

Budget & LCAP Adoption Process

Public Hearing on Proposed Budget for Fiscal Year 2022-2023

June 14, 2022

Agenda

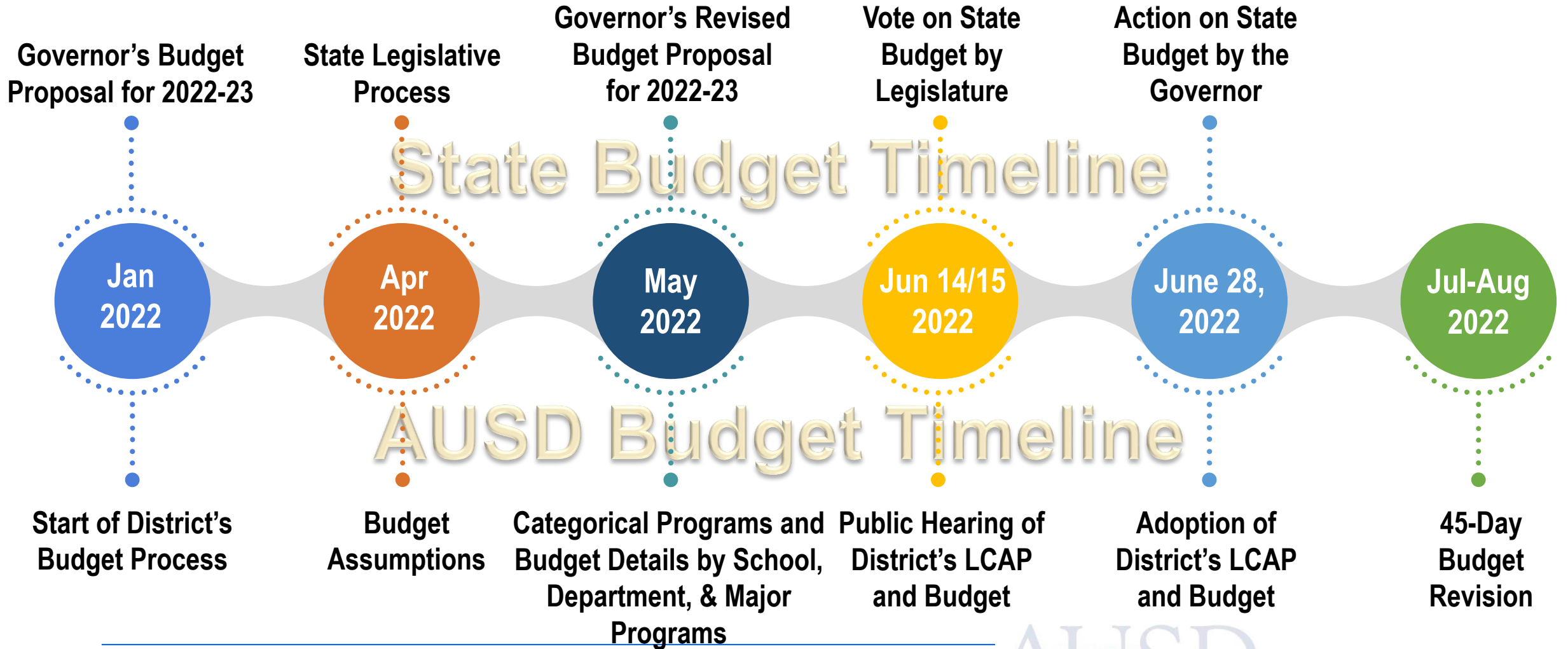
- Background
- Timeline
- State Budget Update
- Budget assumptions
- 2022-2023 General Fund budget & Multi-year projections

Background

- Per State Law AUSD's Board must adopt budget and the Local Control Accountability Plan (LCAP) by June 30, 2022.
- Board must certify that the District's projected financial outlook for 2022-2023, 2023-2024, and 2024-2025 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.



