Ocean View School District

Governor's January Budget Proposal 2022-23

January 25, 2022

Presented by:
Dr. Carol Hansen, Superintendent
Keith Farrow, Assistant Superintendent, Admin. Services
Timothy Golden, Director, Fiscal Services
Jose Velazquez, Accountant

Overview

Budget Calendar

Key Assumptions and Updates

What's Not Included

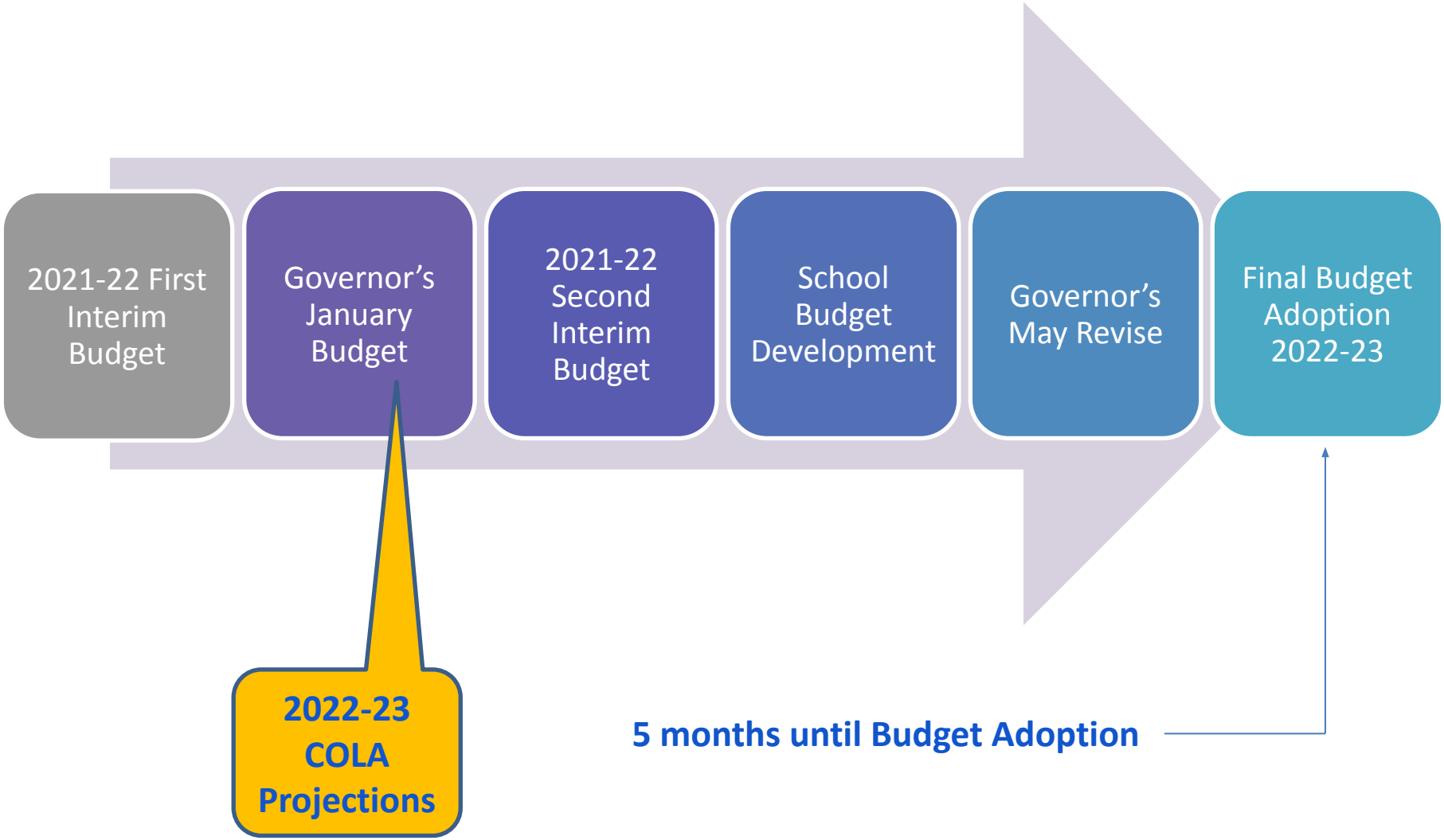
Reserves

Transitional Kindergarten

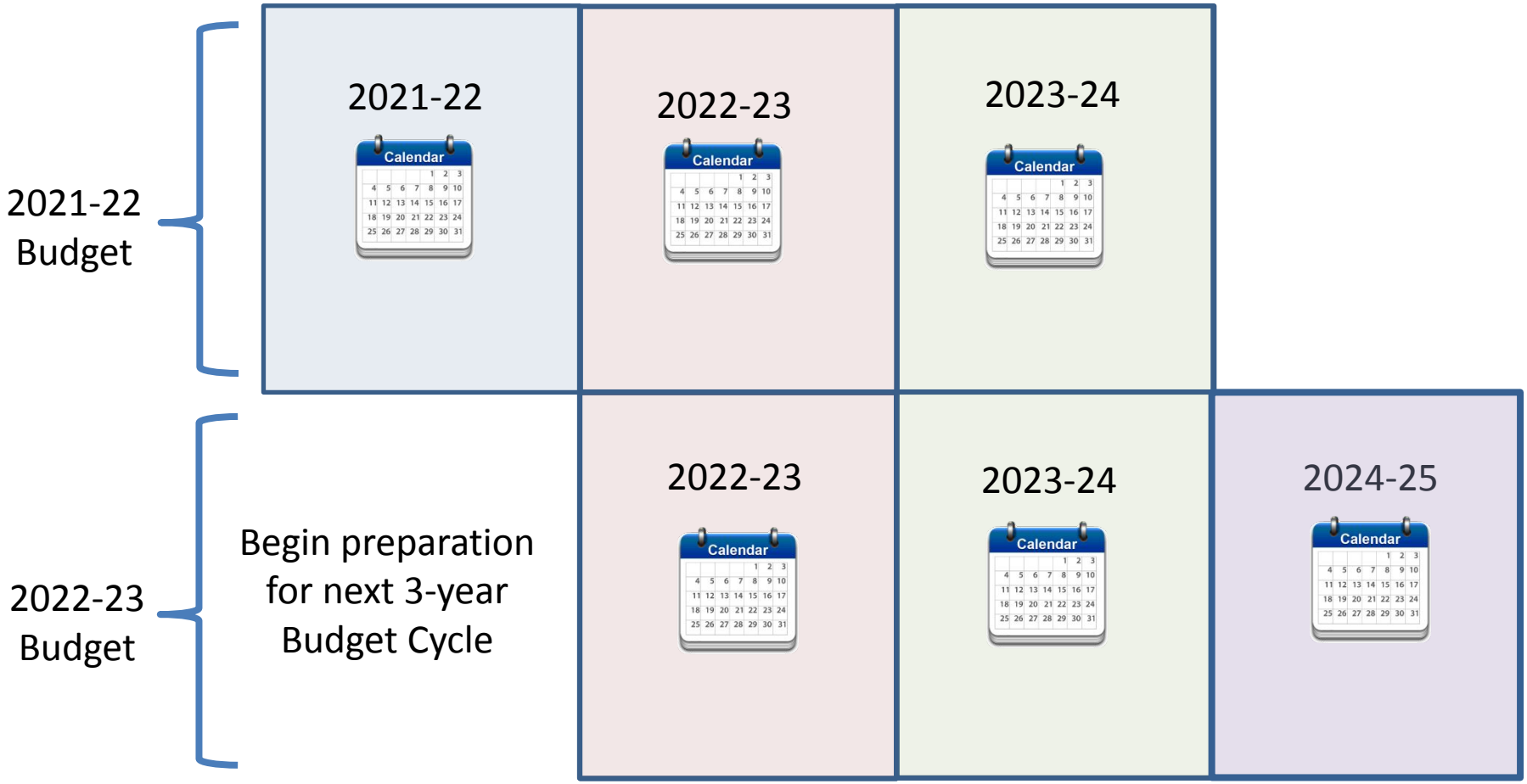
Average Daily Attendance

What's Next

Budget Calendar



