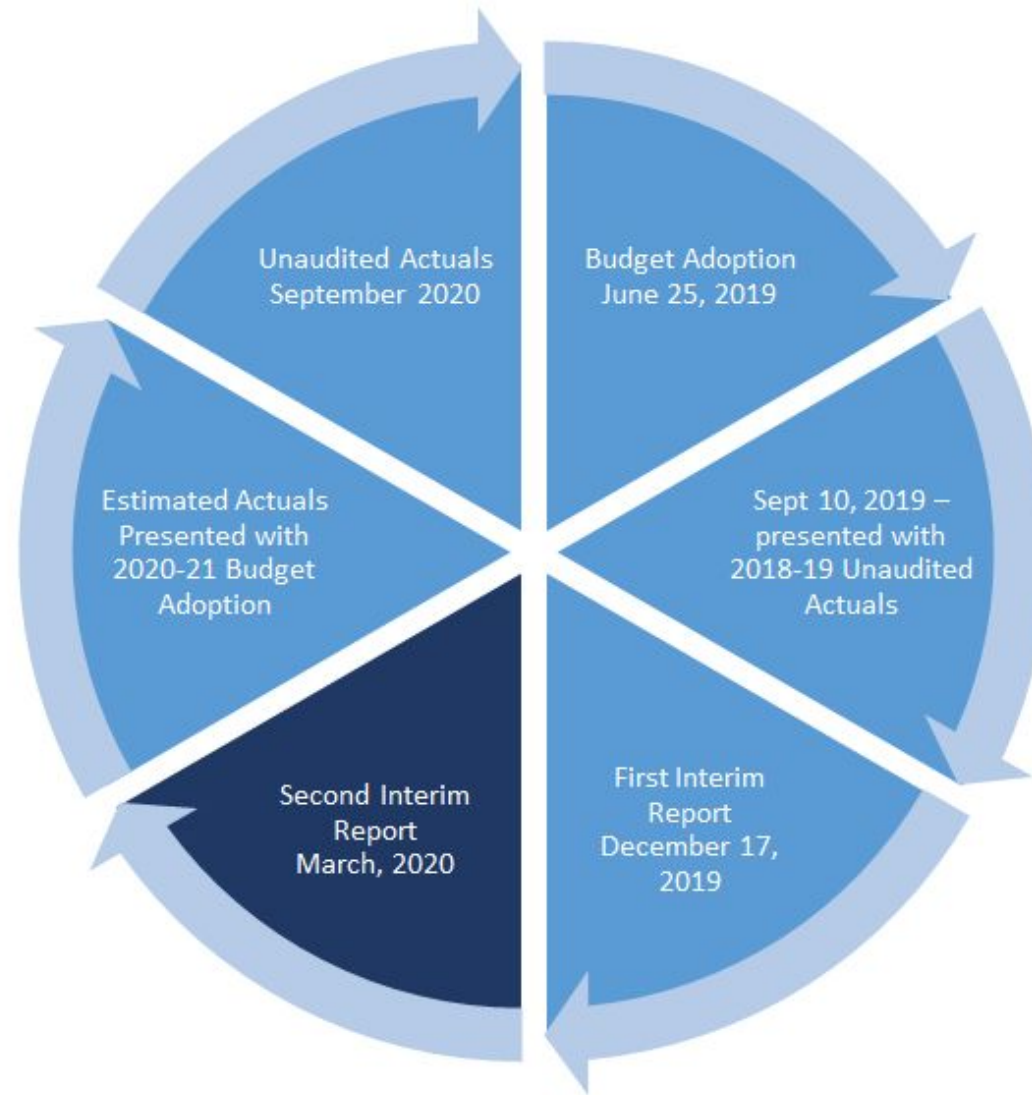




# **2019-20 Second Interim Budget Report**

**March 10, 2020**



# 2019-20 Budget Cycle

# Budgetary Building Blocks

- **Revenues:**

- Local Control Funding Formula
  - Enrollment Projection:
    - 2019-20: 12,575
    - 2020-21: 13,100
    - 2021-22: 13,525
  - Attendance Rate: 97.56%
  - Unduplicated Pupil Percentage: 15.28%
  - LCFF Funding Formula at 100%
    - No More Gap to Close

- **Expenditures:**

- Step and Column Increases
  - DTA 1.90%
  - CSEA 1.98%
  - Leadership 0.82
- Increased Employer Contribution Rates
  - STRS 0.82% = \$0.5M
  - PERS 1.62% = \$0.7M
- Significant One Time Expenses in 2019-20
  - Textbooks: \$4.1M
  - Vehicle Replacement: \$1.2M
  - Prop 39 HVAC Replacement: \$1.3M

