



**OAKLAND UNIFIED
SCHOOL DISTRICT**
Community Schools, Thriving Students

2018-19 First Interim Report



Presented to the Board of Education
Marcus Battle, Chief Business Officer
Ofelia Roxas, CFO
December 12, 2018

www.ousd.org



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Topics

- Executive Summary
- Budget timeline
- Key Assumptions
- Revenue Trends & Expenditure Totals
- 2018-19 Major changes from Revision 1 and First Interim Revision 2
- Components of Fund Balance
- Other Funds
- Next step

Fiscal Objective

- Fiscal Solvency
- Ensure district is able to meet its financial commitments each year and into the future.
- A balanced budget with expenditures not exceeding revenues
- Maintain a minimum Reserve of 2% or more for Economic Uncertainty for the current year and two subsequent years.

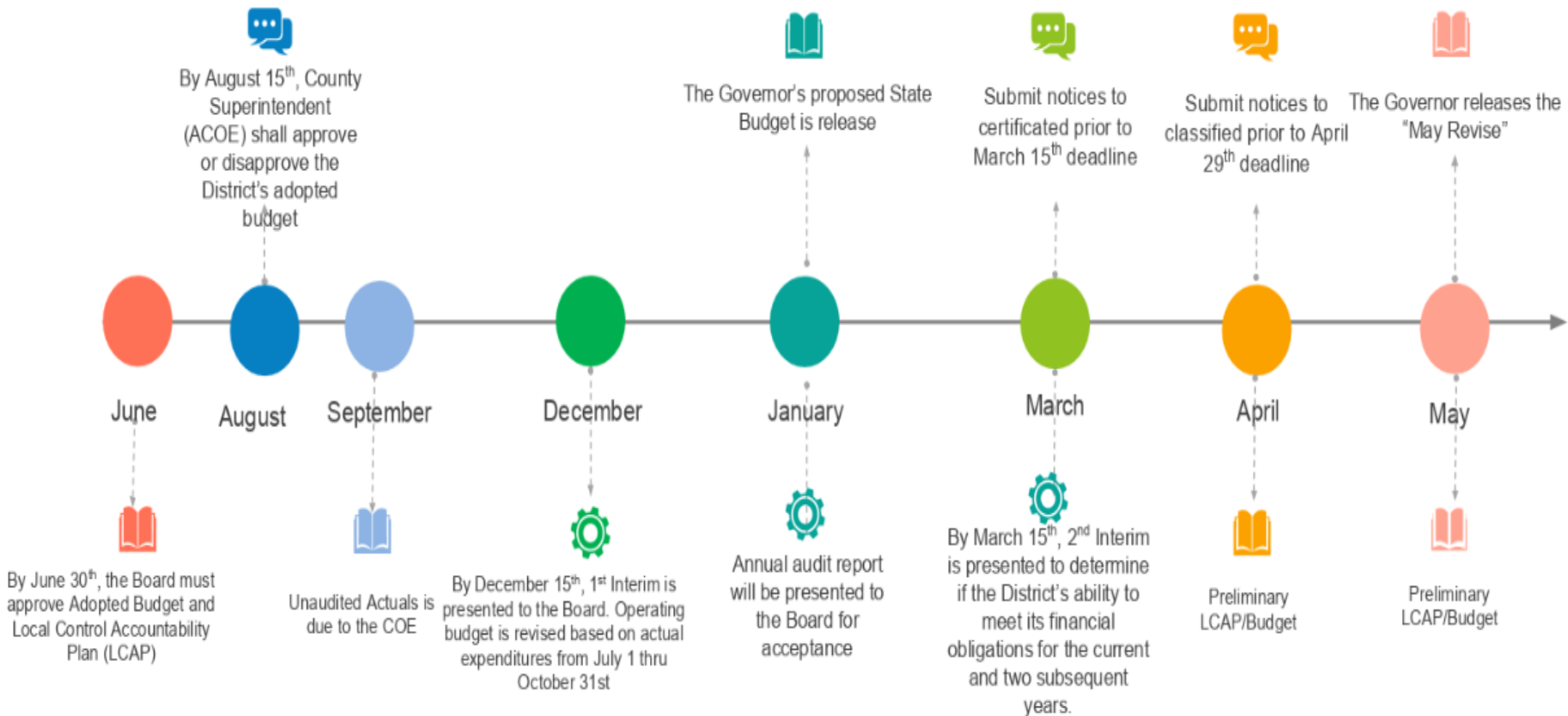
Executive Summary

- First Interim reflects actual financial activities from July through October 31, 2018 and updates on projections for the remainder of the fiscal year
- Revenues for the multi-year projections follow the 2018/19 SSC's Governor's Adopted Budget dashboard.
- Reserve for Economic Uncertainty 18/19 is **2.25%**

Executive Summary

- Significant Changes include:
 - LCFF using Oct 3 Census Day Enrollment Count and Attendance projection reduces revenue by **\$3.8M**
 - New State Grants increase restricted revenue by **\$7.0M**
 - Expenditures analyzed and adjusted based on projected year totals
 - Federal and State Revenue projections are based on entitlements and grant award letters.
 - Payroll benefits budgets based on current statutory rates
 - One-time revenue and expenses removed in out years.
 - Health & Welfare self-insured district-in premium contribution of **\$66M** is set-up in Fund 67 with corresponding expenditure budget.

