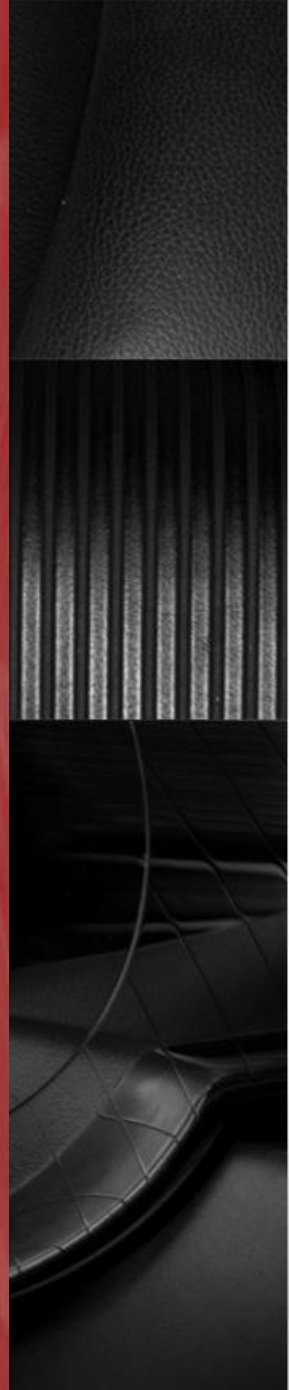


# 2016-17 Adoption Budget Board Summary

Davis Joint Unified School District

June 16, 2016





# Executive Summary

The 2016-2017 budgets were completed based on the latest information available to date. For 2016-17, the proposed budget contains funding for LCFF growth that calculates to \$2.8m of on-going new funding next year and \$1.8m 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)
  - LCFF Supplemental student programs (LCAP specific)
  - Class Sizes
- Local programs
