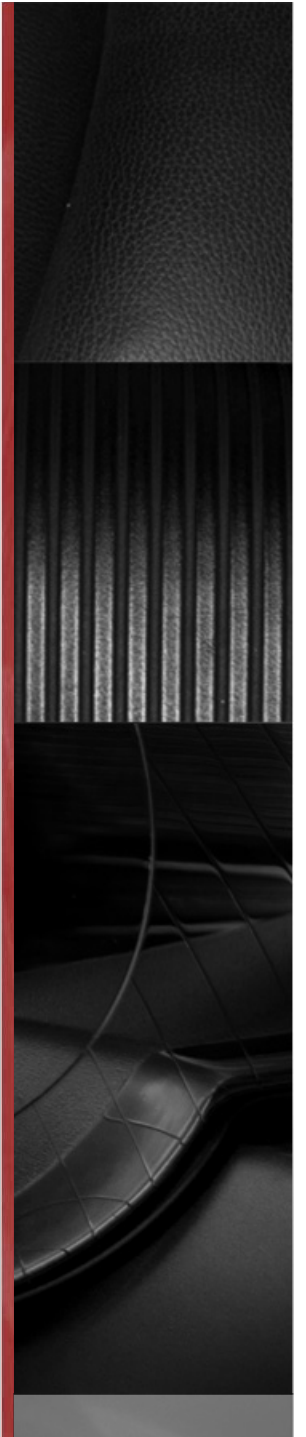


# 2018-19 Adoption Budget Board Summary

Davis Joint Unified School District

June 14, 2018





## Executive Summary

The 2018-19 budgets were completed based on the latest information available to date. For 2018-19, the proposed budget contains funding for LCFF growth that calculates to \$4 million of on-going new funding next year.

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

- Employee compensation (\$4+ Million)
  - Step and Column annual salary increases
  - Negotiated collective bargaining agreements
- State mandated programs (\$2+ Million)
  - Pension rate increases (STRS & PERS)
  - LCFF supplemental student programs (LCAP specific)
  - Class size
  - Special Education
  - Restricted Maintenance



