

# REVISED Budget Report 2020-21

August 11, 2020

Presented by:

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OCEAN VIEW SCHOOL DISTRICT  
EDUCATION CENTER



ORIGINAL  
OCEAN VIEW SCHOOL DISTRICT  
BY  
MADE IN BRILLIANT



# Topics

- Budget Assumptions
- Multi Year Projections
- Budget Impact
- Expenditure Priorities

# Revised 2020-21 Budget Assumptions

- 3-Year Multi-Year Projection
  - **Previous Governor's May revision** included a COLA reduction of -7.92% (Adopted Budget June 23, 2020)
  - The **Adopted State Budget** provides no COLA, 0.00% for 2020-21, 2021-22, and 2022-23 (Revised Budget August 11, 2020)
  - Apportionments Deferred
    - 2019-20 June deferred to July 15
    - 2020-21 February, March, April, May, and June deferred into 2021-22

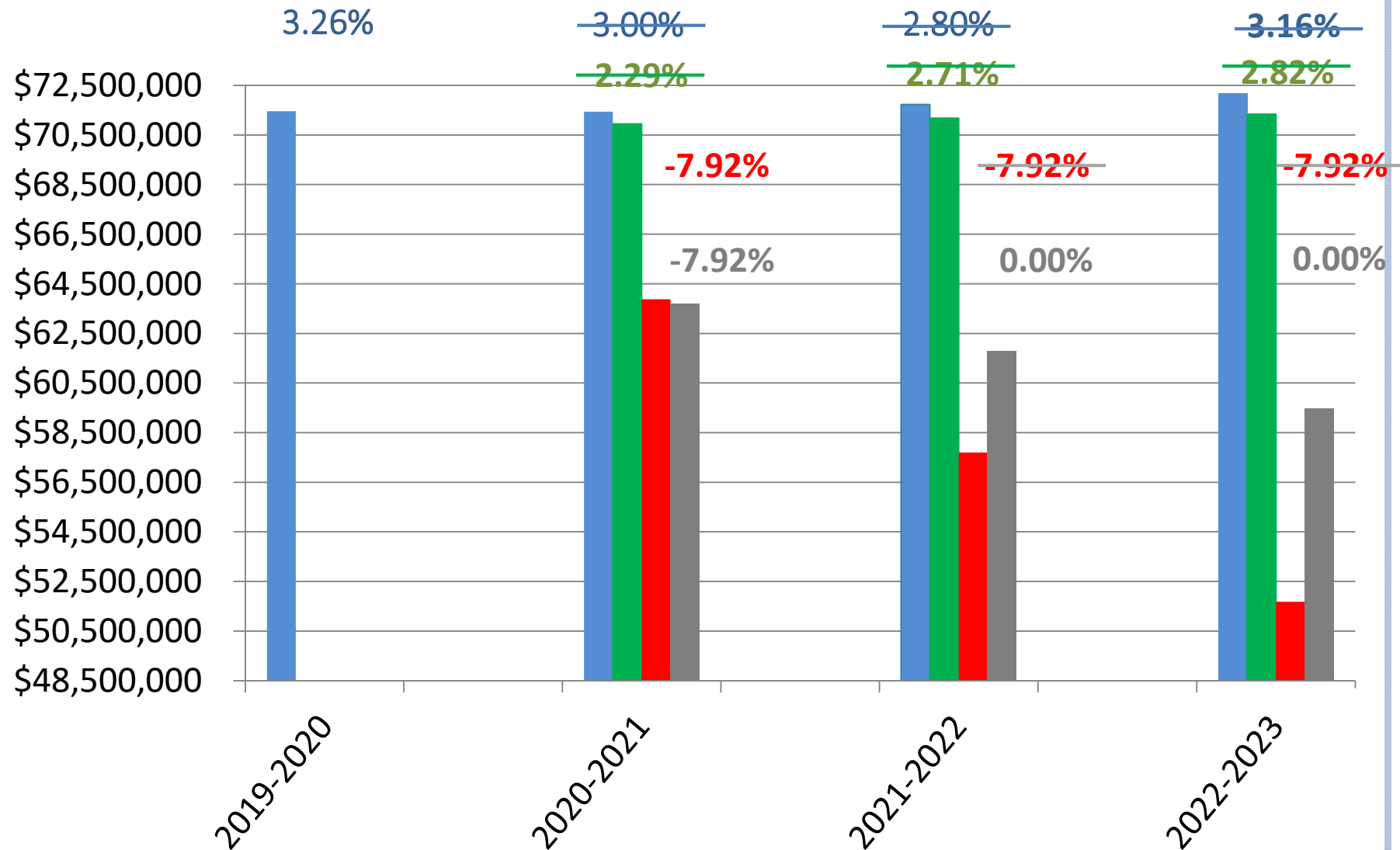
