

Oakland Military Institute College Preparatory Academy Meeting of the Governing Board 2024-2025 Original Budget June 4, 2024

Presented by Jacque Eischens
schoolAbility CBO Support Services



TODAY'S TOPICS

Governor's May Revision



Original Budget



Multiyear Projection



Governor's May Revision

May Revision Highlights

Minimal information released

Assumes small growth in 2024-25; slightly higher growth thereafter

8.4 billion of “Prop 98 Rainy Day Fund” used

1.07% Cost-of-living adjustment (COLA) fully funded with one-time dollars

\$189.9 million proposed to fully fund universal meals program

Cuts to Charter School Facilities Grant Program

May Revision Downside Risks

Many factors at play that could trigger recession

2024-25 revenues could easily swing +/- \$15 billion

Relies on one-time funds and entire Prop 98 reserve

State budget shows structural deficit

Original Budget

Original Budget Summary

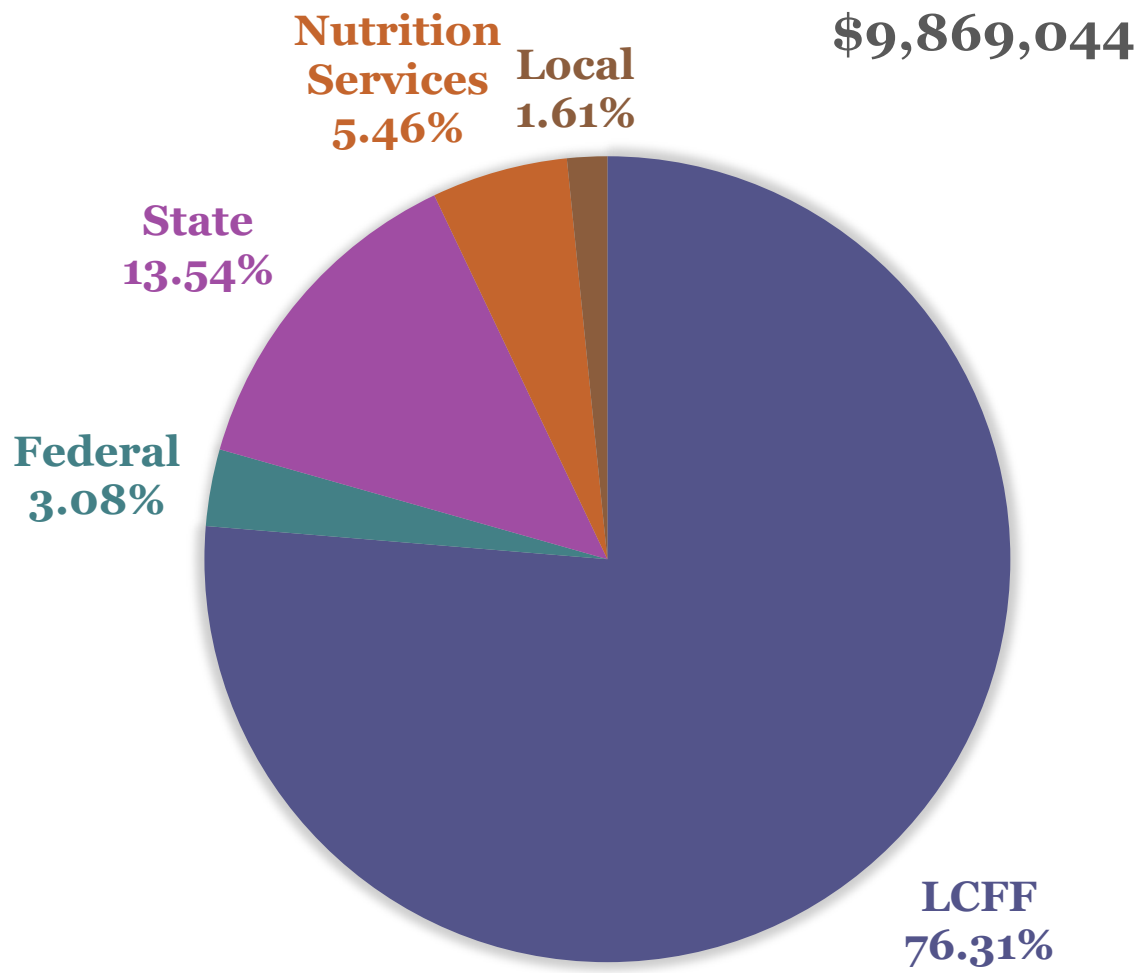
	2024-25
Enrollment	540
Average Daily Attendance	484
Beginning Fund Balance	
Beginning Fund Balance	12,050,226
Revenue	9,869,044
Expenditure	10,957,295
Ending Fund Balance	10,961,975
<i>Excess (Deficiency) of revenues over expenses</i>	<i>(1,088,251)</i>
Components of Ending Fund Balance	
Other Assignments	8,710,532
Balance	2,251,443