Budget Timeline



MYP Key Assumptions

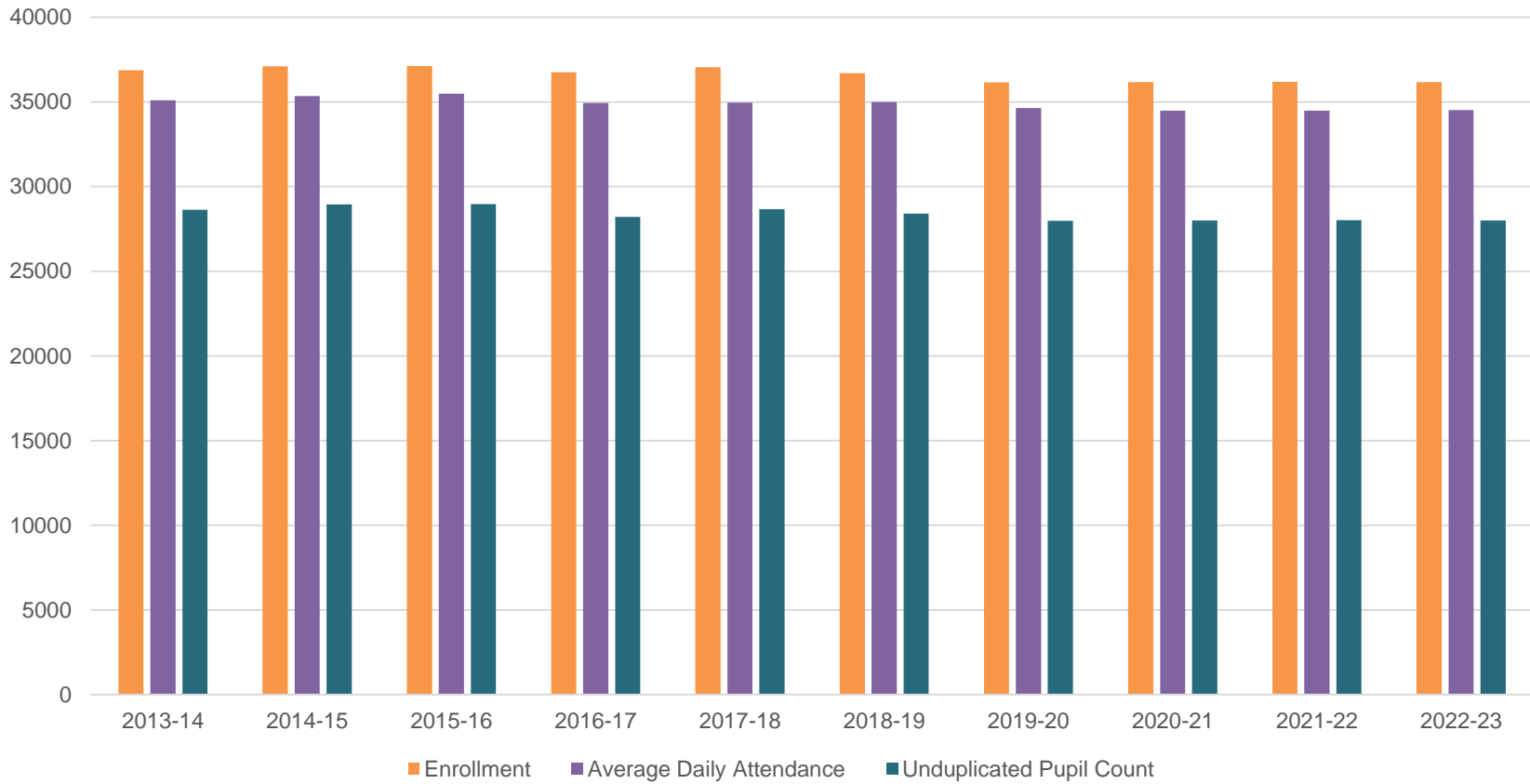
Factors for the Multi-Year Projections	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021
Enrollment Projection	36,708	36,154	36,166
ADA Projection	34,989	34,642	34,483
Unduplicated Pupil Count	28,412	27,983	27,992
Unduplicated Pupil Percentage %	77.16%	77.39%	77.40%
Statutory COLA	3.70%	2.57%	2.67%
LCFF Funding Gap %	100.00%	100%	100%
LCFF Base	10,944	11,234	11,524
California CPI	3.66%	3.50%	3.23%
STRS	16.28%	18.13%	19.10%
PERS	18.062%	20.80%	23.50%

MYP Key Assumptions

Factors for the Multi-Year Projections	Fiscal Year 2018-2019	Fiscal Year 2019-2020	Fiscal Year 2020-2021
One-time Mandated Cost per ADA	\$184	\$0	\$0
California Lottery Unrestricted	\$151	\$151	\$151
California Lottery Restricted	\$53	\$53	\$53

