

Ocean View School District
Of Orange County

Impact of the Governor's Budget Proposal on 1st Interim Budget

February 7, 2017



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Compare 1st Interim Budget vs Governor's Budget Proposal

ONLY change is to LCFF Revenue Sources
No changes in Expenses

Key Changes to Budget Assumptions
General Fund Revenue Impact
General Fund Ending Balance Impact

1st Interim vs Governor's Budget Proposal

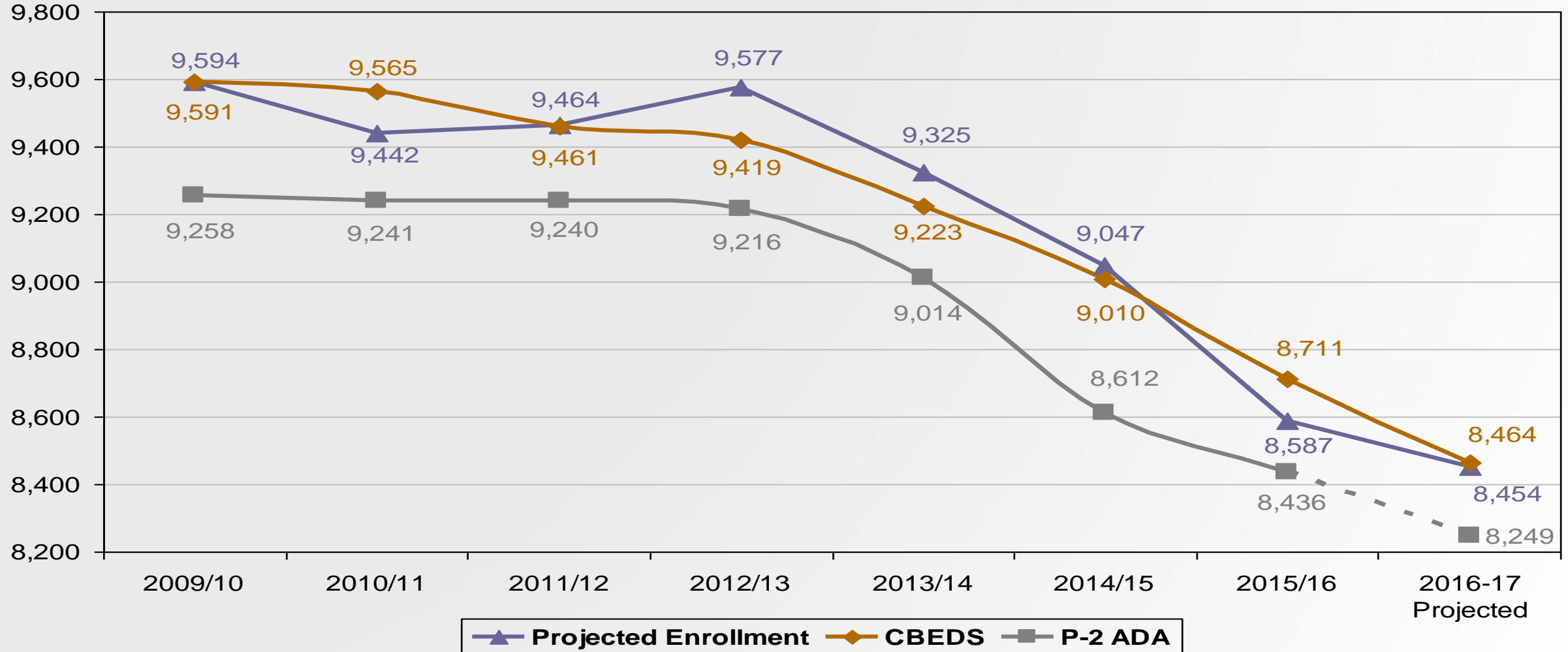
LCFF Gap Funding Assumptions

	2015-16 UA	2016-17 1 st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
COLA (Statutory)*	1.02%	0%	1.11%	2.42%	2.67%
LCFF Gap Funding (DOF)*	52.56%	54.18%	72.99%	40.36%	73.98%
Governor's Budget Proposal					
LCFF Gap Funding (DOF)*		55.28%	23.67%	53.85%	68.94%
LCFF Gap Funding (SSC)*		55.28%	23.67%	34.42%	35.88%

