
Orange Unified
EDGE
SCHLEGEL
SHAKING UP THE SCHOOLHOUSE
GRIT
ORANGE UNIFIED SCHOOL DISTRICT
ORANGE, CALIFORNIA







2021-22
SECOND INTERIM REPORT
March 10, 2022

Presenters:

David A. Rivera, Assistant Superintendent/CBO

Meghna Bulsara, Executive Director, Business Services



Presentation Overview

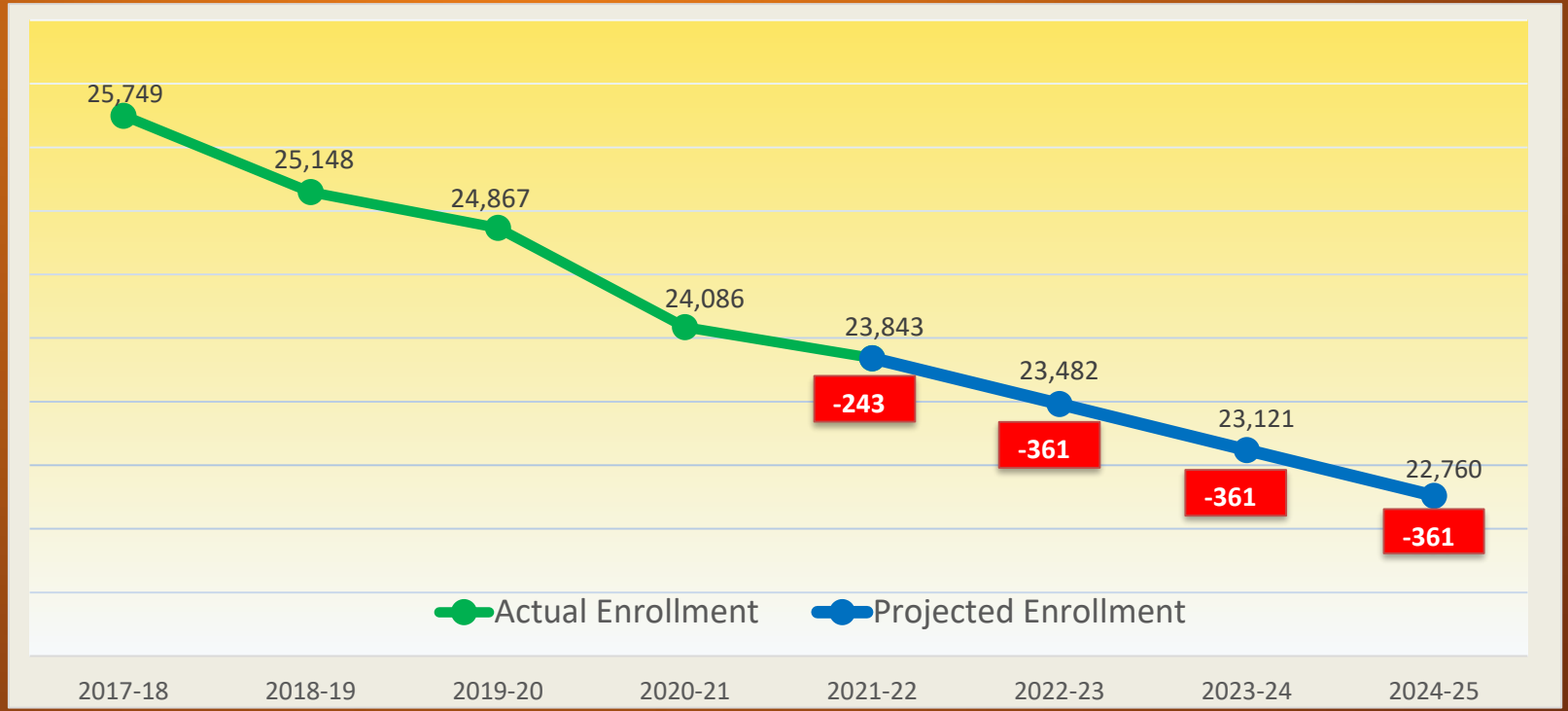
- Second Interim Reports
- State Budget Update
- Attendance Analysis
- Next Steps



2021-22 SECOND INTERIM REPORT

OUSD Historical Enrollment

(Excluding Charter Schools)