# Revenue Assumptions

- **COLA for 2019-20 and Multi-Year Outlook:**
  - 2019-20: 3.26%
  - 2020-21: 2.29%
  - 2021-22: 2.71%
- **Lottery Revenues:**
  - Unrestricted: \$1,800,766
  - Restricted: \$ 635,526
- ~~**New Special Ed Preschool Money Continues After 2019-20 (\$891,987)**~~
- **Unrestricted PreSchool Money Will Not Continue**
- **New Restricted PreSchool Special Education Funds (~\$450K), comes with new expenditure requirements.**



# Components of LCFF Allocation

## 2019-20 LCFF Funding Calculator

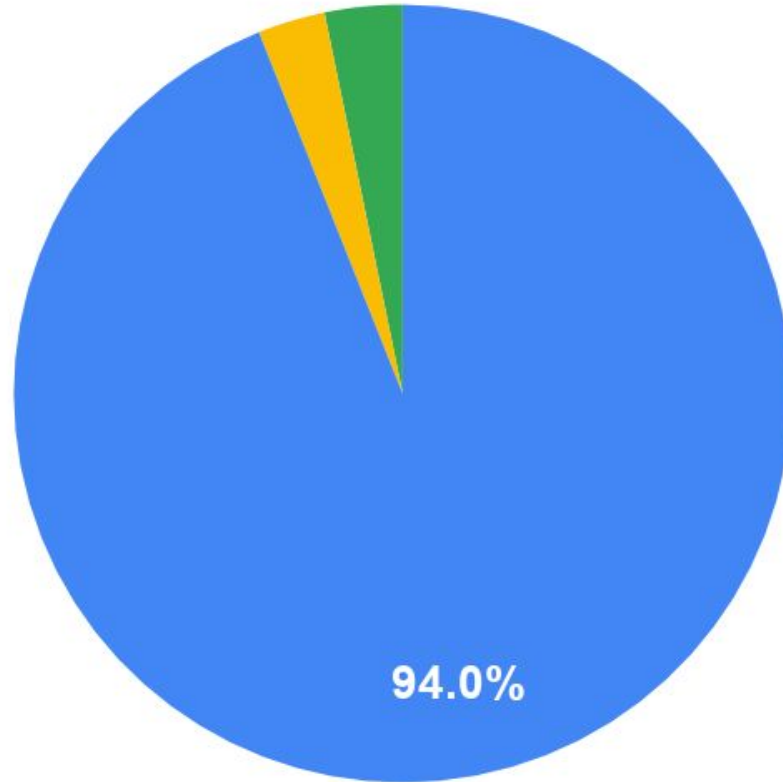
	ADA (Projected)	Base	Grade Span Adj	Supplemental	Concentration	Target
Grades TK-3	4,302.55	7,702	801	260		37,702,607
Grades 4-6	2,929.19	7,818		239		23,600,244
Grades 7-8	1,830.02	8,050		246		15,181,861
Grades 9-12	3,205.80	9,329	243	293		31,623,679
<b>Total Target Funding</b>	<b>12,267.56</b>	<b>100,677,216</b>	<b>4,225,353</b>	<b>3,205,823</b>		<b>108,108,392</b>
<b>Home-to-School Transportation</b>						<b>123,385</b>
<b>Economic Recovery Target Payment</b>						<b>5,037,541</b>
<b>Total LCFF Entitlement</b>						<b>113,269,318</b>

NOTE: Supplemental dollars averaged across all pupils. Supplemental grant is awarded based on the number of students in at least one of three categories: socio-economically disadvantaged, English Learners, or foster youth. The grant is an additional 20% of Base funding for each pupil in one or more of those categories. For Dublin USD, 1,855 students contribute to this grant. The District does not qualify for Concentration Grant funding, which only applies when more than half of the student population falls into one or more of these categories.

