2023-24 FIRST INTERIM REPORT

December 13, 2023

Presenters:
David A. Rivera, Deputy Superintendent/CBO
Meghna Bulsara, Executive Director, Business Services



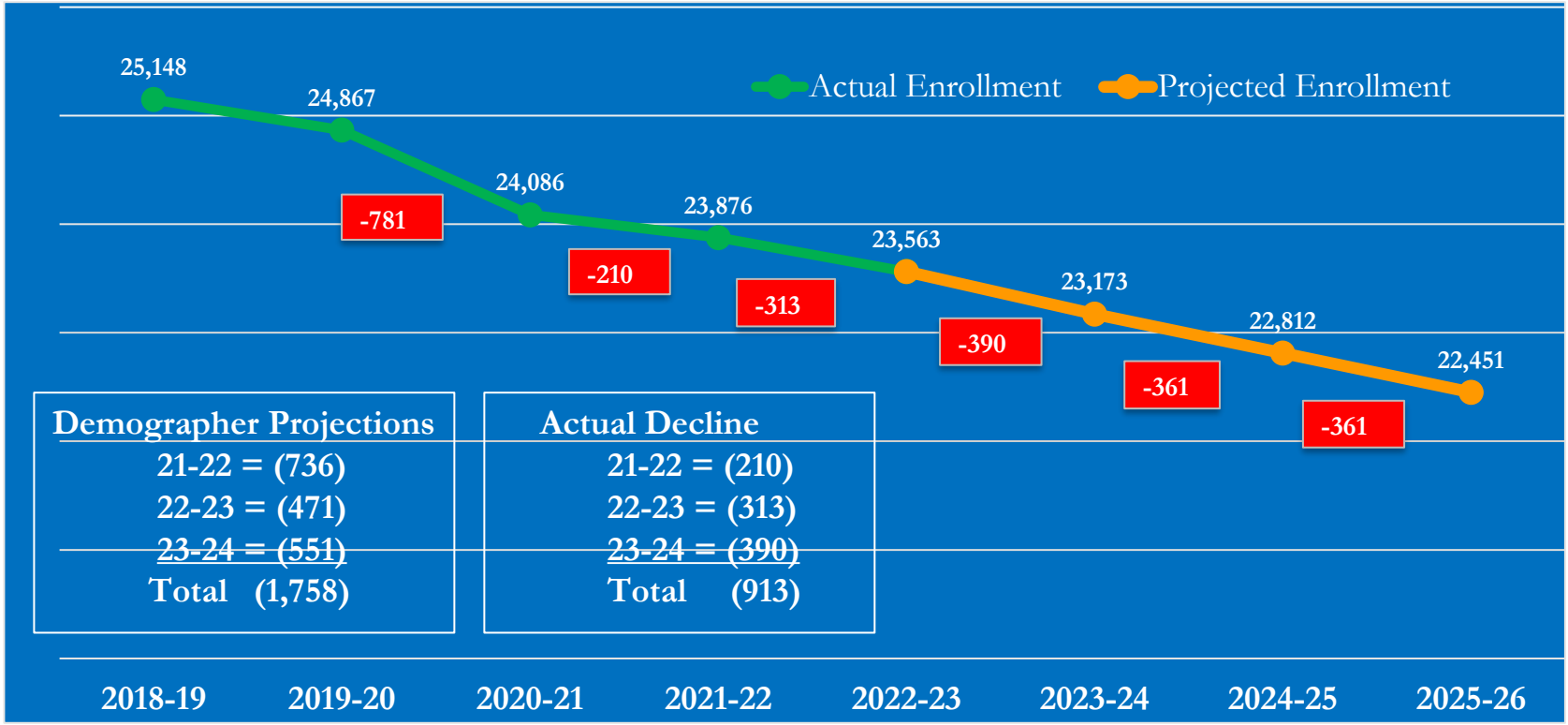
Presentation Overview

- Budget Assumptions
- State Budget Update
- Next Steps



BUDGET ASSUMPTIONS

OUSD Historical Enrollment (Excluding Charter Schools)



