

Davis Joint Unified School District  
First Interim Budget Summary  
Fiscal Year 2015-2016



# Budget Considerations

- DJUSD has a strong tradition of academic excellence and fiscal responsibility.
- While State funding has increased, it's not enough to pay for all the services we'd like to have for our students and families at this time.
- The Board and administration are committed to invest returning dollars strategically and wisely towards the future of our district.

# General Fund Budget Summary

- The District's funding is on an upward trend.
- The District's current "positive" budget certification is based upon:
  - Projected growth in LCFF revenue
  - Maintaining our existing level of programing and staff costs and spending down fund balance to cover budget deficits.
- The District will need to continue the plan to use projected increases in State LCFF revenue to address deficit spending levels & to meet the future needs and costs of the district for student programs including employee compensation
- Parcel tax revenues in the future
  - In order to continue the parcel tax funded programs, the school board will need to run an election prior to July 2017
  - Pending an election, the third year of the multi-year projection has no tax revenue and associated reductions staffing and program expenditures

# Budget Revision Assumptions

## General Fund

2015-2016

- Final State Budget Act Assumptions
  - Local Control Funding Formula
  - Mandated Costs payment
- Projected Paid ADA of 7,657 based upon current year Projected P2
  - Actual DJUSD Enrollment of 7,983
  - Estimated funded ADA down 39 from 2015 Actuals
- Position Control – Stipends, Classroom FTE, Benefits

**DAVIS JOINT UNIFIED SCHOOL DISTRICT  
GENERAL FUND UNRESTRICTED SUMMARY**

Description	←----- 2015-16 BUDGET-----→		
	BOARD APPROVED BUDGET	FIRST INTERIM BUDGET	DIFFERENCE
REVENUES	\$75,070,799	\$74,455,849	(\$614,950)
EXPENDITURES	\$58,005,884	\$58,544,598	(\$538,714)
OTHER FINANCING SOURCES/USES	(\$13,591,598)	(\$14,748,226)	(\$1,156,628)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$3,473,317</b>	<b>\$1,163,025</b>	<b>(\$2,310,292)</b>
BEGINNING FUND BALANCE JULY 1ST	\$6,776,850	\$6,776,850	\$0
ENDING FUND BALANCE JUNE 30TH	\$10,250,167	\$7,939,875	(\$2,310,292)
<b><u>COMPONENTS OF ENDING BALANCE</u></b>			
Revolving Cash/Stores	\$47,500	\$47,500	\$0
Designated for Economic Uncertainties	\$2,356,659	\$2,533,742	\$177,083
<b><u>Other Assignments:</u></b>			
<b>Carryover/Commitments</b>	<b>\$620,000</b>	<b>\$0</b>	<b>(\$620,000)</b>
BTSA Consortium	\$385,773	\$0	(\$385,773)
Contingency Reserve (1.5% Guideline)	\$1,178,330	\$1,266,871	\$88,541
Deficit Spending Flexibility Reserves	\$3,961,905	\$2,468,268	(\$1,493,637)
<b>State One-Time Discretionary (PD, Instructional Materials, Tech)</b>	<b>\$1,700,000</b>	<b>\$1,623,494</b>	<b>(\$76,506)</b>
Unassigned/Unappropriated Amount	\$0	\$0	\$0