# General Fund Revenue Sources

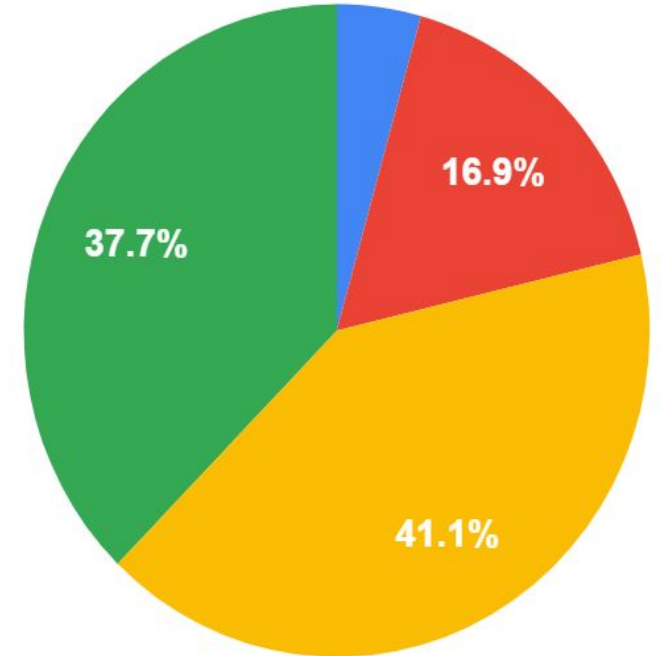
## Unrestricted Revenue Sources

- 1. LCFF
- 3. Other State Revenue
- 4. Other Local Revenue



## Restricted Revenue Sources

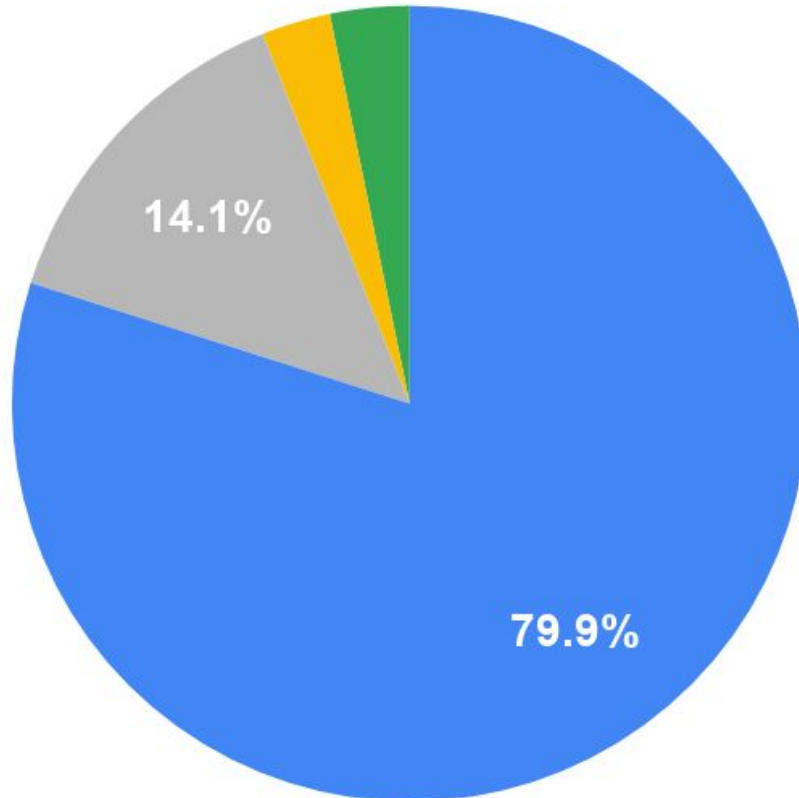
- 1. LCFF
- 2. Federal Revenue
- 3. Other State Revenue
- 4. Other Local Revenue



# Unrestricted GF Contributions

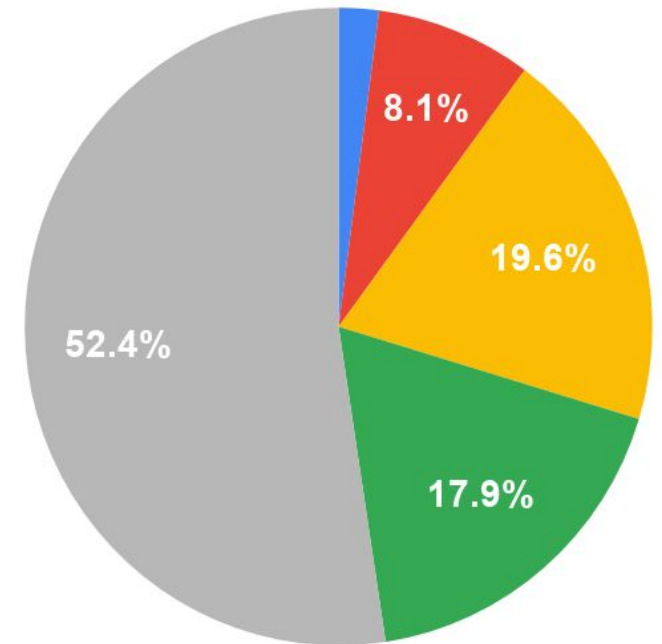
## Unrestricted Revenue Sources

- 1. LCFF Sources
- Contributions
- 3. Other State Revenue
- 4. Other Local Revenue



