
Orange Unified
EDGE
INTEGRITY • EQUITY • RESPECT • EXCELLENCE



2022-23 FIRST INTERIM REPORT

December 14, 2022

Presenters:

David A. Rivera, Deputy Superintendent/CBO

Meghna Bulsara, Executive Director, Business Services



Presentation Overview

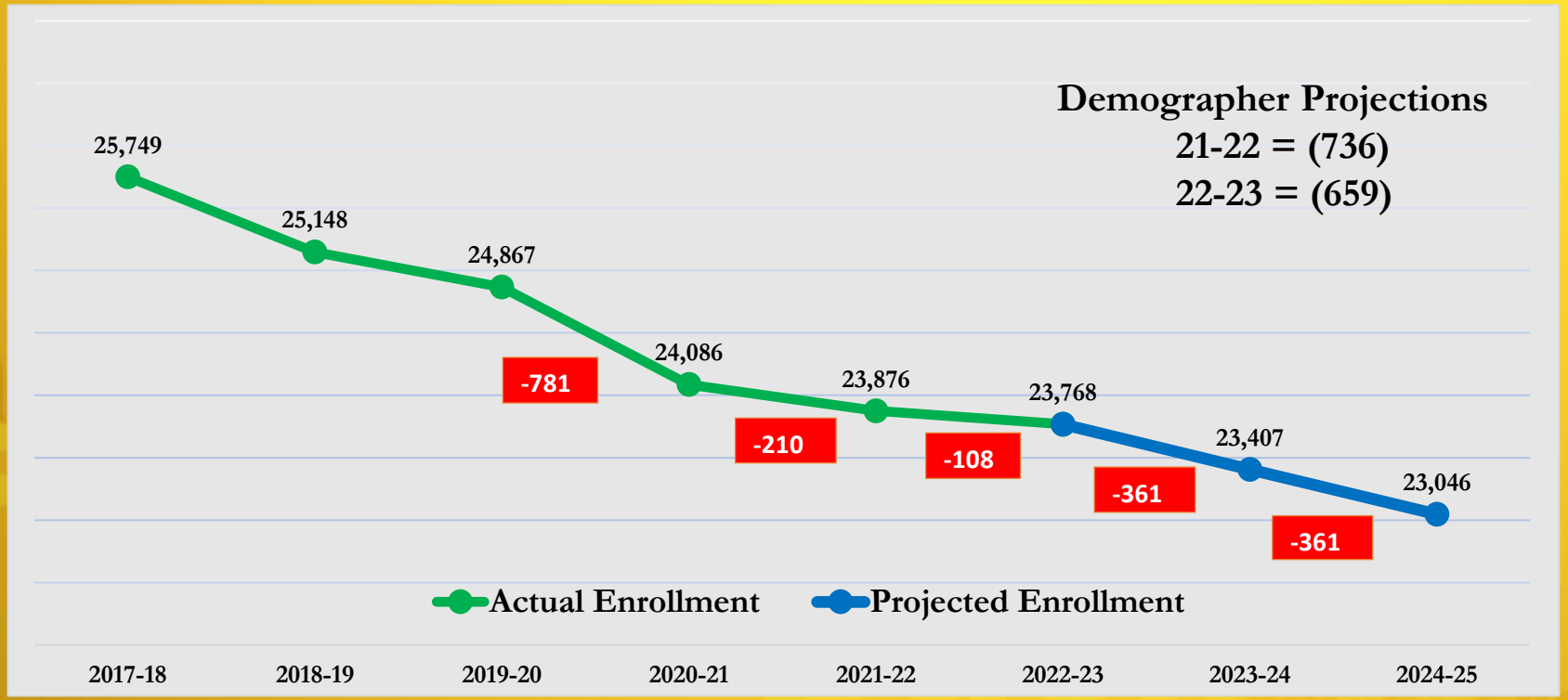
- Budget Assumptions
- What's Not In The Budget
- State Budget Update
- Next Steps



Budget Assumptions

OUSD Historical Enrollment (Excluding Charter Schools)





Budgetary Building Blocks - Revenues



	2022-23	2023-24	2024-25
Student Enrollment	(108)	(361)	(361)
Attendance Rate	94.11%	94.11%	94.11%
Unduplicated Pupil Percentages (UPP)	59.66% *	55.00%	55.00%
TK Add-on	542 @$2813	542 @$2964	542 @$3083
Cost of Living Adjustment - LCFF	12.84%	5.38%	4.02%
Cost of Living Adjustment – SPED.	6.56%	5.38%	4.02%
One-Time Block Grants	$42.03M	-	-

