

Board of Education Presentation
August 15, 2024
45-Day Revise Report

Presenters:

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Meghna Bulsara, Executive Director, Business Services



Presentation Overview

- ❑ 45-Day Revise Report Requirements
- ❑ 2024-25 State Enacted Budget Update
- ❑ Next Steps



Requirements

- Once the Governor signs the Enacted Budget, districts are required to share with their boards noteworthy and material changes
- The information should be available for public review within 45 days
  - The Governor signed the 2024-25 Budget Act, Senate Bill (SB) 107, on June 26, 2024
  - The 45-day timeline runs through August 12, 2024
  - There are no required state forms (SACS) to file

Changes made to the May-Revise Projections are immaterial



Funding Changes to the 2024-25 Local Control Funding Formula (LCFF)

COLA Factors			
	Jan Budget	May Revise Report	Adopted State Budget Act
2024-25	0.76%	1.07%	1.07%
2025-26	2.73%	2.93%	2.93%
2026-27	3.11%	3.08%	3.08%

OUSD Funding Levels			
	Jan Budget	May Revise Report	Adopted State Budget Act
2024-25	$ 297,525,939	$ 298,542,376	$ 298,542,376
2025-26	$ 298,921,120	$ 300,542,621	$ 300,542,621
2026-27	$ 303,542,674	$ 305,098,987	$ 305,098,987

24-25 Budget Revision: +$1,016,437 Change
Multi-year Budget Revision: +$4,194,251 Change



2024-25 STATE ENACTED BUDGET UPDATE

2024-25 LCFF[1] Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2023-24 Base Grant per ADA[2]	$9,919	$10,069	$10,367	$12,015
1.07% Cost-of-Living Adjustment (COLA)	$106	$108	$111	$129
2024-25 Base Grant per ADA	$10,025	$10,177	$10,478	$12,144
Grade Span Adjustment	$1,043	–	–	$316
2024-25 Adjusted Base Grant per ADA	$11,068	$10,177	$10,478	$12,460
20% Supplemental Grant per ADA[3]	$2,214	$2,035	$2,096	$2,492
65% Concentration Grant per ADA[4]	$3,237	$2,977	$3,065	$3,645
TK[5] Add-On (inclusive of COLA)	$3,077	–	–	–

[1]Local Control Funding Formula (LCFF)
[2]Average daily attendance (ADA)
[3]Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and unduplicated pupil percentage (UPP)
[4]Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%
[5]Transitional kindergarten

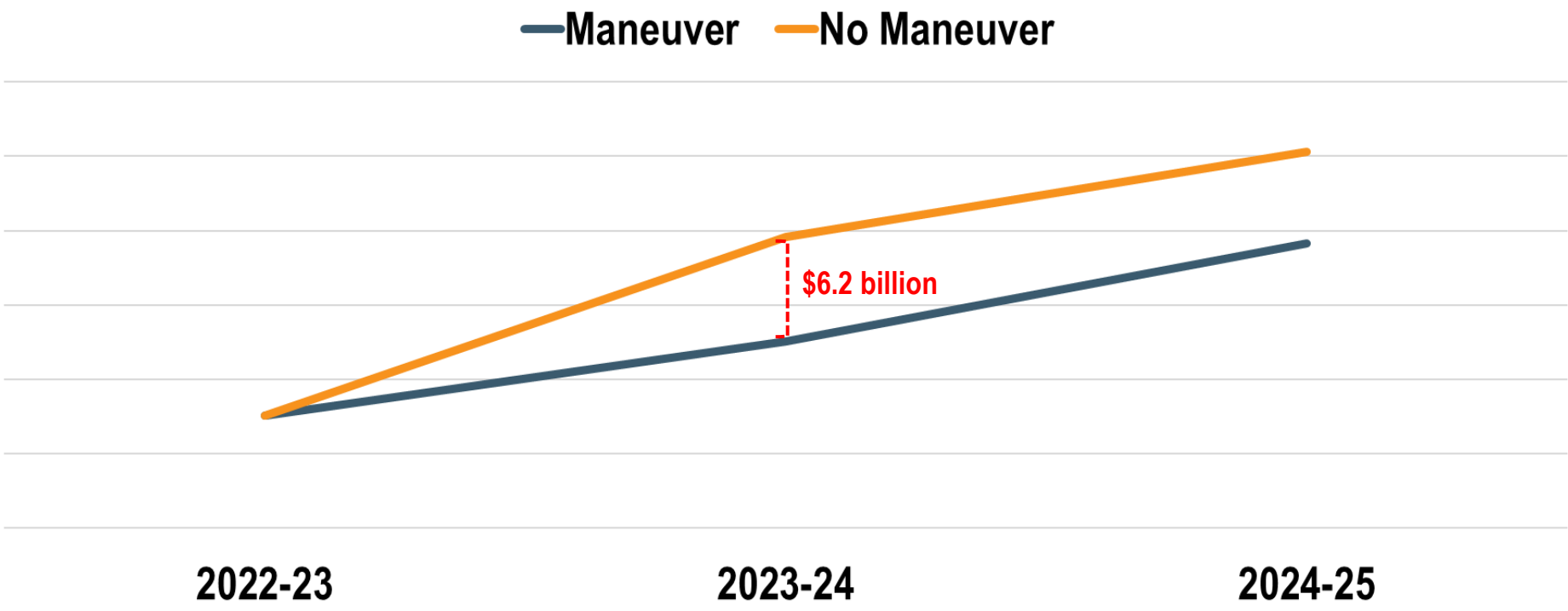
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Proposition 98 Minimum Guarantee

