

Board Office Use: <b>Legislative File Info.</b>	
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# Memo

**To** Board of Education

**From** Kyla Johnson-Trammell, Superintendent  
Luz Cazares, (Consultant) Interim Chief Financial Officer

**Board Meeting Date** October 23, 2019

**Subject** 2019-20 Budget Revision #2

**Action** The Board of Education will adopt the 2019-20 Budget Revision #2

## Discussion

The OUSD commits to developing and revising our budget to reflect the best information available to us. With this standard in mind, we updated our FY19/20 Adopted Budget to reflect the revisions approved by the Board on September 11, 2019. Since then, we have continued to review the budget and submit the following revisions for Board approval.

### Revisions to Revenues and Other Sources

- Special Education Early Intervention Preschool Grant – The OUSD is scheduled to receive \$4.0M of new, one-time, unrestricted revenue for early intervention services for preschoolers with individualized education programs. These one-time dollars are available to provide new, one-time programs and services and/or to offset the contribution to our special education program on a one-time basis. We will be using these funds to offset the contribution to our special education program.
- Mandated Costs Block Grant – The OUSD has updated projections for the mandated costs block grant, which reflect a decrease of \$0.1M in state revenue.
- Charter School Leases – The OUSD has updated projections for lease revenue from charter schools resulting in an increase of

\$0.1M in local revenue.

- Lottery – The OUSD has updated projections for unrestricted and restricted lottery revenues to reflect the most current information available resulting in a \$0.1M increase in unrestricted dollars and a \$0.4M increase in restricted dollars.
- Titles I, II, III, and IV – The FY19/20 allocations for our Title programs reflect an increase of \$2.3M in revenue from Adopted Budget. Please note that this increase is primarily the result of a longstanding budget development assumption that we would experience a 10% reduction in our funding for our Titles programs.
- Perkins – The FY19/20 allocations for Perkins is estimated at \$0.5M. Please note that this allocation was not included in the Adopted Budget.

### **Revisions to Expenditures and Other Uses**

- Supplemental and Concentration – The OUSD revenue and expenditures for supplemental and concentration resources were out of balance at Adopted Budget. Specifically, revenue exceeded expenditures by \$8.8M. Staff have identified the ongoing expenditures needed to align our budget to our LCAP.
- Salary/Benefits – The projections for compensation costs have been updated including:
  - ✓ Elimination of offset accounts
  - ✓ Projections for salary and benefits
  - ✓ Vacancy assumptions certain certificated positions
- 20 Day Count Staffing – School staffing has been updated based on student enrollment as of the 20-day count, resulting in an increase of 10.0 FTE. The additional positions are estimated at \$0.9M with 3.0 FTE funded by Title II, 3.0 FTE funded by supplemental, and 4.0 FTE funded by the unrestricted general fund.
- Transportation – The budget for transportation has been reviewed; no adjustments were needed.
- Utilities – The projections for utilities have been updated to reflect an increase of 2% over the prior year. Please note, the total increase of \$1.6M consists of two components, \$1.4M to match FY18/19 expenditures plus \$0.2M to reflect a 2% increase.

As always, the Budget Team is working diligently to update the budget, including making revisions to ease the development, updating,

and monitoring of our budget. For example, the OUSD has eliminated two locally created resource codes for Mandate Block Grant and Targeted Instructional Improvement Grant revenues. We will bring additional revisions to the Board in December with the 1<sup>st</sup> Interim report, which will include our revised LCFF calculation, carryover, and additional revisions to ease the development, updating, and monitoring of our budget.