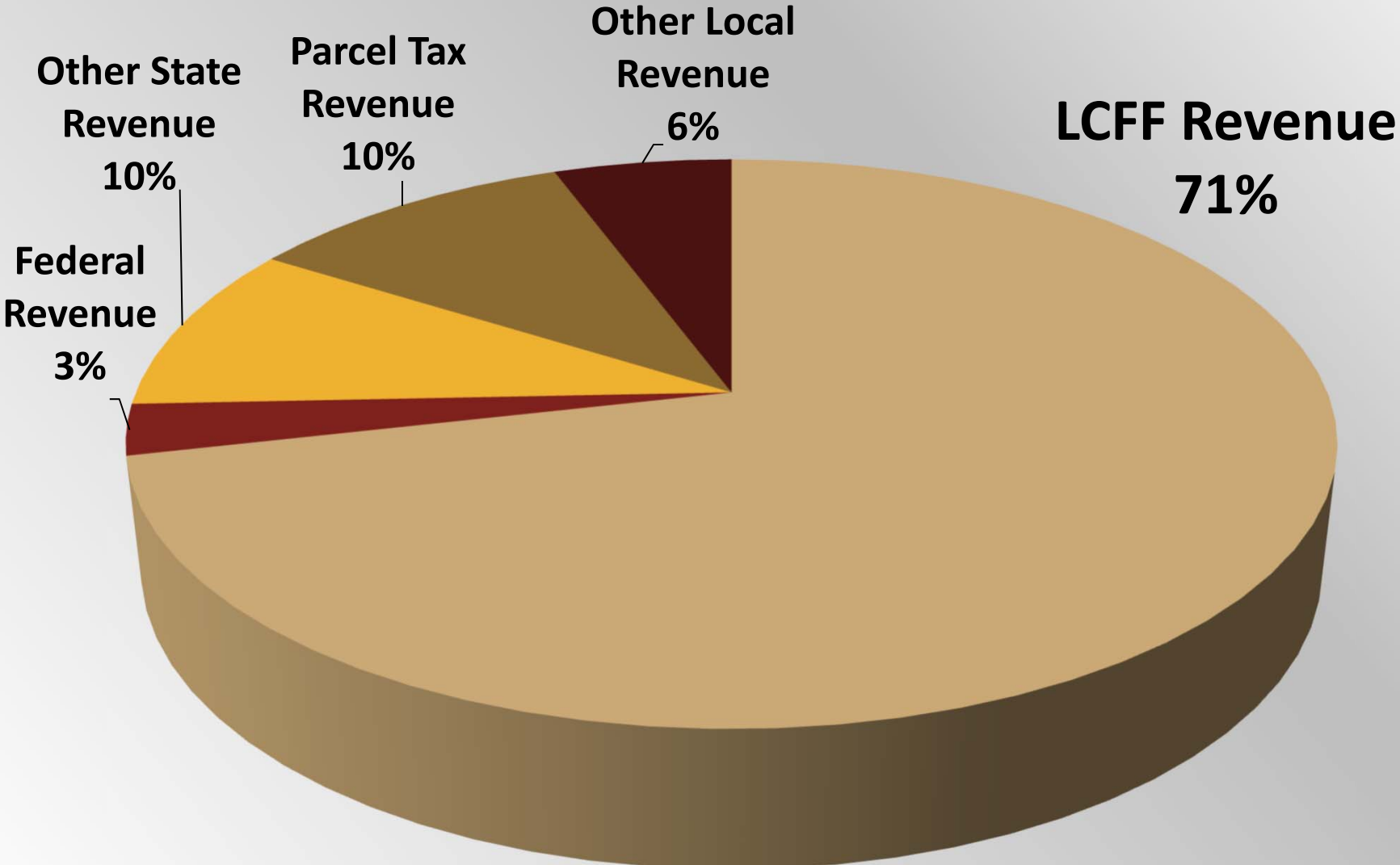
## Budget Summary 2019

- 2018-19 Local Control Funding Formula (LCFF)
  - Total additional projected revenue increase of \$4 million
- LCFF increases used to cover required cost increases in multi-year projections
- The District budget adopts
  - Attrition reductions and use of reserves to cover structural budget deficit in multi-year projections
- State budget details being released subject to change
  - Final LCFF growth projections
  - One-Time Discretionary funds
  - Categorical Programs

