

2017-2018 Adoption Budget Board Summary

Davis Joint Unified School District
June 12, 2017

Executive Summary

The 2017-2018 budgets were completed based on the latest information available to date. For 2017-2018, the proposed budget contains funding for LCFF growth that calculates to \$1.5 million of on-going new funding next year.

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

- Employee compensation
 - Step and Column annual salary increases
- State mandated programs
 - Pension rate increases (STRS & PERS)
 - LCFF supplemental student programs (LCAP specific)
 - Class sizes
 - Special Education
 - Restricted Maintenance

Budget Summary 2018

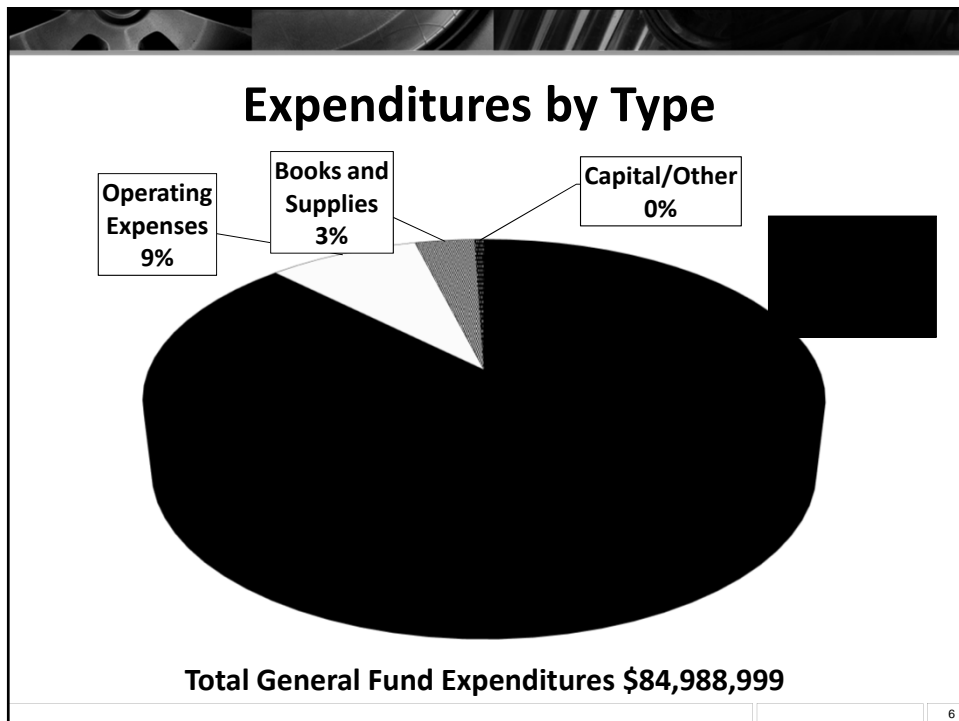
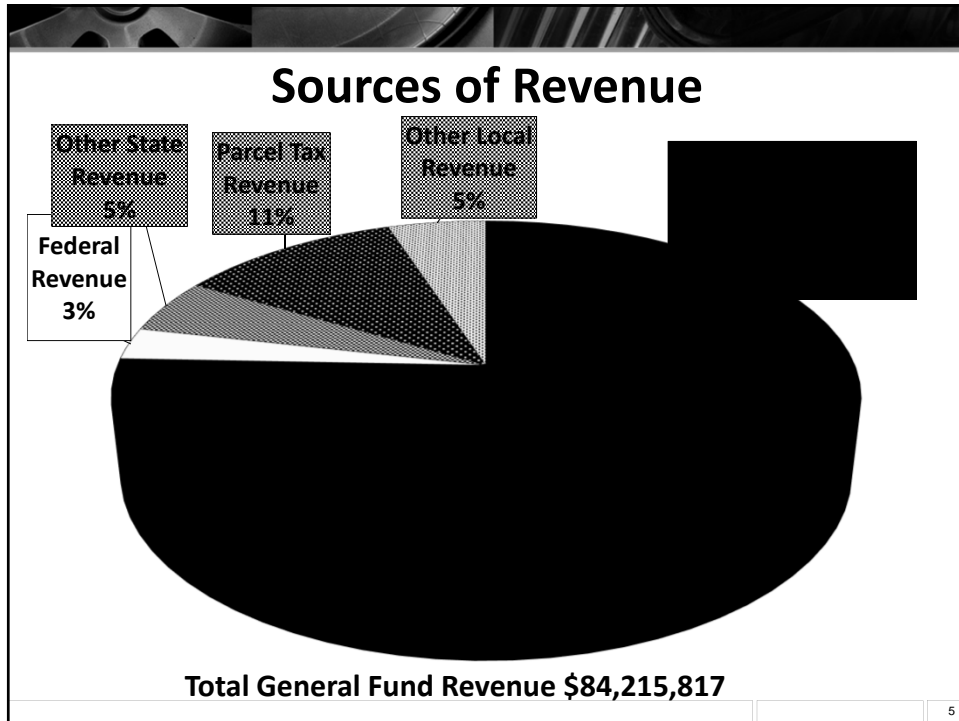
- 2017-2018 Local Control Funding Formula (LCFF)
 - Total additional projected revenue increase of \$1.5 million
- LCFF increases used to cover required cost increases in multi-year projections
- The District budget adopts
 - Use of reserves to cover structural budget deficit in multi-year projections
- State budget details being released subject to change
 - Final LCFF growth projections
 - Possible One-Time Discretionary funds
 - Categorical Programs

