



# **2019-2020 PROPOSED BUDGET**

**REGULAR BOARD MEETING**

**JUNE 26, 2019**

# Presentation



- Vision and Mission Statement
- Budget Development
- 2018-2019 Revised Estimated Actuals
- 2019-2020 First Read vs. Proposed Budget Adoption
  - Revenues, Expenditures and Ending Fund Balance
- Local Reserves Requirement
- General Fund Summary
  - 2019-2020 Revenues and Expenditures
- Multi-Year Projection
- Looking Ahead
- Other Funds

# **VISION AND MISSION STATEMENT**

# Vision



*Unrelenting pursuit of the extraordinary  
school experience.*

# Mission



*To ignite genius and empower students to  
advance the world.*

# Budget Development



- Budget determinations have been made in accordance with the goals of District Design 2022 and Local Control Accountability Plan (LCAP)
- Maintain a fiscally sound reserve balance for a community funded school district (Basic Aid) and a continued commitment to proactive fiscal planning
- Communicate the budget to all stakeholders

**2018-2019**  
**Revised Estimated Actuals**

# Revenues



	2018-2019 Estimated Actuals	2018-2019 Revised Est Actuals	Difference
LCFF Sources	50,822,965	50,822,965	-
Federal Revenues	1,352,114	1,352,114	-
Other State Revenues	4,420,323	4,420,323	-
Other Local Revenues	3,937,473	3,937,473	-
Other Finance Sources	881,605	881,605	-
Total Revenues	61,414,480	61,414,480	-



# Expenditures



	2018-2019 Estimated Actuals	2018-2019 Revised Est Actuals	Difference
Certificated Salaries	28,785,638	29,843,838	1,058,200
Classified Salaries	7,883,983	8,166,983	283,000
Employee Benefits	14,066,134	14,347,334	281,200
Books & Supplies	1,798,801	1,798,801	-
Operating Expenses	5,478,492	5,478,492	-
Capital Outlay	1,068,290	1,068,290	-
Other Outgo & Transfer Out	571,022	575,781	4,759
Total Expenditures	59,652,360	61,279,519	1,627,159

# Ending Fund Balance



	2018-2019 Revised Est Actuals
Net Increase (Decrease)	134,961
Beginning Fund Balance	12,089,343
Ending Fund Balance	12,224,304
<b><i>Components of Ending Fund Balance:</i></b>	
Revolving Cash	25,000
Restricted	109,672
Assigned Minimum Reserve 15%	9,191,929
Reserve for Economic Uncertainty	1,838,386
Unassigned/Unappropriated	1,059,318
Unrestricted General Fund Reserve	12,089,632
Fund 17 Special Reserve Fund	400,000
Total Fund 01 and 17 Reserve	12,489,632
Total Reserve %	20.4%

**2019-2020**  
**FIRST READ**  
**versus**  
**PROPOSED BUDGET**  
**ADOPTION**

# Revenues



	2019-2020 First Read	2019-2020 Proposed Budget	Difference
LCFF Sources	53,164,241	53,164,241	-
Federal Revenues	1,263,877	1,273,877	10,000
Other State Revenues	3,503,338	3,503,338	-
Other Local Revenues	3,419,920	3,582,800	162,880
Other Finance Sources	70,000	70,000	-
Total Revenues	61,421,376	61,594,256	172,880

# Changes in Revenue



- Revenue:
  - Increase in Federal Revenue for Title IV Student Support
  - Increase in Local Revenue for:
    - ✦ Increase in interest revenue
    - ✦ Increase in DMSEF donation
    - ✦ Increase for CGI external district training

# Expenditures



	2019-2020 First Read	2019-2020 Proposed Budget	Difference
Certificated Salaries	28,847,045	30,707,222	1,860,177
Classified Salaries	7,945,698	8,412,814	467,116
Employee Benefits	14,075,775	14,653,282	577,507
Books & Supplies	1,648,960	1,613,470	(35,490)
Operating Expenses	5,488,573	5,380,982	(107,591)
Capital Outlay	50,000	110,820	60,820
Other Outgo & Transfer Out	715,666	715,666	-
<b>Total Expenditures</b>	<b>58,771,717</b>	<b>61,594,256</b>	<b>2,822,539</b>

# Changes in Expenditures



- Expenditures:
  - Salaries and Benefits:
    - ✦ Adjustments for tentative collective bargaining agreement
  - Materials & Supplies
    - ✦ Reallocation to Salary and Benefits
  - Operating Expenses
    - ✦ Reallocation to Salary and Benefits and Capital Outlay
  - Capital Outlay
    - ✦ Reallocation from Operating Expenses

