

The background of the slide is a photograph of the Ocean View School District Education Center. In the foreground, a large white sign reads "OCEAN VIEW SCHOOL DISTRICT EDUCATION CENTER" and features a stylized logo. To the left, a flagpole holds the American flag and the Mexican flag. A large tree stands to the right of the sign, and a school building is visible in the background under a clear blue sky.

Ocean View School District 2nd Interim Budget Report 2020-21

Prepared & Presented by:

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Michael Conroy, Ed.D., Deputy Superintendent

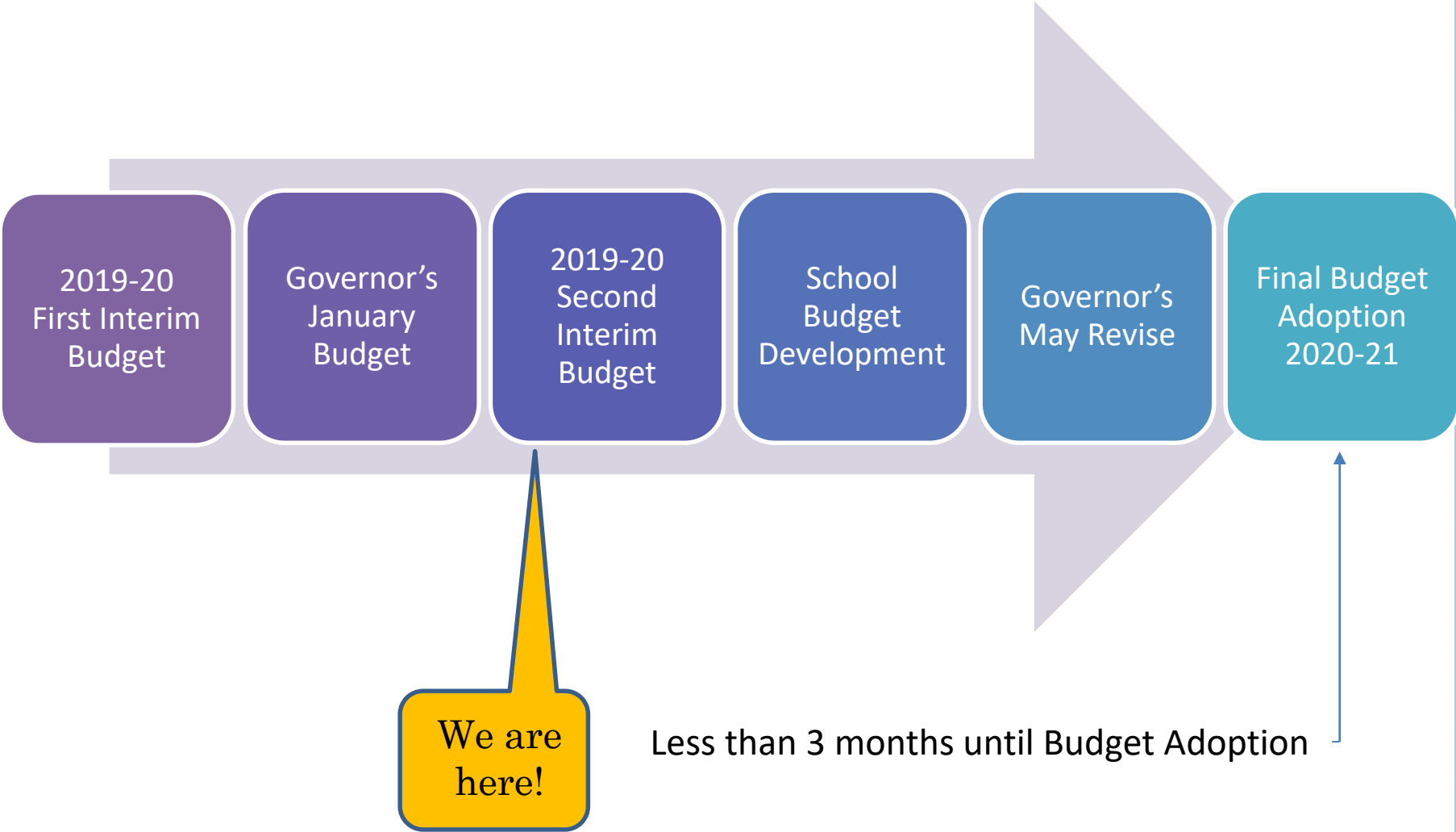
Keith Farrow, Director of Fiscal Services

