



OAKLAND UNIFIED  
SCHOOL DISTRICT  
*Community Schools, Thriving Students*

# 2022-23 Second Interim Presentation



Presented by DeCarlos Kaigler, Chief Financial Officer  
Lisa Grant-Dawson, Chief Business Officer

Board of Education Meeting, March 8, 2023 (v2)

# Ask of the Board

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- Review the 2022-23 Second Interim Budget
- Receive and discuss update on relevant contextual information impacting Multi-Year Projections (MYP), Cash Flow, and Criteria and Standards
- Approve the 2022-23 Second Interim

# Second Interim Report

# Second Interim Outline

## I. Overview & Summary of Assumptions

## II. 2nd Interim - Current Year Projections

- A. Unrestricted General Fund Summary & Detail
- B. Restricted General Fund Summary & Detail
- C. Summary of Ancillary Funds

## III. Multi-Year Projections (MYP) & Cash Flow

- A. General Fund Highlights
- B. MYP Detail
- C. Cash Flow
- D. LCFF Projections

## IV. Next Steps

# Overview of District Financial Accountability

- California school districts are accountable to the State (through the County) for use of funds provided by the state and federal government.
- The process of accountability is prescribed by state law which includes district officials ensuring that the district is able to meet its financial commitments each year and into the future.

## Budget Adoption - By July 1

Projected results for the following fiscal year (July 1 - June 30) | *Ed Code §42127*

## Unaudited Actuals - By Sept 15th

Actual full year results for prior year (July 1 - June 30) | *Ed Code §42100*

## First Interim - By December 15

Updated projections as of October 3<sup>rd</sup> | *Ed Code §42130 & §42131*

## Second Interim - By March 15

Updated projections as of January 3<sup>rd</sup> | *Ed Code §42130 & §42131*

## Third Interim - By June 1

Updated projections as of April 30<sup>th</sup> | *Ed Code §42130 & §42131* [Required if 2<sup>nd</sup> Interim is qualified or negative]

# Second Interim Assumptions

OUSD 2021-25 Budget Assumptions - Second Interim							
Year	2021-22	2022-23 May Revise	2022-23 Adopted Budget	2022-23 45 Day Adopted Budget	2022-23 Second Interim	2023-24	2024-25
Cost of Living Adjustment (COLA)	5.07%	6.56%	6.56%	6.56%	6.56%	8.13%	3.56%
Statutory COLA	1.70%						
Compounded COLA (Special Education and Community Colleges Only)	4.05%		6.28%	6.28%	6.70%		
Additional LCFF Investment ***				12.84%	13.26%		
Grade Span Adjustment Factors			10.4% (K-3)/2.6% (9-12)	10.4% (K-3)/2.6% (9-12)	10.4% (K-3)/2.6% (9-12)		
Enrollment	34,374	33,208	33,208	33,208	34,122	33,638	33,258
Attendance Used for Funding (Highest Year or Average)	33,888			33,700	33,152	32,093	30,833
Attendance (ADA)	29,452	30,225	30,225	30,225	30,438	30,046	29,667
Enrollment to ADA % *	86%	91%	91%	91%	89%	89%	89%
Unduplicated Pupil Count	77.40%	78.53%	78.53%	78.53%	77.95%	79.25%	79.75%
Salary and Negotiated Increases Adjusted - OEA	2.5%	\$1000/Cell	\$1000/Cell	\$1000/Cell	\$1000/Cell		
Salary and Negotiated Increases BCTC, UAOS, TEAMSTERS, MgtConf		6.00%	6.00%	6.00%	6.00%		
Salary and Negotiated Increases - SEIU		6.00%	6.00%	6.00%	6.00%	2.25%	
Step & Column	1.30%	2.00%	2.00%	2.00%	2.00%	2.0%	2.0%
Health Benefit Assumptions **		11.00%	11.00%	11.00%	11.00%	15.0%	8.0%
Mandatories & Benefits - Certificated	5.63%	5.63%	5.63%	5.63%	5.63%	5.03%	5.03%
Mandatories & Benefits - Classified	11.83%	11.83%	11.83%	11.83%	11.83%	11.23%	11.23%
State Teachers Retirement System	16.92%	19.10%	19.10%	19.10%	19.10%	19.10%	19.10%
California Public Retirement System	22.91%	25.37%	25.37%	25.37%	25.37%	27.00%	28.10%
<b>Total Mandatories &amp; Benefits Certificated</b>	<b>22.55%</b>	<b>24.73%</b>	<b>24.73%</b>	<b>24.73%</b>	<b>24.73%</b>	<b>24.13%</b>	<b>24.13%</b>
<b>Total Mandatories &amp; Benefits Classified</b>	<b>34.74%</b>	<b>37.20%</b>	<b>37.20%</b>	<b>37.20%</b>	<b>37.20%</b>	<b>38.23%</b>	<b>39.33%</b>

\* Note: The 2022-23 Actual ADA projection is lower than the funded ADA. The Governor's Budget amended the LCFF calculation to allow school districts to utilize the greater of current year, prior year, or the average of the most recent three prior years' ADA due to the loss of ADA from the pandemic.

