



Ocean View School District

First Interim Budget Report 2023-24

Presented by:

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Overview

- **Introduction**
- **Assumptions**
- **Multi-Year Projection**
- **Contributions**
- **Economic Outlook**
- **5 Significant Budget Challenges**

Introduction

The Multi-Year Projection (MYP) projects total General Fund revenues and expenditures for the budget year and the two subsequent fiscal years. The projections are only estimates and actual outcomes could vary substantially.

The MYP forecasts are based on certain criteria, information available at the time, and assumptions rather than on exact calculations.

MYP forecasting models should be evaluated as a trend based on certain criteria and assumptions rather than a prediction of exact numbers.

To evaluate the MYP, attention is focused on the bottom line, which demonstrates the district's undesignated, unappropriated fund balance.

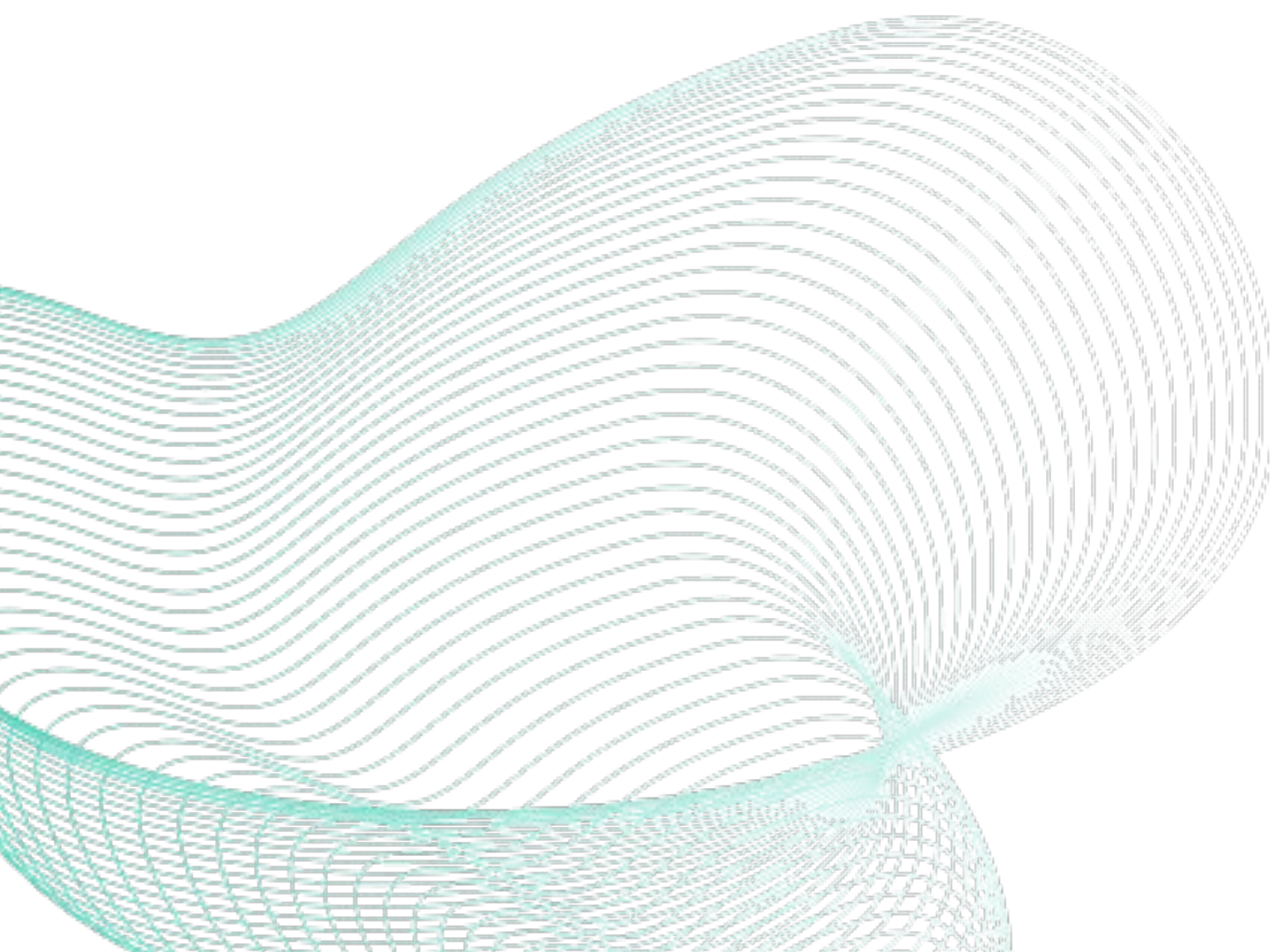
Assumptions

Factors	2023-24	2024-25	2025-26
LCFF Statutory COLA	8.22%	3.94%	3.29%
District Enrollment	6,714	6,514	6,394
