



Ocean View School District

Preliminary Budget 2022-23



Carol Hansen, Ed.D., Superintendent
Keith Farrow, Assistant Superintendent
Timothy Golden, Director, Fiscal Services
Jose Velazquez, Accountant



Overview

- Budget Roadmap
- Budget Assumptions
- Enrollment History
- Average Daily Attendance (ADA)
- Board Commitments
- Unrestricted Reserves Cap
- Multi-Year Projection (MYP)
- Contributions
- Pension Costs
- State Budget Update
- OVSD Budget Challenges



Budget Roadmap

Governor's January
Budget Proposal

1

OVSD Preliminary
Budget

3

OVSD Final Budget
Adoption

5

OVSD 45-Day
Budget Revision

7

2

Governor's May
Revision

4

June 15th Legislative
Budget Proposal
Deadline

6

July 1st deadline for
the Governor to sign
the State Budget



Budget Assumptions

Factors	2021-22	2022-23	2023-24	2024-25
Enrollment	6,942	6,586	6,203	5,838
Actual ADA	6,722.88	6,363.95	5,993.93	5,641.29
COLA	5.07%	6.56%	5.38%	3.15%
2nd Interim COLA	-%	5.33%	3.61%	3.64%
PERS Pension	22.91%	25.37%	25.20%	24.60%
<i>% Change of Prior Year</i>	-%	2.46%	-0.17%	-0.60%
STRS Pension	16.92%	19.10%	19.10%	19.10%
<i>% Change of Prior Year</i>	-%	2.18%	0.00%	0.00%
CPI (inflation)	-%	6.00%	6.00%	3.00%

*Assumptions based on the Governor's May Revision Proposal from Schools Services of California (SSC).

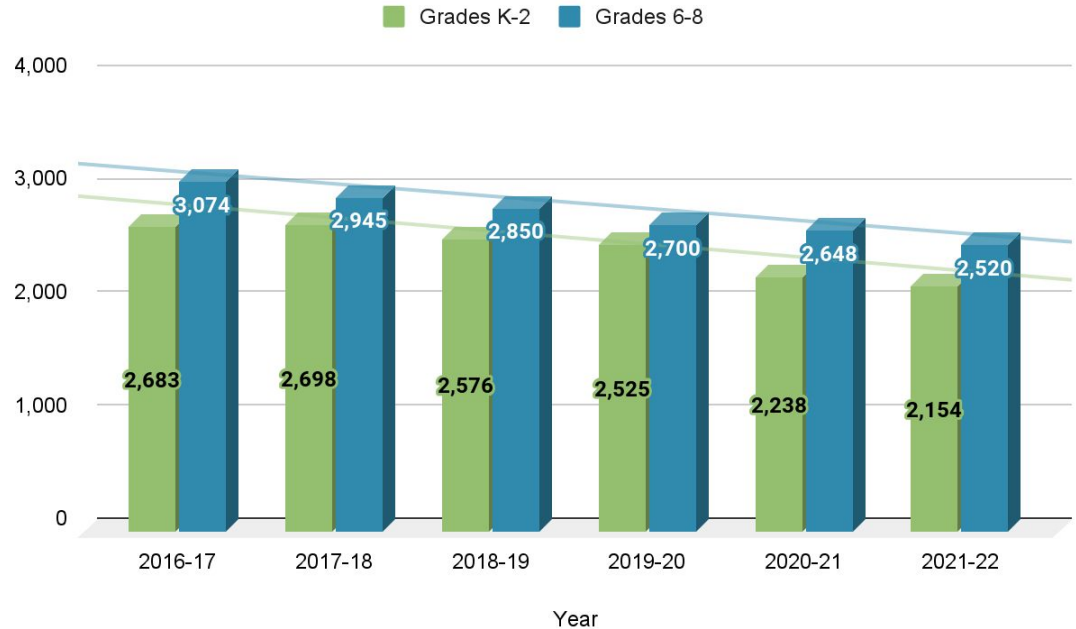


Budget Assumptions (cont.)

- LCFF funding based on 3-year ADA average & attendance yield in 2021/22.
- Certificated staffing reductions to align with declining enrollment.
- Continued contributions to special education, routine restricted maintenance, and transportation.
- Ongoing restricted programs (Title I-IV) budgeted at 90%-100% of 2021/22 entitlements.
- Removed one-time funding sources in subsequent year budgets.



