

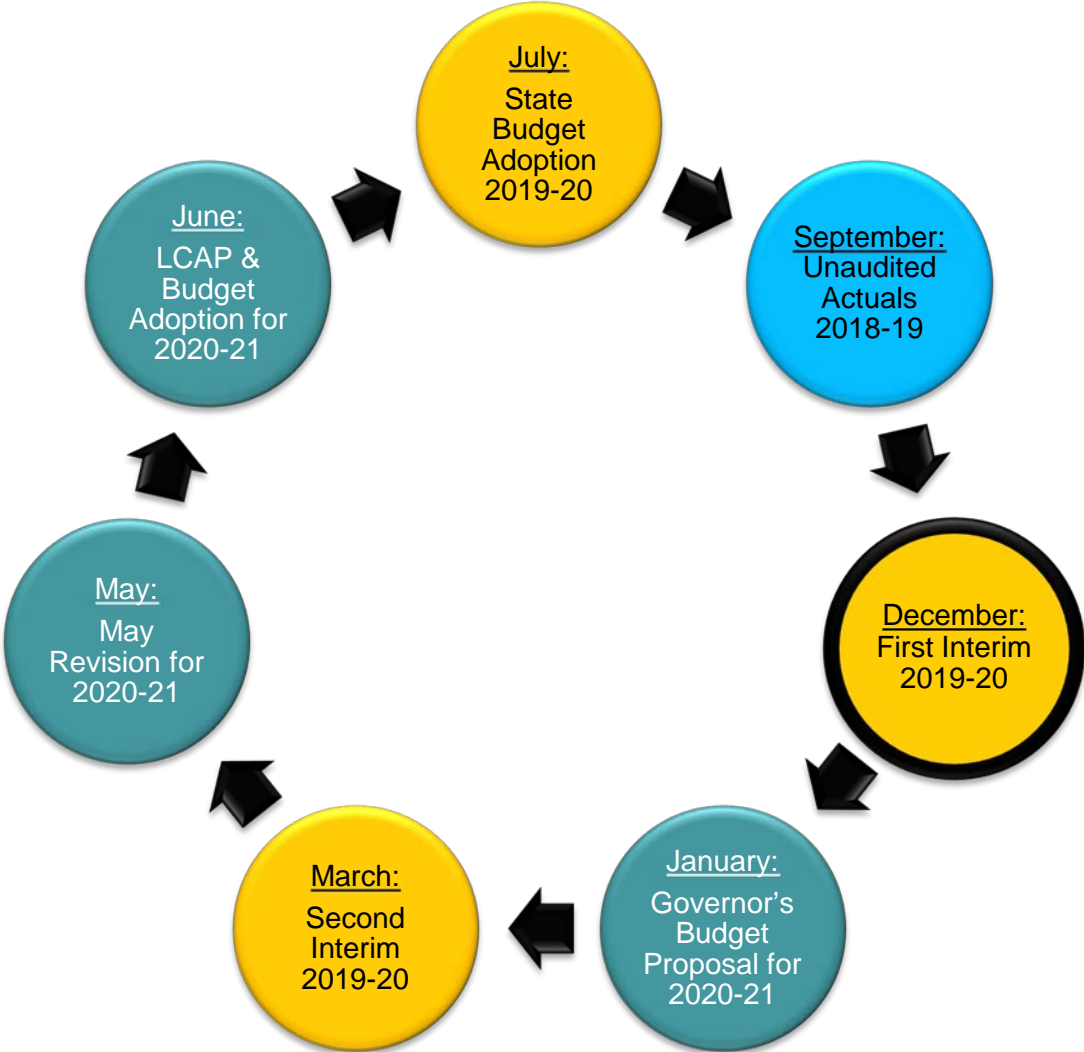
**2019-2020**

**First Interim Budget Update**

**December 10, 2019**

# 2019-2020 Budget – First Interim Update

---



# 2019-2020 Budget – First Interim Update

## Agenda

---

- Background
- Updated budget assumptions
- 2019-20 budget update for General Fund
- Multi-year projections
- Fiscal sustainability

# 2019-2020 Budget – First Interim Update

## 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 2019-20, 2020-21, and 2021-22 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.