Timeline



Differences Between May Revise and the Legislative Proposal

Description	Governor's May Revise	Legislative Bill
COLA	6.56%	6.56%
Local Control Funding Formula	\$2.1 billion (An increase of 10% relative to 2021-22 rate, inclusive of 6.56% COLA)	\$4.5 billion (An increase of 16.2% relative to 2021-22 rate, inclusive of 6.56% COLA)
Discretionary Block Grant	\$8 billion One-time Unrestricted (Approx. \$10 million for AUSD)	\$8.5 billion One-time Restricted (Approx. \$11 million for AUSD)

Multi-year Assumptions for Budgeting

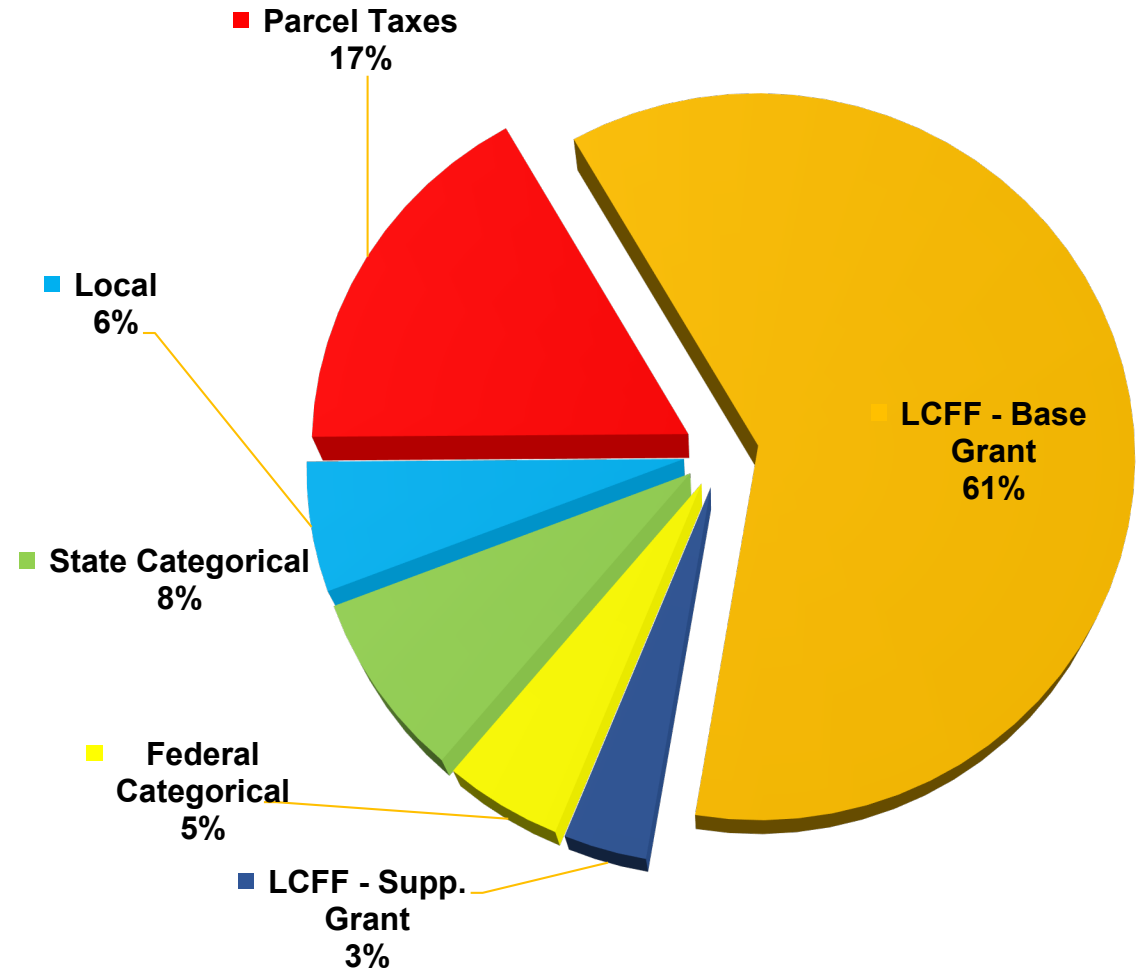
Categories	2021-22	2022-23	2023-24	2024-25
	Second Interim	Projected	Projected	Projected
District Enrollment	8,707	8,533	8,362	8,195
ADA - Actual/Projected	8,298	8,141	7,986	7,834
Actual ADA %age	95.3%	95.4%	95.5%	95.6%
Funded ADA-Actual/Projected (3-year average)	8,979	8,750	8,468	8,135
Funded ADA %age	103.1%	102.5%	101.3%	99.3%
Unduplicated EL/FRPM Count	2,448	2,399	2,351	2,304
Unduplicated EL/FRPM %age	28.1%	28.1%	28.1%	28.1%
COLA	5.07%	6.56%	5.38%	4.02%
State Teacher's Retirement Sys.	16.92%	19.10%	19.10%	19.10%
Public Employee Retirement Sys.	22.91%	25.37%	25.20%	24.60%
Unemployment Insurance	0.56%	0.56%	0.56%	0.26%
Other Post Employment Benefits	0.48%	1.53%	1.53%	1.53%
Deferred Maintenance Budget	\$500K	\$500K	\$500K	\$3M