* Note—School Services of California Dartboard

Enrollment-ADA Trends

Comparison Projected to CBEDS to P2 ADA



1st Interim General Fund Revenue Summary

GF Combined	2016-17 1st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
LCFF Revenues	\$68,242,552	\$69,279,076	\$68,969,608	\$70,178,143
Federal Revenues	\$4,144,154	\$4,144,154	\$4,144,154	\$4,144,154
Other State Revenues	\$7,304,838	\$5,305,539	\$5,305,539	\$5,305,539
Other Local Revenues	\$6,516,187	\$6,494,644	\$6,609,143	\$6,738,527
TOTAL Revenues	\$86,207,731	\$85,223,413	\$85,028,444	\$86,366,363

General Fund Revenue Summary w/ Governor's Budget Proposal DOF Gap Funding Projections



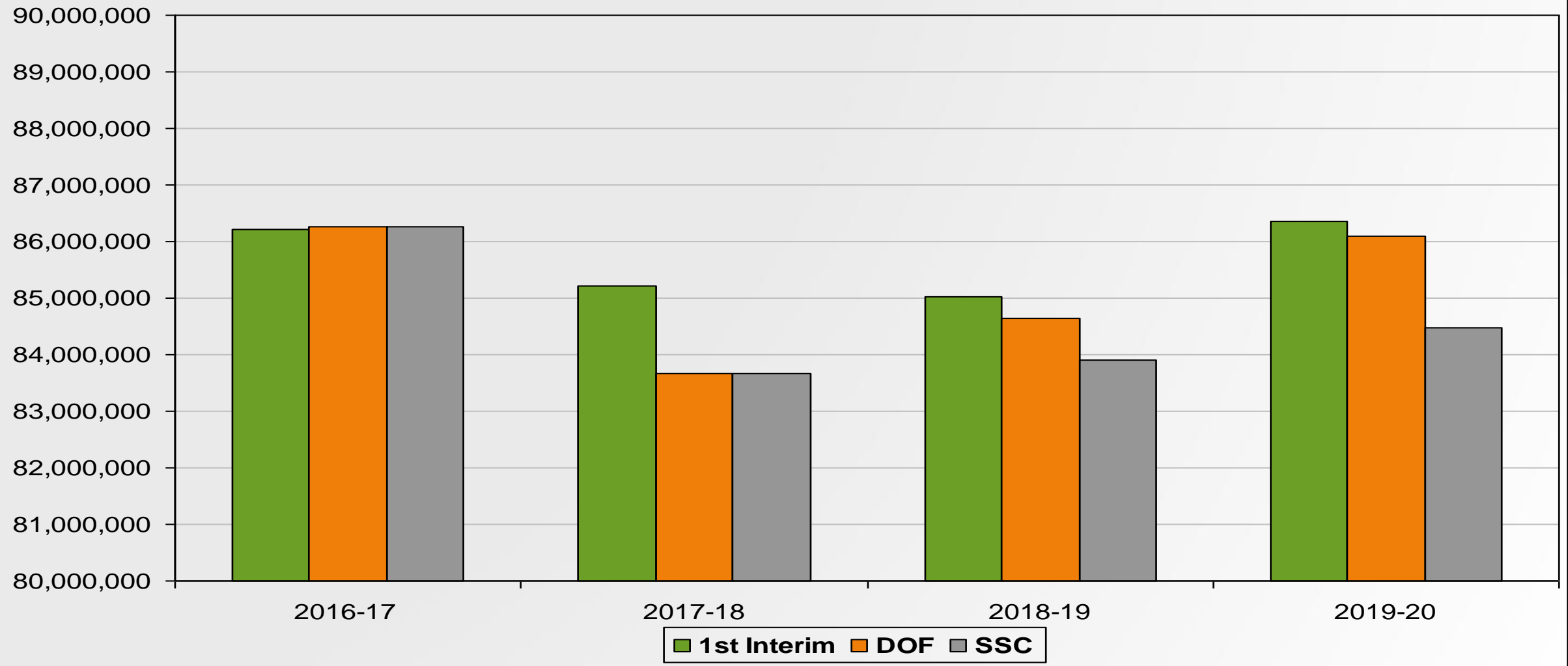
GF Combined	2016-17 1 st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
LCFF Revenues	\$68,306,271	\$67,732,584	\$68,588,866	\$69,905,998
Federal Revenues	\$4,144,154	\$4,144,154	\$4,144,154	\$4,144,154
Other State Revenues	\$7,304,838	\$5,305,539	\$5,305,539	\$5,305,539
Other Local Revenues	\$6,516,187	\$6,494,644	\$6,609,143	\$6,738,527
TOTAL Revenues	\$86,271,450	\$83,676,921	\$84,647,702	\$86,094,218
+ / -	\$63,719	\$1,546,492	\$380,742	\$272,145

