



Orange Unified School District

**2020-21**

# **SECOND INTERIM BUDGET REPORTS**

**March 17, 2021**

**DISTRICT ADVISORY COUNCIL  
(DAC)**



**Presenters:**

**David Rivera**

**Assistant Superintendent /CBO**



# Presentation Overview



**State Budget Update**



**Second Interim Reports**



**COVID Relief Funding**



**Next Steps**

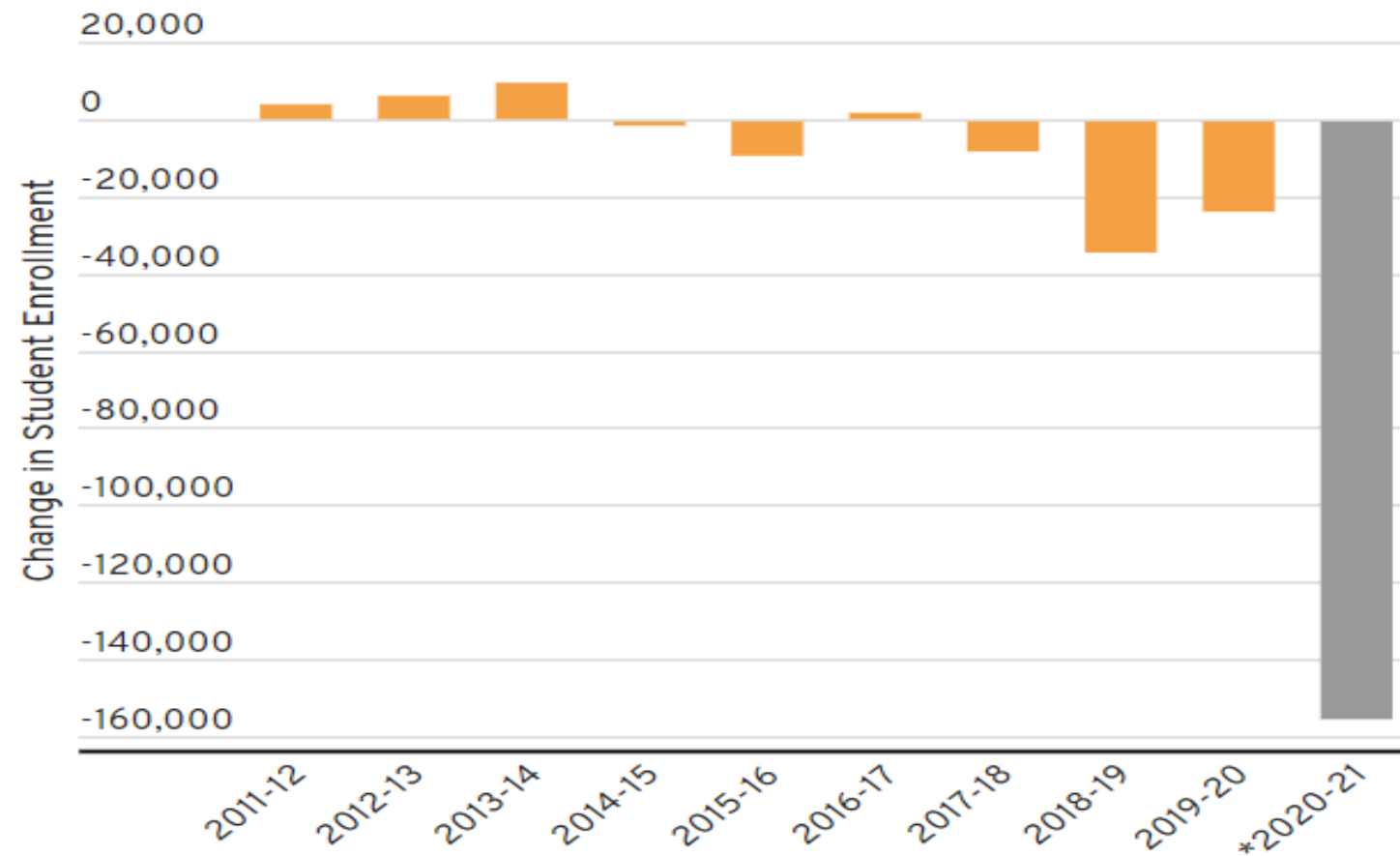


# 2020-21 STATE BUDGET UPDATE



# California's K12 Enrollment Decline

California's latest projection for 2020-21 far exceeds declines seen in previous school years.



