

2021-2022

First Interim Budget Update

December 14, 2021

Agenda

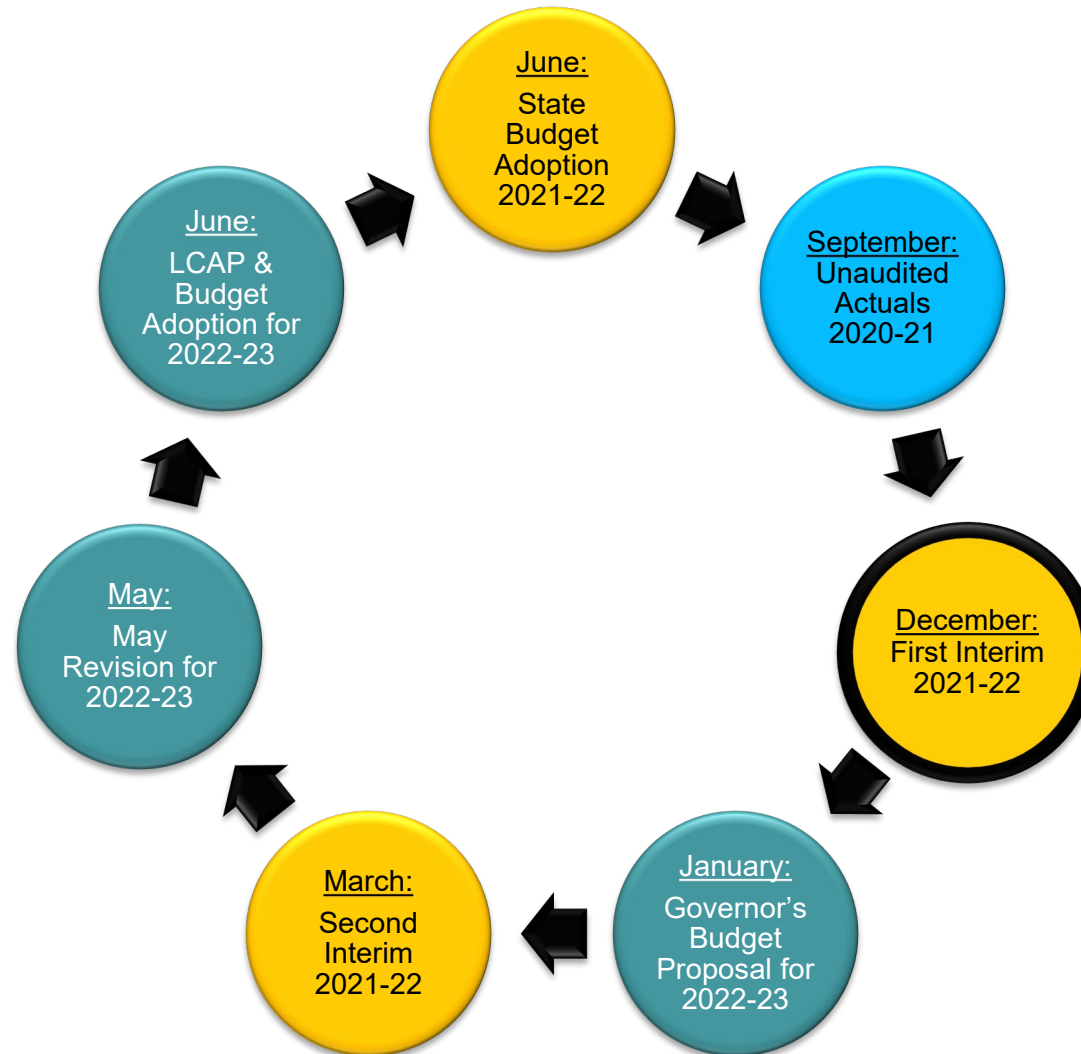
- Background
- Timeline
- Budget assumptions
- 2021-2022 General Fund budget & multi-year projections
 - One-time COVID funds
- Other Funds
- Parcel Taxes

Background

- Per state law, AUSD's Board must pass First Interim budget update by December 15 of each year.
- Board must certify that the District's projected financial outlook for 2021-22, 2022-23, and 2023-24 is one of the following:
 - **Positive: WILL MEET** the financial obligations for the current and two subsequent years
 - **Qualified: MAY NOT MEET** the financial obligations for the current and two subsequent fiscal years
 - **Negative: WILL BE UNABLE TO MEET** the financial obligations for the remainder of the current fiscal year and two subsequent fiscal years
- Staff recommends a positive certification.