# Ending Fund Balance



	2019-2020 Proposed Budget
Net Increase (Decrease)	-
*Revised Beginning Fund Balance	12,224,304
Ending Fund Balance	12,224,304
<b><i><u>Components of Ending Fund Balance:</u></i></b>	
Revolving Cash	25,000
Restricted	109,672
Assigned Minimum Reserve 15%	9,239,140
Reserve for Economic Uncertainty	1,847,828
Unassigned/Unappropriated	1,002,664
Unrestricted General Fund Reserve	12,114,632
Fund 17 Special Reserve Fund	800,000
Total Fund 01 and 17 Reserve	12,889,632
Total Reserve %	20.9%



# Local Reserves Requirement



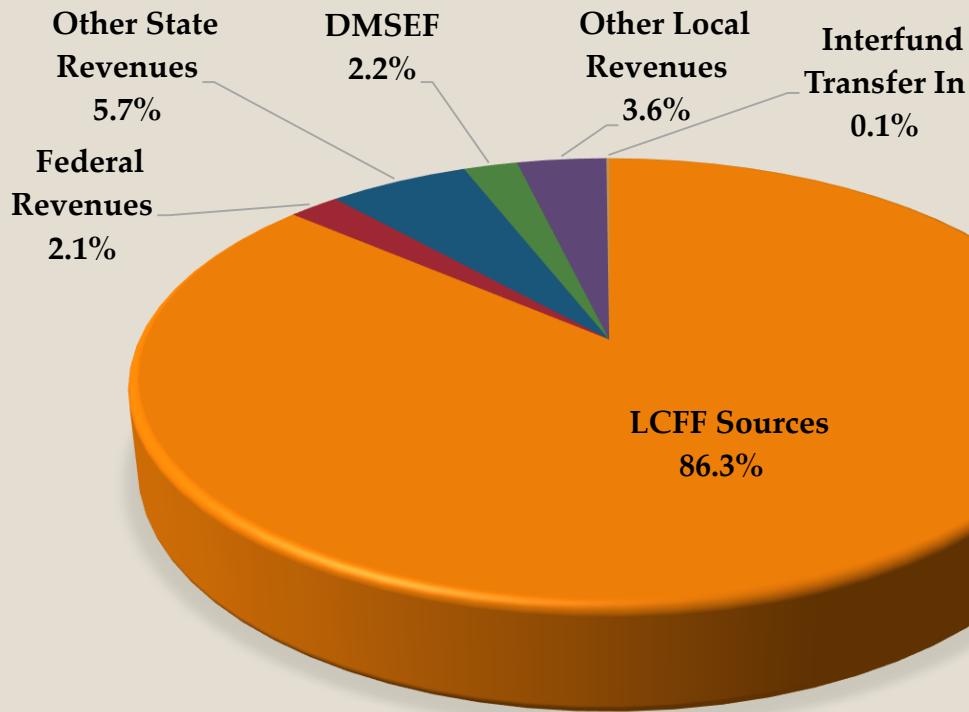
## Proposed 2019-2020 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances:	\$12,889,632
Less Minimum 3% Reserve for Economic Uncertainties:	<u>\$ 1,847,828</u>
Remaining Balance to Substantiate Need:	\$11,041,804

\$ 1,002,664	Reserve for pensions and Future Obligations
\$ 9,239,140	Fund Balance Policy requiring reserves of at least 15%
<u>\$ 800,000</u>	School #9 Operations Reserve (Fund 17)
\$ 11,041,804	Total Need Supported by Excess Fund Balances

