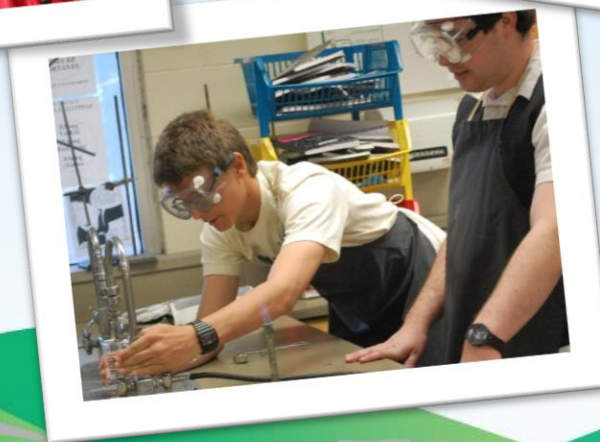










Orange Unified School District

# 2018-19 Unaudited Actuals 2019-20 Revised Budget



September 26, 2019  
Board Meeting

# Presentation Overview

-  State Enacted Budget
-  FY 18-19 General Fund and Facilities Funds
-  Multi-Year Projections
-  Enrollment Projections
-  Rising Cost of Doing Business
-  Next Steps



# January Budget vs. May Revision vs. Enacted Budget

| Item                                     | January Budget                                  | May Revision                                    | Enacted Budget                                  |
|--|---|---|---|
| LCFF <sup>1</sup> Funding                | \$2.023 billion                                 | \$1.959 billion                                 | \$1.959 billion                                 |
| Proposition 98 Minimum Funding Guarantee |   |   |   |
| 2017-18                                  | \$75.5 billion                                  | \$75.6 billion                                  | \$75.6 billion                                  |
| 2018-19                                  | \$77.9 billion                                  | \$78.1 billion                                  | \$78.1 billion                                  |
| 2019-20                                  | \$80.7 billion                                  | \$81.1 billion                                  | \$81.1 billion                                  |
| 2019-20 COLA <sup>2</sup>                | 3.46%   | 3.26%   | 3.26%   |
| One-Time Discretionary Funds for 2019-20 | \$0   | \$0   | \$0   |
| Special Education Proposal               | \$390 million ongoing<br>\$186 million one-time | \$696.2 million<br>(ongoing)                    | \$645.8 million<br>(ongoing) <sup>3</sup>       |
| School Employer Pension Proposal         | \$3 billion one-time<br>(non-Proposition 98)    | \$3.15 billion one-time<br>(non-Proposition 98) | \$3.15 billion one-time<br>(non-Proposition 98) |

<sup>1</sup>Local Control Funding Formula (LCFF)

<sup>2</sup>Cost-of-living adjustment (COLA)

<sup>3</sup>Contingent upon the passage of statutory changes in the 2020-21 Budget

© 2018 School Services of California, Inc.



# 2018-19 General Fund (in Millions)

|                              | Unrestricted     | Restricted      | Total            |
|------------------------------|------------------|-----------------|------------------|
| <b>Revenues</b>              |                  |                 |                  |
| LCFF                         | \$ 233.69        | \$ -            | \$ 233.69        |
| Federal                      | \$ 0.01          | \$ 12.84        | \$ 12.85         |
| State Revenues               | \$ 9.90          | \$ 34.45        | \$ 44.35         |
| Other Local                  | \$ 4.73          | \$ 2.62         | \$ 7.35          |
| <b>Total Revenues</b>        | <b>\$ 248.33</b> | <b>\$ 49.91</b> | <b>\$ 298.24</b> |
| <b>Expenditures</b>          |                  |                 |                  |
| Salaries & Benefits          | \$ 180.97        | \$ 66.89        | \$ 247.86        |
| Supplies                     | \$ 5.18          | \$ 4.24         | \$ 9.42          |
| Services                     | \$ 13.39         | \$ 9.83         | \$ 23.22         |
| Capital Outlay               | \$ 1.26          | \$ 0.09         | \$ 1.35          |
| Other Outgo/Ind. Cost        | \$ 4.01          | \$ 3.12         | \$ 7.13          |
| <b>Total Expenditures</b>    | <b>\$ 204.81</b> | <b>\$ 84.17</b> | <b>\$ 288.98</b> |
| Transfers In/Out             | \$ 0.07          | \$ -            | \$ 0.07          |
| Contributions                | \$ (36.20)       | \$ 36.20        | \$ -             |
| <b>Net Increase/Decrease</b> | <b>\$ 7.39</b>   | <b>\$ 1.94</b>  | <b>\$ 9.33</b>   |