Jose Velazquez, Accountant

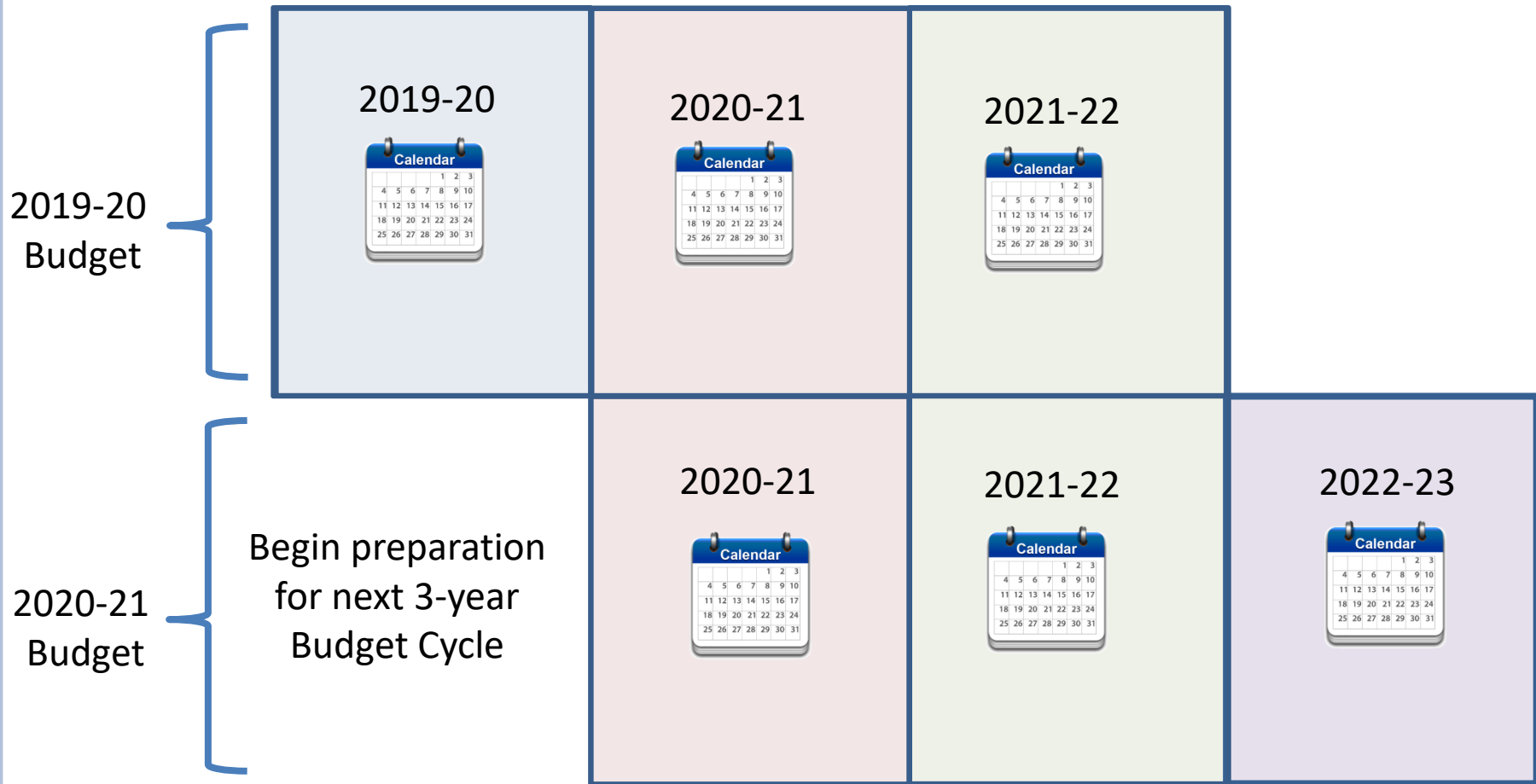
Teri Bonds, Financial Analyst

March 3, 2020

Budget Calendar



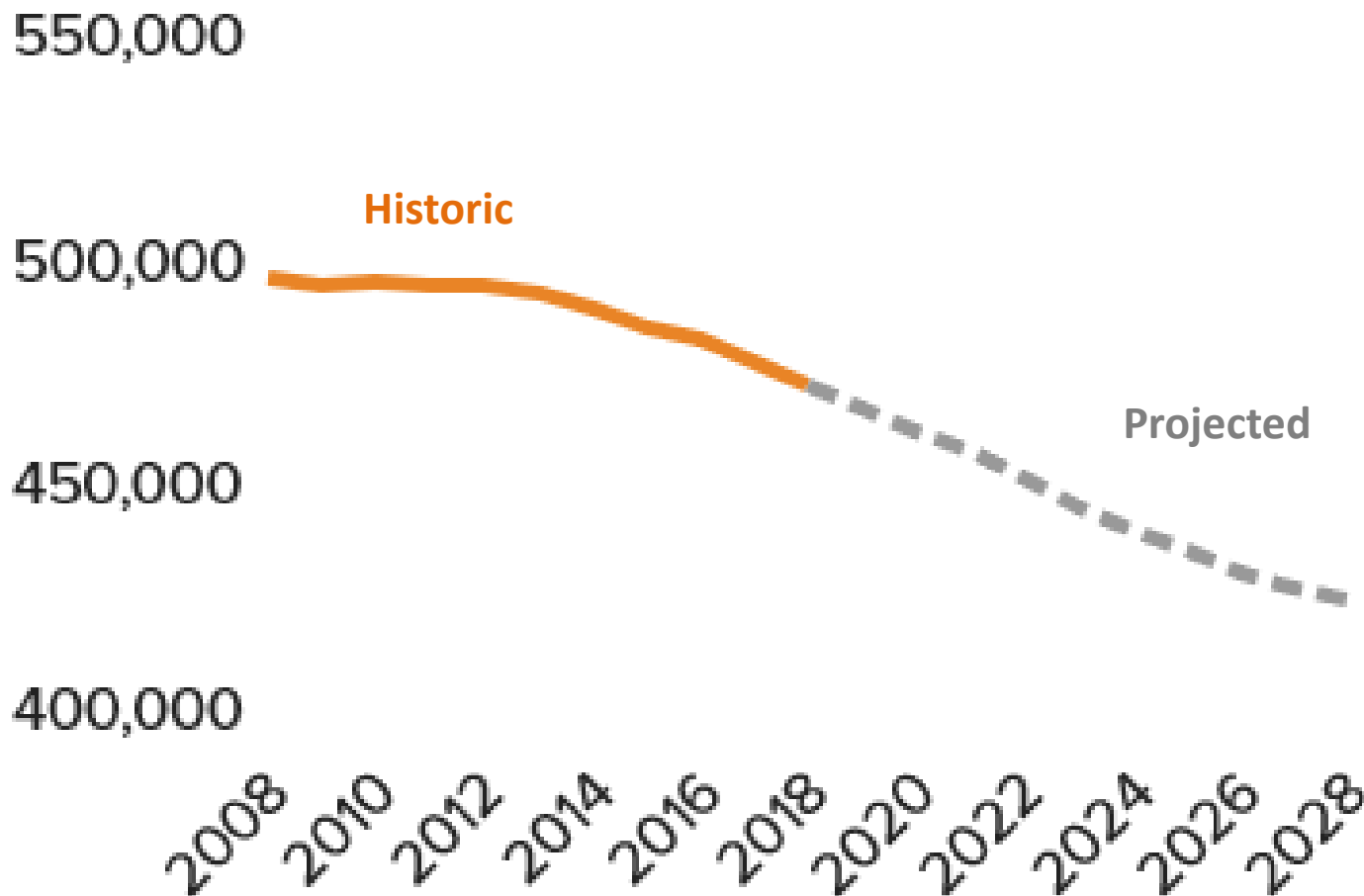
Each New Budget Adds a Subsequent Third Year



Orange County Enrollment Trend

In Orange County, enrollment is projected to **decrease 10%** in the next 10 years. From 2008 to 2018, enrollment fell 5%.