General Fund Revenue Summary w/ Governor's Budget Proposal SSC Gap Funding Projections

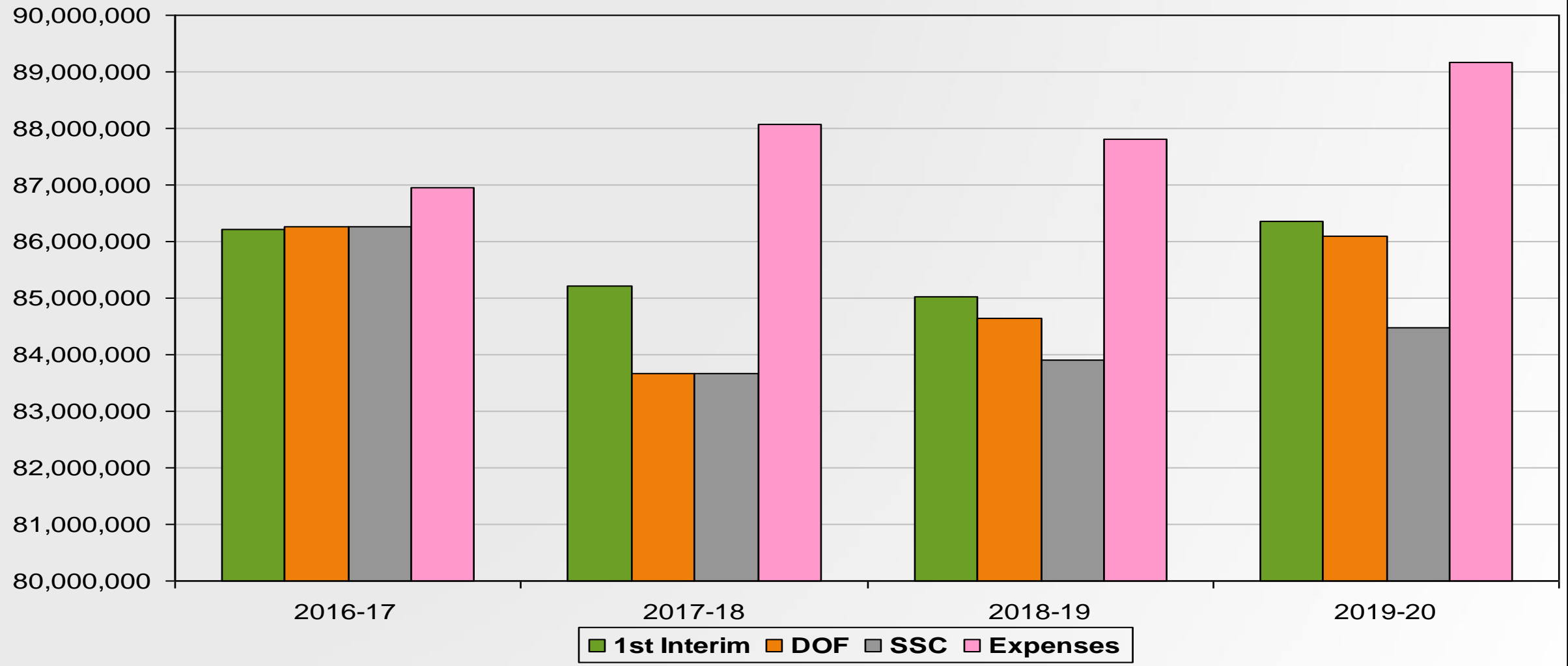


GF Combined	2016-17 1 st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
LCFF Revenues	\$68,306,271	\$67,732,584	\$67,836,238	\$68,285,060
Federal Revenues	\$4,144,154	\$4,144,154	\$4,144,154	\$4,144,154
Other State Revenues	\$7,304,838	\$5,305,539	\$5,305,539	\$5,305,539
Other Local Revenues	\$6,516,187	\$6,494,644	\$6,609,143	\$6,738,527
TOTAL Revenues	\$86,271,450	\$83,676,921	\$83,895,074	\$84,473,280
+ / -	\$63,719	\$1,546,492	\$1,133,370	\$1,893,083

General Fund Revenue Summary w/ Governor's Budget Proposal DOF & SSC Gap Funding Projections



General Fund Revenue + Expense Summary w/ Governor's Budget Proposal DOF & SSC Gap Funding Projections

