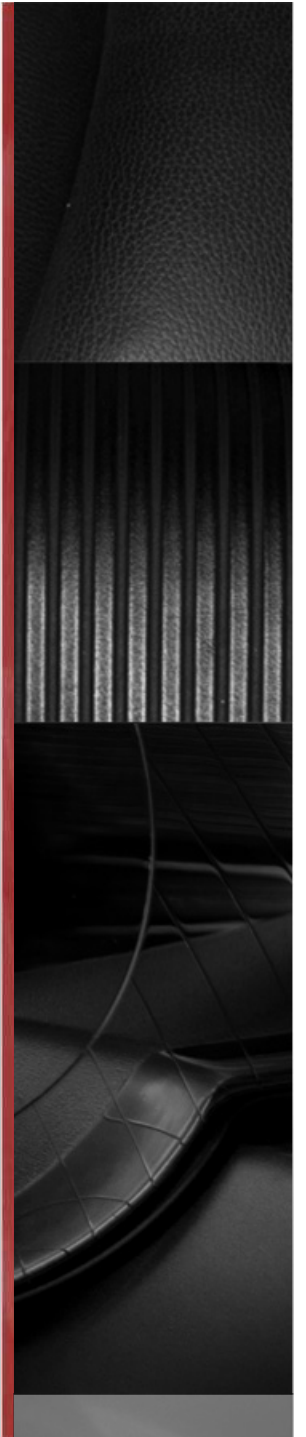


2018-19 Adoption Budget Board Summary

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



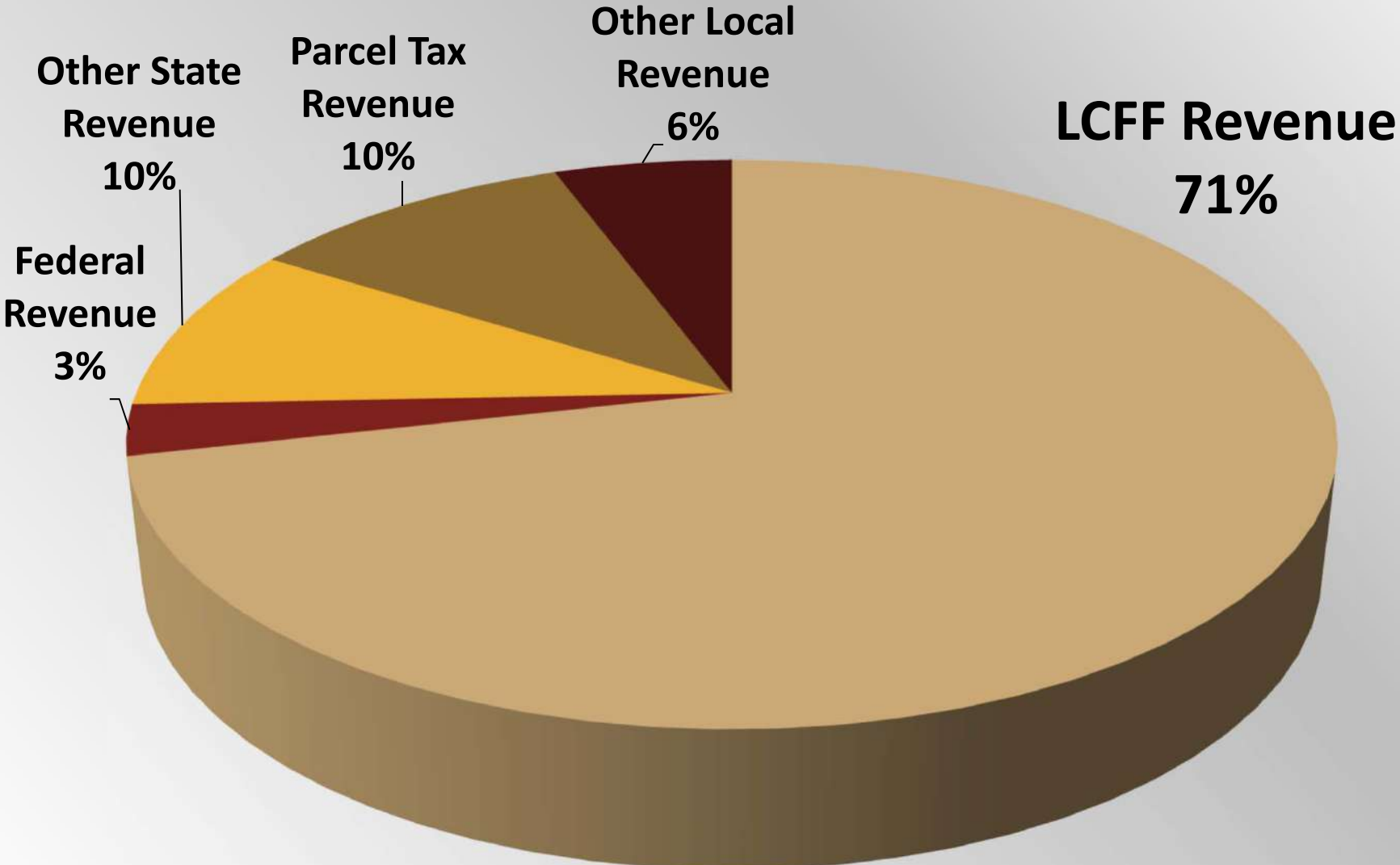
Budget Summary 2019

- 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

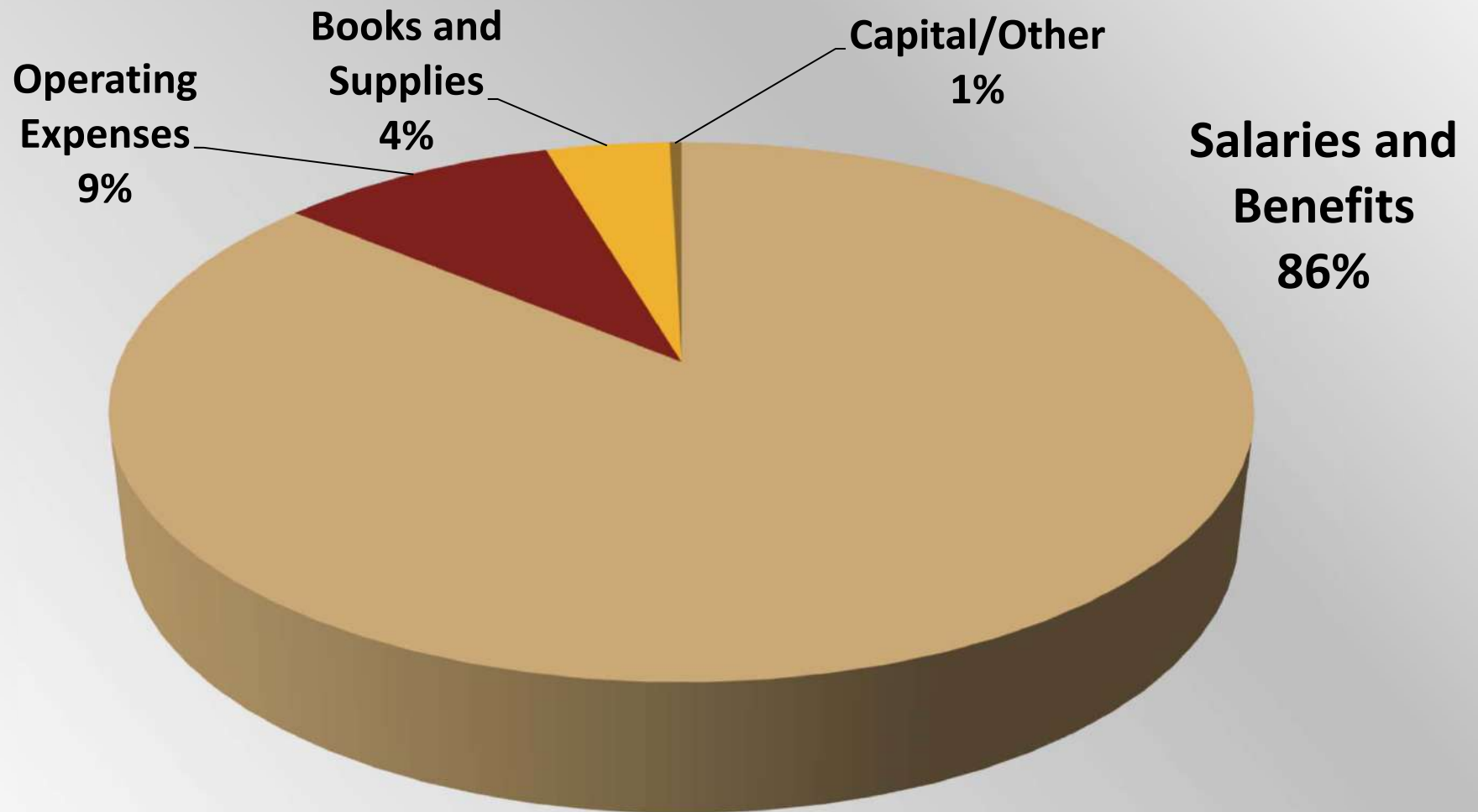
Description	<----- 2017-18 ESTIMATED ACTUALS ----->			<----- 2018-19 ADOPTION BUDGET ----->		
	UNRESTRICTED	RESTRICTED	TOTAL	UNRESTRICTED	RESTRICTED	TOTAL
REVENUES	\$77,140,538	\$12,218,917	\$89,359,455	\$83,127,614	\$12,093,076	\$95,220,690
EXPENDITURES	\$64,876,387	\$30,212,192	\$95,088,579	\$65,744,552	\$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)
NET INCR. (DECR.) IN FUND BALANCE	(\$5,029,804)	(\$942,371)	(\$5,972,175)	\$27,364	(\$75,376)	(\$48,012)
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
RESERVE %	5.6%			5.7%		
COMPONENTS OF ENDING BALANCE						
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
Designated for Economic Uncertainties %	5.6%		\$0	5.6%		\$0
<u>Other Assignments:</u>						
Total Other Assignments %	0.0%			0.0%		
Unassigned/Unappropriated Amount	\$0	\$0	\$0	\$0	\$0	\$0