*21-22 UPP Rate 46.61%

Budgetary Building Blocks - Expenditures

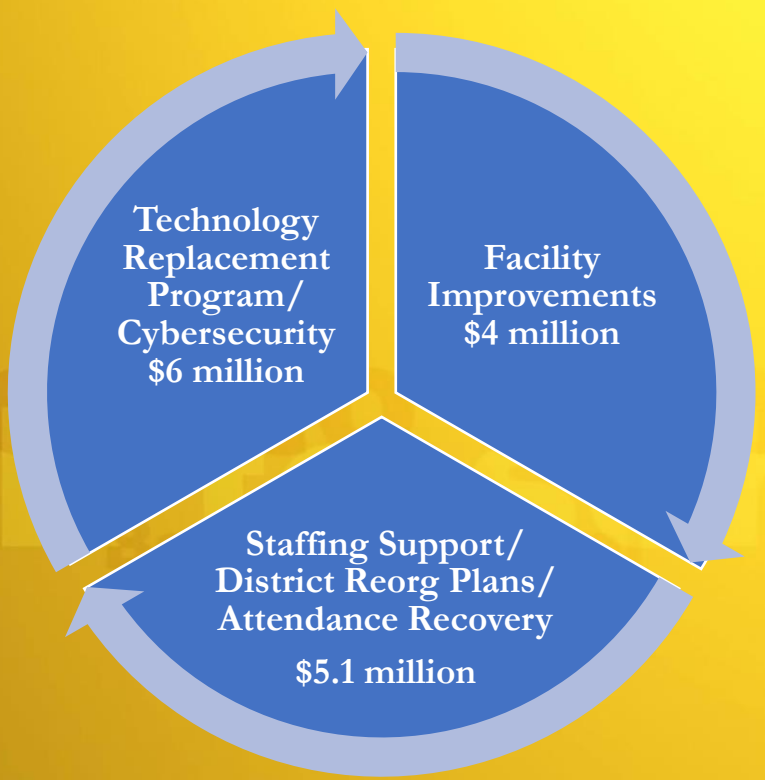


	2022-23	2023-24	2024-25
Employee Compensation OUEA & Leadership	5.5% ongoing & 1.75% one-time	-	-
Employee Compensation CSEA	5.5% ongoing & 2.75% one-time	1.5% ongoing & 1.95% one-time	-
Step and Column- Certificated	As Budgeted	1.84%	1.63%
Step and Column- Classified	As Budgeted	2.23%	1.91%
CalSTRS (certificated employees)	19.10%	19.10%	19.10%
CalPERS (classified employees)	25.37%	25.20%	24.60%
State Unemployment Insurance	0.50%	0.20%	0.20%
Employer Contributions (Health Benefits)	OUSD contribution level increases eff Jan 2023 for OUEA & Leadership; Calendar year 2023 one-time increase in OUSD Contribution	OUSD Contribution level increases eff Jan 2024 for CSEA; Calendar year 2023 one-time increase in OUSD Contribution	
Textbooks	$2.7M	$2.25M	$6.8MSch
School Safety Plan	$1.5M	-	-

