

# 1st Interim Budget

December 14, 2021

## Ocean View School District

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# Overview

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- Contributions
- Ending Fund Balance
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# Introduction

The Multi-Year Projection (MYP) projects total General Fund revenues and expenditures for the budget year and the two subsequent fiscal years. The projections are only estimates and actual outcomes could vary substantially.

The MYP forecasts are based on certain criteria, information available at the time, and assumptions rather than on exact calculations.

MYP forecasting models should be evaluated as a trend-based on certain criteria and assumptions rather than a prediction of exact numbers.

To evaluate the MYP, attention is focused on the bottom line, which demonstrates the district's undesignated, unappropriated fund balance.

# Assumptions

Factors	2021-22	2022-23	2023-24
LCFF COLA	5.07%	2.48%	3.11%
LCFF Supplemental Grant Funding %	20%	20%	20%
<b>LCFF Concentration Grant Funding %</b>	<b>65%</b>	<b>65%</b>	<b>65%</b>
Enrollment	6,948	6,719	6,491
Average Daily Attendance (ADA)	95%	95%	95%
Unduplicated Pupil %	57.71%	58.08%	57.66%
STRS	16.92%	19.10%	19.10%
PERS	22.91%	26.10%	27.10%
Inflation <i>(based on LAO fiscal outlook)</i>		6%	3%

# Assumptions

- Remove one-time revenue and expenditures in subsequent years:
  - COVID revenue and expenditures
  - Carryover
- ADA hold harmless removed in 2022-23
- Salaries updated to reflect the 3% increase for OVTA and MGMT
- Certificated Step & Column increase at 1.50%
- Classified Step & Column increase at 0.75%
- Continued contribution to Special Education, Transportation, and Child Care

# Unrestricted Multi- Year Projections

1st Interim MYP Overview 2021- 22 thru 2023- 24

General Fund Unrestricted	2021-22	2022-23 Projected	2023-24 Projected
Revenues	\$76,808,769	\$70,213,288	\$69,821,442
Expenditures	\$63,345,331	\$60,621,818	\$60,133,154
<b>Increase/Decrease</b>	<b>\$13,463,438</b>	<b>\$9,591,470</b>	<b>\$9,688,288</b>

# Contributions to District Programs

Encroachment/Contribution from the General Fund	2021-22
Special Education	\$ 10,672,791
Routine Restricted Maintenance	\$ 2,853,493
Federal Programs [i.e. Title IV]	\$ 36,441
Local Grants [Prop 10 Nurse Readiness]	\$ -
Classified School Employee Summer Assistance	\$ 22,096
<b><i>Total Restricted Contributions</i></b>	<b><i>\$ 13,584,821</i></b>
Transportation	\$ 945,055
<b><i>Total Unrestricted Contributions</i></b>	<b><i>\$ 945,055</i></b>
<b><i>Grand Total</i></b>	<b><i>\$ 14,529,876</i></b>

# Interfund Contributions from the General Fund

Interfund Contributions	2021-22
Fund 12 (Child Care & Preschool Programs)	\$476,996
Fund 14 (Deferred Maintenance)	\$250,000
<b>Total</b>	<b>\$726,996</b>



# Unrestricted Multi- Year Projections

1st Interim MYP Overview 2021- 22 thru 2023- 24

GF Unrestricted	2021-22	2022-23 Projected	2023-24 Projected
Revenues	\$76,808,769	\$70,213,288	\$69,821,442
Encroachments/Contributions	(\$13,584,821)	(\$13,520,328)	(\$15,450,328)
Net Revenues	\$63,223,948	\$56,692,960	\$54,371,114
Expenditures	\$63,345,331	\$60,621,818	\$60,133,154
<b>Increase/Decrease</b>	(\$121,383)	(\$3,928,858)	(\$5,762,040)
Beginning Fund Balance	\$15,222,373	\$15,100,990	\$11,172,132
Ending Fund Balance	\$15,100,990	\$11,172,132	\$7,410,092