Budgetary Building Blocks - Revenues

	2021-22	2022-23	2023-24
Student Enrollment	(243)	(361)	(361)
Attendance Rate	93.43%	96.30%	96.30%
Unduplicated Pupil Percentages	48.61%	48.03%	47.78%
LCFF Funding	Hold Harmless	-	-
Cost of Living Adjustment - LCFF	5.07%	5.33% ~~2.48%~~	3.61% ~~3.11%~~
Cost of Living Adjustment - SPED	4.05%	5.33% ~~2.48%~~	3.61% ~~3.11%~~
One-Time Covid Funding budgeted	$27.4M	$13.5M	$20.9M

Budgetary Building Blocks – Expenditures

	2021-22	2022-23	2023-24
Employee Compensation	3%	-	-
Step and Column- Certificated	-	1.49%	1.41%
Step and Column- Classified	-	2.23%	1.85%
CalSTRS (certificated employees)	16.92%	19.10%	19.10%
CalPERS (classified employees)	22.91%	26.10%	27.10%
State Unemployment Insurance	0.50%	0.50%	0.20%
Employer Contributions (Health Benefits)	Unchanged	Unchanged	Unchanged
Textbooks	$6.3M	$2.2M	$2.2M

FIRST INTERIM VS SECOND INTERIM
NOTEWORTHY CHANGES TO DISTRICT RESERVE

- 2021-22
  - Unfilled Positions and Extra Pay – ($5.4) M
  - Supplies / Other Services – ($3.8) M
  - Add'l Restricted Programs – ELOP* and Educator Effectiveness - $12 M
- 2022-23
  - Higher COLA** from 2.48% to 5.33% - $6.5 M
  - 50% Reduction in Placements (Non-Public Schools and County)
- 2023-24
  - Higher COLA** from 3.11% to 3.61% - $5.8 M

* ELOP – Expanded Learning Opportunities Program

**COLA – Cost of Living Adjustments

Multi-Year Projections

	2021-22	2022-23	2023-24
TOTAL REVENUES	$ 355,391,167	$ 326,967,502	$ 342,526,033
TOTAL EXPENDITURES	343,043,631	322,646,833	328,930,892
CHANGE IN FUND BALANCE	$ 12,347,536	4,320,669	13,595,141
▪ UNRESTRICTED BALANCE	9,427,637	3,597,681	13,045,771
▪ RESTRICTED BALANCE	2,919,899	722,988	549,370
BEGINNING FUND BALANCE	89,668,585	102,016,121	106,336,790
PROJECTED ENDING BALANCE	$ 102,016,121	$ 106,336,790	$ 119,931,931
AT FIRST INTERIM	**$ 80,677,904**	**$76,210,964**	**$ 73,064,781**

Multi-Year Projections (continued)

	2021-22	2022-23	2023-24
PROJECTED ENDING BALANCE	$ 102,016,121	$ 106,336,790	$ 119,931,931
Stores and Revolving Cash	250,000	250,000	250,000
Restricted Programs Balance:	13,674,779	14,397,767	14,947,137
Assignments:			
• Attract & Retain Program	3,331,068	3,071,068	2,811,068
• Reserve for STRS & PERS Increases	2,549,503	1,232,390	762,633
• Reserve for Budget Stabilization Plan (ADA Percentage Decline)	0	2,480,559	5,049,641
• Enrollment Decline Reserve (250 students)	0	2,607,500	5,299,000
• Vacant Positions	0	3,007,373	6,015,293
Contingency/Unappropriated:			
• 3% Reserve for State Required Contingency	10,291,309	9,679,405	9,867,927
• Unappropriated Fund Balance above 3%	71,919,462	69,610,728	74,929,232
AT FIRST INTERIM	61,037,019	57,603,288	54,334,274
Change in Unappropriated Fund Balance	$ 10,882,443	$ 12,007,440	$ 20,594,958



STATE BUDGET UPDATE

Budget Surplus

- Just a little over a year-and-a-half ago, California enacted a budget to address a daunting $54 billion deficit as a result of the stultifying impact of COVID-19 on our economy
  - We withstood the imposition of tens of billions of dollars in deferred education payments and suspended cost of living adjustments
- The Governor's 2022-23 Budget is built on the solid foundation of an estimated $45.7 billion budget surplus and proposals that leave California on sound fiscal footing through 2025-26

Surplus Spending Plan

$20.6 billion	$16.1 billion	$9.0 billion
Discretionary	Public Education	Reserves and Debt Reduction

