



AUSD Strategic Plan: Budget Proposals and Scenarios for 2023-2024

Pasquale Scuderi, Superintendent
February 14, 2023

Goals for Tonight

1. **Consider proposal to** phase-out Bay Farm Middle School Program
2. **Consider proposal to** reduce and replace general fund contribution for “innovative program” staffing at Earhart and Maya Lin

Our “Why”

- Ask ourselves hard questions about long-term fiscal well being, staffing, and operations of the district, and what near-term sacrifices might be made to support those long-term efforts.
- Ask ourselves difficult questions about how equitable or fair certain current allocations are.
- Attempt to improve or stabilize critical, core, or foundational programming and staffing in alignment with strategic goals and emergent priorities.

Critical and Indispensable Role of Local Revenue in AUSD

Measure B1:

- Approximately \$12.5 million in local taxpayer contributions
- Supports a variety of programming in AUSD
- Expires June, 2025

Measure A:

- Approximately \$10.5 million in local taxpayer contributions
- Supports more competitive educator salaries in AUSD
- Expires June, 2027

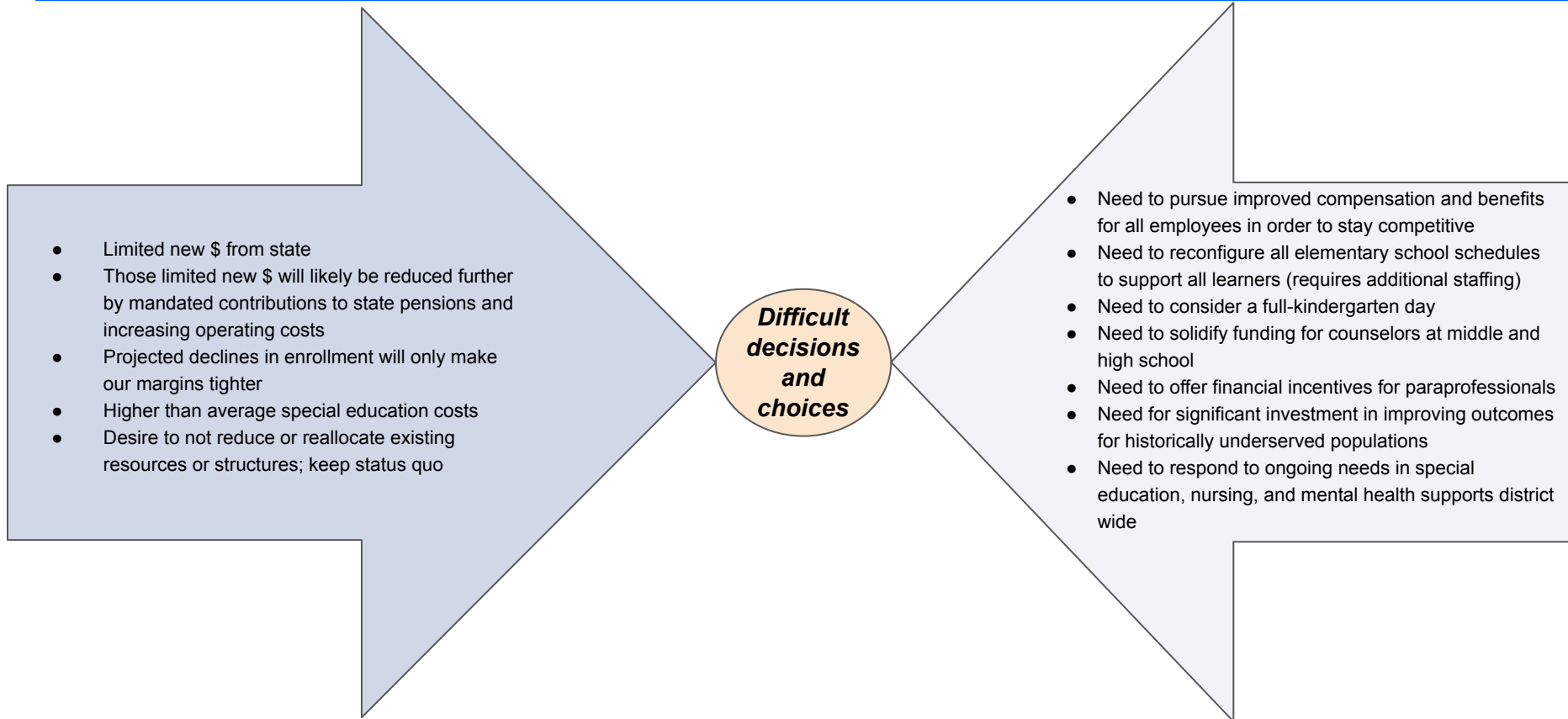
Six Ongoing Resource Challenges for Alameda Schools