## Revised 2020-21 Budget Assumptions

- Lowered STRS and PERS District 2-Yr Contributions
  - 2019-20 STRS 17.10% PERS 19.721%
  - **2020-21 STRS 16.15% PERS 20.70%**
  - **2021-22 STRS 16.02% PERS 22.84%**
  - Increases 2022-23 STRS 18.10% PERS 25.50%
- Resolution No. 26-1920 2020-21  
(Adopted Budget June 23, 2020)
  - \$4,200,000 Personnel Costs ongoing reductions
    - 2020-21 (not necessary)
    - 2021-22 (not necessary)
- Transportation staffing rebudgeted due to State Budget language, Revised Budget only includes Certified Transportation reduction

# Budget Adoption LCFF Revenue Projection

2020-21 MYP COLA 0.00%  
and -7.92% Reduction

- 1<sup>st</sup> Interim Projections
- 2<sup>nd</sup> Interim Projections
- May Revise
- Budget Adoption



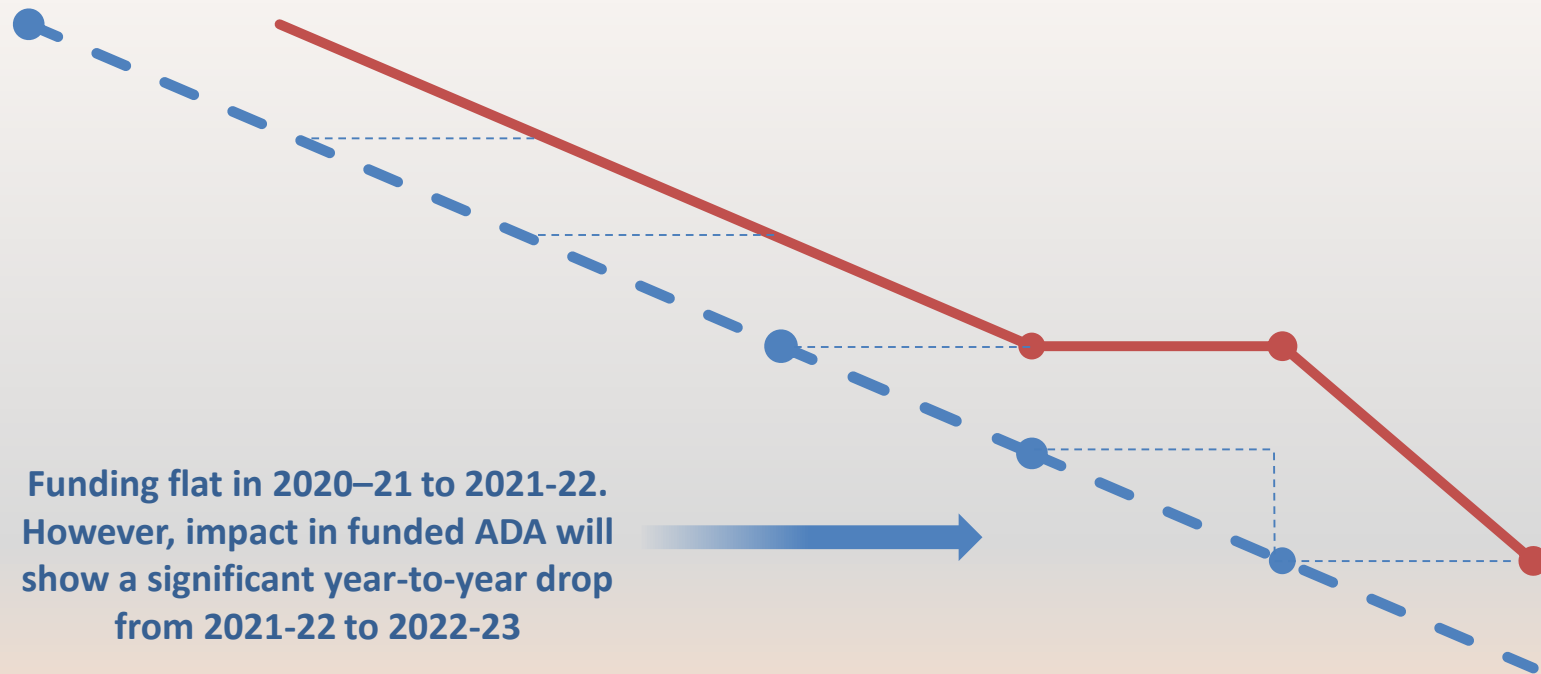
# Combined General Fund Balance Summary and MYP