First Interim Update



Factors Impacting California Education Budget

- State revenues are more than 26% or approximately \$11.2 billion above forecast through the first 4 months of FY2021-22.
 - What form will this revenue take for school districts?
- California unemployment rate fell to 7.3%. Approximately 67.4% of the 2.7 million jobs lost at the beginning of the pandemic are now filled.
- Inflation, year-over-year in October 2021, rose by 6.2%, primarily driven up by food and energy costs.

Enrollment

Year	Actual Enrollment	
2018-19	9,383	
2019-20	9,372	
2020-21	9,070	
	-302 students	
Year	Adoption 21-22	First Interim 21-22
2021-22 (Projected)	9,006	8,720
2022-23 (Projected)	9,006	8,546
2023-24 (Projected)	9,006	8,374
		-350 students
		Assuming 2% Decline

Students who qualify for English Language Services or Free/Reduced Priced Meal (Unduplicated Students)

Year	Actual Enrollment	
2018-19	3,144	
2019-20	2,936	
2020-21	2,743	
	- 193 / 302 students	
Year	Adoption 21-22	First Interim 21-22
2021-22 (Projected)	2,661	2,451
2022-23 (Projected)	2,581	2,401
2023-24 (Projected)	2,503	2,353
	- 292 / 350 students	
	Assuming 2% Decline	

Student Decline Data

Exit Reason	2019-20	2020-21	2021-22 (year-to-date)	Cumulative Total
Other California Public School	57%	51%	43%	52%
Out of State	21%	19%	9%	18%
Out of Country	6%	5%	5%	5%
Private Schools	9%	16%	7%	12%
Unknown	7%	9%	36%	13%

**Approx.
150
students**

- “Negative Bubble”
- District data cross referenced with State CalPads data
- The student group with largest enrollment decline (TK, K, and First grade students who never enrolled) are not included.
- Transfer to local charter schools also not included.

Assumptions

Categories	Source	2021-22		2022-23		2023-24	
		Adopted	Revised	Adopted	Revised	Adopted	Revised
District Enrollment	CALPADS/ Projection	9,006	8,720	9,006	8,546	9,006	8374
ADA - Actual/Projected		8,610	8,284	8,610	8,127	8,610	7973
District Funded ADA-Actual/Projected		8,976	8,976	8,610	8,279	8,610	8122
ADA as a Percentage of Total Enrollment		99.67%	102.94%	95.60%	96.88%	95.60%	96.99%
Unduplicated EL/FRPM Count		2,661	2,451	2,581	2,401	2,503	2353
Unduplicated EL/FRPM Percentage		29.5%	28.1%	28.7%	28.1%	27.8%	28.1%
COLA	ACOE	5.07%		2.48%		3.11%	
State Teacher's Retirement System	CDE	16.92%		19.10%		19.10%	
Public Employee Retirement System	PERS	22.91%		26.10%		27.10%	
Deferred Maintenance Budget	AUSD	\$500K	\$500K	\$500K	\$500K	\$2Million	\$500K

Changes from Budget Adoption

- \$1.2 Million reduction in certificated salaries
- \$600K reduction in employee benefits
- Increase in supplies: Posting of carryover to pay for purchase orders rolled over from 2020-21
- Increase in services: \$3 Million added to Special Education budget in 21-22, 22-23 and 23-24
- Summary:
 - Reduction in salaries & benefits
 - Increase in services for special education