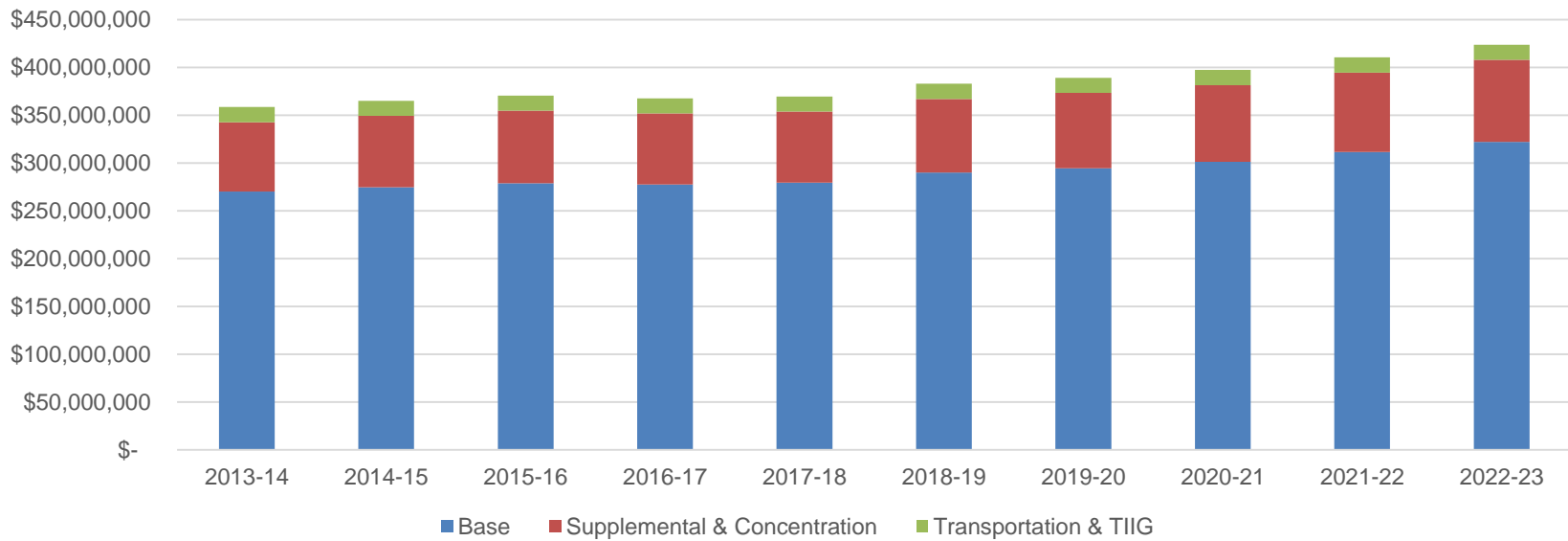
10-year Demographics & Trends

Enrollment, Attendance, Unduplicated Pupil



10-years LCFF Revenue

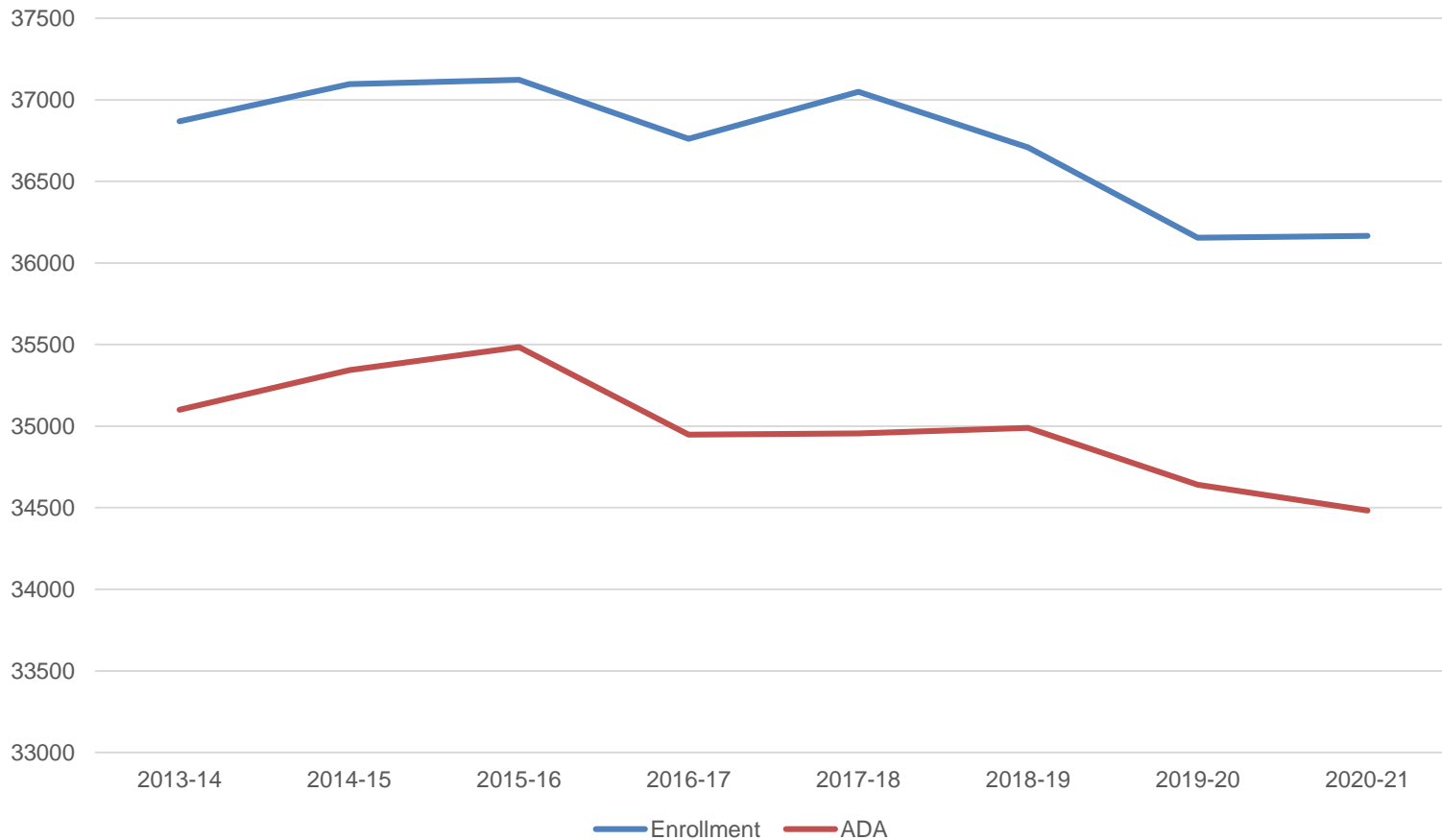
Ten-Year LCFF Revenue



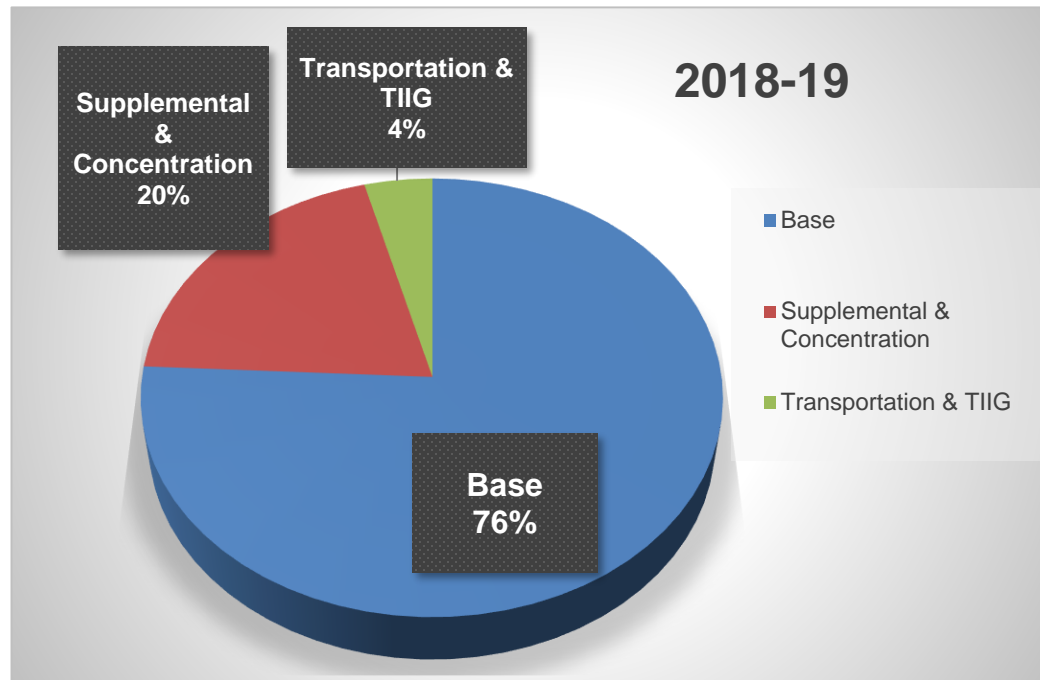
LCFF Component	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Base	\$ 270,277,392	\$ 274,768,143	\$ 279,028,758	\$ 277,550,836	\$ 279,403,418	\$ 290,179,280	\$ 294,741,523	\$ 301,209,121	\$ 311,620,836	\$ 322,056,550
Supplemental & Concentration	\$ 72,564,075	\$ 74,519,868	\$ 75,694,920	\$ 74,439,135	\$ 74,505,717	\$ 76,932,330	\$ 78,616,408	\$ 80,362,593	\$ 83,140,440	\$ 85,924,688
Transportation & TIIG	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644
TOTAL	\$ 358,661,111	\$ 365,107,655	\$ 370,543,322	\$ 367,809,615	\$ 369,728,779	\$ 382,931,254	\$ 389,177,575	\$ 397,391,358	\$ 410,580,920	\$ 423,800,882