\*\* 2023-24 Projected Increase for Kaiser which is the primary benefit selection for the majority of employees.

\*\*\* Additional LCFF Investment, NOT statutory COLA EC 42238.02(d)(5)

\*\*\*\* COLA Projections are as of the Governor's January Budget. New projections have come forth projecting 2023-24 to be 6.4%. Not modeled in the Second Interim, but an MYP has been provided reflecting the impact of this change should it materialize.

# Fund 01 - Combined FY 2022-23

## 2022-23 Second Interim Fund Balance Summary

	Unrestricted	Restricted	Total Fund
<b>A. Revenues</b>			
5) Total Revenues	\$ 473,727,863	\$ 424,741,234	\$ 898,469,097
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 392,795,842	\$ 465,341,425	\$ 858,137,267
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 80,932,021	\$ (40,600,191)	\$ 40,331,830
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (98,833,159)	\$ 95,848,159	\$ (2,985,000)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ (17,901,138)	\$ 55,247,968	\$ 37,346,830
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 92,624,874	\$ 67,517,001	\$ 160,141,876
b) Restricted		\$ -	
<b>2) Ending Balance, June 30 (E + F1e)</b>	\$ 74,723,736	\$ 122,764,969	\$ 197,488,706
Restricted Reserve		\$ 122,764,969	122,764,969.42
Other Assignments	150,000		150,000.00
Reserve for Economic Uncertainty	25,833,668		25,833,668.01
<b>Unassigned Unappropriated</b>	\$ 48,740,068	\$ -	\$ 48,740,068

# Fund 01 - Unrestricted FY 2022-23

## 2022-23 Unrestricted Second Interim Fund Balance Summary

	First Interim	Second Interim	Variance
<b>A. Revenues</b>			
5) Total Revenues	\$ 471,087,551	\$ 473,727,863	\$ 2,640,312
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 361,954,495	\$ 392,795,842	\$ 30,841,347
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 109,133,056	\$ 80,932,021	\$ (28,201,035)
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (99,405,878)	\$ (98,833,159)	\$ 572,719
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ 9,727,178	\$ (17,901,138)	\$ (27,628,316)
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 92,624,874	\$ 92,624,874	\$ -
b) Restricted		\$ -	
2) Ending Balance, June 30 (E + F1e)	\$ 102,352,052	\$ 74,723,736	\$ (27,628,316)
Restricted Reserve	\$ -	\$ -	
Other Assignments	\$ 20,882,011	150,000	\$ (20,732,011)
Reserve for Economic Uncertainty	\$ 26,068,939	25,833,668	\$ (235,271)
<b>Unassigned Unappropriated</b>	\$ 55,401,102	\$ 48,740,068	\$ (6,661,034)

# Fund 01 - Restricted FY 2022-23

## 2022-23 Restricted Second Interim Fund Balance Summary

	First Interim	Second Interim	Variance
<b>A. Revenues</b>			
5) Total Revenues	\$ 443,841,828	\$ 424,741,234	\$ (19,100,594)
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 511,083,677	\$ 465,341,425	\$ (45,742,252)
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (67,241,849)	\$ (40,600,191)	\$ 26,641,658
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ 96,420,879	\$ 95,848,159	\$ (572,720)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ 29,179,030	\$ 55,247,968	\$ 26,068,938
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 67,517,001	\$ 67,517,001	\$ -
b) Restricted		\$ -	
<b>2) Ending Balance, June 30 (E + F1e)</b>	\$ 96,696,031	\$ 122,764,969	\$ 26,068,938
Restricted Reserve	\$ 96,696,030	\$ 122,764,969	
Other Assignments	\$ -	0	\$ -
Reserve for Economic Uncertainty	\$ -	0	\$ -
<b>Unassigned Unappropriated</b>	\$ 1	\$ -	\$ (1)

# Summary of 2022-23 Unrestricted General Fund Projections at Second Interim (\$Millions)

## How is the District's Unrestricted General Fund Financial Position Projected to Change?

	Second Interim
Beginning Fund Balance	\$92,689,873
Ending Fund Balance	\$74,723,736

## Why is District's Unrestricted General Fund Financial Position Projected to Change?

	Second Interim
Revenues	\$473,727,863
Expenditures	\$392,795,842
Net Contributions/Transfers	\$98,833,159
<b>Net Increase (Decrease)</b>	<b>(\$17,901,138)</b>



At Second Interim, we expect to end the year with a \$17.9Mil **decrease** in the Unrestricted General Fund Balance.