Operating more schools and programs than similar sized districts	Declining Enrollment	Higher than average special education costs	Need to keep employee salaries and health benefits competitive	Needs and services that are currently not funded through stable sources	Increases in NEW money may continue to be offset by other costs
Relative to students per school averages	Projected to have impact on our revenue for 10 years	AUSD spends roughly 30% more on average per special ed student relative to the county	Cost of 1% raise for all employees is about \$1 million annually	<p>A full-day kindergarten program</p> <p>An elementary school schedule that is driven by instructional goals not limited specialist staffing</p>	Increased contributions to state pension costs are mandated
More programs with lower enrollment mean that contractual class sizes currently, and prospectively are not fully utilized	Enrollment from new housing developments will most likely not outpace the expected decline in enrollment	Overall this necessitates a general fund contribution annually of approximately \$21 million from the general fund (\$8 million above county average)	Local revenue is critical but somewhat unstable (needs to be renewed every 7 years)	<p>Ongoing expanded mental health services for all AUSD students</p> <p>Many middle and high school counselors are funded with limited term dollars</p>	Increases In the Consumer Price Index means our materials and non-personnel costs will go up
Service ratios also increasingly hard to balance and/or scale		Biggest costs are in transportation and non-public school placements	District needs to set and pursue a goal for how to gradually move more general fund dollars to employee compensation	Explicit and focused structures to support African-American student outcomes	Result is that very little NEW annual revenue may remain to address both new programming needs and compensation needs

Some Background

- On February 13, 2018 Board and Staff engaged in extensive discussions on the topic of budget priorities as well as employee compensation.
- Alameda Unified at the time ranked second to last in the county in terms of average compensation (salary+benefits).
- Notable public comment from educators asked the board to consider hard decisions and complete systemic review to improve compensation (see BOE meeting minutes from 2/13/18, 2/27/18, 3/27/18).
- Comments also raised questions about the number of schools in AUSD and whether we offer too many.

