



OUSD Financial Planning: 2018-19 & Beyond

Wednesday, February 7, 2018



Presented by: Troy Christmas, Financial Services Director
To: Budget & Finance Committee

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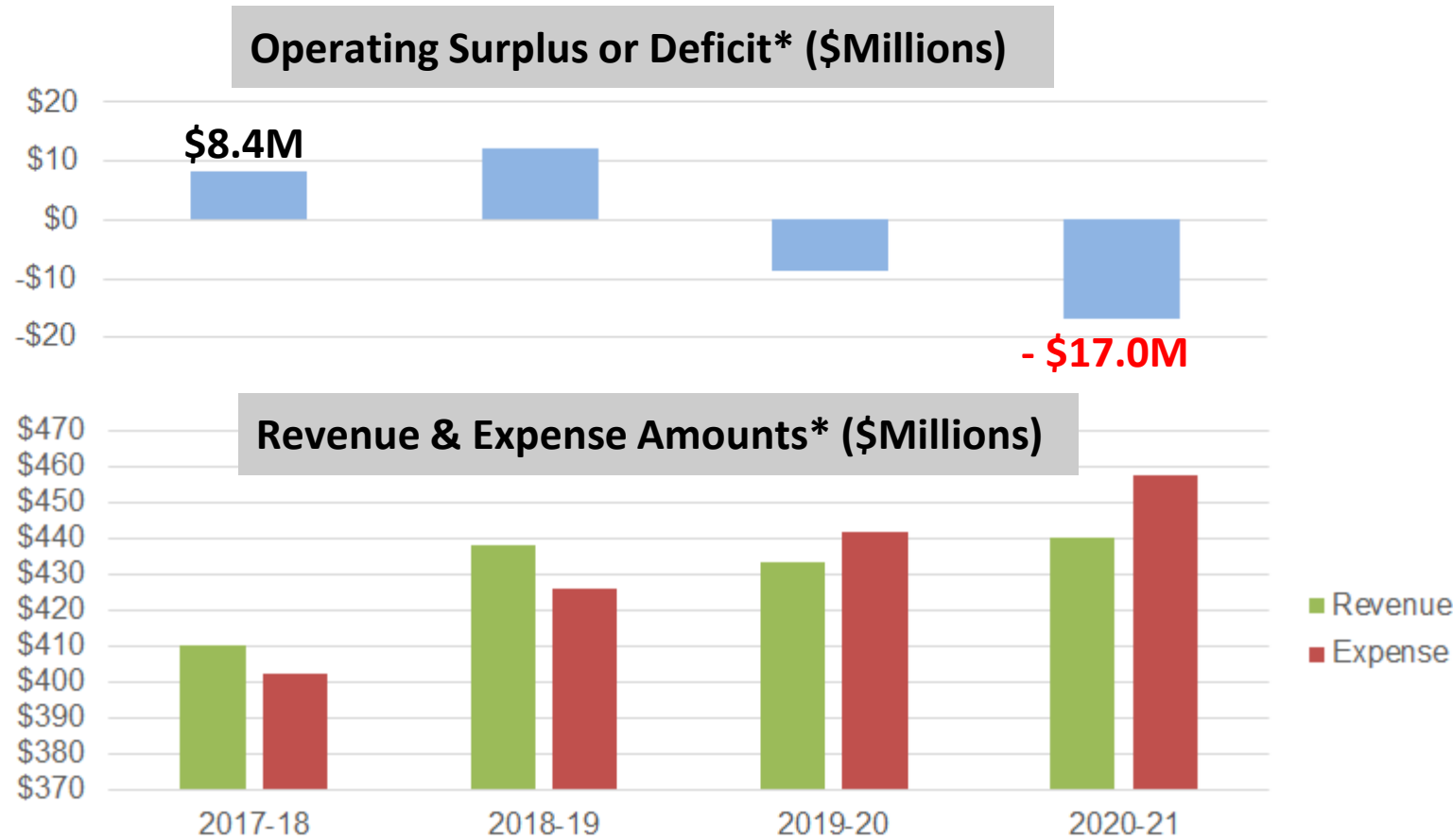
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Governor's Proposed Budget - Recap