# General Fund Budget

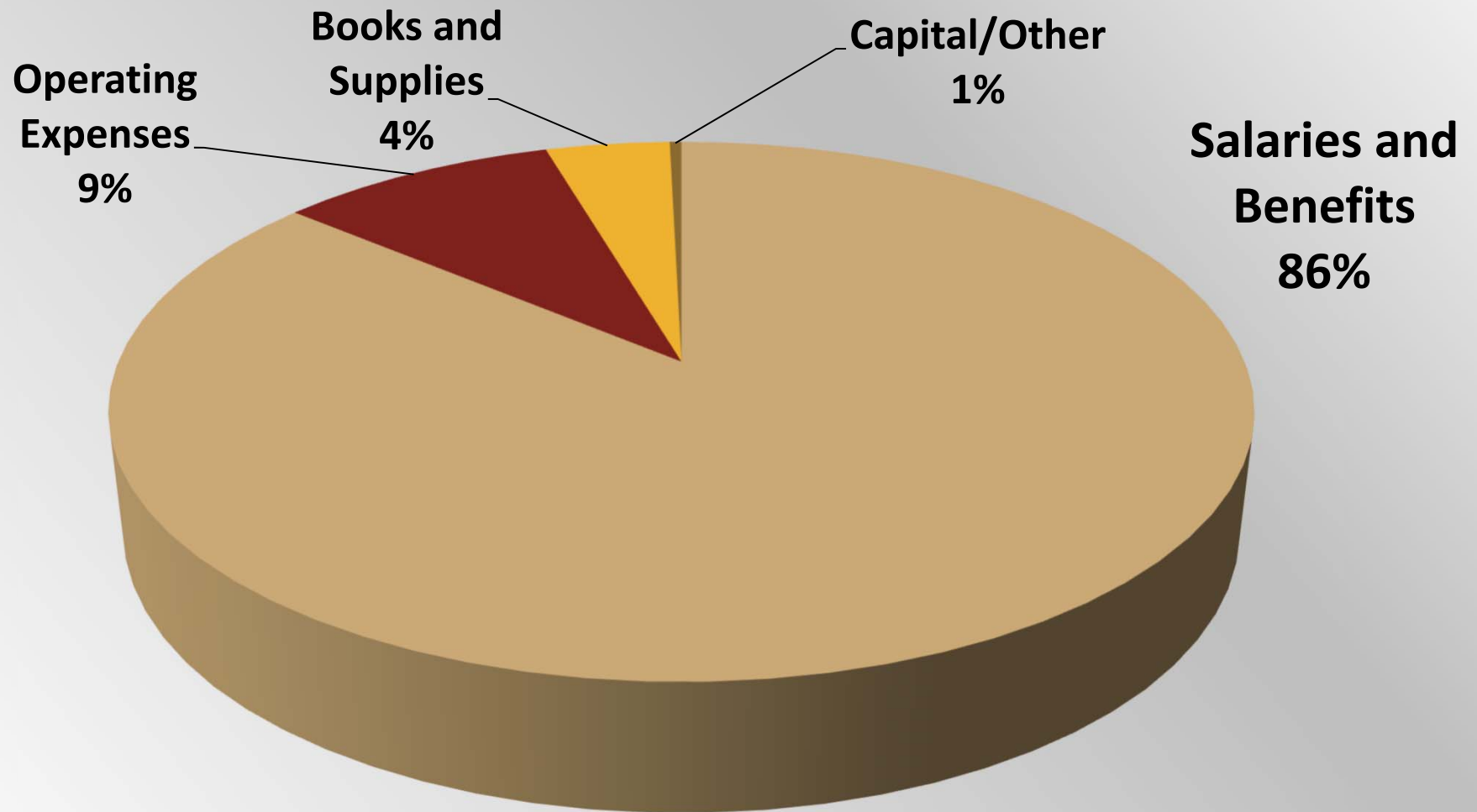
Description	<----- 2017-18 ESTIMATED ACTUALS ----->			<----- 2018-19 ADOPTION BUDGET----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$77,140,538	\$12,218,917	\$89,359,455	\$83,127,614	\$12,093,076	\$95,220,690
EXPENDITURES	\$64,876,387	\$30,212,192	\$95,088,579	\$65,744,552	\$29,155,859	\$94,900,411
OTHER FINANCING SOURCES/USES	(\$17,293,955)	\$17,050,904	(\$243,051)	(\$17,355,698)	\$16,987,407	(\$368,291)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>(\$5,029,804)</b>	<b>(\$942,371)</b>	<b>(\$5,972,175)</b>	<b>\$27,364</b>	<b>(\$75,376)</b>	<b>(\$48,012)</b>
BEGINNING FUND BALANCE JULY 1ST	\$10,391,741	\$2,505,237	\$12,896,978	\$5,361,936	\$1,562,866	\$6,924,802
ENDING FUND BALANCE JUNE 30TH	\$5,361,936	\$1,562,866	\$6,924,802	\$5,389,300	\$1,487,490	\$6,876,790
<b>RESERVE %</b>	<b>5.6%</b>			<b>5.7%</b>		
<b>COMPONENTS OF ENDING BALANCE</b>						
Revolving Cash/Stores/Pre-paid	\$47,500	\$0	\$47,500	\$47,500	\$0	\$47,500
Legally Restricted Balances	\$0	\$1,562,866	\$1,562,866	\$0	\$1,487,490	\$1,487,490
Designated for Economic Uncertainties	\$5,314,436		\$5,314,436	\$5,341,800		\$5,341,800
<b>Designated for Economic Uncertainties %</b>	<b>5.6%</b>		<b>\$0</b>	<b>5.6%</b>		<b>\$0</b>
<u>Other Assignments:</u>						
<b>Total Other Assignments %</b>	<b>0.0%</b>			<b>0.0%</b>		
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

