

January Governor's Budget Update

Davis Joint Unified School District

February 7, 2019





Key Summary Points



LCFF funding growth for inflation

State funding to reduce pension costs

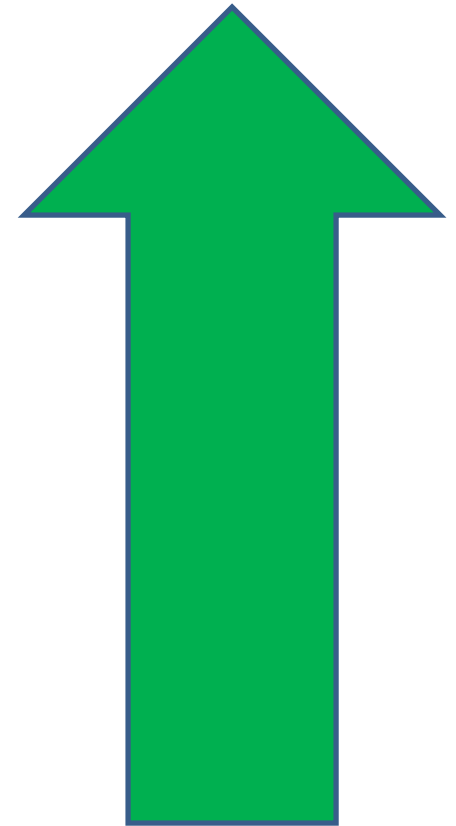
Continued slower future growth in LCFF funding, inflation only





2019-20 Budget Year

*Increased LCFF funding for
DJUSD on-going in January
Budget proposal*



State Funding Update

DJUSD – 2019-20		
2019-20 LCFF Growth Per ADA Funding	Projected 2019-20 ADA	Projected 2019-20 LCFF Growth Revenue
\$309	7,689	\$2.4 Million

Discretionary Funds – ONE TIME	Total
\$0 (one-time) X 2018-19 P2 ADA (7,689) =	\$0.0 Million