\*Includes \$4.2M combined personnel reductions 2020-21 & 2021-22

GF Combined	2019-20 2nd Interim	2019-20 Estimated Actuals	2020-21 Adopted Budget	2021-22 Projected	2022-23 Projected
Revenues	\$89,995,683	\$89,973,404	\$79,815,131	\$77,910,756	\$75,600,533
Expenditures <i>(including Transfers In/Out)</i>	\$90,994,551	\$88,539,997	\$84,786,936*	\$78,848,523*	\$79,605,691
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(998,869)</b>	\$1,433,407	<b>\$(4,971,805)</b>	<b>\$(937,767)</b>	<b>\$(4,005,158)</b>
Beginning Balance	\$13,702,900	\$13,702,900	\$15,136,307	\$10,164,502	\$9,226,735
Ending Balance <i>(% of Expenditures)</i>	\$12,704,031 13.96%	\$15,136,307 17.1%	\$10,164,502 11.99%	\$9,226,735 11.7%	\$5,221,577 6.56%
3% REU	\$2,734,837	\$3,261,200	\$3,148,608	\$2,370,456	\$2,393,171
Emergency Reserve <i>(% of Expenditures)</i>	\$6,739,360 7.41%	\$8,477,396 9.57%	\$2,987,146 3.52%	\$3,169,707 4.02%	\$1,119,043 1.41%