# Material Changes in Unrestricted General Fund Projections since First Interim

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## Revenues (Unrestricted) - \$2.6M Increase

- **\$1.2M Increase** in LCFF Allocation due to slight increase in Additional LCFF Allocation
- **\$1.3M Increase** in Other Local Revenue

## Expenditures (Unrestricted) - \$30M Increase

- **\$12M Increase** in projected Certificated Salaries
  - ◆ \$4.6M increase in teachers salaries (Object 1105)
  - ◆ \$8.5M Increase in June ProfDev investment from Supplemental and Concentration Carryover (Res 006) and current Year (Res 0005) resources,(Object 1120 Teacher Stipends)
- **\$3.7M Increase** in projected cost of Benefits from increases in certificated salaries and stipends
- **\$10.7M Increase** in Books and Supplies
  - ◆ \$11.4M Increase in Textbook investment
    - \$7M Central Supplemental (Res 0005)
    - \$4.4M Supplemental & Concentration Carryover (Res 0006)
  - ◆ \$ .8M Reduction in Object 4399 Unallocated (Now Allocated)

# Material Changes in Unrestricted General Fund Projections since First Interim (Cont.)

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## Expenditures (Unrestricted)

- **\$3.7M Increase** in projected cost of Services and Other Operating Since First Interim
  - ◆ \$2M Increase in Consultant Services Object 5825
    - \$1M Resource 0000 Base, Legal Services, Groundwater Case
    - \$.6M Resource 0006 S & C Carryover- Fluent Seeds Contract
  - ◆ \$1.3M Increase in Object 5847 Fees and Penalty
    - IRS Penalty from 2019-20 Payroll Tax Reported for non-filing of 941 Schedule B for one Quarter
      - This matter has been corrected in 2022-23 as the schedule was submitted in 2019-20, but the date on the report was different than the payroll date and must match.
      - District bank accounts swept to absorb penalties
      - Director of Payroll has trained the staff of how to properly report the dates going forward
      - Penalty will be reversed

# Summary of 2022-23 Restricted General Fund Projections (\$Millions)

## How is the District's Restricted General Fund Financial Position Projected to Change?

	Second Interim
Beginning Fund Balance	\$67,517,001
Ending Fund Balance	\$122,764,969

## Why is District's Restricted General Fund Financial Position Projected to Change?

	Second Interim
Revenues	\$424,741,234
Expenditures	\$465,341,425
Net Contributions/Transfers	\$95,848,159
<b>Net Increase (Decrease)</b>	<b>\$55,247,968</b>



At Second Interim, we expect to end the year with a **increase** in the Restricted General Fund Balance of **\$55.2M**

# Material Changes in Restricted General Fund Projections since First Interim (Cont.)

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## Revenues (Restricted)

### → \$19M lower than First Interim

- ◆ Federal Revenue Decrease \$7M
  - \$7M Resource 3213 ESSER III
- ◆ Other State Revenue Decrease \$11.9M
  - \$9.8M (Res 6762) Decrease Art, Music, IM Block Grant
  - \$1.8M (Res 7422) In Person Instruction

## Expenditures (Restricted)

### → \$45M Decrease from First Interim

- ◆ \$2.3M increase in Certificated Salaries
  - \$1.8M increase in Object 1120 Teacher Salary Stipends
    - \$.9M in Resource 4127 Title IV
  - \$.4M in Resource 9333 Measure N
- ◆ \$1.3M Decrease in Object 1120 Teacher Salary stipends
  - \$2.1M decrease in Res 6332, Community School Impl Grant
  - \$.5M Increase in Clerical and Other Classified Stipends and Overtime, Res 6332 and Res 9024 Oakland Undivided

# Material Changes in Restricted General Fund Projections since First Interim (Cont.)

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## Expenditures (Restricted)