Revenue Drivers

Enrollment & ADA

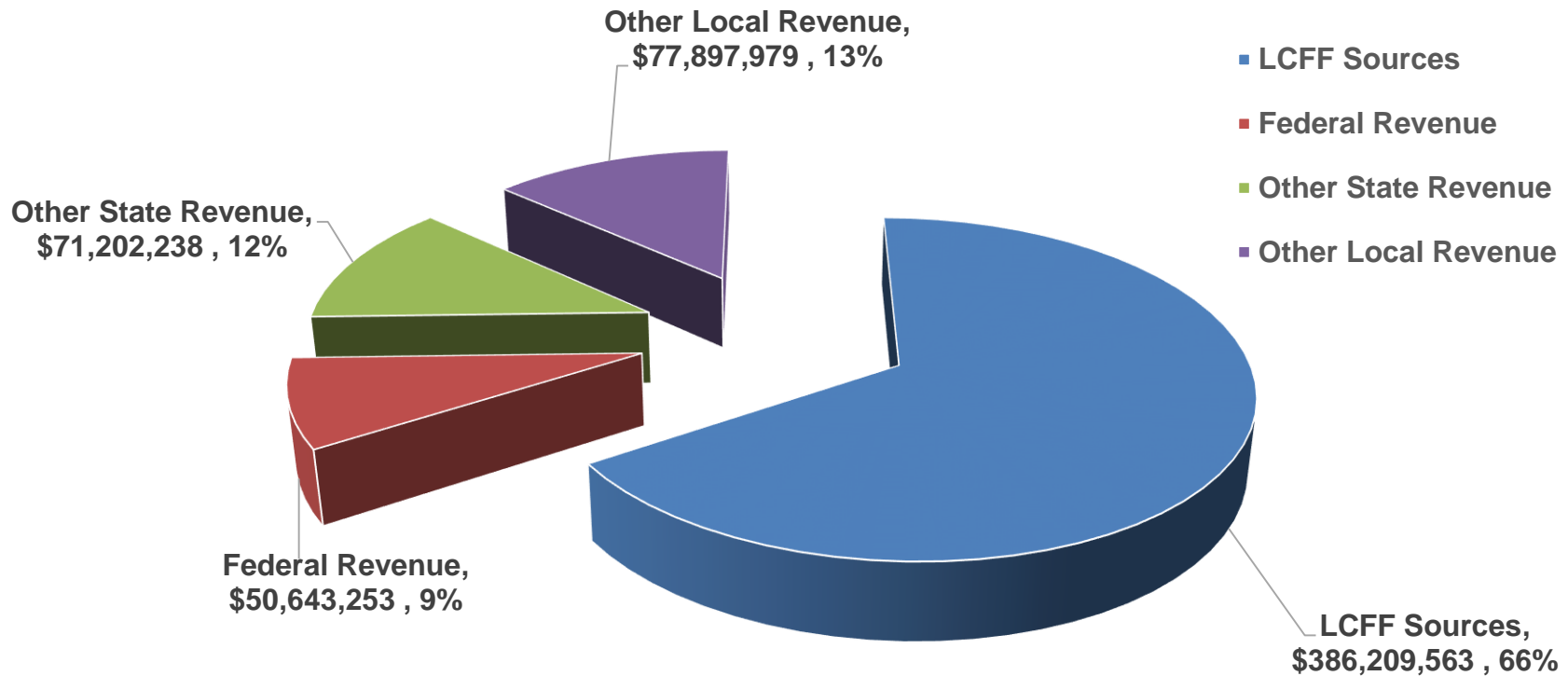


LCFF Components



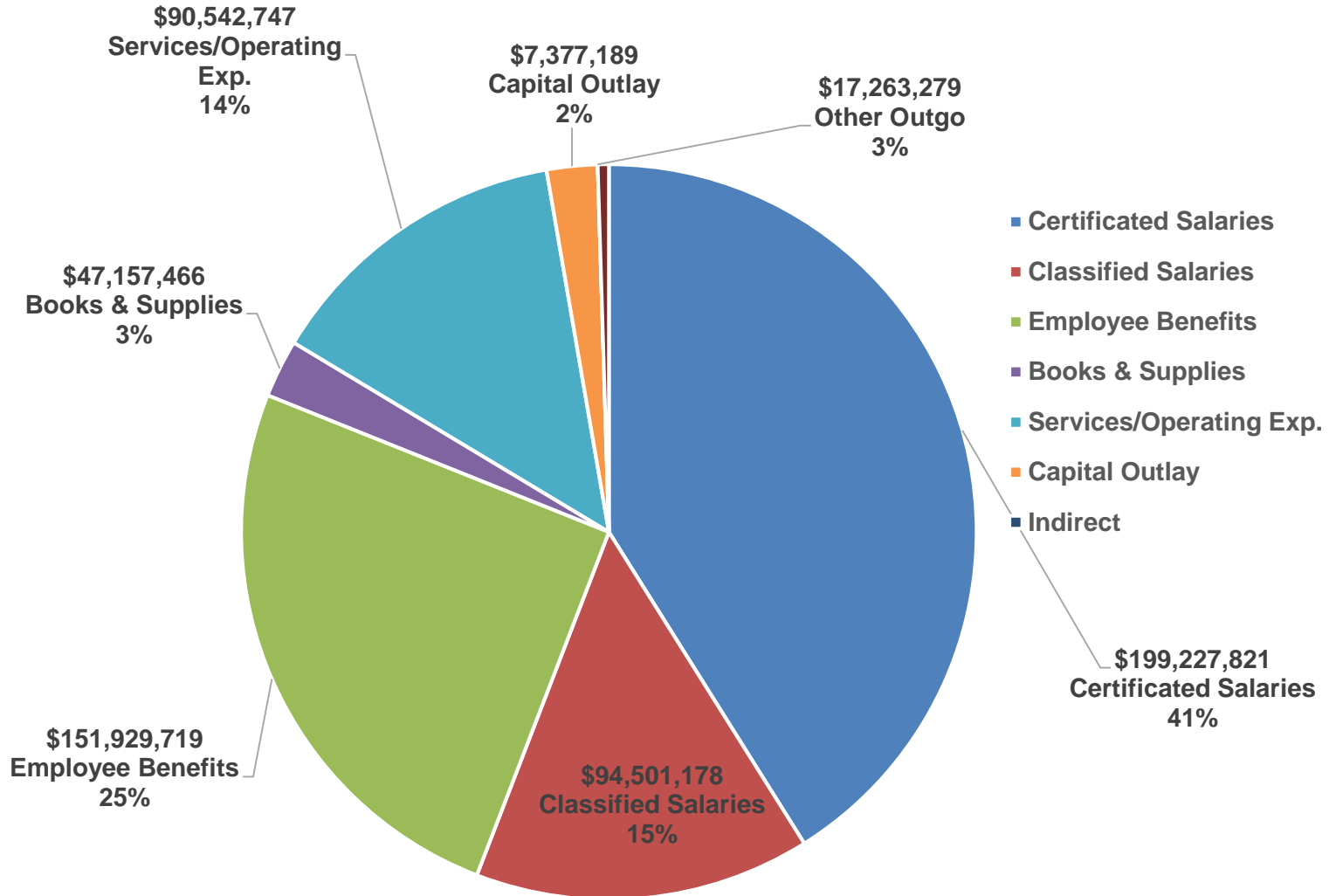
LCFF Component	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Base	\$ 279,403,418	\$ 290,179,280	\$ 294,741,523	\$ 301,209,121	\$ 311,620,836	\$ 322,056,550
Supplemental & Concentration	\$ 74,505,717	\$ 76,932,330	\$ 78,616,408	\$ 80,362,593	\$ 83,140,440	\$ 85,924,688
Transportation & TIIG	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644	\$ 15,819,644
TOTAL	\$ 369,728,779	\$ 382,931,254	\$ 389,177,575	\$ 397,391,358	\$ 410,580,920	\$ 423,800,882

18/19 General Fund Revenues (Combined) \$585M



18/19 General Fund Expenditures (Combined)