General Fund Update for FY 2021-2022

	Unrestricted			Restricted			Total
	Totally Unrestricted	LCFF Supplemental Grant	Parcel Tax (A & B1)	Special Education	Other Restrictcd	Various COVID-19 Resources	General Fund
REVENUES							
LCFF Revenue	\$ 86,733,615			\$ 747,522	\$ -		\$ 87,481,137
Federal Categorical Revenue	-			2,238,858	1,861,816	7,426,730	11,527,404
State Categorical Revenue	1,789,858			1,063,256	6,056,309	2,546,610	11,456,033
Local Revenue	428,161		23,338,294	6,550,561	1,286,483		31,603,499
Revenues	\$ 88,951,634	\$ -	\$ 23,338,294	\$ 10,600,197	\$ 9,204,608	\$ 9,973,340	\$ 142,068,073
EXPENDITURES							
Salaries & Benefits	\$ 47,917,051	\$ 3,740,580	\$ 20,989,775	\$ 20,026,537	\$ 9,847,422	\$ 3,382,283	\$ 105,903,648
Books & Supplies	2,832,554	75,518	175,000	224,971	2,449,685	2,654,147	8,411,875
Services & Op. Expenses	9,136,301	1,510,961	295,000	10,565,364	2,989,555	2,353,630	26,850,811
Capital Outgo & Transfers	(3,085,055)	351,144	1,758,397	1,823,779	608,333	3,806,334	5,262,932
Expenditures	\$ 56,800,851	\$ 5,678,203	\$ 23,218,172	\$ 32,640,651	\$ 15,894,995	\$ 12,196,394	\$ 146,429,266
Excess (Deficiency) of Revenues over Expenditures	\$ 32,150,783	\$ (5,678,203)	\$ 120,122	\$ (22,040,454)	\$ (6,690,387)	\$ (2,223,054)	\$ (4,361,193)
Other Sources (Uses)	\$ (31,528,116)	\$ 4,874,657		\$ 21,988,368	\$ 4,665,091	\$ -	\$ -
Net Inc. (Dec) in Fund Bal.	\$ 622,667	\$ (803,546)	\$ 120,122	\$ (52,086)	\$ (2,025,296)	\$ (2,223,054)	\$ (4,361,193)
Beginning Balance	\$ 16,923,903	\$ 803,546	\$ -	\$ 52,091	\$ 4,623,790	\$ 2,618,001	\$ 25,021,331
Ending Balance	\$ 17,546,570	\$ -	\$ 120,122	\$ 5	\$ 2,598,494	\$ 394,947	\$ 20,660,138
Revolving Fund/Restricted	\$ 50,000	\$ -	\$ -	\$ 5	\$ 2,598,494	\$ 394,947	\$ 3,043,446
Unassigned Ending Fund Balance	\$ 17,496,570	\$ -	\$ 120,122	\$ -	\$ -	\$ -	\$ 17,616,692

Multiyear Projections - Unrestricted General Fund

Line	Description	2021-2022	2022-2023	2023-24
		Revised	Projected	Projected
A	Projected Beginning Balance, July 1	\$ 17,727,449	\$ 17,666,692	\$ 8,940,607
B	Revenues	\$ 112,289,928	\$ 107,735,556	\$ 108,569,114
C1	Expenditures	85,315,423	86,157,164	86,641,190
C2	Contribution to Restricted Programs	27,035,262	30,304,477	30,701,447
D = B-C1-C2	Surplus (Deficit)	\$ (60,757)	\$ (8,726,085)	\$ (8,773,523)
E = A+D	Projected Ending Balance, June 30	\$ 17,666,692	\$ 8,940,607	\$ 167,084
F	Assignments/Commitments	\$ 50,000	\$ 50,000	\$ 50,000
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 17,616,692	\$ 8,890,607	\$ 117,084

Full Time Equivalent (FTE) Employees

- District has reduced its formula-based FTE in response to decline in enrollment
- Instructional Coaches and Intervention Leads (TSAs) are paid using Supplemental funds