Number of students

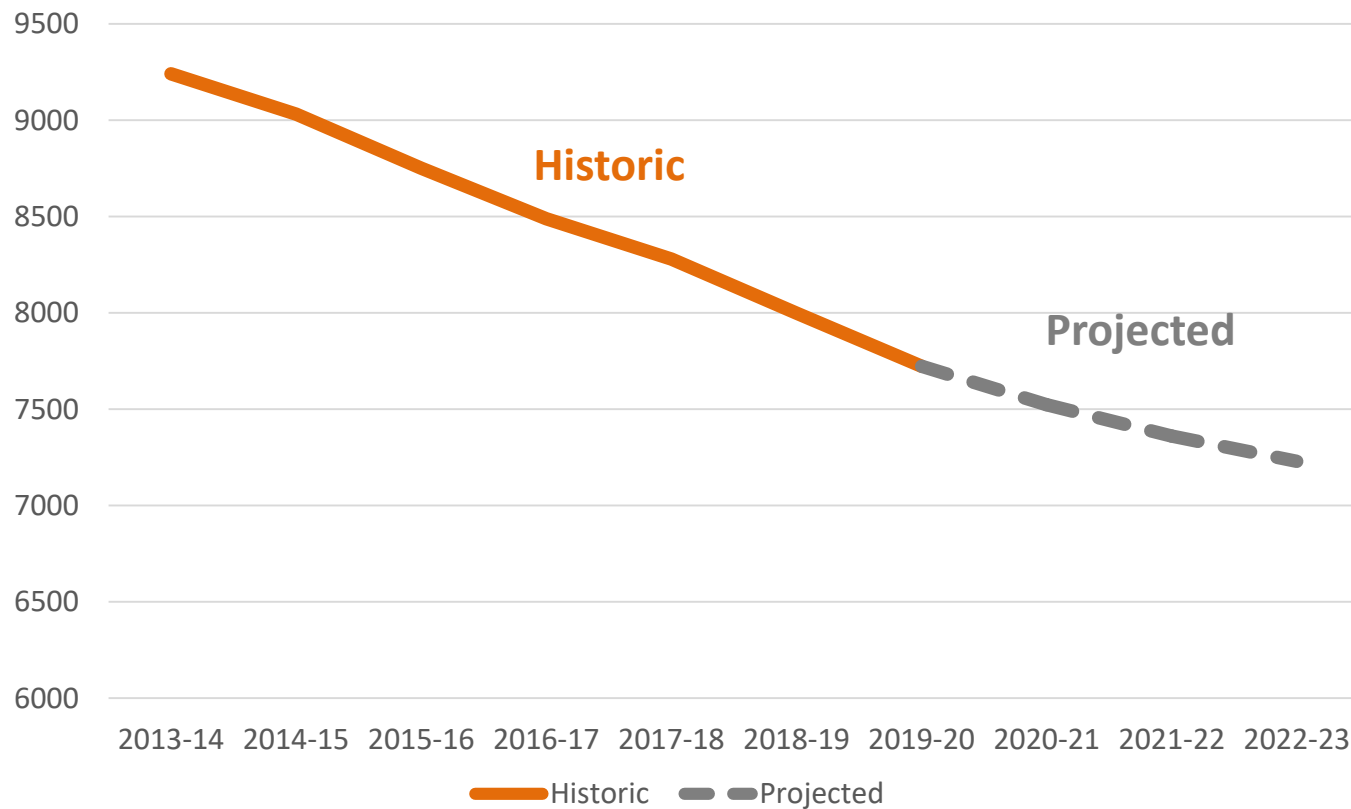


Source: California Department of Finance

OVSD Enrollment Trend

In OVSD, enrollment is projected to decrease 6.4% in the next 3 years. From 2013-14 to 2018-19, enrollment fell 13.5%.

Number of students



2nd Interim Key Rate Assumptions

Based on Governor's Budget Proposal

	2019-20 1st Interim	2020-21 Projected	2021-22 Projected	2022-23 Projected
COLA - June (Statutory)	3.26%	2.29%	2.71%	2.82%
STRS Employer Rates	17.10%	18.40%	18.10%	18.10%
PERS Employer Rates	19.721%	22.80%	24.90%	25.90%
One-time Discretionary Funding	\$0	\$0	\$0	\$0

Fiscal Stabilization Plan

Takes into consideration the following principles:

- Maintain Fiscal Solvency
- Maintain Student Achievement
- Maintain Positive Labor Relations

5 Significant OVSD Budget Challenges

Challenge 1	Declining Enrollment
Challenge 2	Low School Enrollments
Challenge 3	Encroachment
Challenge 4	High Personnel related budget (92% Unrestricted Budget)
Challenge 5	Low COLAs

NOTE: all negatively impact the District's deficit spending trend

November 2019 Board Direction– Next Steps

To reduce fiscal impact beginning 2020-21 school year

Bring budget reduction recommendations for Board action:

- Fee Based Pre-School
- Transportation
- Instructional Assistants

February 2020 Board Direction

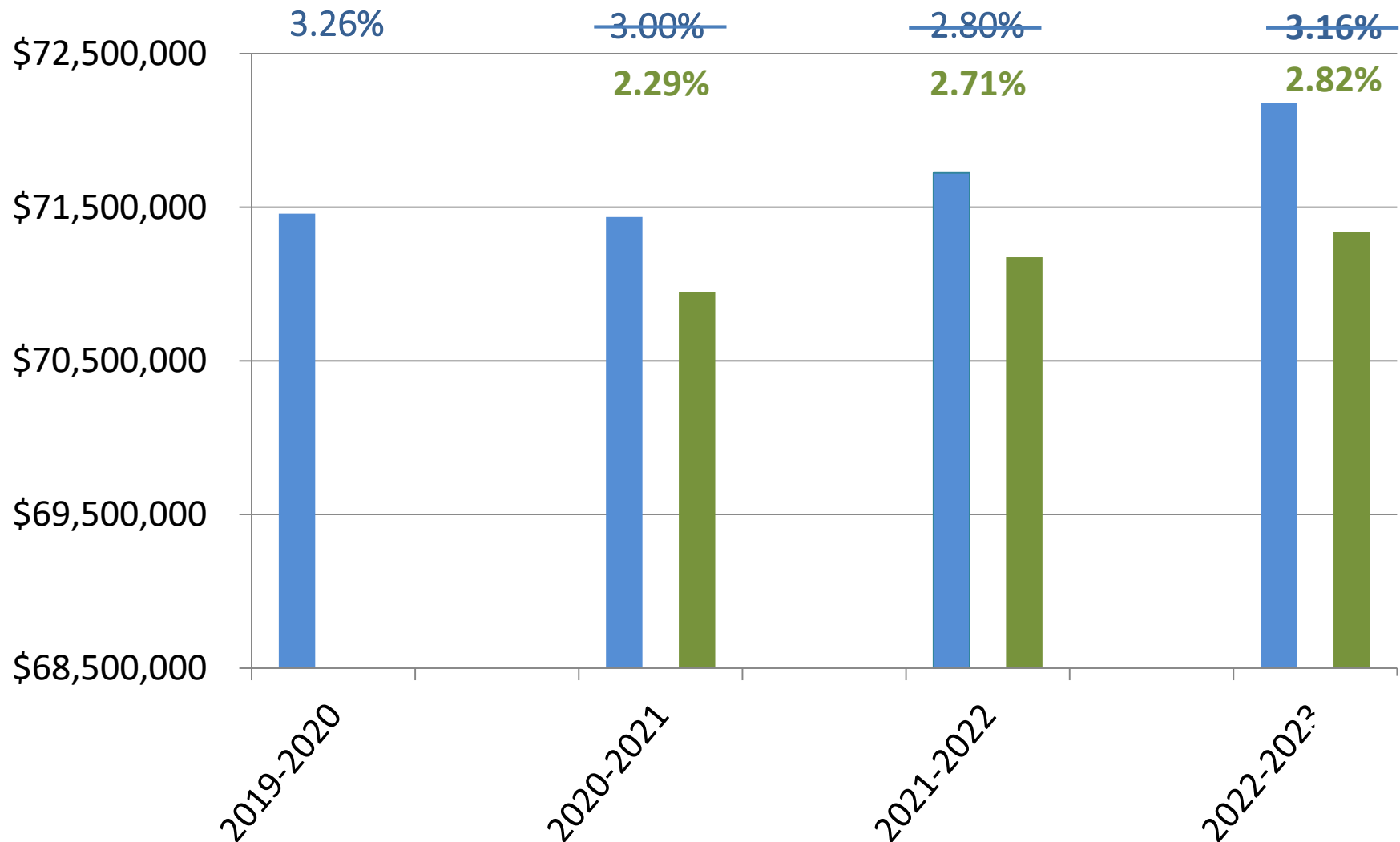
Budget goal to reduce \$1,700,000 ongoing:

- Fee Based Pre-School \$ 250,000
- Instructional Assistants \$ 100,000
- Transportation staffing \$1,100,000
- Transportation fee increases \$ 150,000
- Other \$ 100,000