# MYP Declining Enrollment Districts

## Impact of ADA Hold Harmless in the MYP



2016–17

2017–18

2018–19

2019–20

2020–21

2021–22

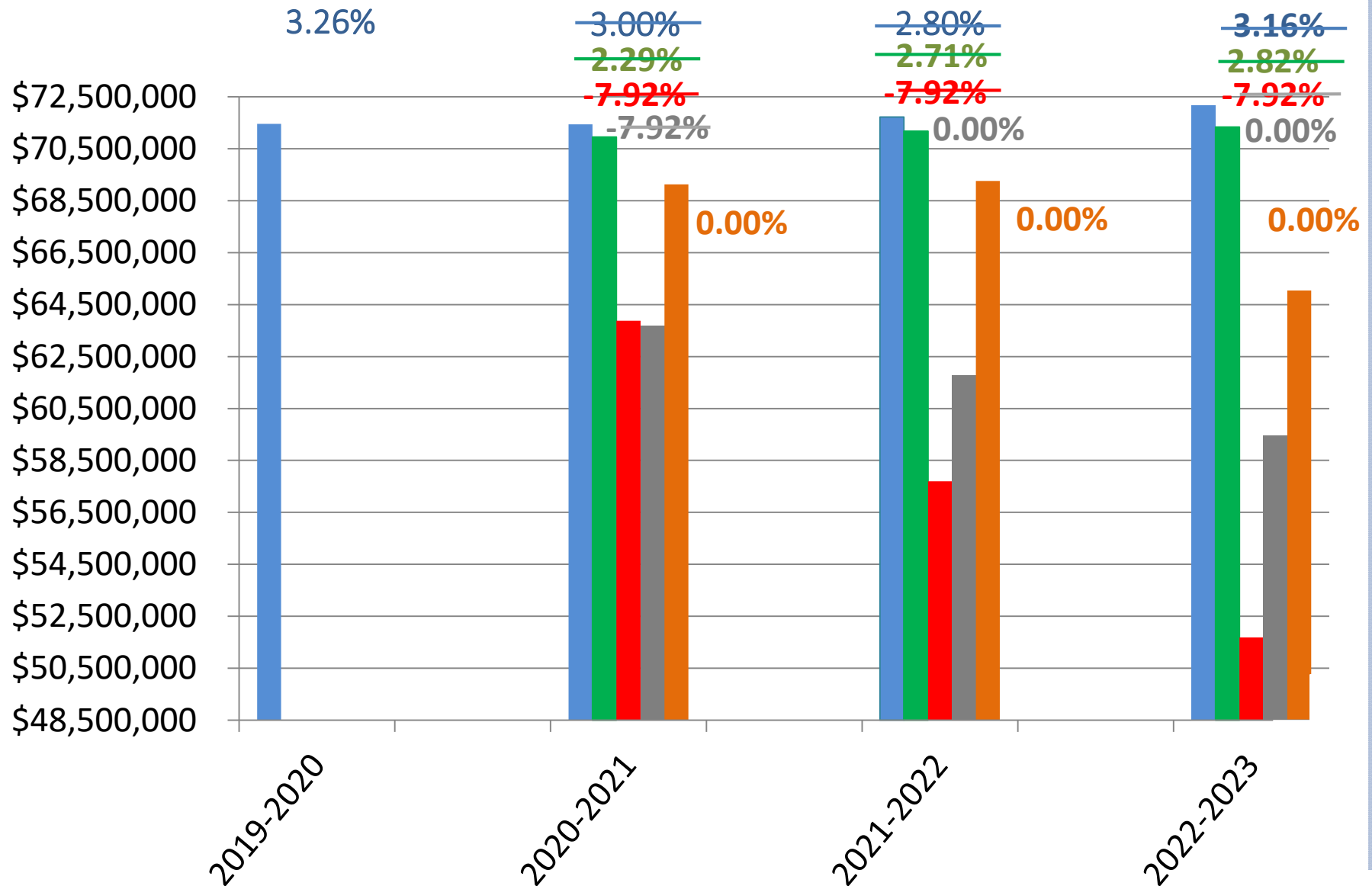
2022–23

— Funded ADA ● Declining ADA

# REVISED Budget LCFF Revenue Projection

2020-21 MYP COLAs 0.00%

- 1<sup>st</sup> Interim Projections
- 2<sup>nd</sup> Interim Projections
- May Revise
- Budget Adoption
- REVISED Budget