### → \$53.4M Decrease - Books and Supplies

- ◆ Primary Activity - Adjusting for unrealized projected expenditures for the year/Allocating to other Objects
- ◆ \$6.7M Decrease Object 4391 Carryover
  - \$2.6M Deduction Measure N, Res 9333
  - \$1M Decrease in ASES, Resource 3226
- ◆ \$16.8M Object 4391 Prior Year Carryover
  - \$1.1 Increase in Title IV, Resource 4124
  - \$5.2M Increase, Measure N
  - \$1.7M iNcrease, ASES Resource 3226
- ◆ \$28.6M Object 4399 Unallocated
  - \$3.1M Resource 3214 ESSER III
  - \$7.9M Resource 2600 Expanded Learning
  - \$2.1M Resource 6547, Special Ed Early Intervention
  - \$1.5M Resource 6211 Literacy Coach & Reading Specialist
  - \$4.9M Resource 6762 Arts, Music, IM Block Grant
  - \$9.0M Resource 7435 Learning Recovery
- ◆ 416.3m Object 4420 Computer
  - 16.6M Resource 3213 ESSER III

# Material Changes in Restricted General Fund Projections since First Interim (Cont.)

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## Expenditures (Restricted)

- **\$4.5M Increase** - Services and Operating Expenditures
  - ◆ \$1.5M Object 5100, Sub Agreements for Services
    - Resource 3226, ASES Program
  - ◆ \$2.7M Object 5825 Consultants
    - \$1.3M Resource 9333 Measure N
    - \$1.4M Resource 9225 Kaiser Grant

# Ancillary Funds

2022-23 Second Interim Summary of Revenue, Expenditures, and Fund Balance					
<i>Fund/SACS Form</i>	<i>Revenues</i>	<i>Expenditures</i>	<i>Excess/(Deficiency)</i>	<i>2022-23 Beginning Fund Balance + Adjustments</i>	<i>2022-23 Secpmd Interim Ending Balance</i>
Fund 01 - General Fund - Unrestricted	\$ 473,727,863	\$ 491,629,001	\$ (17,901,138)	\$ 92,624,874	\$ 74,723,736
Fund 01 - General Fund - Restricted	\$ 540,262,706	\$ 511,083,677	\$ 29,179,029	\$ 67,517,001	\$ 96,696,030
Fund 11 - Adult Education	3,071,984.00	3,587,548.00	\$ (515,564)	\$ 1,326,154	\$ 810,590
Fund 12 - Child Development	24,741,870.00	26,439,204.00	\$ (1,697,334)	\$ 4,026,229	\$ 2,328,895
Fund 13 - Student Nutrition	21,276,345.00	27,015,414.00	\$ (5,739,069)	\$ 29,279,791	\$ 23,540,722
Fund 14 - Deferred Maintenance	3,047,495.00	5,000,000.00	\$ (1,952,505)	\$ 6,468,273	\$ 4,515,768
Fund 21 - Building Fund	1,843,265.00	101,844,435.00	\$ (100,001,170)	\$ 232,455,031	\$ 132,453,861
Fund 25 - Capital Facilities Fund	6,152,748.00	5,862,126.00	\$ 290,622	\$ 17,486,329	\$ 17,776,951
Fund 35 - County Schools Facility Fund	104,819.00	4,806,305.78	\$ (4,701,487)	\$ 11,974,695	\$ 7,273,208
Fund 40 - Special Reserve Fund for Capital Outlay	6,733.00	321,538.00	\$ (314,805)	\$ 747,683	\$ 432,878
Fund 51 - Bond Interest and Redemption Fund	98,587,616.00	111,808,607.00	\$ (13,220,991)	\$ 131,168,428	\$ 117,947,437
Fund 67 - Self Insurance Fund	19,746,771.00	25,017,044.00	\$ (5,270,273)	\$ 19,903,939	\$ 14,633,666
<b>Total All Funds</b>	<b>\$ 1,192,570,215</b>	<b>\$ 1,314,414,900</b>		<b>\$ 614,978,429</b>	<b>\$ 493,133,744</b>

# Second Interim - Multi-Year Projections , Cash Flow, & LCFF Projections

# Multi-Year Projections (MYP)

## Key Results - Highlights

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- The District's 2023-24 and 2024-25 Fiscal Years are currently a reflecting a **surplus** in the Unrestricted General Fund in the (Line E).
  - 2023-24 - \$27.4M
  - 2024-25 - \$11.6M
- The Restricted General Fund is reflecting the spend down of prior year revenue earned and or allocated that are sunsetting, specifically COVID Resources.
  - 2023-24 - (\$4.7)M
  - 2024-25 - \$1.5M