17.7% of Unrestricted Revenues Directly to support programs

8.5% Decrease in Revenues

# Combined Ending Fund Balance

Components	2021-22	2022-23 Projected	2023-24 Projected
<b>Beginning Fund Balance</b>	<b>\$ 19,575,331</b>	<b>\$ 20,990,728</b>	<b>\$ 16,308,665</b>
Net increase/(decrease)	\$ 1,415,397	<b>\$ (4,682,062)</b>	<b>\$ (4,934,250)</b>
<b>Ending Fund Balance</b>	<b>\$ 20,990,728</b>	<b>\$ 16,308,665</b>	<b>\$ 11,374,416</b>
Nonspendable	\$ 102,000	\$ 102,000	\$ 102,000
Restricted	\$ 5,889,738	\$ 5,136,533	\$ 3,964,323
Committed	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Assigned	\$ -	\$ -	\$ -
Reserve for Economic Uncertainties	\$ 3,004,751	\$ 2,788,839	\$ 2,718,649
Unassigned/Unappropriated	\$ 9,994,239	\$ 6,281,293	\$ 2,589,443

# Enrollment

OVSD 2020-21 CBEDS enrollment: 7,353

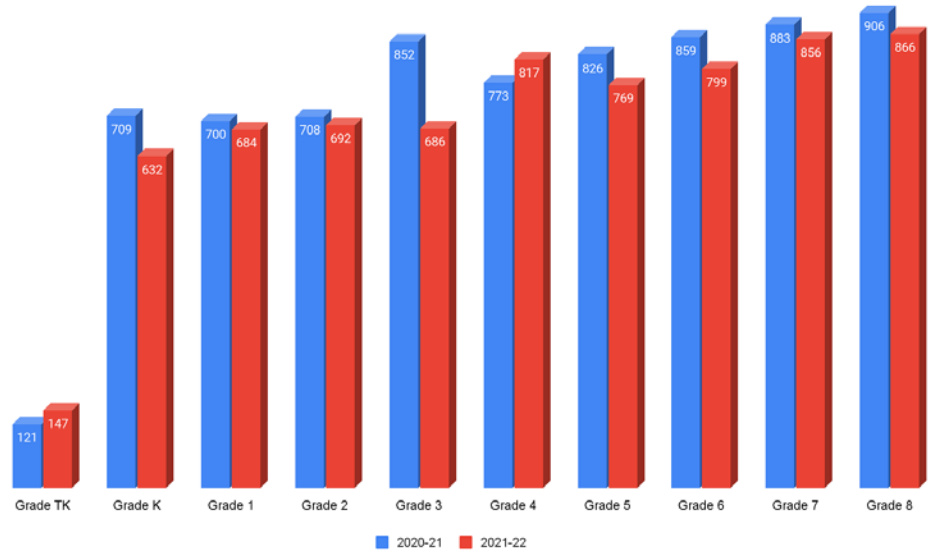
OVSD 2021-22 estimated enrollment: 7,151

\*OVSD 2021-22 CBEDS enrollment: 6,948

Difference from estimate: -203

Difference from prior year: -389

*\*unofficial*



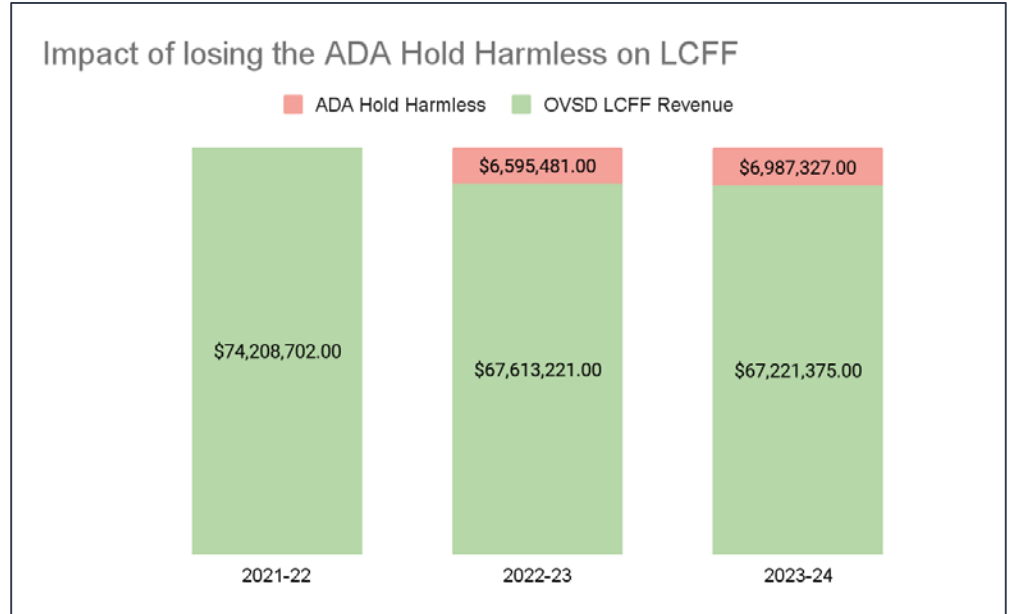
## *Enrollment entrance vs. Enrollment Exit*