## Restricted Revenue Sources

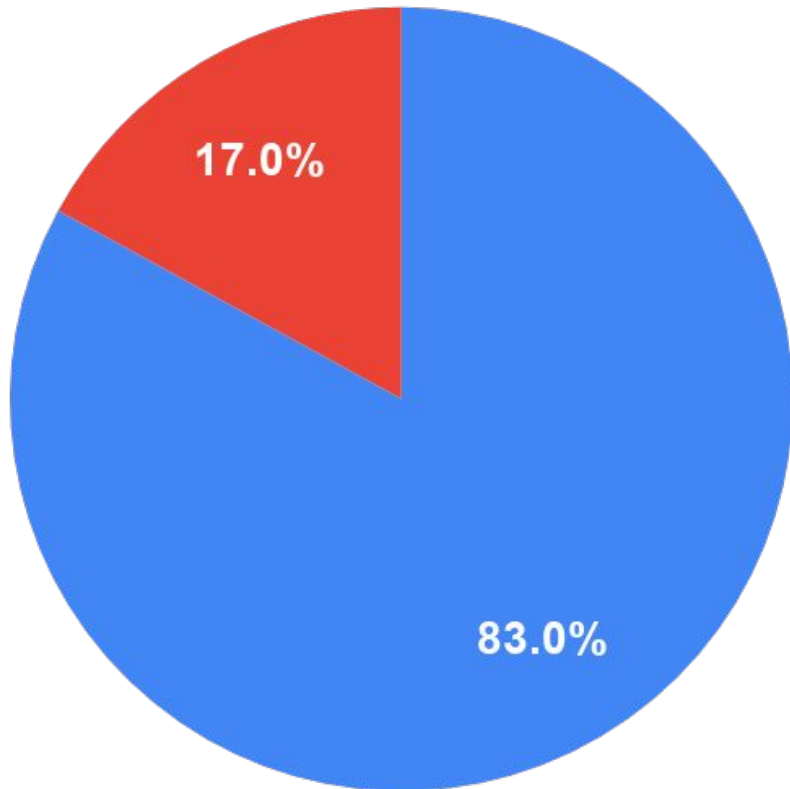
- 1. LCFF Sources
- 2. Federal Revenue
- 3. Other State Revenue
- 4. Other Local Revenue
- Contributions



