

# Board of Education Presentation
# August 17, 2023
# 45-Day Revise Report

**Presenters:**
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# Presentation Overview

- ❑ 45-Day Revise Report Requirements
- ❑ Fiscal Impact on Local Control Funding Formula
- ❑ Fiscal Impact on One-Time Block Grant Funding
- ❑ Next Steps



# 45-Day Revise Report Requirements



# Requirements

- Once the Governor signs the Enacted Budget, districts are required to share with their boards noteworthy and material changes
- The information should be available for public review within 45 days
  - The Governor signed the 2023-24 Budget Act, Senate Bill (SB) 101, on June 27, 2023
  - The 45-day timeline runs through August 11, 2023
  - There are no required state forms (SACS) to file

Changes made to the May-Revise Projections are immaterial



# FISCAL IMPACT ON LOCAL CONTROL FUNDING FORMULA: 2023-24



# Funding Changes to the 2023-24 Local Control Funding Formula (LCFF)

## May Revise Report

- COLA Factors
  - 2023-24 = 8.13%
  - 2024-25 = 3.54%
  - 2025-26 = 3.32%
- OUSD Funding Levels:
  - 2023-24 $291,978,131
  - 2024-25 $303,138,519
  - 2025-26 $305,735,731

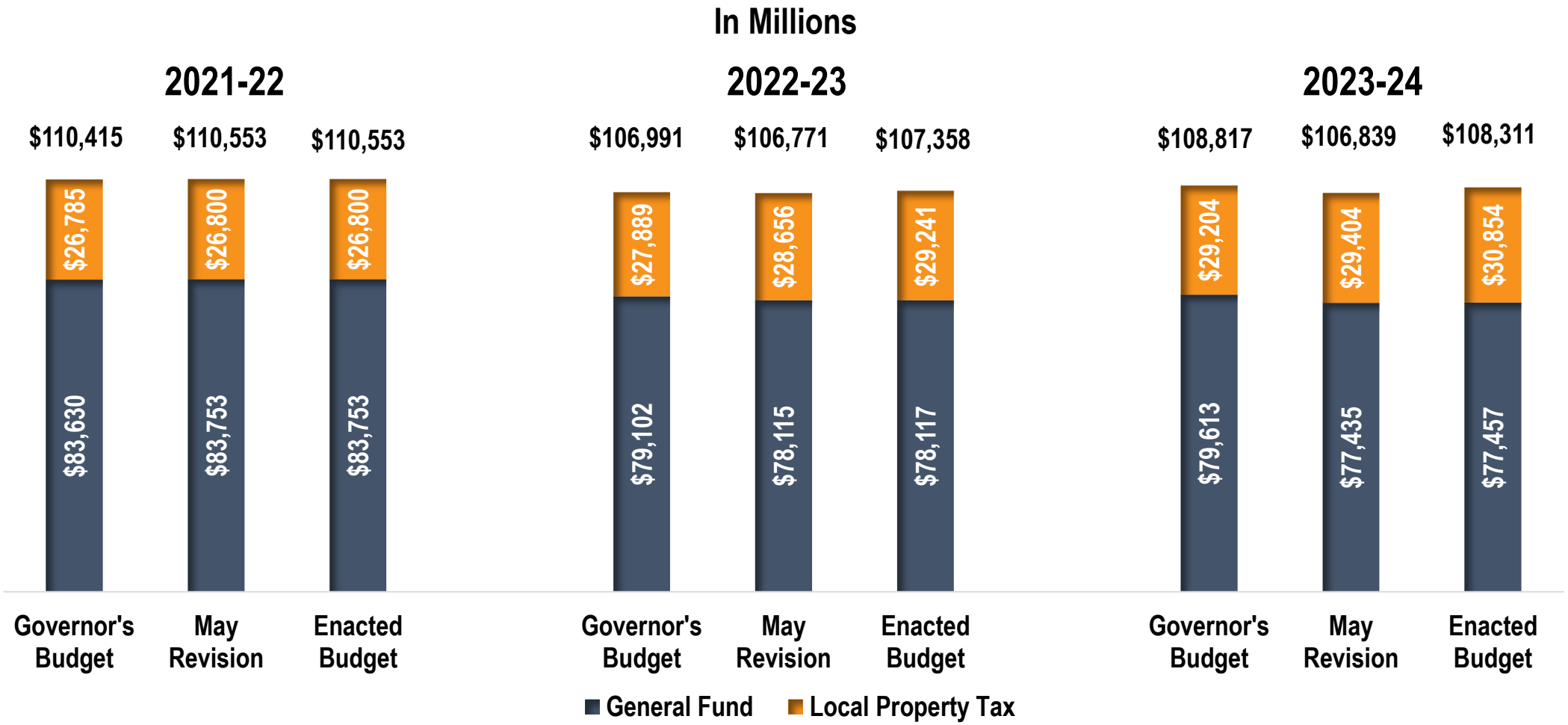
## Adopted State Budget Act

- COLA Factors
  - 2023-24 = 8.22%
  - 2024-25 = 3.94%
  - 2025-26 = 3.29%
- OUSD Funding Levels:
  - 2023-24 $292,321,153
  - 2024-25 $304,964,845
  - 2025-26 $307,515,030