The 2024-25 Enacted Budget reflects the deal between Governor Gavin Newsom and the California Teachers Association on the treatment of allocations to K-14 education in excess of the 2022-23 minimum guarantee

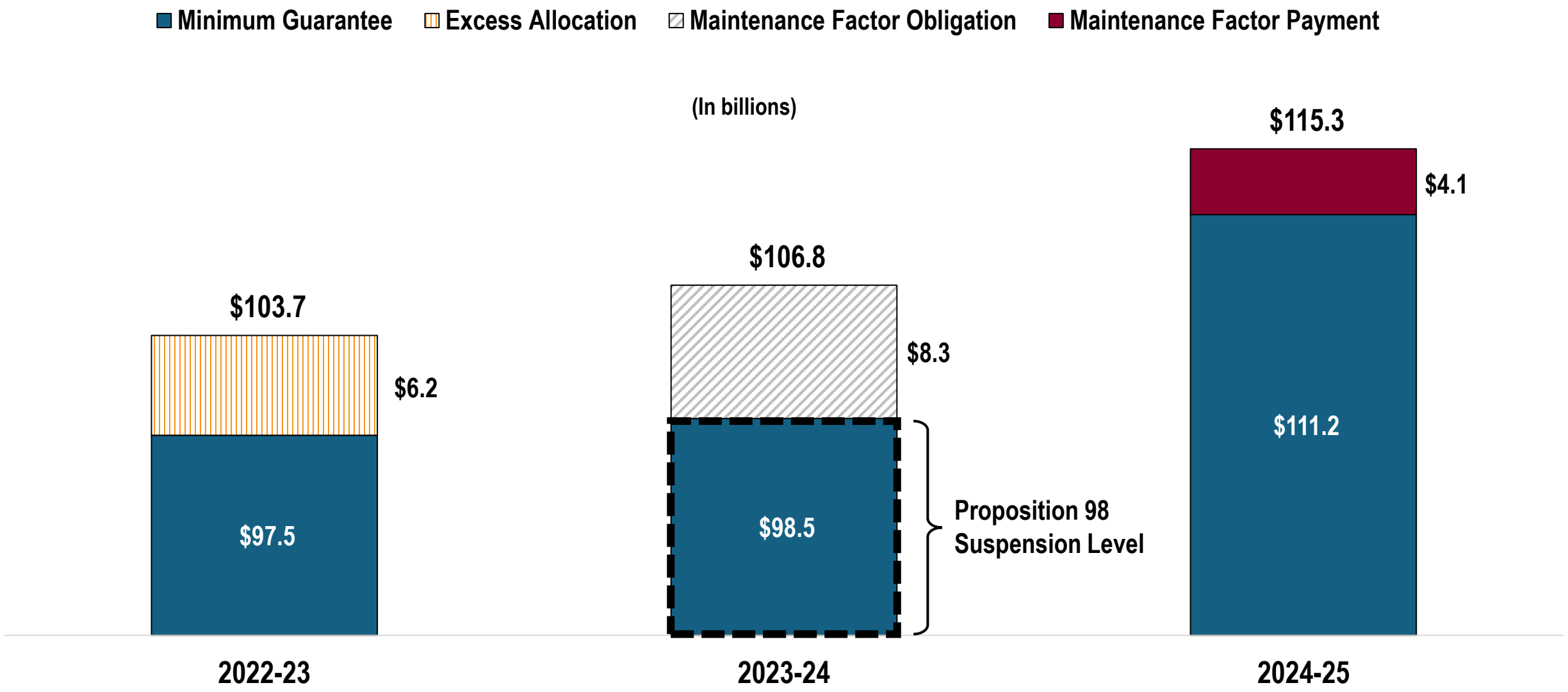
$6.2 billion is included in the Proposition 98 base for 2023-24 and beyond