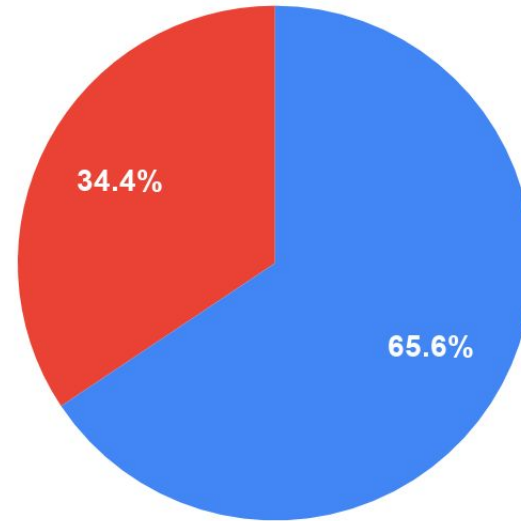
# General Fund Expenditures

## Unrestricted Expenditures

- Personnel
- Non-Personnel



## Restricted Expenditures



Combined Spending on People  
 Compared to Prior Year Actuals

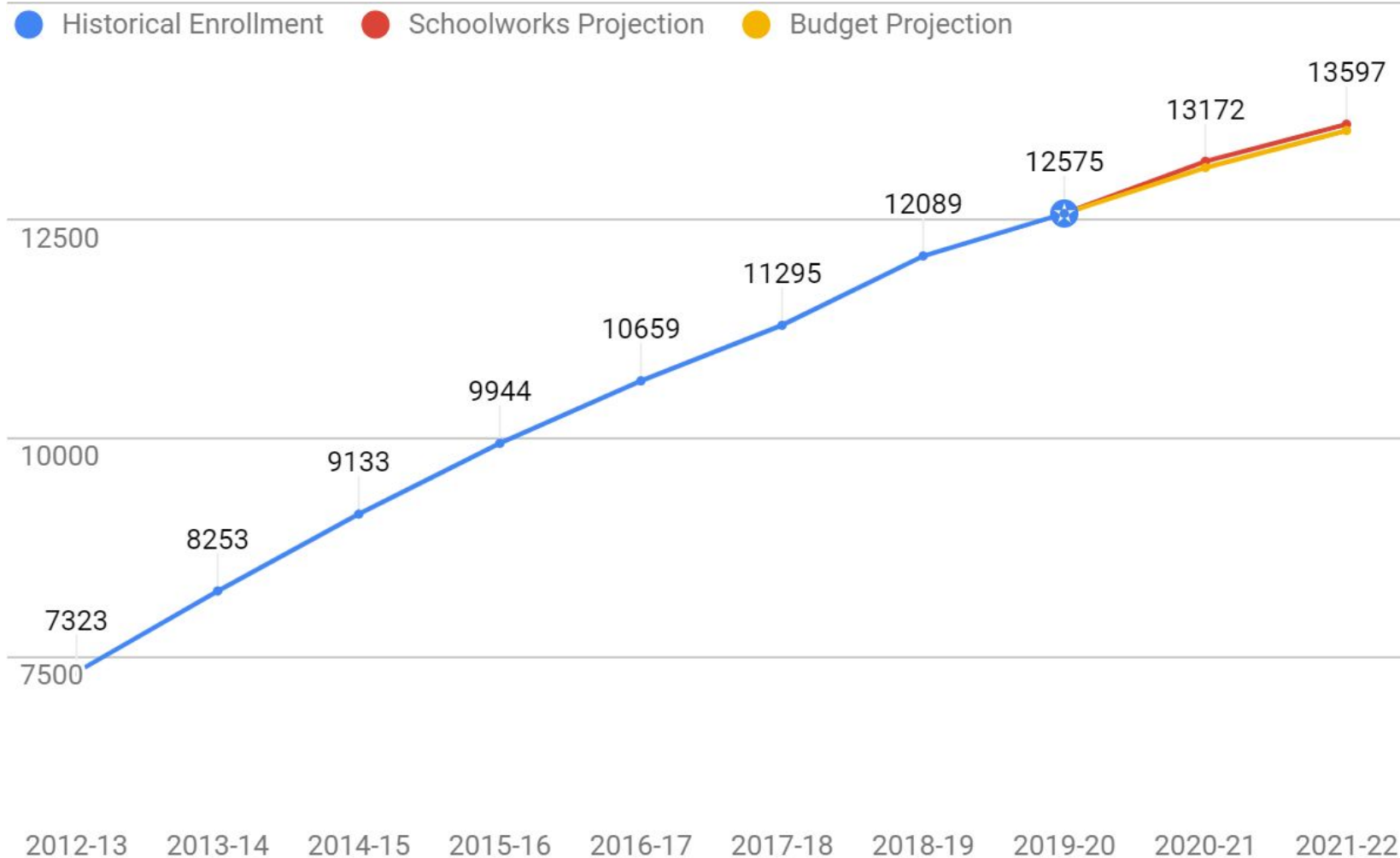
**78.8%**  
 ↓ -4.6%

Spending on People (Exclude One Time)  
 Compared to Prior Year Actuals

**82.5%**  
 ↓ -0.9%