Average Daily Attendance (ADA)	94%	94%	94%
Unduplicated Pupil Percentage	59%	59%	59%
STRS	19.10%	19.10%	19.10%
PERS	26.68%	27.70%	28.30%
Step & Column (CE)		1.50%	1.50%
Step & Column (CL)		0.75%	0.75%
Inflation		5.00%	3.00%

Unrestricted Multi-Year Projection

General Fund Unrestricted	2023-24	Projected	Projected
		2024-25	2025-26
Revenues	\$90,187,880	\$86,984,817	\$87,320,590
Contributions	(\$16,731,173)	(\$16,482,724)	(\$16,376,724)
Net Revenues	\$73,456,707	\$70,502,093	\$70,943,866
Expenditures	\$72,404,236	\$72,486,555	\$73,013,100
Surplus/Deficit	\$1,052,471	(\$1,984,462)	(\$2,069,234)
Beginning Fund Balance	\$22,273,019	\$23,325,490	\$21,341,028
Ending Fund Balance	\$23,325,490	\$21,341,028	\$19,271,794

Contributions



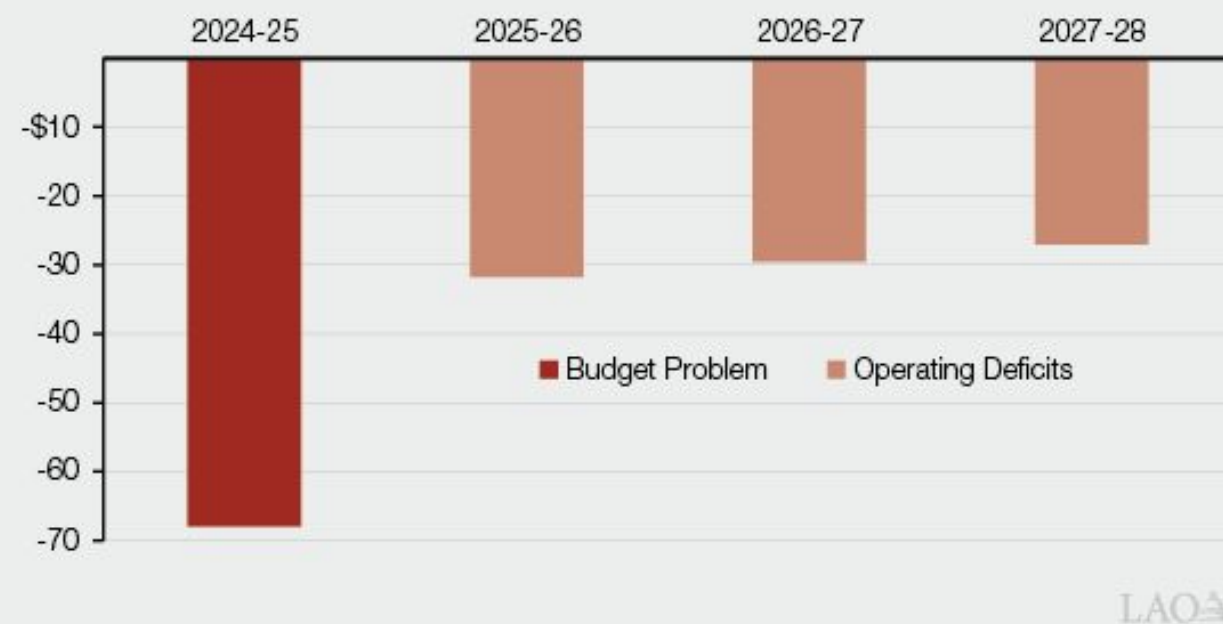
		<i>Projected</i>	<i>Projected</i>
Contribution from the General Fund	2023-24	2024-25	2025-26
Special Education	\$ 12,522,724	\$ 12,522,724	\$ 12,522,724
Routine Restricted Maintenance (3% required)	\$ 4,208,449	\$ 3,960,000	\$ 3,854,000
<i>Total Restricted Contributions</i>	\$ 16,731,173	\$ 16,482,724	\$ 16,376,724

