



# **2020-2021 PROPOSED BUDGET**

**REGULAR BOARD MEETING  
JUNE 24, 2020**

# Presentation



- Vision and Mission Statement
- Budget Development
- 2020-2021 First Read vs. Proposed Budget Adoption
  - Revenues, Expenditures and Ending Fund Balance
- Local Reserves Requirement
- General Fund Summary
  - 2020-2021 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 the 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

**2020-2021**  
**FIRST READ**  
**versus**  
**PROPOSED BUDGET**  
**ADOPTION**

# Revenues



	2020-2021 First Read	2020-2021 Proposed Budget	Difference
LCFF Sources	55,069,131	54,952,096	(117,035)
Federal Revenues	1,207,068	1,313,820	106,752
Other State Revenues	4,192,370	4,192,370	-
Other Local Revenues	3,247,989	3,418,484	170,495
Total Revenues	63,716,558	63,876,770	160,212

# Updates in Revenue Assumptions



- Revenue:
  - Anticipated Basic Aid Reduction of \$117,035 or 10% of Minimum State Aid Allocation (\$1,170,350)
  - Federal CARES Act Funding
  - Special Education Equalization, funding through SELPA

# Expenditures



	2020-2021 First Read	2020-2021 Proposed Budget	Difference
Certificated Salaries	30,605,672	30,902,580	296,908
Classified Salaries	8,353,632	8,443,815	90,183
Employee Benefits	16,118,562	15,391,396	(727,166)
Books & Supplies	1,640,111	1,764,453	124,342
Operating Expenses	5,853,915	5,674,784	(179,131)
Capital Outlay	146,000	546,000	400,000
Other Outgo & Transfer Out	998,666	1,153,742	155,076
<b>Total Expenditures</b>	<b>63,716,558</b>	<b>63,876,770</b>	<b>160,212</b>

# Updates in Expenditures Assumptions



## Certificated and Classified Salaries and Benefits:

- 179 FTE General Education Certificated Teachers
  - May require four to six additional teachers based upon final count of families opting into distance learning model
- Reduction in CalSTRS employer rate from 18.40% to 16.15% and reduction in CalPERS employer rate from 22.68% to 20.70%
- Addition of Speech Language Pathologist Aide
- Addition of Night Custodian

# Updates in Expenditures Assumptions



## Operating Expenditures:

- Additional materials and supplies due to COVID-19
- Addition of higher costs for transportation due to social distancing guidance for bus transportation
- Addition of Apple lease for additional iPads for primary grades
- Addition of summer capital outlay projects, offset by reduction in operating expenses
- General Fund support to Cafeteria Fund 13

# Ending Fund Balance



	2020-2021 Proposed Budget
Net Increase (Decrease)	-
Beginning Fund Balance	14,913,239
Ending Fund Balance	14,913,239
<i><u>Components of Ending Fund Balance:</u></i>	
Revolving Cash	25,000
Restricted	522,297
Assigned: Minimum Reserve 15%	9,581,516
Assigned: Science Curriculum Adoption	750,000
Reserve for Economic Uncertainty	1,916,303
Unassigned/Unappropriated	2,118,123
Total Unrestricted Reserve %	22.5%

# Local Reserves Requirement



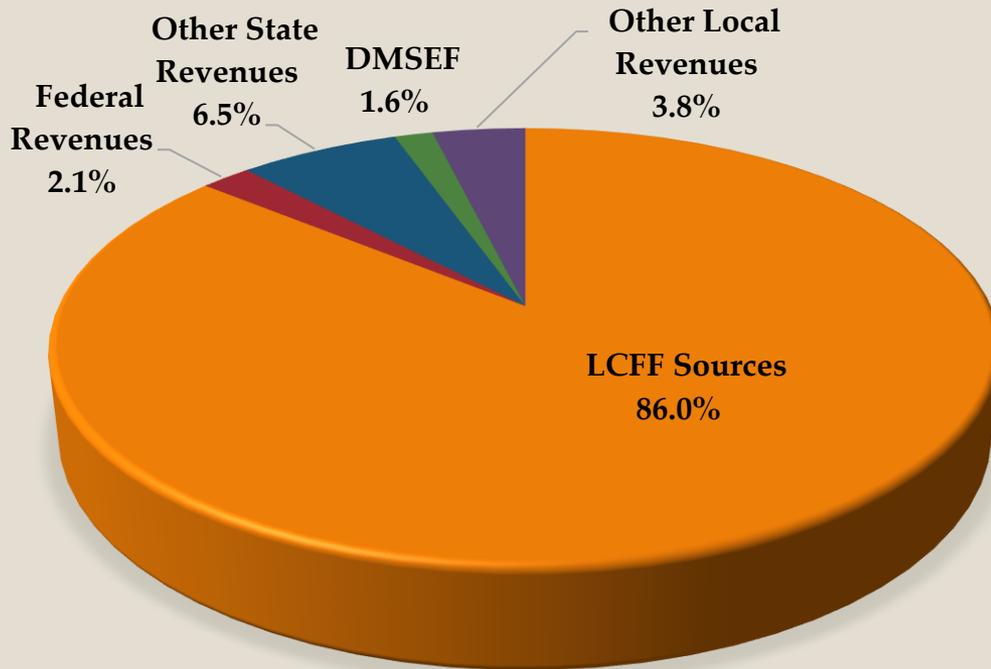
## Proposed 2020-2021 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances:	\$15,882,049
Less Minimum 3% Reserve for Economic Uncertainties:	<u>\$ 1,916,303</u>
Remaining Balance to Substantiate Need:	\$13,965,746