Each New Budget Adds a Subsequent Year



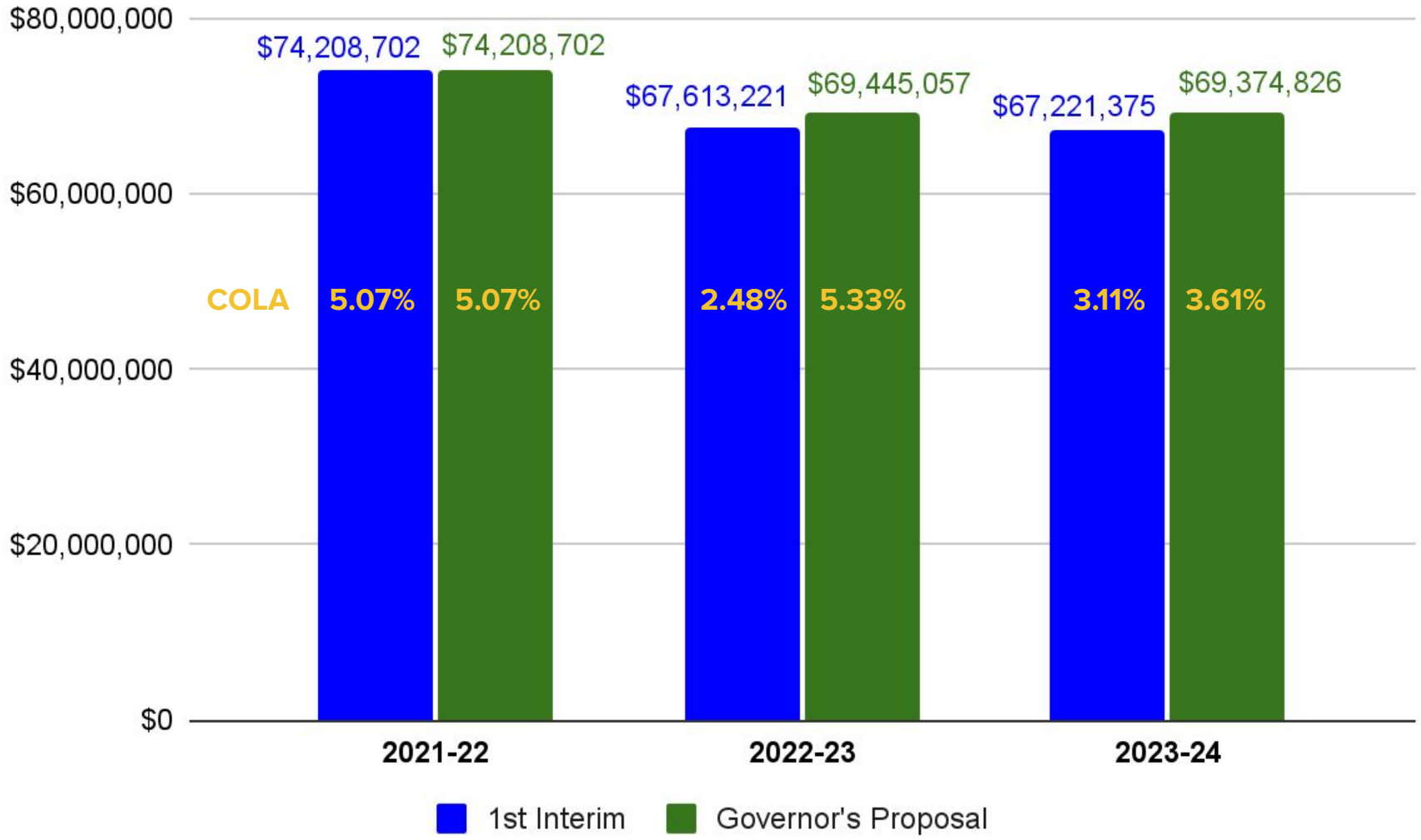
Key Assumptions - 1st Interim

Assumption	2021-22	2022-23	2023-24	2024-25
COLA	5.07%	2.48%	3.11%	3.54%
STRS	16.92%	19.10%	19.10%	19.10%
PERS	22.91%	26.10%	27.10%	27.70%