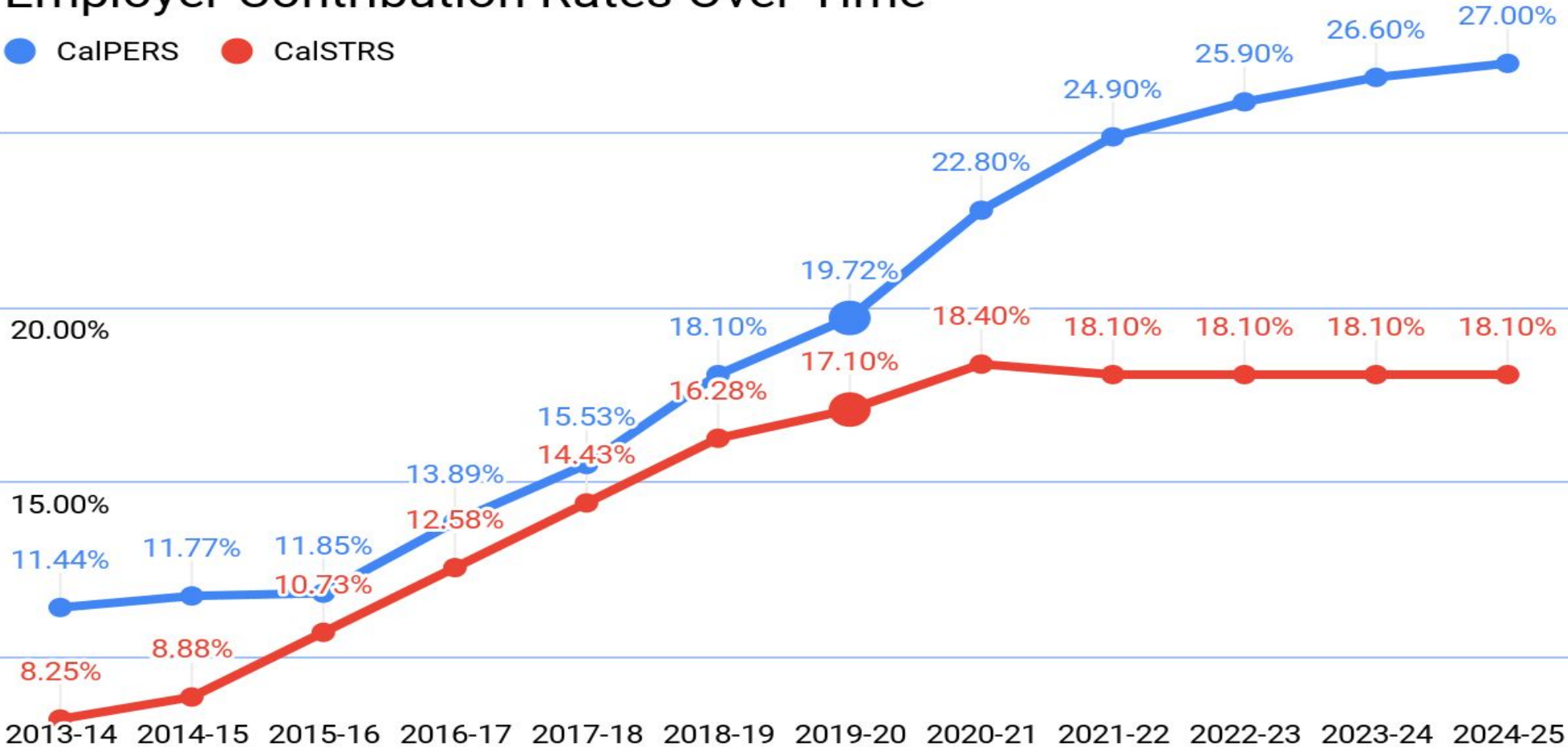


# Enrollment Trends



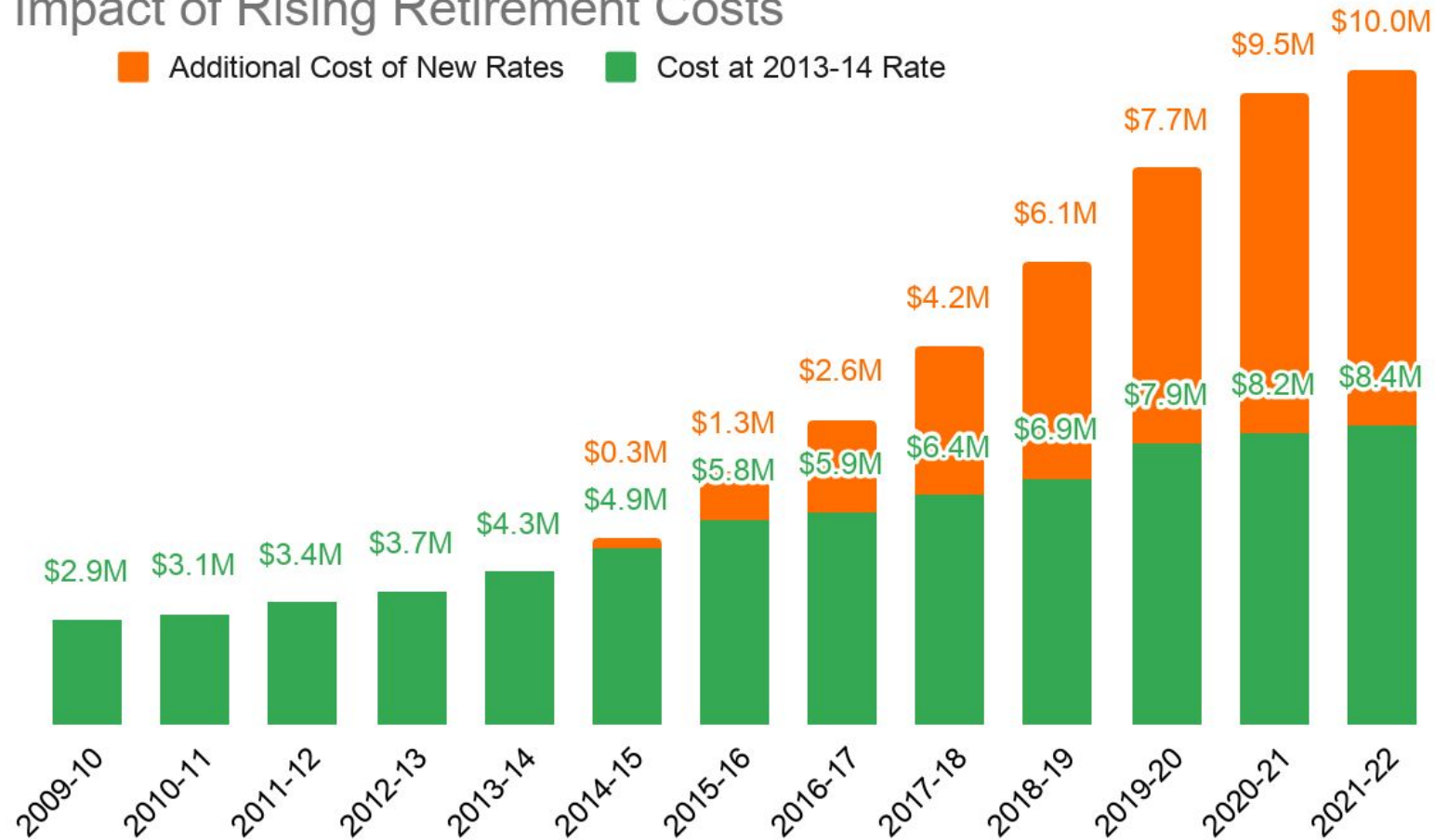
# Rising Costs of Doing Business - Contributions to CalSTRS and CalPERS

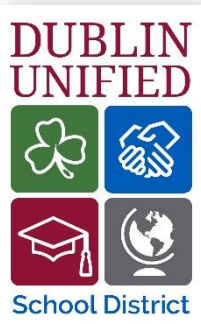
Employer Contribution Rates Over Time



# Rising Costs of Doing Business - Contributions to CalSTRS and CalPERS

Impact of Rising Retirement Costs





# Significant Multi-Year Assumptions

- Add teaching staff as appropriate to enrollment growth
- Textbook purchasing schedule is followed: 2020-21 \$2.6M, 2021-22 \$1.3M
- One-time expenditures from 2019-20 are removed
- 2021-22: Hire principal and secretary for new high school
- 2021-22: Current agreements with DTA for class-size overage payments and health-plan subsidies expire (\$1.2M savings).

