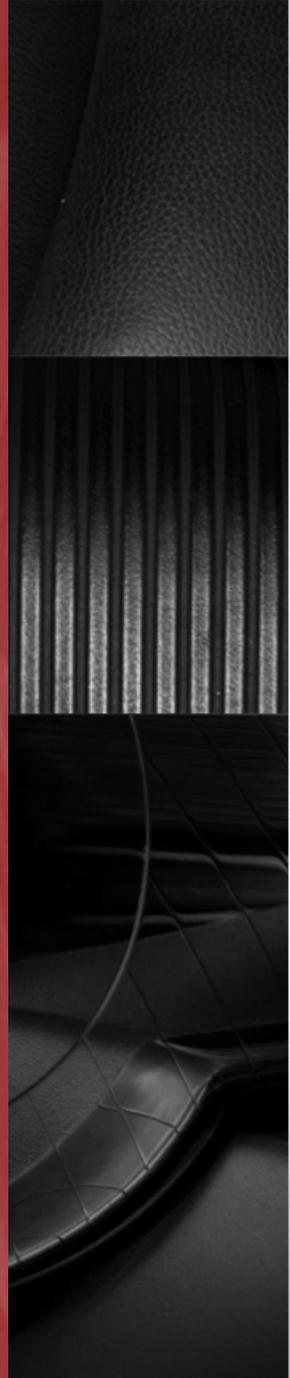


# 2019-20 Adoption Budget Board Summary Report

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



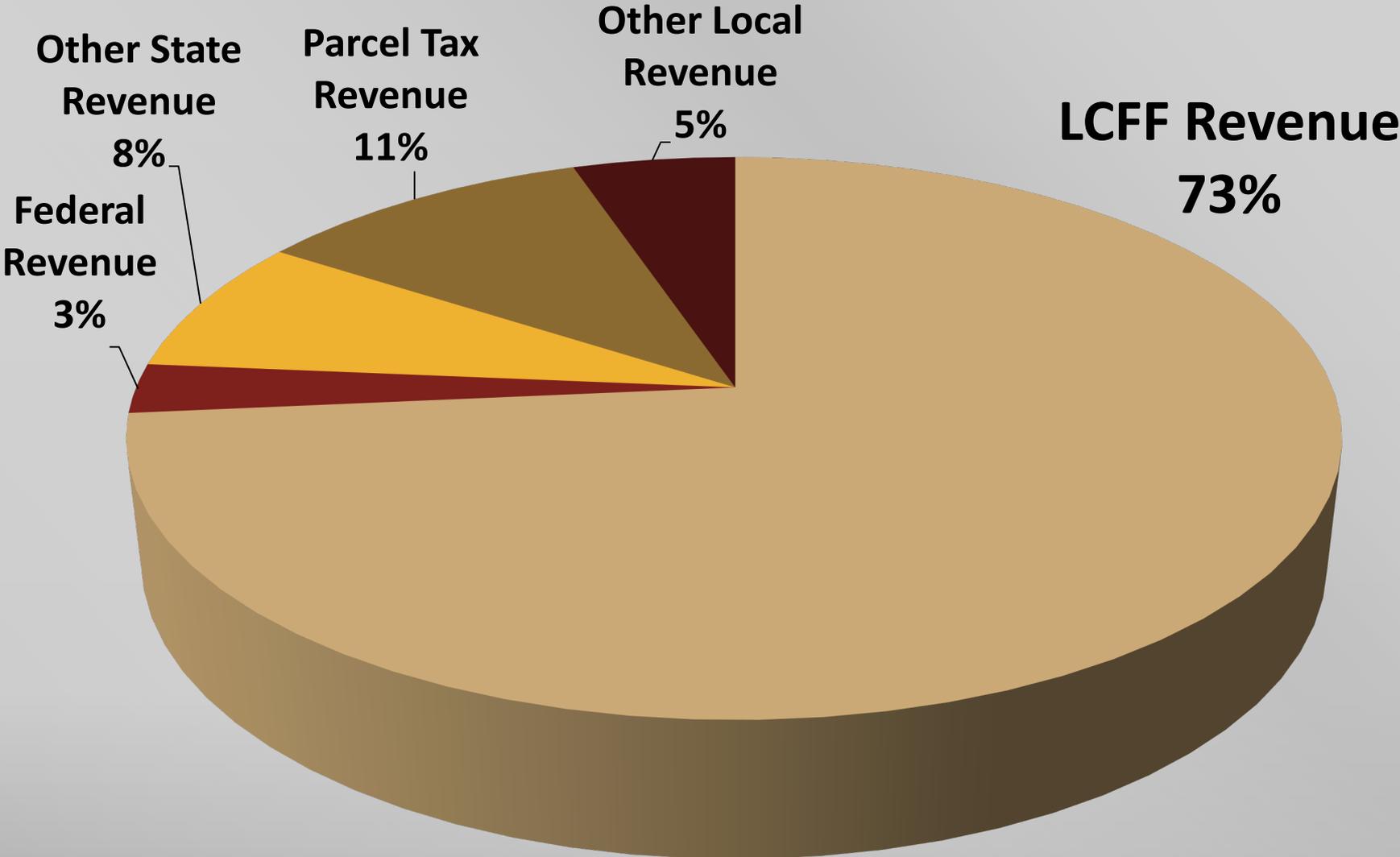
# Budget Summary 2020

- 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

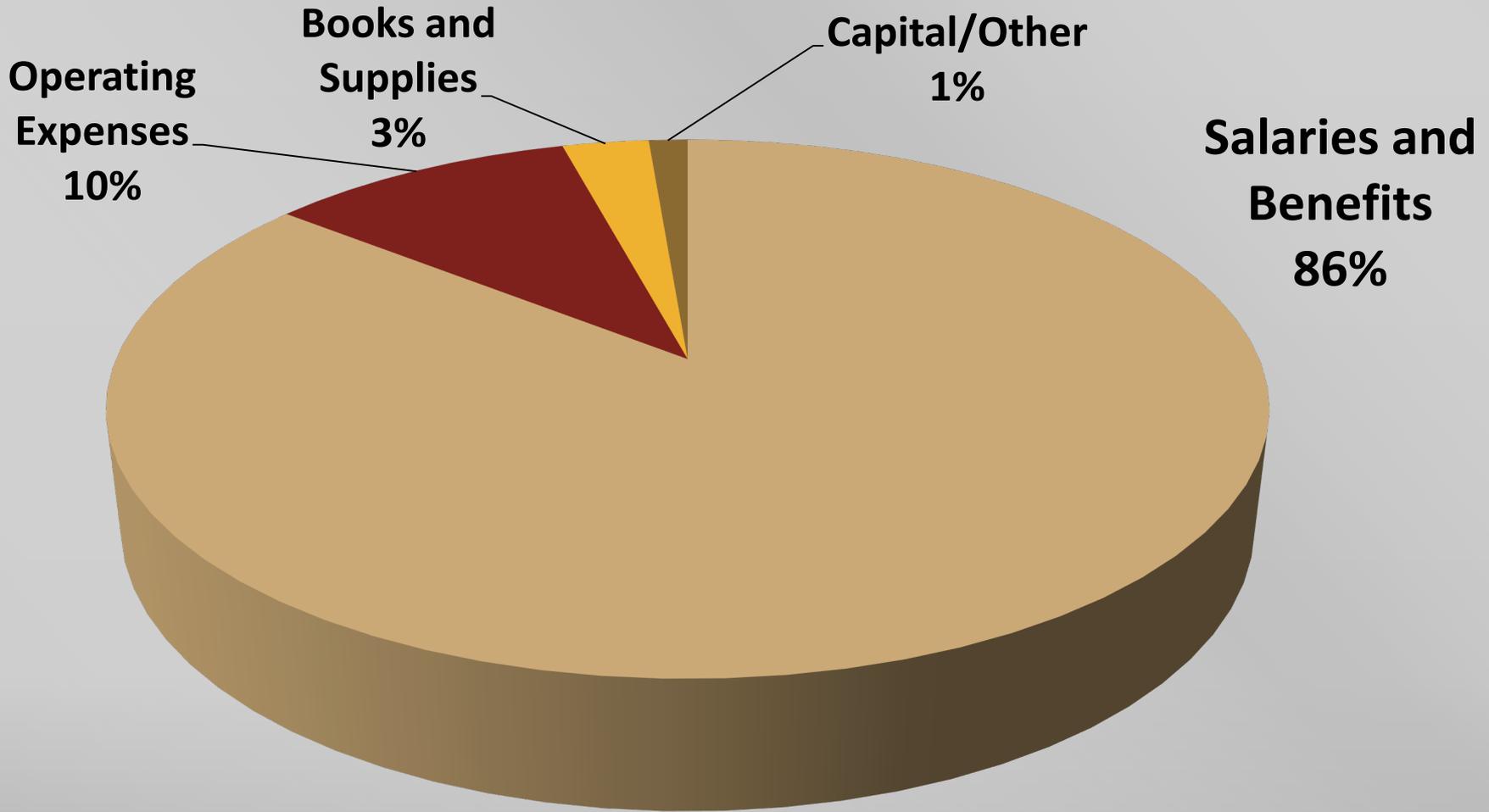
Description	<----- 2018-19 ESTIMATED ACTUALS ----->			<----- 2019-20 ADOPTION BUDGET----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$83,051,638	\$14,615,484	\$97,667,122	\$83,493,149	\$12,394,886	\$95,888,035
EXPENDITURES	\$66,455,337	\$31,240,871	\$97,696,208	\$65,557,844	\$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)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>(\$1,232,338)</b>	<b>\$1,058,117</b>	<b>(\$174,221)</b>	<b>(\$517,291)</b>	<b>(\$1,567,934)</b>	<b>(\$2,085,225)</b>
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
<b>RESERVE %</b>	<b>4.9%</b>			<b>4.3%</b>		
<b>COMPONENTS OF ENDING BALANCE</b>						
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
<b>Designated for Economic Uncertainties %</b>	<b>4.6%</b>		<b>\$0</b>	<b>3.2%</b>		<b>\$0</b>
<b>Other Assignments:</b>						
Carryover/Commitments	\$200,000		\$200,000	\$200,000		\$200,000
STRS Rate Increase Reserve	\$0		\$0	\$800,000		\$800,000
<b>Total Other Assignments %</b>	<b>0.2%</b>			<b>1.0%</b>		
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

