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Memo

To Budget and Finance Committee

From Kyla Johnson-Trammell, Superintendent
Luz Cazares, Interim CFO (Consultant)

Board Meeting Date February 3, 2020

Subject Budget Prioritization Update

Action To present staff’s current best thinking on the budget prioritization for the 2020-21 school year.

Background On December 11, 2019, the Board approved a resolution directing the Superintendent to identify sufficient reductions in General Fund expenditures and/or increases in General Fund revenues to ensure that the District can maintain its 3% reserve for 2020-21 and committed the Board to approving the requisite amount of reductions in General Fund expenditures and/or increases in General Fund revenues to maintain its 3% reserve for 2020-21.

At First Interim, the Multi-Year Projection (MYP) projected a need to reduce spending and/or increase revenue by at least \$15.5 million for 2020-21 in order to maintain the District’s 3% reserve. However, that MYP did not include a number of likely new costs, particularly the cost of providing competitive compensation for the other five unions within OUSD, maintaining access to modern technology for all students and staff, and full staffing of the new Central Kitchen. It also did not include information from the Governor’s Proposed Budget that was released in January.

Discussion The purpose of the presentation is to provide the Committee with detail on staff’s current best thinking on potential efficiencies, shifts, and reductions to ensure the District is fiscally solvent for 2020-21 and maintains its 3% reserve. This will include information on the potential impacts across the District, divisions, and at sites as well as the approximate FTE likely impacted.

The presentation will also include information on the local and statewide challenges the District faces; how the proposed shifts, and reductions on grounded in protecting investments in whole child supports and prioritizing LCAP goals; and additional details on the budget prioritization process.

Fiscal Impact

N/A

Attachment

Presentation