Orange Unified School District
Budget Update
February 21, 2013
Presentation Overview

- Governor’s Proposal for 2013-14
- Local Control Funding Formula (LCFF)
- Base Revenue Limit *AFTER* Deficit Factor
- Revenue Limit History
- Multi-Year Projections—Current Law
- Next Steps
Governor’s Proposal for 2013-14

- The Governor’s Proposal for 2013-14 represents a balanced budget
  - Proposed to reduce inter-year deferrals by $1.8 Billion
  - Proposed a different method of funding distribution – the Local Control Funding Formula (LCFF)
  - Proposed to fund 1.65% COLA with the new formula
  - Proposed to fund $1.6 billion to begin implementation of the new formula
  - $15 Billion projected cost to implement LCFF by 2021
Elements of Local Control Funding Formula (LCFF)

- Targeted Base Grant Amounts by 2021:
  - K-3: $6,342
  - 4-6: $6,437
  - 7-8: $6,628
  - 9-12: $7,680

- Add: K-3 CSR Adjustment add on of 11.23% of base grant
- Add: 9-12 Adjustment add on of 2.8% of base grant
- Add: Supplemental Grant (35% based on unduplicated count of Free-Reduced Price Meals and English Learner students up to 50%)
- Add: Concentration Grant (35% above the 50% for Free-Reduced Priced Meals and EL student population)

Impact to the District = $6.9 million on-going new money
Base Revenue Limit AFTER Deficit Factor

2007-08 Funded Base Revenue Limit: $5,787
2012-13 Base Revenue Limit AFTER Deficit: $5,214 (Increase of $86)
2013-14 Base Revenue Limit AFTER Deficit: $6,818 (1.65% COLA)

Funded Base Revenue Limited: $5,300

Deficit Factor:
- $1,493
- $1,518
## Multi Year Projections - Current Law

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<tbody>
<tr>
<td><strong>Revenues</strong></td>
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<tr>
<td>COLA of 1.65%</td>
<td>$216,435,966</td>
<td>$209,420,433</td>
<td>$210,325,652</td>
<td>$212,637,413</td>
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<td>CSR Flexibility Exp.</td>
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<td>$2,312,368</td>
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<td>($4,800,000)</td>
<td>($4,800,000)</td>
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<td><strong>Total Revenues</strong></td>
<td>$216,435,966</td>
<td>$211,732,801</td>
<td>$207,838,020</td>
<td>$210,149,781</td>
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<td><strong>Expenditures</strong></td>
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<td>$8,100,000</td>
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<td>Categorial Flexibility Exp.</td>
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<td>$7,543,000</td>
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<td><strong>Total Expenditures (Adj.)</strong></td>
<td>$226,402,607</td>
<td>$231,287,815</td>
<td>$232,552,374</td>
<td>$245,713,215</td>
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<td><strong>Inc. (Dec.) in Fund Balance</strong></td>
<td>($9,966,641)</td>
<td>($19,555,014)</td>
<td>($24,714,354)</td>
<td>($35,563,434)</td>
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<td><strong>Beginning Balance</strong></td>
<td>$75,772,202</td>
<td>$65,805,561</td>
<td>$46,250,547</td>
<td>$21,536,193</td>
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<tr>
<td><strong>Ending Balance</strong></td>
<td>$65,805,561</td>
<td>$46,250,547</td>
<td>$21,536,193</td>
<td>($14,027,241)</td>
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<td>Less: Restricted Reserves</td>
<td>($7,042,078)</td>
<td>($7,188,634)</td>
<td>($7,226,571)</td>
<td>($7,621,396)</td>
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<td><strong>Unrestricted Balance</strong></td>
<td>$58,763,483</td>
<td>$39,061,913</td>
<td>$14,309,622</td>
<td>($21,648,637)</td>
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Next Steps

- **Deadlines: Education Code (42127, 42130)**
  - March 15, 2013: Adopt 2012-13 2nd Interim Budget
  - June 30, 2013: Adopt 2013-14 District Budget

- **State Action**
  - May 2013: May Revise