



ORANGE UNIFIED SCHOOL DISTRICT

2017-18 PROPOSED BUDGET

May 25, 2017



Presentation Overview



Major Items Affecting 2017-18 Budget



Governor's May Revise Proposal for 2017-18 Budget



Multi-Year Projections - Before Budget Reductions



Budget Reductions



Multi-Year Projections - After Budget Reductions



Next Steps

Major Items Affecting the Budget

- Declining Enrollment

	2017-18	2018-19	2019-20
ADA	518	520	520

- CalSTRS and CalPERS Employer Contributions

	2017-18	2018-19	2019-20
CalSTRS	14.43%	16.28%	18.13%
CalPERS	15.53%	18.10%	20.80%

- Class Size Reduction Cost

	2017-18	2018-19	2019-20
TK-3	\$2,446,584	\$4,924,248	\$7,432,992



Governor's May Revision for 2017-18 Budget

- The May Revision continues the implementation of LCFF with an additional \$661 million above the January proposal;
- The 2017-18 COLA slightly increased from January's projection 1.48% to 1.56%, but decreases in the out years;

COLA	2017-18	2018-19	2019-20
January	1.48%	2.40%	2.53%
May	1.56%	2.15%	2.35%

- One-time funding projected at \$1 billion to offset mandate reimbursement claims. Funds to be released in May 2019;



Multi-Year Projections: *Before* Budget Reductions



	2017-18	2018-19	2019-20
REVENUES	270,567,632	267,713,718	268,584,423
EXPENDITURES	289,383,393	295,707,193	309,091,585
INCREASE (DECREASE) IN FUND BALANCE	(18,815,761)	(27,993,475)	(40,507,162)
BEGINNING BALANCE	64,329,688	45,513,927	17,520,452
PROJECTED ENDING BALANCE	45,513,927	17,520,452	(22,986,710)
Adjustment to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(3,235,929)	(2,601,030)	(2,070,223)
Reserve for STRS and PERS Increases	(6,961,534)	(6,101,458)	
3% State Required Contingency	(8,681,502)	(8,871,216)	(9,272,748)
Unappropriated Fund Balance Above 3%	26,634,962	(53,252)	(34,329,681)

Budget Reductions: Level 1 and 2



Item #	Level	Budget Reductions	2017-18	2018-19	2019-20
1	1	Renegotiated Copier Contract Savings (included on 2nd Int.)	(403,680)	(403,680)	(403,680)
2	1	Eliminate Transportation Two Driver Trainers and Create One Supervisor (2 eliminated, 1 added)	(50,000)	(50,000)	(50,000)
3	1	Reduce District Office Department Budgets (excluding schools)	(810,000)	(810,000)	(810,000)
4	1	Eliminate 1 Special Ed Coordinator	(137,340)	(145,273)	(153,330)
5	1	Reduce School Sites Discretionary Allocations	(186,000)	(186,000)	(186,000)
6	1	Maintain class sizes to contractual requirement	(1,357,926)	(1,376,796)	(1,395,666)
7	1	Reduce District Office Certificated Specialists through attrition	(300,000)	(600,000)	(900,000)
8	1	Maintain CDS staffing to appropriate ratio	(112,255)	(117,601)	(119,269)
9	1	Fund BTSA Instructional Specialists through CSUF Grant	(80,000)		
10	1	Adjust Buses and Vehicle Replacement Plans (Every other year)	(1,333,897)	0	(1,486,492)
11	1	Adjust Computer Refresh Master Plan (Every other year)	(770,826)	0	(937,884)
		Subtotal Level 1	(5,138,244)	(3,285,670)	(6,038,641)
12	2	Eliminate 2 Admn and create 1 Exec Director (50%/50%)	(186,716)	(186,716)	(186,716)
13	2	Add 1 Assistant Superintendent, Facilities	226,184	242,552	247,751
14	2	Eliminate 1 Executive Director, Facilities	(204,054)	(208,507)	(212,960)
15	2	Use alternative funding for Deferred Maintenance Budget (Transfer of Revenues)	(4,209,530)	(4,318,280)	(4,548,419)
		Subtotal Level 2	(4,374,116)	(4,470,951)	(4,700,344)
		Total Budget Reductions	(9,512,360)	(7,756,621)	(10,738,985)
Legends	1	Administrative Funding Adjustments			
	2	Board of Education Funding Adjustments			

Multi-Year Projections: *After* Budget Reductions (Level 1 & 2)



	2017-18	2018-19	2019-20
REVENUES	270,567,632	267,713,718	268,584,423
<i>Budget Reduction Level 2</i>	<i>4,209,530</i>	<i>4,318,280</i>	<i>4,548,419</i>
TOTAL REVENUES AS ADJUSTED	274,777,162	272,031,998	273,132,842
EXPENDITURES	289,383,393	295,707,193	309,091,585
<i>Budget Reductions Level 1 and 2</i>	<i>(5,302,830)</i>	<i>(3,438,341)</i>	<i>(6,190,566)</i>
TOTAL EXPENDITURES AS ADJUSTED	284,080,563	292,268,852	302,901,019
INCREASE (DECREASE) IN FUND BALANCE	(9,303,401)	(20,236,854)	(29,768,177)
BEGINNING BALANCE	64,329,688	55,026,287	34,789,433
PROJECTED ENDING BALANCE	55,026,287	34,789,433	5,021,256
Adjustment to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(3,235,929)	(2,601,030)	(2,070,223)
Reserve for STRS and PERS Increases	(6,961,534)	(6,101,458)	
3% State Required Contingency	(8,522,417)	(8,768,066)	(9,087,031)
Unappropriated Fund Balance Above 3%	36,306,407	17,318,879	(6,135,998)

Multi-Year Projections: *After* Additional Budget Reductions



	2017-18	2018-19	2019-20
REVENUES AS ADJUSTED	274,777,162	272,031,998	273,132,842
EXPENDITURES AS ADJUSTED	284,080,563	292,268,852	302,901,019
<i>Additional Budget Reductions to Balance Budget</i>	(2,345,000)	(2,345,000)	(2,345,000)
TOTAL EXPENDITURES	281,735,563	289,923,852	300,556,019
INCREASE (DECREASE) IN FUND BALANCE	(6,958,401)	(17,891,854)	(27,423,177)
BEGINNING BALANCE	64,329,688	57,371,287	39,479,433
PROJECTED ENDING BALANCE	57,371,287	39,479,433	12,056,256
Adjustment to Ending Fund Balance			
Stores, Revolving Cash and Carryover	(3,235,929)	(2,601,030)	(2,070,223)
Reserve for STRS and PERS Increases	(6,961,534)	(6,101,458)	
3% State Required Contingency	(8,452,067)	(8,697,716)	(9,016,681)
Unappropriated Fund Balance Above 3%	38,721,757	22,079,229	969,352

Next Steps

State Level

- May Proposed Budget moves forward to the Legislature
- State Budget is enacted by June 30, 2017

Local Level

- Adopt 2017-18 District Budget on June 8, 2017
- Adopt 2016-17 Unaudited Actuals and 2017-18 Revised Budget on September 14, 2017

