



**DATE:** August 10, 2016

**TO:** Board of Education

**FROM:** Antwan Wilson, Superintendent  
Vernon Hall, Senior Business Officer  
Ruth Alahydoian, Chief Financial Officer

**RE:** **2016-17 Revised Budget Incorporating Final Changes in Governor's Signed Budget**

File ID Number: 16-1800

Introduction Date: 8-10-16

Enactment Number: —

Enactment Date: —

By: [Signature] 8/10/16

**Background:** California's Education Code ("Ed Code") section 42127(i)(4) and the District's AR 3100 requires that "Not later than 45 days after the Governor signs the annual Budget Act, the school district shall make available for public review any revisions in revenues and expenditures that it has made to its budget to reflect the funding made available by that Budget Act." The Governor signed on June 27, 2016; revisions must be posted by August 11, 2016.

This memo and the attached presentation summarize the changes to the District's budget resulting from the final State budget signed by the Governor.

**Changes in Signed Budget:** Changes in the 2016-17 Adopted Budget of the State of California (final State budget) that require revisions to the District's budget are:

- Decrease in Local Control Funding Formula (LCFF) – the gap fund percentage was decreased from **54.84% to 54.18%**. As a result, LCFF revenues decrease by **\$(236,251)**.
- Decrease in one-time State funding from **\$237 per Average Daily Attendance (ADA) to \$214 per ADA**. As a result, one-time revenues decrease by **\$(825,923)**.
- Increase in lottery funding from **\$140 per ADA to \$144 per ADA** (unrestricted portion) and from **\$41 per ADA to \$45 per ADA** (restricted portion). As a result, revenues increase by **\$143,640** each for **both** unrestricted and restricted revenues.

**Revisions to OUSD Budget:**

- Unrestricted revenues will be decreased as outlined above. Net impact on unrestricted revenues is a **reduction of \$(918,534)**.
- Unrestricted expenses will be adjusted as follows:
  - Set-aside for salary increases tied to LCFF and one-time funding is reduced by **\$(690,413)**.
  - One-time investments are reduced by **\$(228,121)**.
- The revised budget will be adjusted for the increase in restricted lottery revenue of **\$143,640**.

The First Interim Budget Report, due to the Board in December, will incorporate all of the above adjustments, as well as other budget adjustments between now and October 31.