Budgetary Assumptions - Revenues

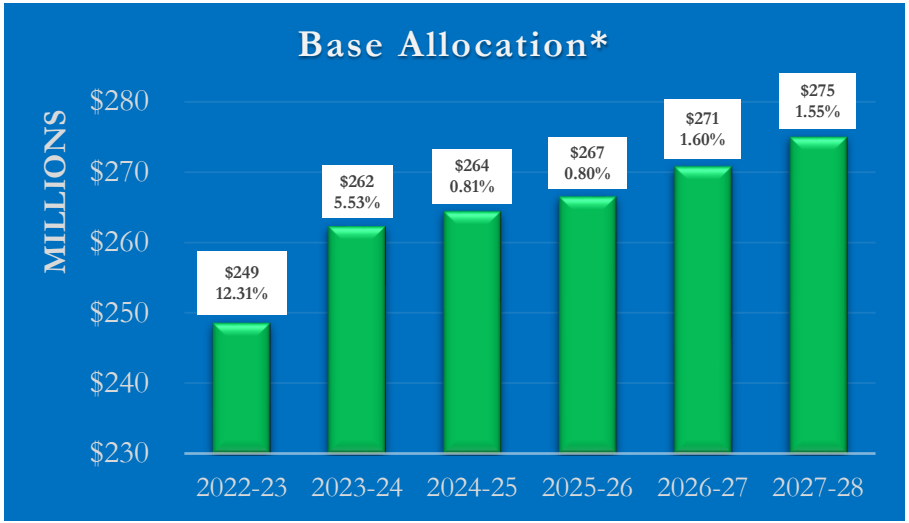
	2023-24	2024-25	2025-26
Student Enrollment	-390	-361	-361
Attendance Rate	93.19%*	93.20%	93.20%
Unduplicated Pupil Percentages (UPP)	55.92%	60.68%	60.68%
TK Add-on	474 @ $3,044	474 @ $3,164	474 @ $3,268
Cost of Living Adjustment – LCFF	8.22%	3.94%	3.29%
Proposition 28: Arts and Music in Schools (on-going)	$3.7M	$3.7M	$3.7M
Lottery- Unrestricted/ Restricted	$177/ $72	$177/ $72	$177/ $72
Mandated Block Grant K-8 / 9-12	$37.81/ $72.84	$39.30/ $75.71	$40.59/ $78.20

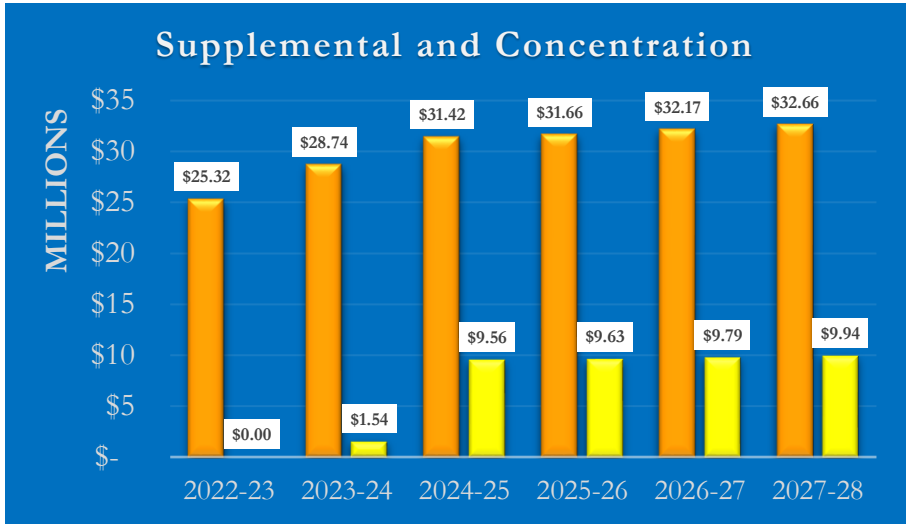
***Over 95% Year-To-Date**

Budgetary Assumptions - Expenditures

	2023-24	2024-25	2025-26
Employee Compensation OUEA & Leadership	-	-	-
Employee Compensation - CSEA	1.5% ongoing & 1.95% one-time	-	-
Step and Column- Certificated	As Budgeted	1.95%	1.86%
Step and Column- Classified	As Budgeted	2.28%	1.90%
CalSTRS (certificated employees)	19.10%	19.10%	19.10%
CalPERS (classified employees)	26.68%	27.70%	28.30%
State Unemployment Insurance	0.05%	0.05%	0.05%
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;	
Textbooks	$2.55M	$5.89M	$5.00M
Vehicle Replacement Plan	$0.3M	$0.3M	$0.3M