- Recall this chart that illustrates how the inclusion of $6.2 billion in the Proposition 98 base drastically increases the minimum guarantee in the current and budget years



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Proposition 98 Minimum Guarantee—2022-23 Through 2024-25



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Deferrals

- The 2024-25 Enacted Budget includes a $4.0 billion budget deferral in 2023-24 and a $489 million cash and budget deferral in 2024-25 for K-12 agencies and community colleges—from June to July in each year

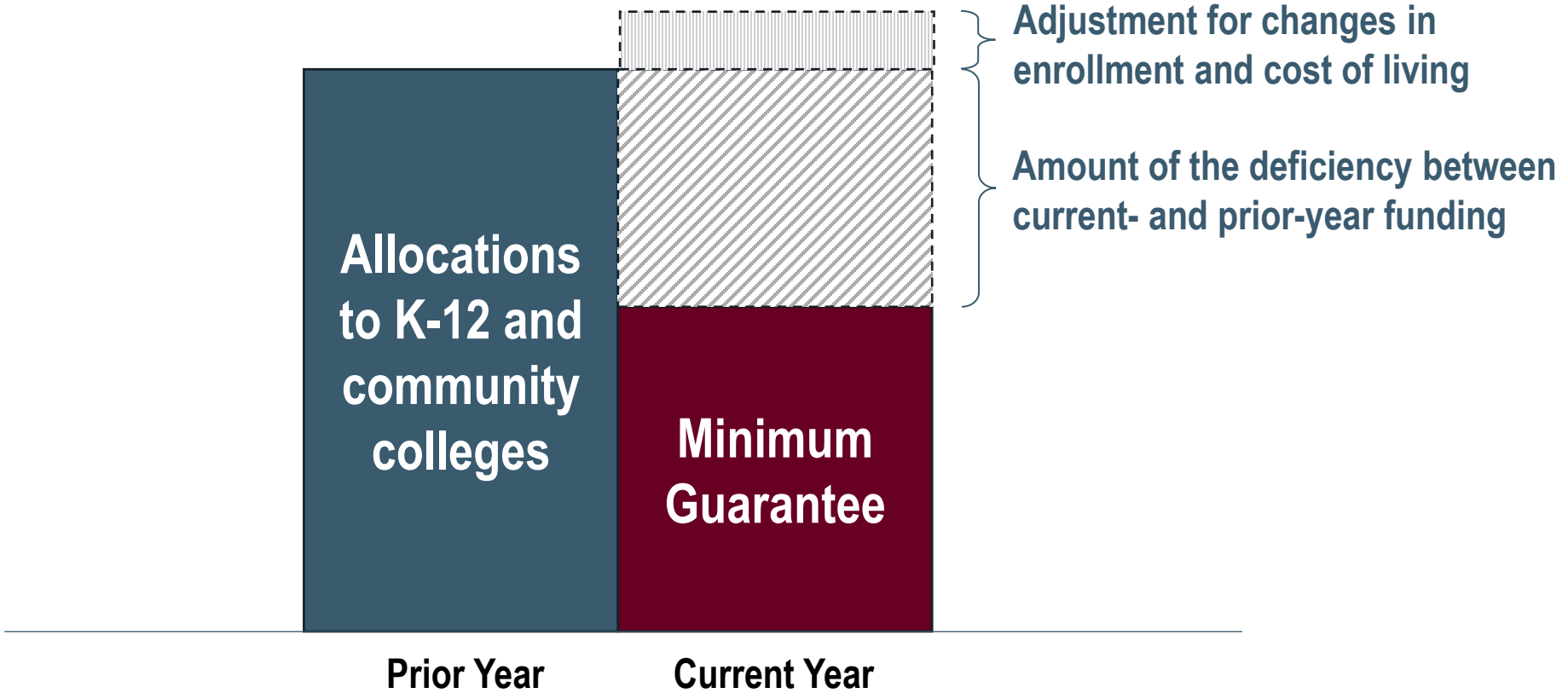
	2023-24	2024-25
K-12	$3,570,108,000	$245,604,000
Community Colleges	$446,427,000	$243,693,000
Total	$4,016,535,000	$489,297,000