Proposed Budget for FY 2022-2023

	Unrestricted			Restricted		Total General Fund
	Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	
REVENUES						
LCFF Revenue	\$ 90,218,487	\$ -	\$ -	\$ 745,725	\$ -	\$ 90,964,212
Federal Categorical Revenue	-	-	-	2,140,347	4,887,105	7,027,452
State Categorical Revenue	1,736,172	-	-	1,097,050	8,566,003	11,399,225
Local Revenue	477,185	-	23,682,558	7,278,384	390,149	31,828,276
Total Revenues	\$ 92,431,844	\$ -	\$ 23,682,558	\$ 11,261,506	\$ 13,843,257	\$ 141,219,165
EXPENDITURES						
Certificated Salaries	\$ 27,899,048	\$ 2,587,041	\$ 14,500,323	\$ 10,838,722	\$ 1,712,375	\$ 57,537,509
Classified Salaries	9,521,367	305,800	2,256,135	6,660,038	2,540,940	21,284,280
Benefits	12,596,411	873,280	4,678,151	6,090,666	7,874,395	32,112,903
Books & Supplies	1,791,396	96,369	156,700	111,219	2,033,658	4,189,342
Services & Op. Expenses	9,421,886	680,775	287,408	12,813,936	2,436,508	25,640,513
Capital Outgo & Transfers	(3,276,571)	345,742	1,422,038	2,031,992	2,255,034	2,778,235
Total Expenditures	\$ 57,953,537	\$ 4,889,007	\$ 23,300,755	\$ 38,546,573	\$ 18,852,910	\$ 143,542,782
Other Sources (Uses)	\$ (36,657,178)	\$ 4,889,007	\$ (381,803)	\$ 27,285,067	\$ 4,483,104	\$ (381,803)
Net Inc. (Dec) in Fund Bal.	\$ (2,178,871)	\$ -	\$ -	\$ -	\$ (526,549)	\$ (2,705,420)
Beginning Balance	\$ 19,685,530	\$ 1,089,440	\$ -	\$ -	\$ 4,607,085	\$ 25,382,055
Ending Balance	\$ 17,506,659	\$ 1,089,440	\$ -	\$ -	\$ 4,080,536	\$ 22,676,635