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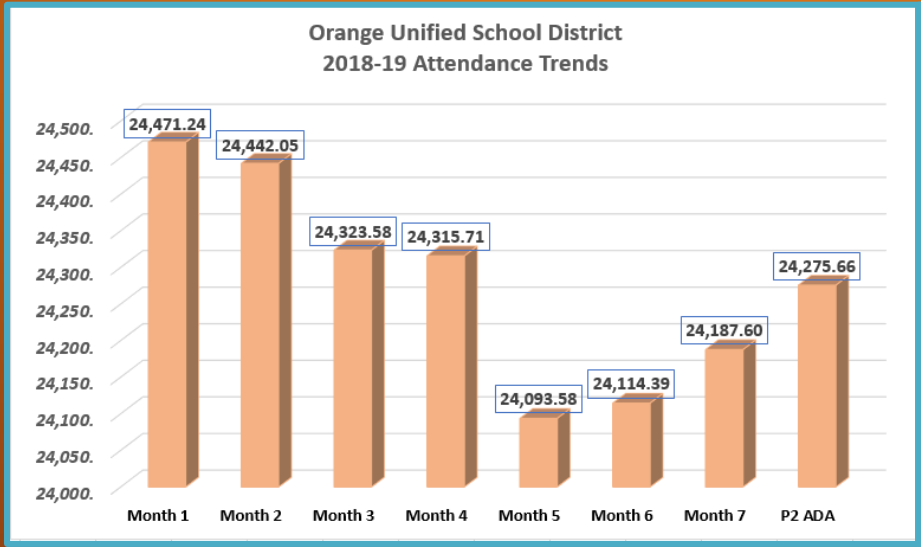
Potential Risk Factors

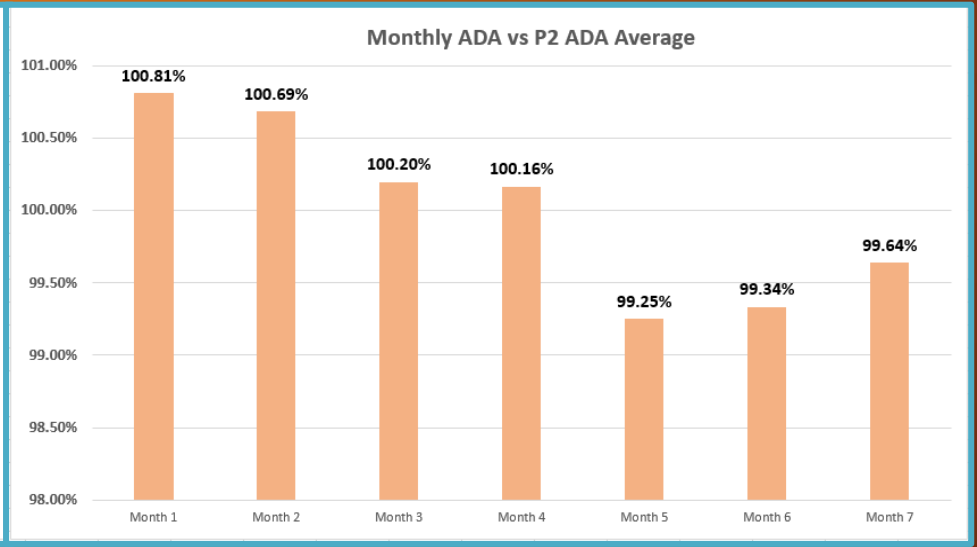
Positive "Pros"	Challenges "Cons"
✓ Higher Cost of Living Adjustments (COLA)	➢ Unfilled Positions
✓ Additional State Contributions for Employee Pensions	➢ Supply Chain Delay and Rising Inflation
✓ Additional Federal Stimulus Funds	➢ Higher Housing prices
✓ Additional Funding for State Programs	➢ Reserve Cap to 10% per Senate Bill 751
Governor's Proposal for Change in LCFF Funding for 2022-23	
Ongoing vs One-time funding and Unrestricted (25%) vs Restricted (75%)	
Higher than Expected Changes in Student Enrollment/Attendance Rates	

