Orange Unified School District

January 18, 2018

Governor’s Propositions for the 2018-19 State Budget and K-12 Education
Budget Calendar

- June 8, 2017 - Board of Trustees Adopts Proposed 2017-18 Budget
- June 30, 2017 – State Adoption of Budget
- September 14, 2017 – 2016-17 Unaudited Actuals & 2017-18 Revised Budget
- December 7, 2017 – 2017-18 First Interim Report to Board for Approval
  ✓ January 2018 – Governor’s Projected Budget for 2018-19 Released
- March 8, 2018 – 2017-18 Second Interim Report to Board for Approval
- May 2018 - Governor’s “May Revise”
Education Funding

- Proposition 98 Funding of $78.3 Billion
  - An average increase of $465 per pupil (supplemental/concentration and base) over the level provided in 2017-18
  - District’s Increase to Base $289.60 per pupil

- Full Funding of The Local Control Funding Formula- Two Years Ahead of the Initial Implementation Timeline

- District’s Target Funding has Dropped $4.2 Million Since 2012-13

- Funding of 2.51% COLA Including:
  - Special Education
  - Child Nutrition
  - Preschool
Education Funding (con’t)

- One Time Discretionary Funds of $295 per ADA

- Career-Technical Education Funding
  - K-12 component of community college funding “Strong Workforce Program”
  - Local industry experts to provide technical support
  - No Continuation of the CTEIG Program Funding - 100% Funded from District Funds

- Special Education
  - Funding for SELPAs to work with COEs to provide technical assistance
  - Provide one-time funding and Temporary Assistance for Needy Families funds to create the “Inclusive Early Education Expansion Program”
    - Children 0-5 school readiness and long term academic outcomes for low-income children and children with exceptional needs
  - Teacher Workforce Development – One-Time Funding
    - One Year intensive mentored, coaching, clinical teacher preparation programs
    - One Time funding to provide competitive grants to support local needs for innovation
Education Funding (con’t)

- **Childcare and Preschool**
  - Increase the Standard Reimbursement Rate by 2.8% - $47.88
  - Provide ongoing money to convert the temporary Regional Market Rate to a permanent rate beginning in 2019-20
  - Fund an additional 2,959 full-day State Preschool slots

- **School Facilities**
  - Approve $640 million to fund Proposition 51 bond applications
  - OPSC is processing applications in preparation for distribution of funding
  - New Facilities expenditure auditing requirements in the Annual Audit

- Invests $70 Million in Ongoing Funds to Continue Implementation of State System of Support Designed for Targeted District Support from COES and California Collaborative for Educational Excellence
What was Left Out?

- No COLA
  - Transportation
- Expenses Outpace 2.51% COLA
- No Increase in Base in 2019-20, or 2020-21 to Cover Ongoing Operating Expenses in Excess of COLA
  - STRS and PERS
  - Special Ed
  - Utilities, etc.
- 2017-18 Decline in Enrollment 2.28%
Projected District Final Funding

**TOTAL TARGET LCFF:** $229,428,945

- **Home-to-School Transportation**
- **Targeted Instructional Improvement Block Grant**
- **Concentration Grant***
- **Supplemental Grant**
- **Grade Span Adjustment**
- **Necessary Small School Base Grant**

**Add-ons**
- **$3,732,081**

**Supplemental &**
- **$20,196,569**

**Adjusted Base Grant**
- **$205,500,295**

*Unduplicated Pupil Percentage must be above $229,428,945

- **12-13 Award Level**
- **Average Daily Attendance**: 25,381.44
- **Unduplicated Pupil Count**
  - English Learners
  - Low Income
  - Foster Youth

**12-13 Year Enrollment**

- **49**
- **49**

**Target LCFF**

**Award Level**

**Unduplicated Pupil Count**
## PROPOSED INCREASES TO LCFF ENTITLEMENTS

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Base Grant</strong></td>
<td>$7,187,331</td>
</tr>
<tr>
<td><strong>Supplemental Grant</strong></td>
<td>$  71,782</td>
</tr>
<tr>
<td><strong>CTE Grade Span Adj.</strong></td>
<td>$  83,150</td>
</tr>
<tr>
<td><strong>Additional 2017-18 vs. 2018-19</strong></td>
<td>$7,342,263</td>
</tr>
</tbody>
</table>
Revenues:

- Local Control Funding Formula
- Annual decline in enrollment & ADA

<table>
<thead>
<tr>
<th>ADA</th>
<th>2017-18</th>
<th>2018-19</th>
<th>2019-20</th>
<th>2020-21</th>
</tr>
</thead>
<tbody>
<tr>
<td>September Budget</td>
<td>526</td>
<td>520</td>
<td>520</td>
<td>520</td>
</tr>
<tr>
<td>1st Interim</td>
<td>563</td>
<td>663</td>
<td>663</td>
<td>663</td>
</tr>
</tbody>
</table>

- Attendance Rate: 96.2%
- Unduplicated Pupil Percentage: 49.1%
Historical Average Daily Attendance & Projections

Actual ADA Projections After P2

Combined Impact over 4 years:
-2,552 ADA = $(56 Million)
CSBA, CASBO and CDE have suggested a reserve of 16.67%.

- Two months of expenditures
Planning Ahead

- The Governor’s Budget Proposal Provides Additional Funding for LCAP but not Proportionally for All Districts or Programs
  - LEAs must be prepared to make decisions based on Local Factors:
    - LCAP process
    - Enrollment
    - Reserve levels
    - Local Priorities
  - Enrollment Forecasts and budgets are starting to be developed for next fiscal year
    - Special Education has expanded the inclusion program
    - Discussions have centered around providing additional High-Quality innovative instructional programs
    - Additional CTE/STEM Pathways are being planned
  - It will be important to have flexible plans in place, as change is inevitable
  - Additional accountability on use of Supplemental/Concentration Funds
Next Steps

- 2018-19 Budget and LCAP Public Hearing on May 24, 2018

- “May Revise” will contain the actual assumptions which must support 2017-18 budget

- Balanced budget and LCAP must be adopted by district prior to June 30, 2018
  - We will not know the level of funding until State Adopts their budget

- Once the State Budget is adopted, the district makes adjustments to its budget
Questions?