CASH PROJECTION	2024-25
Beginning Cash	3,391,178
Revenue	9,411,974
Expense	10,729,566
Ending Cash	2,073,586

Original Budget Comparison to Prior Year

	2023-24 Est. Actuals	2024-25 Original Budget	\$ Difference	% Difference
Enrollment	520	540		
Average Daily Attendance	485	484		
Beginning Fund Balance	12,077,861	12,050,226	(27,635)	-0.23%
Revenue	10,887,247	9,869,044	(1,018,203)	-9.35%
Expenditure	10,914,883	10,957,295	42,412	0.39%
Ending Fund Balance	12,050,225	10,961,975	(1,088,250)	-9.03%
<i>Excess (Deficiency) of revenues over expenses</i>	<i>(27,636)</i>	<i>(1,088,251)</i>	<i>(1,060,615)</i>	
Components of Ending Fund Balance				
Other Assignments	8,415,357	8,427,001	11,644	0.14%
Balance (Reserves)	3,634,868	2,534,974	(1,099,894)	

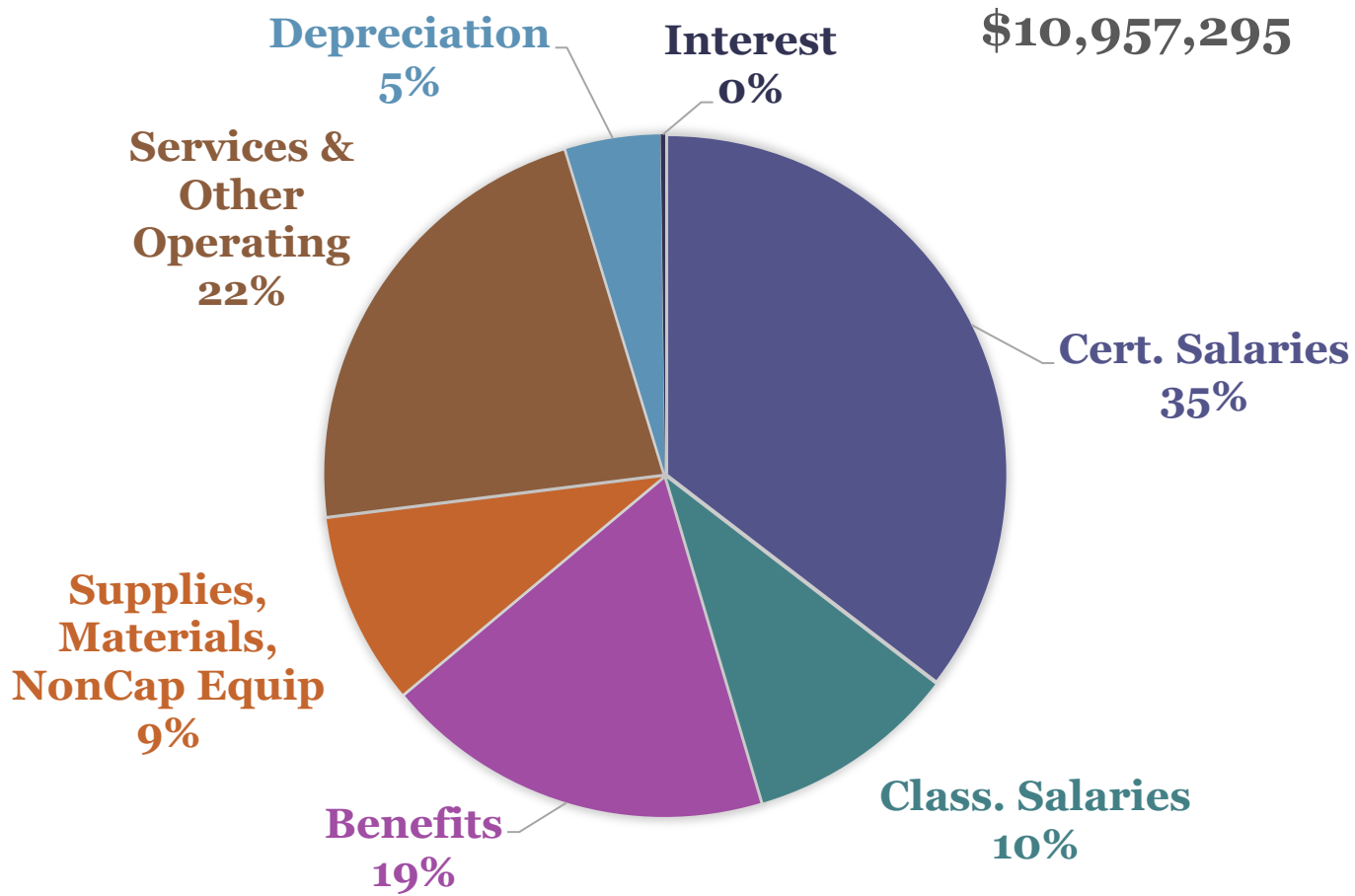
Original Budget Revenue



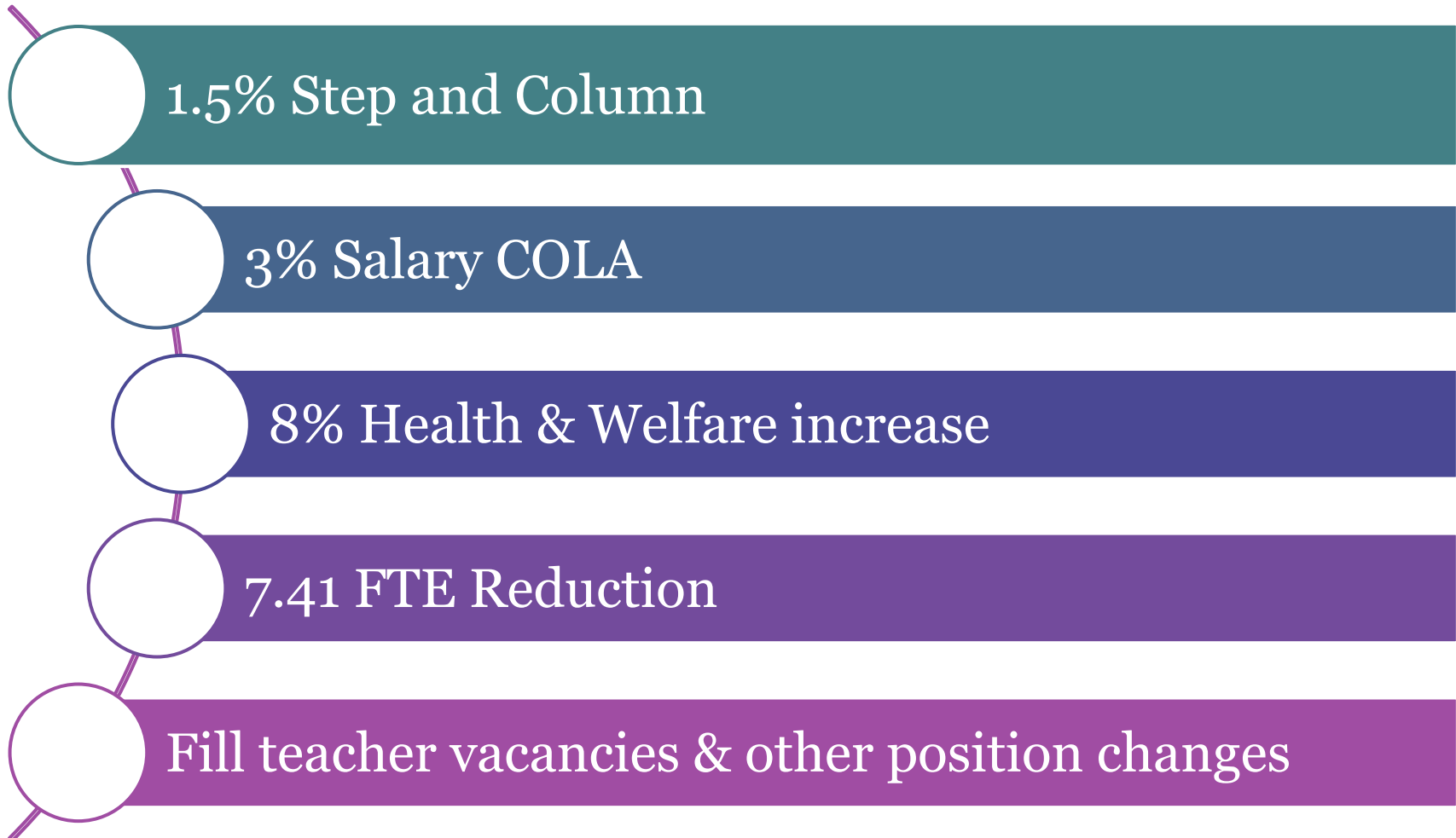
Budget Assumptions - Revenue

- 1.07% COLA (previous estimate: 0.76%)
- \$1.54M reduction in one-time & carryover funds
- 540 students (previous estimate: 550)
- 484 ADA – 90% attendance ration (previous estimate: 92%)
- 90% Unduplicated Pupil Percentage (previous estimate: 87.7%)

Second Interim Expenditures



Budget Assumptions Personnel Expenses



Budget Assumptions Non-Personnel Expenses

- \$151,300 decrease in professional development consultants
- \$160,700 decrease in curriculum and educational software
- \$98,000 decrease in military supplies & services
- \$175,000 increase in services for Students with Special Needs
- \$58,529 increase for student meals & other supplies and materials

MULTIYEAR PROJECTION

Multiyear Planning Factors

	2023-24	2024-25	2025-26	2025-26	2026-27
COLA	8.22%	1.07%	2.73%	3.11%	3.17%
Lottery per ADA	\$249	\$249	\$249	\$249	\$249
Mandated Block Grant					
K-8 per ADA	\$19.85	\$20.06	\$20.65	\$21.28	\$21.99
9-12 per ADA	\$55.17	\$55.76	\$57.39	\$59.16	\$61.11
CalSTRS	19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS	26.68%	27.05%	27.60%	28.00%	29.20%