Enrollment	Grade TK/K	Grade 8	Difference
2020-21	830	906	-76
2021-22	779	866	-87
<b>Totals</b>	<b>1,609</b>	<b>1,772</b>	<b>-163</b>

Description	ESTIMATED FUNDED ADA Original Budget (A)	ESTIMATED FUNDED ADA Board Approved Operating Budget (B)	ESTIMATED P-2 REPORT ADA Projected Year Totals (C)	ESTIMATED FUNDED ADA Projected Year Totals (D)	DIFFERENCE (Col. D - B) (E)	PERCENTAGE DIFFERENCE (Col. E / B) (F)
<b>A. DISTRICT</b>						
<b>1. Total District Regular ADA</b> Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (includes Necessary Small School ADA)	7,462.05	7,462.05	6,599.42	7,474.25	12.20	0%
<b>2. Total Basic Aid Choice/Court Ordered Voluntary Pupil Transfer Regular ADA</b> Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)	0.00	0.00	0.00	0.00	0.00	0%
<b>3. Total Basic Aid Open Enrollment Regular ADA</b> Includes Opportunity Classes, Home & Hospital, Special Day Class, Continuation Education, Special Education NPS/LCI and Extended Year, and Community Day School (ADA not included in Line A1 above)	0.00	0.00	0.00	0.00	0.00	0%
<b>4. Total, District Regular ADA (Sum of Lines A1 through A3)</b>	7,462.05	7,462.05	6,599.42	7,474.25	12.20	0%

# LCFF Revenue

Losing the ADA hold harmless in 2022-23 costs the district \$6.5 million dollars in LCFF revenue, over an 8% decrease.



# 5 Significant Budget Challenges

1. Declining Enrollment
2. Low School Enrollment
3. Program Contributions (SpEd, Child Care, etc.)
4. Staffing
5. COVID Impact

# LAO Fiscal Outlook

The Legislative Analyst's Office (LAO) provides the California Legislature with advice on fiscal and policy issues.

In November, the LAO released its fiscal outlook for 2022-23 based on state revenues and expenditures. The fiscal outlook provides insight on California's financial condition, and helps school districts forecast what's to come in the Governor's budget proposal in January.

While the LAO fiscal outlook is helpful, ultimately, the Department of Finance (DOF) formally advises the Governor on the state budget as the Governor works with the legislature to enact the budget by July 1st.

When it comes to fiscal projections, the LAO generally has more aggressive assumptions than the Department of Finance.