**DAVIS JOINT UNIFIED SCHOOL DISTRICT  
GENERAL FUND RESTRICTED SUMMARY**

Description	←----- 2015-16 BUDGET -----→		
	BOARD APPROVED BUDGET	FIRST INTERIM BUDGET	DIFFERENCE
REVENUES	\$7,028,230	\$10,734,232	\$3,706,002
EXPENDITURES	\$20,238,224	\$25,606,729	(\$5,368,505)
OTHER FINANCING SOURCES/USES	\$13,280,412	\$14,441,507	\$1,161,095
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$70,418</b>	<b>(\$430,990)</b>	<b>(\$501,408)</b>
BEGINNING FUND BALANCE JULY 1ST	\$966,365	\$966,365	\$0
ENDING FUND BALANCE JUNE 30TH	\$1,036,783	\$535,375	(\$501,408)
<b><u>COMPONENTS OF ENDING BALANCE</u></b>			
Legally Restricted Balances	\$1,036,783	\$535,375	(\$501,408)
Unassigned/Unappropriated Amount	\$0	\$0	\$0
<b><u>RESTRICTED BALANCE DETAIL</u></b>			
<i>California Energy Jobs Act</i>	\$9,471	\$0	(\$9,471)
<i>Lottery Instructional Materials</i>	\$55,298	\$55,298	\$0
<i>Educator Effectiveness</i>	\$0	\$225,897	\$225,897
<i>Donations and Grants</i>	\$972,014	\$254,180	(\$717,834)
<b>TOTAL LEGALLY RESTRICTED BALANCES</b>	<b>\$1,036,783</b>	<b>\$535,375</b>	<b>(\$501,408)</b>

# District First Interim December

- Key Assumptions (Next Year)
  - LCFF Revenue, +\$2,500,000
    - Reduction in Gap funding rate
  - Parcel tax rate (no rate change)
  - Cost increases
    - Increased pension costs
    - Net Step and Column
    - Collective Bargaining (2% Salary Schedule Increase)
    - Inflation and program costs
  - LCFF/LCAP Supplemental program spending requirements

# District First Interim 2015-16

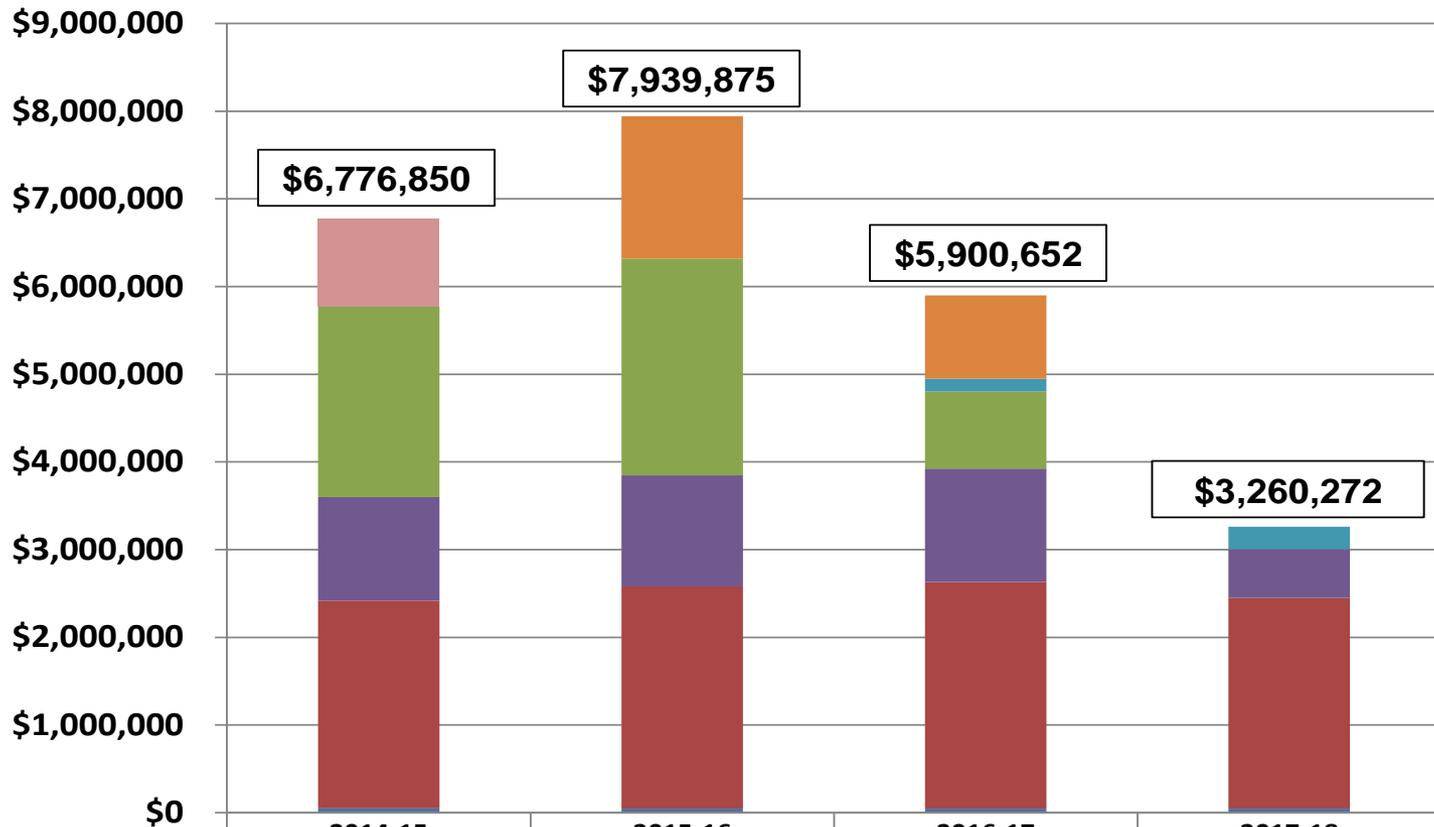
<b>+ LCFF Revenue:</b>	<b>\$2,500,000</b>
<b>Less expenditures increases:</b>	
<b>Increased pension costs:</b>	<b>\$930,000</b>
<b>Net step and column:</b>	<b>\$450,000</b>
<b>LCAP Supplemental Services:</b>	<b>\$140,000</b>
<b>Teacher staffing for class loading:</b>	<b>\$100,000</b>
<b>Deficit spending reduction:</b>	<b>N/A</b>
<b>Collective Bargaining Agreements:</b>	<b>\$1,080,000</b>
<b>Other program increases:</b>	<b>N/A</b>
<b>Total Projected Increases</b>	<b>\$2,700,000</b>