# Combined General Fund Balance Summary and MYP

GF COMBINED	2020-21 June Adopted Budget	2020-21 Aug REVISED Budget	2021-22 Projected	2022-23 Projected
Revenues	\$79,815,131	\$86,617,665	\$85,374,237	\$81,153,347
Expenditures <i>(including Transfers In/Out)</i>	\$84,786,936	\$88,445,382	\$87,275,842	\$88,196,380
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(4,971,805)</b>	<b>\$(1,827,717)</b>	<b>\$(1,901,605)</b>	<b>\$(7,043,033)</b>
Beginning Balance	\$15,136,307	\$15,136,307	\$13,308,591	\$11,406,986
Ending Balance <i>(% of Expenditures)</i>	\$10,164,502 11.99%	\$13,308,591 15.1%	\$11,406,986 13.1%	\$4,363,952 4.95%
3% REU	\$3,148,608	\$3,258,361	\$2,623,275	\$2,650,891
Emergency Reserve <i>(% of Expenditures)</i>	\$2,987,146 3.52%	\$6,945,477 7.9%	\$5,901,262 6.76%	\$687,949 0.08%

# UNRESTRICTED General Fund Balance Summary and MYP

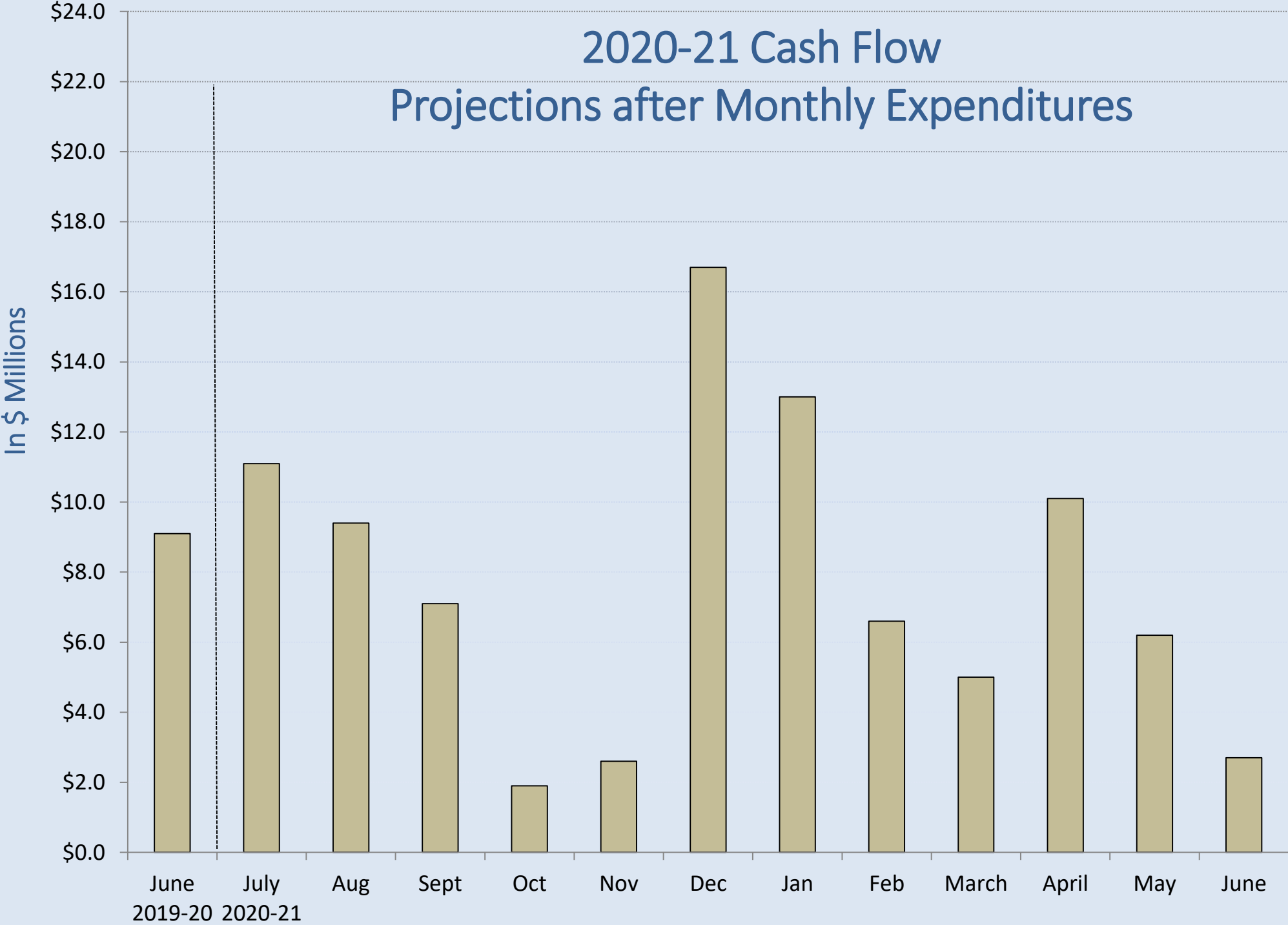