	Governor's Proposal	Impact to OUSD*
Ongoing Revenue	\$2.9 billion to K-12 fully funds LCFF ahead of 2020-21 deadline	Estimated \$13.5+ million ongoing LCFF revenue
One-Time Revenue	\$1.8 billion in Prop. 98 one-time funding	Estimated \$5+ million one-time discretionary revenue
Other	2.51% cost-of-living increase for programs outside LCFF (e.g. Special Education, Child Nutrition)	2.51% cost-of-living increase for programs outside LCFF (e.g. Special Education, Child Nutrition)

* Estimates are preliminary and amounts may shift based upon trailer bill language for allocations among base, supplemental and concentration grants.

Slowing Revenue + Growing Commitments = Deficits Coming



* Unrestricted General Fund Only

What's Drives Revenue & Expense Changes

Revenue

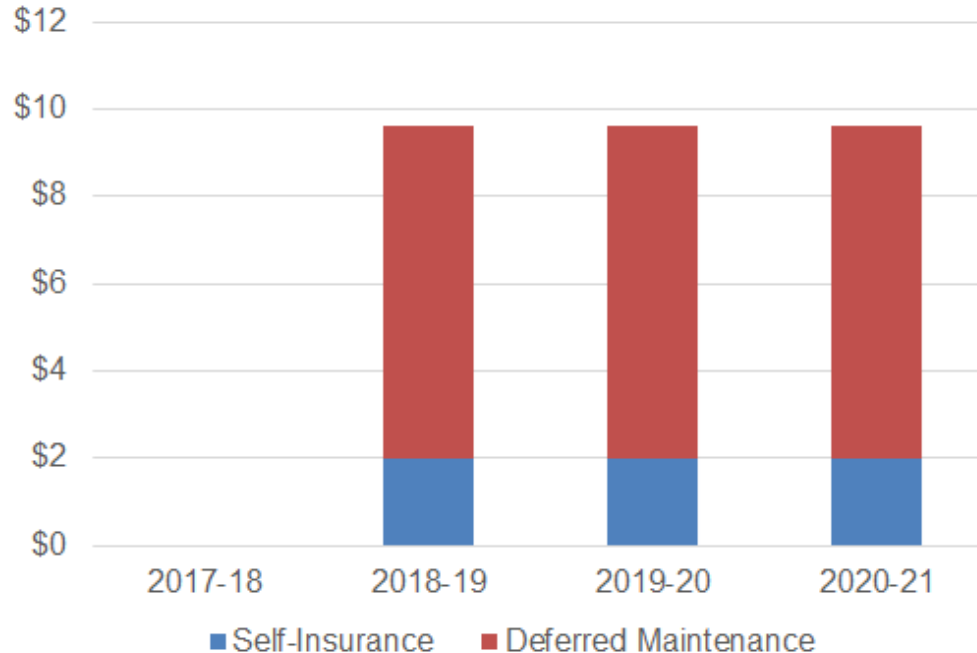
- ❖ After 2018-19, State to provide cost-of-living increases only

Commitments & Considerations

- ❖ Normal salary increases
- ❖ Dramatic increases in employee pension obligations
- ❖ Health Insurance cost increases
- ❖ Possible federal cuts to Title I and other funding programs