Employee Category	2019-20	2020-21	2021-22 Budget Adoption	2021-22 First Interim
Certificated Non-Management	543.0	520.5	528.6	518.0
Classified Non-Management	329.6	304.6	302.4	314.3
Certificated Management	39.5	40.0	41.0	41.6
Classified Management	17.8	17.6	17.7	18.7
Total	929.9	882.6	889.7	892.6

Temporary Positions Funded Using COVID One-Time Funds

Employee Category	2021-22	2022-23	2023-24	2024-25
Academic Counselors	3	3	3	
Program Manager - Assessment	1	1	1	
Program Manager - Mental Health	1			
Teacher on Special Assignment - Learning Loss	1	1	1	
Education Equity/Family Engagement Coordinator*	1	1		
Psychologist	1			
Assistant to Community Affairs Manager	1	1		
Paraprofessionals	10			
Total	19	7	5	

*Transfers to LCFF Supplemental Funds

One-Time Addition to the Ending Fund Balance

Components of Increase in Ending Fund Balance	
Description	Amount (Millions)
6 Professional Days in June 2020 transferred from Unrestricted General Fund to CARES Act	1.5
4 Professional Days in August 2020 transferred from Unrestricted General Fund to CARES Act	0.9
Partial Cost of Remote School in 2020-21 paid using CARES Act	0.9
Savings in transportation costs for students with Special Education Services	1.6
Total One-time Savings	4.9

COVID-19 One-Time Funds*

Expenditure Description	2020-21	2021-22	2022-23	2023-24	Total
Academic Counselors		\$ 271,487	\$ 384,000	\$ 384,000	\$ 1,039,487
Summer School		\$ 850,000	\$ 865,873	\$ 504,692	\$ 2,220,565
Acceleration Programs at Site Discretion		\$ 1,400,754			\$ 1,400,754
Additional Special Education Services	\$ 1,708	\$ 1,100,000			\$ 1,101,708
Paraprofessionals for Special Education Services		\$ 578,608			\$ 578,608
Program Manager - Assessment		\$ 138,808	\$ 160,000	\$ 160,000	\$ 458,808
Program Manager - Mental Health		\$ 85,000			\$ 85,000
Mental Health Services		\$ 300,000	\$ 300,184		\$ 600,184
Teacher on Special Assignment - Learning Loss		\$ 120,000	\$ 120,000	\$ 120,000	\$ 360,000
Education Equity/Family Engagement Coordinator		\$ 94,519	\$ 103,970		\$ 198,489
Additional Nursing Staff		\$ 210,000			\$ 210,000
Parent Engagement & Inclusion		\$ 55,500			\$ 55,500
Leadership Development Equity		\$ 62,500			\$ 62,500
Assistant to Community Affairs Manager		\$ 86,851	\$ 86,851		\$ 173,702
Elementary Furniture		\$ 1,588,204			\$ 1,588,204
HVAC - Ventilation Upgrades	\$ 684,768	\$ 3,387,399	\$ 1,675,592	\$ 120,000	\$ 5,867,759
Outdoor Furniture for Schools (Lunch Tables/Shades)	\$ 38,481	\$ 176,856			\$ 215,337
Classroom Supplies	\$ 53,364	\$ 2,000			\$ 55,364
Food Services	\$ 400,000				\$ 400,000
Chromebooks & Accessories	\$ 8,169	\$ 324,259			\$ 332,428
Personal Protective Equipment (PPE)	\$ 109,639	\$ 300,000	\$ 300,000		\$ 709,639
Total	\$ 1,296,129	\$ 11,132,745	\$ 3,996,470	\$ 1,288,692	\$ 17,714,036

*Expenditures highlighted in gold are projected to continue using Unrestricted General Fund

Expanded Learning Opportunity Program (ELOP)

- Provide Before or After School services to provide no less than a nine-hour school day
- Complements the After School & Education Safety (ASES) program
- Program Requirements
 - Nine hour expanded learning day
 - Thirty days of nine hour Intersession or Summer School days
 - 20:1 student to adult ratio, 10:1 for TK/K
 - Must offer to all unduplicated students in TK-6, and provide to at least 50% of unduplicated students in TK-6
- Funding
 - On-going under AB 130
 - Approximately \$1 million for AUSD
- Opportunity to partner with community organizations with infrastructure
- Questions remain about adequacy of funds to implement this program in its current form