# Multi-Year Projections (MYP) - Unrestricted Summary - FORM MYPI

## 2022-23 Second Interim Budget MYP Fund Balance Summary - Unrestricted

	2022-23 Unrestricted	2023-24 Unrestricted	2024-25 Unrestricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 473,727,863	\$ 499,761,493	\$ 499,082,563
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 392,795,842	\$ 371,209,654	\$ 384,291,658
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 80,932,021	\$ 128,551,840	\$ 114,790,905
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (98,833,159)	\$ (101,133,535)	\$ (103,185,202)
<b>E. Net Increase (Decrease) in Fund Balance (C +D4)</b>	\$ (17,901,138)	\$ 27,418,305	\$ 11,605,703
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 92,624,874	\$ 74,723,736	\$ 102,142,041
2) Ending Balance, June 30 (E + F1e)	\$ 74,723,736	\$ 102,142,041	\$ 113,747,744
Reserve for Economic Uncertainty	\$ 25,833,668	\$ 23,801,125	\$ 22,587,758
<b>Net Ending Balance Excluding Reservations</b>	\$ 48,890,068	\$ 78,340,917	\$ 91,159,986

# Multi-Year Projections (MYP) - Restricted Summary - FORM MYPI

## 2022-23 Second Interim MYP Fund Balance Summary - Restricted

	2022-23 Restricted	2023-24 Restricted	2024-25 Restricted
<b>A. Revenues</b>			
5) Total Revenues	\$ 424,741,234	\$ 316,372,800	\$ 266,983,340
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 465,341,425	\$ 419,176,164	\$ 365,648,619
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ (40,600,191)	\$ (102,803,364)	\$ (98,665,280)
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ 95,848,159	\$ 98,148,535	\$ 100,200,202
<b>E. Net Increase (Decrease) in Fund Balance (C + D4)</b>	\$ 55,247,968	\$ (4,654,829)	\$ 1,534,922
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 67,517,001	\$ 122,764,969	\$ 118,110,140
2) Ending Balance, June 30 (E + F1e)	\$ 122,764,969	\$ 118,110,140	\$ 119,645,062

# Multi-Year Projections (MYP) - Combined Summary - FORM MYPI

## 2022-23 Second Interim MYP Fund Balance Summary - Combined

	2022-23 Combined	2022-23 Combined	2023-24 Combined
<b>A. Revenues</b>			
5) Total Revenues	\$ 898,469,097	\$ 816,134,294	\$ 766,065,903
<b>B. Expenditures</b>			
9) Total Expenditures	\$ 858,137,267	\$ 790,385,818	\$ 749,940,277
<b>C. Excess (Deficiency) of Revenues Over Expenditures</b>	\$ 40,331,830	\$ 25,748,476	\$ 16,125,625
<b>D. Other Financing Sources/Uses</b>			
4) Total, Other Financing Sources/Uses	\$ (2,985,000)	\$ (2,985,000)	\$ (2,985,000)
<b>E. Net Increase (Decrease) in Fund Balance (C + D4)</b>	\$ 37,346,830	\$ 22,763,476	\$ 13,140,625
<b>F. Fund Balance, Reserves</b>			
1) Beginning Fund Balance			
a) Adjusted Beginning Balance (F1c + F1d)	\$ 160,141,876	\$ 197,488,706	\$ 220,252,181
2) Ending Balance, June 30 (E + F1e)	\$ 197,488,706	\$ 220,252,181	\$ 233,392,807

# Second Interim Cash Flow - Form CASH

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## Beginning Cash July 1, 2022

1. \$132,904,241

## Ending Cash Projection June 30, 2023

1. \$196,389,187

# Other Items of Note

## LCFF Projection - We're Getting more money right?

### OUSD LCFF Funding Trend Summary

Scope: The purpose of this analysis is to reflect the trend of our LCFF Funding and the impact of additional state allocations and funding methods and the financial bridge that has been built to support the District's pre and post pandemic sustainability.