Inflow vs. Outflow Enrollment Comparison

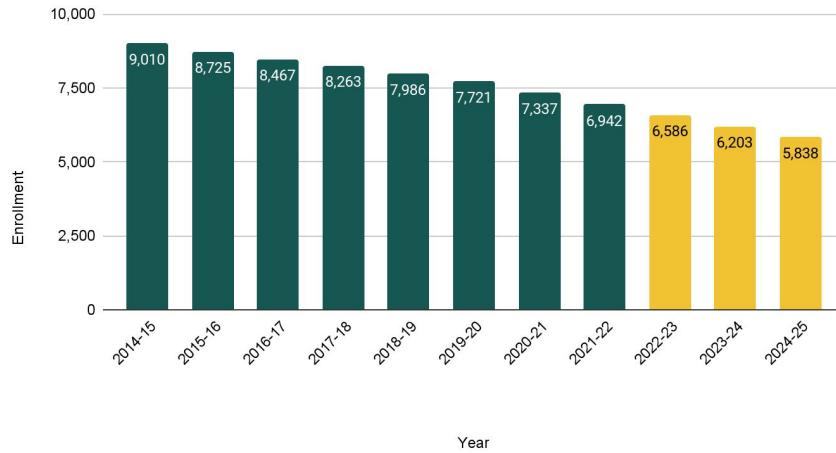


Comparing the number of students entering grades K-2 against the students in grades 6-8.



Enrollment History

Enrollment vs. Year



Item	2021-22	2022-23	2023-24	2024-25
Enrollment	6,942	6,586	6,203	5,838
<i>Change</i>		-356	-383	-365





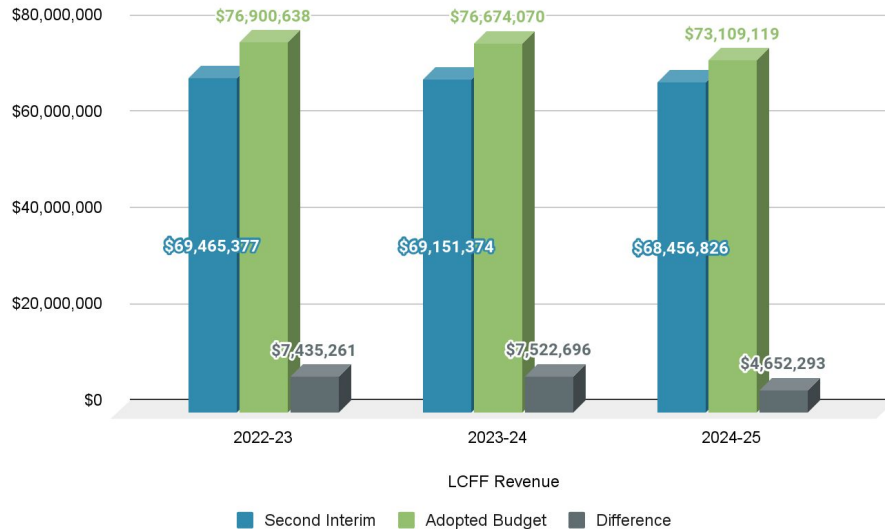
Average Daily Attendance

	Average Daily Attendance	Current Year	Prior Year	3-Year Average	Funded ADA	Funded ADA Change
Hold Harmless	2019-20	7,474.25	7,745.92	N/A	7,745.92	N/A
	2020-21	7,474.25	7,474.25	N/A	7,474.25	N/A
3-Year Average Proposed	2021-22	6,722.88	7,474.25	N/A	7,474.25	N/A
	2022-23	6,363.95	6,722.88	7,218.58	7,218.58	495.70
	2023-24	5,993.93	6,363.95	6,850.81	6,850.81	486.86
	2024-25	5,641.29	5,993.93	6,359.78	6,359.78	365.85

*Yellow highlight indicates OVSD's funded ADA source (Prior Year, Current Year, or 3-Year Average).



Average Daily Attendance (cont.)



- At second interim, OVSD LCFF was funded at the greater of current year or prior year ADA.
- The proposed funding model going forward includes a 3-year average, which changes our “ADA cliff” from an exponential decrease to a gradual decline.



