

Orange Unified School District Budget Update February 21, 2013



Presentation Overview

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- 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

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- **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) ³

■ 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

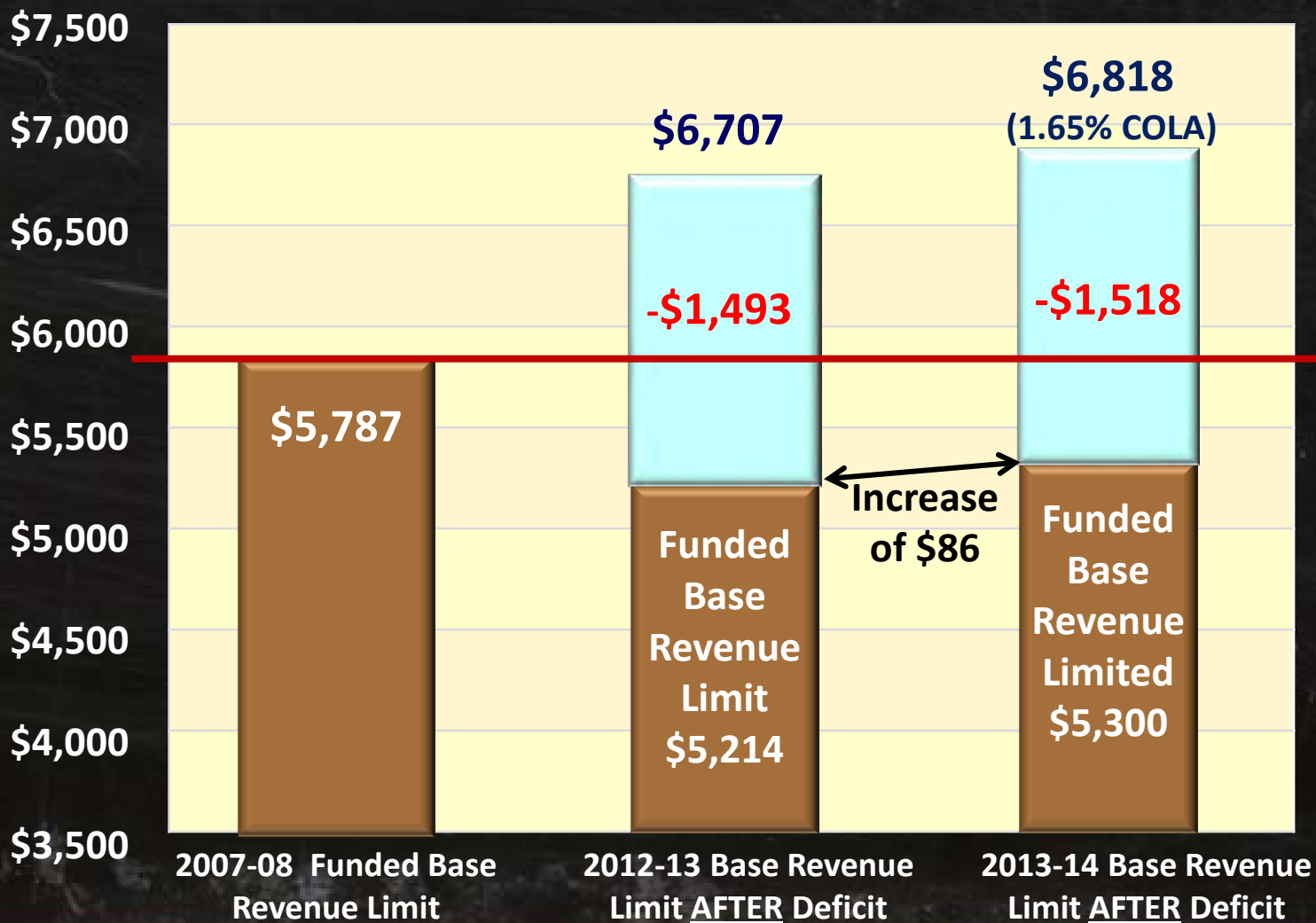
■ Add: Supplemental Grant (35% based on unduplicated count of Free-Reduced Price Meals and English Learner students up to 50%)

■ Add: Concentration Grant (35% above the 50% for Free-Reduced Priced Meals and EL student population)

