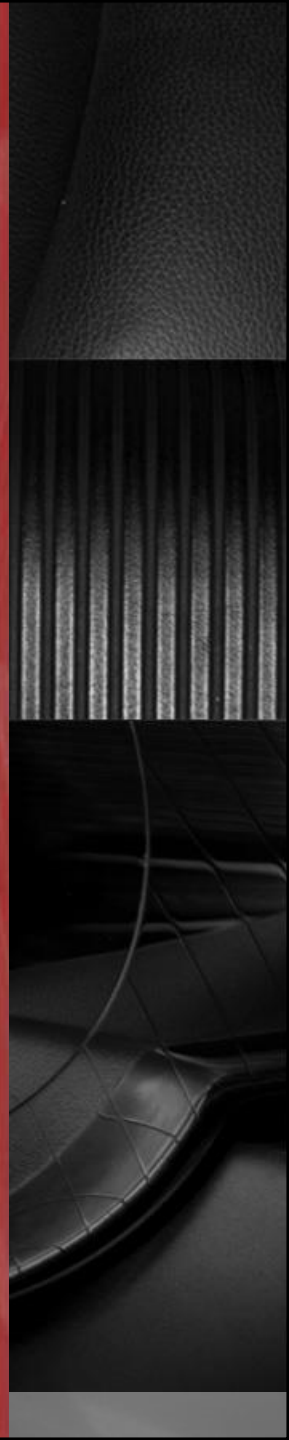


2015-16 Adoption Budget Board Summary

Davis Joint Unified School District

June 18, 2015





Executive Summary

The 2015-2016 budgets were completed based on the latest information available to date. For 2015-16, the proposed budget contains funding for LCFF growth that calculates to \$5m (+10%) of on-going new funding next year and \$4.6m of one-time discretionary funds.

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

- Employee compensation
- State mandated programs
 - Restricted maintenance
 - Pension rate increases (STRS & PERS)
 - Supplemental student programs (LCAP specific)
 - Class Size
- Local programs
 - Budget deficit
 - Other LCAP priorities



Budget Summary 2016

- 2015-16 Local Control Funding Formula (LCFF)
 - Total additional projected revenue increase of \$5m
- One-Time funds Discretionary Funds \$4.6m
- Staffing maintained for current year using Local Parcel Taxes
 - Measure C and Measure E (12% of District General Fund)
 - Expire June 30, 2017
- LCFF increases used to mitigate structural deficit in multi-year projections



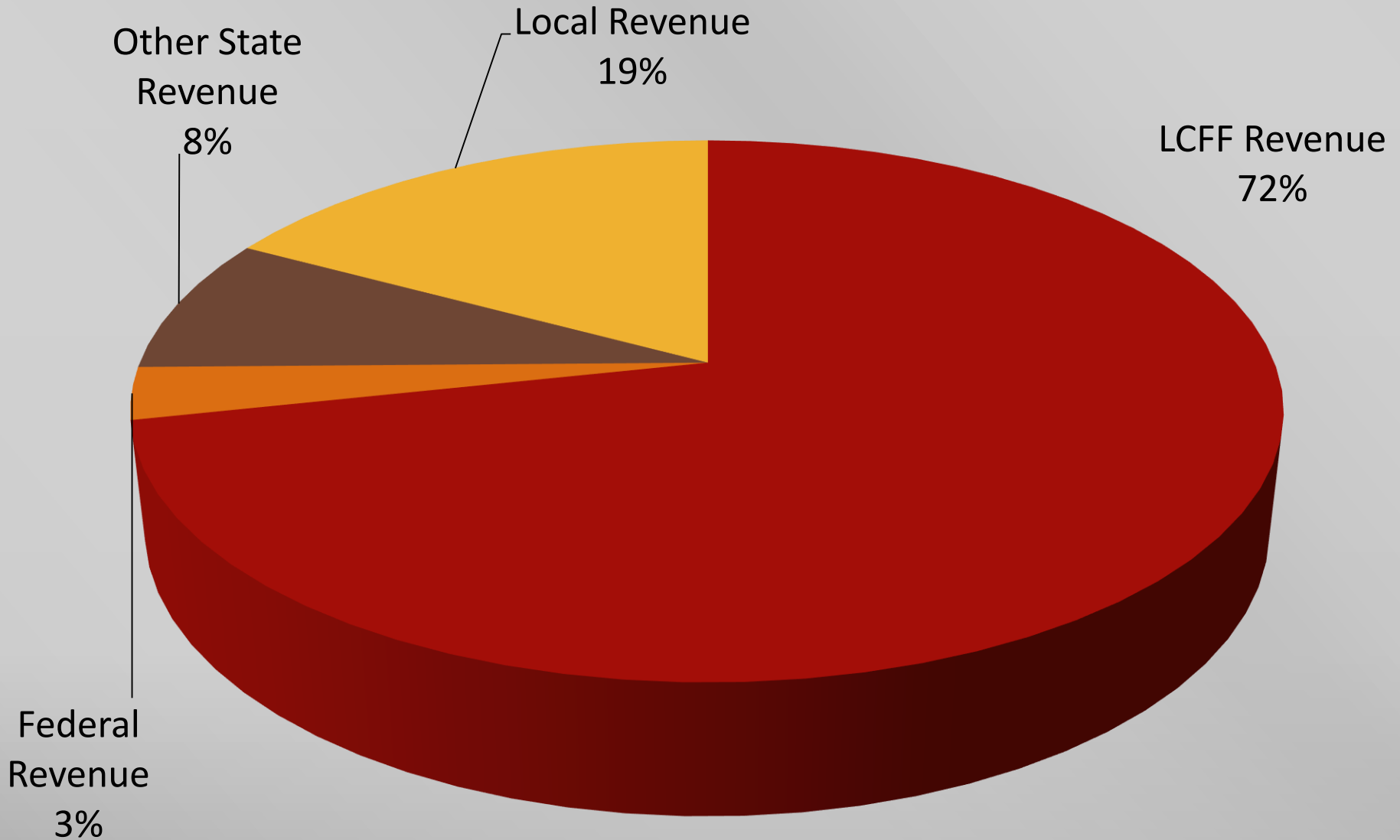
Budget Summary 2016 (cont.)