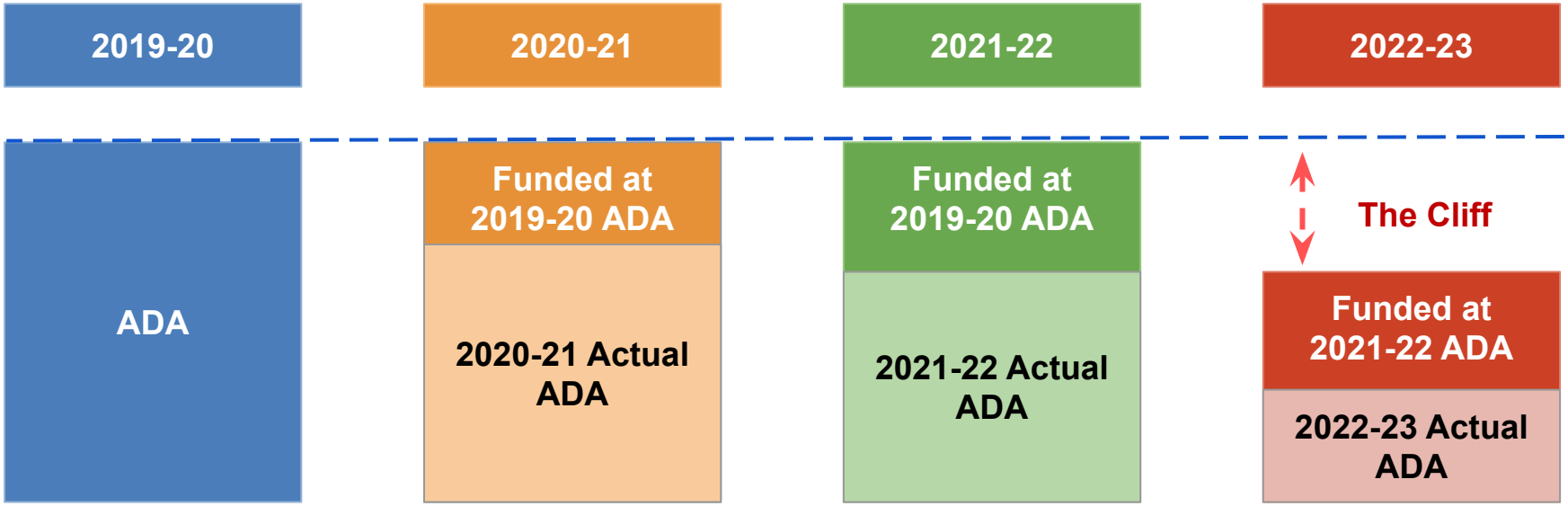
Key Assumptions - Governor's Budget

Assumption	2021-22	2022-23	2023-24	2024-25
COLA	5.07%	5.33%	3.61%	3.64%
COLA Difference	*0.00%*	*2.85%*	*0.50%*	*0.10%*
STRS	16.92%	19.10%	19.10%	19.10%
STRS Difference	*0.00%*	*0.00%*	*0.00%*	*0.00%*
PERS	22.91%	26.10%	27.10%	27.70%
PERS Difference	*0.00%*	*0.00%*	*0.00%*	*0.00%*

Updated LCFF Revenue Projections (COLA only)