UNRESTRICTED	2020-21 June Adopted Budget	2020-21 Aug REVISED Budget	2021-22 Projected	2022-23 Projected
Revenues	\$66,499,755	\$71,937,954	\$72,069,753	\$67,848,863
Encroachment/ District Contribution	<b>\$(14,657,505)</b>	<b>\$(14,664,411)</b>	<b>\$(14,629,411)</b>	<b>\$(14,629,411)</b>
<b>NET Revenues</b>	\$51,842,250	\$57,273,543	\$57,440,342	\$53,219,452
Expenditures <i>(including Transfers In/Out)</i>	\$56,992,864	\$59,366,312	\$59,456,643	\$60,377,182
Net Inc / <b>(Dec)</b> in Fund Balance	<b>\$(5,150,615)</b>	<b>\$(2,092,769)</b>	<b>\$(2,016,302)</b>	<b>\$(7,157,730)</b>
Beginning Balance	\$13,697,402	\$14,707,641	\$12,614,872	\$10,598,570
Ending Balance <i>(% of Expenditures)</i>	\$8,546,787 15.0%	\$12,614,872 21.3%	\$10,598,570 17.8%	\$3,440,840 5.7%
3% REU	\$3,148,068	\$3,258,361	\$2,623,275	\$2,650,891
Emergency Reserve <i>(% of Expenditures)</i>	\$2,987,146 5.2%	\$7,282,477 12.3%	\$5,901,262 9.9%	\$687,949 1.1%