# Changes in General Fund Balance for 2018-19 (in Millions)

|                               | Unrestricted   | Restricted     | Total          |
|-------------------------------|----------------|----------------|----------------|
| Unaudited Actuals             | \$ 64.96       | \$ 3.39        | \$ 68.35       |
| Estimated Actuals             | \$ 60.01       | \$ 3.16        | \$ 63.17       |
| <b>Change in Fund Balance</b> | <b>\$ 4.95</b> | <b>\$ 0.23</b> | <b>\$ 5.18</b> |

## General Fund Balance Designations:

- 3% Reserve Requirement \$8.67 million
- Revolving Cash, Stores, & Prepaid Items \$0.75 million
- Restricted Program Reserves \$3.39 million
- One-Time Mandated Cost \$4.45 million
- Site/Department Carryover & Other Assignments \$2.07 million
- STRS/PERS Increases \$5.27 million
- Uncommitted Funds \$43.74 million





# Deferred Maintenance Fund 14

Deferred maintenance funds may be used for the major repair or replacement of plumbing, heating, air conditioning, electrical, roofing, flooring systems, and the exterior and interior painting of school buildings.

|                            | 2018-19      |
|----------------------------|--------------|
| <b>Beginning Balance</b>   | \$ 7,200,503 |
|                            |              |
| Revenues                   | \$ 4,614,186 |
| Expenditures               | \$ 3,635,488 |
| Surplus (Deficit)          | \$ 978,698   |
|                            |              |
| <b>Ending Fund Balance</b> | \$ 8,179,201 |



# Building Fund 21 (GO Bond – Measure S)

The Building Fund is used primarily to separately account for proceeds from the sale of bonds and may not be used for any purposes other than those for which the bonds were issued.

|                            | 2018-19         |
|----------------------------|-----------------|
| <b>Beginning Balance</b>   | \$ 176,253,294  |
|                            |                 |
| Revenues                   | \$ 3,603,903    |
| Expenditures               | \$ 21,384,690   |
| Surplus (Deficit)          | \$ (17,780,787) |
|                            |                 |
| <b>Ending Fund Balance</b> | \$ 158,472,507  |



# Capital Facilities Fund 25

The Capital Facilities Fund exists primarily to account separately for moneys received from fees levied on developers or other agencies as a condition of approving development. Interest earned in the Capital Facilities Fund is restricted to that fund.

|                            | 2018-19      |
|----------------------------|--------------|
| <b>Beginning Balance</b>   | \$ 8,708,844 |
|                            |              |
| Revenues                   | \$ 2,413,961 |
| Expenditures               | \$ 3,546,009 |
| Surplus (Deficit)          | \$ 1,132,048 |
|                            |              |
| <b>Ending Fund Balance</b> | \$ 7,576,796 |





# Special Reserve for Capital Outlay Projects Fund 40

The Special Reserve Fund for Capital Outlay Projects exists primarily to provide for the accumulation of General Fund monies for capital outlay purposes and the proceeds from the sale of real property.

|                                     | 2018-19              |
|-------------------------------------|----------------------|
| <b>Beginning Balance</b>            | \$ 46,743,622        |
| Revenues                            | \$ 881,340           |
| Expenditures                        | \$ 8,739,090         |
| Transfer Out – Deferred Maintenance | \$ 4,337,979         |
| Surplus (Deficit)                   | \$ (12,195,729)      |
| <b>Ending Fund Balance</b>          | <b>\$ 34,547,893</b> |



# Capital Projects Fund 49

The Capital Project Fund for Blended Component Units is used to account for capital projects financed by Mello-Roos Community Facilities Districts (CFD's) and similar entities that are considered blended component units of the District.

|                            | 2018-19             |
|----------------------------|---------------------|
| <b>Beginning Balance</b>   | \$ 4,099,963        |
| Revenues                   | \$ 84,105           |
| Expenditures               | \$ 243,196          |
| Surplus (Deficit)          | \$ (159,091)        |
| <b>Ending Fund Balance</b> | <b>\$ 3,940,872</b> |