Average Daily Attendance (ADA) Funding



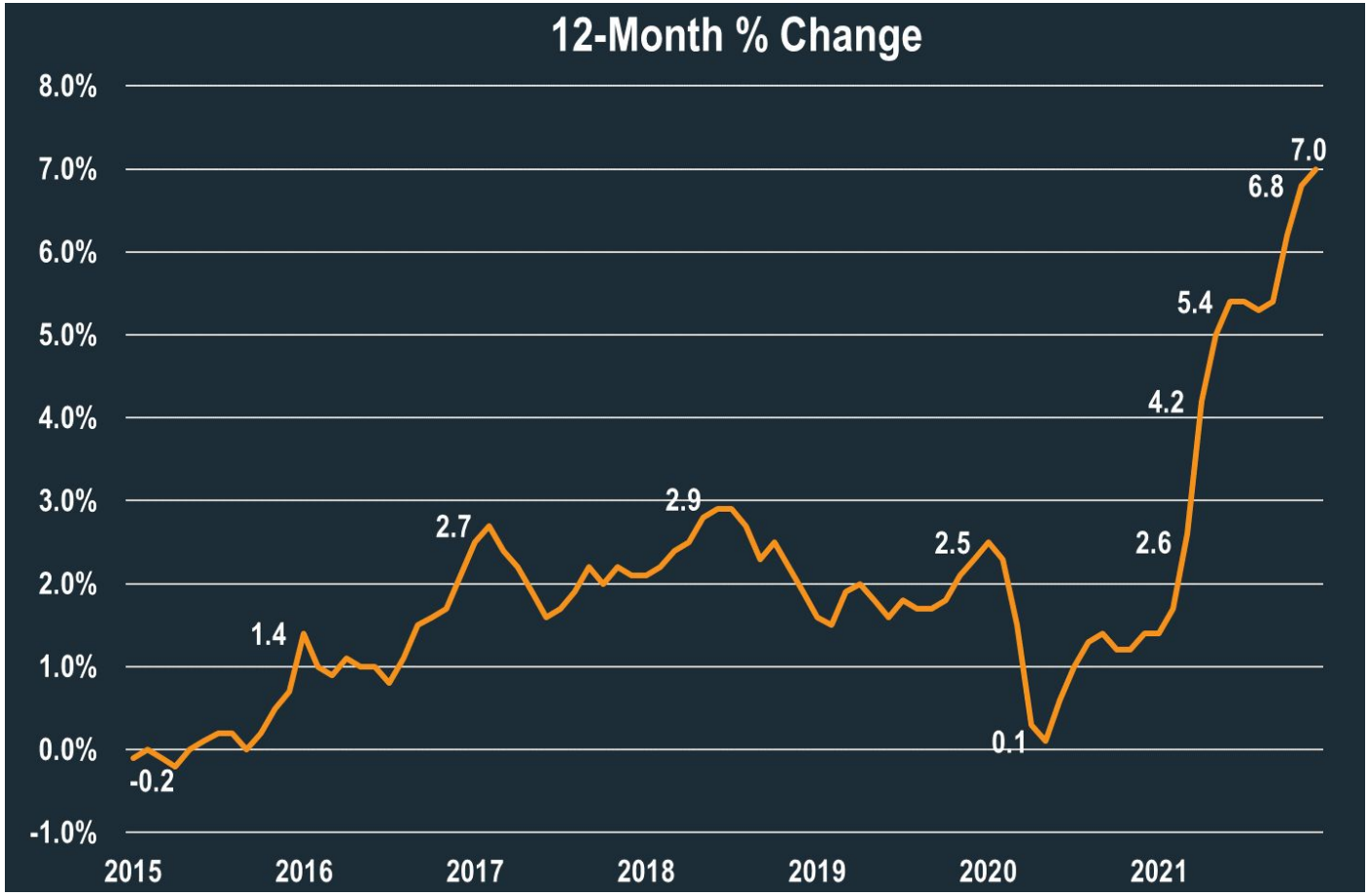
OVSD is funded based on the greater of:

1) Current Year ADA
2) Prior Year ADA

The Governor proposes adding a 3rd option, to become the greater of:

1) Current Year ADA
2) Prior Year ADA
3) ***Average of the prior 3 years ADA***

Inflation



Inflation					
Agency	**2021-22**	**2022-23**	**2023-24**	**2024-25**	**2025-26**
SSC	5.78%	3.69%	2.90%	2.75%	2.60%
OVSD	6.00%	3.00%	3.00%	3.00%	3.00%

What's Not in the Governor's Budget Proposal?

