2020-21 FIRST INTERIM REPORT AND BUDGET OVERVIEW FOR PARENTS

December 15, 2020
Presentation Overview

- First Interim Reports
- Budget Overview for Parents
- State Budget Update
- Next Steps
2020-21 FIRST INTERIM REPORT
• **Local Control Funding Formula**
  - Annual decline in Student Enrollment: 661 students in 2020-21 and 361 students per year for each of the next two years
  - Attendance Rate: 96%
  - Hold Harmless funding provision for 2020-21 and 2021-22
  - Unduplicated Pupil Percentage: 50.87%
  - Cost of Living Adjustment: zero all years

• **One-Time Federal and State Funding**
  - COVID-19 Relief Funds $20.7 million fully budgeted
Expenditures:

- Outcome of Collective Bargaining Agreements approved in September and October
- Step and Column Increases:
  - Certificated & Leadership 1.2%
  - Classified 2%
- Updated employer contribution rates to retirement systems

<table>
<thead>
<tr>
<th></th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>CalSTRS (certificated employees)</td>
<td>16.15%</td>
<td>16.00%</td>
<td>18.10%</td>
</tr>
<tr>
<td>CalPERS (classified employees)</td>
<td>20.70%</td>
<td>23.00%</td>
<td>26.30%</td>
</tr>
</tbody>
</table>
## OUSD Historical Enrollment

*(Excluding Charter Schools)*

<table>
<thead>
<tr>
<th>Year</th>
<th>Actual Enrollment</th>
<th>Projected Enrollment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2011-12</td>
<td>27,942</td>
<td></td>
</tr>
<tr>
<td>2012-13</td>
<td>27,605</td>
<td></td>
</tr>
<tr>
<td>2013-14</td>
<td>27,461</td>
<td></td>
</tr>
<tr>
<td>2014-15</td>
<td>27,344</td>
<td></td>
</tr>
<tr>
<td>2015-16</td>
<td>26,890</td>
<td></td>
</tr>
<tr>
<td>2016-17</td>
<td>26,309</td>
<td></td>
</tr>
<tr>
<td>2017-18</td>
<td>25,916</td>
<td></td>
</tr>
<tr>
<td>2018-19</td>
<td>25,334</td>
<td></td>
</tr>
<tr>
<td>2019-20</td>
<td>24,976</td>
<td></td>
</tr>
<tr>
<td>2020-21</td>
<td>24,315</td>
<td>- 661</td>
</tr>
<tr>
<td>2021-22</td>
<td>23,954</td>
<td>- 361</td>
</tr>
<tr>
<td>2022-23</td>
<td>23,593</td>
<td>- 361</td>
</tr>
</tbody>
</table>

- Actual Enrollment
- Projected Enrollment
## Multi-Year Projections

<table>
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<tr>
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<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>323,790,736</td>
<td>295,492,592</td>
<td>289,731,219</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>340,850,850</td>
<td>300,249,883</td>
<td>304,499,477</td>
</tr>
<tr>
<td><strong>DECREASE IN FUND BALANCE</strong></td>
<td><em>(17,060,114)</em></td>
<td><em>(4,757,291)</em></td>
<td><em>(14,768,258)</em></td>
</tr>
<tr>
<td><strong>BEGINNING BALANCE</strong></td>
<td>78,021,109</td>
<td>60,960,995</td>
<td>56,203,704</td>
</tr>
<tr>
<td><strong>PROJECTED ENDING BALANCE</strong></td>
<td>60,960,995</td>
<td>56,203,704</td>
<td>41,435,446</td>
</tr>
</tbody>
</table>

### Adjustment to Ending Fund Balance

<table>
<thead>
<tr>
<th></th>
<th>2020-21</th>
<th>2021-22</th>
<th>2022-23</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restrictions to Ending Fund Balance</td>
<td><em>(17,215,890)</em></td>
<td><em>(16,130,578)</em></td>
<td><em>(11,548,857)</em></td>
</tr>
<tr>
<td>3% State Required Contingency</td>
<td><em>(10,225,526)</em></td>
<td><em>(9,007,496)</em></td>
<td><em>(9,134,984)</em></td>
</tr>
<tr>
<td>Unappropriated Fund Balance Above 3%</td>
<td>33,519,579</td>
<td>31,065,630</td>
<td>20,751,605</td>
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</table>
Budget Overview for Parents

A document to provide fiscal transparency to stakeholders

- Beginning 2019-20, local education agencies were required to develop the Budget Overview for Parents along with the Local Control and Accountability Plan (LCAP)

- Due to the COVID-19 Pandemic, the requirement to adopt the 2020-21 LCAP has been waived

- Districts were required by September 30, 2020 to develop the Learning Continuity and Attendance Plan (LCP)
  - Outlining the plan of providing a high-quality education, social-emotional supports, and nutrition to students during COVID-19 Pandemic
  - Plan was Board Approved at the September 24 Meeting

- Now Districts are required to adopt the 2020-21 Budget Overview for Parents by Dec 15, 2020 with the filing of the First Interim Report
Budget Overview for Parents
General Fund Revenues

Total General Fund Revenues $320,130,736
This chart provides a quick summary of how much Orange Unified School District plans to spend for planned actions and services in the Learning Continuity Plan for 2020-2021 and how much of the total is tied to increasing or improving services for high needs students.
Budget Overview for Parents
General Fund Expenditures

- Instruction & Student Services: 81%
- LCP Expenditures: 4%
- General Administration: 4%
- Maintenance, Operations, & Other: 11%

Total General Fund Expenditures: $337,180,450
STATE BUDGET UPDATE
• Legislative Analyst’s Office Report (November)
  – State Revenues are $26 billion above projections
    • Tax Receipts are 22% higher or $11 billion
    • Unemployment rate is 11%, down from 25% projected (SBA)
    • Rapid Economic Recovery
    • Consumer Spending is within 10% of Pre-Pandemic Levels
• Based on LAO Estimates, the State owes Proposition 98 Education Funding approximately $13.7 billion in one-time settle-up payments

• Governor Newsom Budget Proposal for 2021-22
  – Published by mid-January
  – Based on Department of Finance Budget Estimates
  – Outlines governance priorities and budgetary allocations
  – Uncertainty about any additional COVID-19 Relief Funding (Federal and State)

• Budget Estimates may widely change
Next Steps

State level

- Governor’s January Budget Proposal for FY 2021-22
- Governor’s May Revision

Local level

- Update Budget Stabilization Plan
  - Revenue Enhancements
  - Strategies to retain and attract students
  - Operational Efficiencies
- 2020-21 Second Interim Reports by March 15, 2021