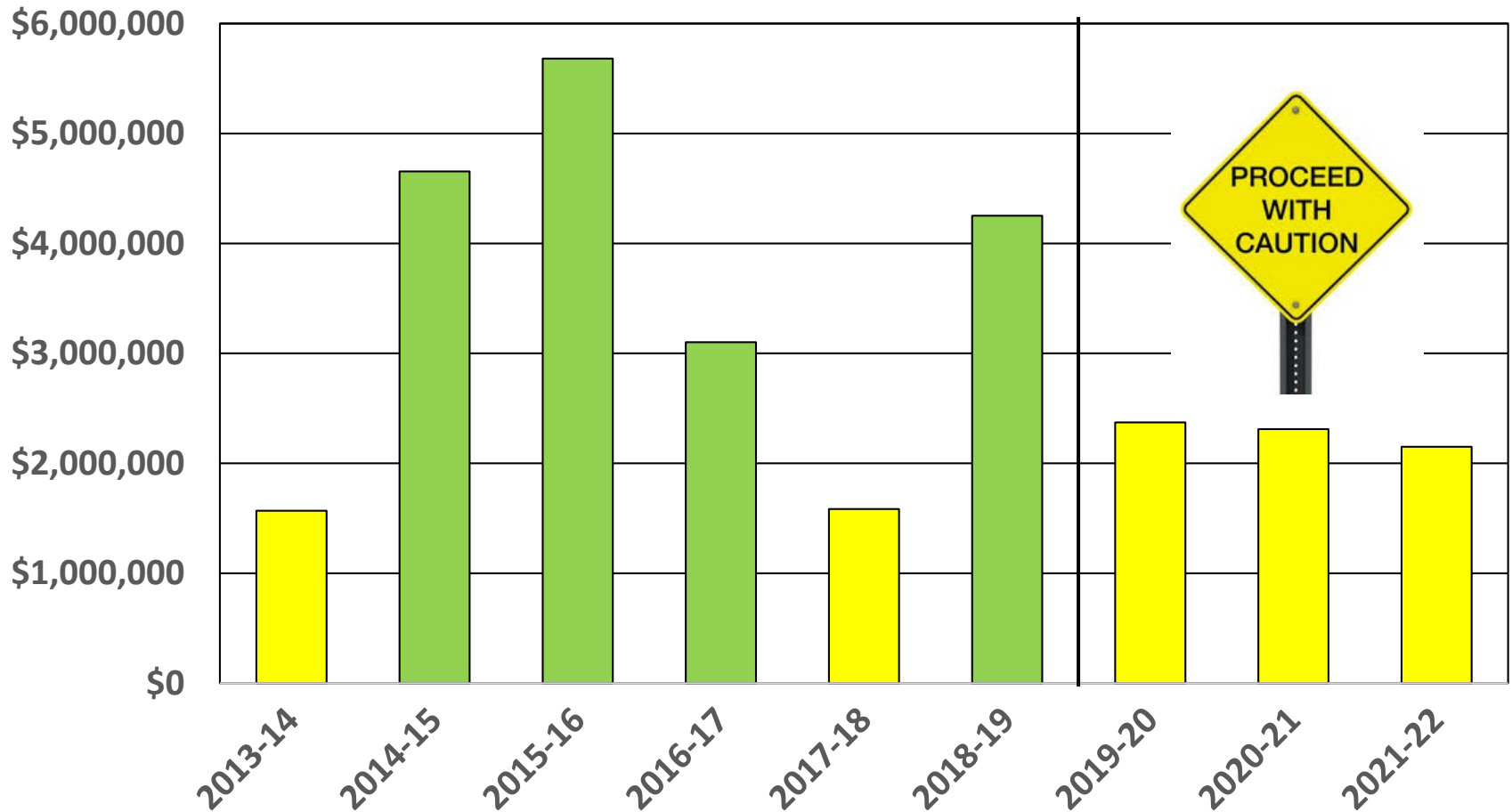
2020-21 Forward

LCFF increases for inflation only

No one-time discretionary funds