Budget Multiyear Projection

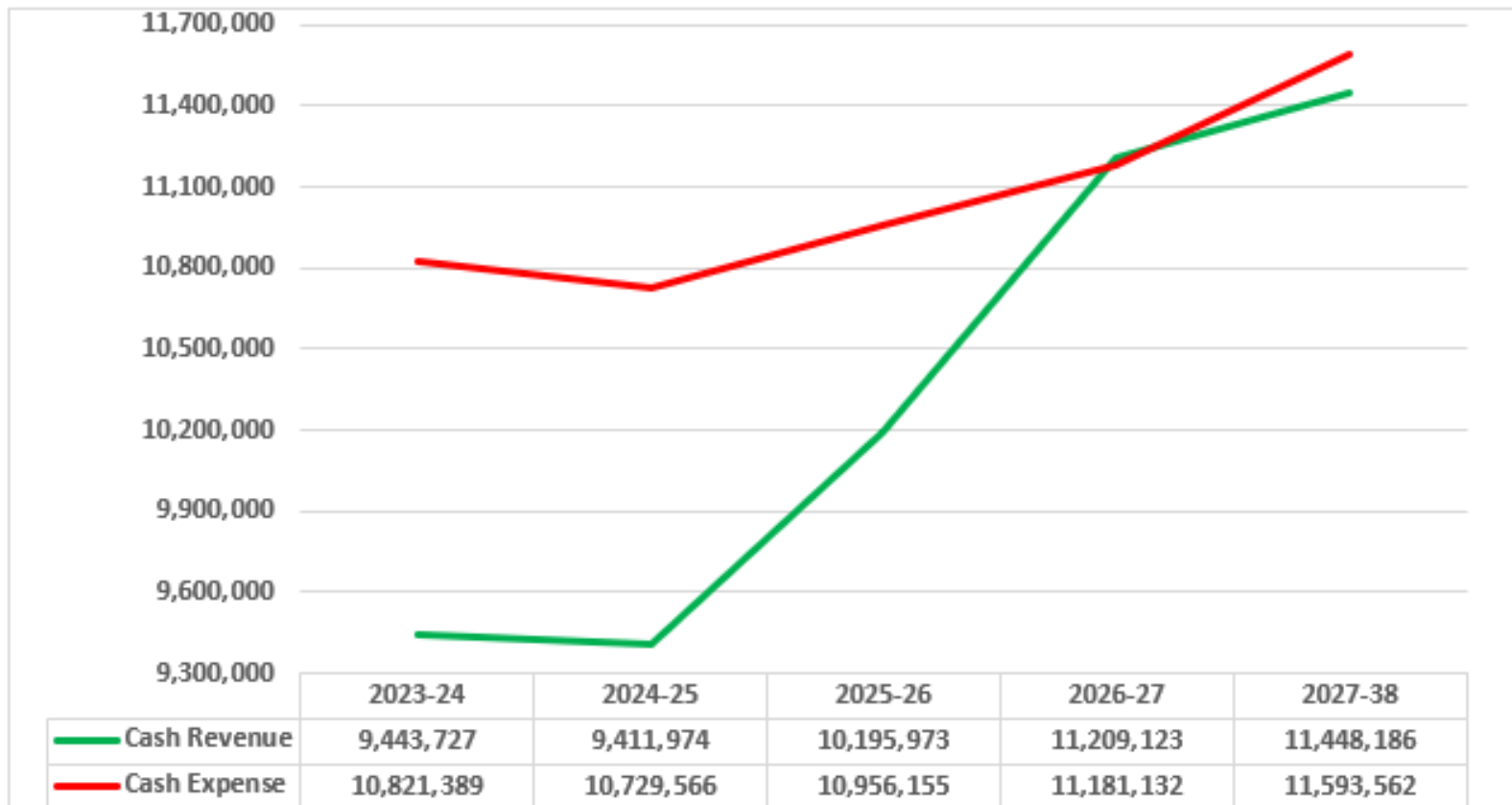
	2023-24	2024-25	2025-26	2026-27	2027-28
Enrollment	520	540	570	600	600
Average Daily Attendance	471	484	513	542	542
COLA	8.22%	1.07%	2.93%	3.08%	3.30%
Beginning Balance	12,077,861	12,050,226	10,961,974	10,181,687	9,829,936
Revenue	10,887,247	9,869,044	10,432,722	11,163,831	11,509,692
Expense	10,914,883	10,957,295	11,213,010	11,515,583	11,932,321
Ending Balance	12,050,226	10,961,974	10,181,687	9,829,936	9,407,307
<i>Excess(Deficiency) revenue over expenses</i>	<i>(27,635)</i>	<i>(1,088,251)</i>	<i>(780,288)</i>	<i>(351,751)</i>	<i>(422,629)</i>
Components of Ending Fund Balance					
Other Assignments	8,415,357	8,427,001	8,279,443	8,070,226	7,868,851
Balance (Reserves)	3,634,869	2,534,973	1,902,244	1,759,710	1,538,456

Cash Multiyear Projection

	2023-24	2024-25	2025-26	2026-27	2027-28
Enrollment	520	540	570	600	600
Beginning Cash	4,768,840	3,391,178	2,073,586	1,313,404	1,341,395
	9,443,727	9,411,974	10,195,973	11,209,123	11,448,186
	10,821,389	10,729,566	10,956,155	11,181,132	11,593,562
Ending Cash	3,391,178	2,073,586	1,313,404	1,341,395	1,196,019
<i>Excess(Deficiency) revenue over expenses</i>	<i>(1,377,662)</i>	<i>(1,317,592)</i>	<i>(760,182)</i>	<i>27,991</i>	<i>(145,376)</i>

