2023-24
SECOND INTERIM REPORT

March 11, 2024

Presenters:
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Presentation Overview

- Legal Requirements
- Budget Assumptions
- State Budget Update
- Next Steps



LEGAL REQUIREMENTS



LEGAL REQUIREMENTS

Reporting Requirements

- State mandate to file a certification of financial solvency twice a year
  - Ed. Code Sections 35035(g), 42130, and 42131
  - AB 1200 and AB 1708
  - Projections must include current year and subsequent two years (2024/25 and 2025/26)

- Reporting Schedule
  - First Interim is through October 31 and must be authorized by December 15
  - Second Interim is through January 31 and must be authorized by March 15



LEGAL REQUIREMENTS (cont'd)

Reporting Requirements (cont'd)

- **Certifications**
  - **Positive – The District will meet its financial obligations**
  - **Qualified – The District may not meet its financial obligations**
  - **Negative – The District will be unable to meet its financial obligations**

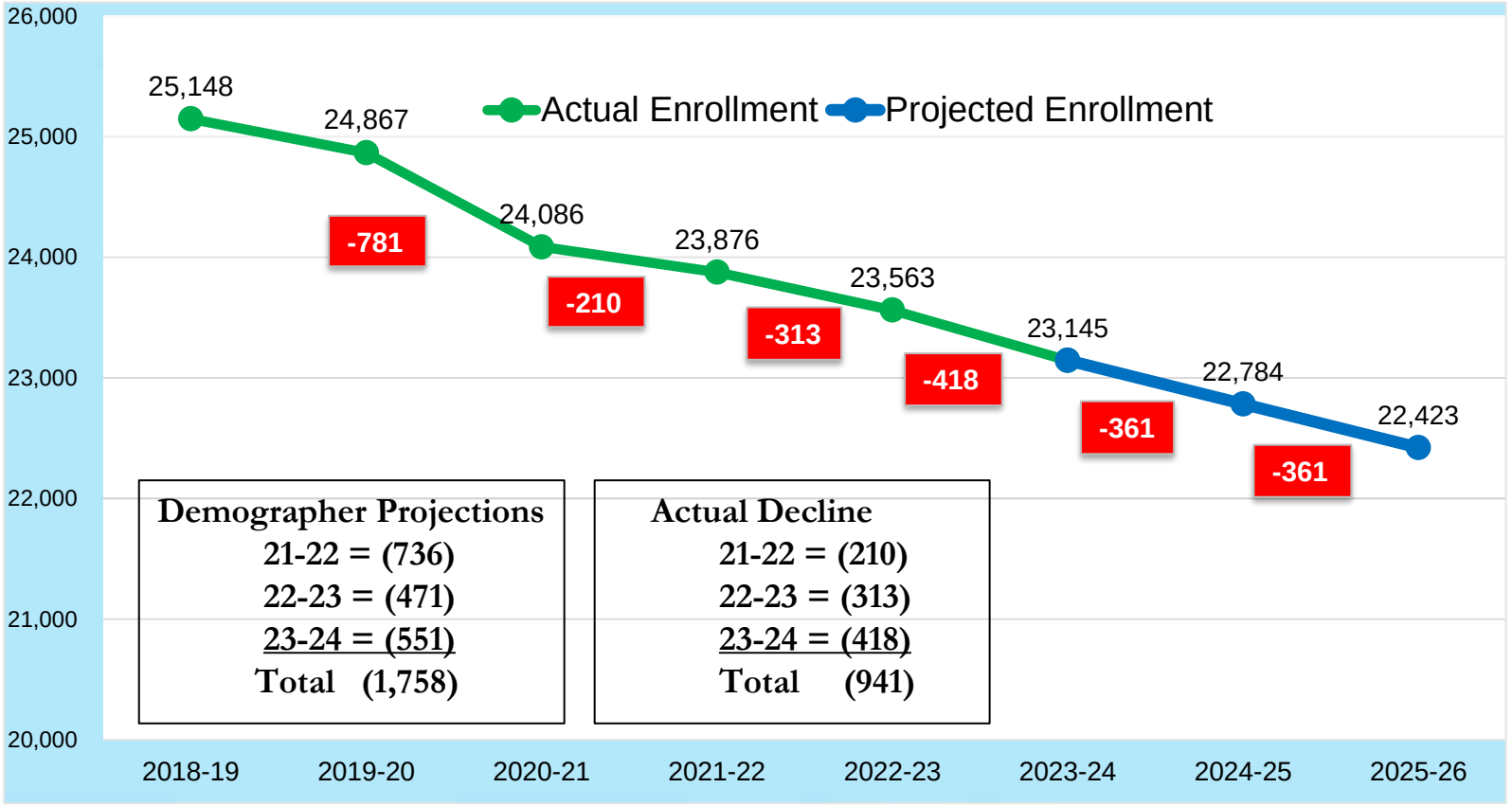
Certification is for the current fiscal year and subsequent two fiscal years

District staff recommends a positive certification for the Second Interim report.