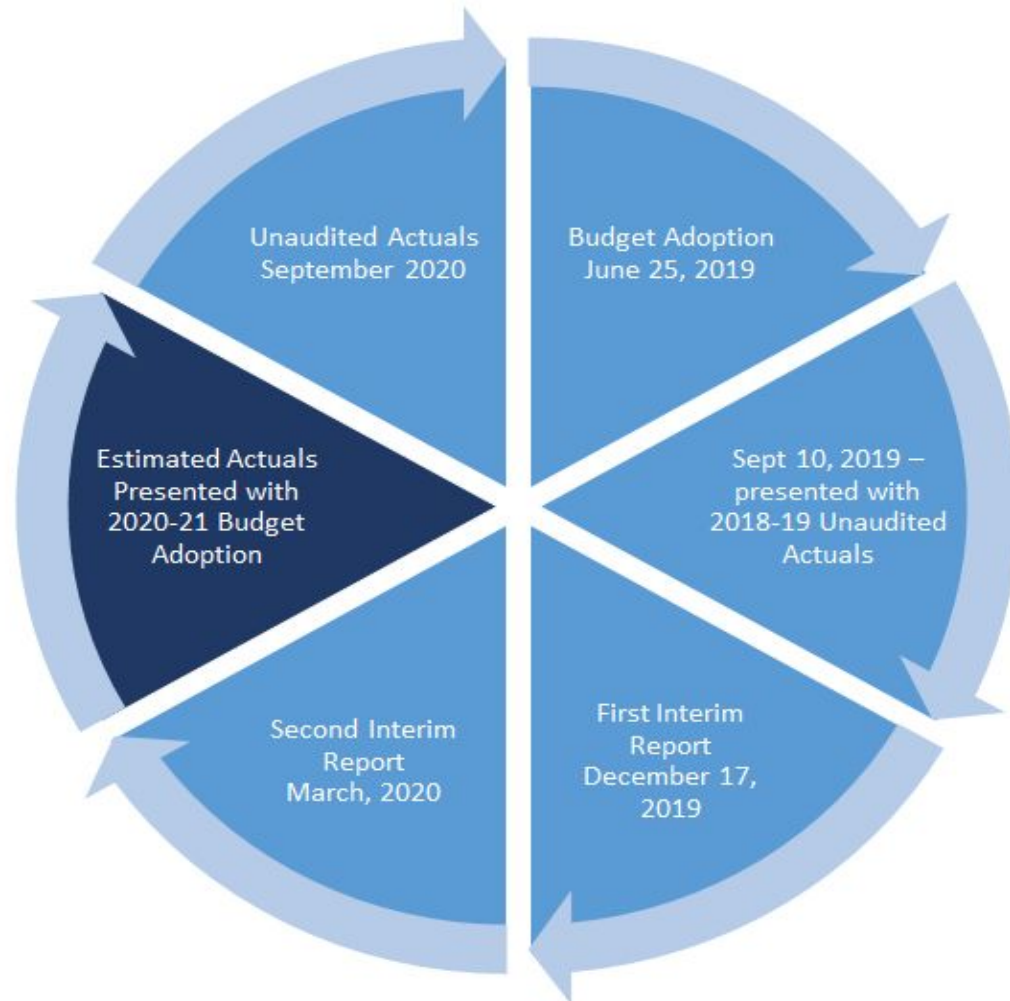


# 2019-20 Second Interim Budget Plus MYP

## Revenues, Expenditures, and Changes in Fund Balance (Second Interim)

	2019-20	2020-21	2021-22	
<b>Beginning Balance</b>	\$ 26,316,617	\$ 15,690,565	\$ 11,714,501	
<b>ADD: Revenues</b>	\$ 135,936,836	\$ 142,757,106	\$ 149,222,755	
<b>LESS: Expenditures</b>	\$ (146,562,888)	\$ (146,733,170)	\$ (149,682,464)	
<b>Surplus/(Deficit)</b>	\$ (10,626,052)	\$ (3,976,064)	\$ (459,709)	<b>2021-22</b>
				<b>%age of</b>
				<b>Expenditures</b>
<b>Projected Ending Balance (Fund 01)</b>	\$ 15,690,565	\$ 11,714,501	\$ 11,254,791	7.52%
<b>ADD: Special Reserve Fund (Fund 17)</b>	\$ 11,004,077	\$ 11,224,159	\$ 11,448,642	7.65%
<b>Total Projected Ending Balance (Fund 01 and Fund 17)</b>	\$ 26,694,642	\$ 22,938,659	\$ 22,703,433	15.17%
<b>Components of Ending Balance</b>				
Revolving Cash	\$ (75,000)	\$ (75,000)	\$ (75,000)	0.05%
Technology Refresh (for 2021-22)	\$ (486,254)	\$ (486,254)		
PERS/STRS (for 2021-22)	\$ (1,368,500)	\$ (1,368,500)		
Textbook Adoption (for 2021-22)	\$ (3,040,000)	\$ (3,040,000)		
Board Directed Additional Reserve (5%)	\$ (7,328,144)			
Reserve for Economic Uncertainties (3%)	\$ (4,396,887)	\$ (4,401,995)	\$ (4,490,474)	3.00%
<b>Funds Available for Discretionary Spending</b>	\$ 9,999,857	\$ 13,566,910	\$ 18,137,959	12.12%

# Next Steps



## State Level

- Governor will release next version of his budget proposal in May

## Local Level

- Budget development for 2020-21 has started
- 2020-21 budget brought to Board in June

# Tonight's Action

We request that the Board Approve the Second Interim Report of the 2019-20 Budget.