Economic Uncertainty

Figure 4

State Faces Serious Budget Problem in 2024-25, and Significant Operating Deficits in Future Years

(In Billions)



Source: Legislative Analyst's Office, The 2024-25 Budget: California's
Fiscal Outlook (12/7/23)

- The 2022 tax reporting deadline was extended to November 2023, creating uncertainty around the State's budget revenues.
- The Legislative Analyst's Office (LAO) reports that State budget revenues were overestimated in 2022-23 by \$26 billion.
- Income tax was down 25% in 2022-23 from the previous year.
- The State faces an estimated \$68 billion in budget deficits for 2024-25.
- The State will have tools to use to address some of the budget problem, but they would need to identify additional budget solutions.
The tools they can use include:
 - Cash Deferrals
 - Withdrawal Reserves (up to \$24 B, declare budget emergency)
 - Reduce one-time spending
- The statutory Cost of Living Adjustment (COLA) is trending lower than State estimates, yet no formal projection has come from the Governor.

COLA Economic Outlook



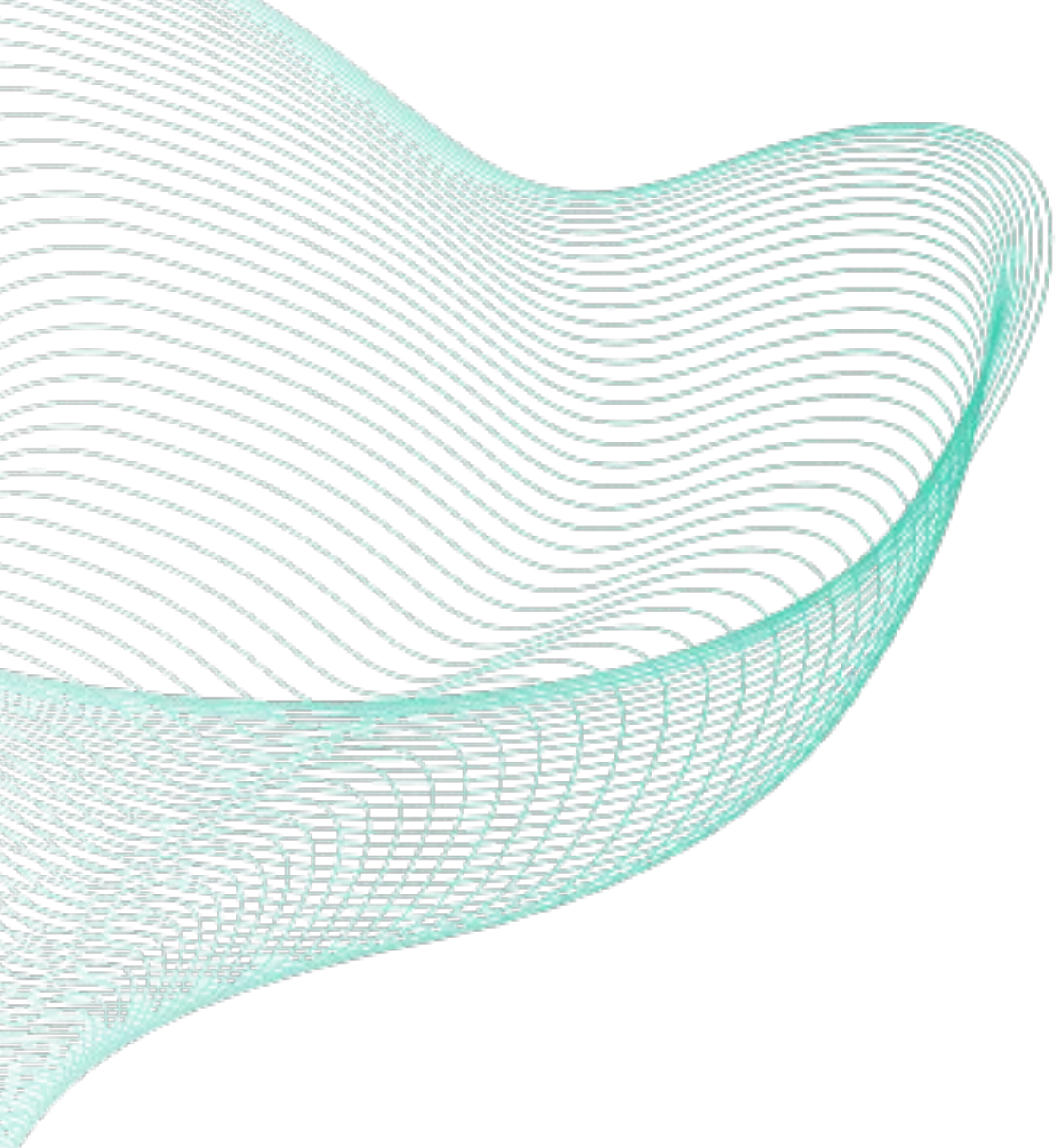
Year	First Interim COLA	COLA Projections	LCFF Revenue Change
2024-25	3.94%	1.00%	-\$2.3m
2025-26	3.29%	2.00%	-\$3.3m
2026-27	3.19%	2.00%	-\$4.3m
Total			-\$9.9m