BUDGET ASSUMPTIONS

OUSD Historical Enrollment (Excluding Charter Schools)



Budgetary Assumptions - Revenues

	2023-24	2024-25	2025-26
Student Enrollment	-418	-361	-361
Attendance Rate	94.68%	94.75%	94.75%
Unduplicated Pupil Percentages (UPP)	56.18%	60.95%	60.95%
TK Add-on	473.58 @ $3,044	473.58 @ $3,067	473.58 @ $3,151
Cost of Living Adjustment – LCFF	8.22%	0.76%	2.76%
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	$37.63/ $72.50	$38.10/ $73.39	$39.14/ $75.39

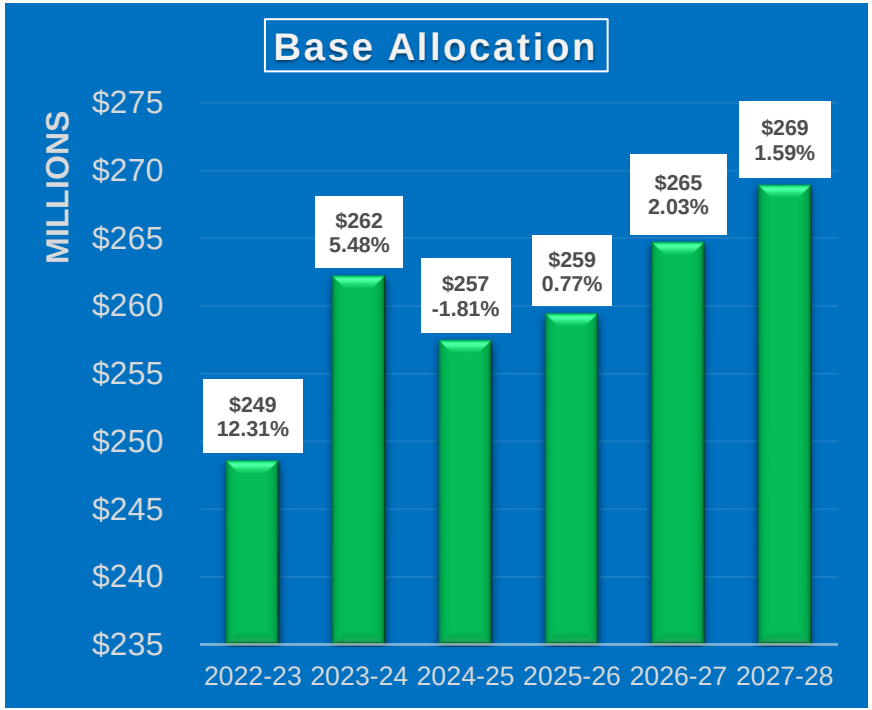
Budgetary Assumptions - Expenditures

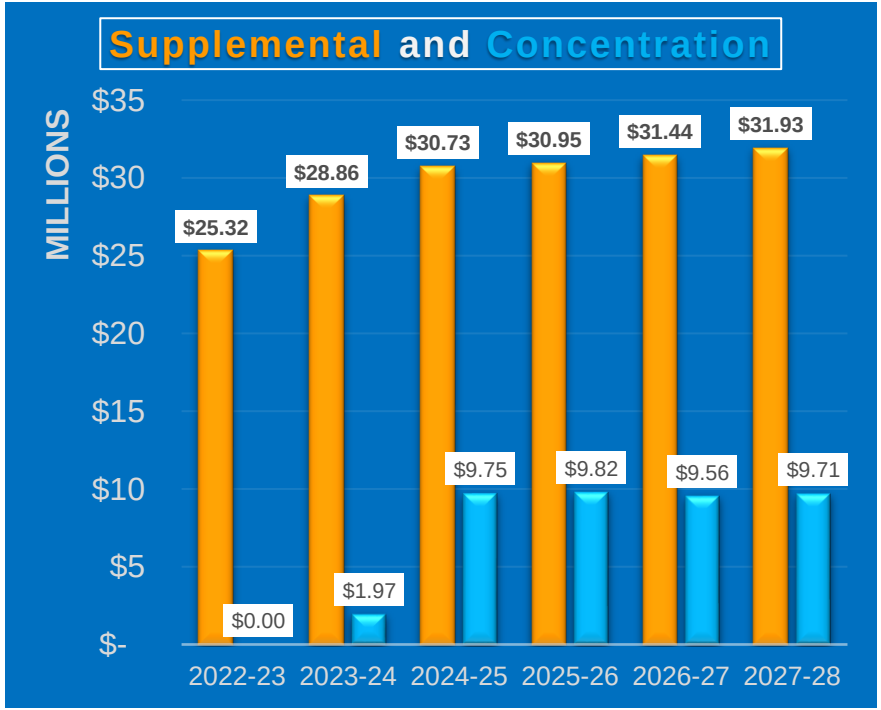
	2023-24	2024-25	2025-26
Employee Compensation OUEA & Leadership	In Progress	-	-
Employee Compensation - CSEA	1.5% ongoing & 1.95% one-time	-	-
Step and Column- Certificated	As Budgeted	1.95%	1.86%
Step and Column- Classified	As Budgeted	2.28%	1.90%
CalSTRS (certificated employees)	19.10%	19.10%	19.10%
CalPERS (classified employees)	26.68%	27.80%	28.50%
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 effective Jan 2024 for CSEA	
Textbooks	$2.92M	$5.89M	$5.00M