Expanded Learning Opportunity Program (ELOP)

Nine Hour Expanded Learning Day

- Applicable to 562 elementary students at Bay Farm, Earhart, Otis, Edison, Franklin, and Paden
- Students at Love, Ruby, and Maya are already covered under ASES
- 150 sixth grade students at Bay Farm, Lincoln, Wood, and Encinal Jr. Jets

Thirty days of nine hour Intercession or Summer School days

- 1,150 elementary students and 150 sixth grade students
- Applicable to all Elementary and 6th grades

Certificated Salaries – 2020-21 Actuals Versus 2021-22 Adopted Budget

Alameda Unified
Alameda County

Unaudited Actuals
General Fund
Unrestricted and Restricted
Expenditures by Object

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Form 01

Description	Resource Codes	Object Codes	2020-21 Unaudited Actuals			2021-22 Budget			% Diff Column C & F
			Unrestricted (A)	Total Fund col. A + B (C)		Unrestricted (D)	Total Fund col. D + E (F)		
A. REVENUE				\$54.32 M		\$58.58 M		+ \$4.26 M	
1) LCFF Source	Teachers	Salaries for Positions	Description			Unrestricted General Fund COVID Funds Total			
2) Federal Revenue	Counselors	Stipends	Step & Column			\$ 600,000			591,837.00 4.9%
3) Other State Revenue	Psychologists	Hourly	Athletic Stipends			\$ 129,423			567,770.00 -26.3%
4) Other Local Revenue	Principals/Vice Principals	Salaries	Hourly:			\$ -			642,298.00 -30.6%
5) TOTAL, REVENUES	Certificated Management	Substitute Employees	Text Book Adoption			\$ 175,000			501,507.00 -2.9%
	Longevity		Summer School			\$ 324,000			303,412.00 -2.5%
			Site Discretionary			\$ 685,880			
B. EXPENDITURE			Substitute Employees			\$ 758,000			585,954.00 7.8%
1) Certificated Salaries			Librarians			\$ 212,000			021,578.00 9.5%
2) Classified Salaries	2000-2999		Counselors			\$ 297,009			235,587.00 14.4%
3) Employee Benefits	3000-3999		Positions filled with			\$ 720,000			865,996.00 -5.3%
4) Books and Supplies	4000-4999		Contractors			\$ 88,000			849,450.00 -0.2%
5) Services and Other Operating Expenditures	5000-5999		TSA - Learning Loss			\$ 1,394,889			572,442.00 114.3%
6) Capital Outlay	6000-6999		Total			\$ 2,594,423			528,156.00 -3.1%
7) Other Outgo (excluding Transfers of Indirect Costs)	7100-7299								
8) Other Outgo - Transfers of Indirect Costs	7400-7499								
9) TOTAL, EXPENDITURES	7300-7399		(2,331,410.71)	2,140,325.66	(191,085.05)	(2,558,514.00)	2,260,636.00	(297,878.00)	55.9%
			75,850,184.73	49,903,481.00	125,753,665.73	83,544,010.00	52,817,275.00	136,361,285.00	8.4%

Reserve Fund

- California School Boards Association (CSBA) recommends 17% Reserve for Unified School Districts
- Additional reserves can provide a cushion against
 - Decline in enrollment
 - Change in demographics
 - Cushion for a softer landing in case future parcel tax renewals are not sought or fail

Description	Amount	Percentage of General Fund Expenditures
Reserve for Economic Uncertainties		
3% of Expenditures (Required by the State)	\$ 4,381,423	3.00%
Three weeks worth of salary	\$ 6,499,211	4.45%
Additional Reserve	\$ 3,941,265	2.70%
Total Reserve in Fund 17	\$14,821,899	10.15%

