

First Interim Budget Update December 2018

Current Year Budget

- Revenue

- Final State LCFF Budget update (increase) 
- LCFF attendance (ADA) based upon actual enrollment (lower projected ADA of 46) 
- One-time State revenue update (decrease)
- Program revenues

- Expenditures

- Prior year commitments expended in current year (carryover)





Current Year Budget

- Expenditures (continued)
 - Update Staffing costs (Position Control)
 - Actual staffing levels based upon enrollment and student program needs
 - Actual staffing costs based upon salary schedule placement
 - Update site discretionary budget based upon actual enrollment levels (allocations by student count)
 - Special Education student program needs
 - Review operational costs (utilities, professional services, legal settlements)



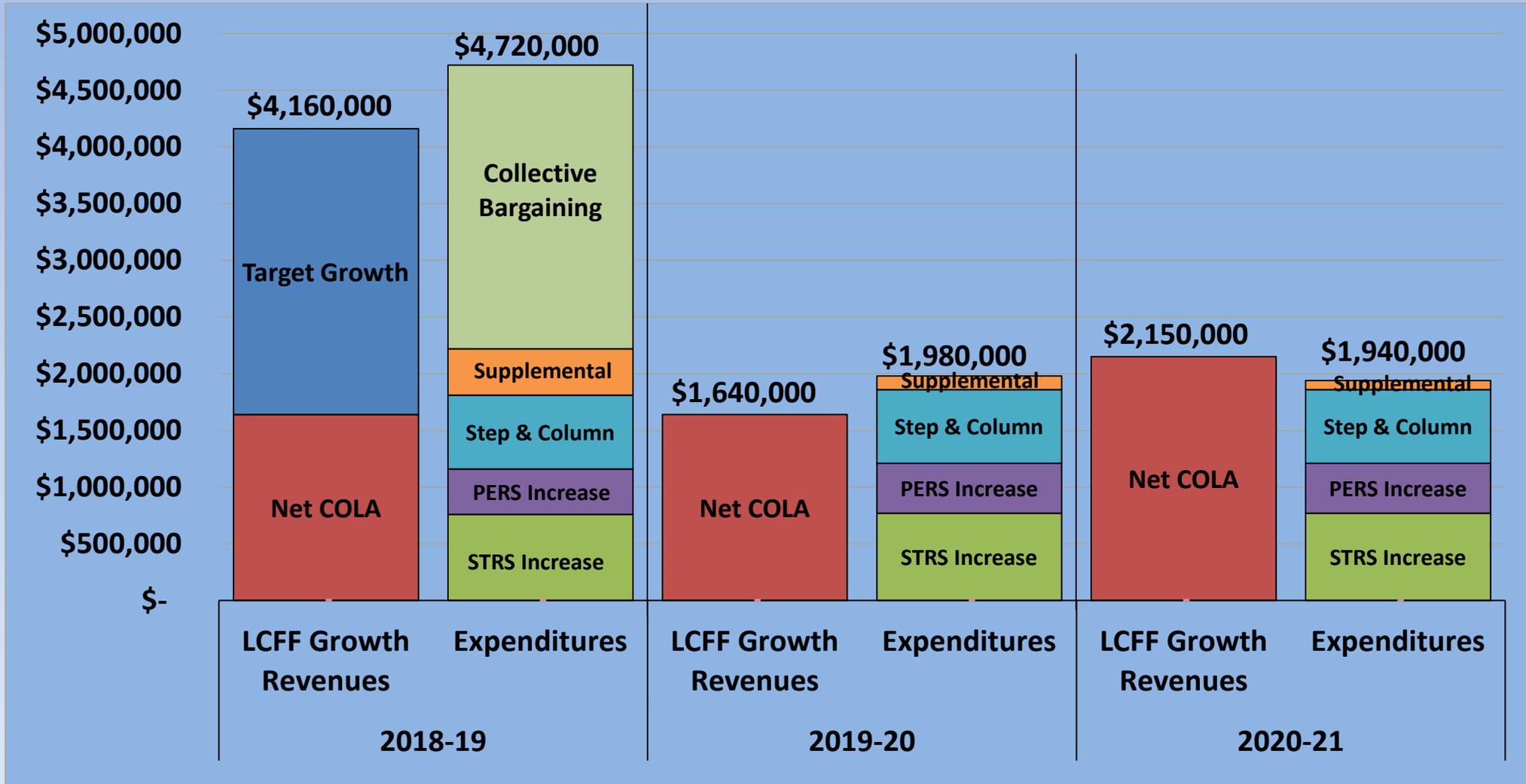
Looking to the Future



- State revenue projections
 - Department of Finance (Official First Interim Assumptions)
 - Alternative “what-if” scenario based upon Legislative Budget Report
 - Increased inflation funding 2019-20
 - Possible recession and budget reduction 2020-21 and beyond
- DJUSD is highly dependent upon increases in State Funding
 - State revenues are not projected be a source of increased funding for closing the compensation gap or program improvements
 - ***Going forward DJUSD needs approximately 3% annual LCFF revenue growth to cover annual expenditure increases to avoid deficit spending***

2018-19 Budget Update

Projected LCFF Growth & Expenditures



Looking to the Future

- Expenditure Changes

- Increases

- Pension Costs (STRS/PERS)
 - Salary Schedule Movements (Step and Column)
 - Collective Bargaining Agreements
 - State mandates for LCAP supplemental programs
 - Other projected increases (Special Education, Routine Maintenance)
 - Board approved spending plans

- Decreases

- Staffing reductions (reduced program and services)
 - Energy savings (upgraded lighting and HVAC)
 - Professional services reductions





Looking to the Future



- Fiscal Health

- Balanced budget (revenue and expenditures)

- Deficit spending?