Budgetary Assumptions – Expenditures (cont'd)

	Funding Source	2023-24	2024-25	2025-26
Athletic Field Replacements (10-yr plan)	RDA	$300,000	$300,000	$300,000
ESSER-related Projects	RDA	$1,224,626	-	-
Outside Professional Services	RDA	$110,000	$110,000	$110,000
Roof Replacements	RDA	$3,000,000	-	-
Safety Fund	RDA	$1,000,000	$700,000	$700,000
Sustainability Plan – Facilities	General Fund	$4,000,000	$8,000,000	-
Vehicle Replacement	General Fund	$400,000	$400,000	$400,000

Local Control Funding Formula (LCFF) Revenue Allocations







Multi-Year Projections

	2023-24	2024-25	2025-26
TOTAL REVENUES	$427,488,733	$402,588,051	$406,673,416
TOTAL EXPENDITURES	415,957,397	387,894,913	377,310,025
CHANGE IN FUND BALANCE:	11,531,336	14,693,137	29,363,391
Unrestricted Balance	22,141,663	12,917,784	26,838,772
Restricted Balance	-12,696,206	1,775,353	2,524,619
BEGINNING FUND BALANCE	183,774,708	194,205,539	208,898,676
PROJECTED ENDING BALANCE	**$193,220,165**	**$208,898,676**	**$238,262,067**

Multi-Year Projections

	2023-24	2024-25	2025-26
PROJECTED ENDING BALANCE	$193,220,165	$208,898,676	$238,262,067
Stores and Revolving Cash	254,297	254,297	254,297
Restricted Programs Balance:	49,757,190	51,532,543	54,057,162
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	23,782,306	27,468,767	46,530,462
•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	12,478,722	11,636,847	11,319,301
•Unappropriated Fund Balance	3,609,010	966,842	1,089,268

Anticipated Program Carryover Projections

Program#	Program Description	2023-24 Second Interim
	Restricted Programs Balances:	$ 49,757,190
2600	Expanded Learning Opportunities Program	5,004,078
6266	Educator Effectiveness, FY 2021-22	3,799,944
6332	CA Community Schools Partnership Act - Implementation Grant	3,840,121
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
7399	LCFF Multiplier	339,468
7412	A-G Access/Success Grant	760,939
7413	A-G Learning Loss Mitigation Grant	213,095
7435	Learning Recovery Emergency Block Grant	17,330,794
7810	Other Restricted State	219,820
8150	Routine Restricted Maintenance Account (RRMA)	2,384,380
9010	Other Restricted Local	584,878
	Other Programs Carryover:	$ 5,690,637
0000	LCFF-Supplemental & Concentration	$1,265,995
0000	Site Donations	903,779
3010	Title I	149,783
4035	Title II	377,324
4127	Title IV	136,430
4201	Title III	32,792
4203	Title III	100,941
6053	Universal Pre-K Grant	1,287,034
6300	Lottery	484,329
6387	Career Technical Education Incentive Grant (CTEIG)	952,230
	TOTAL:	$ 55,447,827



STATE BUDGET UPDATE

State Budget Update

- Department of Finance (DOF)
  - **2024 year-to-date cash receipts are down 4.8% below forecast**

Revenue Source	Forecast	Actual	Difference	Percent Difference
Personal Income	$ 76,176	$ 71,491	-$4,685	-6.2%
Corporation	$ 21,506	$ 20,527	-$ 980	-4.6%
Sales and Use	$ 18,756	$ 18,557	-$ 199	-1.1%
Total*	$121,467	$115,586	-$5,882	-4.8%

*Includes other agency cash receipts

  - **Unemployment rate increased by 0.2%**
  - **Forecast: The State is facing a budget deficit over the next few years.**

Table reprinted from School Services of California Fiscal Report posted February 20, 2024



NEXT STEPS



Next Steps for 2024-25 Budget

- **State Level**
  - **Legislative Proposals**
  - **Governor's May Revision**
    (School Services of California conference – 5/21/24)

- **Local Level**
  - **Update Budget Stabilization Plan**
    - **Revenue Enhancements**
    - **Strategies to attract and retain students**
    - **Operational Efficiencies**
  - **May 23 Board Meeting**
    - **Public Hearing on LCAP and Proposed Budget**
  - **June 13 Board Meeting**
    - **Adopt LCAP and Proposed Budget**



Thank you to our Fiscal Services Team!

Amy Glinskas
Ana Galicia
Ana Alvarado
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Cathy Sadler
Daniel Garcia
David Nguyen
Diana Gaeta
Eddie Barraza
Francisco Chairez
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Jessica Urroz
Julie Lemos
Marci Gresham
Michelle Flansburg
Moises Lopez
Natalie Nguyen
Peggy Land
Sharon Davis
Shawna Hall-Galvan
Veronica Hernandez
Yesenia Carrillo



BOARD MEMBER QUESTIONS OR COMMENTS