# Sources of Revenue



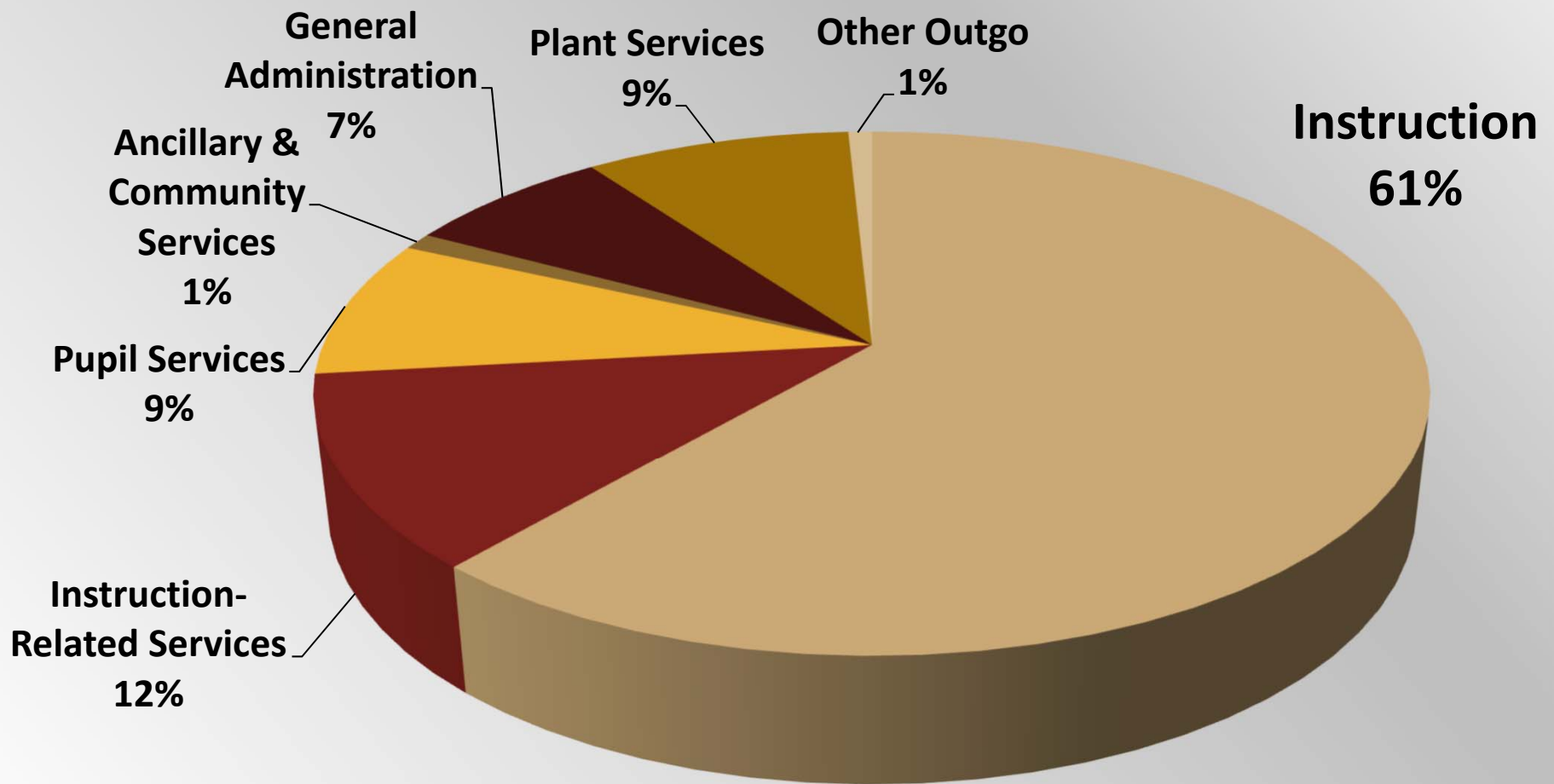
**Total General Fund Revenue \$95,220,690**