\$608M



2018/19 General Fund Unrestricted



	Revision 1 10/15/2018	Revision 2 1st Interim 10/31/2018	Increase (Decrease) Revision 2 vs Revision 1	
REVENUE				
LCFF	\$ 386,861,424	\$ 382,931,254	\$ (3,930,170)	-1%
FEDERAL	\$ 5,500	\$ 5,500	\$ -	0%
OTHER STATE	\$ 14,424,598	\$ 14,620,546	\$ 195,948	1%
LOCAL	\$ 12,910,257	\$ 13,168,758	\$ 258,501	1%
TOTAL	\$ 414,201,779	\$ 410,726,058	\$ (3,475,721)	-1%
EXPENDITURES				
CERTIFICATED	\$ 134,618,780	\$ 133,631,764	\$ (987,016)	-1%
CLASSIFIED	\$ 56,472,387	\$ 57,517,213	\$ 1,044,826	2%
BENEFITS	\$ 88,585,092	\$ 88,637,389	\$ 52,296	0%
Sub total	\$ 279,676,259	\$ 279,786,366	\$ 110,106	0%
Books & Supplies	\$ 7,006,811	\$ 6,440,850	\$ (565,961)	-6%
Contracts and Services	\$ 39,874,646	\$ 38,059,602	\$ (1,815,044)	-5%
Capital Outlays	\$ 44,809	\$ 84,968	\$ 40,159	84%
Other Outgoing	\$ 2,834,754	\$ 2,702,577	\$ (132,177)	-4%
TOTAL	\$ 329,437,280	\$ 327,074,362	\$ (2,362,918)	-1%
Excess (Deficit)	\$ 84,764,499	\$ 83,651,696	\$ (1,112,803)	
Other Financing (Sources)Us	\$ (1,225,933)	\$ (1,225,933)	\$ -	0%
Contributions to Restricted	\$ (80,104,691)	\$ (80,104,691)	\$ -	0%
NET INCREASE (DECREASE)	\$ 3,433,875	\$ 2,321,072	\$ (1,112,803)	
FUND BALANCE				
Beginning Balance	\$ 17,974,960	\$ 17,974,960	\$ 0	
Ending Fund Balance	\$ 21,408,835	\$ 20,296,032	\$ (1,112,803)	

Changes in Unrestricted Revenue

	Increase (Decrease)
LCFF	(\$3,930,170)
Lottery - Unrestricted	\$ 115,593
Other State	\$ 80,355
Miscellaneous Local Revenue	\$ 258,501
Total	(\$ 3,475,721)

2018/19 General Fund Restricted



	Revision 1 10/15/2018	Revision 2 1st Interim 10/31/2018	Increase (Decrease) Revision 2 vs Revision 1	
REVENUE				
LCFF	\$ 3,278,309	\$ 3,278,309	\$ -	0%
FEDERAL	\$ 50,546,547	\$ 50,637,753	\$ 91,206	0%
OTHER STATE	\$ 50,108,859	\$ 56,581,692	\$ 6,472,833	14%
LOCAL	\$ 64,171,543	\$ 64,729,221	\$ 557,678	1%
TOTAL	\$ 168,105,258	\$ 175,226,975	\$ 7,121,717	5%
EXPENDITURES				
CERTIFICATED	\$ 64,632,988	\$ 65,596,053	\$ 963,065	2%
CLASSIFIED	\$ 37,571,551	\$ 36,983,960	\$ (587,591)	-2%
BENEFITS	\$ 61,856,940	\$ 63,292,330	\$ 1,435,390	3%
Sub total	\$ 164,061,479	\$ 165,872,343	\$ 1,810,863	1%
Books & Supplies	\$ 42,249,932	\$ 40,716,611	\$ (1,533,321)	-15%
Contracts and Services	\$ 46,512,858	\$ 52,483,145	\$ 5,970,287	15%
Capital Outlays	\$ 6,964,811	\$ 7,292,221	\$ 327,410	0%
Other Outgoing	\$ 14,577,758	\$ 14,560,702	\$ (17,056)	0%
TOTAL	\$ 274,366,838	\$ 280,925,022	\$ 6,558,184	3%
Excess (Deficit)	\$ (106,261,580)	\$ (105,698,047)	\$ 563,533	
Other Financing Sources	\$ -	\$ -	\$ -	0%
Contributions from Unrestricted	\$ 80,104,691	\$ 80,104,691	\$ 0	0%
NET INCREASE (DECREASE)	\$ (26,156,889)	\$ (25,593,356)	\$ 563,533	
FUND BALANCE				
Beginning Balance	\$ 38,612,895	\$ 38,612,892	\$ (3)	
Ending Fund Balance	\$ 12,456,005	\$ 13,019,536	\$ 563,531	

Changes in Restricted Revenue

Federal	Resource	Increase (Decrease)
Title 3 - Immigrant	4201	\$ 54,412
Title 3 - LEP	4203	\$ 13,363
Other Federal	5XXX	\$ 23,430
		\$ 91,205
Other State	Resource	Increase (Decrease)
State Lottery	6300	\$ 160,349
Riverside Comm School	6385	\$ 375,750
Learning Community Prop 47	7085	\$ 619,494
Classified Prof Development Grant	7311	\$ 313,034
Low Performing Schools Block Grant	7510	\$ 1,345,673
STRS on-behalf	7690	\$ 3,658,531
		\$ 6,472,830
Local	Resource	Increase (Decrease)
Other Local	9011	\$ 35,777
Alameda City Public Health	9206	\$ 42,500
PTA	9337	\$ 37,845
Other Local	9XXX	\$ 441,555
		\$ 557,677
		\$ 7,121,713

