

2020-2021 Second Interim Budget

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Our Mission

Students at Orcutt Union School District come first. Our mission is to safely nurture, educate, inspire, and empower our students to successfully navigate and thrive in an ever changing world.

Our Vision

As the heart of the communities we serve, the Orcutt Union School District will foster high levels of student success through multiple pathways of learning. Our highly trained, dedicated staff will offer all students a world-class education, lead the way in innovation and creativity, and will be known for its caring, collaborative and inclusive culture.

Our Goals

High Quality Instruction: We will provide and support engaging, high quality instruction, which promotes active learning and maximizes student achievement.

Future Ready: We will provide students with an innovative curriculum, utilizing flexible learning environments that will prepare students to be future-ready, and thrive in a global society.

Professional Development and Wellness: We will provide our staff inspiring, relevant, and meaningful, learning and wellness opportunities in a safe and supportive environment, to prepare for the ever-changing needs of our district.

Whole Child Approach: We will provide inspiring, creative, healthy and safe environments that nurture imagination and compassion; fostering engaged, support and challenged students.

Resources: We will be good stewards of our resources and pursue new avenues to support the goals of the district .

Objectives

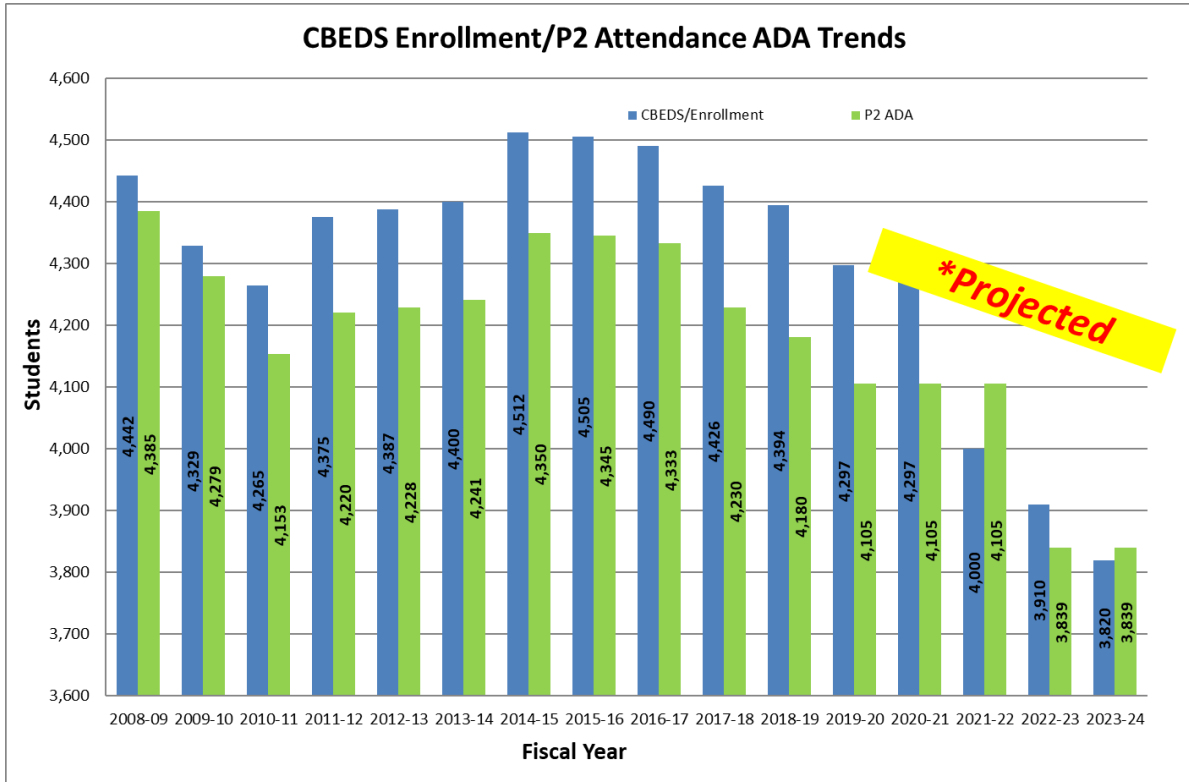
- 2020-21 Second Interim Budget Overview
- Three Year Multi-Year Projection
- Budget Calendar
- Next Steps

2020-21 Second Interim

- OUSD will meet financial obligations in the current and two subsequent fiscal years which includes maintaining a state required reserve of at least 3% = Positive Certification
- 20-21 CBEDs Enrollment is 3,973 + 877 in Charter
- 20-21 Average Daily Attendance (ADA) is funded at 4,105.24
 - 4,105.24 is our 2019-20 ADA
 - Enrollment has decreased by 254 since CBEDS 2019
- 20-21 LCFF Unduplicated Count is 44.12%