**Multi-year Budget Revision: +$3,948,647 Change**

# Proposition 98 Minimum Guarantee—January to May to June

- **Proposition 98 decreased in 2022-23 by $3.2 billion from the COVID-19 pandemic peak level and increased only modestly in 2023-24. It is still $2.2 billion below 2021-22 levels.**





# Annual Funding for 2023-24 Per-ADA Basis

| | Annual Funding | | | |
|---|---|---|---|---|
| Grades | Base | Supplemental | Concentration | Total |
| TK | $ 13,995 | $ - | $ - | $ 13,995 |
| K-3 | $ 10,951 | $ 2,190 | $ 7,118 | $ 20,259 |
| 4-6 | $ 10,069 | $ 2,014 | $ 6,545 | $ 18,628 |
| 7-8 | $ 10,367 | $ 2,073 | $ 6,739 | $ 19,179 |
| 9-12 | $ 12,327 | $ 2,465 | $ 8,013 | $ 22,805 |

**Supplemental Grant:** Multiply adjusted base grant per ADA by 20% and UPP

**Concentration Grant:** Multiply adjusted base grant per ADA by 65% and UPP above 55%



# FISCAL IMPACT ON BLOCK GRANT FUNDING: 2023-24



# Art, Music, and Instructional Materials Discretionary Block Grant

- May Revise
- **$3.6 billion grant**
- **Reduced by nearly 1/2 to $1.78 billion**

- Adopted State Budget Act
- **$3.6 billion grant**
- **Reduced by $200 million to $3.4 billion**
- **OUSD's allocation for 23-24 is $13.9 million**



# Learning Recovery Emergency Block Grant

- Budget Assumptions
- **May Revise proposed to reduce funding from $7.9 billion to $5.4 billion, a decrease of $2.5 billion**

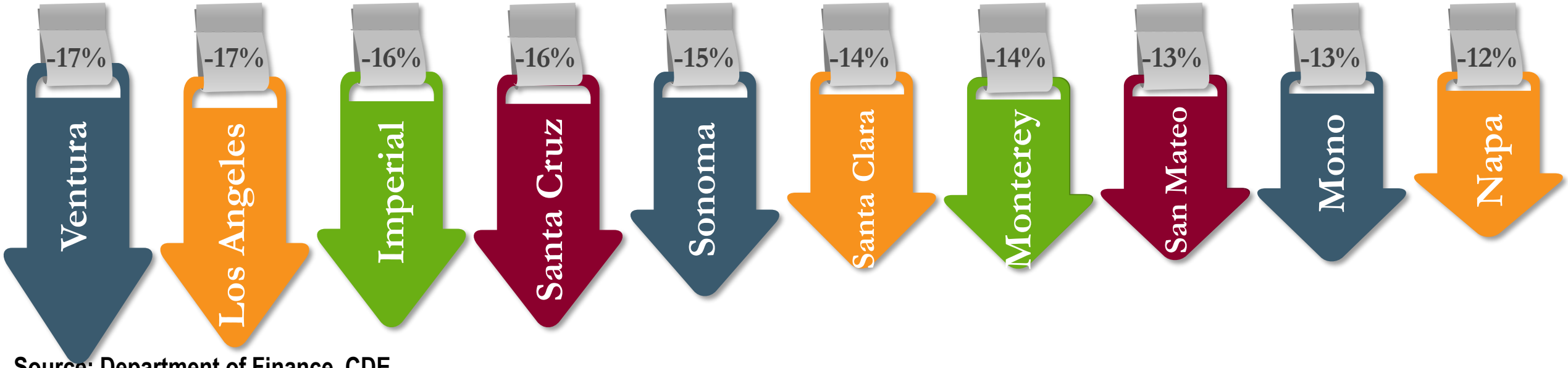
- Adopted State Budget Act
- **Reduces funding from $7.9 billion to $6.8 billion, a decrease of $1.1 billion**
- **OUSD's allocation for 23-24 is $22.1 million**