Board Commitments

On June 22, 2021, the OVSD board committed funds for the following purpose:

Commitment	Amount
Textbook Adoption	\$1,000,000
Technology Infrastructure	\$250,000
Technology Device Replacement	\$250,000
Facilities, Information Technology, and Food Service Vehicle Replacement	\$250,000
Portable Classroom Replacement	\$250,000
Total	\$2,000,000



Unrestricted Reserves Cap

The statutory limitation on school district reserves has been triggered for the 2022–23 school year, pursuant to Education Code (EC) Section 42127.01(e).

- Beginning with the 2022–23 fiscal year, the district reserve cap requires that a school district’s adopted or revised budget pursuant to EC Section 42127 shall not contain a combined assigned or unassigned ending general fund balance of more than 10 percent of those funds. Assigned and unassigned balances within the Special Fund for Other than Capital Outlay shall also be included within the 10 percent reserve cap.
- We will ask for additional board commitments on June 28th, beyond the commitments outlined in the previous slide (as approved June 22, 2021).
- Our current unrestricted reserves are projected at 16 percent.



Unrestricted Multi-Year Projection

Unrestricted General Fund	2022-23	<i>Projected</i> 2023-24	<i>Projected</i> 2024-25
Revenues	\$79,216,885	\$78,990,317	\$75,425,366
Contributions	-\$10,308,056	-\$10,110,857	-\$10,094,857
Net Revenues	\$68,908,829	\$68,879,460	\$65,330,509
Expenditures	\$68,378,190	\$68,230,354	\$66,839,960
Increase/Decrease	\$530,640	\$649,106	-\$1,509,451
Beginning Fund Balance	\$17,838,407	\$18,369,046	\$19,018,152
Ending Fund Balance	\$18,369,046	\$19,018,152	\$17,508,701

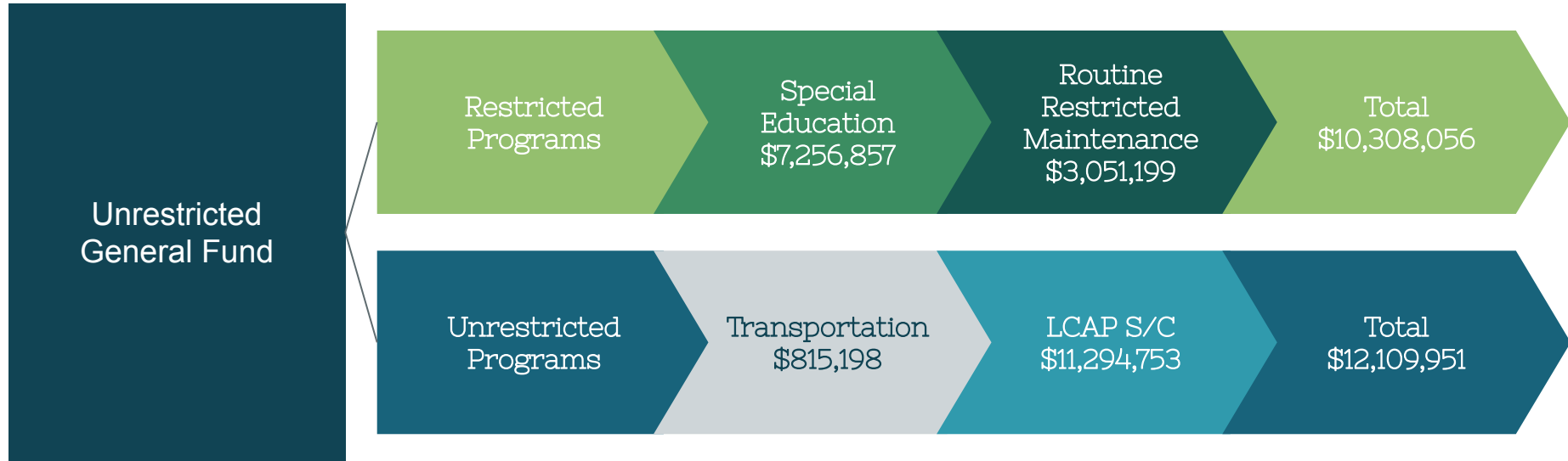


Combined Multi-Year Projection

Combined General Fund	2022-23	<i>Projected</i> 2023-24	<i>Projected</i> 2024-25
Revenues	\$98,667,380	\$95,296,535	\$91,731,584
Expenditures	\$98,087,670	\$94,437,726	\$94,161,065
Transfers In/(Out)	-\$250,000	-\$500,000	-\$250,000
Increase/Decrease	\$329,711	\$358,809	-\$2,679,481
Beginning Fund Balance	\$23,460,593	\$23,790,303	\$24,149,112
Ending Fund Balance	\$23,790,303	\$24,149,112	\$21,469,631