ENROLLMENT HISTORY & PROJECTIONS



**excludes Charter enrollment*



Three Year Multi-Year Projection Summary

- Significant restricted, one-time funds from state and federal sources to address significant “Learning Loss”
- However, declining enrollment and increasing costs will require budget reductions in 2022-23
 - Revenues projected to be \$2.5 million less in 2022-23
 - Ending Fund Balances will mitigate, not resolve, structural deficits in the out years
- Ongoing planning for strategic revenue generation and expenditure reductions underway



General Fund Fund Balance (one-time dollars)

Education Code, Governmental Accounting Standards Statement 54, and Board Policy 3100 requires the Governing Board to classify fund balances within five categories. The 12M fund balance has been classified as follows:

	Nonspendable	Restricted	Committed	Assigned	Unassigned / Unappropriated
Revolving Cash and Stores	\$46,959				
Restricted (Categoricals)		\$682,073			
Stabilization Arrangements per Board Policy 3100					
Technology Update			\$1,000,000		
Textbook Adoption(s)			\$1,000,000		
Reserve for COVID/Cashflow			\$10,446,786		
LCAP Carryover				\$745,478	
Compensated Absences				\$50,000	
Reserve for Economic Uncertainty (minimum 3% - State Required)					\$1,473,944
Unassigned / Unappropriated					



Multi Year Budget Assumptions

MULTI YEAR BUDGET ASSUMPTIONS			
	2020-21	2021-22	2022-23
Enrollment Projections	3,967	4,000	3,910
Funded ADA	4,105.24	4,105.24	3820
ADA	3,788.49	3820	3734.05
Unduplicated Pupil Percentage	46.55%	45.25%	44.20%
SSC LCFF Gap Funding	100%	100%	100%
Mandate Block Grant	\$132,107	\$132,107	\$132,107
One-Time Discretionary Grant	0	0	0
Unrestricted Lottery Funds per ADA	\$150	\$150	\$150
Restricted Lottery Funds per ADA	\$49	\$49	\$49
Charter School Allowable Fees	\$1,752,071	\$1,752,071	\$1,752,071
Additional Base Grant	(\$544,293)	\$1,255,561	(\$2,221,335)
Additional Supplemental Grant	(\$78,591)	\$24,185	(\$247,543)
Step and Column Increases	\$369,155	\$359,023	\$324,539
STRS Contribution	\$3,038,927	\$3,075,273	\$3,541,534
	16.15%	16.00%	18.10%
PERS Contribution	\$1,184,455	\$1,382,593	\$1,584,358
	20.70%	23.00%	26.30%
Health/Welfare Benefits	\$4,426,790	\$4,429,573	\$4,380,532
Certificated Staffing	-4	0	-2
Classified Staffing	0	4	-4
Post-Employment Benefits Transfer	\$600,000	\$650,000	\$675,000
Textbook Adoptions	\$1,000,000	0	\$0
Deferred Maintenance	\$413,101	\$425,000	\$425,000
Increased Cost of SPED Services	\$296,983	\$449,533	\$615,953
California CPI applied to			
Supplies/Services	1.44%	1.57%	1.82%
Reserve for Economic Uncertainties	3%	3%	3%

On the Horizon

- Declining enrollment
- Coronavirus impacts to state, national, and global economy
- “K” Shaped Recovery
- Governor’s January budget proposes includes a 3.84% Cost of Living Adjustment (COLA) in 2021-22; dropping to 1.28% , 1.61%, 1.90% in subsequent years
- Rising pension costs STRS/PERS
 - 2021-22 22-23 23-24
 - 15.92/23.00 18.00/26.30 18.00/27.30
- Increasing special education and transportation costs

Budget Calendar

- January 2020 – Governor released proposed budget for 20-21 (COVID in the USA)
- **March 2020 – School districts update 19-20 budgets 2nd Interim (Schools begin closing)**
- April 2020 – School districts update 19-20 budgets (Estimated Actuals)
- May 2020 - Governor releases the “May Revise” for the 20-21 budget (Reflects 10% reductions in revenues)
- June 2020 – State and school districts 19-20 fiscal year ends and both adopt 2020-21 budgets (Adopted July 1 Budget reverses most reductions, approves deferrals)
- September 2020 – School districts close 19-20 books (Unaudited Actuals)
- December 2020 – First Interim reflects the changes from the July 1 budget
- January 2021 – Governor’s budget proposal

Next Steps

- Continue to monitor the budget: local, state, national, and global economic conditions
- Prepare for a possible recession, declining enrollment, and other fiscal factors
- Attend the SSC Governor's 21-22 May Revision workshop in May
- Continue LCAP Stakeholder Engagement and 21-22 Budget Development Calendar (March - June)
- Prepare and Present the 2021-22 Budget (June)

QUESTIONS