# Sources of Revenue



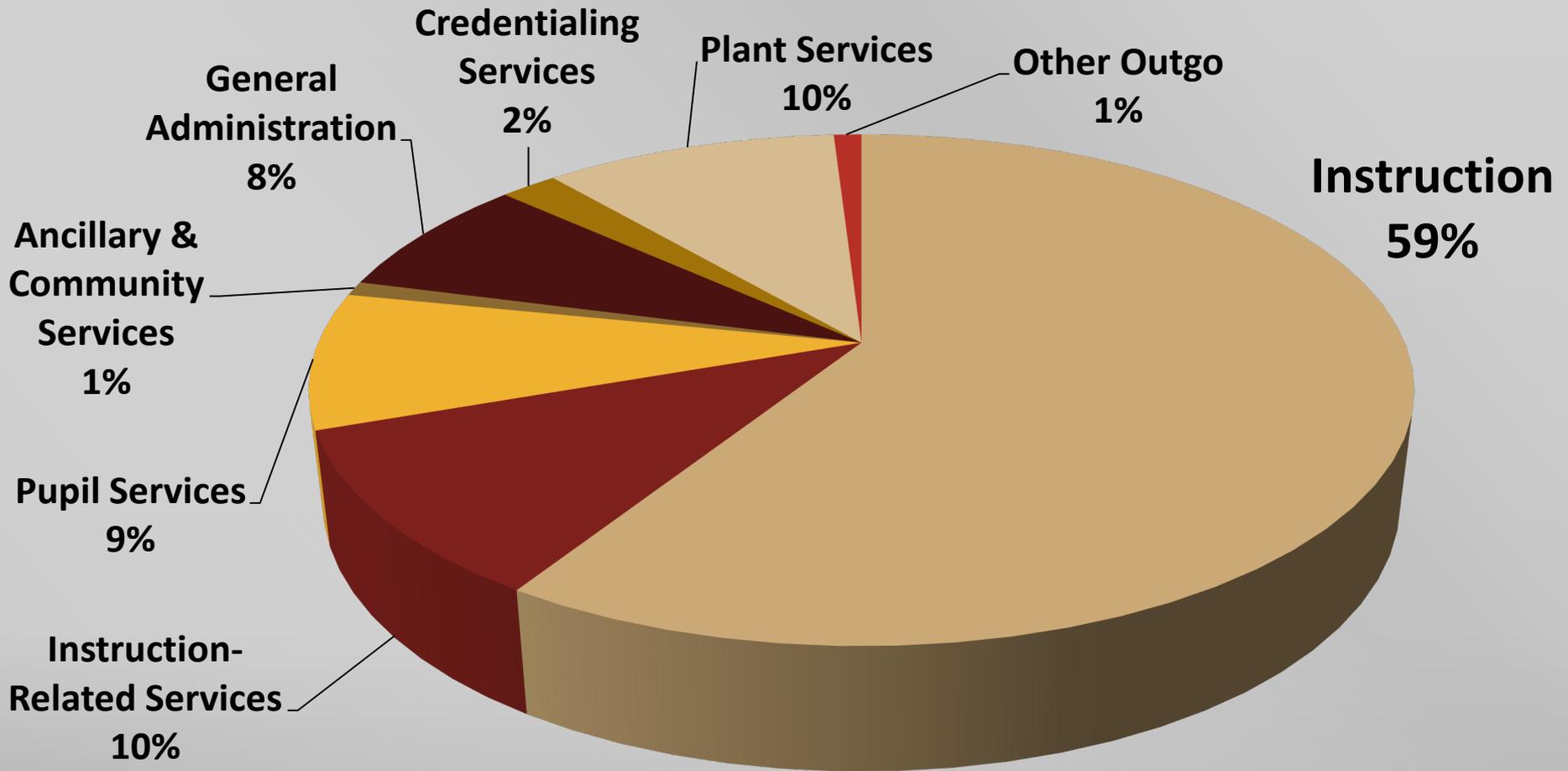
**Total General Fund Revenue \$95,888,035**