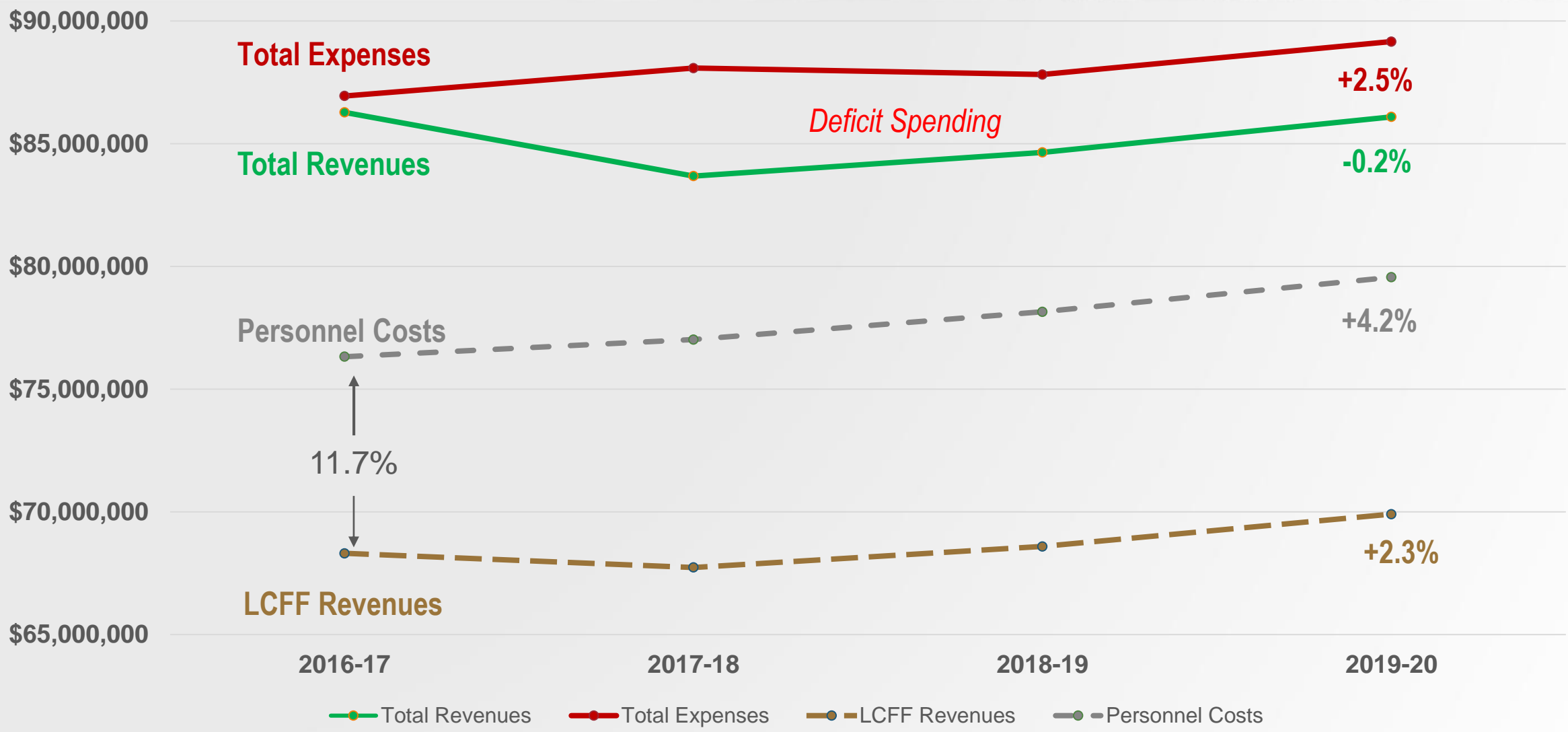


District “Cost of Opening the Doors” Annual Increases



Increased Costs	2016-17	2017-18 (Projected)	2018-19 (Projected)	2019-20 (Projected)	3-Yr Cumulative Total
Step & Column <i>(includes PERS, STRS, WC, OSDI, Medi, SUI)</i>	\$1,001,539	\$1,029,583	\$1,042,764	\$1,060,489	\$3,132,832
CalPERS	\$252,137	\$256,222	\$257,112	\$243,499	\$756,833
CalSTRS	\$751,339	\$765,239	\$764,749	\$768,475	\$2,298,463
Total Cost Increases	\$2,005,015	\$2,051,042	\$2,064,625	\$2,072,463	\$6,188,130
+ / - LCFF Revenue <i>DOF Gap Funding Projections</i>	\$63,719	\$1,546,492	\$380,742	\$272,145	\$2,199,379
Net Impact	-\$1,941,296	-\$3,597,534	-\$2,445,367	-\$2,344,608	-\$8,387,509

Combined Budget--Revenue/Expenses Comparisons MYP w/ DOF Gap Funding Projections



1st Interim Fund Balance MYP

GF Combined	2016-17 1st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
Beginning Balance	\$11,652,533	\$10,664,174	\$7,556,414	\$4,518,806
Net Inc/(Dec) in Fund Balance	(\$988,359)	(\$3,107,760)	(\$3,037,607)	(\$3,041,368)
Ending Balance	\$10,664,174	\$7,556,414	\$4,518,806	\$1,477,439
Ending Balance as % of Expenditures	12.23%	8.55%	5.13%	1.65%