Cash Multiyear Projection

Cash Multiyear Projection – Revenue to Expense Comparison



MULTIYEAR REVENUE PROJECTIONS

	2023-24	2024-25	2025-26	2026-27	2027-28
COLA	8.22%	1.07%	2.93%	3.08%	3.30%
LCFF	7,104,551	7,477,940	8,158,037	8,856,069	9,148,206
Other State	2,446,272	1,497,529	1,422,559	1,501,596	1,545,200
Federal	964,452	666,231	698,515	722,554	732,674
Local	371,972	157,344	153,612	83,612	83,612
Total	10,887,247	9,799,044	10,432,723	11,163,831	11,509,692

Attendance & Enrollment Data

Enrollment Change from Census Day to P-2			
	2021-22	2022-23	2023-24
Grade 6	-9	-3	-7
Grade 7	-8	-4	-4
Grade 8	-6	-5	-10
Grade 9	-11	-1	-4
Grade 10	-5	-6	-13
Grade 11	-12	1	-2
Grade 12	-2	0	-1
Total Change	-53	-18	-41

Attendance Ratio			
<i>*Grade level attendance not available for 2021-22</i>			
	2021-22*	2022-23	2023-24
Grade 6	92%	91%	91%
Grade 7		90%	91%
Grade 8	95%	89%	88%
Grade 9		95%	93%
Grade 10		91%	84%
Grade 11		94%	92%
Grade 12	94%	94%	90%
School Ratio	90%	92%	90%

MULTIYEAR EXPENDITURE PROJECTIONS

	2023-24	2024-25	2025-26	2026-27	2027-28
Certificated Salaries	3,831,130	3,881,171	4,075,230	4,278,991	4,492,941
Classified Salaries	970,959	1,094,230	1,148,267	1,205,005	1,264,580
Employee Benefits	1,818,062	2,027,933	2,136,663	2,258,066	2,402,858
Books and Supplies	938,703	997,232	1,024,170	1,044,490	1,044,834
Services & Other Operating Expenditures	2,880,805	2,440,747	2,321,520	2,240,234	2,246,179
Depreciation	451,010	492,898	485,231	468,043	461,377
Other Outgo*	24,214	23,084	21,930	20,754	19,552
Total Expenditures	10,914,883	10,957,295	11,213,011	11,515,583	11,932,321

