

May Budget Update June 1, 2017

DAVIS JOINT UNIFIED SCHOOL DISTRICT
BRUCE COLBY
CHIEF BUSINESS AND OPERATIONS OFFICER



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Budget Considerations

DJUSD has a strong tradition of academic excellence and fiscal responsibility.

While State funding is increasing, it's not enough to pay for the current cost of our programs services and required State and Local expenditure increases.

The Board and administration are committed to closing our structural budget deficit and to addressing other identified challenges.



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Better news than January Projection

- Local Control Funding Formula (LCFF) gap funding increased



DJUSD LCFF Gap Funding	January Budget Proposal	May Budget Proposal
2017-18 Funding Increase	\$770,000	\$1,450,000
% Increase over prior year funding	1.2%	2.3%



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State May budget projection better than January projection

Proposed One-Time Discretionary Funds increased (with a timing twist)

DJUSD One-Time Discretionary Funds	January Budget Proposal	May Budget Proposal
2017-18 Proposed Funding Level	\$368,000	\$1,300,000
Per ADA	\$48	\$170

Possible payment in May 2019 only if State revenue projections are met

School Services of California Recommendation: DON'T BOOK IT



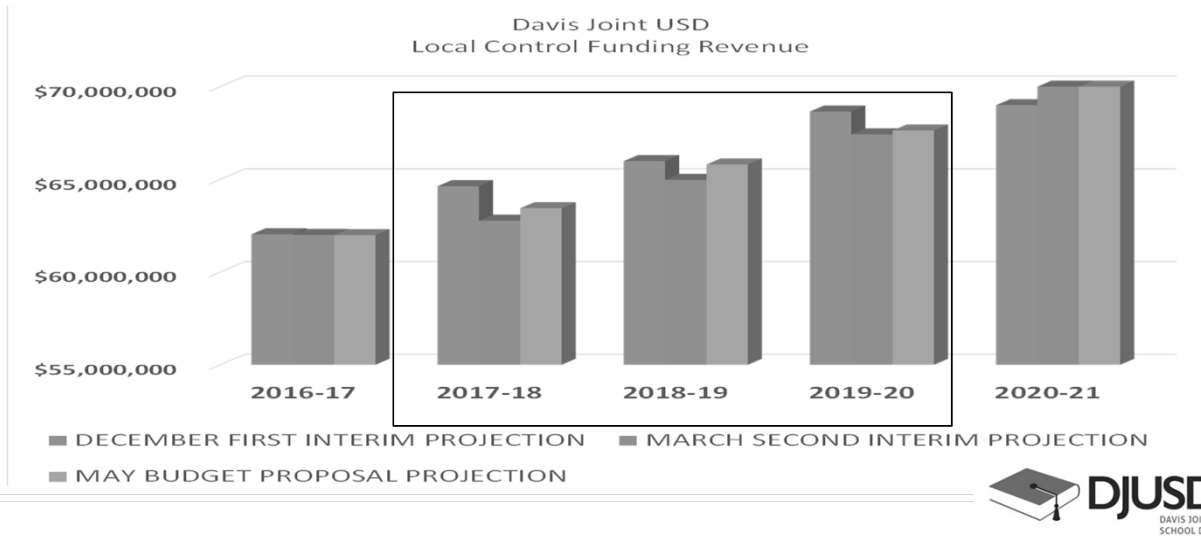
"The Common Message" budget guidelines sent by Yolo County Office of Education: **"It is recommended districts not include any of these one-time funds in their budgets."**



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LCFF while better, still lower than previous projections



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State LCFF revenue growth projections through 2019-2020, are not enough to cover the DJUSD structural budget deficit and any required or local control programming cost increases.

	2017-18	2018-19	2019-20
LCFF Revenue Increase:	\$1,450,000	\$2,360,000	\$1,830,000
Less expenditures increases:			
Increased pension costs (required):	\$1,000,000	\$1,200,000	\$1,200,000
Net step and column (required):	\$500,000	\$500,000	\$500,000
Net other cost increases (required):	\$0	\$60,000	\$20,000
LCAP Supplemental Services (required):	\$120,000	\$200,000	\$110,000
Deficit spending reduction:	\$0	\$400,000	\$0
Total Projected Increases	\$1,620,000	\$2,360,000	\$1,830,000
Increased Deficit Spending	(\$170,000)	\$0	\$0
Structural Budget Deficit	(\$1,000,000)	(\$600,000)	(\$600,000)



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Measure H Cost Inflation can help to reduce the structural budget deficit and mitigate future cost increases for program



- Measure H Cost Inflation (California CPI; projected at 2.8% - 2.9%)
 - Can be adjusted for inflation for 2018-19 going forward
 - Rate set in June of the preceding fiscal year
 - Increase \$250,000 - \$300,000 of revenue annually to cover staffing cost increases in required costs for parcel tax funded positions
 - Statutory benefits
 - Step and Column

Board direction needed to include as official budget assumption



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