Summary of Changes First Interim vs Revision 1



Revision 2 - Changes in General Fund - Combined			
	Unrestricted	Restricted	Total VARIANCE
REVENUE			
LCFF	\$ (3,930,170)	\$ -	\$ (3,930,170)
FEDERAL	\$ -	\$ 91,205	\$ 91,205
OTHER STATE	\$ 195,948	\$ 6,472,831	\$ 6,668,779
LOCAL	\$ 258,501	\$ 557,678	\$ 816,179
TOTAL	\$ (3,475,721)	\$ 7,121,714	\$ 3,645,993
EXPENDITURES			
CERTIFICATED	\$ (987,016)	\$ 963,065	\$ (23,952)
CLASSIFIED	\$ 1,044,826	\$ (587,591)	\$ 457,235
BENEFITS	\$ 52,296	\$ 1,435,430	\$ 1,487,726
Sub total	\$ 110,106	\$ 1,810,904	\$ 1,921,010
Books & Supplies	\$ (565,961)	\$ (1,533,507)	\$ (2,099,469)
Contracts and Services	\$ (1,815,044)	\$ 5,970,432	\$ 4,155,388
Capital Outlays	\$ 40,159	\$ 327,409	\$ 367,567
Other Outgoing	\$ (132,177)	\$ (17,060)	\$ (149,237)
TOTAL	\$ (2,362,918)	\$ 6,558,178	\$ 4,195,260
Excess (Deficit)	\$ (1,112,803)	\$ 563,536	\$ (549,267)
Contributions	\$ -	\$ 0	\$ 0
NET INCREASE (DECREASE)	\$ (1,112,803)	\$ 563,537	\$ (549,267)
FUND BALANCE			
Beginning Balance	\$ 0	\$ (0)	\$ (0)
Ending Fund Balance	\$ (1,112,803)	\$ 563,536	\$ (549,267)
Component of EFB			
Non-Spendable	\$ -	\$ -	\$ -
Restricted	\$ -	\$ 563,536	\$ 563,536
Assigned-Prior Year ADA Adjustme	\$ (643,779)	\$ -	\$ (643,779)
Reserve for Economic Uncertainty	\$ (469,024)	\$ -	\$ (469,024)
Unassigned	\$ -	\$ 0	\$ 0
REU Rate			-0.10%



MYP Unrestricted – Includes Reductions of \$15 M for FY 19/20 and \$28 M for 20/21

MYP General Fund - Unrestricted		2017-18 Unaudited Actuals	Budget Adoption 6/27/2018	Revision 1 10/15/2018	Revision 2 1st Interim 10/31/2018	2019-2020 Revised MYP	2020-2021 Revised MYP
REVENUE							
LCFF		\$ 364,355,415	\$ 383,400,666	\$ 386,861,424	\$ 382,931,254	\$ 389,177,575	\$ 397,391,358
FEDERAL		\$ 18,344	\$ 5,500	\$ 5,500	\$ 5,500	\$ -	\$ -
OTHER STATE		\$ 13,772,570	\$ 20,107,523	\$ 14,424,598	\$ 14,620,546	\$ 7,898,541	\$ 8,112,592
LOCAL		\$ 36,919,562	\$ 33,298,572	\$ 12,910,257	\$ 13,168,758	\$ 13,525,631	\$ 13,892,176
TOTAL		\$ 415,065,891	\$ 436,812,261	\$ 414,201,779	\$ 410,726,058	\$ 410,601,747	\$ 419,396,126
EXPENDITURES							
CERTIFICATED		\$ 140,177,971	\$ 145,139,650	\$ 134,618,780	\$ 133,631,768	\$ 136,787,606	\$ 140,329,920
CLASSIFIED		\$ 57,377,865	\$ 57,905,137	\$ 56,472,387	\$ 57,517,218	\$ 56,213,442	\$ 55,109,420
BENEFITS		\$ 81,754,867	\$ 94,878,983	\$ 88,585,092	\$ 88,637,389	\$ 93,535,993	\$ 94,872,947
Books & Supplies		\$ 5,527,450	\$ 9,456,785	\$ 7,006,811	\$ 6,440,855	\$ 6,319,302	\$ 6,319,302
Contracts and Services		\$ 40,237,187	\$ 39,823,821	\$ 39,874,646	\$ 38,059,602	\$ 37,341,334	\$ 35,355,695
Capital Outlays		\$ 96,887	\$ 47,950	\$ 44,809	\$ 84,968	\$ 44,950	\$ 44,950
Other Outgoing		\$ 1,907,780	\$ 3,270,979	\$ 2,834,754	\$ 2,702,577	\$ 2,772,033	\$ 2,846,046
TOTAL		\$ 327,080,006	\$ 350,523,304	\$ 329,437,280	\$ 327,074,377	\$ 333,014,660	\$ 334,878,280
Excess (Deficit)		\$ 87,985,885	\$ 86,288,957	\$ 84,764,499	\$ 83,651,681	\$ 77,587,087	\$ 84,517,845
Other Financing (Sources) Use		\$ (1,514,643)	\$ (1,225,933)	\$ (1,225,933)	\$ (1,225,933)	\$ (1,225,933)	\$ (1,225,933)
Contributions to Restricted		\$ (72,072,131)	\$ (76,196,230)	\$ (80,104,691)	\$ (80,104,691)	\$ (81,004,244)	\$ (83,961,596)
NET INCREASE (DECREASE)		\$ 14,399,111	\$ 8,866,794	\$ 3,433,875	\$ 2,321,057	\$ (4,643,090)	\$ (669,684)
FUND BALANCE							
Beginning Balance		\$ 3,575,849	\$ 5,847,721	\$ 17,974,960	\$ 17,974,960	\$ 20,296,018	\$ 15,652,928
Ending Fund Balance		\$ 17,974,960	\$ 14,714,516	\$ 21,408,835	\$ 20,296,018	\$ 15,652,928	\$ 14,983,244
Component of EFB							
Non-Spendable		\$ 540,122	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Committed		\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Assigned-ADA Adjustments Prior Year		\$ -	\$ -	\$ 6,023,564	\$ 5,379,785	\$ -	\$ -
Assigned-Technology Refresh		\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Reserve for Economic Uncertainty		\$ 17,434,839	\$ 14,214,516	\$ 14,235,271	\$ 13,766,233	\$ 14,502,928	\$ 13,833,244
Unassigned		\$ [0]	\$ -	\$ -	\$ -	\$ -	\$ -
REU Rate		3.28%	2.61%	2.35%	2.25%	2.48%	2.35%



