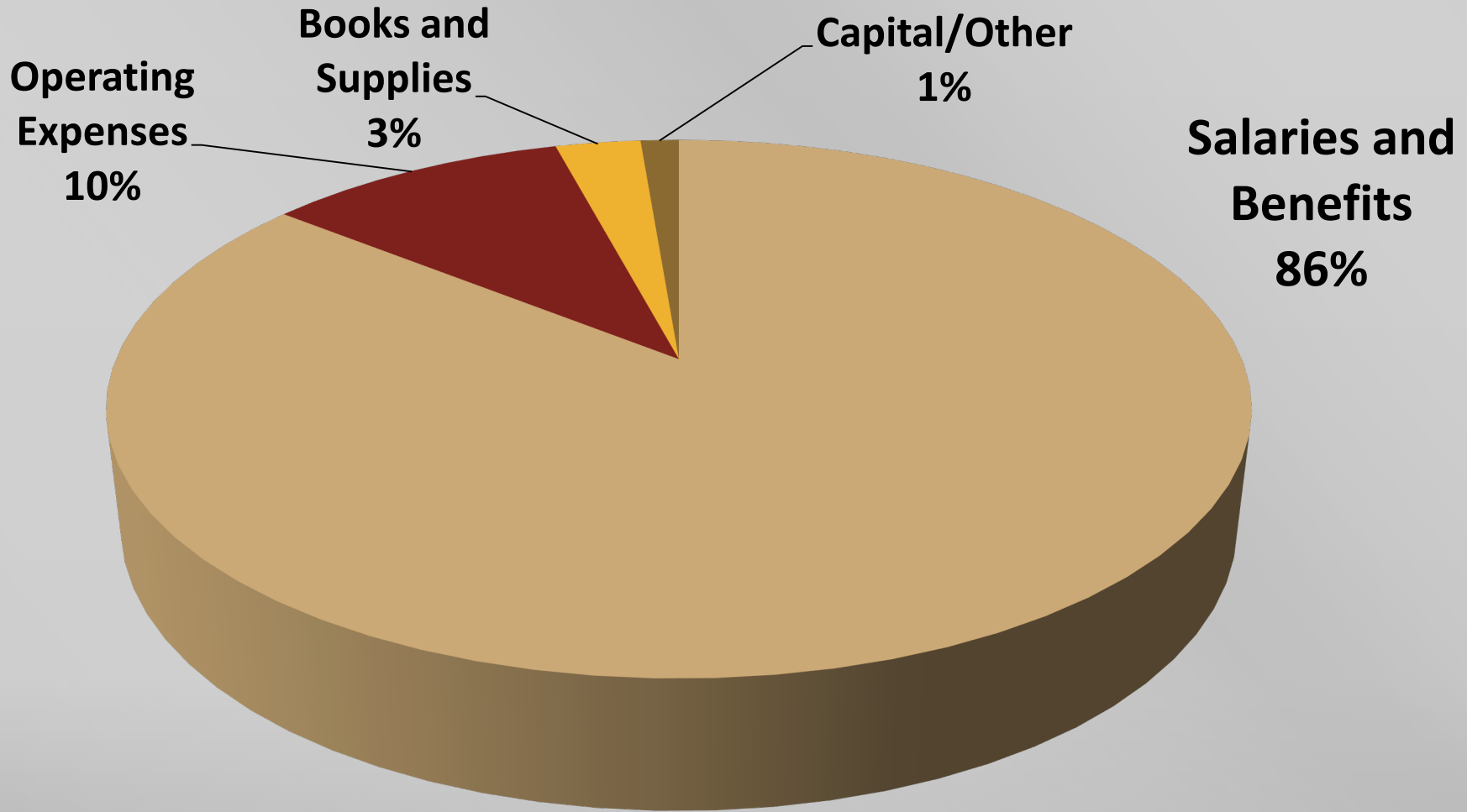
Description	<----- 2018-19 ESTIMATED ACTUALS ----->			<----- 2019-20 ADOPTION BUDGET ----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$83,051,638	\$14,615,484	\$97,667,122	\$83,493,149	\$12,394,886	\$95,888,035
EXPENDITURES	\$66,455,337	\$31,240,871	\$97,696,208	\$65,557,844	\$32,081,712	\$97,639,556
OTHER FINANCING SOURCES/USES	(\$17,828,639)	\$17,683,504	(\$145,135)	(\$18,452,596)	\$18,118,892	(\$333,704)
NET INCR. (DECR.) IN FUND BALANCE	(\$1,232,338)	\$1,058,117	(\$174,221)	(\$517,291)	(\$1,567,934)	(\$2,085,225)
BEGINNING FUND BALANCE JULY 1ST	\$5,994,528	\$2,325,432	\$8,319,960	\$4,762,190	\$3,383,548	\$8,145,738
ENDING FUND BALANCE JUNE 30TH	\$4,762,190	\$3,383,548	\$8,145,738	\$4,244,899	\$1,815,614	\$6,060,513
RESERVE %	4.9%			4.3%		
COMPONENTS OF ENDING BALANCE						
Revolving Cash/Stores/Pre-paid	\$67,500	\$0	\$67,500	\$67,500	\$0	\$67,500
Legally Restricted Balances	\$0	\$3,383,548	\$3,383,548	\$0	\$1,815,614	\$1,815,614
Designated for Economic Uncertainties	\$4,494,690		\$4,494,690	\$3,177,399		\$3,177,399
Designated for Economic Uncertainties %	4.6%		\$0	3.2%		\$0
Other Assignments:						
Carryover/Commitments	\$200,000		\$200,000	\$200,000		\$200,000
STRS Rate Increase Reserve	\$0		\$0	\$800,000		\$800,000
Total Other Assignments %	0.2%			1.0%		
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