# Expenditures by Type



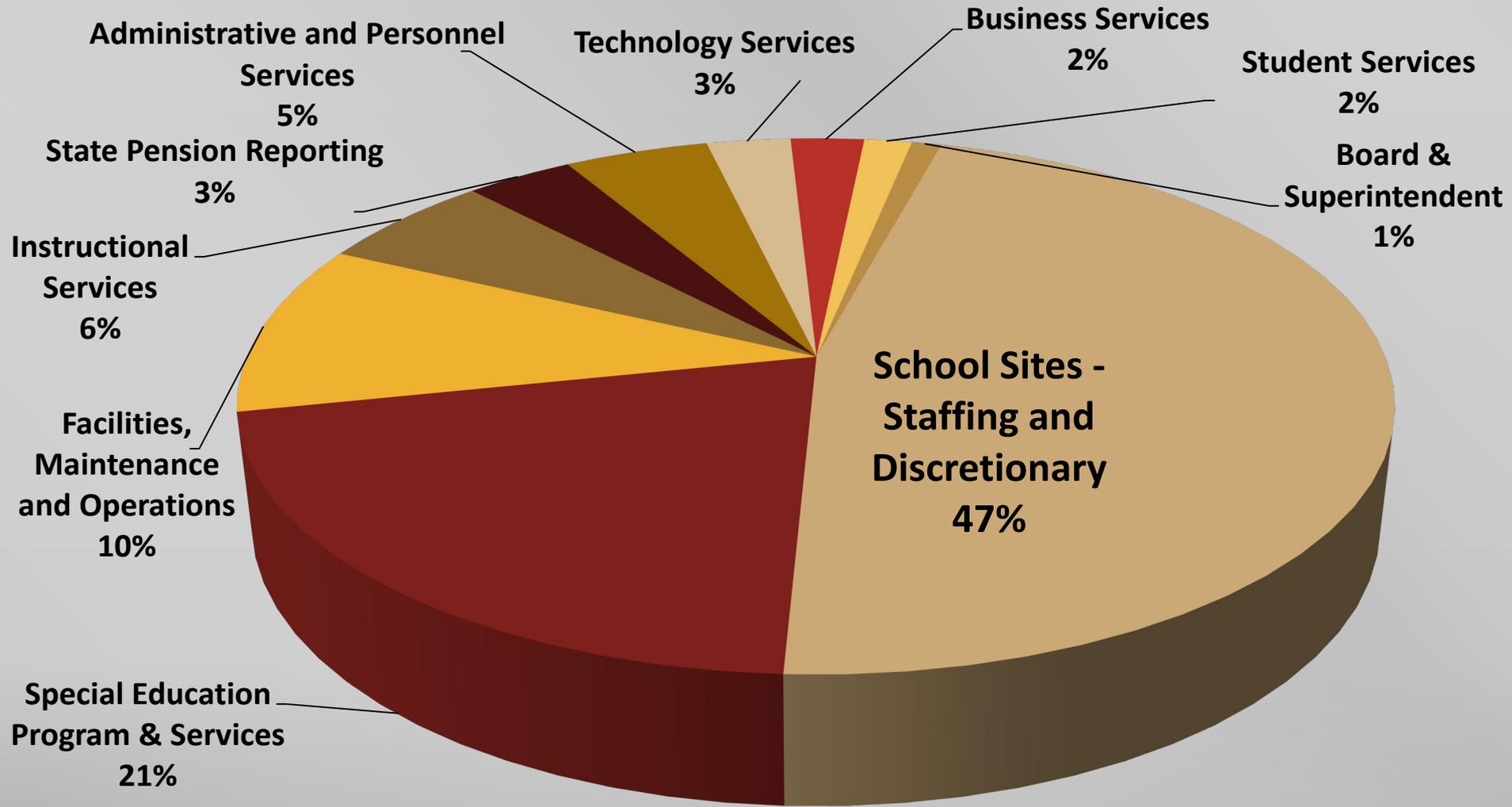
**Total General Fund Expenditures \$97,639,556**