Impacted boundaries: Fletcher, Cerro Villa, Villa Park High School, Running Springs, and Canyon High School

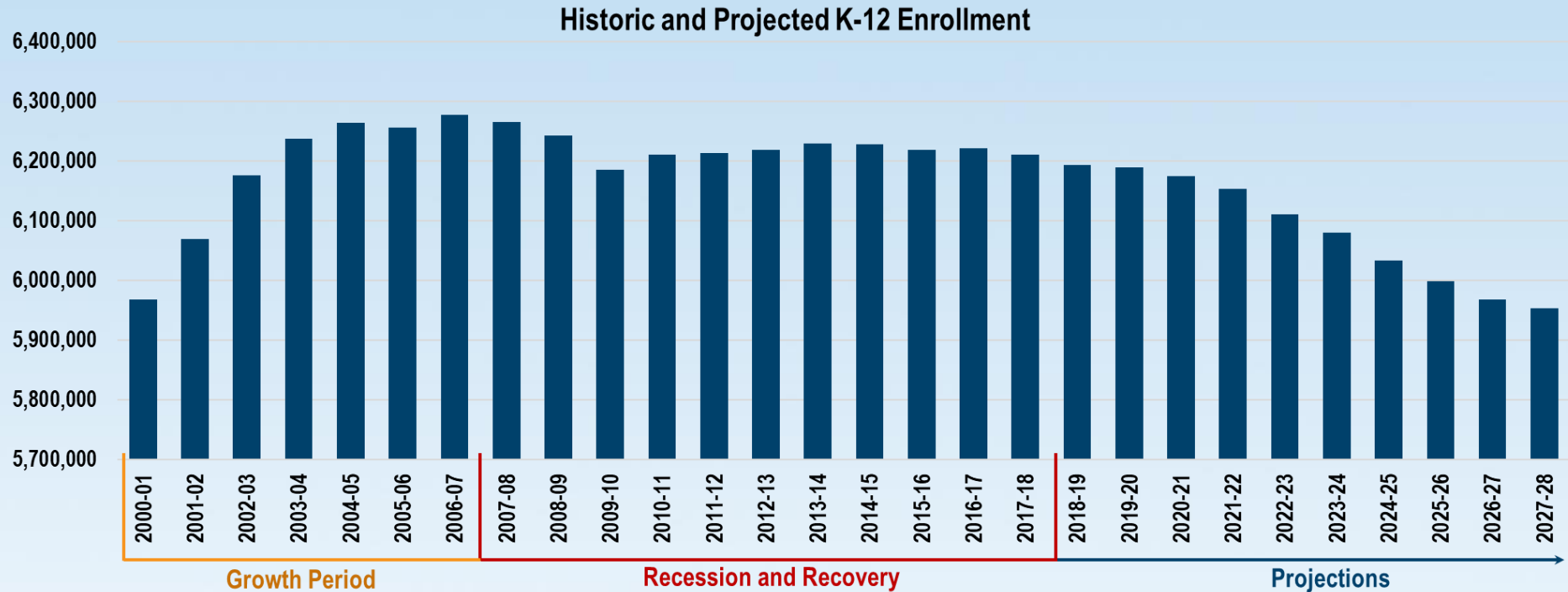


# Multi-Year Projections – Revised Budget

|   | 2019-20      | 2020-21     | 2021-22     |
|---|--------------|-------------|-------------|
| <b>REVENUES</b>                             | 294,584,760  | 294,239,267 | 295,186,019 |
| <i>Sp. Ed. Equalization Fund</i>            | 390,656      |             |             |
| <i>Sp. Ed. Preschool Grant</i>              | 0            | 0           | 0           |
| <b>TOTAL REVENUES AS ADJUSTED</b>           | 294,975,416  | 294,239,267 | 295,186,019 |
| <b>EXPENDITURES</b>                         | 311,212,348  | 302,638,398 | 303,212,828 |
| <b>INCREASE (DECREASE) IN FUND BALANCE</b>  | (16,236,932) | (8,399,131) | (8,026,809) |
| <b>BEGINNING BALANCE</b>                    | 68,346,963   | 52,110,031  | 43,710,900  |
| <b>PROJECTED ENDING BALANCE</b>             | 52,110,031   | 43,710,900  | 35,684,091  |
| Adjustment to Ending Fund Balance           |              |             |             |
| Stores, Revolving Cash and Carryover        | (334,295)    | (334,295)   | (334,295)   |
| Reserve for STRS and PERS Increases         | (3,863,960)  | (1,327,567) | (944,110)   |
| 3% State Required Contingency               | (9,338,771)  | (9,079,152) | (9,096,385) |
| One-Time Mandated Cost Funds                | (4,449,343)  | (4,249,343) | (4,249,343) |
| <b>Unappropriated Fund Balance Above 3%</b> | 34,123,662   | 28,720,543  | 21,059,958  |