as in the past

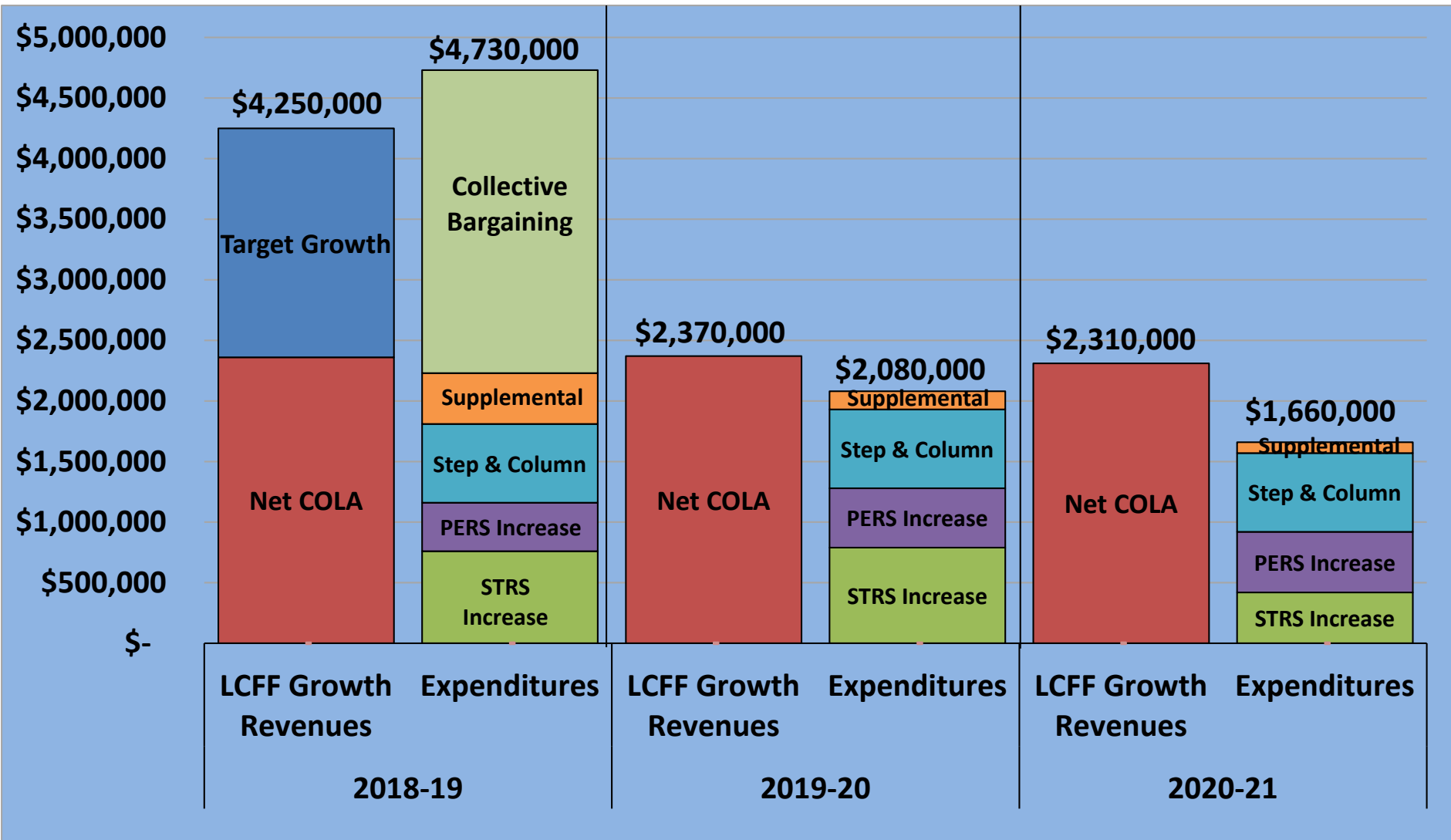
*Pension cost increases continue to consume
inflation growth*