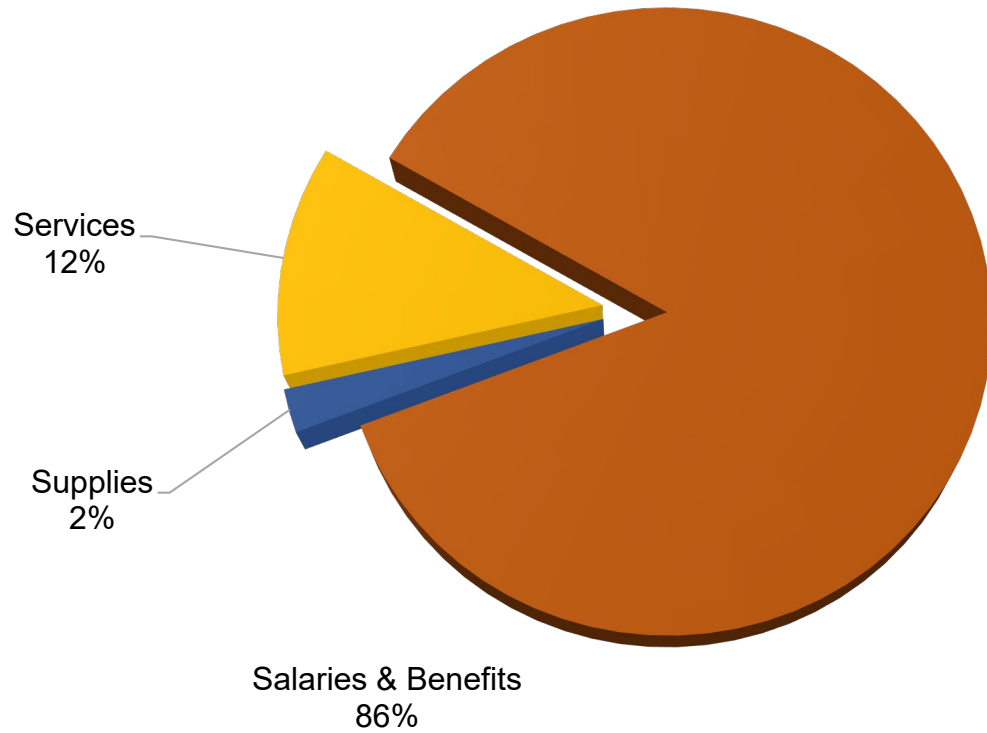
General Fund Revenue (Unrestricted & Restricted)

Description	Total
	(Millions)
LCFF Base Grant	\$ 86.1
LCFF Supp. Grant	4.9
Federal Revenue	7.0
Other State Revenue	11.4
Other Local Revenue	8.1
Parcel Taxes	23.7
Total	\$ 141.2