Sources of Revenue



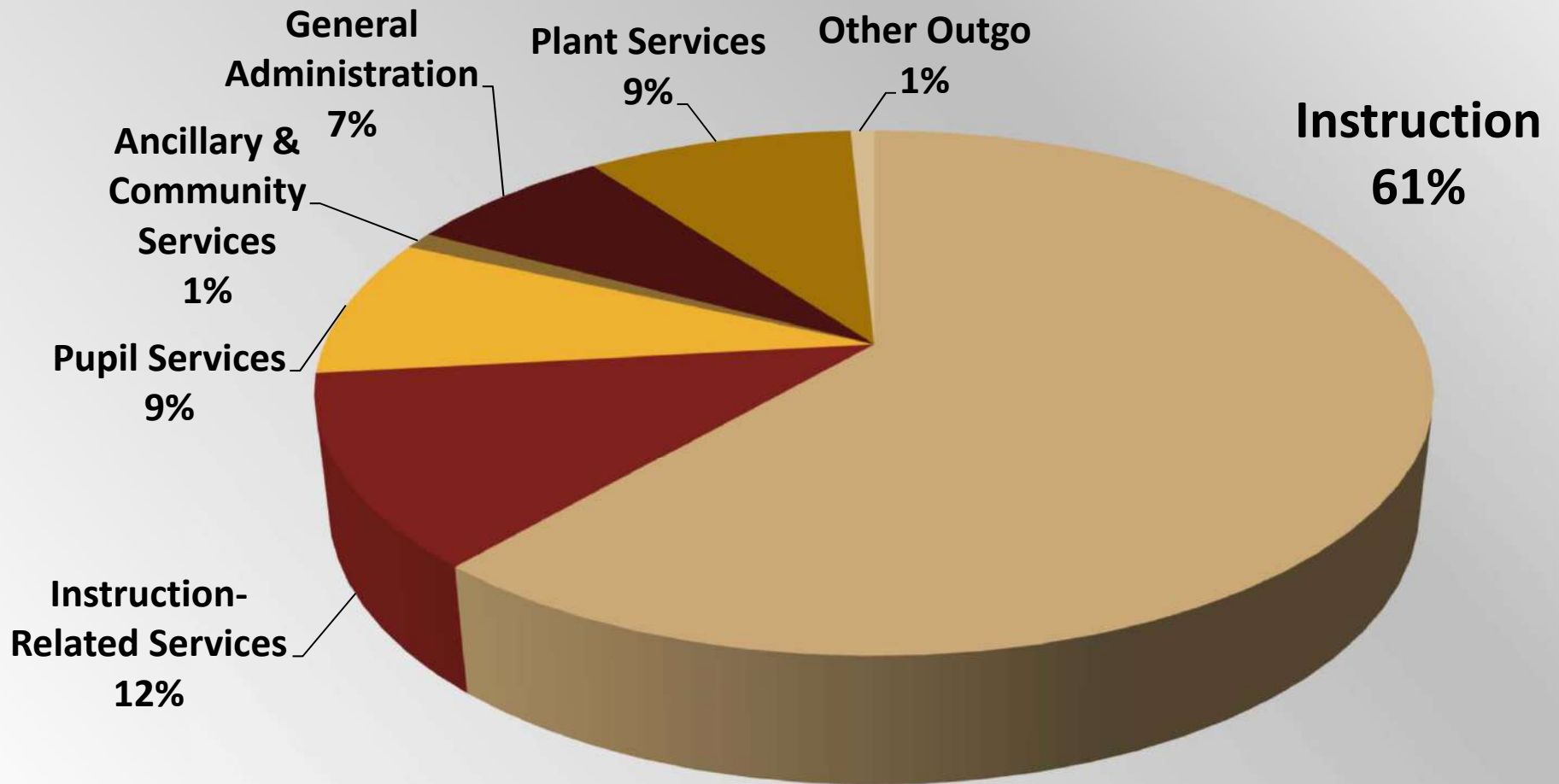
Total General Fund Revenue \$95,220,690