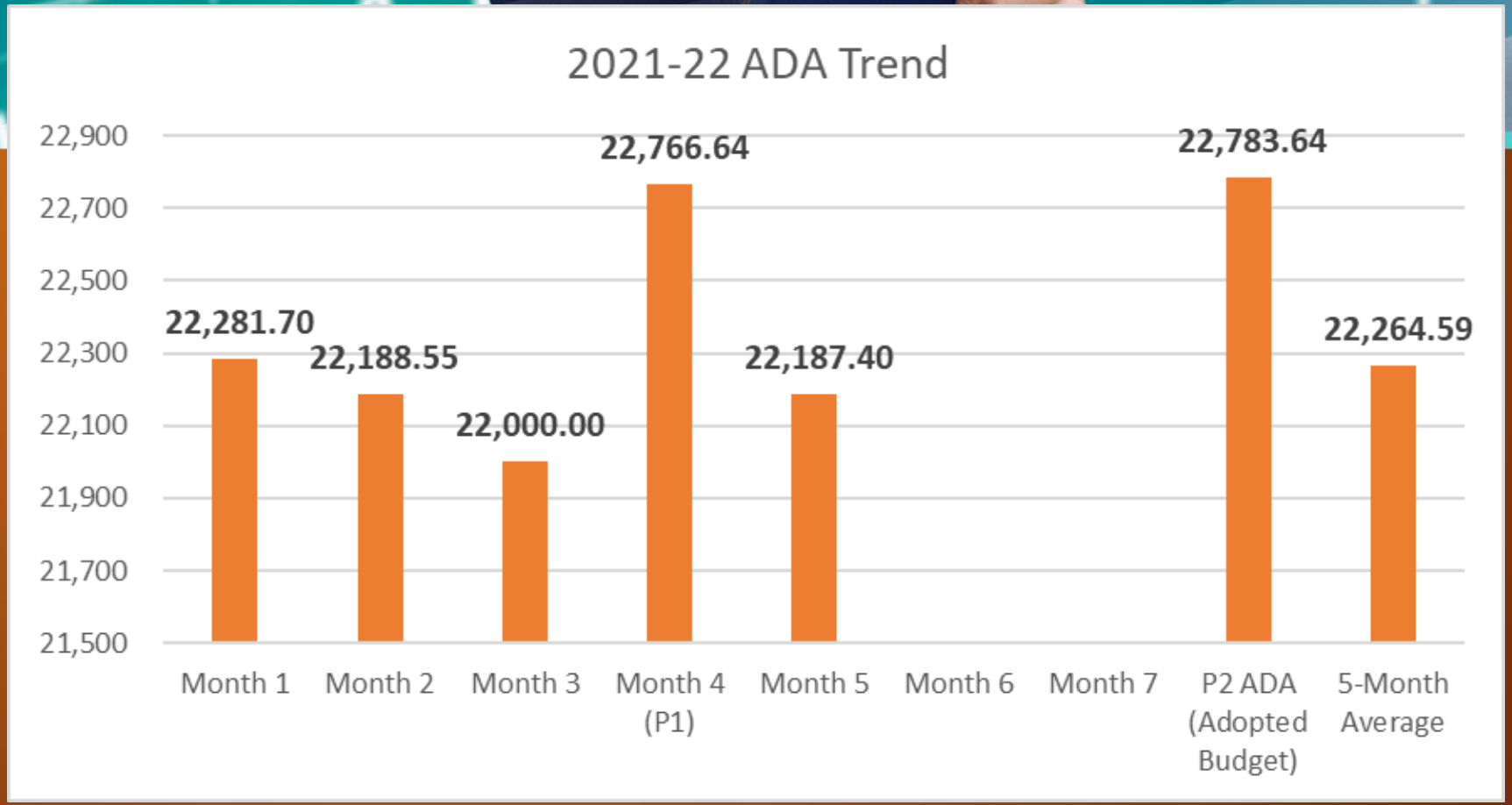


ATTENDANCE ANALYSIS

Historical Trends






2021-22 ADA Trend
22,900
22,700
22,500
22,300
22,100
21,900
21,700
21,500
22,281.70
22,188.55
22,000.00
22,766.64
22,187.40
22,783.64
22,264.59
Month 1
Month 2
Month 3
Month 4 (P1)
Month 5
Month 6
Month 7
P2 ADA (Adopted Budget)
5-Month Average



NEXT STEPS



Next Steps

Local level

- Submit Interim Report to Orange County Department of Education for Authorization
- Update to Budget Stabilization Plan
- Public Hearing for 2022-23 LCAP and Budget Report in May
- 2022-23 LCAP and Budget Adoption in June

State Level

- Governor’s May Revision



BOARD MEMBER QUESTIONS OR COMMENTS