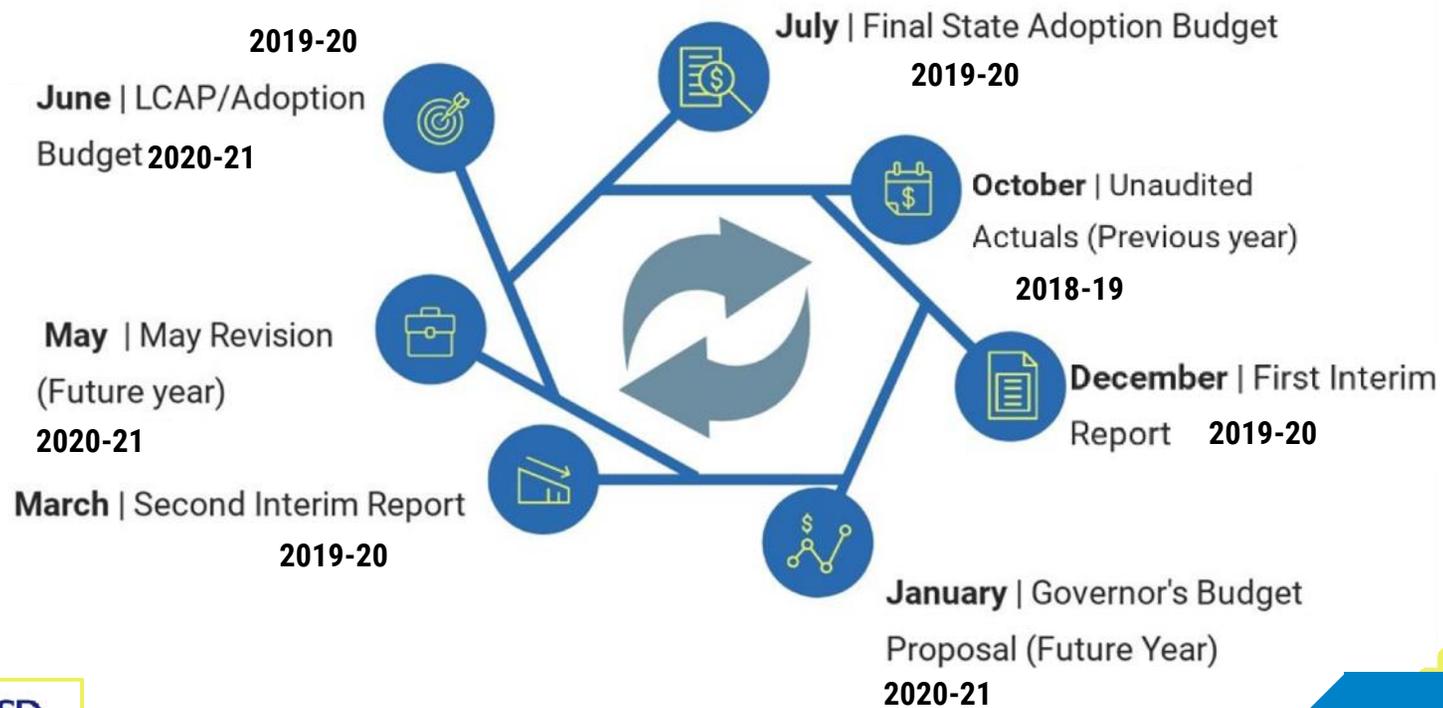


# First Interim Budget Fiscal Year 2019-2020

December 19, 2019



# Reporting Cycle

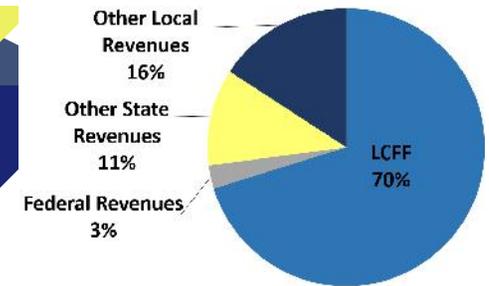


# First Interim Overview

Comparisons to Approved Budget (June)  
Multi-Year Projections  
Considerations and Fiscal Sustainability