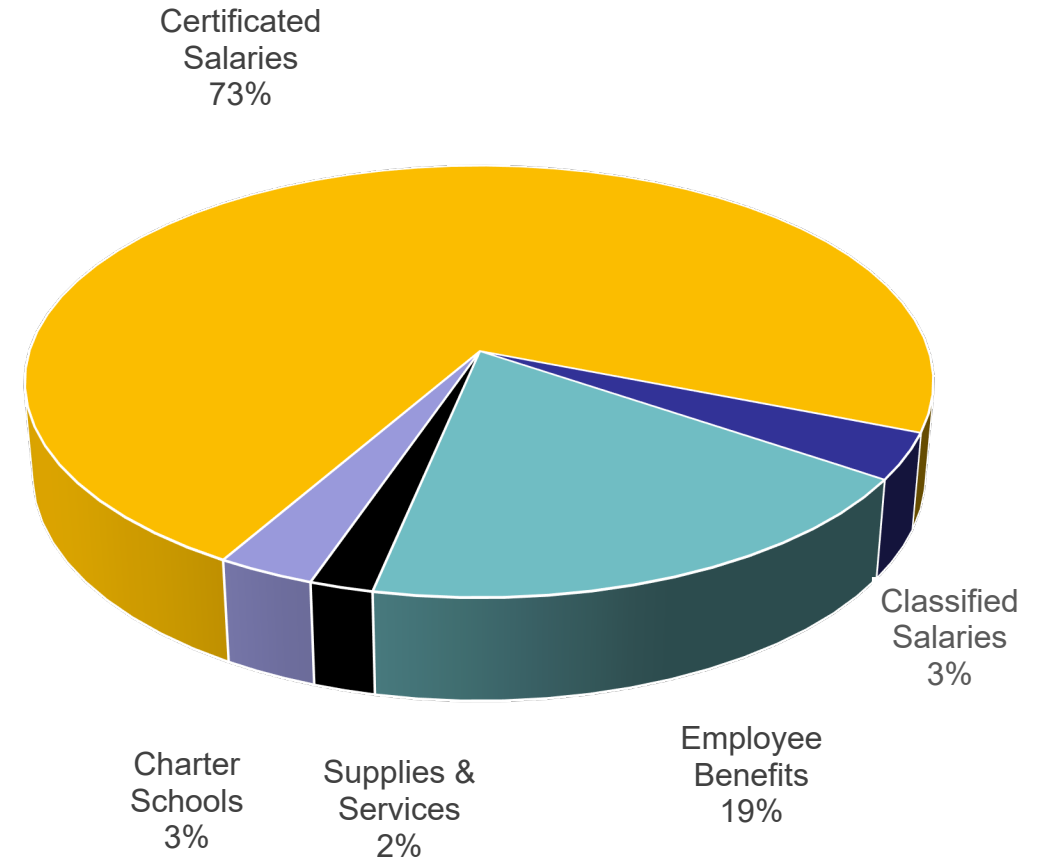
Other Funds

- Held harmless or slight gain in Federal & State Revenue
- Decline in local revenue (student fees, cost of meal)
- Outlook
 - Stable for 2021-22 and 2022-23

	Adult Education		WCDC		Food Services	
Description	Adoption	First Interim	Adoption	First Interim	Adoption	First Interim
Federal & State Revenue	\$1,090,848	\$1,135,063	\$2,041,606	\$2,151,651	\$2,488,374	\$4,013,881
Parcel Tax - Measure A	\$ 95,557	\$ 95,557	\$ 134,774	\$ 134,774	\$ 144,629	\$ 144,629
Local Revenue				\$ 21,822	\$ 73,985	\$ 193,935
Total Revenue	\$1,186,405	\$1,230,620	\$2,176,380	\$2,308,247	\$2,706,988	\$4,352,445
Total Expenditures	\$1,186,405	\$1,665,568	\$2,176,380	\$2,387,627	\$3,128,298	\$4,191,998