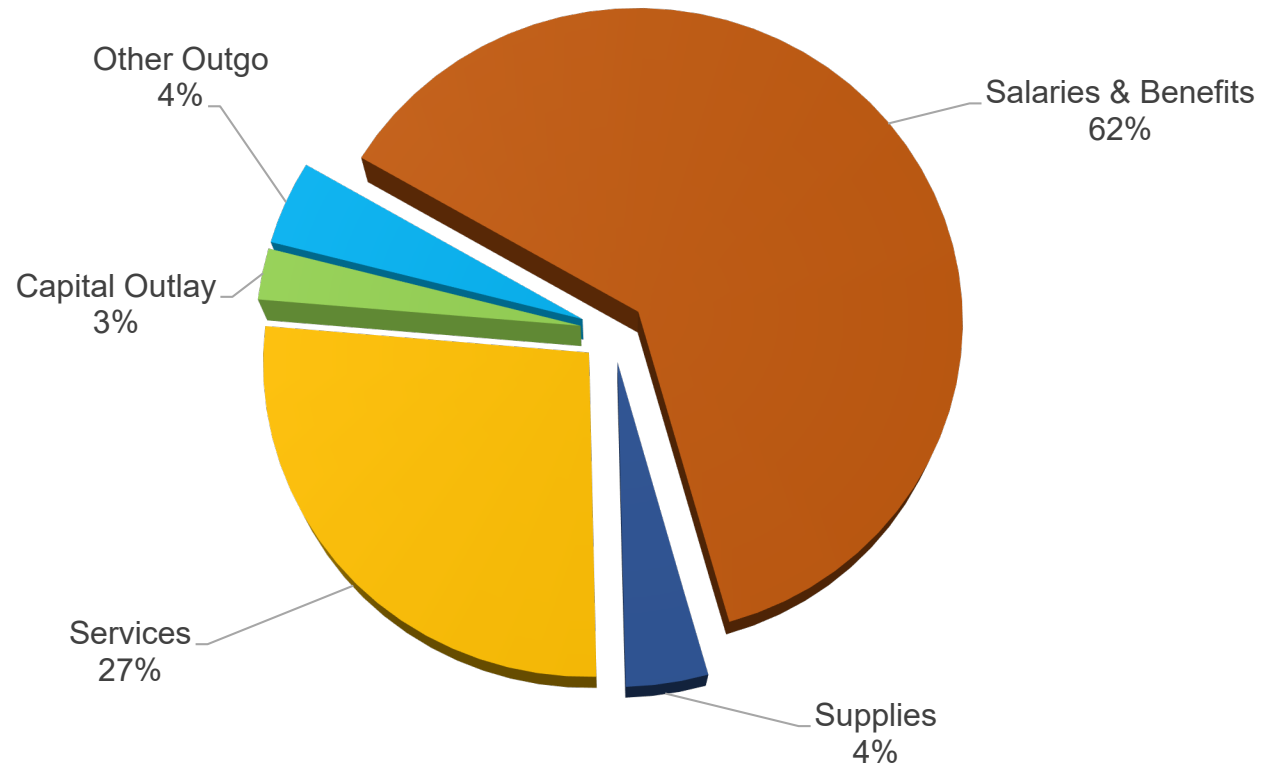


General Fund Expenditures

Unrestricted General Fund

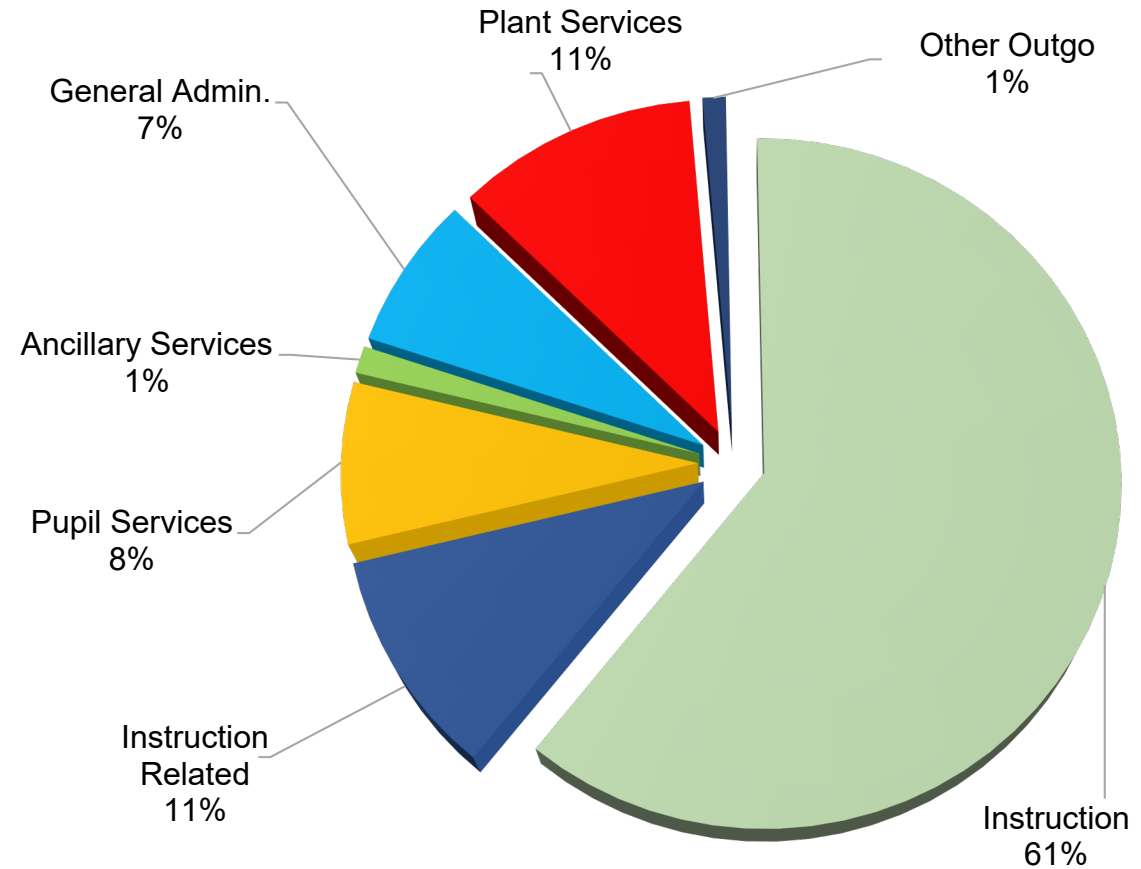


Restricted General Fund



Expenditures – Major Operational Areas

Major Operational Areas	
Instruction	Activities dealing directly with the interaction between teachers and students
Instruction Related	Library & Media teachers, School Administration, Teaching Staff Development
Pupil Services	Counselors, Psychologists, Specialized Special Ed. Services, Transportation, Health Services
Ancillary Services	Athletics, After School Services
General Admin.	Fiscal Services, Technology Services, Insurance, Human Resources, Legal, Superintendent
Plant Services	Utilities, Custodial Services, Maintenance Staff



Multiyear Projections - Unrestricted General Fund

Line		2022-23	2023-24	2024-25
		Proposed Budget	Projected	Projected
A	Beginning Balance, July 1	\$ 20,774,970	\$ 18,596,099	\$ 16,345,336
B	Revenues	\$ 116,114,402	\$ 117,928,605	\$ 115,535,022
C1	Expenditures	\$ 86,525,102	\$ 88,210,485	\$ 89,467,474
C2	Contribution to Restricted Programs	\$ 31,768,171	\$ 31,968,883	\$ 32,168,416
D = B-C	Surplus (Deficit)	\$ (2,178,871)	\$ (2,250,763)	\$ (6,100,868)
E = A+D	Ending Balance	\$ 18,596,099	\$ 16,345,336	\$ 10,244,468
F	Assignments/Commitments	\$ 9,505,120	\$ 9,505,120	\$ 9,505,120
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 9,090,979	\$ 6,840,216	\$ 739,348

Public Hearing of Budget Proposal - Reserves

As required by Senate Bill (SB) 858, the Alameda Unified School District has determined:

- Fund 17: Minimum reserve level, required by law, is \$4,317,738
- Fund 17: Additional committed reserves, equal to three weeks payroll, of \$6,746,214, per Board Policy 3100
- Fund 1: The amount of assigned and unassigned ending fund balance that exceeds the minimum reserve is \$9,090,979
- Greater than minimum reserves are required in 2022-23 to keep the District solvent in fiscal year 2022-23, 2023-24, and 2024-25

Resolution Committing Funds

WHEREAS, the Governmental Standards Accounting Board (GASB) has issued Statement No. 54, establishing a hierarchy clarifying constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, the Alameda Unified School District Board of Education (Board) has previously adopted Board Policy 3100 acknowledging its authority to commit, assign, or evaluate existing fund-balance classifications and identify the intended uses of committed or assigned funds; and

WHEREAS, the committed fund balance classification reflects amounts subject to specific internal constraints self-imposed by the Board; and

WHEREAS, once the committed fund-balance constraints are imposed, it requires the constraint to be revised, removed or redirected for other purposes by the Board in the same manner as the Board originally approved the commitment; and

WHEREAS, the Board has determined it has specific needs that it elects to fund with portions of its General Fund ending fund balance.