- One-time or On-going

- Adequate reserve levels

- Are there adequate reserves over the 3 year planning period?

- 2018-19 through 2020-21

- Are there adequate reserves for the 4th year 2021-2022?

- Will become 3rd year in June Adoption for next year

- Are there adequate reserves for the what-if planning scenarios?

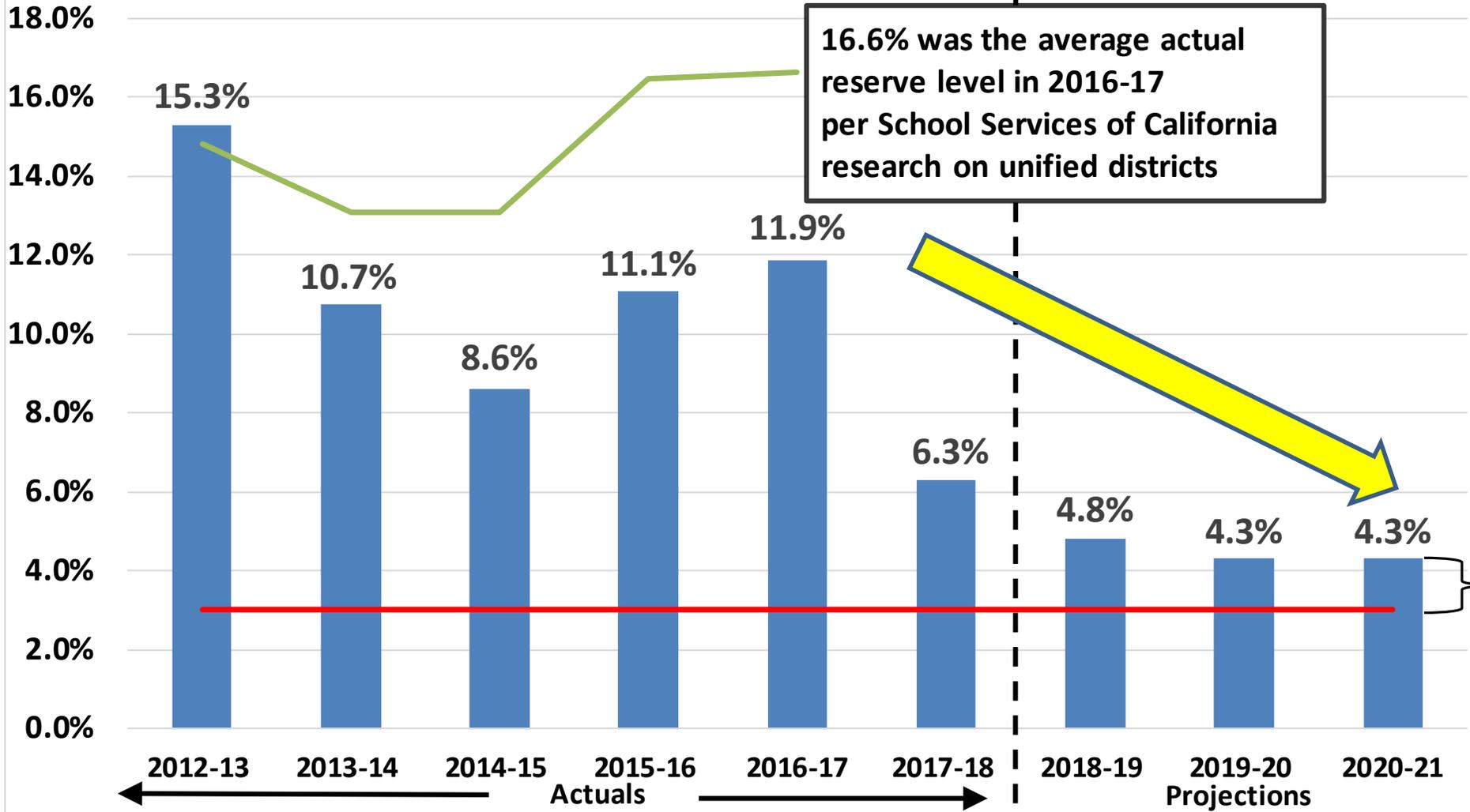
- Sensitivity analysis to “alternative what-if” planning scenarios

- » Revenue projections

- » Minimum reserve levels



DJUSD General Fund Unrestricted Reserve Levels



16.6% was the average actual reserve level in 2016-17 per School Services of California research on unified districts

\$1.2 Million of reserve above 3% minimum

- DJUSD Unrestricted General Fund Reserve %
- Statewide Average Unrestricted Reserve %
- State Required Minimum Reserve for Uncertainty 3%

ANY
QUESTIONS
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