

Board of Education Presentation
August 14, 2025
45-Day Revise Report

Presenters:
Sulema Holguin, Assistant Superintendent, Business Services/CBO
Meghna Bulsara, Executive Director, Business Services



Objectives

To provide the Board with the required 45-day Revised Budget report and present informational updates on significant funding changes and programmatic adjustments resulting from the enacted state budget.

Key Information Areas

- **Revenue Updates:** Report on $20.5 million in additional revenue allocated to OUSD
- **New Grant Allocations:** Information on Student Support & Professional Development Block Grant ($6.7M) and expanded Learning Recovery funding ($1.2M)
- **Program Updates**: Status of Universal TK expansion, enhanced staffing ratios, and Expanded Learning Opportunities Program changes
- **Federal Funding Status**: Update on $1.7 million in federal programs potentially impacted by recent policy changes
- **Next Steps:** Overview of upcoming budget processes and reporting timelines



Funding Changes to the 2025-26 Local Control Funding Formula (LCFF)

COLA Factors			
	Jan Budget	May Revise Report	Adopted State Budget Act
2025-26	2.43%	2.30%	2.30%
2026-27	3.52%	3.02%	3.02%
2027-28	3.63%	3.42%	3.42%
OUSD Funding Levels			
	Jan Budget	May Revise Report	Adopted State Budget Act
2025-26	$299,374,097	$299,042,491	$301,607,952
2026-27	$305,138,484	$304,797,654	$306,643,076
2027-28	$310,552,651	$310,234,842	$311,914,464

25-26 Budget Revision: +$2,565,461 Change

Multi-year Budget Revision: +$6,090,505 Change

Transitional Kindergarten



Universal TK

- **Combined with previous investments, the Enacted Budget includes a total of $2.1 billion to support universal TK**
- **Starting in 2025-26 and thereafter, all children whose fourth birthday occurs by September 1 are eligible for TK**

TK Ratio LCFF Add-on



- **Additional investment is included to increase the TK ratio LCFF add-on**

$3,148 Per pupil for previous 12:1 student-to-adult ratio requirement

+ $2,397 Additional per pupil for 10:1 student-to-adult ratio requirement effective in 2025-26

$5,545 Total per-pupil add-on beginning in 2025-26

© 2025 School Services of California Inc.

Student Support and Professional Development Discretionary Block Grant

- $1.7 billion for the Student Support and Professional Development Discretionary Block Grant
  - Allocated on an equal per-ADA basis
    - Estimated at $315 per ADA
- Allowable spending uses are discretionary, although state priorities are highlighted:
  - Professional development for teachers on the English Language Arts and English Language Development Framework, Literacy Roadmap, and Mathematics Framework
  - Teacher recruitment and retention efforts
  - Career pathways and dual enrollment
- Funds are available for expenditure through June 30, 2029
- Final expenditure report is due to the California Department of Education by September 30, 2029



© 2025 School Services of California Inc.

Learning Recovery Emergency Block Grant

The Enacted Budget restored
$378.6 million
to the LREBG, which supports learning recovery initiatives through the 2027-28 school year

$114 per ADA
based on 2021-22 ADA and UPP

Beginning with the 2025-26 school year, LEAs must meet additional requirements to utilize the funds, and two new allowable uses of LREBG funds are added:

- To utilize funds, LEAs must conduct a new student needs assessment
- Expenditures and actions must be included in the LCAP
- Training on mathematics and ELA frameworks are new allowable uses

© 2025 School Services of California Inc.