MYP Ending Fund Balance (Combined) – Includes Reductions of \$15 M for FY 19/20 and \$28 M for 20/21

MYP General Fund - Combined	2017/18 Unaudited Actuals	2018/19 Adopted 6/27/2018	2018/19 Revision 1 10/15/2018	2018/19 1st Interim 10/31/2018	2019-2020 Revised MYP	2020-2021 Revised MYP
Revenue	\$ 562,832,639	\$ 566,526,416	\$ 582,307,037	\$ 585,953,033	\$ 579,012,566	\$ 590,613,533
Expenditures	\$ 533,508,930	\$ 544,065,384	\$ 605,030,051	\$ 609,225,332	\$ 583,655,656	\$ 591,283,217
Net Fund Flow	\$ 29,323,709	\$ 22,461,032	\$ (22,723,014)	\$ (23,272,299)	\$ (4,643,089)	\$ (669,684)
Beg Fund Balance	\$ 27,264,146	\$ 25,708,250	\$ 56,587,855	\$ 56,587,855	\$ 33,315,556	\$ 28,672,467
Ending Fund Balance	\$ 56,587,855	\$ 48,169,282	\$ 33,864,841	\$ 33,315,556	\$ 28,672,467	\$ 28,002,783
Component of EFB						
Non-Spendable	\$ 540,122	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000	\$ 150,000
Restricted	\$ 38,612,895	\$ 33,454,767	\$ 12,456,005	\$ 13,019,542	\$ 13,019,542	\$ 13,019,542
Committed	\$ -	\$ 350,000	\$ -	\$ -	\$ -	\$ -
Assigned-Prior Year ADA Adjustment	\$ -	\$ -	\$ 6,023,564	\$ 5,379,785	\$ -	\$ -
Assigned- Technology Refresh	\$ -	\$ -	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Reserve for Economic Uncertainty	\$ 17,434,838	\$ 14,214,515	\$ 14,235,271	\$ 13,766,229	\$ 14,502,925	\$ 13,833,241
Unassigned	\$ -	\$ 0	\$ -			
REU Rate	3.27%	2.61%	2.35%	2.26%	2.48%	2.34%

Other Funds

ALL FUNDS (1st Interim) 2018-19									
	Fund 11	Fund 12	Fund 13	Fund 21	Fund 25	Fund 35	Fund 40	Fund 51	
	Adult Education	Early Childhood	Cafeteria	Building Fund	Capital Facilities Fund	County School Facilities Fund	Capital Outlay Projects	Bond Interest & Redemption Fund	
REVENUE	\$ 2,737,407	\$ 15,000,002	\$ 19,106,088	\$ 20,693	\$ 2,208,602	\$ -	\$ -	\$ 74,000,430	
EXPENDITURES	\$ 4,727,990	\$ 14,942,778	\$ 20,858,773	\$ 110,884,429	\$ 17,169,026	\$ 574,847	\$ 7,543	\$ 76,690,137	
Excess (Deficiencies)	\$ (1,990,583)	\$ 57,224	\$ (1,752,685)	\$ (110,863,736)	\$ (14,960,424)	\$ (574,847)	\$ (7,543)	\$ (2,689,707)	
Other Financing Sources/Uses									
Transfer In			\$ 1,790,000						
Transfer Out		\$ (57,224)	\$ (206,843)						
NET INCREASE (DECREASE)	\$ (1,990,583)	\$ -	\$ (169,528)	\$ (110,863,736)	\$ (14,960,424)	\$ (574,847)	\$ (7,543)	\$ (2,689,707)	
FUND BALANCE									
Beginning Balance	\$ 1,990,583	\$ 4,593	\$ 176,506	\$ 123,038,607	\$ 32,146,656	\$ 9,096,297	\$ 822,964	\$ 80,797,200	
Ending Fund Balance	\$ -	\$ 4,593	\$ 6,978	\$ 12,174,871	\$ 17,186,232	\$ 8,521,450	\$ 815,421	\$ 78,107,493	
Component of EFB									
Non-Spendable									
Legally Restricted				\$ 11,940,781	\$ 35,550	\$ 8,365,642	\$ 698,551	\$ 78,107,493	
Committed				\$ 234,090					
Assigned		\$ 4,593	\$ 6,978		\$ 17,150,682	\$ 155,808	\$ 116,870		
Unassigned	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	

Next Step

January 2019

- Present 2017-18 Audit Report, Action
- Governor's Proposed Budget for 2019-20 is Released
- Update 2019-20 Budget and MYP Projections
- Update Budget Reduction Resolution Adopted June 27, 2018

February 2019

- Board Finalize and Approve OUSD Budget Reduction Plan
- Present Budget Reduction Plan to ACOE per AB1840

March 2019

- Present Second Interim, Action

May 2019

- Present May Revise, Information
- Updated Budget Assumptions, Action

June 2019

- Budget and LCAP Hearings
- Budget Adoption

Recommendation

Approval of 2018/19 First Interim Report (Revision 2) reflecting up-to-date financial activities and budget adjustments as of October 31, 2018.