MULTIYEAR EXPENDITURE PROJECTIONS

All Projection Years

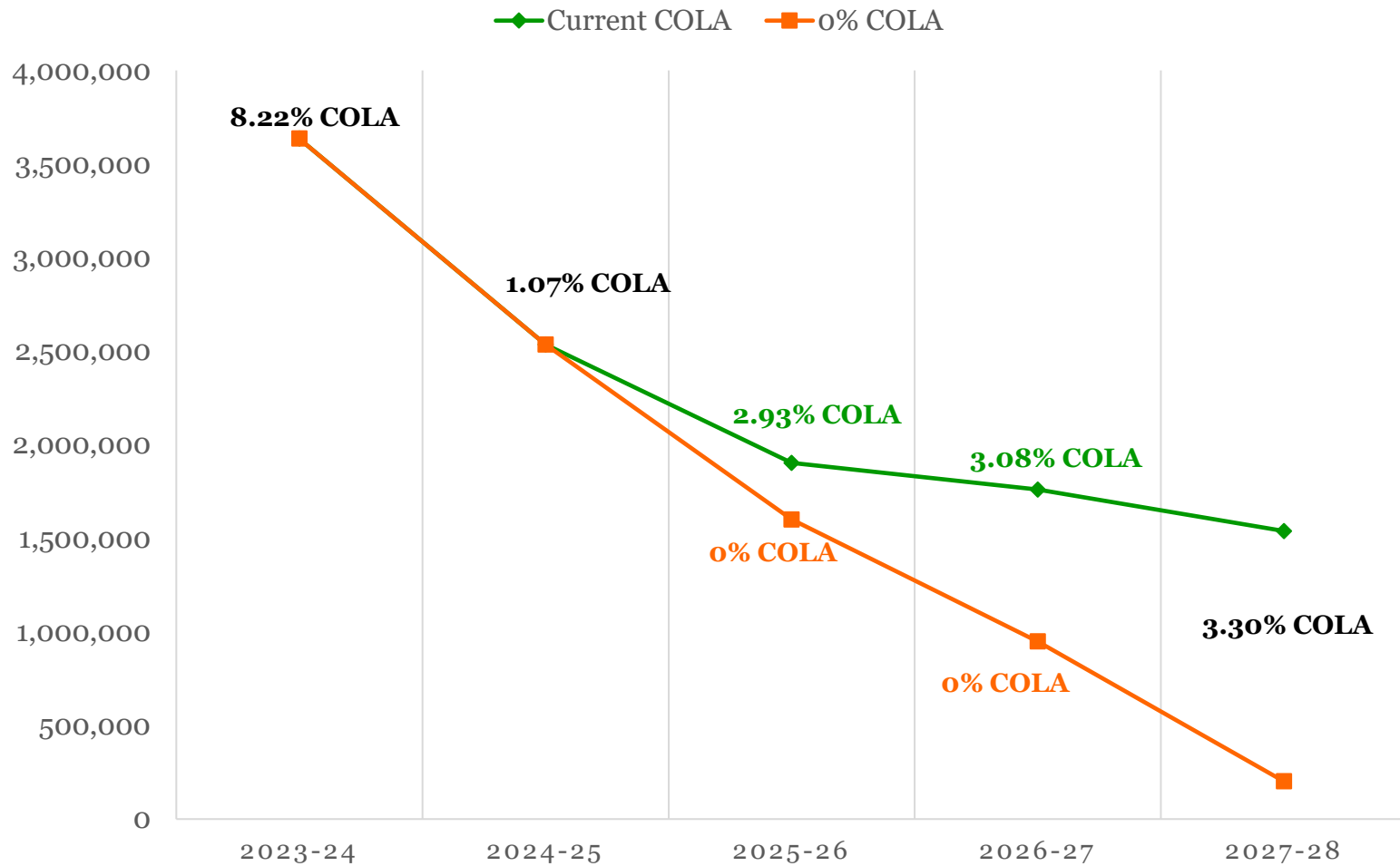
- 2% Step and Column & 3% Salary COLA increases
- 200 Chromebooks
- 20 Staff Computers
- 5.00% to 8.00% increase in health and welfare benefits
- Maintain 2024-25 staff FTE