- The District budget adopts
 - Use of reserves to cover spending deficit in multi-year projections
- State budget details being released
 - Final LCFF growth projections
 - Final One-Time Discretionary funds

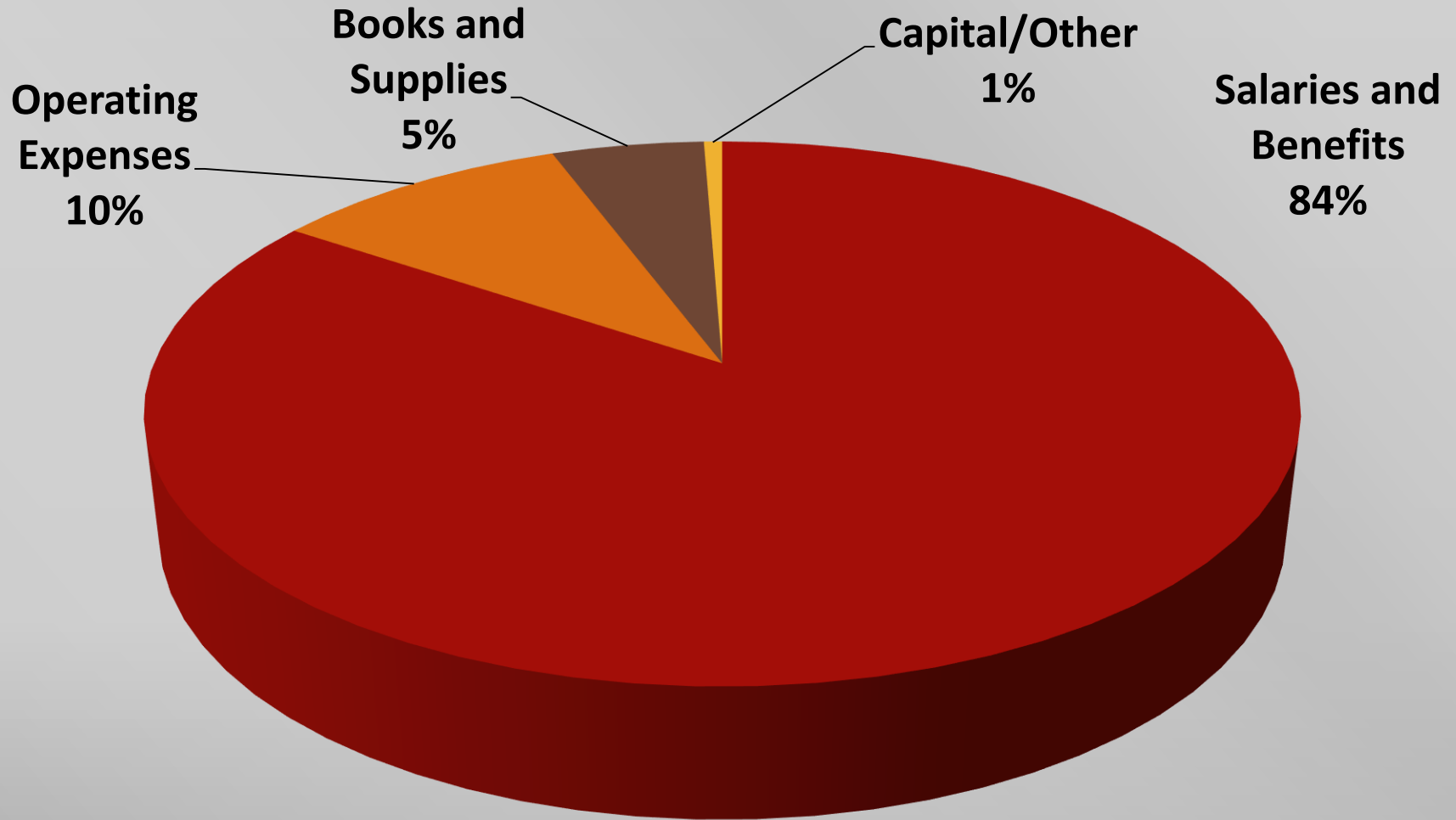
General Fund Budget

Description	<----- 2014-15 ESTIMATED ACTUALS ----->			<----- 2015-16 ADOPTION BUDGET ----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$65,962,618	\$8,069,369	\$74,031,987	\$75,070,799	\$7,028,230	\$82,099,029
EXPENDITURES	\$55,603,363	\$21,666,367	\$77,269,730	\$58,005,884	\$20,238,224	\$78,244,108
OTHER FINANCING SOURCES/USES	(\$12,284,816)	\$11,955,474	(\$329,342)	(\$13,591,598)	\$13,280,412	(\$311,186)
NET INCR. (DECR.) IN FUND BALANCE	(\$1,925,561)	(\$1,641,524)	(\$3,567,085)	\$3,473,317	\$70,418	\$3,543,735
BEGINNING FUND BALANCE JULY 1ST	\$7,854,364	\$2,126,352	\$9,980,716	\$5,928,803	\$484,828	\$6,413,631
ENDING FUND BALANCE JUNE 30TH	\$5,928,803	\$484,828	\$6,413,631	\$9,402,120	\$555,246	\$9,957,366
<u>COMPONENTS OF ENDING BALANCE</u>						
Revolving Cash/Stores/Pre-paid	\$50,296	(\$2,373)	\$47,923	\$47,500	\$0	\$47,500
Legally Restricted Balances	\$0	\$487,201	\$487,201	\$0	\$555,246	\$555,246
Designated for Economic Uncertainties	\$2,327,973	\$0	\$2,327,973	\$2,356,659	\$0	\$2,356,659
<u>Other Assignments:</u>						
Carryover/Commitments	\$300,000		\$300,000	\$300,000		\$300,000
BTSA Consortium	\$260,441		\$260,441	\$260,441		\$260,441
Contingency Reserve (1.5% Guideline)	\$1,163,987		\$1,163,987	\$1,178,330		\$1,178,330
Deficit Spending Reserves	\$1,826,106		\$1,826,106	\$3,559,191		\$3,559,191
State One-Time Discretionary (PD, Instructional Materials, Tech)	\$0		\$0	\$1,700,000		\$1,700,000
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