Additional Pension Relief

The state's contribution to subsidize employer rates has run out. Both pension plans are projecting 2%+ increases in 2022-23

Augmented COLA

The current projected COLA of 5.33% reflects the estimated statutory COLA (i.e., minimum required by law)

UPP Solutions

Implementation of universal meals will likely have an immediate and direct impact on Unduplicated Pupil Percentage (UPP)

Ocean View School District

Reserves

OVSD BP 3100 –

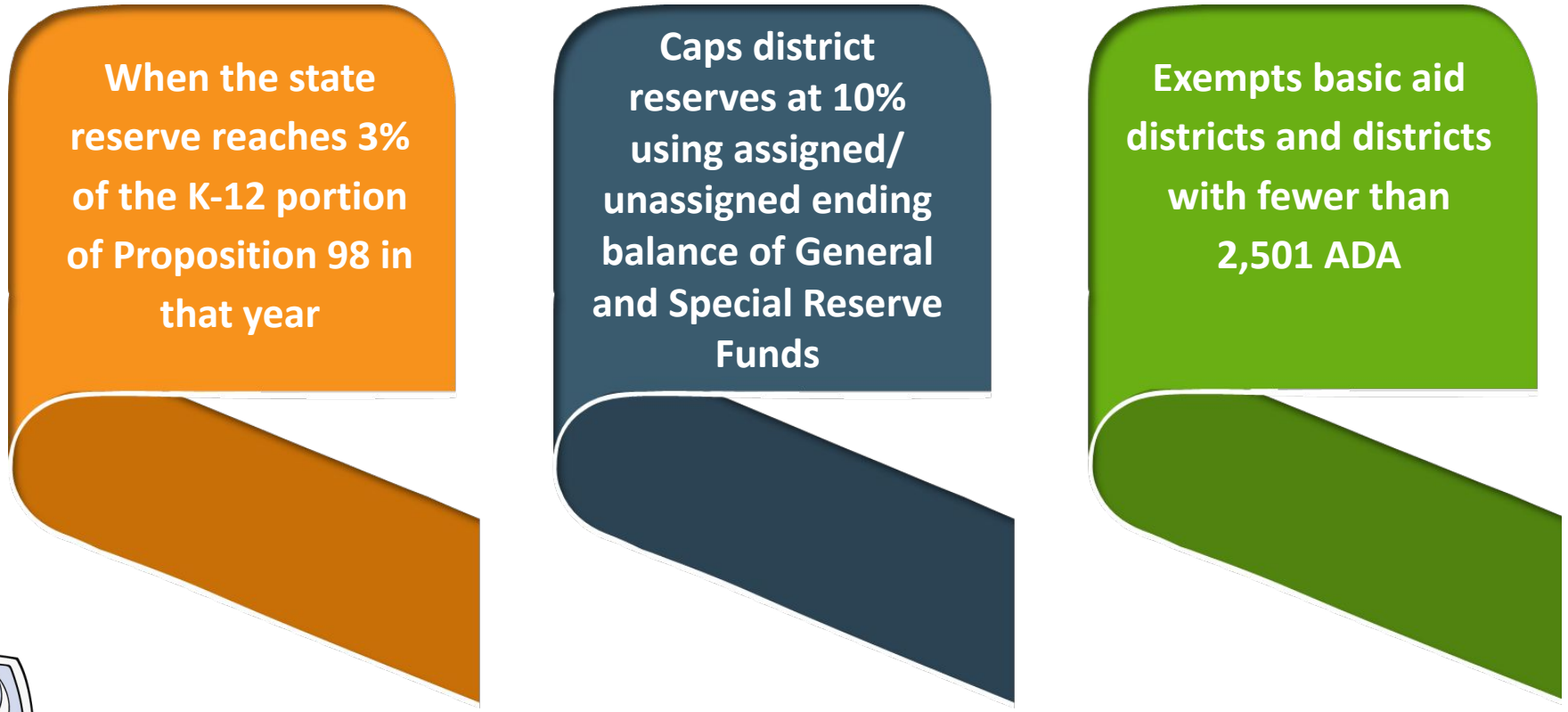
To protect the District against unforeseen circumstance such as revenue shortfalls and unanticipated expenditures, the Board intends to maintain a minimum unassigned fund balance, which includes a reserve for economic uncertainties equal to at least two months of general fund operating expenditures, or 17 percent of general fund expenditures and other financing uses.

If the unassigned fund balance falls below this level due to an emergency situation, unexpected expenditures, or revenue shortfalls, that Board shall develop a plan to recover the fund balance which may include dedicating new unrestricted revenues, reducing expenditures, and/or increasing revenues or pursuing other funding sources.