Source: California Department of Education.

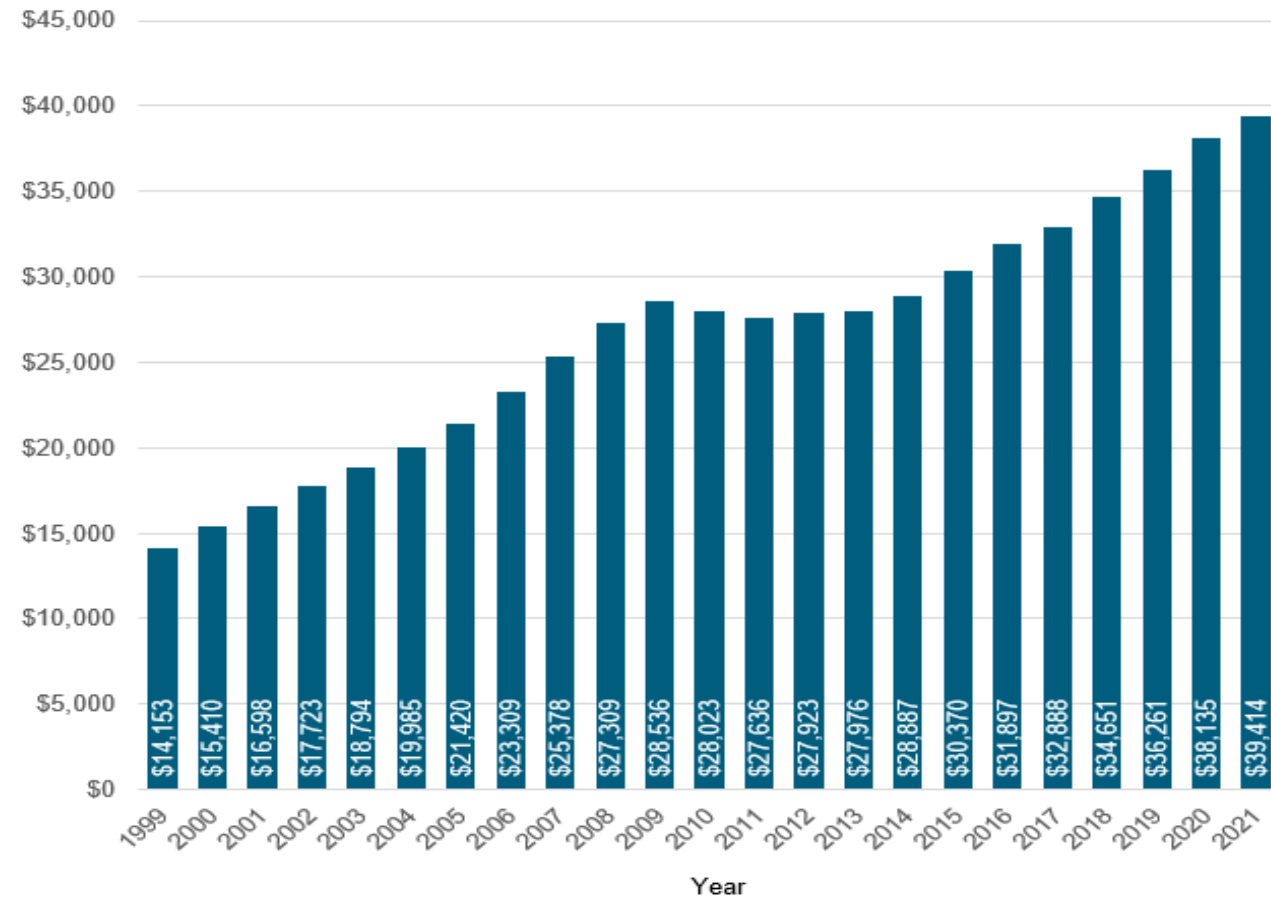
# Assessed Values & Property Taxes

## Historical Assessed Valuation

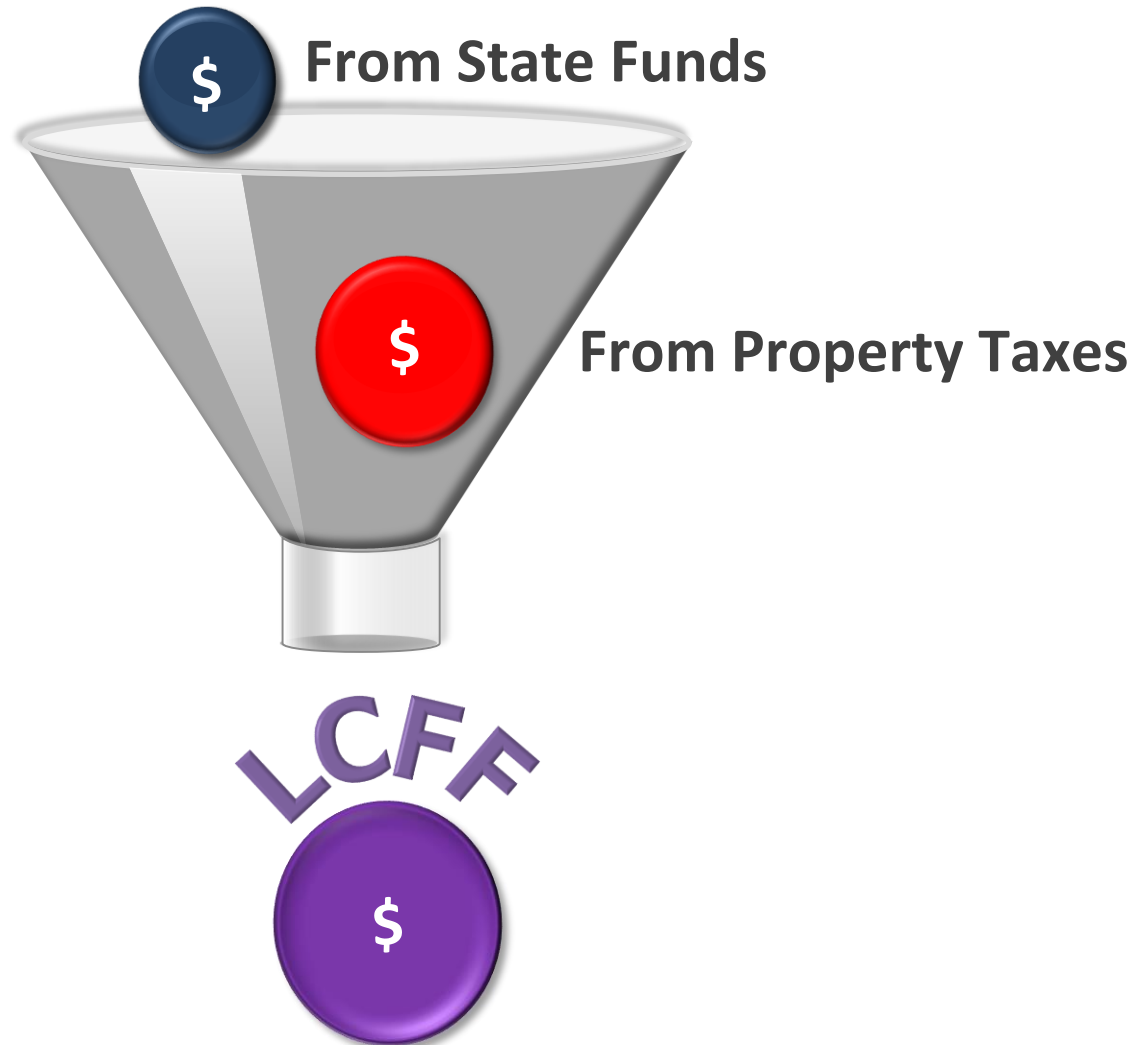
FY Ending	Assessed Valuation	% Change
1999	\$14,152,629,727	
2000	\$15,409,525,117	8.88%
2001	\$16,597,662,928	7.71%
2002	\$17,723,489,960	6.78%
2003	\$18,793,818,430	6.04%
2004	\$19,985,449,794	6.34%
2005	\$21,420,374,760	7.18%
2006	\$23,308,734,152	8.82%
2007	\$25,378,248,083	8.88%
2008	\$27,309,125,732	7.61%
2009	\$28,536,462,843	4.49%
2010	\$28,023,466,959	-1.80%
2011	\$27,636,013,478	-1.38%
2012	\$27,923,280,855	1.04%
2013	\$27,975,902,675	0.19%
2014	\$28,886,875,779	3.26%
2015	\$30,369,591,805	5.13%
2016	\$31,897,492,312	5.03%
2017	\$32,888,003,819	3.11%
2018	\$34,651,173,838	5.36%
2019	\$36,261,455,981	4.65%
2020	\$38,135,061,279	5.17%
2021	\$39,414,046,956	3.35%