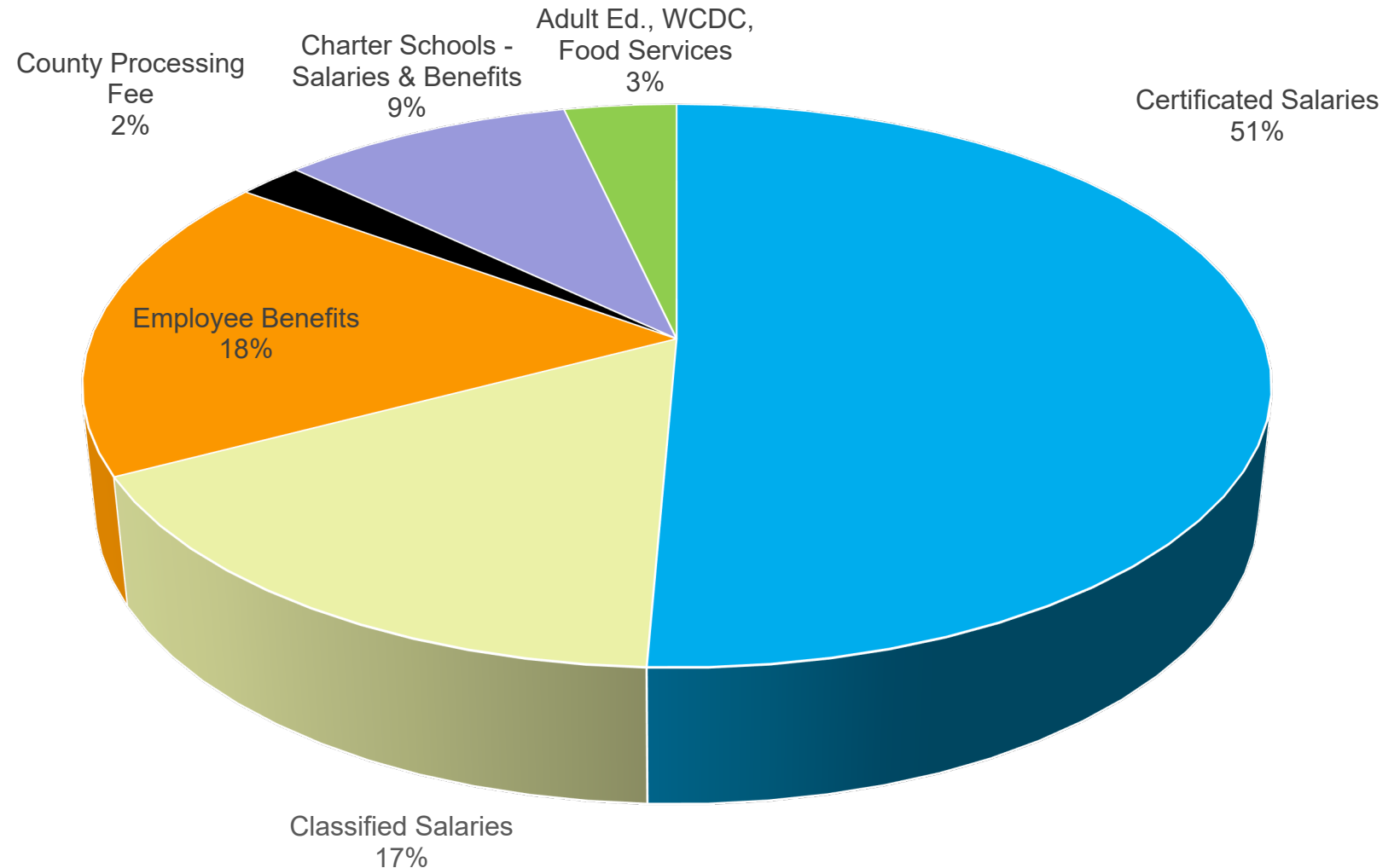
Parcel Tax – Measure B1

PTAX #	Description	Approved Percentage Range	Budget (Amount)	Budget (%)
1	Small Class Sizes in K-3	14% to 15%	\$ 1,746,000	14.10%
2	Neighborhood Elementary Schools	7% to 8%	879,000	7.10%
3	Scndary School Choice Initiative	7%-8%	929,004	7.50%
4	Programs to Close the Achivement Gap	13% to 14%	1,679,404	13.56%
5	High School Athletics Program	4%	495,000	4.00%
6	Enrichment Program	9-10%	1,183,260	9.55%
7	Attract and Retain Excellent Teachers	30-31%	3,729,000	30.10%
8	Counseling and Student Support	6%	742,908	6.00%
9	Alameda Charter Students	3-4%	384,000	3.10%
10	Technology	5%	619,420	5.00%
11	Adult Education	0%	-	0.00%
		Sub-Total	12,386,996	
12	Accountability and Fiscal Transparency		182,813	
		Total	\$ 12,569,809	



Parcel Tax – Measure A

Description	Budget (Amount)
Certificated Salaries	\$ 5,396,463
Classified Salaries	1,768,792
Employee Benefits	1,888,711
County Processing Fee	220,000
Charter Schools - Salaries & Benefits	992,594
Adult Education	95,557
WCDC	134,774
Food Services	144,629
Capital Facilities	6,843
	\$ 10,648,363



Looking Ahead

- Budget Proposal for 22-23 on January 10, 2022 – will give first glimpse at the Governor's priorities for FY 2022-23 and beyond
 - All eyes on what form additional revenue may take for school districts
- Second Interim closes on January 31
 - Presentation on March 8

Acronyms

AB	Assembly Bill	CPI	Consumer Price Index	LEA	Local Educational Agency
ACA	Affordable Care Act	CTE	Career Technical Education	LRE	Least Restrictive Environment
ADA	Average Daily Attendance	DOF	Department of Finance	MAA	Medi-Cal Administrative Activities
AP	Advanced Placement	DSA	Division of the State Architect	MOU	Memorandum of Understanding
API	Academic Performance Index	EC	Education Code	MTSS	Multi-Tiered Systems of Support
AYP	Adequate Yearly Progress	EL	English Learner	MYP	Multiyear Projection