- K-12 school districts and charter schools may be exempt from the deferral when it is determined that they would be unable to meet their financial obligations in June and any subsequent month until the deferral is repaid
  - The county superintendent or the chartering authority, in consultation with the county superintendent, shall make a certification to the Director of Finance by April 1, 2025

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Proposition 98 Reserve Withdrawal Requirements

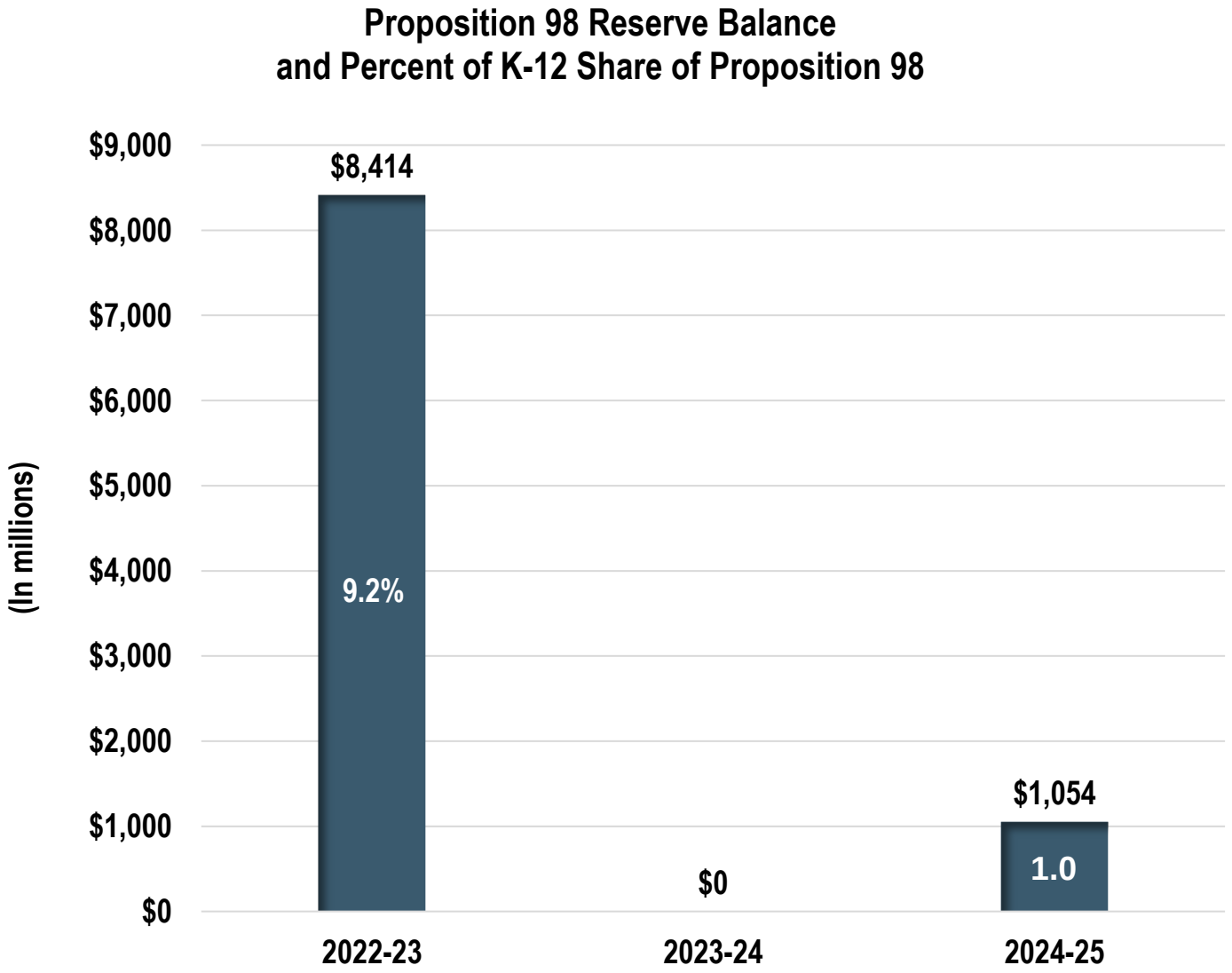
- The California Constitution sets conditions under which a withdrawal from the Proposition 98 reserve account must be made and the amount of the withdrawal
- The suspension of Proposition 98 in 2023-24 requires the state to deplete the fund