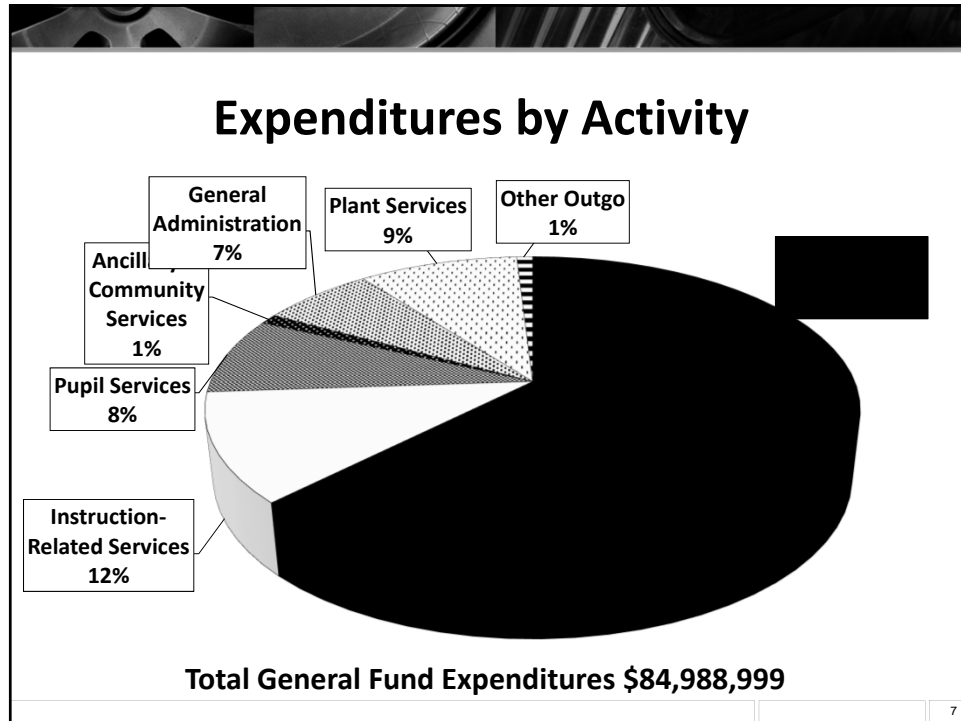
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General Fund Budget

Description	<----- 2016-17 ESTIMATED ACTUALS ----->			<----- 2017-18 ADOPTION BUDGET----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$75,702,592	\$10,795,423	\$86,498,015	\$75,564,113	\$8,651,704	\$84,215,817
EXPENDITURES	\$61,399,850	\$27,024,544	\$88,424,394	\$60,961,348	\$24,027,651	\$84,988,999
OTHER FINANCING SOURCES/USES	(\$15,323,740)	\$15,191,780	(\$131,960)	(\$15,569,942)	\$15,413,806	(\$156,136)
NET INCR. (DECR.) IN FUND BALANCE	(\$1,020,998)	(\$1,037,341)	(\$2,058,339)	(\$967,177)	\$37,859	(\$929,318)
BEGINNING FUND BALANCE JULY 1ST	\$9,196,477	\$2,060,941	\$11,257,418	\$8,175,479	\$1,023,600	\$9,199,079
ENDING FUND BALANCE JUNE 30TH	\$8,175,479	\$1,023,600	\$9,199,079	\$7,208,302	\$1,061,459	\$8,269,761
RESERVE %	9.2%			8.5%		
COMPONENTS OF ENDING BALANCE						
Revolving Cash/Stores/Pre-paid	\$47,500	\$0	\$47,500	\$47,500	\$0	\$47,500
Legally Restricted Balances	\$0	\$1,023,600	\$1,023,600	\$0	\$1,061,459	\$1,061,459
Designated for Economic Uncertainties	\$7,084,509		\$7,084,509	\$6,811,611		\$6,811,611
Designated for Economic Uncertainties %	8.0%		\$0	8.0%		\$0
Other Assignments:						
Carryover/Commitments	\$100,000		\$100,000	\$100,000		\$100,000
Classified Intern Program	\$208,361		\$208,361	\$208,631		\$208,631
Deficit Spending Reserves	\$735,109		\$735,109	\$40,560		\$40,560
Total Other Assignments %	1.2%			0.4%		
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