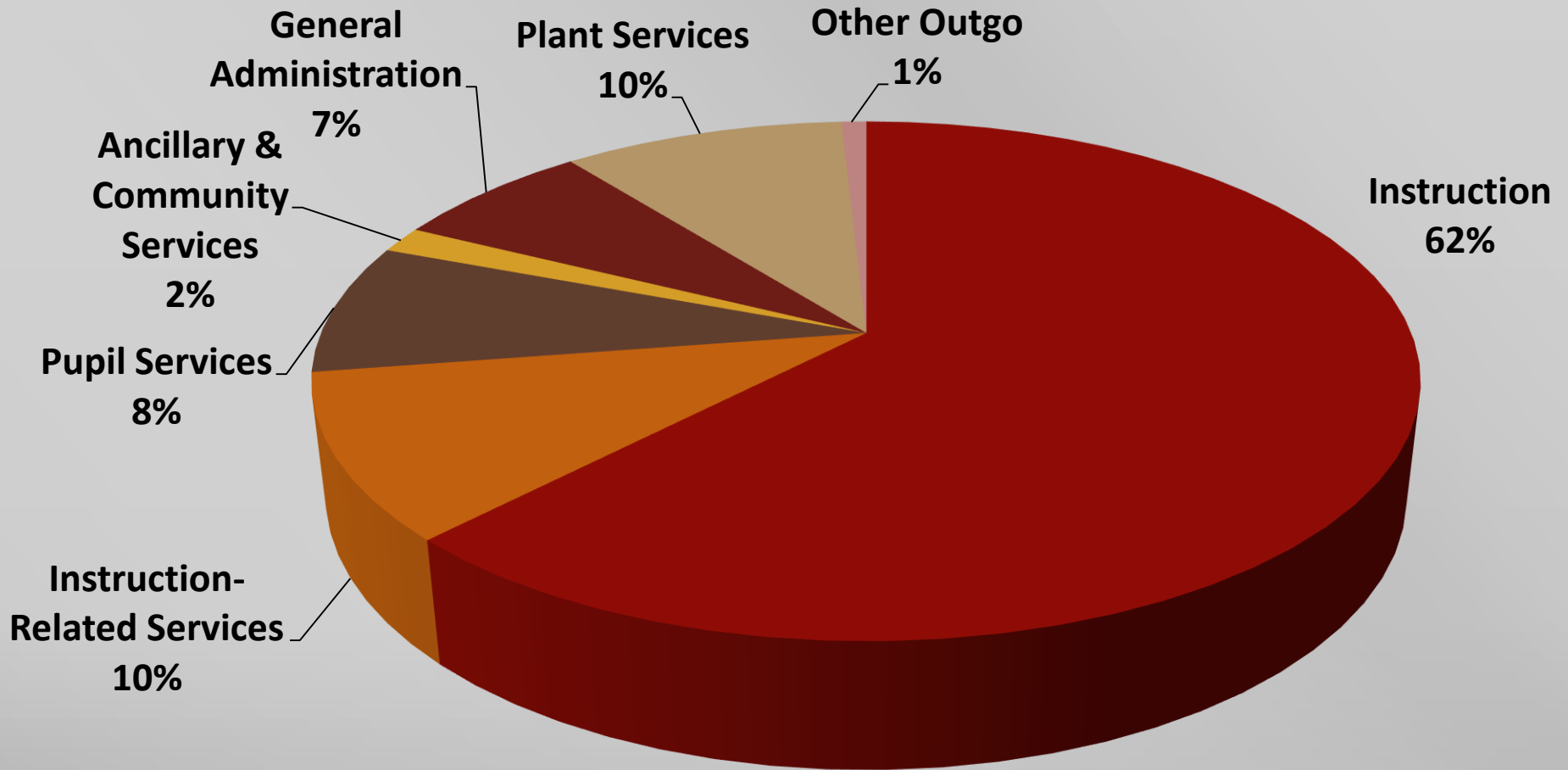
Sources of Revenue



Expenditures by Type



Expenditures by Activity





Multi-Year Projections Summary Report

Multi-Year Budget Assumptions

Key Assumptions	2015-16	2016-17	2017-18
Enrollment (Non-Charter)	7,911	7,963	8,082
<i>Change in Enrollment</i>	<i>(21)</i>	<i>52</i>	<i>119</i>
Average Daily Attendance (ADA)	7,617	7,666	7,765
<i>Change in ADA</i>	<i>(78)</i>	<i>49</i>	<i>99</i>
Total LCFF Funding per ADA (RATE)	\$7,719	\$8,017	\$8,275
PROJECTED COLA %	1.60%	2.48%	2.48%
PROJECTED LCFF GAP FUNDING %	53.08%	37.40%	36.70%
PROJECTED LCFF GROWTH % (RATE)	11.12%	3.86%	3.21%
TOTAL LCFF REVENUE	\$58,798,885	\$61,460,195	\$64,252,551
<i>LCFF FUNDING CHANGE</i>	<i>\$5,340,324</i>	<i>\$2,661,310</i>	<i>\$2,792,356</i>
Projected Step & Column Increases		\$825,000	\$825,000
Pension Contribution Increase STRS	\$720,000	\$600,000	\$610,000
Pension Contribution Increase PERS	\$10,000	\$470,000	\$240,000

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

Unrestricted Multi-Year Budget

Description	2015-16	2016-17	2017-18