# Next Steps

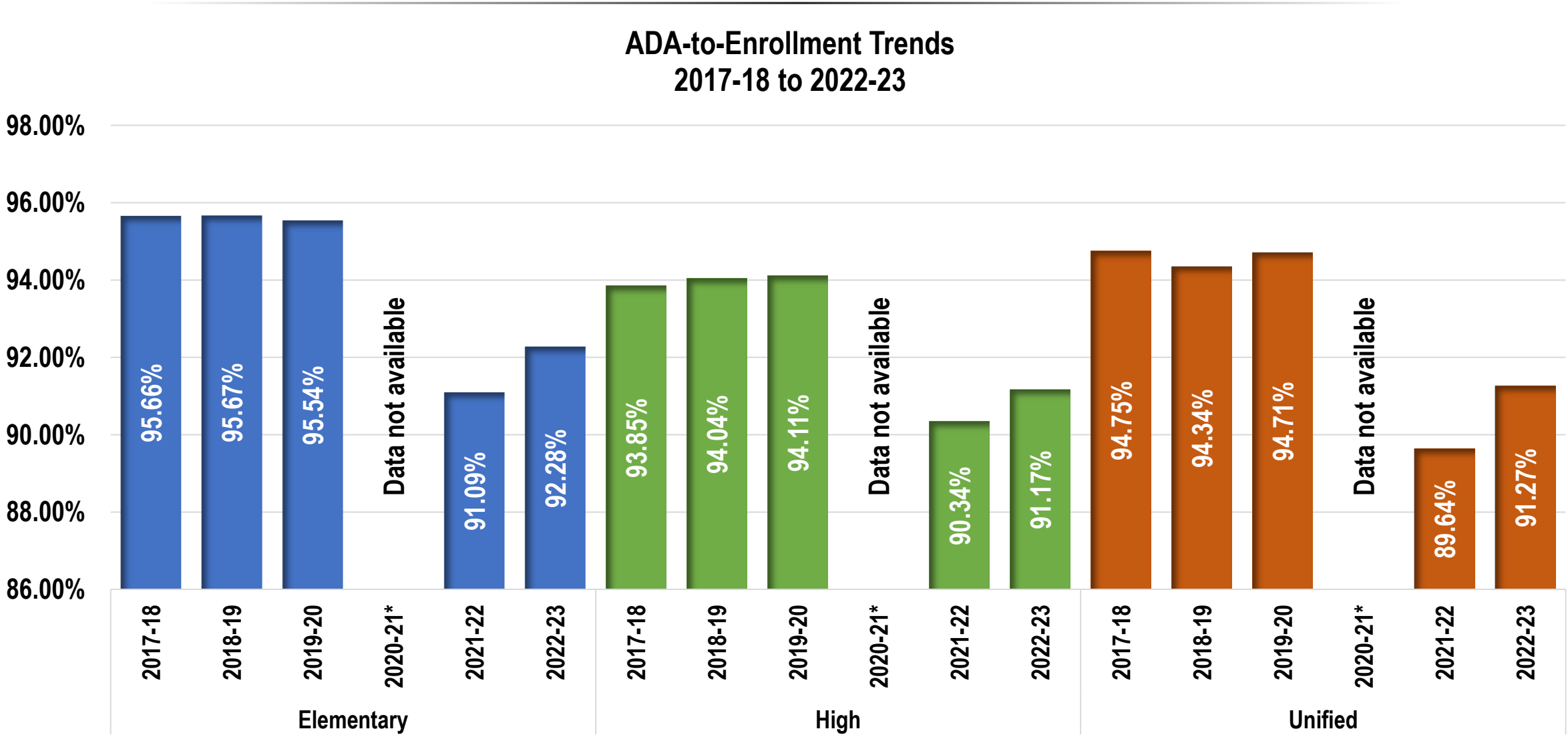
# Declining Enrollment Projections 2022-23 to 2031-32

