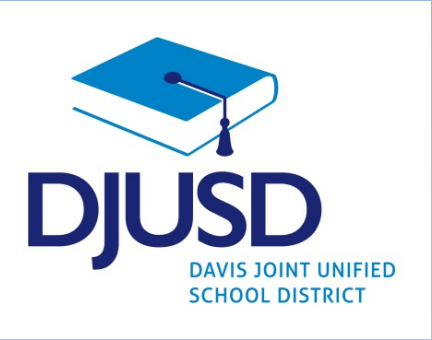




Budget Update

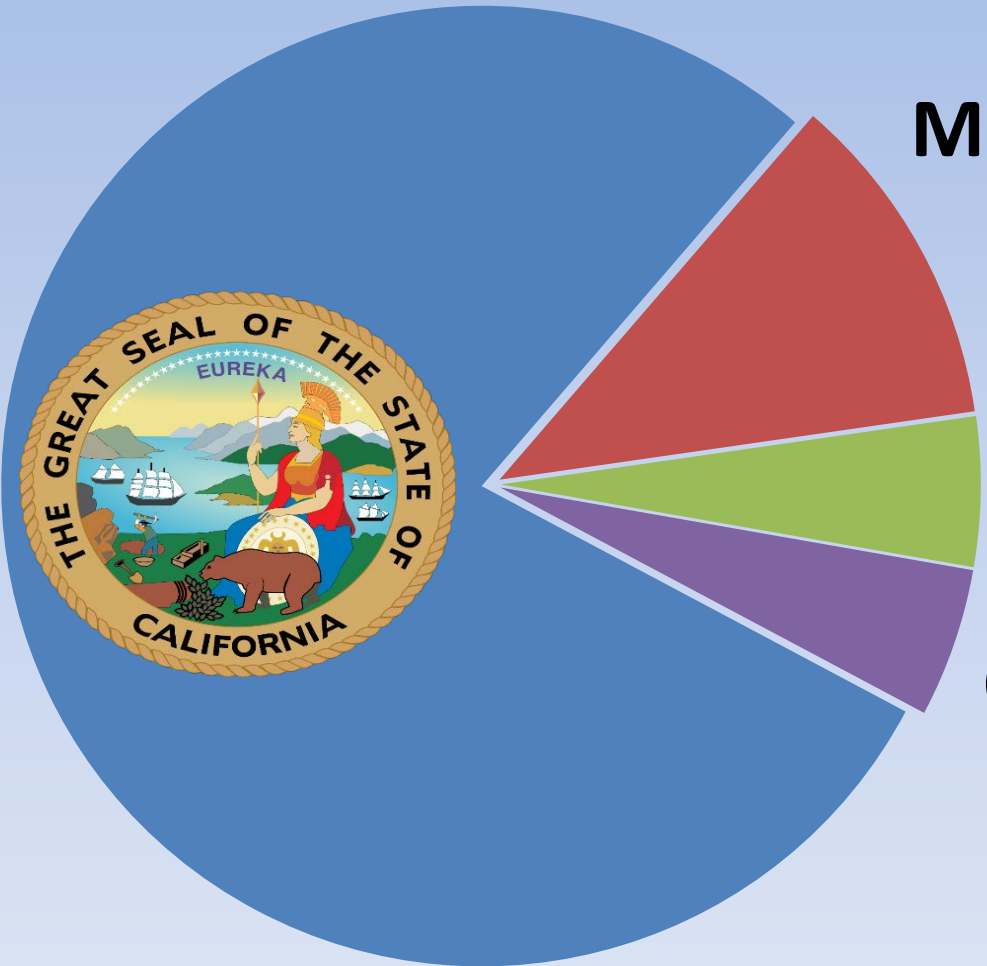
December 2017





What are the Sources of Our Funding

State Funding
79%



Measure H Parcel Tax
11%

Federal
5%

Other Local
5%

What Categories are the Funds Spent On?