# LAO Fiscal Outlook

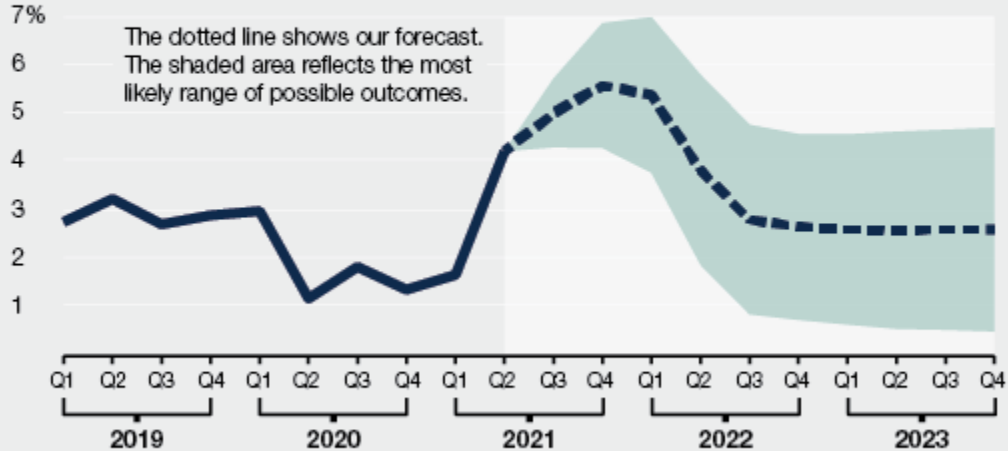
- Despite pandemic, revenues grow at historic rates
- Estimated nearly \$31 billion surplus to allocate in 2022-23
- There is capacity for new or ongoing commitments
- Compared with the Prop 98 estimates included in the June 2021 budget plan, the estimates of the guarantee are up nearly \$11 billion.
- The increase in the 2021-22 guarantee is one of the largest upward revisions since the passage of Proposition 98 in 1988. In both years, the increases are due to our higher General Fund revenue estimates.



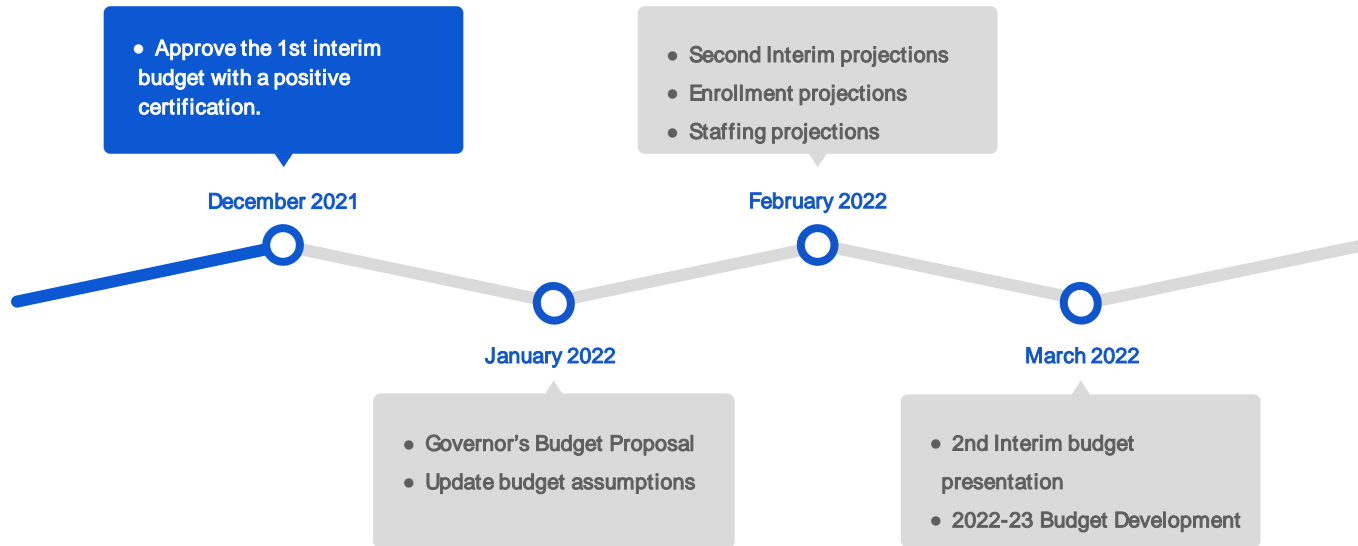
# LAO Fiscal Outlook

## Inflation Elevated Recently

Annual Growth in California Consumer Price Index



# Next Steps



# Any Questions