BTSA	Beginning Teacher Support and Assessment	EPA	Education Protection Account	OPEB	Other Postemployment Benefits
CAASPP	California Assessment of Student Performance and Progress	ERAF	Education Revenue Augmentation Fund	OPSC	Office of Public School Construction
CALPADS	California Longitudinal Pupil Achievement Data System	ESL	English as a Second Language	P-1	First Principal (Apportionment)
CalPERS	California Public Employees Retirement System	ESSA	Every Student Succeeds Act	P-2	Second Principal (Apportionment)
CalSTRS	California State Teachers Retirement System	ESY	Extended School Year	PAR	Peer Assistance and Review
CALTIDES	California Longitudinal Teacher Integrated Data Education System	FAPE	Free and Appropriate Public Education	PD	Professional Development
CARS	Consolidated Application and Reporting System	FCMAT	Fiscal Crisis & Management Assistance Team	PI	Program Improvement
CASEMIS	California Special Education Management Information System	FERPA	Family Educational Rights and Privacy Act	PTA	Parent Teachers Association
CBA	Collective Bargaining Agreement	FRPM	Free and Reduced-Price Meals	RDA	Redevelopment Agency
CBEDS	California Basic Educational Data System	FTE	Full-Time Equivalent	SACS	Standardized Account Code Structure
CCSS	Common Core State Standards	GAAP	Generally Accepted Accounting Principles	SBE	State Board of Education
CDE	California Department of Education	GASB	Governmental Accounting Standards Board	SDC	Special Day Class
CELDT	California English Language Development Test	IEP	Individualized Education Program	SELPA	Special Education Local Plan Area
CNIPS	Child Nutrition Information Payment System	LAO	Legislative Analyst's Office	SPSA	Single Plan for Student Achievement
COE	County Office of Education	LCAP	Local Control and Accountability Plan	TK	Transitional Kindergarten
COLA	Cost-of-Living Adjustment	LCFF	Local Control Funding Formula	TRANS	Tax and Revenue Anticipation Notes
COP	Certificate of Participation			UPP	Unduplicated Pupil Percentage