# 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



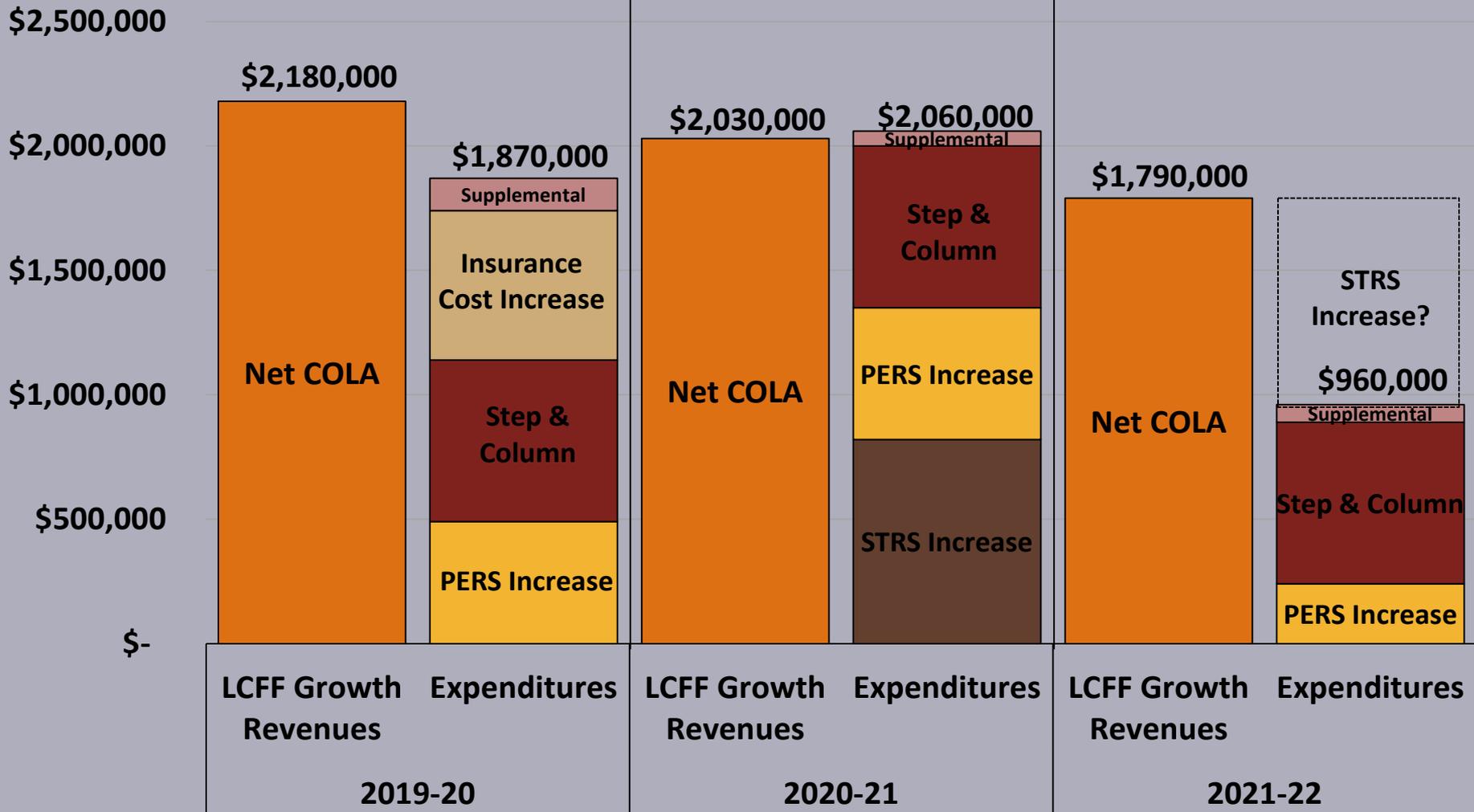
# Multi-Year Budget Assumptions

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%
<b>TOTAL LCFF REVENUE</b>	<b>\$70,415,771</b>	<b>\$72,442,437</b>	<b>\$74,233,658</b>
<b>LCFF FUNDING CHANGE</b>	<b>\$2,180,298</b>	<b>\$2,026,666</b>	<b>\$1,791,221</b>
<b>PARCEL TAX REVENUE</b>	<b>\$10,205,521</b>	<b>\$10,469,521</b>	<b>\$10,699,521</b>
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
<b>TOTAL UNRESTRICTED RESERVE %</b>	<b>4.3%</b>	<b>4.3%</b>	<b>5.4%</b>
<b>RESERVE FOR ECONOMIC UNCERTAINTIES %</b>	<b>3.2%</b>	<b>3.6%</b>	<b>4.8%</b>
<b>Budget Reductions - Staffing</b>		<b>\$366,000</b>	
<b>Budget Reductions - Operating Expenditures</b>		<b>\$40,000</b>	

**\* 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)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>(\$517,291)</b>	<b>\$1,831</b>	<b>\$1,122,919</b>
BEGINNING FUND BALANCE JULY 1ST	\$4,762,190	\$4,244,899	\$4,246,730