- Most areas in the state are affected by declining enrollment, but to differing degrees:
- 12 counties are projected to lose 10,000 or more students between 2022-23 and 2031-32
- 18 counties will lose students at a rate faster than the statewide average of 8.27%
- Enrollment trends for each LEA are unique to the community and student populations they serve
- Enrollment trends impact the bottom line—in the current year and the out-years




Source: Department of Finance, CDE

# P-2 ADA-to-Enrollment Trends, 2017-18 to 2022-23




Note: Second Principal (P-2) Apportionment Data



# Tiered Funding Levels

## Schedule 1

| | Annual Funding | | | | P2 | Daily Funding | | | |
|---|---|---|---|---|---|---|---|---|---|
| Grades | Base | Supplemental | Concentration | Total | Days | Base | Supplemental | Concentration | Total |
| TK | $ 13,995 | $ - | $ - | $ 13,995 | 132 | $ 106.02 | $ - | $ - | $ 106.02 |
| K-3 | $ 10,951 | $ 2,190 | $ 7,118 | $ 20,259 | 132 | $ 82.96 | $ 16.59 | $ 53.92 | $ 153.47 |
| 4-6 | $ 10,069 | $ 2,014 | $ 6,545 | $ 18,628 | 132 | $ 76.28 | $ 15.26 | $ 49.58 | $ 141.12 |
| 7-8 | $ 10,367 | $ 2,073 | $ 6,739 | $ 19,179 | 132 | $ 78.54 | $ 15.70 | $ 51.05 | $ 145.29 |
| 9-12 | $ 12,327 | $ 2,465 | $ 8,013 | $ 22,805 | 132 | $ 93.39 | $ 18.67 | $ 60.70 | $ 172.76 |

## Schedule 2

| | Annual Funding | | | | P2 | Daily Funding | | | |
|---|---|---|---|---|---|---|---|---|---|
| Grades | Base | Supplemental | Concentration | Total | Days | Base | Supplemental | Concentration | Total |
| TK | $ 13,995 | $ - | $ - | $ 13,995 | 133 | $ 105.23 | $ - | $ - | $ 105.23 |
| K-3 | $ 10,951 | $ 2,190 | $ 7,118 | $ 20,259 | 133 | $ 82.34 | $ 16.47 | $ 53.52 | $ 152.33 |
| 4-6 | $ 10,069 | $ 2,014 | $ 6,545 | $ 18,628 | 133 | $ 75.71 | $ 15.14 | $ 49.21 | $ 140.06 |
| 7-8 | $ 10,367 | $ 2,073 | $ 6,739 | $ 19,179 | 133 | $ 77.95 | $ 15.59 | $ 50.67 | $ 144.21 |
| 9-12 | $ 12,327 | $ 2,465 | $ 8,013 | $ 22,805 | 133 | $ 92.68 | $ 18.53 | $ 60.25 | $ 171.46 |



# The Attract and Retain Program

- Continue Marketing Efforts
- Seek input from students and parents
- Collaborate with staff district-wide
- Work with Education Foundation (OUPSF)
- Update the Board on upcoming events



# Next Steps

- Update District Budget Stabilization 5-Year Plan (23-24 to 27-28)
  - Revenue Enhancements
  - Expenditure Reductions
  - Program Commitments
  - One-time Utilization of Reserves

- File 2023-24 First Interim Reports by Dec 15, 2023



# BOARD MEMBER QUESTIONS OR COMMENTS