# **GENERAL FUND SUMMARY**

# 2019-2020 Revenue Summary

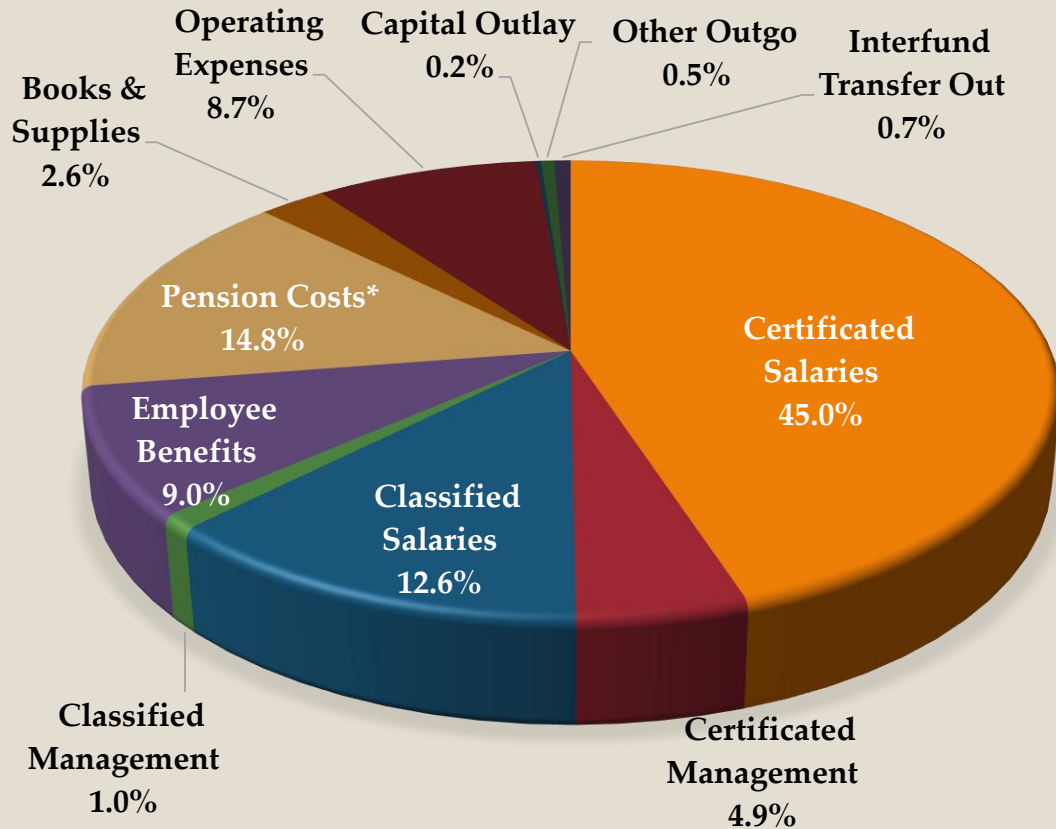


LCFF Sources	53,164,241
Federal Revenues	1,273,877
Other State Revenues*	3,503,338
DMSEF	1,350,000
Other Local Revenues	2,232,800
Interfund Transfer In	70,000
<b>Total Rev. &amp; Other Sources</b>	<b>\$61,594,256</b>

\*Other State Revenues includes:

- State STRS "on-behalf" contribution of \$2,251,408

# 2019-2020 Expenditure Summary



Certificated Salaries	27,687,111
Certificated Management	3,020,111
Classified Salaries	7,773,908
Classified Management	638,906
Employee Benefits	5,558,049
Pension Costs*	9,095,233
Books & Supplies	1,613,470
Operating Expenses	5,380,982
Capital Outlay	110,820
Other Outgo	315,666
Interfund Transfer Out	400,000
<b>Total Exp. &amp; Other Outgo</b>	<b>\$61,594,256</b>

**Total Salary and Benefits\* = 87.3%**

\*Pension costs includes State STRS "on-behalf" contribution of \$2,251,408

# **MULTI-YEAR PROJECTION**

# Multi-Year Projection Assumptions



- Property Tax Projection:
  - 2020-21 4.5% Increase
  - 2021-22 4.0% Increase
- Average Daily Attendance Projections:
  - 2020-21 4,043
  - 2021-22 4,004
- Salary: Step and Column 2% Increase Annually
- Benefits: Annual Increases in Employer STRS and PERS Contributions

# Multi-Year Projection



DESCRIPTION	FY 2019-20 Current (Base Year)	FY 2020-21 First Projected Year	FY 2021-22 Second Projected Year
<b>Revenues</b>			
LCFF Sources	53,164,241	55,445,333	57,566,711
Federal Revenues	1,273,877	1,273,877	1,273,877
Other State Revenues	3,503,338	3,490,463	3,488,332
Other Local Revenues	3,582,800	3,548,064	3,605,483
Transfers In	70,000	70,000	70,000
<b>Total Revenues</b>	<b>61,594,256</b>	<b>63,827,736</b>	<b>66,004,403</b>
<b>Expenditures</b>			
Certificated Salaries	30,707,222	31,321,366	31,947,793
Classified Salaries	8,412,814	8,581,071	8,752,692
Employee Benefits	14,653,282	15,611,086	15,892,390
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	1,613,470	1,660,343	1,656,209
Services, Other Operating Expenses (includes Facility Maintenance Projects)	5,380,982	5,501,802	5,556,802
Capital Outlay (depreciating assets over \$5,000)	110,820	50,000	50,000
Other Outgo & Transfers Out	715,666	1,016,835	1,617,999
<b>Total Expenditures:</b>	<b>61,594,256</b>	<b>63,742,503</b>	<b>65,473,885</b>