# Contributions to District Programs

<b>Encroachment to the General Fund</b>	<b>2020-21 REVISED BUDGET</b>
<b>Encroachment/District Contribution</b>	
Special Education	\$11,952,097
Routine Maintenance	\$2,659,000
Federal Programs (i.e. Preschool)	\$33,092
Local Grant (Prop 10 Nurse Readiness)	\$20,222
<b>TOTAL</b>	<b>\$14,664,411</b>

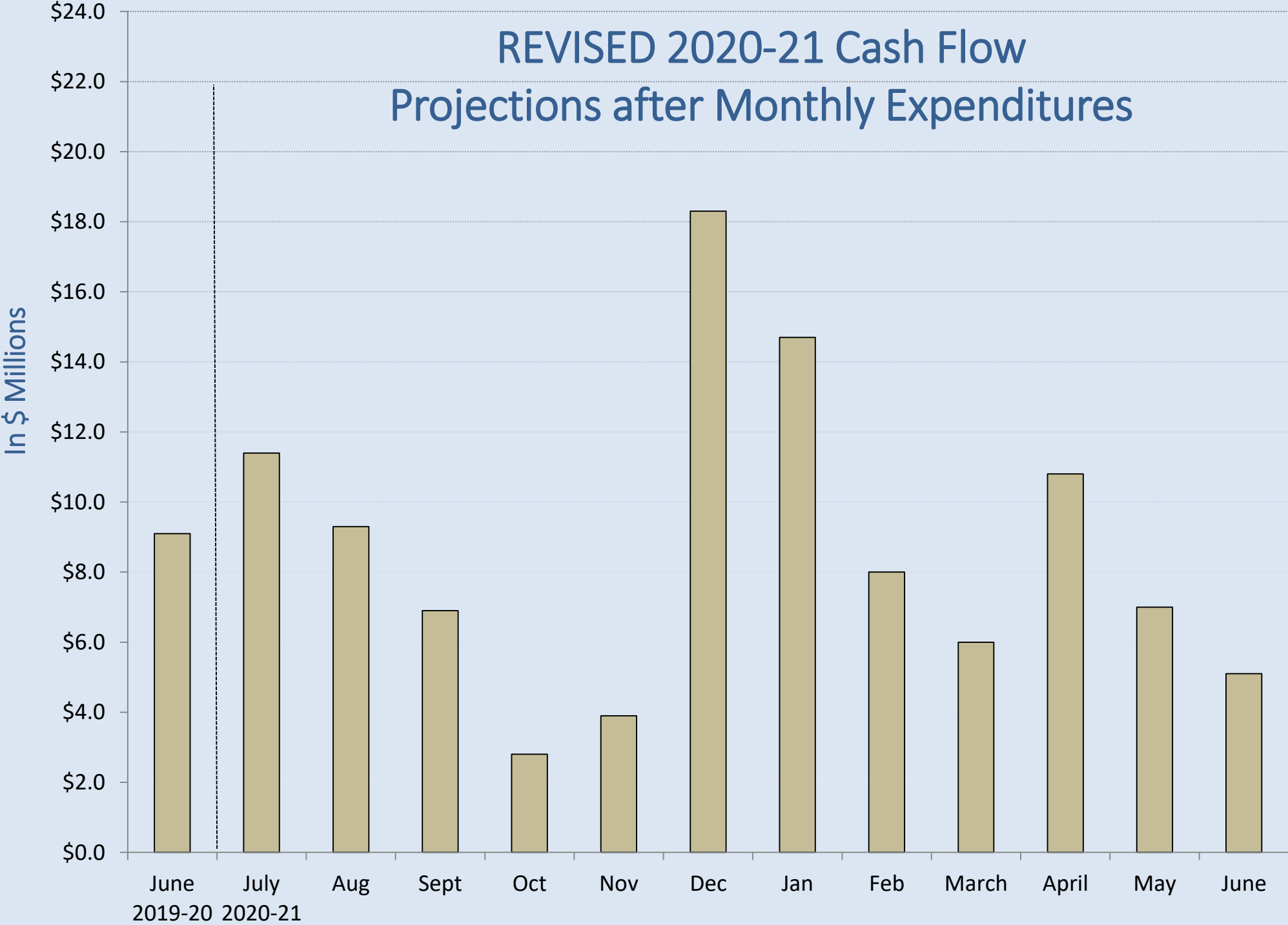
# 2020-21 Cash Flow

## Projections after Monthly Expenditures





# REVISED 2020-21 Cash Flow Projections after Monthly Expenditures



Ending Cash Balance

# Priority of Expenditures

**Essential** – absolutely must have to operate district or school, i.e. classroom teacher salary

**Necessary** – important component to operate district or school but could do without, i.e. replacement technology, Facilities vehicle

**Discretionary** -- nice to have, routine and everyday expenditures, i.e. office supplies, photo copies, new technology

## 5 Significant OVSD Budget Challenges

Challenge 1	Declining Enrollment
Challenge 2	Low School Enrollments
Challenge 3	Encroachment <i>(20% of Unrestricted Revenues directly to support programs)</i>
Challenge 4	High Personnel related budget <i>(92% Unrestricted Budget)</i>
Challenge 5	Economic Impact of COVID-19

NOTE: all negatively & directly impact the District's deficit spending trends

Questions?