# Expenditures by Type



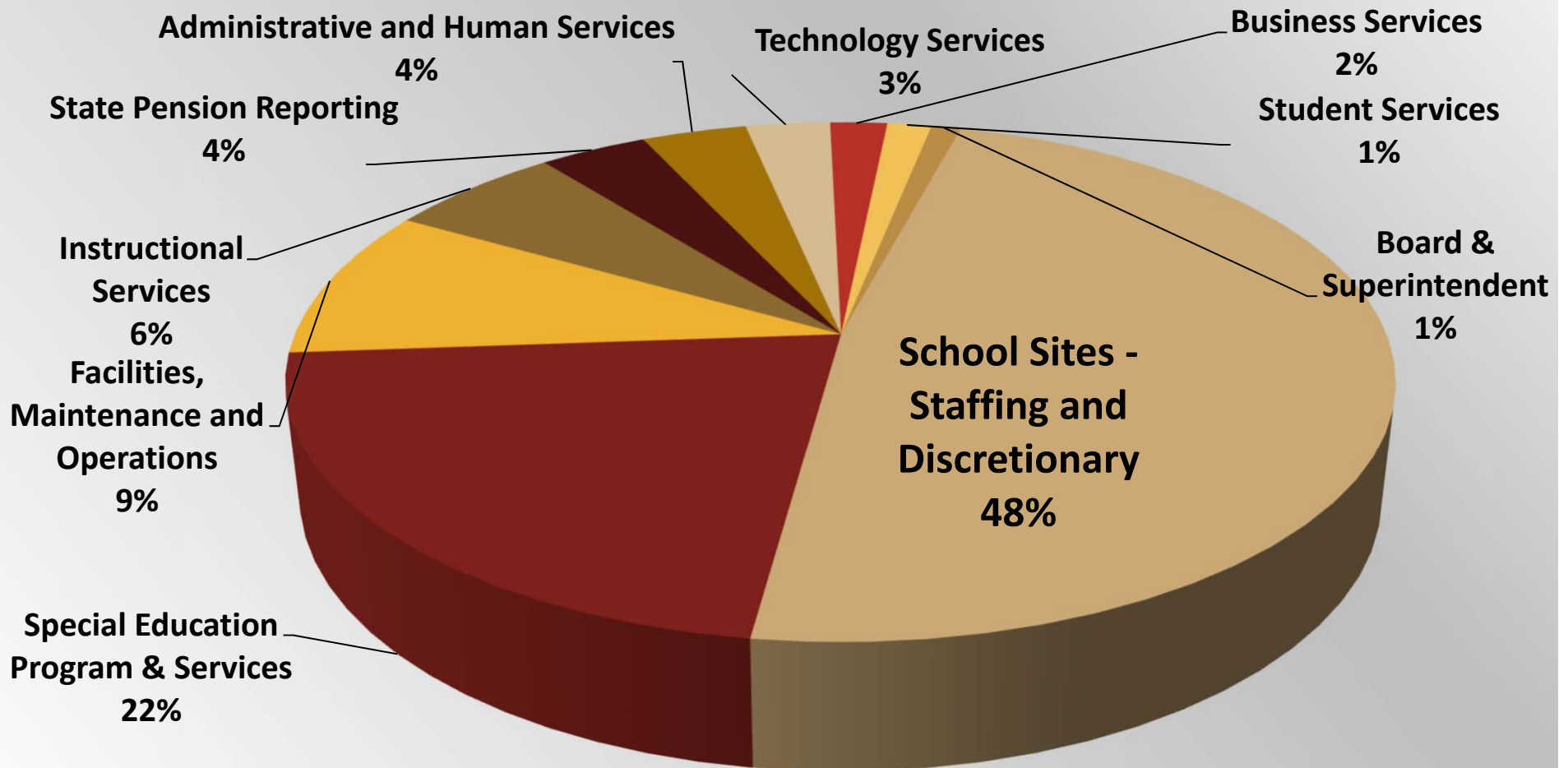
**Total General Fund Expenditures \$94,900,411**