Sources of Revenue



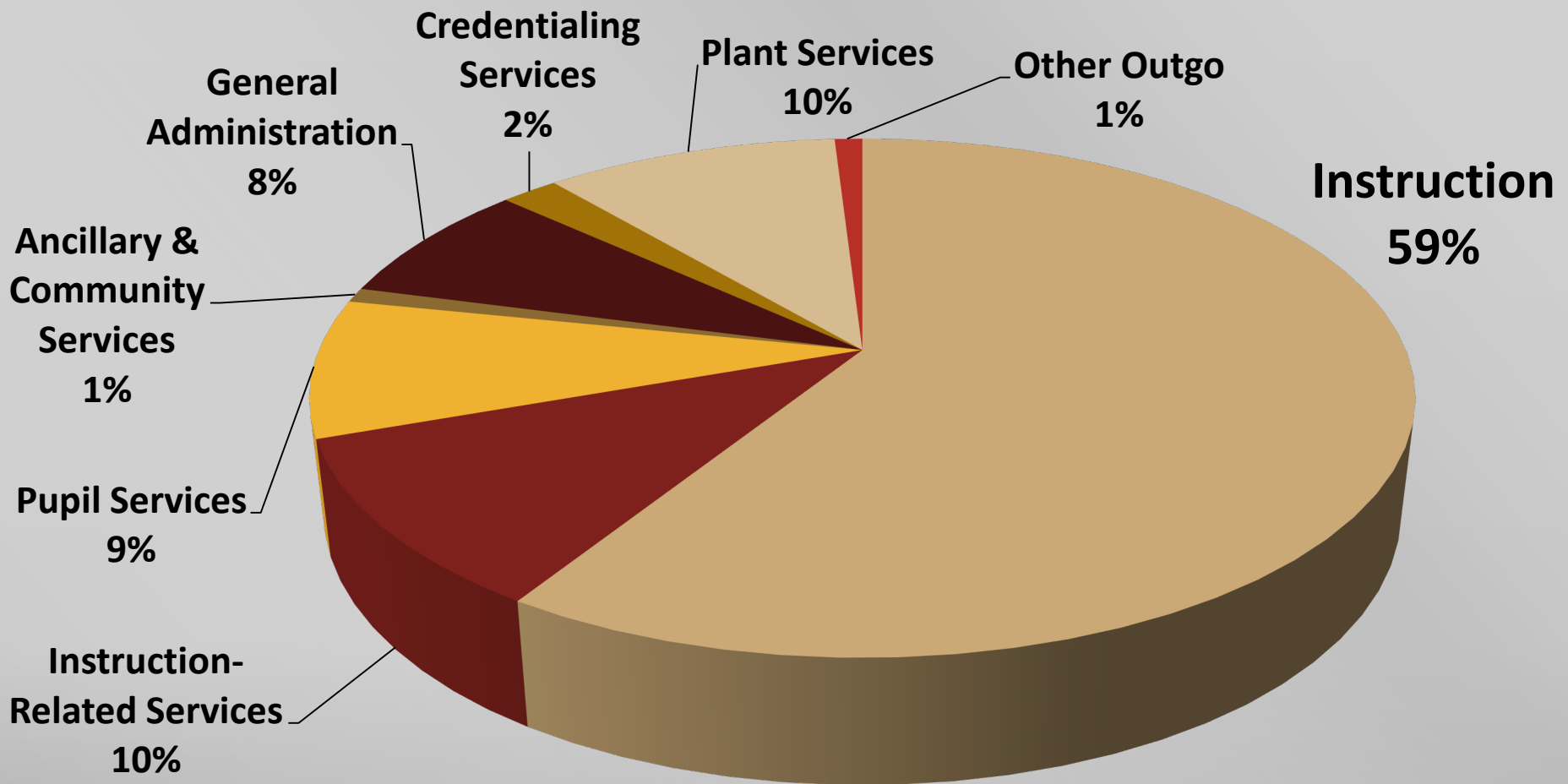
Total General Fund Revenue \$95,888,035