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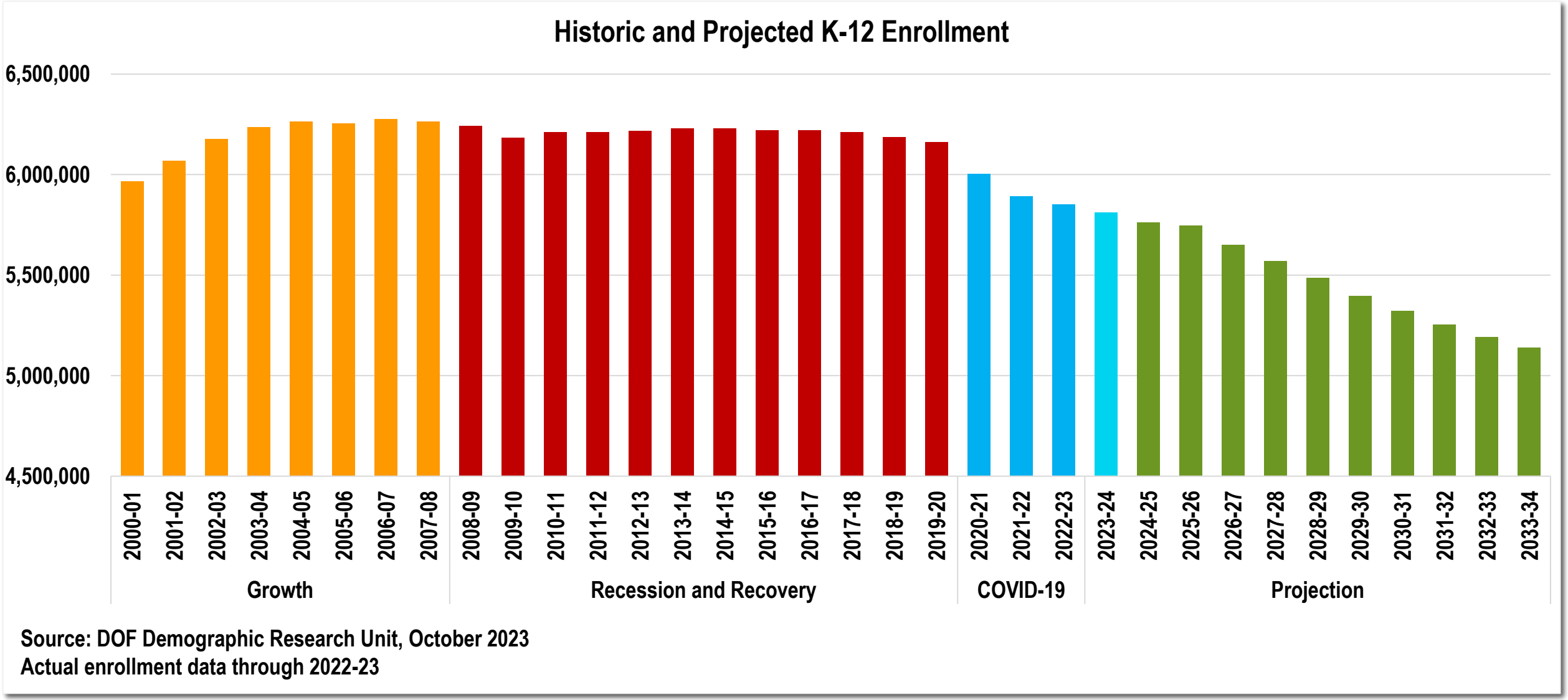
Local Reserve Cap

- In a fiscal year immediately after a fiscal year in which the Proposition 98 reserve is at least 3% of K-12's share of the minimum guarantee, a school district's adopted budget or 45-day revision cannot contain a combined assigned or unassigned ending General Fund balance greater than 10%
- The depletion of the Proposition 98 reserve in 2023-24 makes the cap on local reserves inoperative for 2024-25
- With a projected $1.1 billion reserve in 2024-25, the district reserve cap is not likely to be in effect in 2025-26