DJUSD LCFF Growth



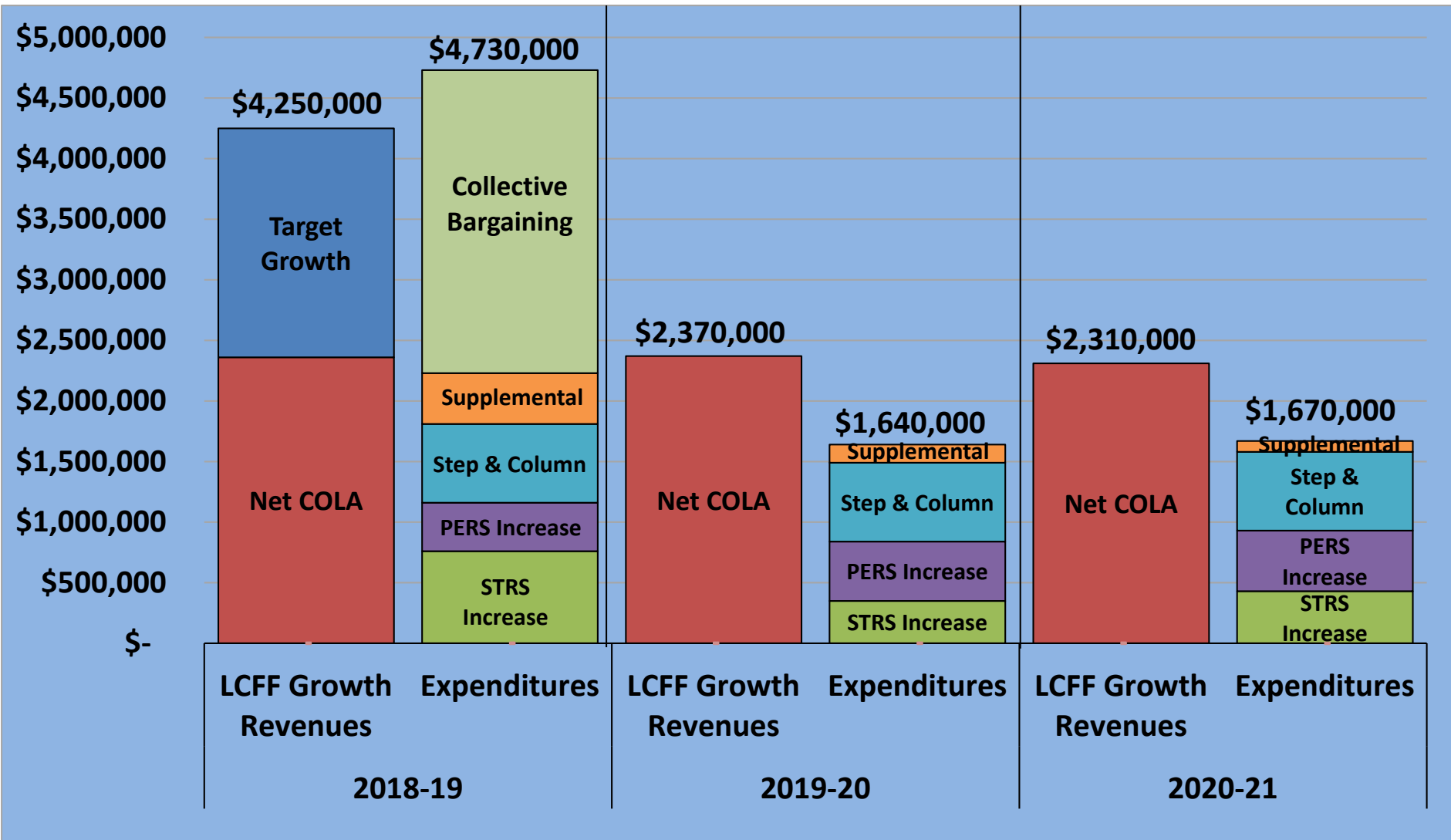
2019-20 January Governor's Budget – LCFF COLA Only