Year	Enrollment	Actual/Proj ADA	Enroll:ADA %	Funded ADA	State Funding		COLA	Total	Net Increase
					Allocation	Increase			
2020-21	35,435	26,924	76%	33,977.00	7,053.00	0.00%	\$	380,649,634	
2021-22	34,374	29,452	86%	33,887.58	4,435.55	5.07%	\$	410,253,145	\$ 29,603,511
2022-23	34,122	30,438	89%	33,203.00	2,765.00	13.26%	\$	458,637,474	\$ 48,384,329
2023-24	33,683	30,046	89%	32,093.00	2,047.00	8.13%	\$	484,836,457	\$ 26,198,983
2024-25	33,258	29,667	89%	30,833.00	1,166.00	3.56%	\$	484,415,727	\$ (420,730)
2025-26	32,832	29,287	89%	30,050.00	763.00	3.31%	\$	489,051,818	\$ 4,636,091

*Cumulative Projected Increase*

\* A new COLA projection of 6.4% for 2023-24 has been announced after the Second Interim Period of January 31st. The final cola projection factor will be presented at the Governor's May Revise.

# LCFF Projection Second Interim

Oakland Unified (61259) - FY 2022-23 TO 2026-27 - Updated with January 2023.2c		February 04, 2023		CY		
LOCAL CONTROL FUNDING FORMULA				2022-23		
LCFF ENTITLEMENT CALCULATION						
Calculation Factors	COLA & Augmentation	13.26%	Base Grant Proration	0.00%	Unduplicated Pupil Percentage	77.95%
					77.95%	
	ADA	Base	Grade Span	Supplemental	Concentration	Total
Grades TK-3	12,064.23	\$ 9,166	\$ 953	\$ 1,578	\$ 1,510	\$ 159,320,871
Grades 4-6	7,879.85	9,304		1,450	1,388	95,680,431
Grades 7-8	4,416.97	9,580		1,494	1,429	55,223,691
Grades 9-12	8,791.41	11,102	289	1,776	1,699	130,694,062
Subtract Necessary Small School ADA and Funding	-	-	-	-	-	-
<b>Total Base, Supplemental, and Concentration Grant</b>		<b>\$ 323,811,663</b>	<b>\$ 14,037,928</b>	<b>\$ 52,670,751</b>	<b>\$ 50,398,713</b>	<b>\$ 440,919,055</b>
NSS Allowance		-	-	-	-	-
<b>TOTAL BASE</b>	<b>33,152.46</b>	<b>\$ 323,811,663</b>	<b>\$ 14,037,928</b>	<b>\$ 52,670,751</b>	<b>\$ 50,398,713</b>	<b>\$ 440,919,055</b>
<b>ADD ONS:</b>						
Targeted Instructional Improvement Block Grant						\$10,094,682
Home-to-School Transportation (COLA added commencing 2023-24)						5,724,962
Small School District Bus Replacement Program (COLA added commencing 2023-24)						-
Transitional Kindergarten (Commencing 2022-23)						1,898,775
<b>ECONOMIC RECOVERY TARGET PAYMENT</b>						-
<b>LCFF ENTITLEMENT</b>						<b>\$ 458,637,474</b>

# LCFF Projection Second Interim

Oakland Unified (61259) - FY 2022-23 TO 2026-27 - Updated with January 2 v.23.2c						CY1
LOCAL CONTROL FUNDING FORMULA						2023-24
LCFF ENTITLEMENT CALCULATION						
Calculation Factors	<u>COLA &amp; Augmentation</u>		<u>Base Grant Proration</u>		<u>Unduplicated Pupil Percentage</u>	
	8.13%		0.00%		79.25% 79.25%	
	ADA	Base	Grade Span	Supplemental	Concentration	Total
Grades TK-3	11,560.73	\$ 9,911	\$ 1,031	\$ 1,734	\$ 1,725	\$ 166,486,533
Grades 4-6	7,624.70	10,060		1,595	1,586	100,952,686
Grades 7-8	4,281.25	10,359		1,642	1,633	58,369,445
Grades 9-12	8,626.64	12,005	312	1,952	1,941	139,843,973
Subtract Necessary Small School ADA and Funding	-	-	-	-	-	-
<b>Total Base, Supplemental, and Concentration Grant</b>		\$ 339,195,159	\$ 14,610,625	\$ 56,078,216	\$ 55,768,637	\$ 465,652,637
NSS Allowance		-	-	-	-	-
<b>TOTAL BASE</b>	<b>32,093.32</b>	<b>\$ 339,195,159</b>	<b>\$ 14,610,625</b>	<b>\$ 56,078,216</b>	<b>\$ 55,768,637</b>	<b>\$ 465,652,637</b>
<b>ADD ONS:</b>						
Targeted Instructional Improvement Block Grant						\$10,094,682
Home-to-School Transportation (COLA added commencing 2023-24)						6,190,401
Small School District Bus Replacement Program (COLA added commencing 2023-24)						-
Transitional Kindergarten (Commencing 2022-23)						2,898,737
<b>ECONOMIC RECOVERY TARGET PAYMENT</b>						-
<b>LCFF ENTITLEMENT</b>						<b>\$ 484,836,457</b>