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K-12 Student Enrollment

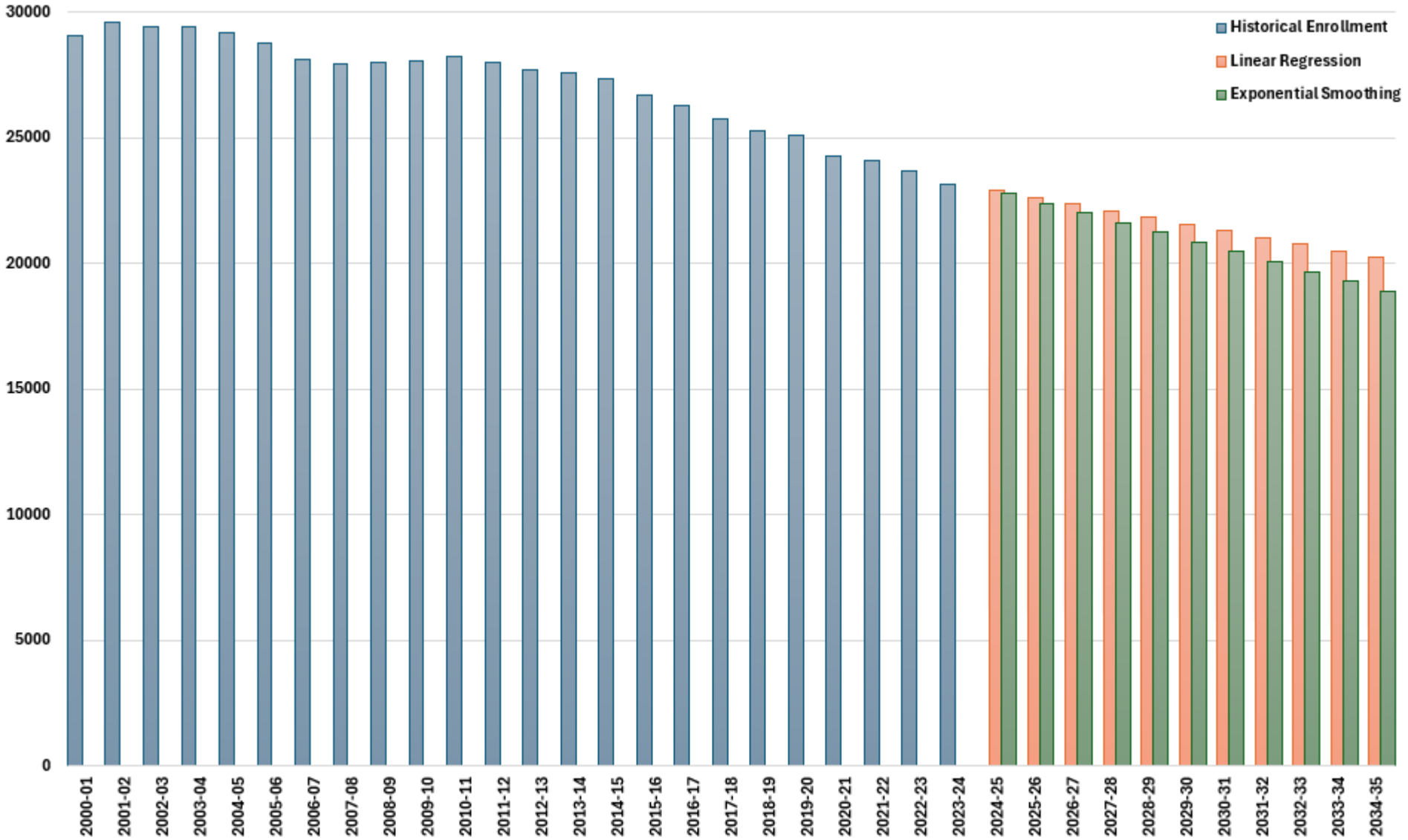


Source: DOF Demographic Research Unit, October 2023
Actual enrollment data through 2022-23

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OUSD Historic and Projected TK-12 Enrollment





Next Steps for OUSD



Next Steps

- Finalize the Closing of the 2023-24 Fiscal Year
- Prepare and Present Unaudited Actuals by September 15, 2024
- Budget Revisions Based on Carryover Funds and Enacted Budget Changes
- Update District Budget Stabilization 5-Year Plan
- Monitor Enrollment and Average Daily Attendance
- Present and File 2024-25 First Interim Reports by December 16, 2024



THANK YOU

BOARD MEMBER QUESTIONS OR COMMENTS