REVENUES	\$75,070,799	\$73,250,546	\$66,542,902
EXPENDITURES	\$58,005,884	\$59,465,175	\$51,711,888
OTHER FINANCING SOURCES/USES	(\$13,591,598)	(\$13,874,618)	(\$13,890,483)
NET INCR. (DECR.) IN FUND BALANCE	\$3,473,317	(\$89,247)	\$940,531
BEGINNING FUND BALANCE JULY 1ST	\$5,928,803	\$9,402,120	\$9,312,873
ENDING FUND BALANCE JUNE 30TH	\$9,402,120	\$9,312,873	\$10,253,404
<i>RESERVE %</i>	<i>12.0%</i>	<i>11.6%</i>	<i>14.1%</i>
<u>COMPONENTS OF ENDING BALANCE</u>			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Reserve for Economic Uncertainties (3%)	\$2,356,659	\$2,411,921	\$2,181,770
<u>Other Assignments:</u>			
Carryover/Commitments	\$300,000	\$300,000	\$300,000
BTSA Consortium	\$260,441	\$260,441	\$260,441
Contingency Reserve (1.5% Guideline)	\$1,178,330	\$1,205,961	\$1,090,885
LCFF Supplemental Grant Funding	\$0	\$180,000	\$280,000
Deficit Spending Reserves	\$3,559,190	\$3,807,050	\$4,992,808
State One-Time Discretionary	\$1,700,000	\$1,100,000	\$1,100,000
Unassigned/Unappropriated Amount	\$0	\$0	\$0
Operating Deficit - / Surplus +	\$573,317	\$510,753	\$940,531