Contributions





Pension Increases



Fiscal Year	Certificated Salaries	CalSTRS Rate	District Contributions
2021-22	\$43,496,402	16.92%	\$11,770,983
2022-23	\$46,885,539	19.10%	\$14,120,529
Increased Dollar Cost			\$2,349,546
Increased Dollar Cost Percentage Increase			19.96%

Fiscal Year	Classified Salaries	CalPERS Rate	District Contributions
2021-22	\$15,633,810	22.91%	\$3,145,177
2022-23	\$13,812,870	25.37%	\$3,309,168
Increased Dollar Cost			\$163,991
Increased Dollar Cost Percentage Increase			5.21%



State Budget Update

Governor's Proposal

- Attendance Yield for 2021-22
- One-time funds
- COLA
- Deferred Maintenance

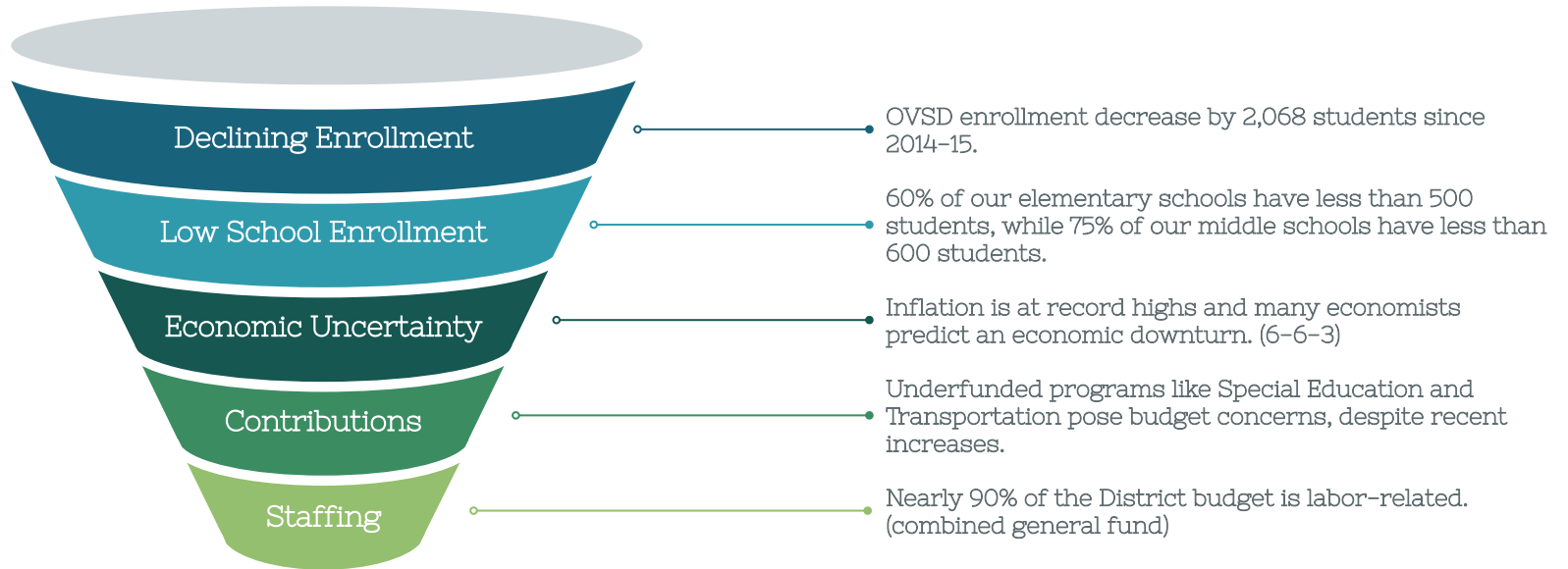
State Budget Act

Legislation's Proposal

- Home-to-School Transportation mandate
- One-time funds
- COLA
- Additional PreK planning



OVSD Budget Challenges





Any questions?