# California Public K-12 Enrollment

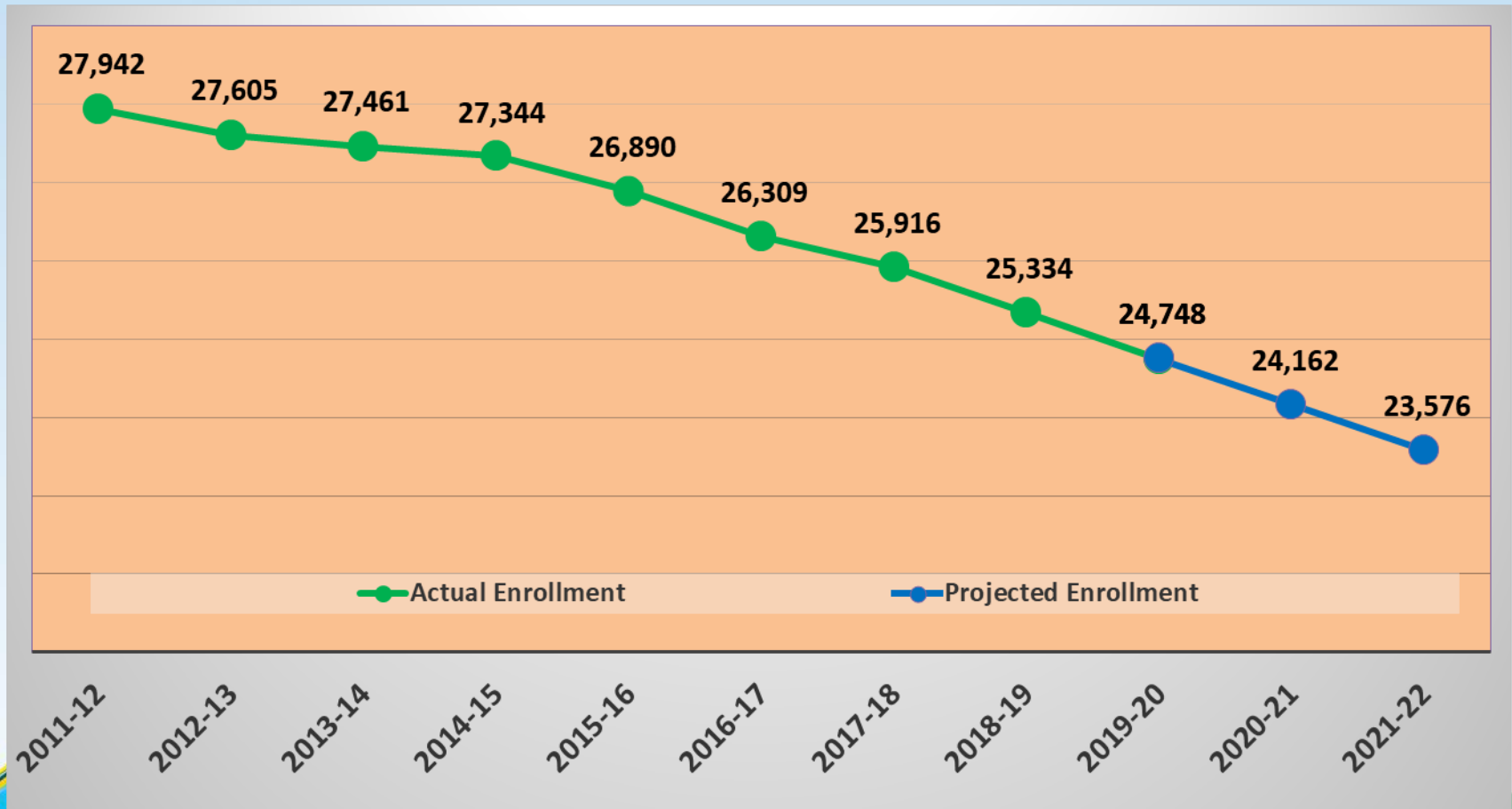


Source: DOF Demographic Research Unit, January 2019  
Actual enrollment data through 2017-18

© 2019 School Services of California, Inc.