What-If: After Spending Decisions

- Parcel Tax Renewal
- LCAP Spending for Programs
- Collective Bargaining

Unrestricted Multi-Year Budget – What If

Description	2015-16	2016-17	2017-18
REVENUES	\$75,070,799	\$73,250,546	\$75,942,902
EXPENDITURES	\$58,005,884	\$60,695,175	\$62,551,388
OTHER FINANCING SOURCES/USES	(\$13,591,598)	(\$13,874,618)	(\$13,890,483)
NET INCR. (DECR.) IN FUND BALANCE	\$3,473,317	(\$1,319,247)	(\$498,969)
BEGINNING FUND BALANCE JULY 1ST	\$5,928,803	\$9,402,120	\$8,082,873
ENDING FUND BALANCE JUNE 30TH	\$9,402,120	\$8,082,873	\$7,583,904
RESERVE %	12.0%	9.9%	9.1%
COMPONENTS OF ENDING BALANCE			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Designated for Economic Uncertainties (3%)	\$2,356,659	\$2,437,338	\$2,493,024
Other Designations:			
State Revenue Reserve (LCFF)	\$0		
Carryover/Commitments	\$300,000	\$300,000	\$300,000
BTSA Consortium	\$260,441	\$260,441	\$260,441
Contingency Reserve (1.5% Guideline)	\$1,178,330	\$1,218,669	\$1,246,512
Deficit Spending Reserves	\$3,559,190	\$3,268,925	\$3,236,427
State One-Time Discretionary	\$1,700,000	\$550,000	\$0
Undesignated Amount	\$0	\$0	\$0
Operating Deficit - / Surplus +	\$573,317	(\$169,247)	\$51,031



Update on General Fund Reserves

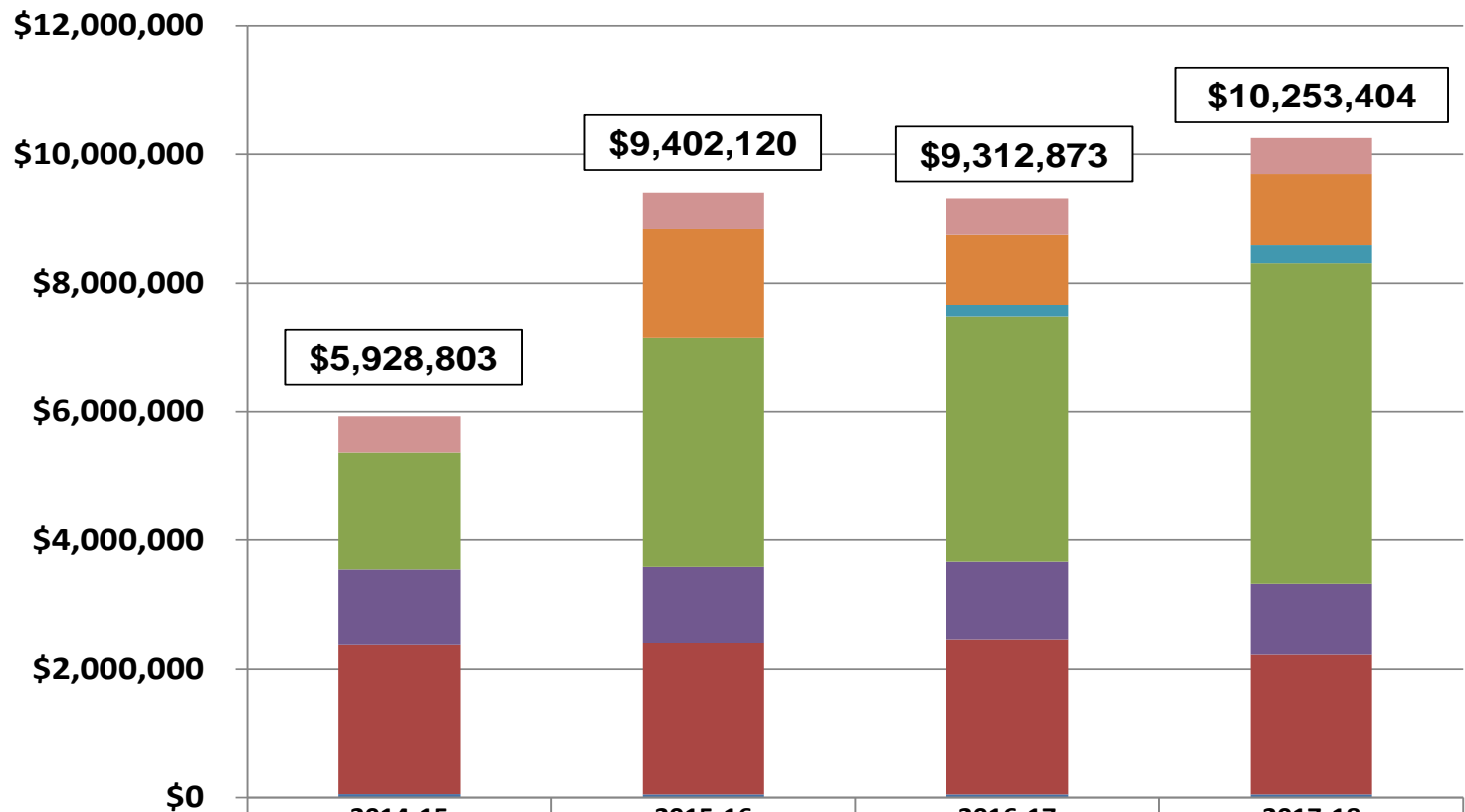
- New reserve management regulations in budget trailer bill
- Transparency of reserves
 - Detailed reporting on specific uses above 3% minimum
- Reserve cap upon funding of proposed State Rainy Day Fund
 - Waiver process to go above reserve cap