Expenditures by Type



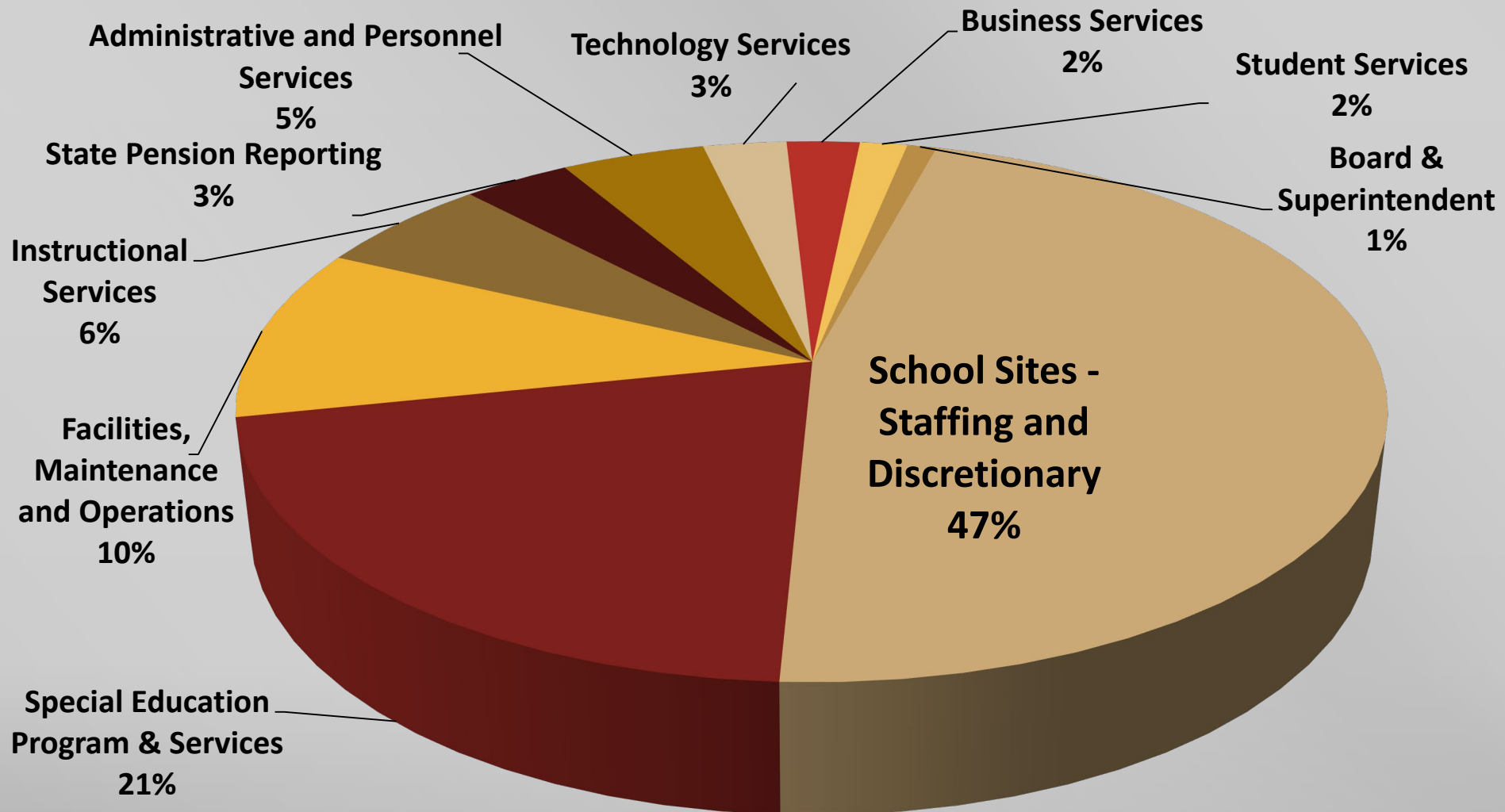
Total General Fund Expenditures \$97,639,556