# Multiyear Projections

## General Fund - Unrestricted

Description	2015-16	2016-17	2017-18
REVENUES	\$74,455,849	\$73,089,378	\$66,329,704
EXPENDITURES	\$58,544,598	\$60,082,355	\$53,907,973
OTHER FINANCING SOURCES/USES	(\$14,748,226)	(\$15,046,246)	(\$15,062,111)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$1,163,025</b>	<b>(\$2,039,223)</b>	<b>(\$2,640,380)</b>
BEGINNING FUND BALANCE JULY 1ST	\$6,776,850	\$7,939,875	\$5,900,652
<b>ENDING FUND BALANCE JUNE 30TH</b>	<b>\$7,939,875</b>	<b>\$5,900,652</b>	<b>\$3,260,272</b>
<i>RESERVE %</i>	<i>9.4%</i>	<i>6.8%</i>	<i>4.1%</i>
<b>COMPONENTS OF ENDING BALANCE</b>			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Reserve for Economic Uncertainties (3%)	\$2,533,742	\$2,584,480	\$2,401,592
<u>Other Assignments:</u>			
Contingency Reserve (1.5% Guideline)	\$1,266,871	\$1,292,240	\$558,194
LCFF Supplemental Grant Funding	\$0	\$144,442	\$252,986
<b>Deficit Spending Reserves</b>	<b>\$2,468,268</b>	<b>\$879,496</b>	<b>\$0</b>
State One-Time Discretionary	\$1,623,494	\$952,494	\$0
Unassigned/Unappropriated Amount	\$0	\$0	\$0
<b>Operating Deficit - / Surplus +</b>	<b>(\$900,000)</b>	<b>(\$900,000)</b>	<b>(\$1,200,000)</b>