<b>ENDING FUND BALANCE JUNE 30TH</b>	<b>\$4,244,899</b>	<b>\$4,246,730</b>	<b>\$5,369,649</b>
<i>RESERVE %</i>	<i>4.3%</i>	<i>4.3%</i>	<i>5.4%</i>
<b>COMPONENTS OF ENDING BALANCE</b>			
Revolving Cash/Stores/Prepaid	\$67,500	\$67,500	\$67,500
Designated for Economic Uncertainties \$	\$3,177,399	\$3,579,230	\$4,702,149
<i>Designated for Economic Uncertainties %</i>	<i>3.2%</i>	<i>3.6%</i>	<i>4.8%</i>
<b>Other Assignments</b>			
Carryover/Commitments	\$200,000	\$200,000	\$200,000
STRS Rate Increase Reserve	\$800,000	\$400,000	\$400,000
<i>Total Other Assignments %</i>	<i>1.0%</i>	<i>0.6%</i>	<i>0.6%</i>
Unassigned Amount	\$0	\$0	\$0
<i>Unassigned/Unappropriated %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Operating Deficit - / Surplus +</b>	<b>(\$500,000)</b>	<b>\$0</b>	<b>\$1,100,000</b>

# 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
<b>Total of Substantiated Needs</b>	<b>\$1,237,598</b>



# 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