Governor's Proposal -- LCFF Revenue Projections Based on June Budget Adoption

Multi-Year COLA projections for Budget
Year LCFF Revenue Impact

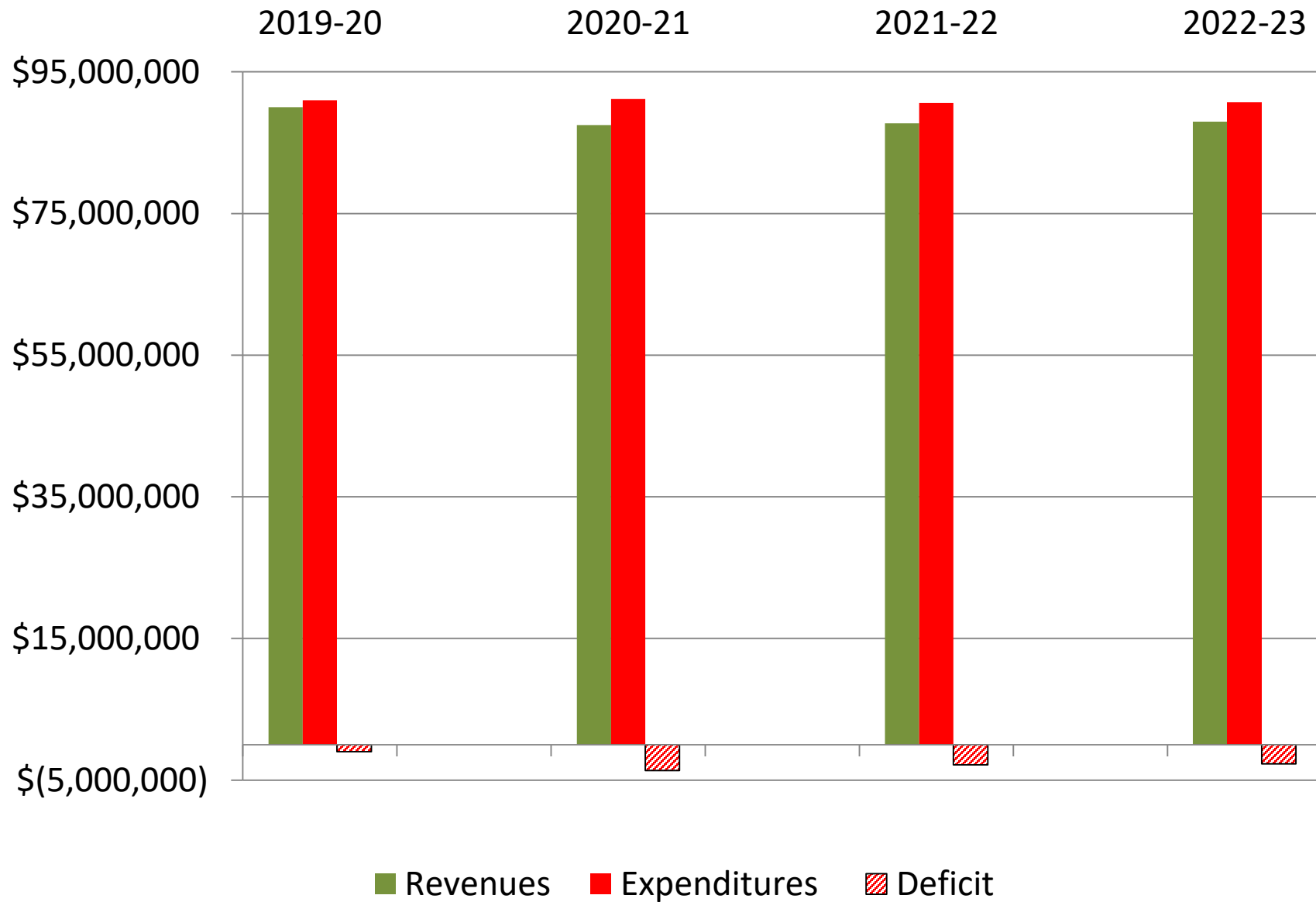
- 1st Interim Projections
- Governor's Budget Proposal