Budget Multiyear Projection

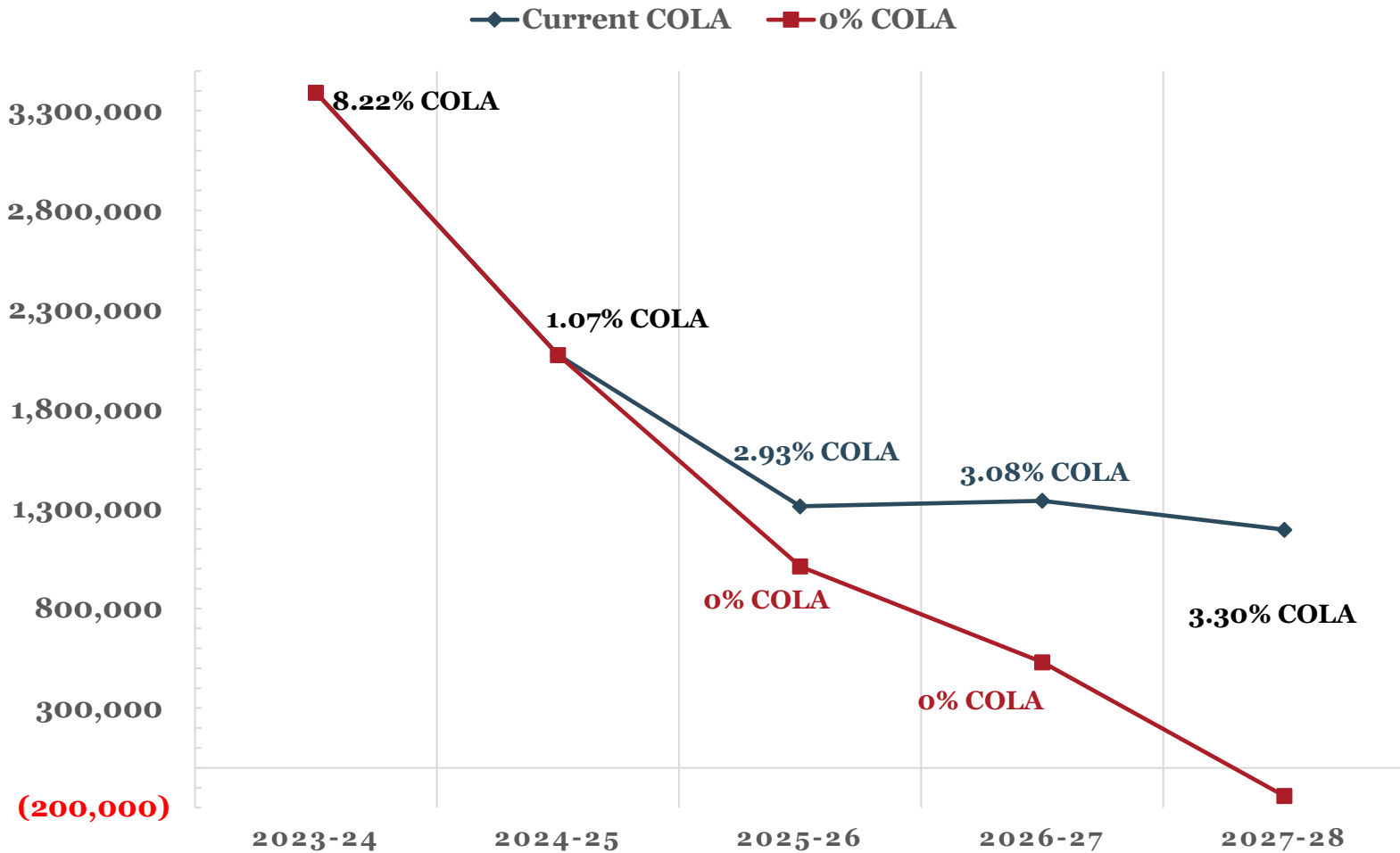
0% COLA in Two Out-Years

	2023-24	2024-25	2025-26	2026-27	2027-28
Enrollment	520	540	570	600	600
Average Daily Attendance	471	484	513	542	542
COLA	8.22%	1.07%	0%	0%	3.30%
Beginning Balance	12,077,861	12,050,226	10,961,974	9,879,512	9,018,627
Revenue	10,887,247	9,869,044	10,130,547	10,654,697	10,983,871
Expense	10,914,883	10,957,295	11,213,010	11,515,583	11,932,321
Ending Balance	12,050,226	10,961,974	9,879,512	9,018,627	8,070,177
<i>Excess(Deficiency) revenue over expenses</i>	<i>(27,635)</i>	<i>(1,088,251)</i>	<i>(1,082,463)</i>	<i>(860,885)</i>	<i>(948,450)</i>
Components of Ending Fund Balance					
Other Assignments	8,415,357	8,427,001	8,279,443	8,070,226	7,868,851
Balance (Reserves)	3,634,869	2,534,973	1,600,069	948,401	201,236

BUDGET Multiyear Projection Reserve Comparison



CASH Multiyear Projection Reserve Comparison



Multiyear Projection Summary

OMI expenses exceed revenue in current and future fiscal years in both cash and budget.

Based on current information and projection assumptions, OMI can meet its financial obligations and maintain a 10% cash reserve through 2027-28.

The Governor's May Revision is built on assumptions with downside risks. A negative change in any of these assumptions or the addition of cash deferrals would lead to consequences such as requiring cash loans or fiscal insolvency. It is important to keep this in mind when developing and updating multiyear projections.

Oakland Military Institute, College Preparatory Academy is working to identify expenditure reductions, increase enrollment and attendance, and obtain additional revenue sources. These steps are vital to maintaining the cash reserve and balancing the budget.