# First Interim Unrestricted Reserves



	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0
Carryover/Commitments	\$1,005,773	\$0	\$0	\$0
State One-Time Discretionary	\$0	\$1,623,494	\$952,494	\$0
LCFF Supplemental Grant Funding	\$0	\$0	\$144,442	\$252,986
Deficit Spending Reserves	\$2,172,404	\$2,468,268	\$879,496	\$0
Contingency Reserve (1.5% Guideline)	\$1,183,000	\$1,266,871	\$1,292,240	\$558,194
Reserve for Economic Uncertainties (3%)	\$2,365,377	\$2,533,742	\$2,584,480	\$2,401,592
Revolving Cash/Stores/Prepaid	\$50,296	\$47,500	\$47,500	\$47,500

# What-If Revenue is Better

## ➤ 2016-17

- State Discretionary (One-Time) \$2,000,000
- State tax increases (Tax Proposition) ?

## ➤ 2017-18

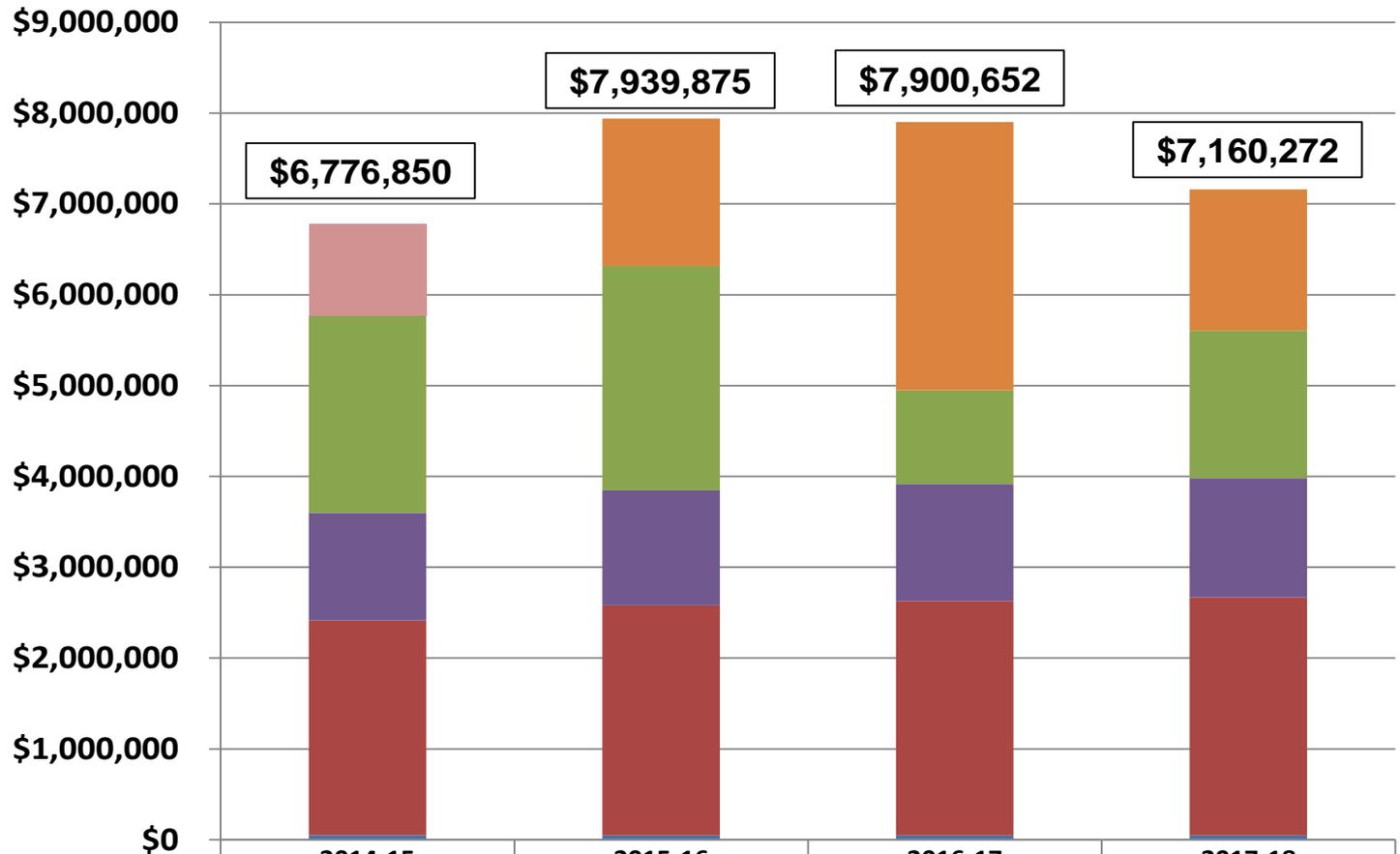
- Parcel Tax Renewal at current revenue level \$9,500,000
- State tax increases (Tax Proposition) ?