Expenditures by Type



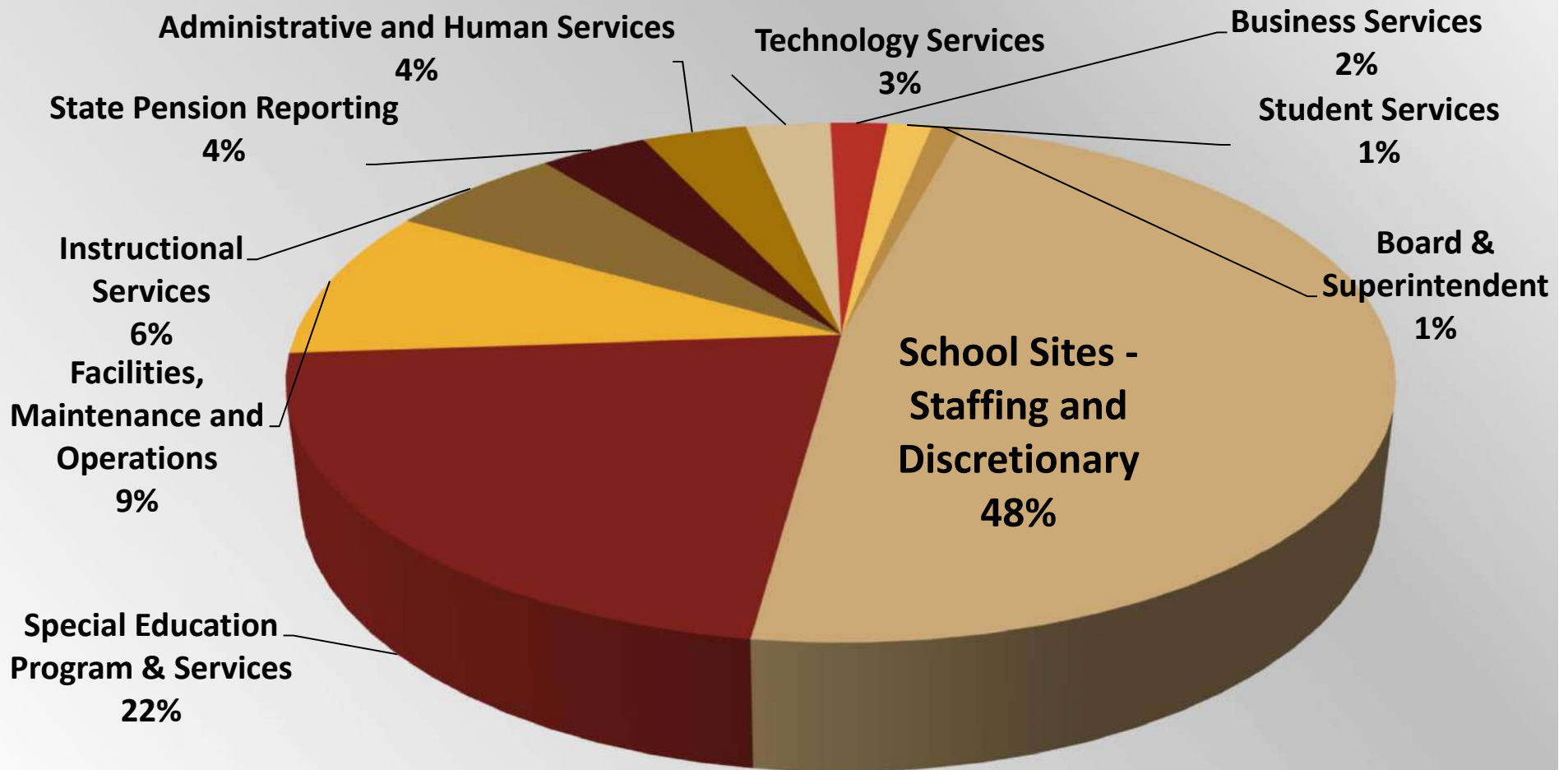
Total General Fund Expenditures \$94,900,411