Local Control Funding Formula (LCFF) Revenue Allocations





***State Budget Act**



Multi-Year Projections

	2023-24	2024-25	2025-26
TOTAL REVENUES	$422,207,484	$408,806,386	$412,634,186
TOTAL EXPENDITURES	412,762,027	386,898,629	368,263,084
CHANGE IN FUND BALANCE:	9,445,457	21,907,757	44,371,102
Unrestricted Balance	22,141,663	17,840,208	34,582,349
Restricted Balance	-12,696,206	4,067,549	9,788,754
BEGINNING FUND BALANCE	183,774,708	193,220,165	215,127,923
PROJECTED ENDING BALANCE	**$193,220,165**	**$215,127,923***	**$259,499,025***

*Reserves have not been adjusted for potential additional enrollment decline above projections, decline of ADA percentages, and/or potential changes to Cost of Living Adjustment (COLA).

Multi-Year Projections

	2023-24	2024-25	2025-26
PROJECTED ENDING BALANCE	$193,220,165	$215,127,923	$259,499,025
Stores and Revolving Cash	254,297	254,297	254,297
Restricted Programs Balance:	49,995,135	54,062,684	63,851,438
Assignments:			
•Attract & Retain Program	2,630,235	2,370,235	2,110,235
•Personnel Vacancies	18,959,236	19,897,030	19,293,661
•LCFF Carryover	2,191,256	2,191,256	2,191,256
•Transportation Reorganization	1,472,984	1,472,984	1,472,984
Commitments:			
•Loss of COLA Funding	22,435,173	34,472,744	43,308,311
•Fiscal Emergencies	23,098,344	31,267,501	58,877,837
•Textbook Adoption	9,291,719	9,291,719	9,291,719
•Replacement and Updating Technology	9,170,413	9,170,413	9,170,413
•Enrollment Decline (500 students)	8,402,145	8,402,145	8,402,145
•Essential Workers (Covid Funding)	1,600,651	1,600,651	1,600,651
•ADA Stabilization Plan - 2 years	5,356,972	5,356,972	5,356,972
•Pension Obligations	5,050,033	5,050,033	5,050,033
•Vacation Liability	3,447,748	3,447,748	3,447,748
•Facility Maintenance	2,783,207	2,783,207	2,783,207
•Bus Replacements	4,268,975	4,268,975	4,268,975
•District Program Priorities	7,263,267	7,263,267	7,263,267
Contingency/Unappropriated:			
•3% Reserve for State Required Contingency	12,383,113	11,606,959	11,047,893
•Unappropriated Fund Balance	3,165,262	897,103	455,983

Anticipated Program Carryover Projections

Program#	Program Description	2023-24 First Interim
	Restricted Programs Balances:	$ 49,995,135
2600	Expanded Learning Opportunities Program	5,540,778
6266	Educator Effectiveness, FY 2021-22	3,800,402
6332	CA Community Schools Partnership Act - Implementation Grant	4,120,107
6762	Arts, Music and Instructional Materials Discretionary Block Grant	8,415,264
6770	Arts and Music in Schools (AMS)- Prop 28	3,768,242
7032	Child Nutrition: Kitchen Infrastructure and Training Funds - 2022	2,565,151
7311	Classified School Employee Professional Development Block Grant	165,328
7388	SB 117 COVID-19 LEA Response Funds	365,688
7412	A-G Access/Success Grant	601,851
7413	A-G Learning Loss Mitigation Grant	221,943
7435	Learning Recovery Emergency Block Grant	17,256,092
7810	Other Restricted State	219,820
8150	Routine Restricted Maintenance Account (RRMA)	1,702,564
9010	Other Restricted Local	1,251,905
	Other Programs Carryover:	$ 6,816,960
0000	LCFF-Supplemental & Concentration	$2,191,256
0000	Site Donations	903,790
3010	Title I	350,942
4035	Title II	344,301
4127	Title IV	206,433
4201	Title III	32,792
4203	Title III	100,941
6053	Universal Pre-K Grant	1,197,604
6300	Lottery	484,329
6387	Career Technical Education Incentive Grant (CTEIG)	1,004,572
	TOTAL:	$ 56,812,095