# Expenditures by Activity



**Total General Fund Expenditures \$94,900,411**

# Expenditures by Budget Responsibility



**Total General Fund Expenditures \$94,900,411**



# Multi-Year Projections Summary Report



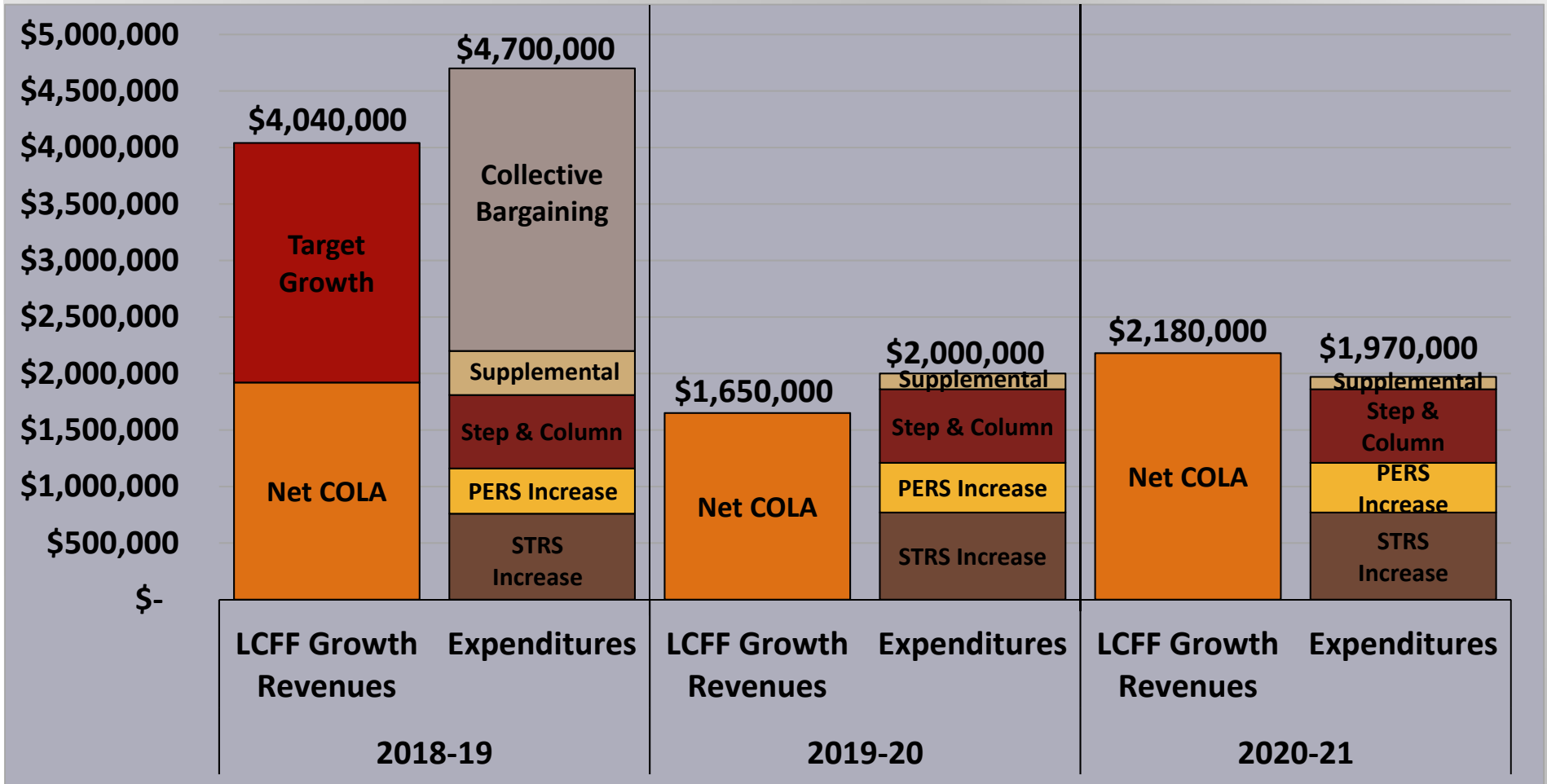
# Multi-Year Budget Assumptions

Key Assumptions	2018-19	2019-20	2020-21
Enrollment (Non-Charter)	8,050	8,039	8,070
<i>Change in Enrollment</i>	15	(11)	31
Average Daily Attendance (ADA)	7,725	7,715	7,743
<i>Change in ADA</i>	13	(10)	28
Total LCFF Funding per ADA (RATE)	\$8,797	\$9,023	\$9,272
PROJECTED COLA %	3.00%	2.57%	2.67%
PROJECTED LCFF GAP FUNDING %	100.00%	100.00%	100.00%
PROJECTED LCFF GROWTH % (RATE)	6.14%	2.57%	2.76%
<b>TOTAL LCFF REVENUE</b>	<b>\$67,961,609</b>	<b>\$69,615,731</b>	<b>\$71,794,629</b>
<b>LCFF FUNDING CHANGE</b>	<b>\$4,036,287</b>	<b>\$1,654,122</b>	<b>\$2,178,898</b>
<b>One-Time State Discretionary</b>	<b>\$2,657,445</b>	<b>\$0</b>	<b>\$0</b>
<b>PARCEL TAX REVENUE</b>	<b>\$9,940,000</b>	<b>\$10,193,000</b>	<b>\$10,457,000</b>
<b>Projected Step &amp; Column Increases</b>		<b>\$1,109,000</b>	<b>\$1,109,000</b>
<b>Pension Contribution Increase STRS</b>	<b>\$800,000</b>	<b>\$790,000</b>	<b>\$420,000</b>
<b>Pension Contribution Increase PERS</b>	<b>\$450,000</b>	<b>\$490,000</b>	<b>\$480,000</b>
<b>TOTAL UNRESTRICTED RESERVE %</b>	<b>5.7%</b>	<b>4.6%</b>	<b>4.1%</b>

**\* FUNDING INCREASES SUBJECT TO CHANGE BASED UPON STATE BUDGET**

# 2018-19 Adoption Budget

## Projected LCFF Growth & Expenditures



# Unrestricted Multi-Year Budget

Description	2018-19	2019-20	2020-21
REVENUES	\$83,127,614	\$81,917,291	\$84,360,189
EXPENDITURES	\$65,744,552	\$65,859,367	\$67,576,429
OTHER FINANCING SOURCES/USES	(\$17,355,698)	(\$17,102,872)	(\$17,195,047)
<b>NET INCR. (DECR.) IN FUND BALANCE</b>	<b>\$27,364</b>	<b>(\$1,044,948)</b>	<b>(\$411,287)</b>