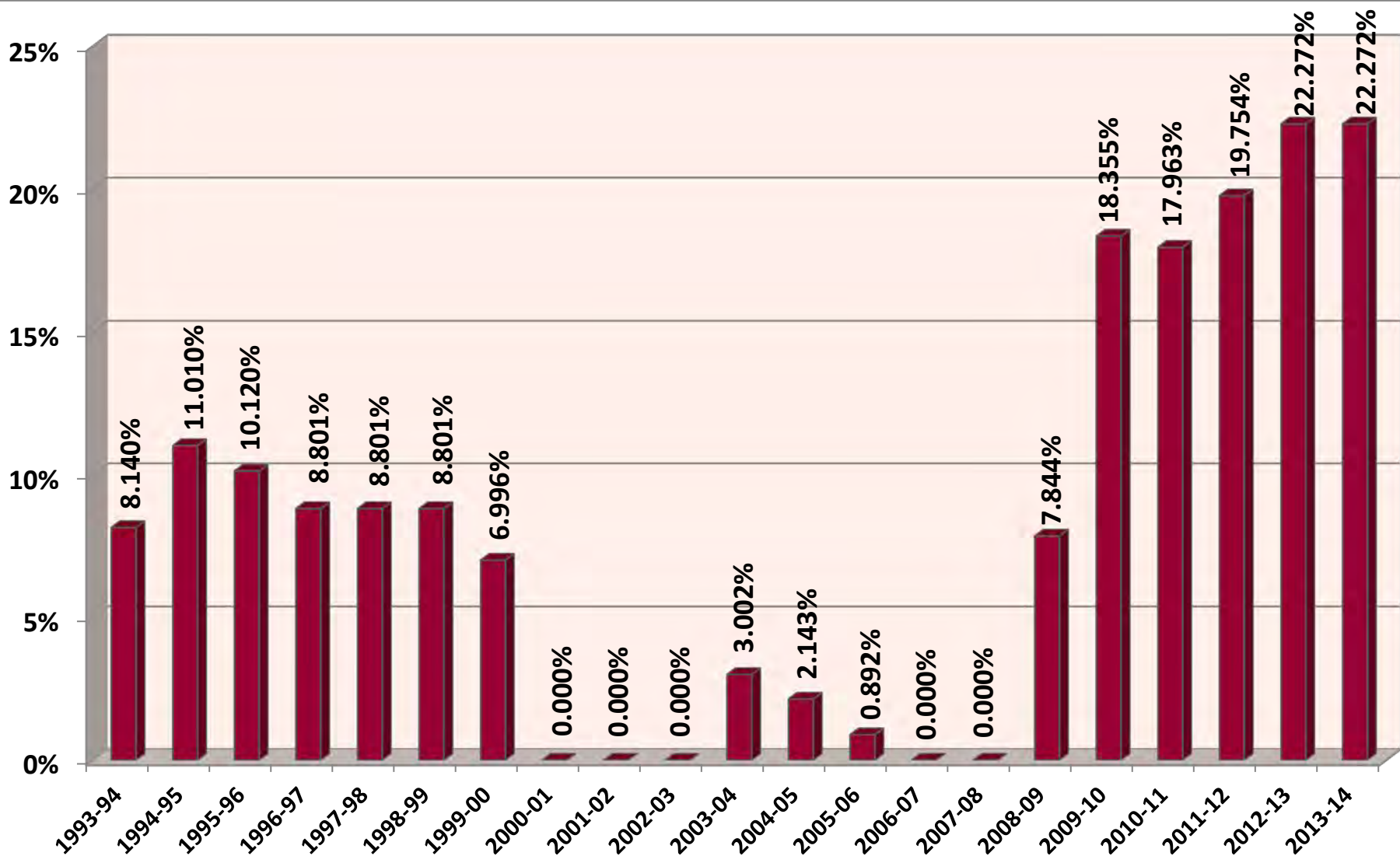
 Impact to the District = \$6.9 million on-going new money



Base Revenue Limit *AFTER* Deficit Factor



Revenue Limit Deficit Factors History



Multi Year Projections - Current Law

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	2012-13	2013-14	2014-15	2015-16
Revenues	\$216,435,966	\$209,420,433	\$210,325,652	\$212,637,413
COLA of 1.65%		\$2,312,368	\$2,312,368	\$2,312,368
CSR Flexibility Exp.			(\$4,800,000)	(\$4,800,000)
Total Revenues	\$216,435,966	\$211,732,801	\$207,838,020	\$210,149,781
Expenditures	\$226,402,607	\$223,187,815	\$224,452,374	\$230,070,215
Barg. Unit Contract Exp.		\$8,100,000	\$8,100,000	\$8,100,000
Categorial Flexibility Exp.				\$7,543,000
Total Expenditures (Adj.)	\$226,402,607	\$231,287,815	\$232,552,374	\$245,713,215
Inc. (Dec.) in Fund Balance	(\$9,966,641)	(\$19,555,014)	(\$24,714,354)	(\$35,563,434)
Beginning Balance	\$75,772,202	\$65,805,561	\$46,250,547	\$21,536,193
Ending Balance	\$65,805,561	\$46,250,547	\$21,536,193	(\$14,027,241)
Less: Restricted Reserves	(\$7,042,078)	(\$7,188,634)	(\$7,226,571)	(\$7,621,396)
Unrestricted Balance	\$58,763,483	\$39,061,913	\$14,309,622	(\$21,648,637)

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**