**Books and
Supplies
3%**

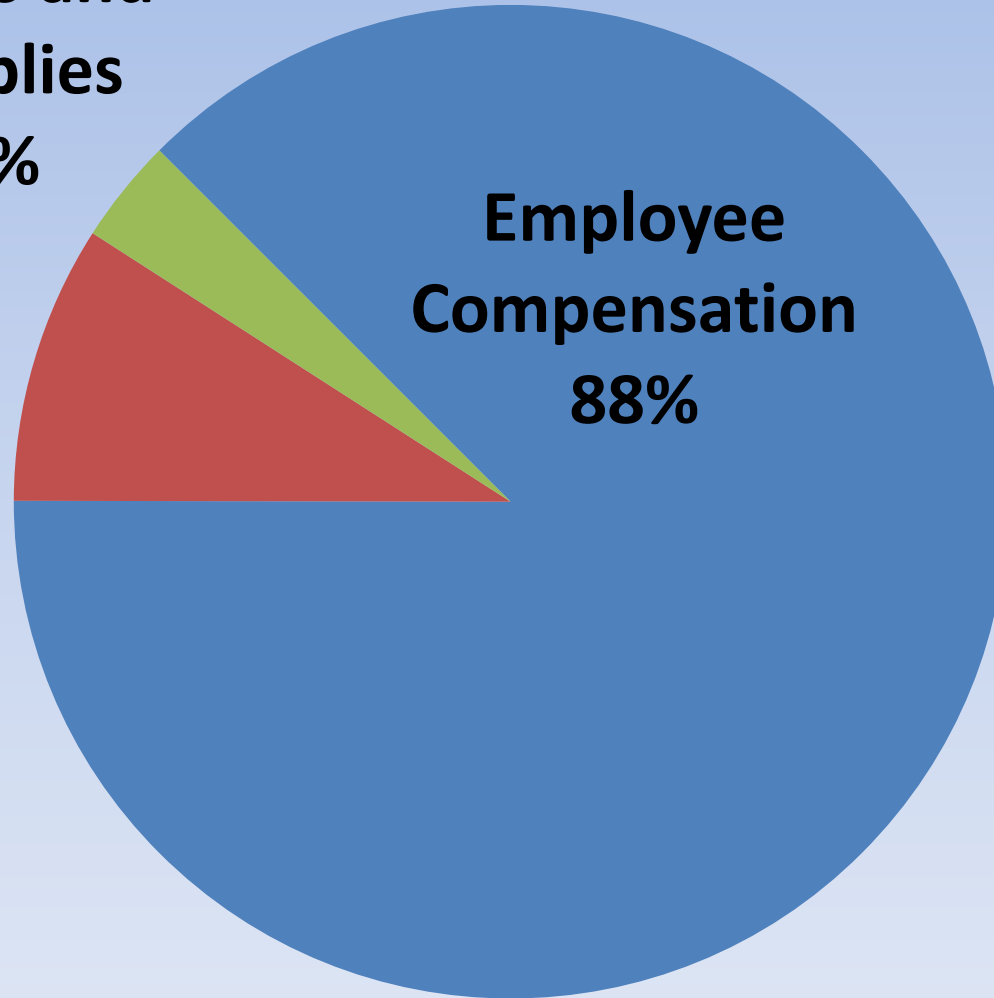


**Operating
Costs
9%**



Contract Services

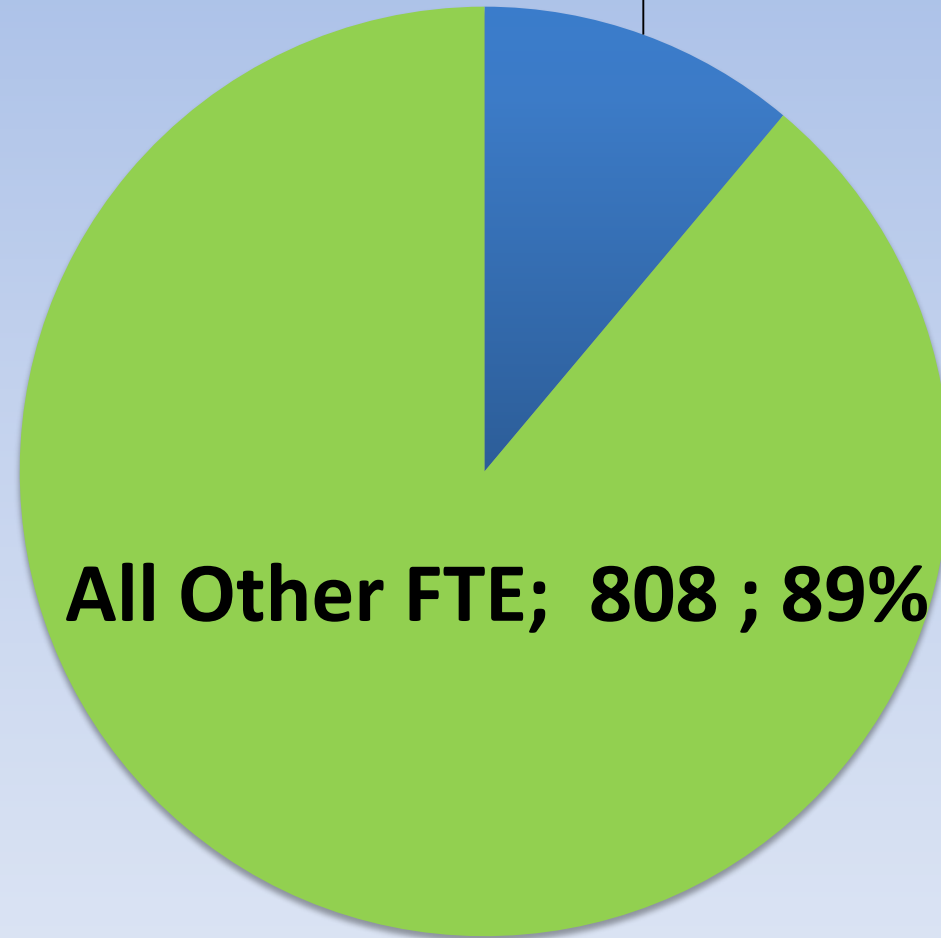
**Employee
Compensation
88%**



Total General Fund Expenditures \$85 Million



Parcel Tax FTE; 101 ; 11%



All Other FTE; 808 ; 89%

Total General Fund FTE 909

Total General Fund FTE 909



DTA; 491 ; 54%



CSEA; 365 ; 40%

MGMT; 53 ; 6%

Parcel Tax FTE 101



DTA; 90 ; 89%

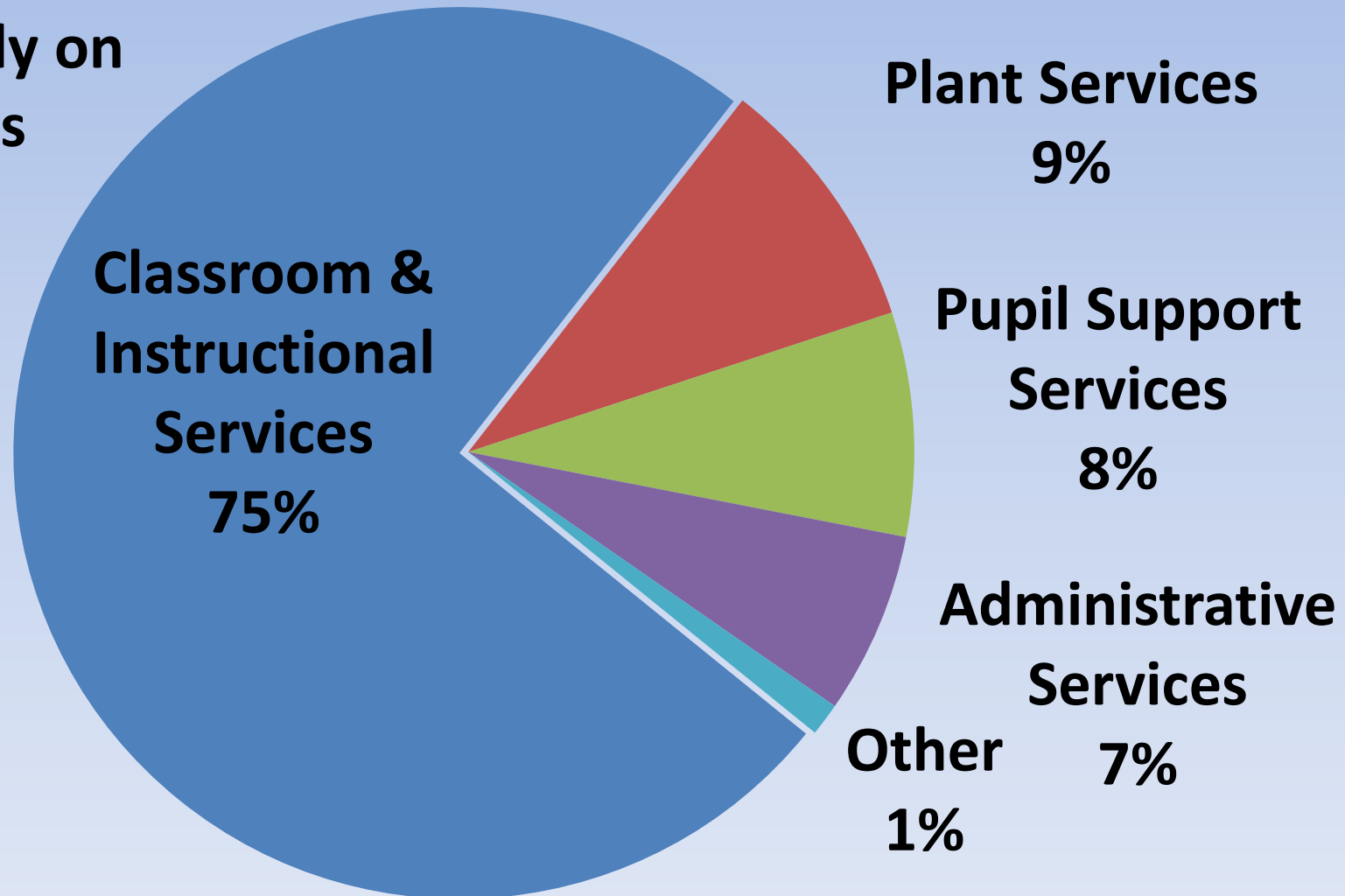


CSEA; 9 ; 9%

MGMT; 2 ; 2%

What activities are the funds spent on?

92% of budget is spent directly and indirectly on student programs



Total General Fund Expenditures \$85 Million



Current Year Budget Updates for First Interim Budget

Current Year Budget

- Revenue
 - LCFF attendance (ADA) based upon actual enrollment
 - One-time State revenue
- Expenditures
 - Prior year commitments expended in current year (carryover)
 - English Language Arts curriculum adoption, site & program 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 schedules