# 2019-2020 Budget – First Interim Update

## Significant Changes Since Budget Adoption

---

- Compensation increases
  - 4% on-going
  - 9% on-going, contingent upon passage of parcel tax
- Textbook set-aside reduced by \$1M
- Deferred Maintenance reduced to \$500K for 2021-22
- Special Education pre-school one-time funds \$691K
- PERS contribution for 19-20 reduced by \$175K

# 2019-2020 Budget – First Interim Update

## Enrollment & Unduplicated Trend

School	Enrollment		
	2018-19	2019-20	Increase (Decrease)
Bay Farm	608	606	(2)
Earhart	650	652	2
Edison	473	467	(6)
Franklin	333	320	(13)
Love	551	550	(1)
Lum	30	-	(30)
Maya Lin	423	449	26
Otis	638	638	-
Paden	397	421	24
Ruby Bridges	481	471	(10)
<b>Totals</b>	<b>4,584</b>	<b>4,574</b>	<b>(10)</b>

School	Enrollment		
	2018-19	2019-20	Increase (Decrease)
Junior Jets	271	228	(43)
Lincoln	876	881	5
Wood	576	609	33
<b>Totals</b>	<b>1,723</b>	<b>1,718</b>	<b>(5)</b>
Alameda	1,760	1,756	(4)
ASTI	191	185	(6)
Encinal	991	979	(12)
Island	88	83	(5)
<b>Totals</b>	<b>3,030</b>	<b>3,003</b>	<b>(27)</b>

# 2019-2020 Budget – First Interim Update

## Enrollment & Unduplicated Trend

	<b>Enrollment</b>	<b>Average Daily Attendance (ADA) - Count</b>	<b>Average Daily Attendance (ADA) - Percentage</b>	<b>Number of Students who Qualify for Free or Reduced Priced Meal</b>	<b>Number of Students who Qualify as English Learners</b>	<b>Unduplicated Count</b>	<b>Unduplicated Percentage</b>
2013-14	9,484	9,094	95.9%			3,806	40.1%
2014-15	9,499	9,093	95.7%	2,854	1,783	3,690	38.8%
2015-16	9,454	9,078	96.0%	2,506	1,696	3,385	35.8%
2016-17	9,481	9,082	95.8%	2,541	1,598	3,307	34.9%
2017-18	9,502	9,075	95.5%	2,840	1,457	3,437	36.2%
2018-19	9,383	8,979	95.7%	2,475	1,277	3,144	33.5%
2019-20	9,358	8,946	95.6%	2,408	1,120	2,927	31.3%

# 2019-2020 Budget – First Interim Update

## Assumptions

Line #	Categories	Source	2018-19	2019-20	2019-20	2020-21	2021-22
			Actual	Budget Adoption	First Interim	Projected	Projected
1	District Enrollment	AUSD	9,383	9,380	9,358	9,358	9,358
2	District ADA-Actual/Projected	AUSD	8,979	8,979	8,946	8,946	8,946
3	ADA as a Percentage of Total Enrollment	AUSD	95.69%	95.72%	95.60%	95.60%	95.60%
4	Unduplicated EL/FRM Count (Count)	CALPADS	3,144	3,049	2,927	2,816	2,709
5	Unduplicated EL/FRM Count (Percentage)	CALPADS	33.51%	32.51%	31.28%	30.09%	28.95%
6	Unduplicated EL/FRM Count (3-yr rolling %)	CDE					
7	COLA	DOF	3.70%	3.26%	3.26%	3.00%	2.80%
8	LCFF GAP Funding Percentage	DOF	42.97%	100.00%	100.00%		
9	District's contribution to:						
10	State Teachers Retirement (STRS)	STRS	16.28%	16.70%	17.10%	18.40%	18.10%
11	Public Employees Retirement (PERS)	PERS	18.06%	20.73%	19.72%	22.70%	24.60%
12	One-time Funds		\$1.6M		\$691K		