  - Instructional technology
  - Curriculum adoptions



# Budget Summary 2017

- 2016-17 Local Control Funding Formula (LCFF)
  - Total additional projected revenue increase of \$2.8m
- One-Time funds Discretionary Funds \$1.8m
- Staffing maintained for current year using Local Parcel Taxes
  - Measure C and Measure E (11% of District General Fund)
  - Expire June 30, 2017
- LCFF increases used to cover mandated cost increases in multi-year projections



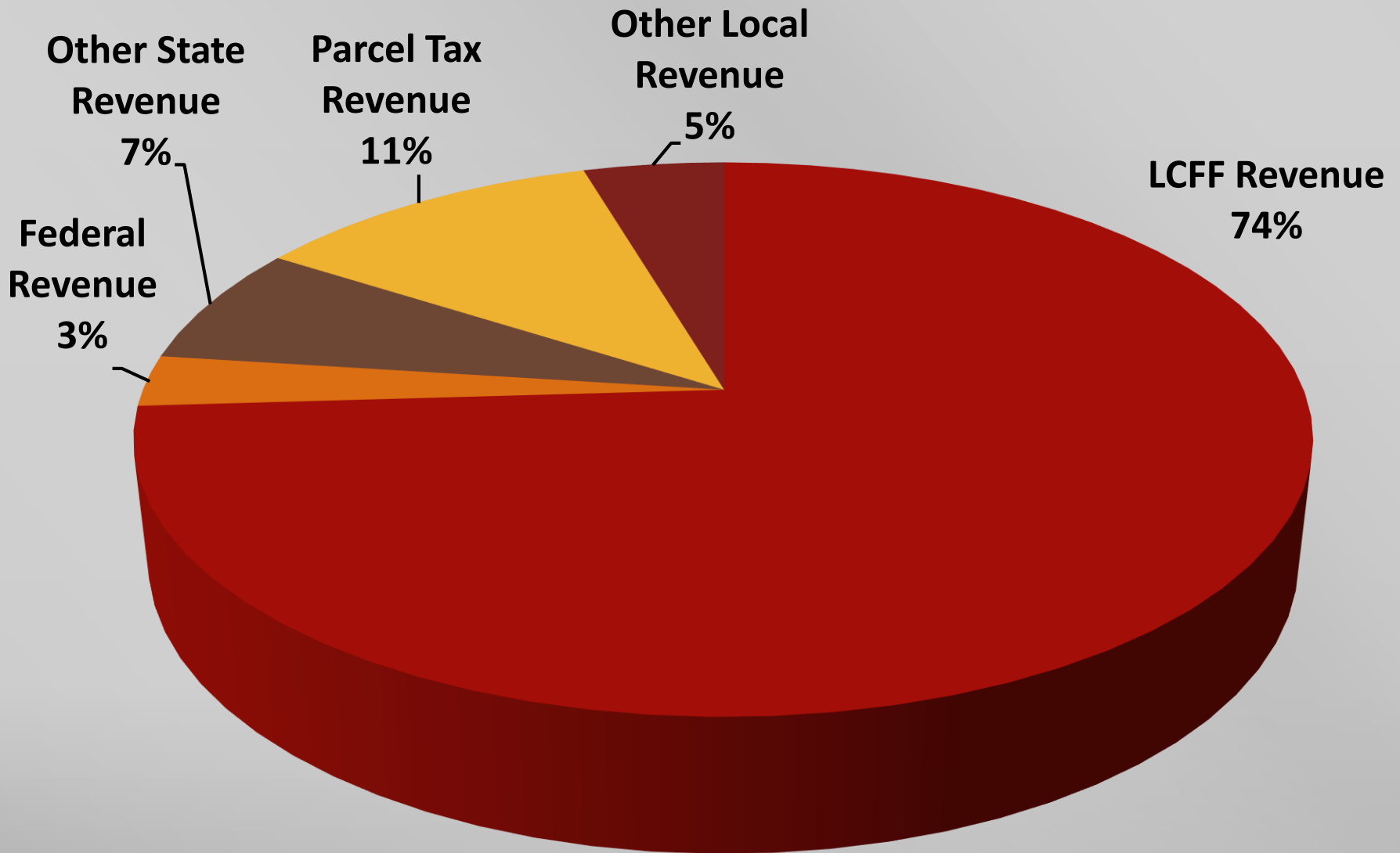
## Budget Summary 2017 (cont.)