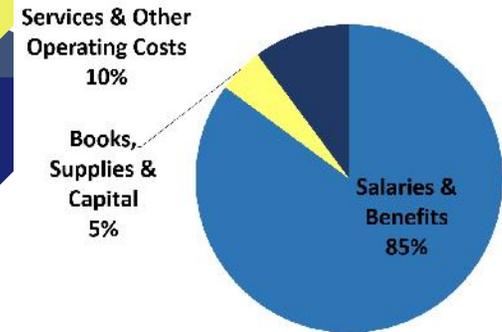
# First Interim Compared to Approved Total Revenues (Unrestricted and Restricted)



(In Thousands)	Unrestricted Variance 2019-20	Restricted Variance 2019-20	Total Variance	Reason(s)
LCFF	(\$443)	(\$4)	(\$447)	Decline in enrollment
Federal Revenues	-	(\$34)	(\$34)	Title III Immigrant Funding (did not qualify)
Other State Revenues	(\$116)	\$3,831	\$3,714	State Pension accounting
Other Local Revenues	\$180	\$497	\$677	Interest , local site & program donations
<b>Total Revenues</b>	<b>(\$379)</b>	<b>\$4,290</b>	<b>\$3,911</b>	



# First Interim Compared to Approved Total Expenditures (Unrestricted and Restricted)



(In Thousands)	Unrestricted Variance 2019-20	Restricted Variance 2019-20	Total Variance	Reason(s)
Salaries and Benefits	(\$833)	(\$4,193)	(\$5,026)	Collective bargaining and State Pension Accounting
Books, Supplies and Capital	(\$78)	(\$1,291)	(\$1,369)	Chromebook lease, Clean Energy Projects, Local Donations and Grants
Services, Other Operating and Other Outgo	\$163	(\$348)	(\$185)	Insurance costs, Local Grants and Donations
<b>Total Expenditures</b>	<b>(\$748)</b>	<b>(\$5,831)</b>	<b>(\$6,580)</b>	

# Multi-Year Projection (MYP) Assumptions for First Interim (2019-2022)

Enrollment and Attendance Declining  
LCFF = COLA Increase only (through 2022)\*  
Parcel Tax Rate will be Adjusted for Inflation  
Continued Cost Increases (pensions, net step and column)  
LCFF Supplemental Program Spending Requirements  
Budget Reductions to Meet 3% Reserve

***\* Rate expected to change in January from lower projected estimates***

# MYP Assumptions Changes Since Approved (June)

Decreased Enrollment of 49 Students (2019-2022) (-\$440K ongoing)  
Collective Bargaining Agreements (\$750K ongoing, \$750 one-time)  
Lower Cost Increase for Insurance (-\$200K ongoing)



# First Interim Multi-Year Projection (Unrestricted)

(In Millions)	2019-20	2020-21	2021-22
<b>Beginning Balance July 1</b>	<b>\$5.8</b>	<b>\$4.6</b>	<b>\$3.7</b>
+ Revenues	\$83.1	\$84.6	\$86.6
- Expenditures	\$66.3	\$67.8	\$68.7
+ Other Financing Sources/Uses	(\$17.9)	(\$17.8)	(\$17.9)
<b>= Surplus/(Deficit) Spending</b>	<b>(\$1.1)</b>	<b>(\$0.9)</b>	<b>\$0.1</b>
<b>Ending Balance June 30</b>	<b>\$4.6</b>	<b>\$3.7</b>	<b>\$3.8</b>
<b>Ending Balance %</b>	<b>4.4%</b>	<b>3.6%</b>	<b>3.7%</b>