 - Approved Collective Bargaining Agreements changes (CSEA Agreement)
 - 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 Multi-Year Projection



Looking to the Future

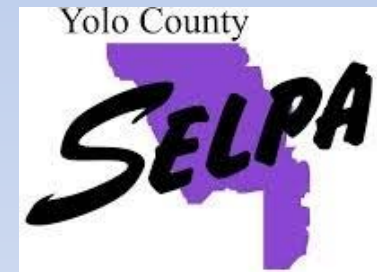
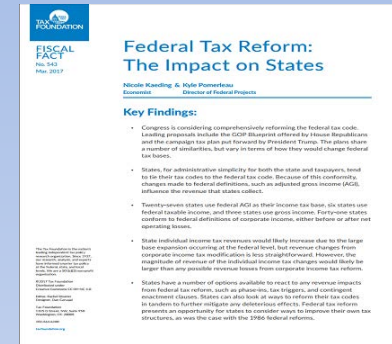
- State revenue projections
 - Department of Finance (Official First Interim Assumptions)
 - Alternative “what-if” scenarios based upon Legislative Budget Report
 - Local Control Funding Formula target reached in 2018-19
 - Possible recession and budget reduction 2019-20 and beyond
 - DJUSD enrollment and attendance projections
 - Maximizing State sources (attendance)
 - Enrollment growth





Looking to the Future

- Federal Budget
 - Education support for the future is unknown
 - Impact of tax reform on State and local revenues
- Local Revenues
 - Local special education funding allocation (SELPA)
 - Local Parcel Tax
 - Possibility of a parcel tax for employee salaries
 - Uses - closing the compensation gap (salary and benefits)
 - Next steps - polling



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?

- 2017-18 through 2019-20

- Are there adequate reserves for the 4th year 2020-2021?

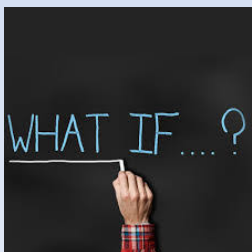
- Will become 3rd year in June Adoption for next year

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

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

- » Revenue projections

- » Minimum reserve levels



Final Thoughts



- State revenues and local parcel taxes are the major sources of funding for DJUSD
- Local parcel taxes make DJUSD slightly below an average funded district
- The majority of the budget is spent to support classroom instruction and other site services
- The majority of the budget is spent on staffing to support teaching and learning



Final Thoughts



- 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*
- DJUSD must use **caution** in spending down one-time reserves for on-going activities and must eliminate deficit spending to avoid fiscal distress in future years

ANY
QUESTIONS
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