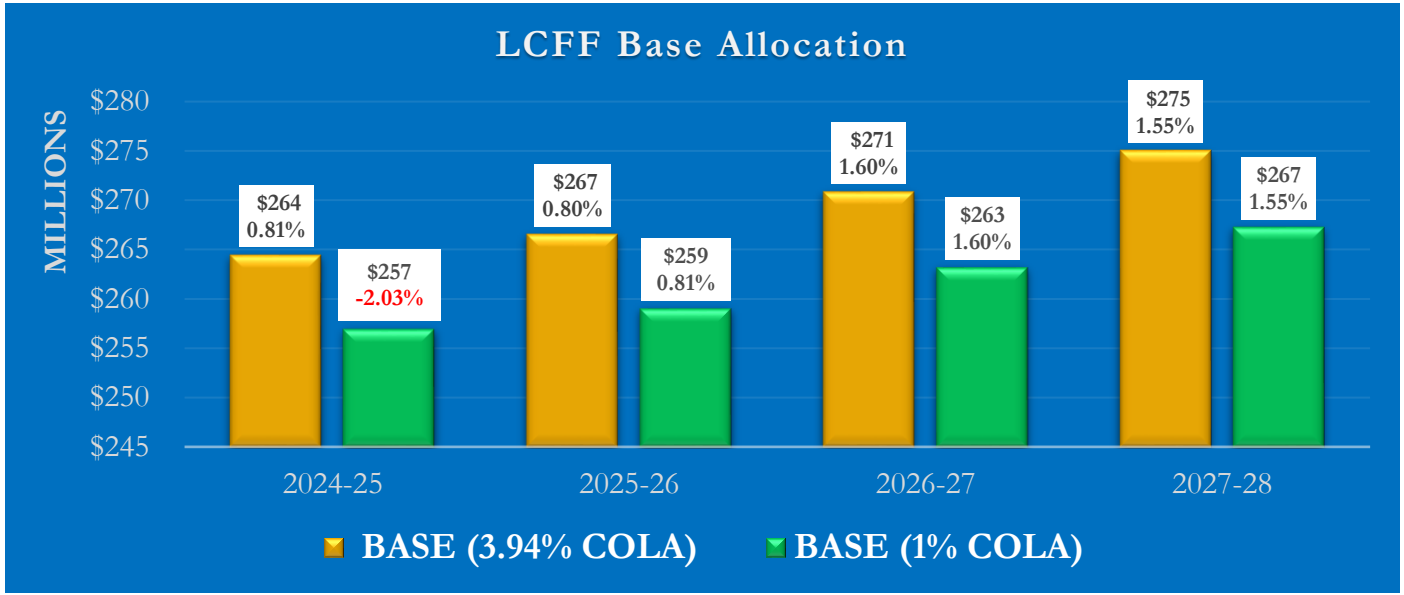
STATE BUDGET UPDATE



State Budget Update

- Legislative Analyst Office (LAO)
  - **More than 40% major tax revenue affected by November 16 extension**
  - **2022 Tax Receipts down $26 Billion**
  - **Increase in unemployment rate**
  - **Cost of Living Adjustment (COLA) projected at 1% for 2024-25 from 3.94%**
  - **Forecast: State facing Budget deficit over the next few years**

Fiscal Impact of Declining COLA for 24-25



Reported in Millions	2024-25	2025-26	2026-27	2027-28	Total
Current COLA	$ 264.42	$ 266.55	$ 270.80	$ 275.00	$ 1,076.77
1% COLA in 2024-25	$ 256.99	$ 259.06	$ 263.20	$ 267.28	$ 1,046.53
Variance in Funding	$ (7.43)	$ (7.49)	$ (7.60)	$ (7.72)	$ (30.24)



Next Steps

- State Level
  - Governor's January Budget Proposal for FY 2024-25 published by Jan 10, 2024
  - Projections are subject to significant changes
  - Legislative Proposals
  - Governor's May Revision
- Local Level
  - Update Budget Stabilization Plan
    - Revenue Enhancements
    - Strategies to retain and attract students
    - Operational Efficiencies
  - 2023-24 Second Interim Reports by March 15, 2024



Thank you to our Fiscal Services Team!

Amy Glinskas
Ana Galicia
Arlene Magana
Brenda Savedra
Cathy Sadler
Daniel Garcia
David Nguyen
Diana Gaeta
Eddie Barraza
Francisco Chairez
Kathleen Franks
Kim Da Silva
Jami Lopez
Jessica Urroz
Julie Lemos
Marci Gresham
Michelle Flansburg
Moises Lopez
Natalie Nguyen
Peggy Land
Sharon Davis
Shawna Hall-Galvan
Stacy Andrade
Veronica Hernandez



BOARD MEMBER QUESTIONS OR COMMENTS