\$ 2,118,123	Basic Aid stabilization and reserve for pensions, OPEB, and future obligations
\$ 750,000	Science Curriculum Adoption
\$ 9,581,516	Fund Balance Policy requiring reserves of at least 15%
<u>\$ 1,516,107</u>	School #9 Operations Reserve (Fund 17)
\$ 13,965,746	Total Need Supported by Excess Fund Balances

# GENERAL FUND SUMMARY

# 2020-2021 Revenue Summary

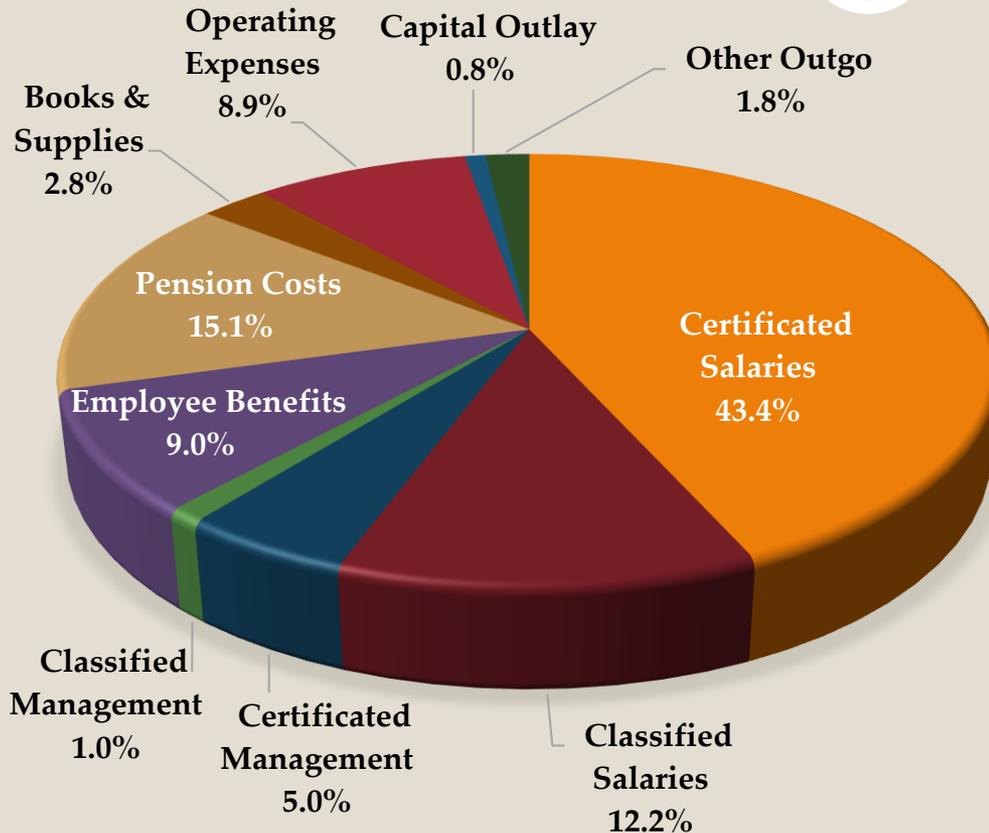


LCFF Sources	54,952,096
Federal Revenues	1,313,820
Other State Revenues*	4,192,370
DMSEF	1,000,000
Other Local Revenues	2,418,484
<b>Total Rev. &amp; Other Sources</b>	<b>\$63,876,770</b>

\*Other State Revenues includes:

- State STRS “on-behalf” contribution of \$2,952,651

# 2020-2021 Expenditure Summary



Certificated Salaries	27,700,248
Certificated Management	3,202,332
Classified Salaries	7,782,871
Classified Management	660,944
Employee Benefits	5,725,618
Pension Costs*	9,665,778
Books & Supplies	1,764,453
Operating Expenses	5,674,784
Capital Outlay	546,000
Other Outgo & Transfer Out	1,153,742
<b>Total Exp. &amp; Other Outgo</b>	<b>\$63,876,770</b>

**Total Salary and Benefits\* = 85.7%**

\*Pension costs includes State STRS "on-behalf" contribution of \$2,952,651

# MULTI-YEAR PROJECTION

# Multi-Year Projection Assumptions



- Property Tax Projection:
  - 2021-22 2.0% Increase
  - 2022-23 3.0% Increase
- Average Daily Attendance Projections:
  - 2021-22 3,965
  - 2022-23 3,944
- Salary: Step and Column 2% Increase Annually
- Benefits: Annual Increases in Employer STRS and PERS Contributions
- On-going Basic Aid Reduction at 10% of Minimum State Aid

