

BOE Meeting

May 27, 2020

May 21 Budget and Finance Committee Meeting
Update and Overview

A. May Revise Update

The Governor's Office anticipates a 10% reduction to our budget, which will be offset by the projected increase of 2.31%, for a total reduction of 7.92% or \$30-\$35 million to the 20/21 budget.

This revised reduction will be in addition to the Board's March decision to reduce the budget by nearly \$22 million.

Total projected reductions are close to \$57 million in total.

B. COVID Relief Funds

We expect to receive the following forms of relief:

- \$14 million in Federal relief

- \$600K (COVID19 related expenditures)

- *\$16 million (AB1840) Note: This money is not expected until after March of 2021 and is contingent on continued transparency and continued work on the Blueprint work.

**Recommendation from the committee: do not count on this money, but look for ways it can help with the district's cash flow and late year expenditures. Also, once more information is*

available (after the closing of the books), the Board may consider strategic use of its reserve for economic uncertainty. In the item coming later, perhaps the Board can begin to discuss its intention around the Blueprint process?

-Still unclear:

If OUSD will receive additional funding/relief from FEMA, for learning loss mitigation, and we await a final determination on the flexibility of state and federal dollars.

C. The Equity Index

We also had a lengthy discussion about the Superintendent's Equity Index, the process the superintendent's staff is using to make reductions to the budget.

The index was updated to include the following:

- Chronic absenteeism rate
- Percentage of students reading on grade level
- Students with IEPs

The inclusion of these factors, lead to an updated "Z Score" with a tiered system that determines future student allocations.

D. Revenue Generation

We also had an extended conversation on revenue generation and the central kitchen. At tonight's Third Interim Budget discussion, we are looking for an update from staff on what investments will be needed to operate the new central kitchen and what the possibilities are for revenue generation in the future.

We will dig into other revenue generating opportunities (ie. Real Assets) at the next committee meeting.

E. Coming up

Staff is coming back with more information on the following:

A. 2016 - present staffing analysis

B. Central Kitchen revenue and expenditure projections

C. Deeper analysis on the timing and flexibility of Covid relief dollars

D. Borrowing rate from the County (to aid with cash

flow)