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Multi-Year Budget Assumptions

Key Assumptions	2017-18	2018-19	2019-20
Enrollment (Non-Charter)	7,987	7,987	7,987
<i>Change in Enrollment</i>	-	-	-
Average Daily Attendance (ADA)	7,695	7,695	7,695
<i>Change in ADA</i>	1	-	-
Total LCFF Funding per ADA (RATE)	\$8,277	\$8,584	\$8,820
PROJECTED COLA %	1.56%	2.15%	2.35%
PROJECTED LCFF GAP FUNDING %	43.97%	71.53%	73.51%
PROJECTED LCFF GROWTH % (RATE)	2.38%	3.72%	2.74%
TOTAL LCFF REVENUE	\$63,688,472	\$66,057,595	\$67,868,613
LCFF FUNDING CHANGE	\$1,486,860	\$2,369,123	\$1,811,018
PARCEL TAX REVENUE	\$9,600,000	\$9,900,000	\$10,150,000
Projected Step & Column Increases		\$935,000	\$935,000
Pension Contribution Increase STRS	\$750,000	\$760,000	\$770,000
Pension Contribution Increase PERS	\$270,000	\$430,000	\$450,000
* FUNDING INCREASES SUBJECT TO CHANGE BASED UPON STATE BUDGET			
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Unrestricted Multi-Year Budget

Description	2017-18	2018-19	2019-20
REVENUES	\$75,564,113	\$78,233,236	\$80,054,254
EXPENDITURES	\$60,961,348	\$62,745,942	\$64,276,040
OTHER FINANCING SOURCES/USES	(\$15,569,942)	(\$15,726,062)	(\$15,872,433)
NET INCR. (DECR.) IN FUND BALANCE	(\$967,177)	(\$238,768)	(\$94,219)
BEGINNING FUND BALANCE JULY 1ST	\$8,175,479	\$7,208,302	\$6,969,534
ENDING FUND BALANCE JUNE 30TH	\$7,208,302	\$6,969,534	\$6,875,315
RESERVE %	8.5%	8.0%	7.7%
COMPONENTS OF ENDING BALANCE			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Reserve for Economic Uncertainties	\$6,811,611	\$6,613,403	\$6,727,815
<i>Designated for Economic Uncertainties %</i>	<i>8.0%</i>	<i>7.6%</i>	<i>7.6%</i>
Other Assignments:			
Carryover/Commitments	\$100,000	\$100,000	\$100,000
Classified Intern Program	\$208,631	\$208,631	\$0
Deficit Spending Reserves	\$40,560	\$0	\$0
<i>Total Other Assignments %</i>	<i>0.4%</i>	<i>0.4%</i>	<i>0.1%</i>
Unassigned/Unappropriated Amount	\$0	\$0	\$0
Operating Deficit - / Surplus +	(\$1,000,000)	(\$200,000)	\$100,000
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Reserves Analysis



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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 (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
 - **Local board policy minimum reserve for uncertainties - 8%**
 - State required minimum reserve for economic uncertainties - 3%

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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
 - Pending legislative changes
 - Waiver process to go above reserve cap

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Transparency of Reserves

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

	2017-18 Budget
Total Assigned and Unassigned Ending Fund Balances	\$7,160,802
District Standard Reserve Level	3%
Less District Minimum Reserve for Economic Uncertainties	\$2,554,354
Remaining Balance to Substantiate Need	\$4,606,448

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Local District policy of 5% additional Reserve for Economic Uncertainties	\$4,257,257
Classified Intern Program	\$208,631
Site and Program Budget Carryovers	\$100,000
Deficit Spending Reserves	\$40,560
Total of Substantiated Needs	\$4,606,448

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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

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Questions

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