# Multi-Year Projection Continued



DESCRIPTION	FY 2019-20 Current (Base Year)	FY 2020-21 First Projected Year	FY 2021-22 Second Projected Year
Net Increase (Decrease) In Fund Balance	-	85,234	530,518
Beginning Balance as of July 1	12,224,304	12,224,304	12,309,538
Ending Balance	12,224,304	12,309,538	12,840,056
Revolving Cash	25,000	25,000	25,000
Restricted:	109,672	109,672	109,672
Assigned Minimum Reserve 15%	9,239,140	9,561,375	9,821,085
Reserve for Economic Uncertainties	1,847,828	1,912,275	1,964,217
Unassigned/Unappropriated Amount	1,002,664	701,216	920,082
Unrestricted General Fund Reserve	12,089,632	12,174,866	12,705,384
Fund 17 Special Reserve Fund	800,000	1,500,000	2,800,000
Total Fund 01 and 17 Reserve	12,889,632	13,674,866	15,505,384
Total Reserve %	20.9%	21.5%	23.7%



# LOOKING AHEAD

# Looking Ahead



- Await final 2019-2020 pension rates and updated forecasts
- Special education equalization and preschool funding
- 2018-2019 carryover after Unaudited Actuals
- Continue to monitor enrollment projections and staffing needs
- Prioritize projects as identified in the Facility Master Plan (FMP)
- Language Program

# OTHER FUNDS

# Fund 13 Cafeteria Fund



Total Revenues	\$ 1,064,800
Total Expenditures	<u>\$ 1,064,800</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance	\$ -
Ending Fund Balance	\$ -

*This fund is used to account separately federal, state and local resources to operate the food service program.*

# Fund 14 Deferred Maintenance



Total Revenues	\$ 262,966
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 262,966
Beginning Fund Balance	\$ 826,353
Ending Fund Balance	\$1,089,319

*This fund is used to account deferred maintenance projects for major replacement or repair - a contribution to the deferred maintenance fund from the general fund of 0.50% of property tax revenue is committed by resolution.*

# Fund 17 Special Reserve



Total Revenues	\$ 400,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 400,000
Beginning Fund Balance	\$ 400,000
Ending Fund Balance	\$ 800,000

*This fund is used to primarily provide for the accumulation of general fund moneys – the contribution from the general fund is assigned for the future operating costs of Pacific Highlands Ranch School #9*

# Fund 25 Capital Facilities Fund



Total Revenues	\$ 58,000
Total Expenditures	<u>\$ 13,000</u>
Net Increase in Fund Balance	\$ 45,000
Beginning Fund Balance	\$ 595,291
Ending Fund Balance	\$ 640,291

*The 2018 Developer Fees for Residential is \$3.79/sq. ft. and Commercial is \$0.61/sq. ft.*

*DMUSD receives 47.47% (\$1.80 & \$0.29 /sq. ft. respectively) and the San Dieguito Union High School District receives the remaining 52.53%.*

*Funds are to be used to increase capacity at a school site.*

# Fund 40 Special Reserve for Capital Outlay



Total Revenues	\$ 70,000
Total Expenditures	<u>\$ 400,000</u>
Net Decrease in Fund Balance	\$ (330,000)
Beginning Fund Balance	\$ 6,149,165
Ending Fund Balance	\$ 5,819,165

*This fund is used to account for the renovation of district facilities*



# Fund 49 CFD 95-1 & CFD 99-1 Combined



Total Revenues	\$ 4,365,025
Total Expenditures	<u>\$ 3,575,184</u>
Net Increase in Fund Balance	\$ 789,841
Beginning Fund Balance	\$12,157,781
Ending Fund Balance	\$12,947,622
CFD 95-1 Ending Fund Balance:	\$ 4,440,786
CFD 99-1 Ending Fund Balance:	\$ 8,506,836

# Fund 63 Enterprise Fund



Total Revenues	\$ 4,815,000
Total Expenditures	<u>\$ 5,149,588</u>
Net Decrease in Fund Balance	\$ (334,588)
Beginning Fund Balance*	\$ 1,680,133
Ending Fund Balance*	\$ 1,345,545

\*Net of Pension and OPEB Liability

*This fund is used to account for the revenue and expenditures of the childcare program.*

# Fund 73 Trust Fund



Total Revenues	\$ 500
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 500
Beginning Fund Balance	\$ 33,485
Ending Fund Balance	\$ 33,985

*This fund is for Del Mar Heights School and is in memory of Erin Ellerman, any interest earned may be used for scholarships and library books.*

**QUESTIONS?**