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



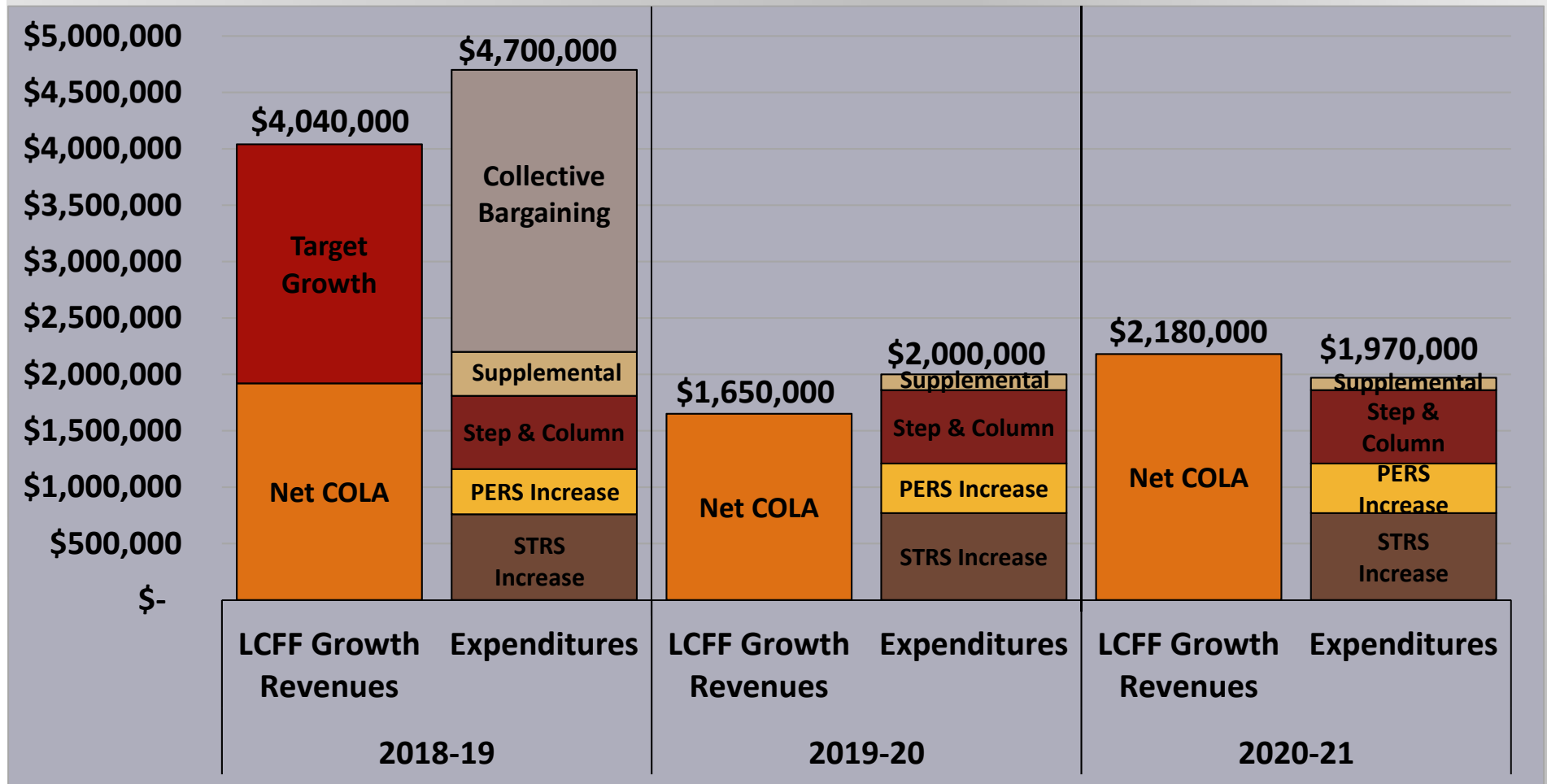
Multi-Year Budget Assumptions

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%
TOTAL LCFF REVENUE	\$67,961,609	\$69,615,731	\$71,794,629
LCFF FUNDING CHANGE	\$4,036,287	\$1,654,122	\$2,178,898
One-Time State Discretionary	\$2,657,445	\$0	\$0
PARCEL TAX REVENUE	\$9,940,000	\$10,193,000	\$10,457,000
Projected Step & Column Increases		\$1,109,000	\$1,109,000
Pension Contribution Increase STRS	\$800,000	\$790,000	\$420,000
Pension Contribution Increase PERS	\$450,000	\$490,000	\$480,000
TOTAL UNRESTRICTED RESERVE %	5.7%	4.6%	4.1%

*** 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)
NET INCR. (DECR.) IN FUND BALANCE	\$27,364	(\$1,044,948)	(\$411,287)
BEGINNING FUND BALANCE JULY 1ST	\$5,361,936	\$5,389,300	\$4,344,352
ENDING FUND BALANCE JUNE 30TH	\$5,389,300	\$4,344,352	\$3,933,065
<i>RESERVE %</i>	<i>5.7%</i>	<i>4.6%</i>	<i>4.1%</i>
COMPONENTS OF ENDING BALANCE			
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>
Other Assignments:			
<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>
Operating Deficit - / Surplus +	(\$1,100,000)	(\$1,000,000)	(\$400,000)

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

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



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