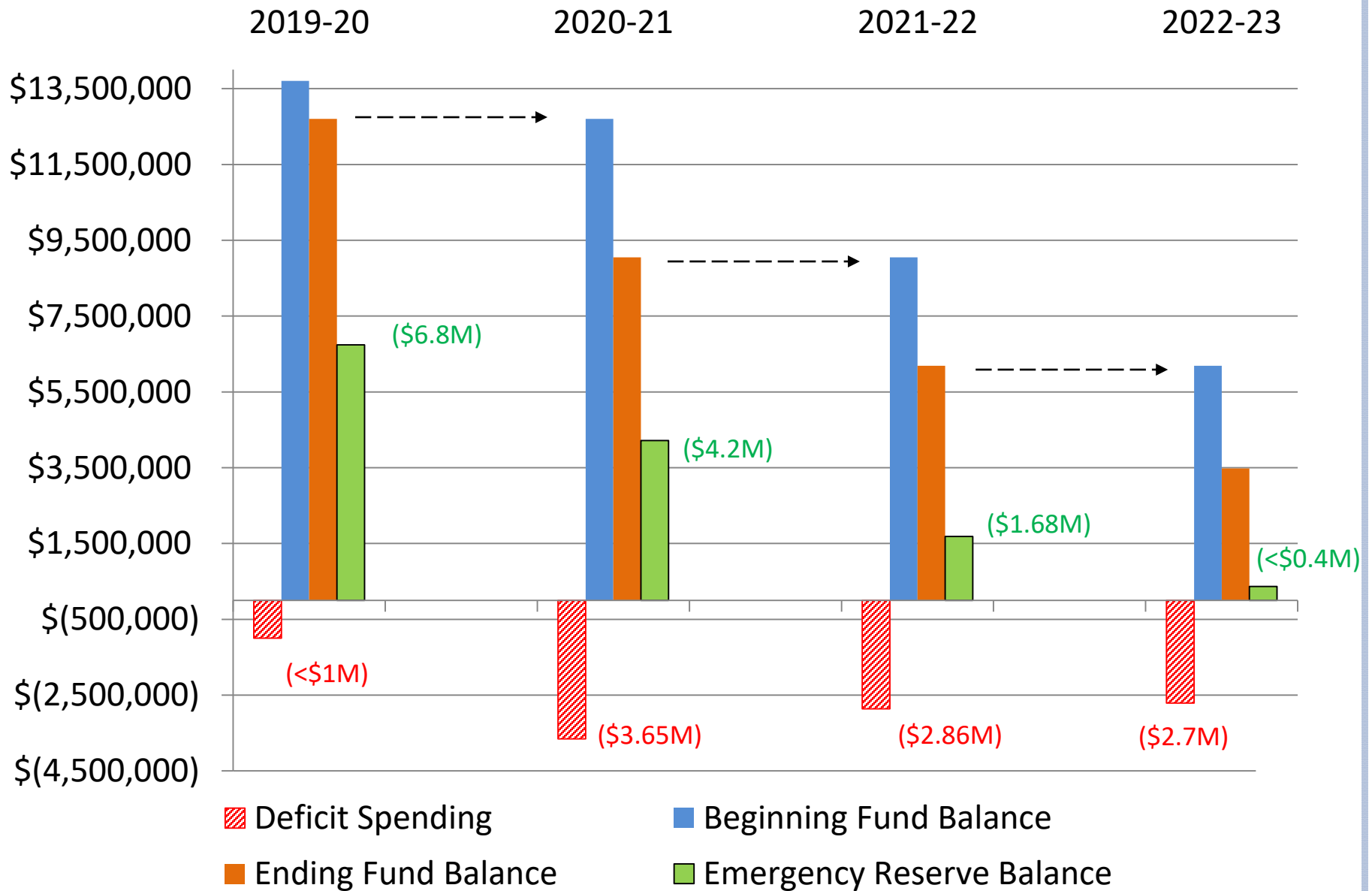
Combined General Fund Balance Summary and MYP

GF Combined	2019-20 2nd Interim	2020-21 Projected	2021-22 Projected	2022-23 Projected
Revenues	\$89,995,683	\$87,502,386	\$87,727,009	\$87,940,676
Expenditures <i>(including Transfers In/Out)</i>	\$90,994,551	\$91,155,828	\$90,587,152	\$90,650,151
Net Inc / (Dec) in Fund Balance	\$(998,869)	\$(3,653,442)	\$(2,860,143)	\$(2,709,475)
Beginning Balance	\$13,702,900	\$12,704,031	\$9,050,590	\$6,190,447
Ending Balance <i>(% of Expenditures)</i>	\$12,704,031 13.96%	\$9,050,590 9.93%	\$6,190,447 6.83%	\$3,480,972 3.94%
3% REU	\$2,734,837	\$2,739,675	\$2,722,615	\$2,724,505
Emergency Reserve <i>(% of Expenditures)</i>	\$6,739,360 7.41%	\$4,219,089 4.63%	\$1,683,665 1.86%	\$368,947 0.40%