# Multi-Year Projection



DESCRIPTION	FY 2020-21 Current (Base Year)	FY 2021-22 First Projected Year	FY 2022-23 Second Projected Year
<b>Revenues</b>			
LCFF Sources	54,952,096	56,000,180	57,617,776
Federal Revenues	1,313,820	1,313,820	1,313,820
Other State Revenues	4,192,370	4,181,894	4,178,087
Other Local Revenues	3,418,484	3,419,314	3,420,350
Transfers In	-	-	-
<b>Total Revenues</b>	<b>63,876,770</b>	<b>64,915,208</b>	<b>66,530,033</b>
<b>Expenditures</b>			
Certificated Salaries	30,902,580	31,271,849	32,394,009
Classified Salaries	8,443,815	8,612,691	9,145,005
Employee Benefits	15,391,396	15,701,257	16,899,418
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	1,764,453	1,654,569	1,653,975
Services, Other Operating Expenses (includes Facility Maintenance Projects)	5,674,784	6,035,784	6,258,784
Capital Outlay (depreciating assets over \$5,000)	546,000	-	-
Other Outgo & Transfers Out	1,153,742	1,753,742	453,742
<b>Total Expenditures:</b>	<b>63,876,770</b>	<b>65,029,892</b>	<b>66,804,933</b>

# Multi-Year Projection Continued



DESCRIPTION	FY 2020-21 Current (Base Year)	FY 2021-22 First Projected Year	FY 2022-23 Second Projected Year
Net Increase (Decrease) In Fund Balance	-	(114,684)	(274,900)
Beginning Balance as of July 1	14,913,239	14,913,239	14,798,555
Ending Balance	14,913,239	14,798,555	14,523,655
Revolving Cash	25,000	25,000	25,000
Restricted:	522,297	522,596	522,296
Assigned Minimum Reserve 15%	9,581,516	9,754,484	10,020,740
Assigned Science Curriculum Adoption	750,000	750,000	750,000
Reserve for Economic Uncertainties	1,916,303	1,950,897	2,004,148
Unassigned/Unappropriated Amount	2,118,123	1,795,878	1,201,471
Unrestricted General Fund Reserve %	22.5%	21.9%	20.9%

# LOOKING AHEAD

# Looking Ahead



- Continue monitoring needs related to COVID-19 pandemic
  - Staffing for distance learning
  - Additional materials and supplies
  - Fee based programs - After School Program and Early Childhood Development Center
- Await final state revenue collections and potential state budget revisions
- Continue monitoring enrollment and staffing projections
- Continue monitoring contributions to restricted programs

# OTHER FUNDS

# Fund 13 Cafeteria Fund



Total Revenues	\$ 875,496
General Fund Transfer	\$ 42,076
Total Expenditures	<u>\$ 917,572</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	\$ 275,658
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 275,658
Beginning Fund Balance	\$1,105,399
Ending Fund Balance	\$1,381,057

*This fund is used to account for 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	\$ 706,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 706,000
Beginning Fund Balance	\$ 810,107
Ending Fund Balance	\$1,516,107

*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 21 Measure MM, Series 2019 A



Total Revenues	\$ 225,000
Total Expenditures	<u>\$ 47,822,000</u>
Net Decrease in Fund Balance	\$(47,597,000)
Beginning Fund Balance	\$ 51,577,740
Ending Fund Balance	\$ 3,980,740

*This fund is used to account for capital projects approved under 2018 General Obligation Bond Measure MM*

# Fund 25 Capital Facilities Fund



Total Revenues	\$ 56,000
Total Expenditures	<u>\$ 13,000</u>
Net Increase in Fund Balance	\$ 43,000
Beginning Fund Balance	\$ 751,242
Ending Fund Balance	\$ 794,242

*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	\$ 65,000
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 65,000
Beginning Fund Balance	\$ 5,882,705
Ending Fund Balance	\$ 5,947,705

*This fund is used to account for the renovation of district facilities and other capital projects*

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



Total Revenues	\$ 4,420,000
Total Expenditures	<u>\$ 25,896,125</u>
Net Decrease in Fund Balance	\$(21,476,125)
Beginning Fund Balance	\$ 44,566,842
Ending Fund Balance	\$ 23,090,717
CFD 95-1 Ending Fund Balance:	\$ 5,594,613
CFD 99-1 Ending Fund Balance:	\$17,496,104

# Fund 63 Enterprise Fund



Total Revenues	\$ 4,300,000
Total Expenditures	<u>\$ 4,300,000</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance*	\$ 445,560
Ending Fund Balance*	\$ 445,560

\*Net of Pension and OPEB Liability

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

# Fund 73 Trust Fund



Total Revenues	\$ 400
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 400
Beginning Fund Balance	\$ 34,325
Ending Fund Balance	\$ 34,725

*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?**