Projected LCFF Growth & Expenditures

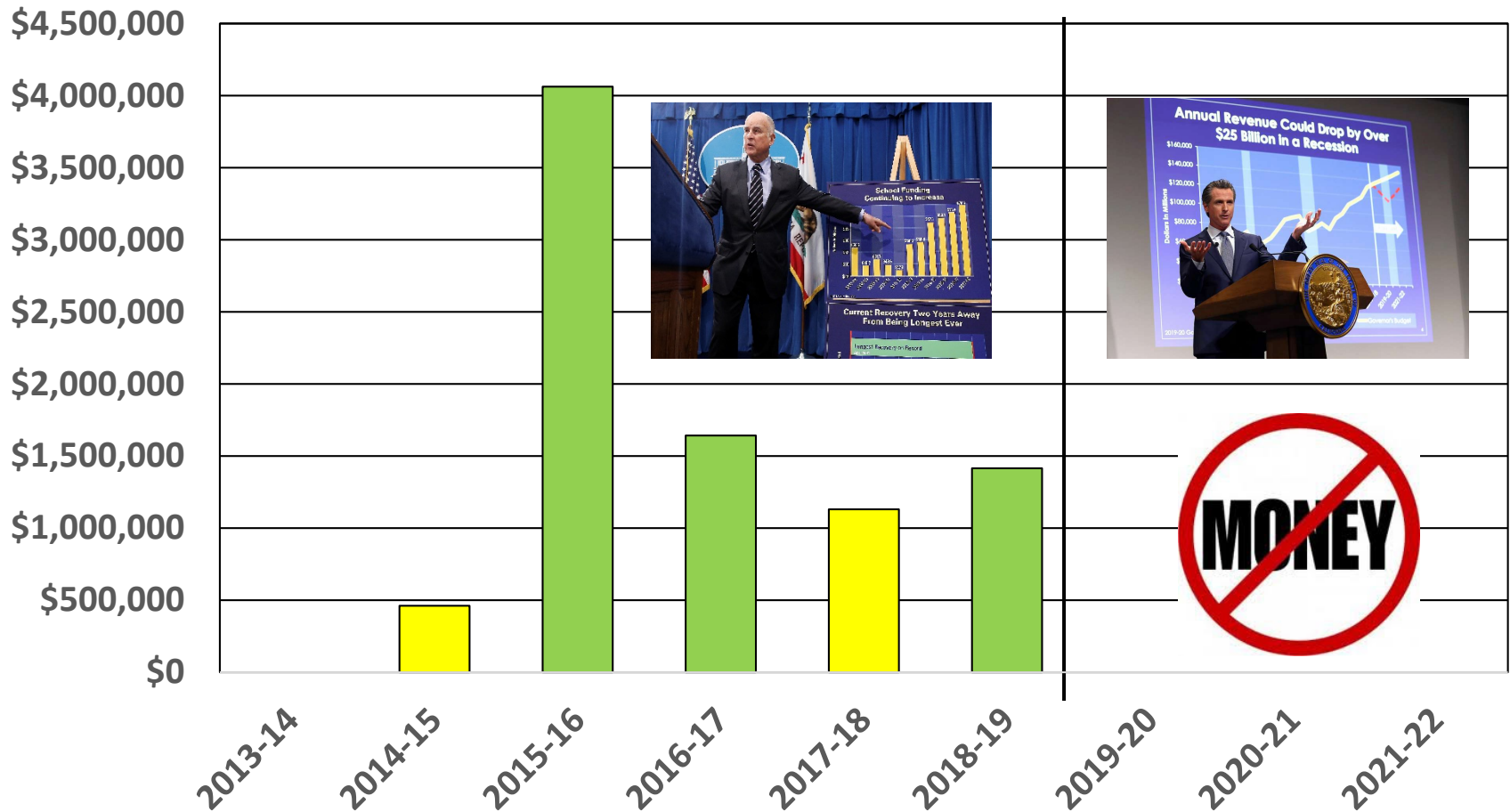


2019-20 January Governor's Budget – LCFF COLA & STRS Reduction

Projected LCFF Growth & Expenditures



DJUSD One-Time Discretionary



Multi-Year Budget Scenarios

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Current Scenario - Normal Formula Allocations (Proposition 98 and LCFF) from Final State Budget

First Interim Budget December 2018	2018-19	2019-20	2020-21
Budget Reductions to Maintain 3% Reserve & Eliminate Structural Deficit		(\$800,000)	(\$100,000)
Operating Deficit	(\$1,700,000)	(\$700,000)	\$0
Reserve %	3.7%	3.1%	3.1%
Reserve for Economic Uncertainties %	3.7%	3.0%	3.0%
Available Reserve Dollar Value above 3%	\$700,000	\$0	\$0

Most Likely Scenario - Normal Formula Allocations (Proposition 98 and LCFF)

Governors Budget - LCFF COLA	2018-19	2019-20	2020-21
Budget Reductions to Maintain 3% Reserve & Eliminate Structural Deficit		(\$200,000)	(\$250,000)
Operating Deficit	(\$1,700,000)	(\$700,000)	\$0
Reserve %	3.7%	3.1%	3.2%
Reserve for Economic Uncertainties %	3.7%	3.0%	3.1%
Available Reserve Dollar Value above 3%	\$700,000	\$0	\$100,000

Best Case Scenario - Normal Formula Allocations (Proposition 98 and LCFF) + STRS Pension Relief

Governors Budget - LCFF and STRS	2018-19	2019-20	2020-21
Budget Reductions to Maintain 3% Reserve & Eliminate Structural Deficit		\$0	\$0
Operating Deficit	(\$1,700,000)	(\$400,000)	\$700,000
Reserve %	3.7%	3.4%	4.0%
Reserve for Economic Uncertainties %	3.7%	3.3%	4.0%
Available Reserve Dollar Value above 3%	\$700,000	\$300,000	\$1,000,000

Next Steps



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- State level
 - Budget committee hearings
 - Next update – May Revision
 - State Budget Adoption June 15
- DJUSD
 - Enrollment/Demographic Review March 7
 - Second Interim Budget Planning March 7
 - Second Interim Report March 21
 - Adoption Budget Planning April-May
 - District Budget Adoption June 30

Questions