Balancing Our Needs, Wants, and Realities



Serving the Most Students Well

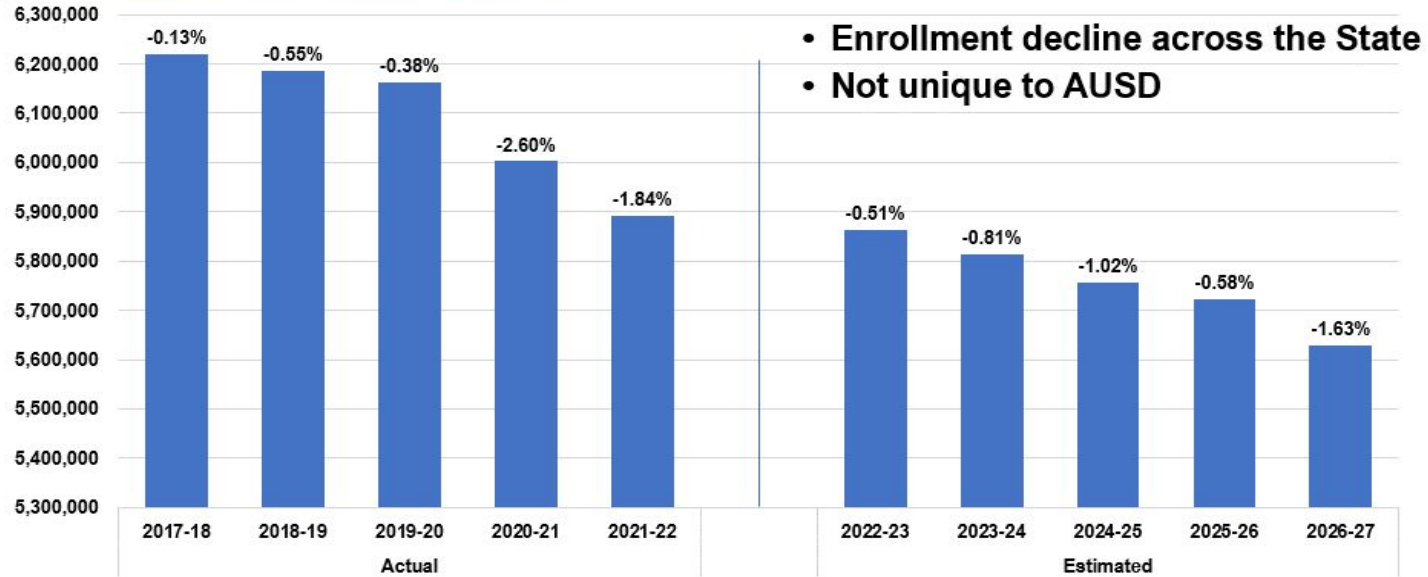
Students Per School

TK-8 Grades	No of Students	Number of Schools	Students per School
Alameda County Average	123,984	228	544
Alameda County Average without Oakland & Hayward	86,621	142	610
Alameda USD	5,939	11	519
No. of Schools needed using AC Avg. (w/o Oakland & Hayward) to AUSD		9.7	

9-12 Grades	No of Students	Number of Schools	Students per School
Alameda County Average	57,617	62	929
Alameda County Average without Oakland & Hayward	42,477	37	1,148
Alameda USD	2,767	4	750
No. of Schools needed using AC Avg. (w/o Oakland & Hayward) to AUSD		2.4	