# First Interim Multi-Year Projection (Restricted)

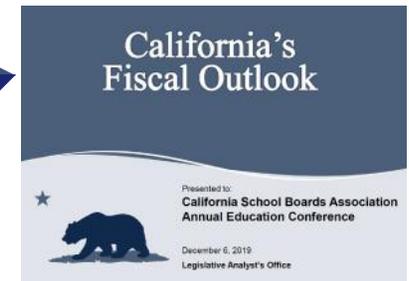
(In Millions)	2019-20	2020-21	2021-22
<b>Beginning Balance July 1</b>	<b>\$4.8</b>	<b>\$1.2</b>	<b>\$0.4</b>
+ Revenues	\$16.7	\$16.4	\$16.7
- Expenditures	\$37.9	\$34.6	\$34.5
+ Other Financing Sources/Uses	\$17.7	\$17.5	\$17.5
<b>= Surplus/(Deficit) Spending</b>	<b>(\$3.6)</b>	<b>(\$0.8)</b>	<b>(\$0.3)</b>
<b>Ending Balance June 30</b>	<b>\$1.2</b>	<b>\$0.4</b>	<b>\$0.1</b>

# Considerations and Fiscal Sustainability Indicators

Lower LCFF Inflation growth (COLA) from LAO Report  
Anticipated Other State Funding Changes  
Recognize Year-to-Year Trends Including Declining Resident Enrollment and Deficit Spending  
Reserve Levels  
General Fund Contributions



# Mult-Year Planning Considerations Scenario Planning



Lower LCFF Inflation growth (COLA) from LAO Report

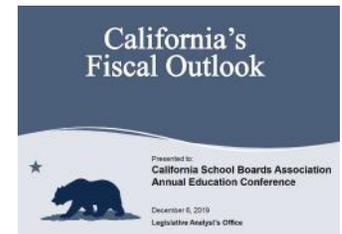
- Projected at 1.79% down from 3.0%
- Projected at 2% or lower over the planning period

Other State Funding Changes

- State One-time funds (Prop 98 true-up)
- On-going Special Education funding from 2019-20
  - Equalization and Pre-School

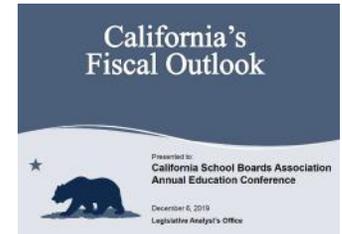


# What If Projection – LAO Lower COLA (Unrestricted)



(In Millions)	2019-20	2020-21	2021-22
<b>Beginning Balance July 1</b>	<b>\$5.8</b>	<b>\$4.6</b>	<b>\$2.9</b>
+ Revenues	\$83.1	\$83.8	\$85.1
- Expenditures	\$66.3	\$67.8	\$68.7
+ Other Financing Sources/Uses	(\$17.9)	(\$17.8)	(\$17.9)
<b>= Surplus/(Deficit) Spending</b>	<b>(\$1.1)</b>	<b>(\$1.8)</b>	<b>(\$1.5)</b>
<b>Ending Balance June 30</b>	<b>\$4.6</b>	<b>\$2.9</b>	<b>\$1.4</b>
<b>Ending Balance %</b>	<b>4.4%</b>	<b>2.8%</b>	<b>1.4%</b>

# What If Projection – LAO Lower COLA and Increased State Funding (Unrestricted)



(In Millions)	2019-20	2020-21	2021-22
<b>Beginning Balance July 1</b>	<b>\$5.8</b>	<b>\$4.6</b>	<b>\$2.9</b>
+ Revenues	\$83.1	\$84.5	\$85.6
- Expenditures	\$66.3	\$67.8	\$68.7
+ Other Financing Sources/Uses	(\$17.9)	(\$17.7)	(\$17.8)
<b>= Surplus/(Deficit) Spending</b>	<b>(\$1.1)</b>	<b>(\$1.0)</b>	<b>(\$0.9)</b>
<b>Ending Balance June 30</b>	<b>\$4.6</b>	<b>\$3.7</b>	<b>\$2.8</b>
<b>Ending Balance %</b>	<b>4.4%</b>	<b>3.6%</b>	<b>2.7%</b>

## Important Reminders

DJUSD is highly dependent on increases in State funding  
Reserve levels are low, slightly above the minimum  
Fiscal distress is a common problem in districts with declining enrollment and multiple years of deficit spending



# Acknowledgements

The 2019-20 First Interim Budget represents the time and effort of our District team. These budget revisions include extra efforts by school site staff, department staff and other program staff.



Questions?