***\*\*\* DOES NOT INCLUDE POSSIBLE COLLECTIVE BARGAINING INCREASES IN FUTURE YEARS***

# What-If Revenue is Better General Fund - Unrestricted

Description	2015-16	2016-17	2017-18
REVENUES	\$74,455,849	\$75,089,378	\$75,829,704
EXPENDITURES	\$58,544,598	\$60,082,355	\$61,507,973
OTHER FINANCING SOURCES/USES	(\$14,748,226)	(\$15,046,246)	(\$15,062,111)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$1,163,025</b>	<b>(\$39,223)</b>	<b>(\$740,380)</b>
BEGINNING FUND BALANCE JULY 1ST	\$6,776,850	\$7,939,875	\$7,900,652
<b>ENDING FUND BALANCE JUNE 30TH</b>	<b>\$7,939,875</b>	<b>\$7,900,652</b>	<b>\$7,160,272</b>
<i>RESERVE %</i>	<i>9.4%</i>	<i>9.2%</i>	<i>8.2%</i>
<b>COMPONENTS OF ENDING BALANCE</b>			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Designated for Economic Uncertainties (3%)	\$2,533,742	\$2,579,875	\$2,622,644
<u>Other Designations:</u>			
State Revenue Reserve (LCFF)	\$0		
Carryover/Commitments	\$0	\$0	\$0
BTSA Consortium	\$0	\$0	\$0
Contingency Reserve (1.5% Guideline)	\$1,266,871	\$1,289,938	\$1,311,322
Deficit Spending Reserves	\$2,468,268	\$1,030,845	\$1,626,312
State One-Time Discretionary	\$1,623,494	\$2,952,494	\$1,552,494
Undesignated Amount	\$0	\$0	\$0
<b>Operating Deficit - / Surplus +</b>	<b>(\$878,975)</b>	<b>(\$868,223)</b>	<b>\$659,620</b>

# What If Revenue is Better



	2014-15	2015-16	2016-17	2017-18
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0
Carryover/Commitments	\$1,005,773	\$0	\$0	\$0
State One-Time Discretionary	\$0	\$1,623,494	\$2,952,494	\$1,552,494
Deficit Spending Reserves	\$2,172,404	\$2,468,268	\$1,030,845	\$1,626,312
Contingency Reserve (1.5% Guideline)	\$1,183,000	\$1,266,871	\$1,289,938	\$1,311,322
Reserve for Economic Uncertainties (3%)	\$2,365,377	\$2,533,742	\$2,579,875	\$2,622,644
Revolving Cash/Stores/Prepaid	\$50,296	\$47,500	\$47,500	\$47,500

# Summary Analysis



- DJUSD is highly dependent upon increases in State Funding and Parcel Tax revenues
- Reserves as reported at First Interim are adequate at this snapshot
- DJUSD must use caution in spending down one-time reserves for on-going activities

# Going Forward

- Governor's January Revise
  - State budget priorities
- Budget process Jan-May
  - Local Control Accountability Plan (LCAP)
  - Enrollment and staffing assumptions
  - Budget planning
- Second Interim update March 15<sup>th</sup>
  - January revise assumptions
  - Staffing and Enrollment projections
  - Budget allocations
- Governor's May Revise and Approved State Budget
- District Budget Adoption

# Questions