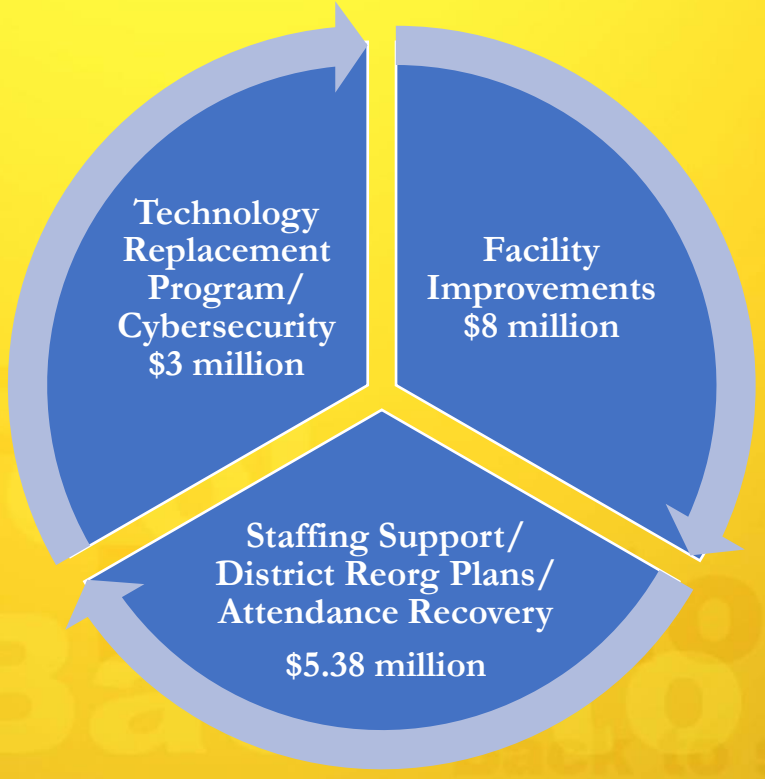
OUSD – Operational Sustainability Plan



2023-24



2024-25



Multi-Year Projections



	2022-23	2023-24	2024-25
TOTAL REVENUES	$ 437,081,059	$381,516,126	$ 379,378,308
TOTAL EXPENDITURES	395,813,639	386,176,789	390,416,306
CHANGE IN FUND BALANCE:	41,267,420	(4,660,663)	(11,037,998)
Unrestricted Balance	12,302,031	3,350,023	7,110,827
Restricted Balance	28,965,389	(8,010,686)	(18,148,825)
BEGINNING FUND BALANCE	114,172,540	155,439,960	150,779,297
PROJECTED ENDING BALANCE	$ 155,439,960	*$ 150,779,297	*$ 139,741,299

*Reserves have not been adjusted for potential additional enrollment decline above projections, decline of ADA percentages, and/or unspent funds from COVID.

Multi-Year Projections



	2022-23	2023-24	2024-25
PROJECTED ENDING BALANCE	**$155,439,960**	**$150,779,296**	**$139,741,296**
Stores and Revolving Cash	462,064	462,064	462,064
Restricted Programs Balance:	47,909,659	39,898,973	21,750,148
Assignments:			
•Attract & Retain Program	3,065,382	2,805,382	2,545,382
•Personnel Vacancies	16,008,087	15,593,508	16,150,275
•LCFF Carryover	7,261,410	7,261,410	7,261,410
Commitments (As Adopted May 19, 2022):			
•Textbook Adoption	4,268,975	4,268,975	4,268,975
•Replacement and Updating Technology	4,072,465	4,072,465	4,072,465
•Enrollment Decline (500 students)	7,971,181	7,971,181	7,971,181
•Essential Workers (Covid Funding)	5,356,972	5,356,972	5,356,972
•ADA Stabilization Plan - 2 years	7,263,267	7,263,267	7,263,267
•Pension Obligations	10,485,830	10,485,830	10,485,830
•Vacation Liability	1,600,651	1,600,651	1,600,651
•Facility Maintenance	3,376,557	3,376,557	3,376,557
•Bus Replacements	2,000,000	2,000,000	2,000,000
•District Program Priorities	9,630,413	9,630,413	9,630,413
•Fiscal Emergencies	12,832,638	17,146,344	23,833,217
Contingency/Unappropriated:			
•3% Reserve for State Required Contingency	11,874,409	11,585,304	11,712,489
•Unappropriated Fund Balance	0	0	0



WHAT'S NOT IN THE BUDGET

What's Not In The Budget



- Home-to-School Transportation ~ $3.8 mil
  - AB 185 Grant
  - Transportation Plan needs to be adopted by April 1, 2023 and updated annually
- Learning Recovery Emergency Block Grant - $25.83 mil
  - Expenses are currently being planned based on stakeholder input
  - Grant period covers (2022-23 to 2027-28) - 6 Years
- Arts, Music, and Instructional Materials Discretionary - $14.8 mil
  - Expenses are currently being planned based on stakeholder input
  - Grant duration (2022-23 to 2025-26) - 4 Years



STATE BUDGET UPDATE

State Budget Update



- Legislative Analyst Office (LAO)
  - Forecasts State Budget deficit of $25 Billion
  - Under Performing State Revenues
  - Large Businesses Leaving the State
  - COLA (Cost of Living Adjustment) projected at 8.7%; largest since 78-79

- Largest reserve levels in several years for State and LEAs
  - Great Recession (07-14); Districts averaged 10% Reserve Levels
  - Suppressed Real Estate Market and Property Values

State Budget Update



- Governor Newsom Budget Proposal for 2023-24
  - Published by January 10
  - Based on Department of Finance budget estimates
  - Outlines governance priorities and budgetary allocations
  - Evaluating one-time funds not committed
  - Budget estimates may widely change

Next Steps



- State Level
  - Governor's January Budget Proposal for FY 2023-24
  - Legislative Proposals
  - Governor's May Revision
- Local Level
  - Update Budget Stabilization Plan
    - Revenue Enhancements
    - Strategies to retain and attract students
    - Operational Efficiencies
  - 2022-23 Second Interim Reports by March 15, 2023



BOARD MEMBER QUESTIONS OR COMMENTS