BEGINNING FUND BALANCE JULY 1ST	\$5,361,936	\$5,389,300	\$4,344,352
<b>ENDING FUND BALANCE JUNE 30TH</b>	<b>\$5,389,300</b>	<b>\$4,344,352</b>	<b>\$3,933,065</b>
<i>RESERVE %</i>	<i>5.7%</i>	<i>4.6%</i>	<i>4.1%</i>
<b>COMPONENTS OF ENDING BALANCE</b>			
Revolving Cash/Stores/Prepaid	\$47,500	\$47,500	\$47,500
Reserve for Economic Uncertainties	\$5,341,800	\$4,296,852	\$3,885,565
<i>Reserve for Economic Uncertainties %</i>	<i>5.6%</i>	<i>4.5%</i>	<i>4.0%</i>
<b>Other Assignments:</b>			
<i>Total Other Assignments %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
Unassigned/Unappropriated Amount	\$0	\$0	\$0
<i>Unassigned/Unappropriated %</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<b>Operating Deficit - / Surplus +</b>	<b>(\$1,100,000)</b>	<b>(\$1,000,000)</b>	<b>(\$400,000)</b>

# Reserves Analysis





# 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 guideline minimum reserve for uncertainties - 6%**
    - State required minimum reserve for economic uncertainties - 3%



# Update on General Fund Reserves

- State reserve management regulations
- Transparency of reserves
  - Detailed reporting on specific uses/needs above 3% minimum
- District goal to keep a 6% minimum reserve level

# Transparency of Reserves

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

	2018-19 Budget
<b>Total Assigned and Unassigned Ending Fund Balances</b>	<b>\$5,341,800</b>
District Standard Reserve Level (per State law)	3%
Less District Minimum Reserve for Economic Uncertainties	\$2,003,175
<b>Remaining Balance to Substantiate Need</b>	<b>\$3,338,625</b>

<b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b>	
Local District policy of additional Reserve for Economic Uncertainties	\$3,338,625
<b>Total of Substantiated Needs</b>	<b>\$3,338,625</b>





## 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



# Questions