Expenditures by Activity



Total General Fund Expenditures \$97,639,556

Expenditures by Budget Responsibility




Total General Fund Expenditures \$97,639,556

Multi-Year Projections Summary Report



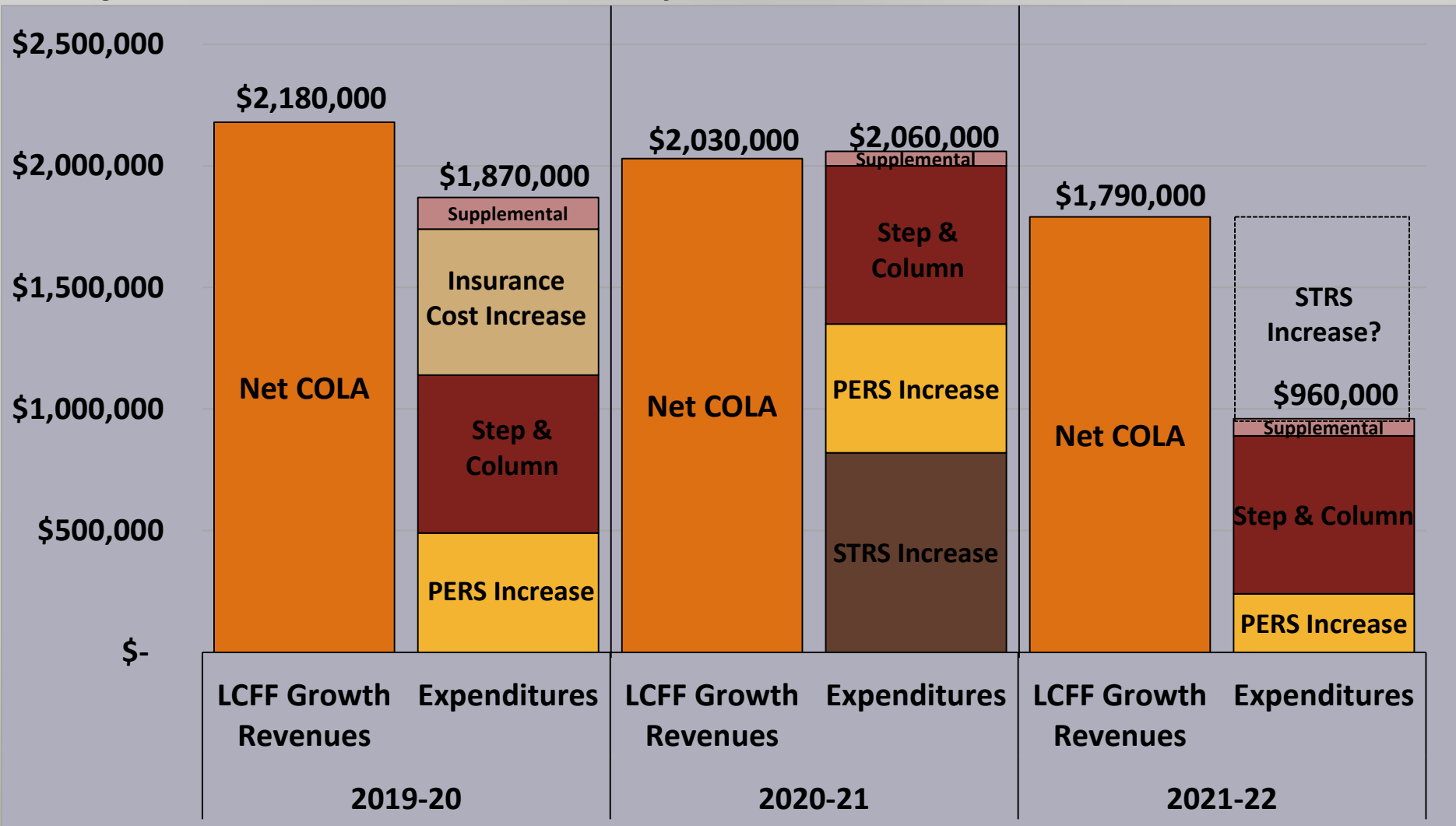
Multi-Year Budget Assumptions

Key Assumptions	2019-20	2020-21	2021-22
DJUSD Enrollment (Non-Charter - excludes DVCA)	8,013	8,004	7,988
<i>Change in Enrollment</i>	14	(9)	(16)
Average Daily Attendance (ADA)	7,701	7,692	7,676
<i>Change in ADA</i>	(1)	(9)	(16)
Total LCFF Funding per ADA (RATE)	\$9,144	\$9,418	\$9,671
PROJECTED COLA %	3.26%	3.00%	2.80%
PROJECTED LCFF GROWTH % (RATE)	3.21%	3.00%	2.69%
TOTAL LCFF REVENUE	\$70,415,771	\$72,442,437	\$74,233,658
LCFF FUNDING CHANGE	\$2,180,298	\$2,026,666	\$1,791,221
PARCEL TAX REVENUE	\$10,205,521	\$10,469,521	\$10,699,521
Projected Step & Column Increases		\$1,127,000	\$1,127,000
Pension Contribution Increase STRS	\$0	\$830,000	\$0
Pension Contribution Increase PERS	\$490,000	\$530,000	\$240,000
TOTAL UNRESTRICTED RESERVE %	4.3%	4.3%	5.4%
RESERVE FOR ECONOMIC UNCERTAINTIES %	3.2%	3.6%	4.8%
Budget Reductions - Staffing		\$366,000	
Budget Reductions - Operating Expenditures		\$40,000	

*** FUNDING INCREASES SUBJECT TO CHANGE BASED UPON STATE BUDGET**

2019-20 Adoption Budget

Projected LCFF Growth & Expenditures



Unrestricted Multi-Year Budget

Description	2019-20	2020-21	2021-22
REVENUES	\$83,493,149	\$84,952,590	\$86,973,811
EXPENDITURES	\$65,557,844	\$67,252,778	\$68,083,545
OTHER FINANCING SOURCES/USES	(\$18,452,596)	(\$17,697,981)	(\$17,767,347)
NET INCR. (DECR.) IN FUND BALANCE	(\$517,291)	\$1,831	\$1,122,919
BEGINNING FUND BALANCE JULY 1ST	\$4,762,190	\$4,244,899	\$4,246,730
ENDING FUND BALANCE JUNE 30TH	\$4,244,899	\$4,246,730	\$5,369,649
RESERVE %	4.3%	4.3%	5.4%
COMPONENTS OF ENDING BALANCE			
Revolving Cash/Stores/Prepaid	\$67,500	\$67,500	\$67,500
Designated for Economic Uncertainties \$	\$3,177,399	\$3,579,230	\$4,702,149