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

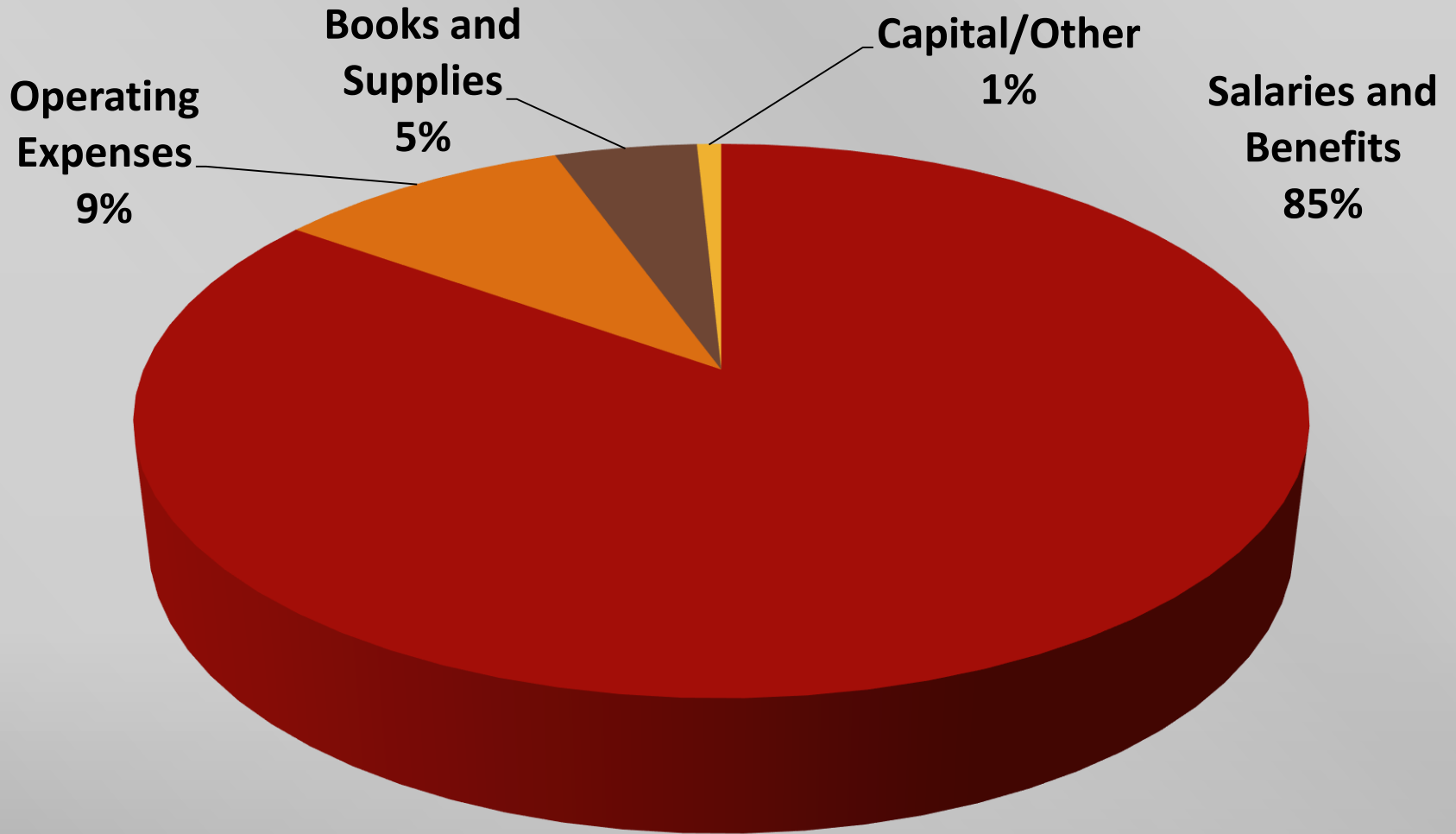
# General Fund Budget

Description	<----- 2015-16 ESTIMATED ACTUALS ----->			<----- 2016-17 ADOPTION BUDGET----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$74,661,981	\$11,569,197	\$86,231,178	\$75,107,872	\$8,498,620	\$83,606,492
EXPENDITURES	\$57,842,862	\$24,706,757	\$82,549,619	\$60,464,520	\$24,029,785	\$84,494,305
OTHER FINANCING SOURCES/USES	(\$14,401,651)	\$14,175,397	(\$226,254)	(\$14,765,774)	\$14,633,900	(\$131,874)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$2,417,468</b>	<b>\$1,037,837</b>	<b>\$3,455,305</b>	<b>(\$122,422)</b>	<b>(\$897,265)</b>	<b>(\$1,019,687)</b>
BEGINNING FUND BALANCE JULY 1ST	\$6,776,850	\$966,365	\$7,743,215	\$9,194,318	\$2,004,202	\$11,198,520
ENDING FUND BALANCE JUNE 30TH	\$9,194,318	\$2,004,202	\$11,198,520	\$9,071,896	\$1,106,937	\$10,178,833
<b>COMPONENTS OF ENDING BALANCE</b>						
Revolving Cash/Stores/Pre-paid	\$47,500	\$0	\$47,500	\$47,500	\$0	\$47,500
Legally Restricted Balances	\$0	\$2,004,202	\$2,004,202	\$0	\$1,106,937	\$1,106,937
Designated for Economic Uncertainties	\$6,622,070		\$6,622,070	\$6,770,095		\$6,770,095
<u>Other Assignments:</u>						
Carryover/Commitments	\$450,000		\$450,000	\$450,000		\$450,000
State One-Time Discretionary (PD, Instructional Materials, Tech)	\$2,074,748		\$2,074,748	\$1,804,301		\$1,804,301
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