# 2019-2020 Budget – First Interim Update

## General Fund

Line #		Unrestricted			Restricted	Total
		Totally Unrestricted	LCFF Supplemental Grant	Parcel Tax	Restricted	General Fund
1	<b>REVENUES</b>					
2	LCFF Revenue	\$ 77,971,445	\$ 5,220,449	\$ -	\$ 670,381	\$ 83,862,275
3	Federal				\$ 4,219,811	\$ 4,219,811
4	Other State	\$ 2,510,399			\$ 6,993,948	\$ 9,504,347
5	Other Local	\$ 1,591,547		\$ 12,568,720	\$ 5,761,603	\$ 19,921,870
6	<b>Revenues</b>	<b>\$ 82,073,391</b>	<b>\$ 5,220,449</b>	<b>\$ 12,568,720</b>	<b>\$ 17,645,743</b>	<b>\$ 117,508,303</b>
7	<b>EXPENDITURES</b>					
8	Salaries & Benefits	\$ 51,194,817	\$ 4,567,175	\$ 11,807,348	\$ 27,227,166	\$ 94,796,506
9	Books, Supplies, & Capital	\$ 1,059,236	\$ 58,505	\$ 259,233	\$ 5,892,046	\$ 7,269,020
10	Services & Op. Expenses	\$ 7,964,919	\$ 793,658	\$ 129,767	\$ 13,617,258	\$ 22,505,602
11	Other Outgo & Transfers	\$ (2,494,146)	\$ 350,538	\$ 372,372	\$ 2,099,004	\$ 327,768
12	<b>Expenditures</b>	<b>\$ 57,724,826</b>	<b>\$ 5,769,876</b>	<b>\$ 12,568,720</b>	<b>\$ 48,835,474</b>	<b>\$ 124,898,896</b>
13						
14	Other Sources (Uses)	\$ (26,643,929)	\$ -	\$ -	\$ 26,643,929	\$ -
15	<b>Net Inc. (Dec) in Fund Bal.</b>	<b>\$ (2,295,364)</b>	<b>\$ (549,427)</b>	<b>\$ -</b>	<b>\$ (4,545,802)</b>	<b>\$ (7,390,593)</b>
16						
17	<b>Beginning Balance</b>	<b>\$ 11,247,810</b>	<b>\$ 725,390</b>	<b>\$ -</b>	<b>\$ 8,205,618</b>	<b>\$ 20,178,818</b>
18						
19	<b>Ending Balance</b>	<b>\$ 8,952,446</b>	<b>\$ 175,963</b>	<b>\$ -</b>	<b>\$ 3,659,816</b>	<b>\$ 12,788,225</b>

# 2018-2019 Budget & LCAP Adoption Process

## Public Hearing of Budget Proposal – MYP Unrestricted General Fund

Line		2019-2020	2020-2021	2021-2022
		Proposed Budget	Projected	Projected
A	<b>Beginning Balance, July 1</b>	\$ 9,824,638	\$ 7,849,246	\$ 4,809,337
B	Revenues	\$ 98,707,867	\$ 100,944,087	\$ 100,659,317
C1	Expenditures	\$ 74,793,844	\$ 76,905,728	\$ 77,747,687
C2	Contribution to Restricted Programs	\$ 25,889,415	\$ 27,078,268	\$ 27,736,383
D = B - C	Surplus (Deficit)	\$ (1,975,392)	\$ (3,039,909)	\$ (4,824,753)
E = A + D	Ending Balance	\$ 7,849,246	\$ 4,809,337	\$ (15,416)
F	Assignments/Commitments	\$ 1,747,560	\$ 1,656,893	\$ 1,675,866
G = E - F	<b>Unassigned/Unappropriated Ending Fund Balance</b>	\$ 6,101,686	\$ 3,152,444	\$ (1,691,282)