NOW, THEREFORE, BE IT RESOLVED, that the Alameda Unified School District Board of Education, hereby commits to utilizing portions of its general fund ending balance, as indicated by the committed fund classification in its financial statements, for the following purposes:

Fund Balance Commitments

Purpose	Justification	Estimated Amount
LCFF Supplemental Carryover	LCFF Supplemental grant carryover from FY 2021-22 to 2022-23, Ed Code 42238.07	\$ 1,089,440
Open Purchase Orders	Purchase orders issued in FY 2021-22, but shipments or services are delayed to 2022-23	1,000,000
Textbook Adoptions	Set-aside for textbook adoptions in FY 2023-24 and 2024-25	1,865,680
3-Week Payroll	Per Board Policy 3100	6,372,987
Deficit Spending Mitigation	To cover for deficit spending in out years per adopted budget multiyear financial projections	9,497,046
	Total Commitments	\$ 19,825,153

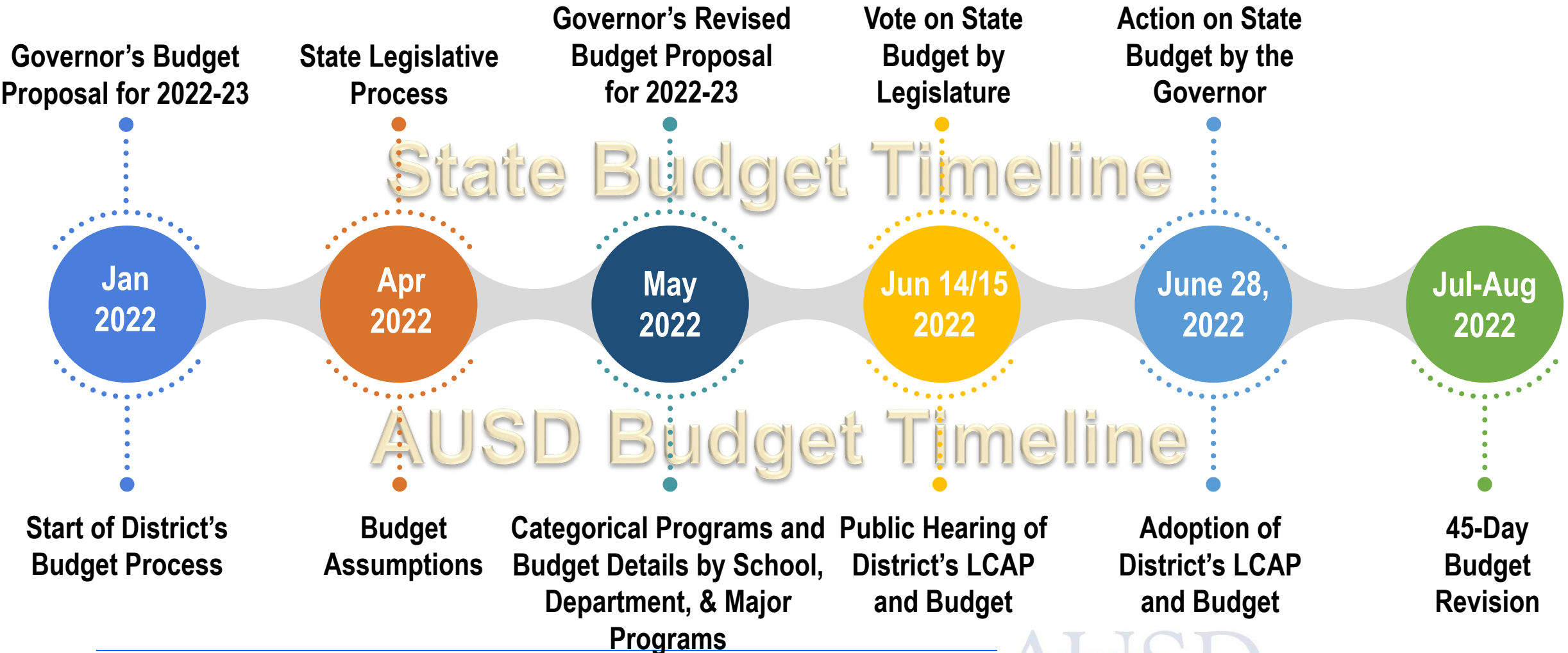
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Potential Uses of New Funds

- Continuation of programs started using COVID funds
- Employee compensation
- One-time investments
- Contingency planning for Measure A litigation

Timeline



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	ESSER		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