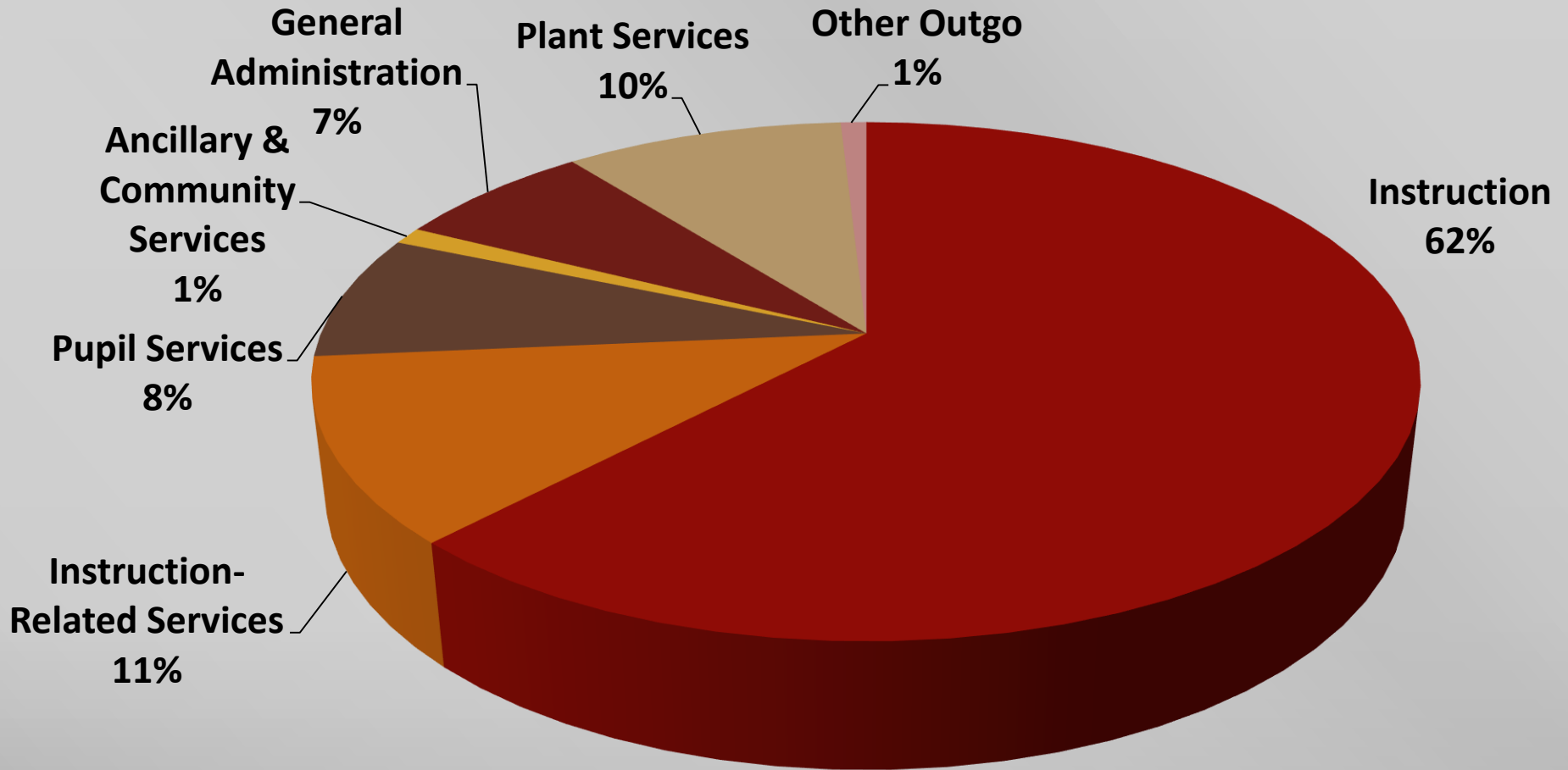
# Sources of Revenue



# Expenditures by Type



# Expenditures by Activity





# Multi-Year Projections Summary Report



# Multi-Year Budget Assumptions

Key Assumptions	2016-17	2017-18	2018-19
Enrollment (Non-Charter)	7,975	8,019	8,067
<i>Change in Enrollment</i>	(4)	44	48
Average Daily Attendance (ADA)	7,668	7,710	7,756
<i>Change in ADA</i>	(8)	42	46
Total LCFF Funding per ADA (RATE)	\$8,074	\$8,360	\$8,481
PROJECTED COLA %	0.00%	1.11%	2.42%
PROJECTED LCFF GAP FUNDING %	54.84%	73.96%	41.22%
PROJECTED LCFF GROWTH % (RATE)	4.82%	3.53%	1.46%
<b>TOTAL LCFF REVENUE</b>	<b>\$61,914,356</b>	<b>\$64,453,397</b>	<b>\$65,781,702</b>
<b>LCFF FUNDING CHANGE</b>	<b>\$2,786,313</b>	<b>\$2,539,041</b>	<b>\$1,328,305</b>
<b>PARCEL TAX REVENUE</b>	<b>\$9,500,000</b>	<b>\$0</b>	<b>\$0</b>
Projected Step & Column Increases		\$822,000	\$822,000
Pension Contribution Increase STRS	\$730,000	\$620,000	\$620,000
Pension Contribution Increase PERS	\$330,000	\$260,000	\$260,000
<b>RESERVE FOR ECONOMIC UNCERTAINTIES %</b>	<b>8.0%</b>	<b>8.0%</b>	<b>6.8%</b>
<b>TOTAL UNRESTRICTED RESERVE %</b>	<b>10.7%</b>	<b>10.4%</b>	<b>8.4%</b>

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



# Fiscal Solvency Plan 2016-17 Adoption Budget

In submitting the 2016-17 Adoption Budget, the Board understands its fiduciary responsibility to maintain fiscal solvency for the current and subsequent two fiscal years.