Combined General Fund Balance Summary and MYP

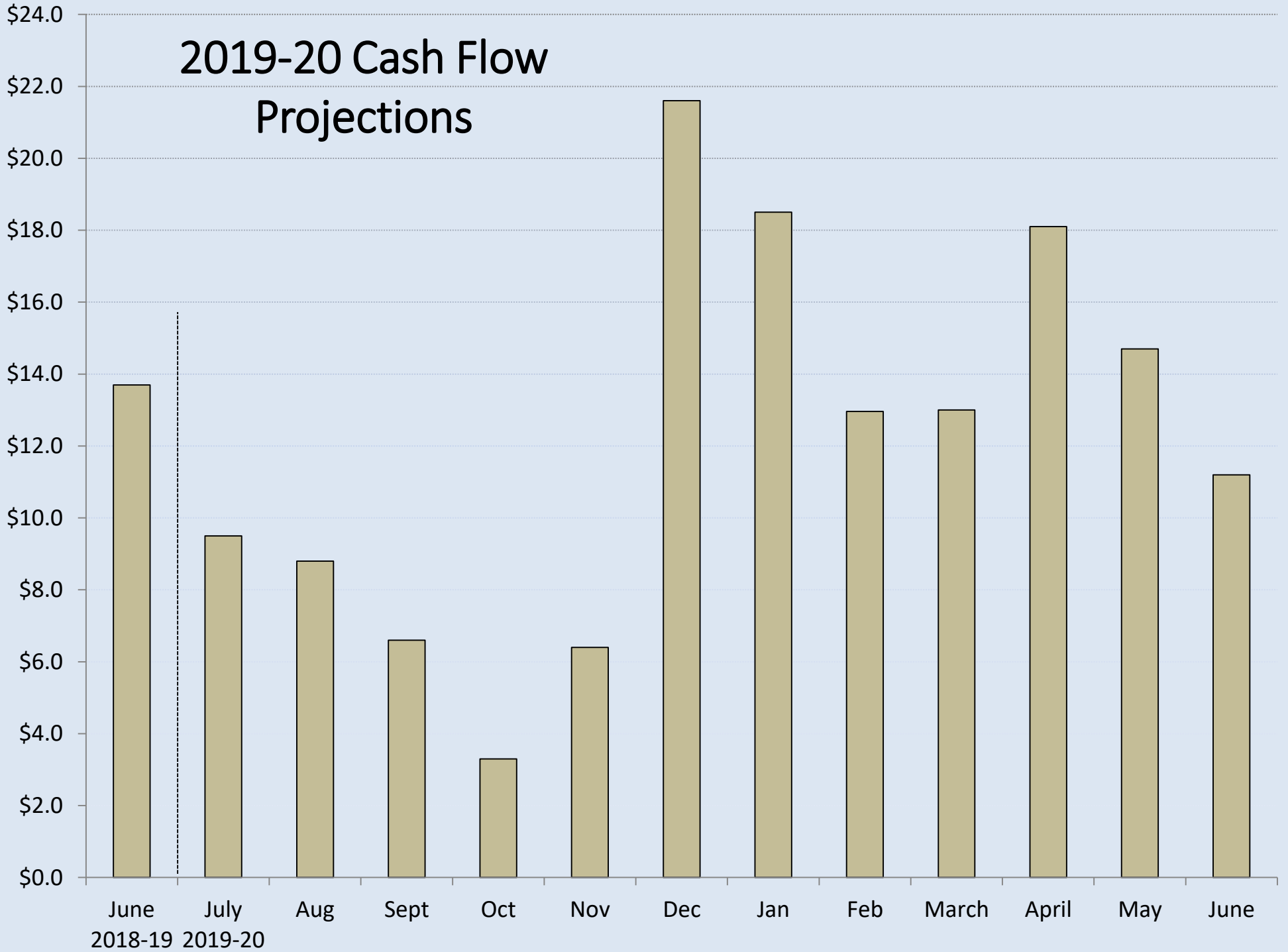


2nd Interim MYP Fund Balance & Emergency Reserve



2019-20 Cash Flow Projections

In \$ Millions



June 2018-19 July 2019-20

Ending Cash Balance

Request for Positive Certification

Based on best information known today, the Ocean View School District's Board of Education should approve the 2019-20 Second Interim Budget and certify that this District will be able to meet its financial obligations for the current fiscal year and subsequent two fiscal years.

–POSITIVE CERTIFICATION



Upcoming Calendar Phases

- ✓ March
 - Approve 1st Interim Budget
 - Self-Certify “Positive”

- March – June
 - Continue development of 2020-21 District Budget
 - Bring budget reductions for Board approval
 - Plan for Budget Adoption

Questions?