Unrestricted Multi-Year Projection with 1% COLA Projection

General Fund Unrestricted	2023-24	Projected	Projected
		2024-25	2025-26
Revenues	\$90,187,880	\$84,641,049	\$83,957,738
Contributions	(\$16,731,173)	(\$16,482,724)	(\$16,406,724)
Net Revenues	\$73,456,707	\$68,158,325	\$67,581,014
Expenditures	\$72,404,236	\$72,486,555	\$73,664,025
Surplus/Deficit	\$1,052,471	(\$4,328,230)	(\$5,432,086)
Beginning Fund Balance	\$22,273,019	\$23,325,490	\$18,997,260
Ending Fund Balance	\$23,325,490	\$18,997,260	\$13,565,174

Unrestricted Multi-Year Projection with 1% COLA Projection (cont.)

		<i>Projected</i>	<i>Projected</i>	<i>Projected</i>
General Fund Unrestricted	2023-24	2024-25	2025-26	2026-27
Revenues	\$90,187,880	\$84,641,049	\$83,957,738	\$83,927,260
Contributions	(\$16,731,173)	(\$16,482,724)	(\$16,406,724)	(\$16,460,724)
Net Revenues	\$73,456,707	\$68,158,325	\$67,581,014	\$67,520,536,
Expenditures	\$72,404,236	\$72,486,555	\$73,664,025	\$73,283,548
Surplus/Deficit	\$1,052,471	(\$4,328,230)	(\$5,432,086)	(\$6,143,489)
Beginning Fund Balance	\$22,273,019	\$23,325,490	\$18,997,260	\$13,565,174
Ending Fund Balance	\$23,325,490	\$18,997,260	\$13,565,174	\$7,421,685



5 Significant Budget Challenges

Declining Enrollment

Low Schools Enrollment

Staffing

Program Contributions

Economic Uncertainty

Budget Timeline

Approved the 2023-24 Adopted Budget in June 2023.



Governor's January budget proposal for 2024-25.



Budget development for 2024-25 from March to May.



Approve the 2023-24 1st interim budget with a positive certification.

Present the 2023-24 2nd interim budget report in March.



Governor's May Revise, then 2024-25 Adopted Budget proposal in June 2024.





Questions?