Reserve Components

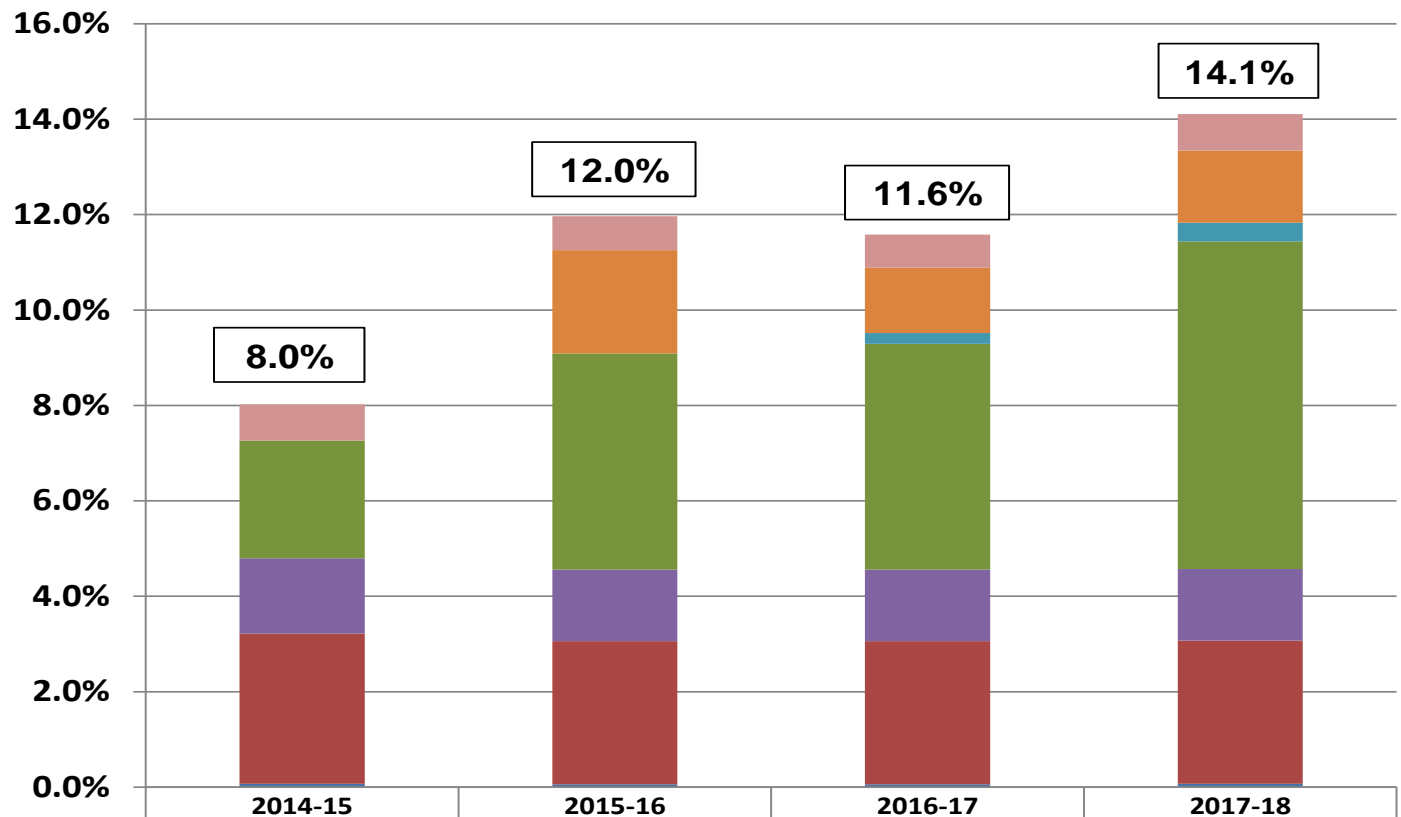
- State required minimum reserve for Economic Uncertainties - 3%
 - Not for use as a spending reserve, supposed to support an adequate reserve level for unknown events
 - Not considered adequate for the defined purpose by FCMAT (Fiscal Crisis Mgmt. Assistance Team)
 - Use of this reserve puts district into fiscal oversight by County Office of Education
- Non-Spendable
 - 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
- Assigned
 - Assigned for a specific purpose as part of the budgeting process
 - Uses include setting aside for future year expenditures/liabilities;
 - Contingencies above the 3% minimum;
 - Risk from future revenue sources

Unrestricted Reserves Components (\$'s)