Originally Presented on 6-25-19

# 2019-2020 Budget – First Interim Update

## Multiyear Projections – Unrestricted General Fund

Line		2019-2020	2020-2021	2021-2022
		Proposed Budget	Projected	Projected
A	<b>Beginning Balance, July 1</b>	\$ 11,973,200	\$ 9,128,409	\$ 4,423,738
B	Revenues	\$ 99,862,560	\$ 100,518,234	\$ 102,636,535
C1	Expenditures	\$ 76,063,422	\$ 77,865,152	\$ 78,778,367
C2	Contribution to Restricted Programs	\$ 26,643,929	\$ 29,757,753	\$ 30,442,083
D = B - C	Surplus (Deficit)	\$ (2,844,791)	\$ (7,104,671)	\$ (6,583,915)
E	<b>Budget Reduction</b>		\$ 2,400,000	\$ 2,400,000
F = A + D + E	Ending Balance	\$ 9,128,409	\$ 4,423,738	\$ 239,823
G	Assignments/Commitments	\$ 225,963	\$ 225,963	\$ 225,963
H = F - G	<b>Unassigned/Unappropriated Ending Fund Balance</b>	\$ 8,902,446	\$ 4,197,775	\$ 13,860

# 2019-2020 Budget – First Interim Update

## Components of Ending Fund Balance – Unrestricted General Fund

Line #	Description	2019-2020	2020-2021	2021-2022
1	<b>Ending Fund Balance</b>	<b>\$ 9,128,408</b>	<b>\$ 2,023,737</b>	<b>\$(4,560,177)</b>
2	<b>Components of Ending Fund Balance</b>			
3	Revolving Cash	\$ 50,000	\$ 50,000	\$ 50,000
4	LCFF Supplemental Carryover	\$ 175,963	\$ 175,963	\$ 175,963
5	<b>Total - Components</b>	<b>\$ 225,963</b>	<b>\$ 225,963</b>	<b>\$ 225,963</b>
6	<b>Net Unassigned Ending Fund Balance</b>	<b>\$ 8,902,445</b>	<b>\$ 1,797,774</b>	<b>\$(4,786,140)</b>

# 2019-2020 Budget – First Interim

## Special Education Services – Expenditures by Major Category

	2014-2015 (Actuals)	2018-2019 (Actuals)	2019-2020 (Budgeted)	Actual %age change over the period*
Certificated Salaries	\$ 8,117,063	\$ 8,808,229	\$ 9,178,665	9%
Classified Salaries	\$ 4,361,007	\$ 5,287,975	\$ 5,273,683	21%
Employee Benefits	\$ 2,849,159	\$ 4,048,368	\$ 4,229,594	42%
Books/Supplies/Equipment	\$ 205,748	\$ 199,058	\$ 221,166	-3%
Services & Operating Exp.	\$ 4,396,771	\$ 9,179,668	\$ 11,124,335	109%
Other Outgo & Transfers	\$ 1,164,342	\$ 1,072,427	\$ 1,445,037	-8%
<b>Total</b>	<b>\$ 21,094,091</b>	<b>\$ 28,595,725</b>	<b>\$ 31,472,480</b>	<b>36%</b>

### Additional Detail of Services & Operating Exp.

#### Expenditures by Major Category

	2014-2015 (Actuals)	2018-2019 (Actuals)	2019-2020 (Budgeted)	Actual %age change over the period*
Transportation	\$ 943,403	\$ 1,940,101	\$ 2,155,000	106%
Non-Public Agency	\$ 590,461	\$ 1,263,071	\$ 1,074,780	114%
Non-Public Schools	\$ 1,177,900	\$ 1,720,831	\$ 2,246,468	46%
Speech Services	\$ 211,744	\$ 638,821	\$ 1,129,919	202%
Mental Health	\$ 615,942	\$ 1,876,774	\$ 1,598,357	205%
Settlements	\$ 321,033	\$ 758,008	\$ 970,621	136%
Miscellaneous Services	\$ 536,288	\$ 982,062	\$ 1,949,190	83%
<b>Total</b>	<b>\$ 4,396,771</b>	<b>\$ 9,179,668</b>	<b>\$ 11,124,335</b>	<b>109%</b>

\*Comparison between 2014-15 actual expenditures and 2018-19 actual expenditures

# 2019-2020 Budget – First Interim Update

## Fiscal Sustainability

---

- Current Status:
  - Out of comfort zone
  - Budget reductions
  - One-time revenue
- Keep an eye on:
  - Deficit spending
  - Reserve levels
  - General Fund contributions

# 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