(\$ Millions)

### Historical Change in Total Assessed Valuation

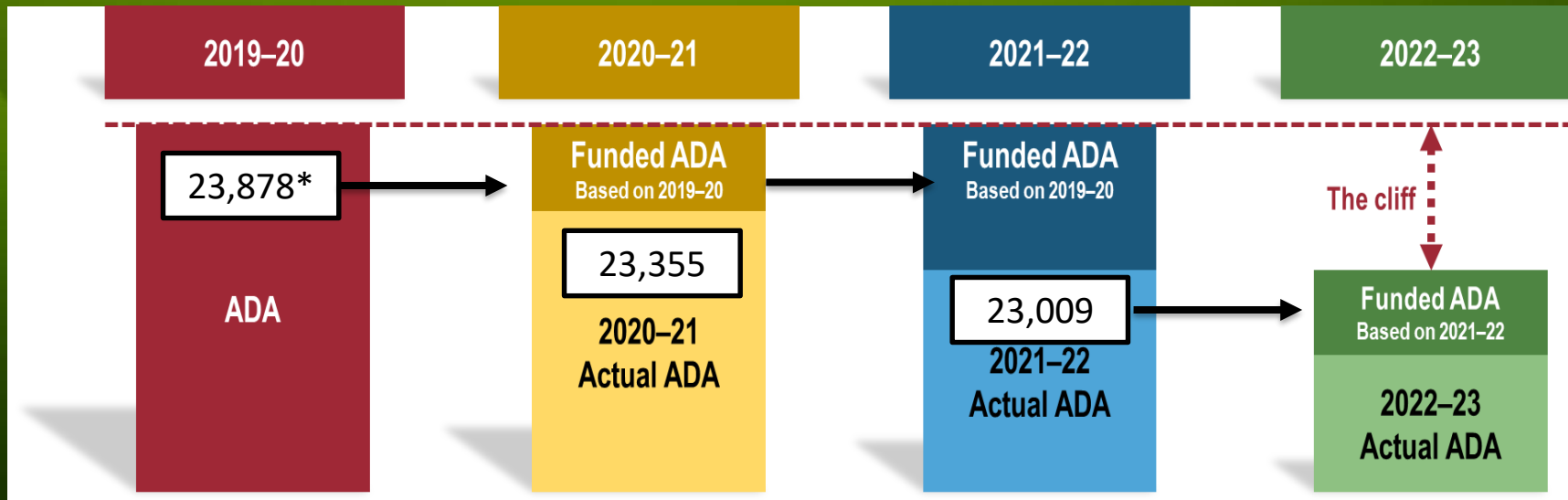


# Local Control Funding Formula



# LCFF FUNDING CLIFF

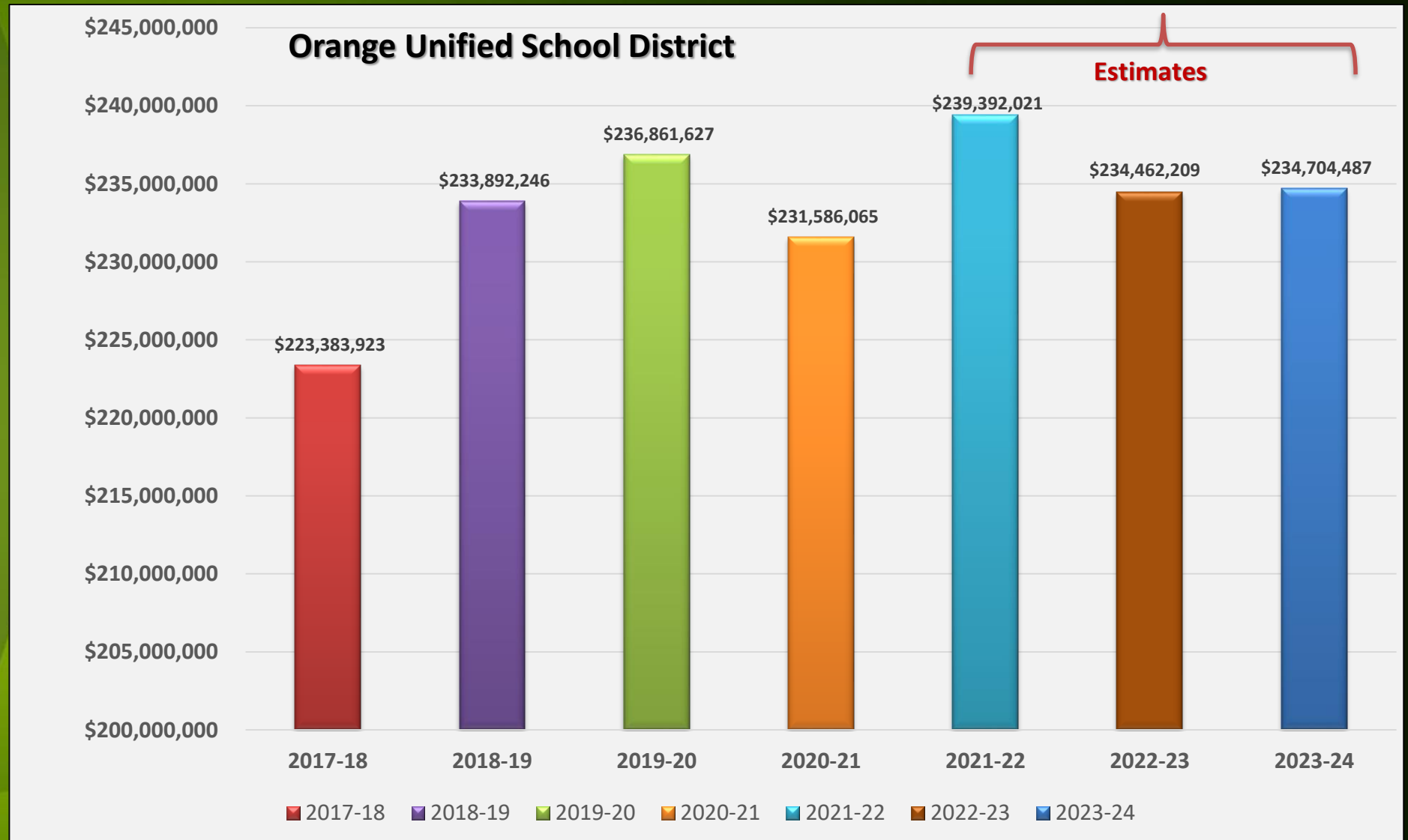
- The current-year ADA hold harmless provision will result in many districts experiencing a funding cliff in the future
  - Natural attendance decline is exacerbated by COVID-19
- Drop in unduplicated pupil counts (which is not held harmless) and enrollment loss due to COVID-19 will also impact the cliff effect



\* Reflects 2019-20 ADA after charter shift adjustment



# Historical LCFF Funding Comparison







# 2020-21 SECOND INTERIM REPORT

# Budgetary Building Blocks - Revenues

- **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: 95.88%
- ADA Hold Harmless provision for 2020-21 and 2021-22
- Unduplicated Pupil Percentage: 50.39%
- Cost of Living Adjustment

	2020-21	2021-22	2022-23
COLA	3.84%	1.28%	1.61%

- **One-Time COVID 19 Federal and State Funding**

- Relief Funds of \$21.3 million fully budgeted



# Budgetary Building Blocks - Expenses

- **Step and Column Increases**
  - Certificated & Leadership 1.2%
  - Classified 2%
- **Updated employer contribution rates to retirement systems**

	2020-21	2021-22	2022-23
CalSTRS	16.15%	15.92%	18.00%
CalPERS	20.70%	23.00%	26.30%

- **Supplemental Early Retirement Incentive Projected Savings**
- **Routine Restricted Maintenance – 3% of the General Fund expenditures excluding COVID and STRS-on-Behalf funding**