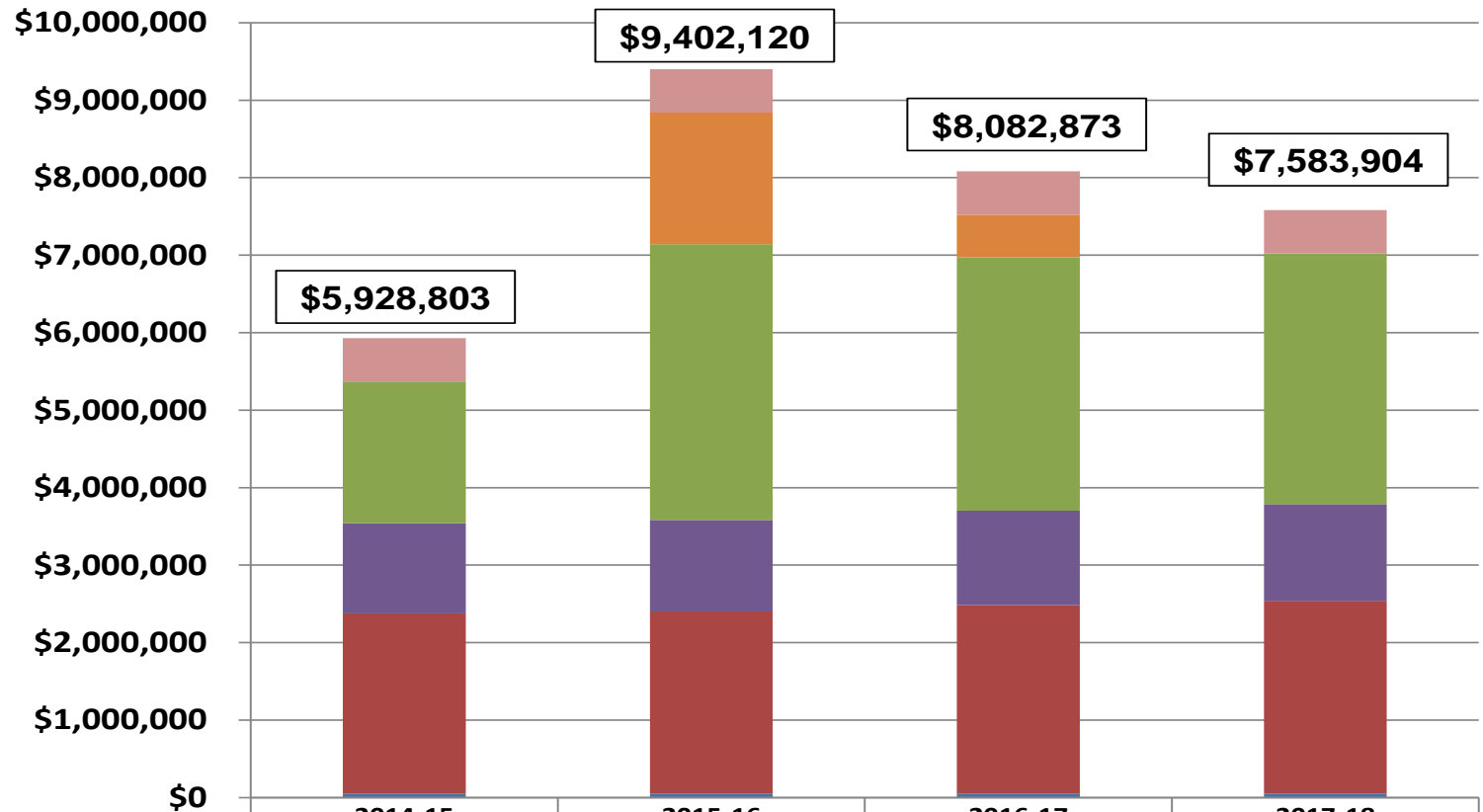
	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0
Carryover/Commitments	\$560,441	\$560,441	\$560,441	\$560,441
State One-Time Discretionary	\$0	\$1,700,000	\$1,100,000	\$1,100,000
LCFF Supplemental Grant Funding	\$0	\$0	\$180,000	\$280,000
Deficit Spending Reserves	\$1,826,106	\$3,559,190	\$3,807,050	\$4,992,808
Contingency Reserve (1.5% Guideline)	\$1,163,987	\$1,178,330	\$1,205,961	\$1,090,885
Reserve for Economic Uncertainties (3%)	\$2,327,973	\$2,356,659	\$2,411,921	\$2,181,770
Revolving Cash/Stores/Prepaid	\$50,296	\$47,500	\$47,500	\$47,500

Unrestricted Reserves Components (%'s)