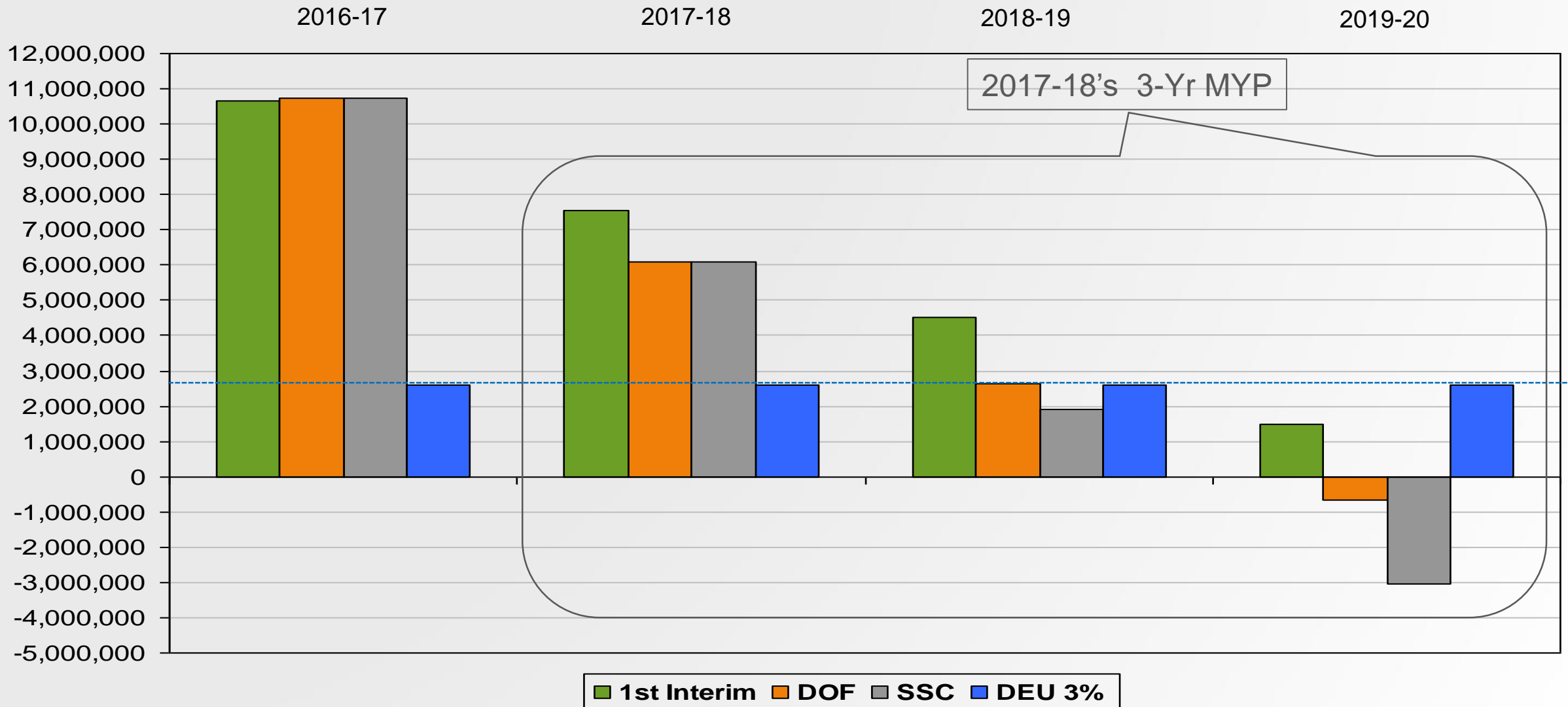
1st Interim Fund Balance MYP w/ DOF Gap Funding Projections


GF Combined	2016-17 1st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
Beginning Balance	\$11,652,533	\$10,727,893	\$6,073,641	\$2,655,291
Net Inc/(Dec) in Fund Balance	(\$924,640)	(\$4,654,252)	(\$3,418,349)	(\$3,313,513)
Ending Balance	\$10,727,893	\$6,073,641	\$2,655,291	(\$658,221)
Ending Balance as % of Expenditures	12.30%	6.88%	3.02%	(0.74%)

1st Interim Fund Balance MYP w/ SSC Gap Funding Projections

GF Combined	2016-17 1st Interim	2017-18 Projected	2018-19 Projected	2019-20 Projected
Beginning Balance	\$11,652,533	\$10,727,893	\$6,073,641	\$1,902,663
Net Inc/(Dec) in Fund Balance	(\$924,640)	(\$4,654,252)	(\$4,170,977)	(\$4,934,451)
Ending Balance	\$10,727,893	\$6,073,641	\$1,902,663	(\$3,031,787)
Ending Balance as % of Expenditures	12.30%	6.88%	2.16%	(3.39%)

1st Interim Ending Fund Balance MYP w/ DOF & SSC Gap Funding Projections





Key Messages for Ocean View School District

1. The Governor's Administration has been warning of slower economic growth, lower than expected state revenues.
2. Step and column, CalSTRS and CalPERS employer contributions are still increasing, and contributions to restricted programs continue to increase.
3. Notwithstanding state revenue increases, declining enrollment has had a negative impact on per pupil funding.
4. Economic cycles drive a need for sustainable systems, including substantial reserves and the ability to reduce programs in the event the District loses state or local funding.
5. Multiyear projections (MYPs) continue to show the need for budget reductions to balance budgets in the out years.
6. Bottom line, the District will have difficulty sustaining commitments made in prior years in the face of lower state revenue projections.

Next Steps?

February, 2017

- Continue Negotiations

March 7, 2017

- 2nd Interim Budget

Now through June 2017

- Continue Development of 2017-18 Budget & LCAP
- Draft Budget & LCAP
- Budget & LCAP Adoption

Questions ?