Designated for Economic Uncertainties %	3.2%	3.6%	4.8%
Other Assignments			
Carryover/Commitments	\$200,000	\$200,000	\$200,000
STRS Rate Increase Reserve	\$800,000	\$400,000	\$400,000
Total Other Assignments %	1.0%	0.6%	0.6%
Unassigned Amount	\$0	\$0	\$0
Unassigned/Unappropriated %	0.0%	0.0%	0.0%
Operating Deficit - / Surplus +	(\$500,000)	\$0	\$1,100,000

Reserves Analysis





Reserve Components

- Nonspendable
 - Revolving Cash, Inventory, Pre-paid expenditures
- Restricted
 - Restricted use by funding source (Not included in reserve calculation %)
- Committed
 - Committed for a specific purpose by Board vote (Not subject to State Cap)
- Assigned
 - Assigned for a specific purpose as part of the budgeting process
 - Uses include setting aside for future year expenditures/liabilities
- Unassigned/Unappropriated
 - State required minimum reserve for economic uncertainties - 3%



Update on General Fund Reserves

- State reserve management regulations
- Transparency of reserves
 - Detailed reporting on specific uses/needs above 3% minimum

Transparency of Reserves

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

	2019-20 Budget
District Standard Reserve Level (per State law)	3%
District Minimum Reserve for Economic Uncertainties (3%)	\$2,939,801
Total Assigned and Unassigned Ending Fund Balances	\$4,177,399
Remaining Balance to Substantiate Need	\$1,237,598

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties	
Additional Reserve for Economic Uncertainties	\$237,598
Site and Program Budget Carryovers	\$200,000
STRS Rate Increase Reserve	\$800,000
Total of Substantiated Needs	\$1,237,598



Opportunities & Risks

- Changes in State revenue
 - Final Enrollment/ADA
 - Final State budget formulas
 - Future LCFF revenue increases
- Final staffing to enrollment
- State mandates (pension costs increases)
- Special Education costs
- Other cost increases (insurance, utilities, equipment replacement)



Questions