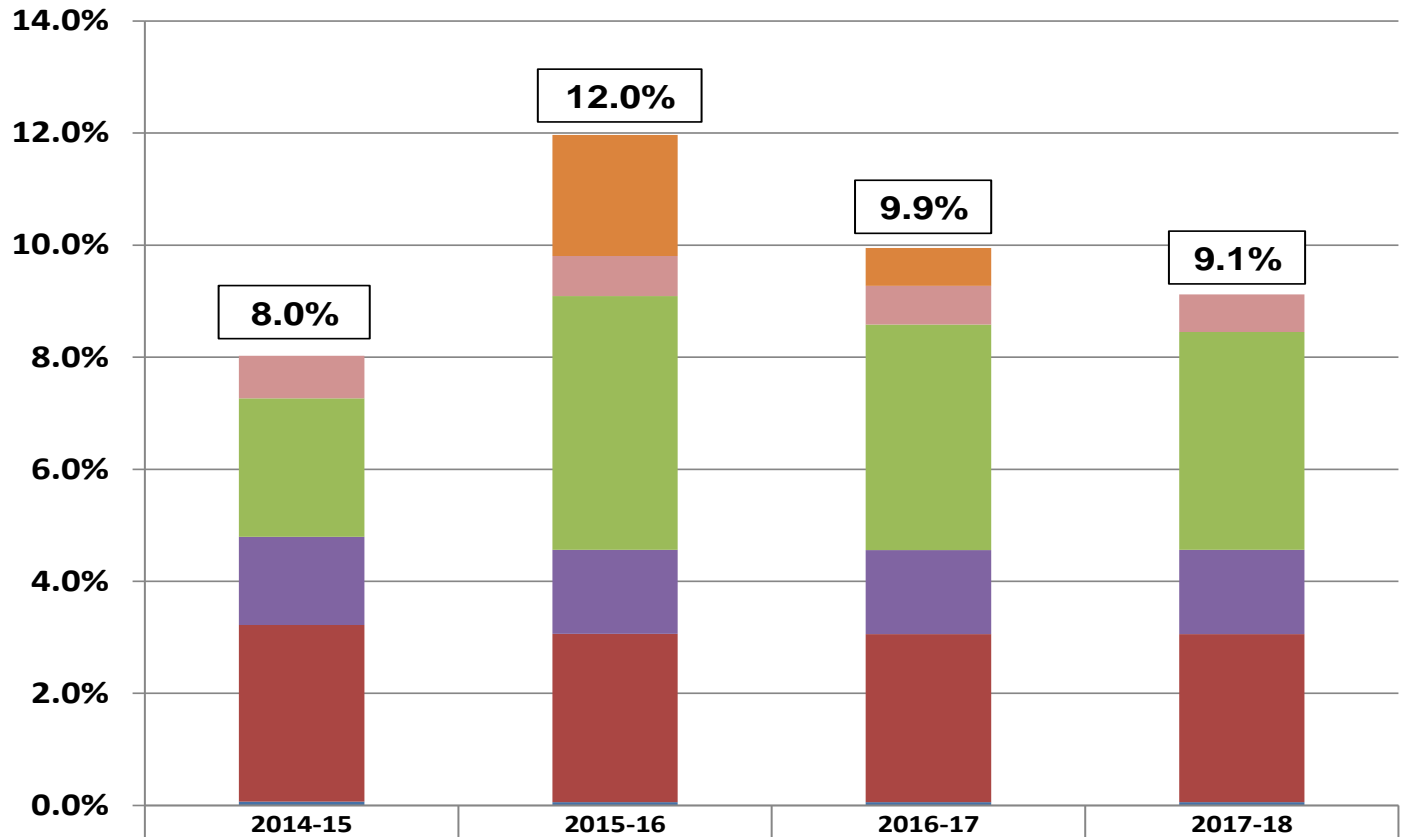
	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	0.0%	0.0%	0.0%	0.0%
Carryover/Commitments	0.8%	0.7%	0.7%	0.8%
State One-Time Discretionary	0.0%	2.2%	1.4%	1.5%
LCFF Supplemental Grant Funding	0.0%	0.0%	0.2%	0.4%
Deficit Spending Reserves	2.5%	4.5%	4.7%	6.9%
Contingency Reserve (1.5% Guideline)	1.6%	1.5%	1.5%	1.5%
Reserve for Economic Uncertainties (3%)	3.2%	3.0%	3.0%	3.0%
Revolving Cash/Stores/Prepaid	0.1%	0.1%	0.1%	0.1%

What if - Reserves Components (\$'s)



	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0
Carryover/Commitments	\$560,441	\$560,441	\$560,441	\$560,441
State One-Time Discretionary	\$0	\$1,700,000	\$550,000	\$0
Deficit Spending Reserves	\$1,826,106	\$3,559,190	\$3,268,925	\$3,236,427
Contingency Reserve (1.5% Guideline)	\$1,163,987	\$1,178,330	\$1,218,669	\$1,246,512
Reserve for Economic Uncertainties (3%)	\$2,327,973	\$2,356,659	\$2,437,338	\$2,493,024
Revolving Cash/Stores/Prepaid	\$50,296	\$47,500	\$47,500	\$47,500

What If Reserves Components (%'s)



	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	0.0%	0.0%	0.0%	0.0%
State One-Time Discretionary	0.0%	2.2%	0.7%	0.0%
Carryover/Commitments	0.8%	0.7%	0.7%	0.7%
Deficit Spending Reserves	2.5%	4.5%	4.0%	3.9%
Contingency Reserve (1.5% Guideline)	1.6%	1.5%	1.5%	1.5%
Reserve for Economic Uncertainties (3%)	3.2%	3.0%	3.0%	3.0%
Revolving Cash/Stores/Prepaid	0.1%	0.1%	0.1%	0.1%



Opportunities & Risks

- Changes in LCFF revenue
 - Final Enrollment/ADA
 - Final State budget formula
 - Future LCFF revenue increases (8 year growth plan)
- Final staffing to enrollment
- State mandates
- Special education costs
- Other cost increases



Questions