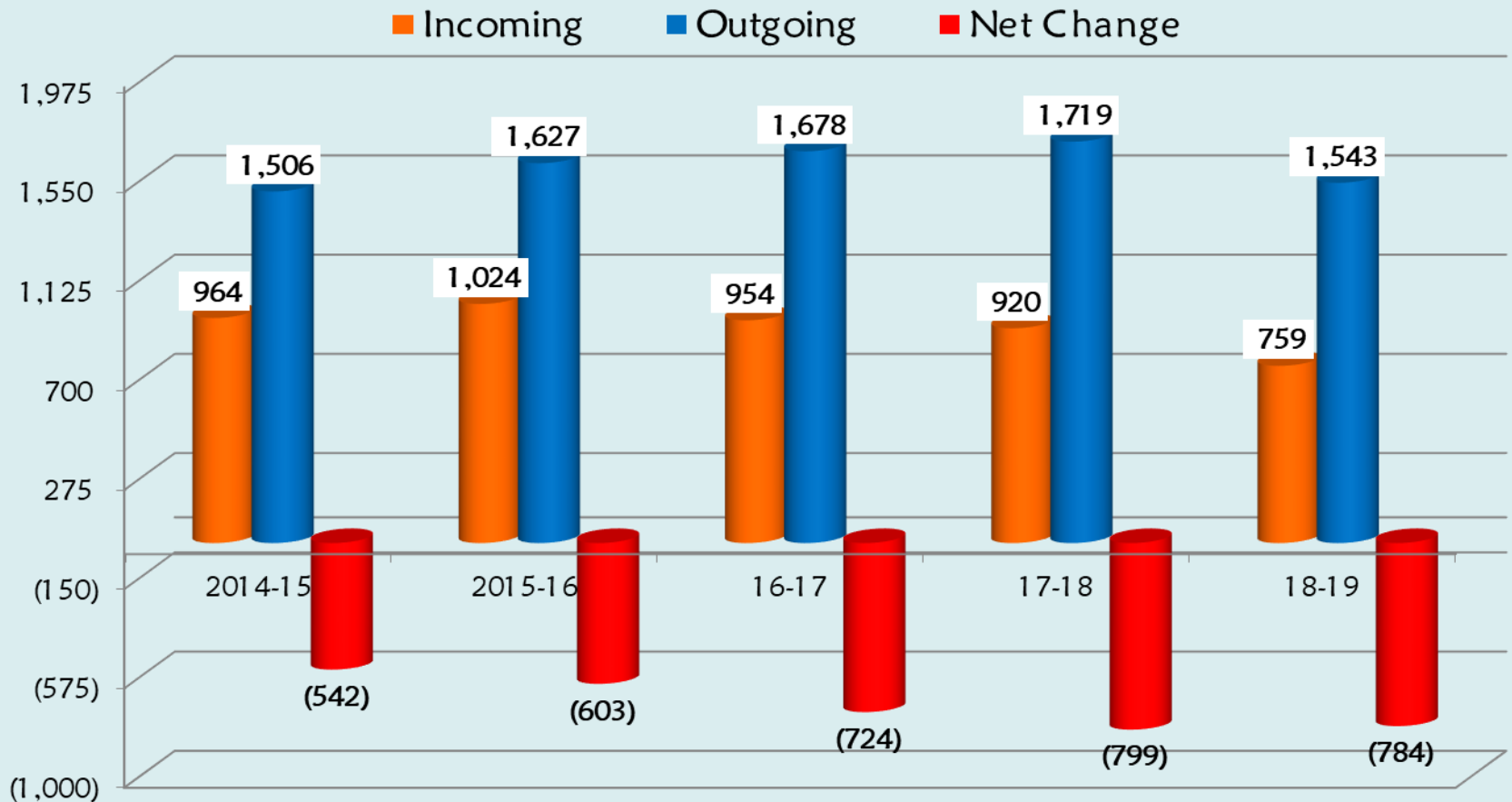


# OUSD Historical Enrollment (Excluding Charter Schools)





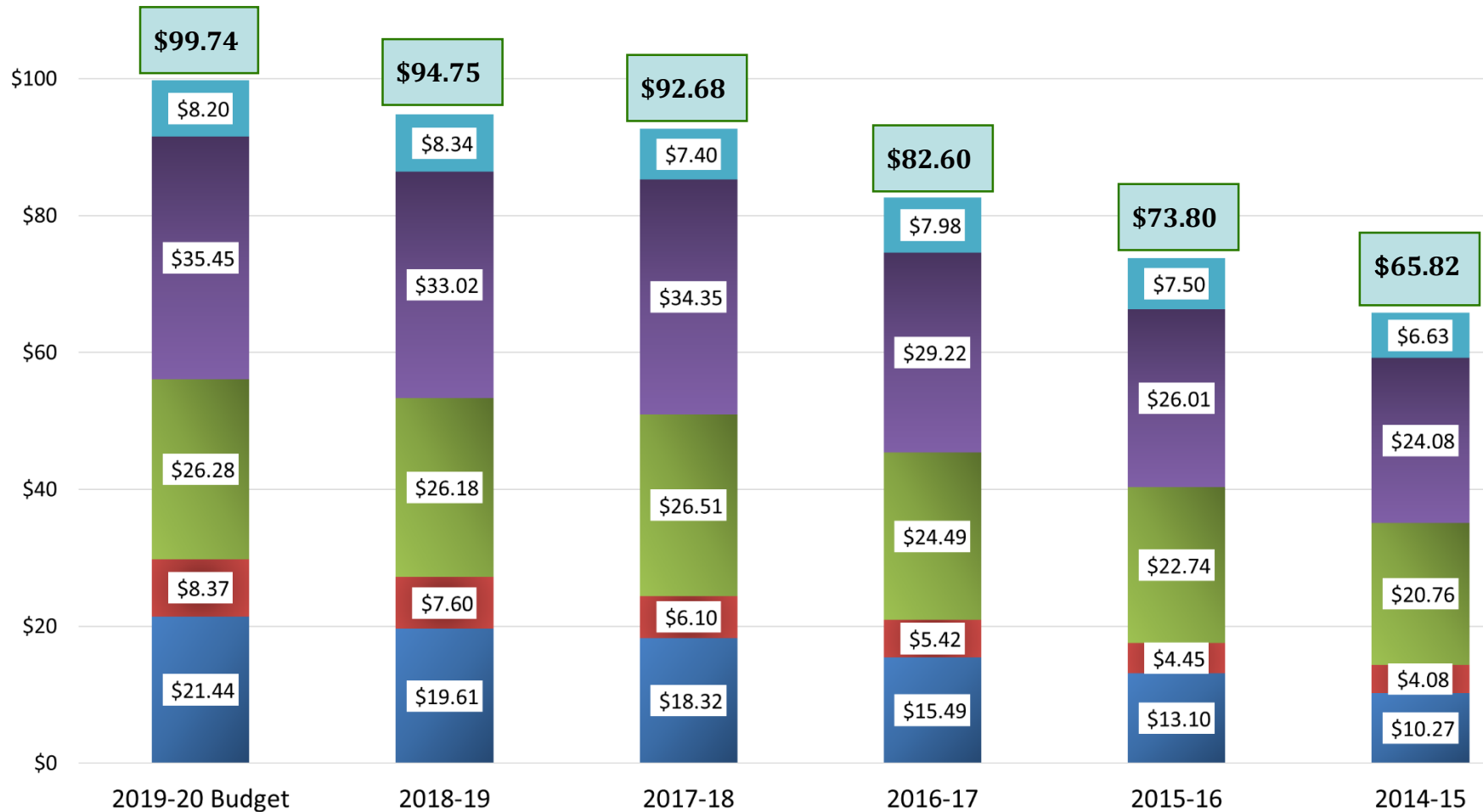
# Student Permit Data (2014-15 to 2018-2019)



# Rising Cost of Doing Business

\$120 (in Millions)

■ STRS ■ PERS ■ Health Benefits ■ Special Education ■ Transportation (Sp Ed & Home to School)



# Next Steps

**Deadlines: Education Code (42127, 42130)**

## September 15, 2019

- 2018-19 Unaudited Actuals and 2019-20 Revised Budget

## December 15, 2019

- 2018-19 Audit Report
- 2019-20 First Interim Budget

## March 15, 2020

- 2019-20 Second Interim Report