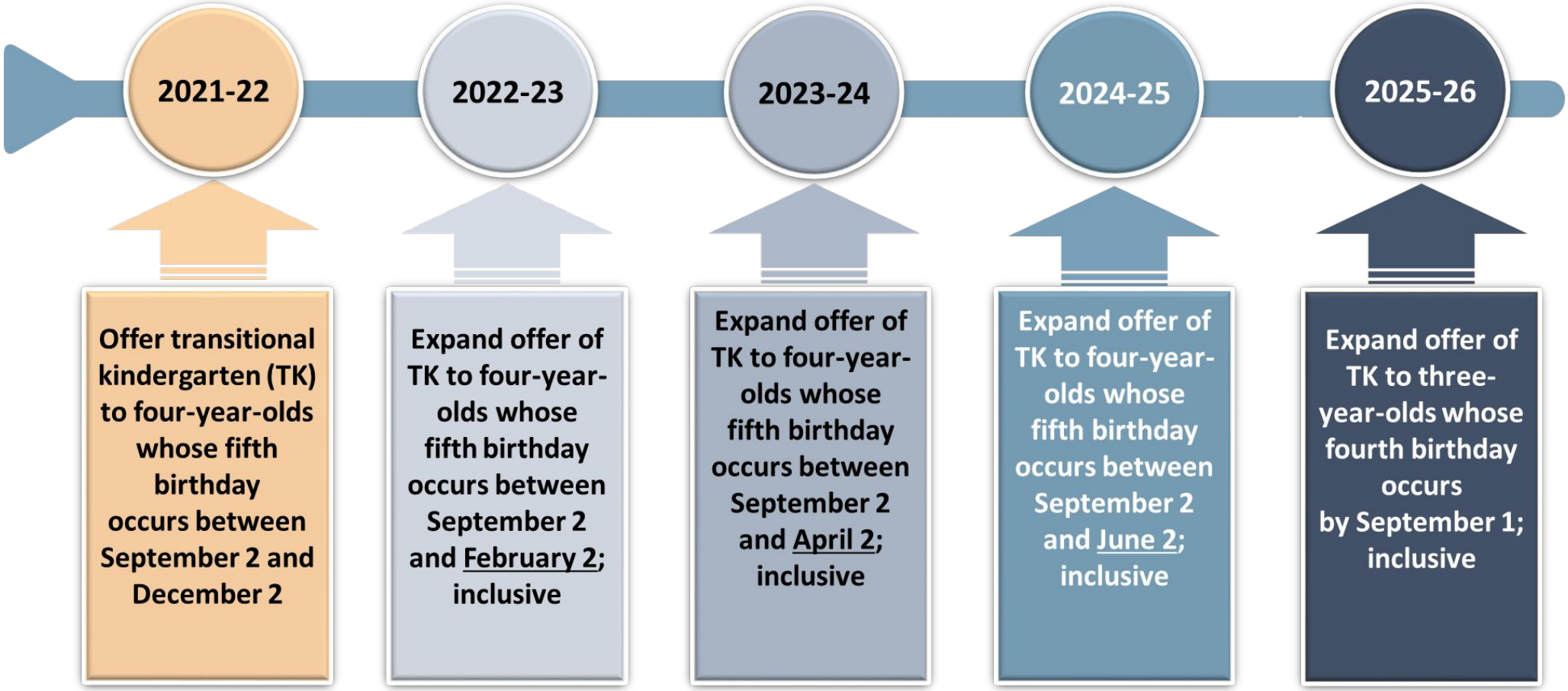
OVSD Board Policy
Revised 04/14/15

Reserves

Senate Bill 751 (Chapter 674, Statutes of 2017) set the threshold for triggering the cap on district reserves and the limits of how much school districts can maintain in their local reserves.



Transitional Kindergarten



Upcoming Calendar

2022

January

- Governor's Budget Proposal
- Updated assumptions

2022

February

- Update budgets for second interim
- Prepare MYP for second interim
- Prepare second interim report

2022

March

- Present second interim report to the board of education
- Ask for board approval of the second interim budget
- Begin budget development for 2022-23
- Staffing decisions

2022

April - June

- Allocate staffing
- Enrollment projections
- Plan for budget adoption
- Ask the board to approve the adopted budget in June

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Questions?