## Budget Stabilization Plan (WORK IN PROGRESS)

Item #	Status	Level	BUDGET STABILIZATION PLAN	2020-21	2021-22	2022-23	2023-24
Revenue Enhancements							
1	✓	1	Attract and Retain Students Initiative	1,862,208	2,896,416	2,934,720	2,982,528
2	P	2	Local Income from the Foundation	0	0	0	0
3	P	2	MediCAL Program	0	0	0	0
Increased Operational Efficiencies							
4	✓	2	Bus Replacement Plan offset by grant funds	0	0	1,152,000	1,152,000
5	P	2	Solar Projects (Utility Savings)	150,000	275,000	387,500	387,500
6	✓	1	Funding Shifts from Unrestricted to Restricted Funds	1,489,901			
7	P	2	Early Retirement Incentive		390,151	1,592,144	2,181,944
8			Other Post-Employment Benefits (OPEB)				
Total Budget Stabilization Plan				3,502,109	3,561,567	6,066,364	6,703,972
Other Savings							
			Compressed Natural Gas (CNG) Station	960,000			
Legends:							
		1	Administrative Funding Adjustments				
		2	Board of Education Funding Adjustments				
	✓		Implemented				
	P		In Progress				

Cumulative  
Impact to  
Reserves  
**\$19,834,012**



# MULTI-YEAR PROJECTIONS

	2020-21	2021-22	2022-23	2023-24
<b>TOTAL REVENUES</b>	325,020,682	305,252,342	300,260,928	300,099,425
<b>TOTAL EXPENDITURES</b>	337,387,470	301,460,375	306,761,835	313,375,172
<b>DECREASE IN FUND BALANCE</b>	<b>(12,366,788)</b>	3,791,967	<b>(6,500,907)</b>	<b>(13,275,747)</b>
BEGINNING BALANCE	78,021,109	65,654,321	69,446,288	62,945,381
<b>PROJECTED ENDING BALANCE</b>	<b>65,654,321</b>	<b>69,446,288</b>	<b>62,945,381</b>	<b>49,669,634</b>
Adjustment to Ending Fund Balance				
Restrictions to Ending Fund Balance	(18,425,316)	(19,184,753)	(14,771,452)	(12,383,191)
3% State Required Contingency	(10,121,624)	(9,043,811)	(9,202,855)	(9,401,255)
<b>Unappropriated Fund Balance Above 3%</b>	<b>37,107,381</b>	<b>41,217,724</b>	<b>38,971,074</b>	<b>27,885,188</b>



# COVID RELIEF FUNDS UPDATE

# COVID-19 Relief Allocations included in the Budget

## Current Funding

Description	Amount	Federal	State	Deadline	Allowable Uses
SB 117 COVID-19 Response	421,084		<input checked="" type="checkbox"/>	N/A	Cleaning & disinfecting, PPE, distance learning, and nutrition services
LLMF Prop 98	2,006,257	<input checked="" type="checkbox"/>		6/30/2021	Support pupil academic achievement and mitigate learning loss
LLMF COVID Relief Fund	12,987,802	<input checked="" type="checkbox"/>		12/31/2021	
LLMF GEER Funds	1,594,859	<input checked="" type="checkbox"/>		9/30/2022	
ESSER Funds	4,267,797	<input checked="" type="checkbox"/>		9/30/2022	Broad discretion to support coronavirus response activities
<b>Total Funding</b>	<b>\$ 21,277,799</b>				
Estimated Expenses Through June 30, 2021	18,124,454				
<b>Estimated Carryover</b>	<b>\$ 3,153,345</b>				

LLMF Learning Loss Mitigation Fund  
 GEER Governor's Emergency Education Relief  
 ESSER Elementary & Secondary Emergency Response

## COVID-19 Relief Allocations NOT in the Budget

### New Funding (Fluid Situation)

Description	Amount	Federal	State	Deadline	Allowable Uses
ESSER II Funds	16,935,699	<input checked="" type="checkbox"/>		9/30/2023	Broad discretion to support coronavirus response activities and facilities repairs to reduce risk of virus transmission and support student health needs
<b>Estimated</b> In-Person Instruction Grant	7,645,272		<input checked="" type="checkbox"/>	8/31/2022	Cover the costs associated with classroom-based learning
<b>Estimated</b> Expanded Learning Grant	16,314,956		<input checked="" type="checkbox"/>	8/31/2022	Extend learning time, professional development, address social-emotional needs and access to school meals
<b>Total New Funding</b>	<b>\$40,895,927</b>				



# EDUCATION



## Next Steps

### Local level

- Submit Interim Report to Orange County Department of Education for authorization
- On-going: District Staff will update the Budget Stabilization Plan

### State level

- Governor's May Revision