# LCFF Projection Second Interim

Oakland Unified (61259) - FY 2022-23 TO 2026-27 - Updated with January 2023.2c						CY2
LOCAL CONTROL FUNDING FORMULA						2024-25
LCFF ENTITLEMENT CALCULATION						
Calculation Factors	COLA & Augmentation		Base Grant Proration		Unduplicated Pupil Percentage	
	3.56%		0.00%		79.75% 79.75%	
	ADA	Base	Grade Span	Supplemental	Concentration	Total
Grades TK-3	10,974.04	\$ 10,264	\$ 1,067	\$ 1,807	\$ 1,823	\$ 164,184,468
Grades 4-6	7,319.13	10,419		1,662	1,676	100,689,176
Grades 7-8	4,113.95	10,728		1,711	1,726	58,274,033
Grades 9-12	8,426.07	12,433	323	2,035	2,052	141,917,798
Subtract Necessary Small School ADA and Funding	-	-	-	-	-	-
<b>Total Base, Supplemental, and Concentration Grant</b>		\$ 337,791,346	\$ 14,430,921	\$ 56,179,451	\$ 56,663,757	\$ 465,065,475
NSS Allowance		-	-	-	-	-
<b>TOTAL BASE</b>	<b>30,833.19</b>	<b>\$ 337,791,346</b>	<b>\$ 14,430,921</b>	<b>\$ 56,179,451</b>	<b>\$ 56,663,757</b>	<b>\$ 465,065,475</b>
<b>ADD ONS:</b>						
Targeted Instructional Improvement Block Grant						\$10,094,682
Home-to-School Transportation (COLA added commencing 2023-24)						6,411,027
Small School District Bus Replacement Program (COLA added commencing 2023-24)						-
Transitional Kindergarten (Commencing 2022-23)						2,844,543
<b>ECONOMIC RECOVERY TARGET PAYMENT</b>						-
<b>LCFF ENTITLEMENT</b>						<b>\$ 484,415,727</b>

# This Just In! - Lower COLA Projection

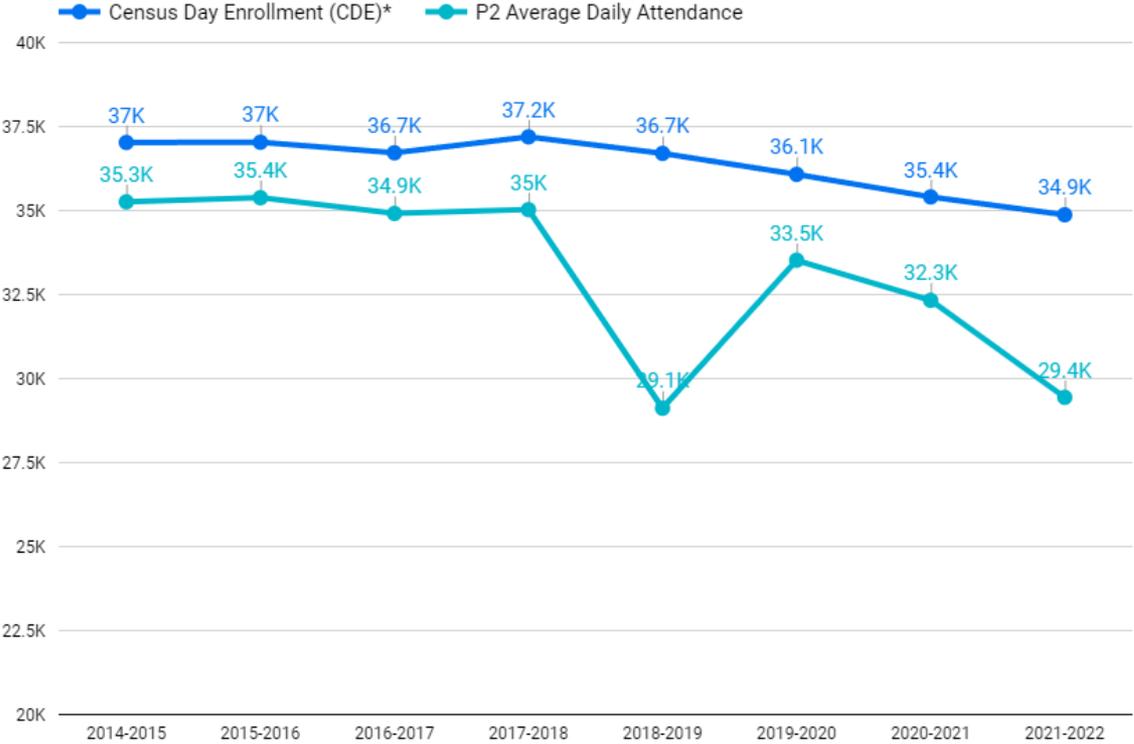
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- February 22, 2023 - Memo from the Department of Finance of \$3.3B reduction in revenue for 2023-24.
  - Current projected COLA 8.13%
  - If Governor modifies K-12 budget, COLA could be - ~6.4%
  - OUSD has developed a Second Interim MYP with this projection and included it in the Second Interim Report Packet.