Expanded Learning Opportunities Program

		Current Law	Enacted Budget
Total Funding		$4.0 billion ongoing	$4.5 billion ongoing
Requirement to offer the program and provide access for grades TK-6	Rate 1	UPP ≥ 75% must offer and provide access to all students	UPP ≥ 55% must offer and provide access to all students[2]
	Rate 2	UPP < 75% must offer and provide access to all unduplicated students	UPP < 55% must offer and provide access to all unduplicated students
Per-Pupil Amount	Rate 1	UPP ≥ 75%: $2,750 in 2024-25	UPP ≥ 55%: $2,750 in 2025-26
	Rate 2	UPP < 75%: $2,000[1] in 2024-25	UPP < 55%: TBD in 2025-26 but includes intent language that the rate be no less than $1,575 in 2025-26
Minimum Amount per LEA		$50,000	$100,000[2]

Starting in 2025-26, when LEAs transition from Rate 2 to Rate 1, for one year only, they will be audited for compliance based on their prior-year requirements

[1]Funds available for Rate 2 include return of unspent ELO-P funds from FYs 2021-22 and 2022-23
[2]Effective July 1, 2025

© 2025 School Services of California Inc.

Deferrals

- The Enacted Budget includes $1.9 billion, or the entire June apportionment, whichever is less, in deferrals for 2025-26
  - From June 2026 (fiscal year [FY] 2025-26) to July 2026 (FY 2026-27)
  - Estimated to be approximately 2.9% of state aid disbursed through the principal apportionment
  - If the deferral would result in an LEA not being able to meet its financial obligations, there are exemptions available for school districts and charter schools
- Legislative intent is to pay down the deferral with settle-up funds and, if insufficient, continue the deferral into 2027-28

Budget Deferrals

Allows the state to record a budget expense in one year and move the expense to the next year—does not impact LEAs directly



Cash Deferrals

Changes in law to delay the schedule of apportionments allowing the state to retain cash for a period of time—impacts LEA cash flow



© 2025 School Services of California Inc.



Summary of Changes from Adoption in June

Revenue	Adopted 2025-26	45-Day Revise 2025-26	Change	Spending Deadline
LCFF including TK Add-On	$299,042,491	$301,607,952	$2,565,461	
Student Support and Professional Development Discretionary Block Grant	$0	$6,699,840	$6,699,840	6/30/2029
Learning Recovery Block Grant (additional)	$0	$1,234,201	$1,234,201	6/30/2028
Expanded Learning Opportunities Program	$10,000,000	$20,058,555	$10,058,555	6/30/2027
Potential Additional Revenue			**$20,558,057**	

June 2026 apportionment Deferrals approximately $541,410 to be received in July 2026

Federal Education Funding In Context

- Since the start of 2025, there has been a flurry of federal activity that impacts federal education programs and funding
- Understanding each action is important for contextualizing its impact on local programs

Executive Orders

- English as the national language
- School discipline
- Higher education reform
- Closing the U.S. Department of Education (ED)

2026 Budget Proposal

- Maintains Title I and special education funding
- Proposes other funding cuts and to eliminate many federal programs, including Title III
- Proposes creation of block grants

One Big Beautiful Bill

- Enactment of H.R. 1 that changes student financial aid, Medicaid, subsidized meal programs, and establishes a school voucher program

Review of 2025 Funds

- Withholding federal fiscal year (FFY) 2025 funds for specified programs to review alignment with presidential priorities

© 2025 School Services of California Inc.



2025-26 Affecting Federal Programs

PROGRAM	RESOURCE	AMOUNT
TITLE II	4035	$ 793,028
TITLE III - LEP	4203	$ 486,678
TITLE III-IMMIGRANT	4201	$ 81,835
TITLE IV	4127	$ 376,632
		$1,738,173



Next Steps for OUSD



Next Steps

- Finalize the Closing of the 2024-25 Fiscal Year
- Prepare and Present Unaudited Actuals by September 15, 2025
- Revise Budget Incorporating Carryover Funds and Enacted Changes in Alignment with Multi-Year Projections
- Monitor Enrollment and Average Daily Attendance
- Present and File 2025-26 First Interim Reports by December 15, 2025



THANK YOU

BOARD MEMBER QUESTIONS OR COMMENTS