Known Compliance Concerns Increase Costs Further

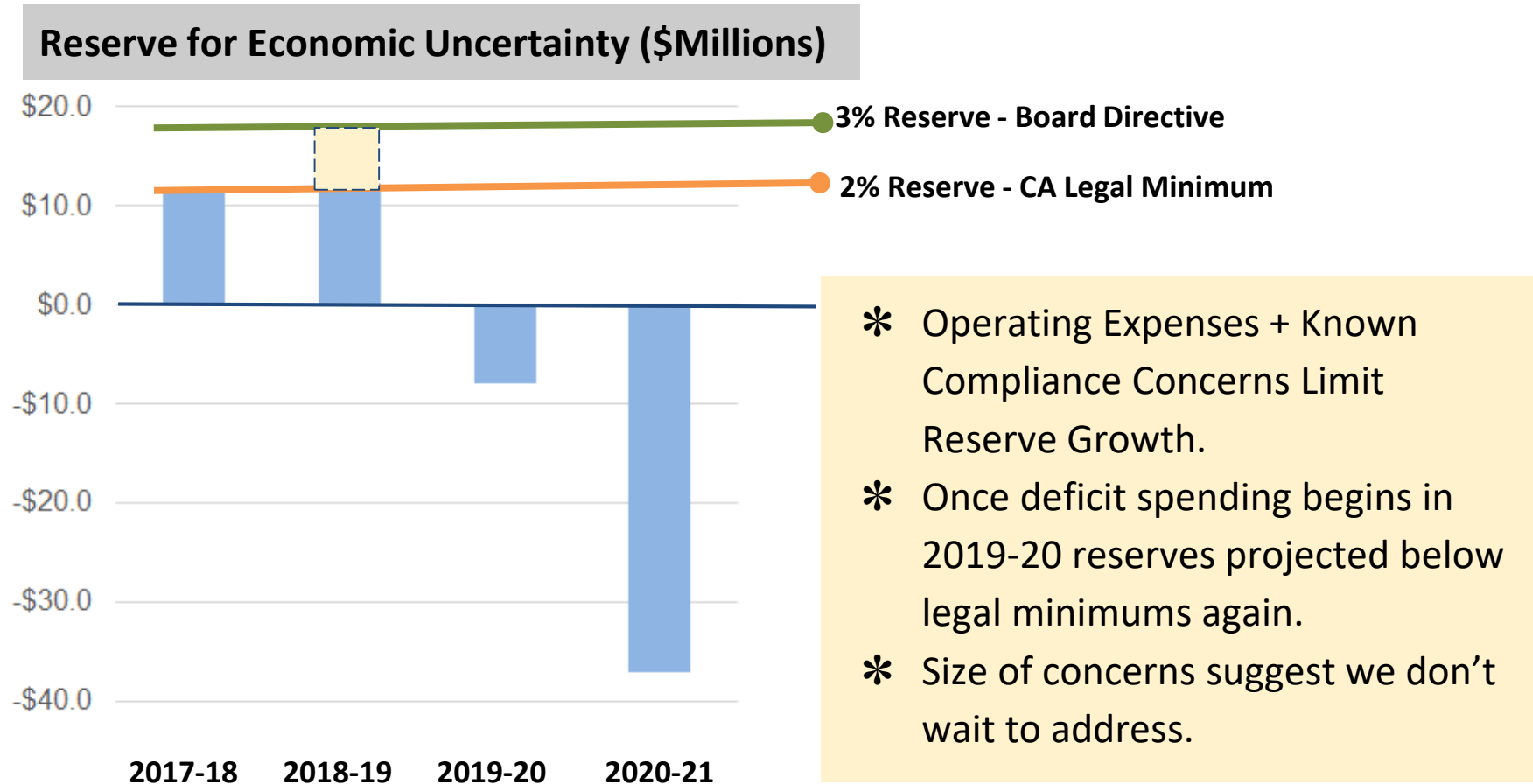
Estimated Cost of Key Compliance Concerns* (\$Millions)



- * Board requires plan to restore Self-Insurance Fund.
- * Critical facilities projects, including lead abatement.

* Unrestricted General Fund Only

Without Action, Solvency Will Soon Be Beyond Reach



A Multi-Year Action Plan Must Begin Now

Target \$5-7M Savings for 2018-19

Revenue Increase Ideas

2018-19

- ❖ Limited

2019-20+

- ❖ Facility Lease or Sale
- ❖ Fund-raising
- ❖ Political Advocacy
- ❖ Loan Forgiveness
- ❖ Prop 51 Funding

Expense Reduction Ideas

2018-19

- ❖ Central Services Redesign - Phase I
- ❖ Operational Efficiencies (e.g. Bell Schedule alignment, utilities savings, false alarm costs)
- ❖ Travel & Conference expenses
- ❖ Investments in Program

2019-20+

- ❖ Blueprint – School Portfolio Adjustments
- ❖ Central Services Redesign - Phase II+
- ❖ Other

: iam OUSD



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