# LCFF Revenue 2023-24 - Delta by Classification

	(1st Interim) COLA 5.38%	COLA 8.13%	COLA 6.40%	Delta Between 6.4% & 8.13%
Base	330,567,555.00	339,195,159.00	333,773,984.00	(5,421,175.00)
Grade Span	14,241,033.00	14,610,625.00	14,370,959.00	(239,666.00)
Supplemental	54,652,161.00	56,078,216.00	55,180,973.00	(897,243.00)
Concentration	54,350,453.00	55,768,637.00	54,876,346.00	(892,291.00)
<i>TIIG</i>	10,094,682.00	10,094,682.00	10,094,682.00	0.00
<i>Transportation</i>	6,032,965.00	6,190,401.00	6,091,360.00	(99,041.00)
<i>Trnsitional Kindergarten</i>	2,825,015.00	2,898,737.00	2,852,359.00	(46,378.00)
	<u>472,763,864.00</u>	<u>484,836,457.00</u>	<u>477,240,663.00</u>	<u>(7,595,794.00)</u>

# Caution: Attendance loss threatens long-term stability



### Troubling implications

Because LCFF revenue is largely determined by enrollment and attendance levels, decreases in overall attendance are reducing the positive impact of extraordinary cost of living adjustments and may eventually lead to revenue declines.

## Revised - Summary of Projected Ongoing Revenue Changes\*

	FY 22-23	FY 23-24	FY 23-24R ADA Assump	FY 23-24P Lower COLA	FY 24-25R	FY 25-26R
LCFF Revenue	\$459.4 Mil	\$487.6 Mil	\$484.8 Mil	\$477.2 Mil	\$484.4 Mil	\$489 Mil
Change LCFF Revenue	↑ Baseline	↑ \$28.2 Mil	↑ \$25.4 Mil	↑ 17.8 Mil	↑ \$.4 Mil \$.3 Mil**	↑ \$5.0 Mil \$4.5 Mil**
Enrollment	34,122	33,683	33,683	33,683	33,258*	32,832*
Average Daily Attendance Rate	89.2%	90.42%	89.2%	89.2%	89.2%	89.2%
Actual/Projected ADA Funded ADA (3-year average)	30,438 33,203	30,348 32,272	30,046 32,093	30,046 32,093	29,667 30,833	29,287 30,050
UPP (3-year average):	77.72%	79.01%	79.25%	79.25%	79.75%	80.08%
COLA:	13.26%	8.13%	8.13%	6.4%	3.56%	3.31%

\*Based on current information/assumptions. *Changes from 2/22/23 in BLUE*

\*\* If Lower COLA of 6.4% 2023-24 is Realized Based on 2/22/23 Dept of Finance projection. Second Interim will still reflect 8.13 Per the Governor's Current Budget Proposal

# Key Takeaways

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- Second Interim is certified as Qualified
  - ACOE's reduced certification to Qualified from the First Interim letter
  - We will continue to monitor State economy and potential COLA changes for out years
  - We continue to monitor and manage the impact of Enrollment/ADA
- We have to assure we can SUSTAIN ongoing financial and operational activities to regain local control.

# NEXT STEPS

1. Submission of Second Interim to the Alameda County Office of Education (ACOE) by March 17th
2. Distribution of Second Interim to Auditors, Financial Advisors, Bond Reporting Agencies
3. Continued Budget Development/Planning for 2023-24
4. Third Interim Report - May 2023
5. Adopt LCAP & Budget - June 2023

# Questions/Comments

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# EVERY STUDENT THRIVES!



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