It is recognized that the current local parcel tax measures (C&E) with funding of \$9.5 million sunset in 2017 and must be renewed, or reductions implemented for 2017-18. It is further recognized that the district will submit a detailed list of Board approved ongoing budget reductions for 2017-18 with the 2016-17 First Interim Report if local tax parcel tax funding is not renewed.

# No Parcel Tax Revenue Planning

- The District cannot project local parcel tax revenues until approved
- Budget reductions must be projected to show fiscal solvency in the Multi-Year Budget
- The Adoption Budget includes projected reductions that are not subject to collective bargaining; other reductions could be needed to remain fiscally solvent in the future:

<b>Reductions not subject to Collective Bargaining</b>	<b>FTE</b>	<b>Budget Reductions</b>
Certificated Staffing	81.0	\$6,350,000
Classified Staffing	6.5	\$370,000
Management Staffing	2.5	\$170,000
Non- Staffing Program Expenditures		\$740,000
Total	90.0	\$7,630,000

# Unrestricted Multi-Year Budget

Description	2016-17	2017-18	2018-19
REVENUES	\$75,107,872	\$66,346,912	\$67,675,217
EXPENDITURES	\$60,464,520	\$52,680,832	\$54,040,221
OTHER FINANCING SOURCES/USES	(\$14,765,774)	(\$14,809,955)	(\$14,994,136)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>(\$122,422)</b>	<b>(\$1,143,875)</b>	<b>(\$1,359,140)</b>
BEGINNING FUND BALANCE JULY 1ST	\$9,194,318	\$9,071,896	\$7,928,021
<b>ENDING FUND BALANCE JUNE 30TH</b>	<b>\$9,071,896</b>	<b>\$7,928,021</b>	<b>\$6,568,881</b>
<i>RESERVE %</i>	<i>10.7%</i>	<i>10.4%</i>	<i>8.4%</i>
<hr/>			
<b><u>COMPONENTS OF ENDING BALANCE</u></b>			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Reserve for Economic Uncertainties	\$6,770,095	\$6,097,502	\$5,277,875
<i>Designated for Economic Uncertainties %</i>	<i>8.0%</i>	<i>8.0%</i>	<i>6.8%</i>
<b><u>Other Assignments:</u></b>			
Carryover/Commitments	\$450,000	\$450,000	\$450,000
LCFF Supplemental Grant Funding	\$0	\$92,084	\$143,506
<b>One-Time (PD, Instructional Materials, Tech)</b>	<b>\$1,804,301</b>	<b>\$1,240,935</b>	<b>\$650,000</b>
Unassigned/Unappropriated Amount	\$0	\$0	\$0
<b>Operating Deficit - / Surplus +</b>	<b>(\$600,000)</b>	<b>(\$600,000)</b>	<b>(\$800,000)</b>

# Reserves Analysis





# Reserve Components

- 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
- Unassigned/Unappropriated
  - State required minimum reserve for economic uncertainties - 3%
  - Local board policy minimum reserve for uncertainties - 5% additional



# Update on General Fund Reserves

- State reserve management regulations
- Transparency of reserves
  - Detailed reporting on specific uses/needs above 3% minimum
- Reserve cap upon funding from State Rainy Day Fund
  - Requirements not met for cap to be initiated
  - Waiver process to go above reserve cap of 6%



# Transparency of Reserves

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

	2016-17 Budget
<b>Total Assigned and Unassigned Ending Fund Balances</b>	<b>\$9,024,396</b>
District Standard Reserve Level	3%
Less District Minimum Reserve for Economic Uncertainties	\$2,538,786
<b>Remaining Balance to Substantiate Need</b>	<b>\$6,485,610</b>

<b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b>	
Local District policy of 5% additional Reserve for Economic Uncertainties	\$4,231,309
One-Time Discretionary (PD, Instructional Materials, Tech)	\$1,804,301
Site and Program Budget Carryovers	\$450,000
<b>Total of Substantiated Needs</b>	<b>\$6,485,610</b>



# Opportunities & Risks

- Changes in State revenue
  - Final Enrollment/ADA
  - Final State budget formulas
  - Future LCFF revenue increases
- Final staffing to enrollment
- State mandates
- Special education costs
- Other cost increases



# Questions