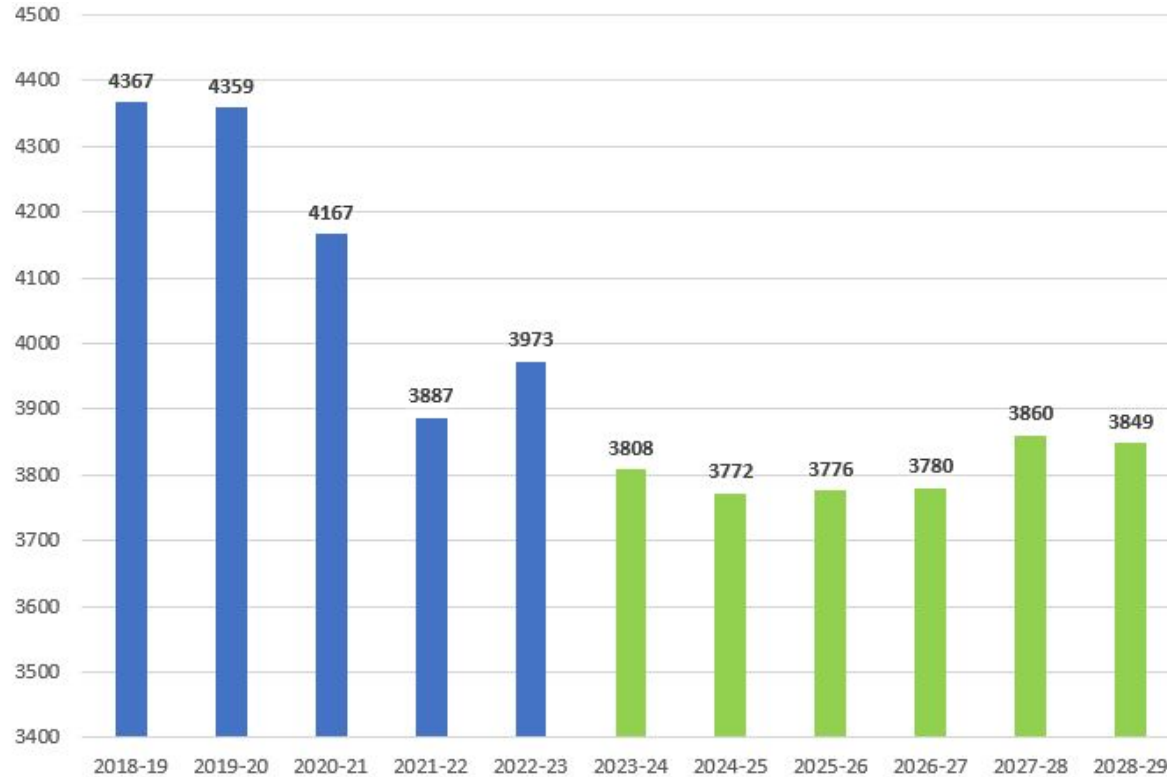
Data Source: CDE and ACOE 2021-22

Statewide Enrollment Trends



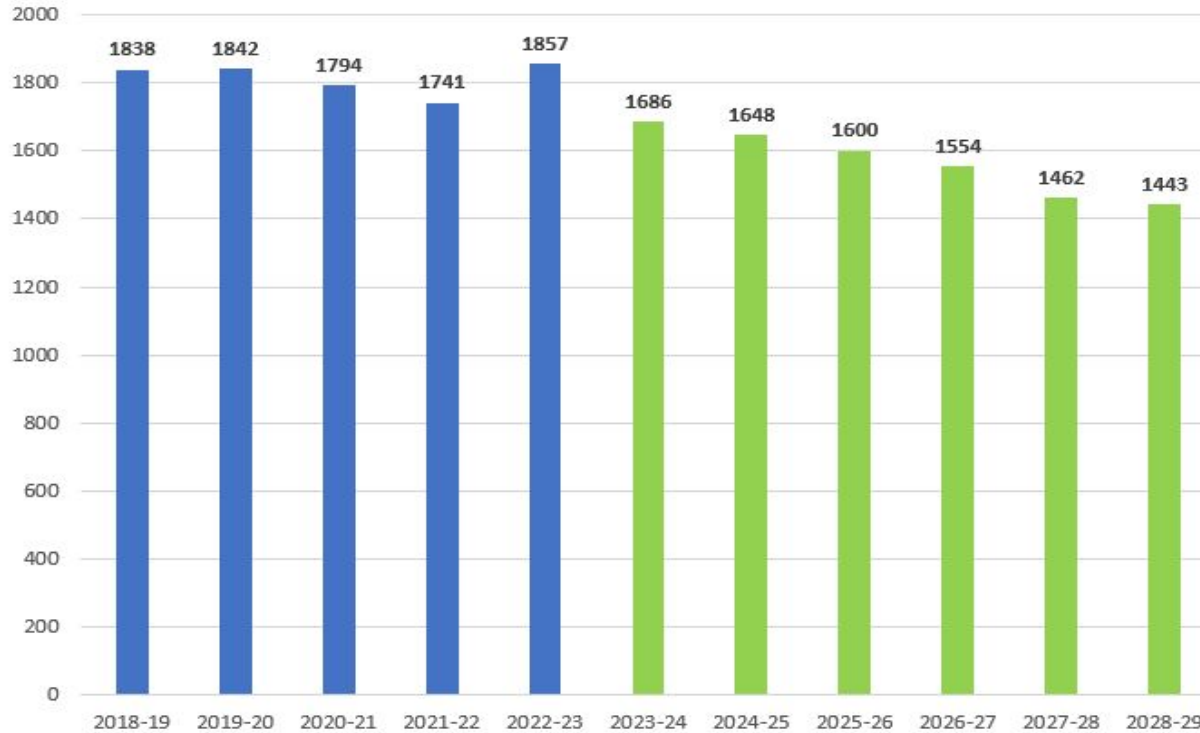
Data Source: School Services of California

Projected Enrollment - Grades TK - 5



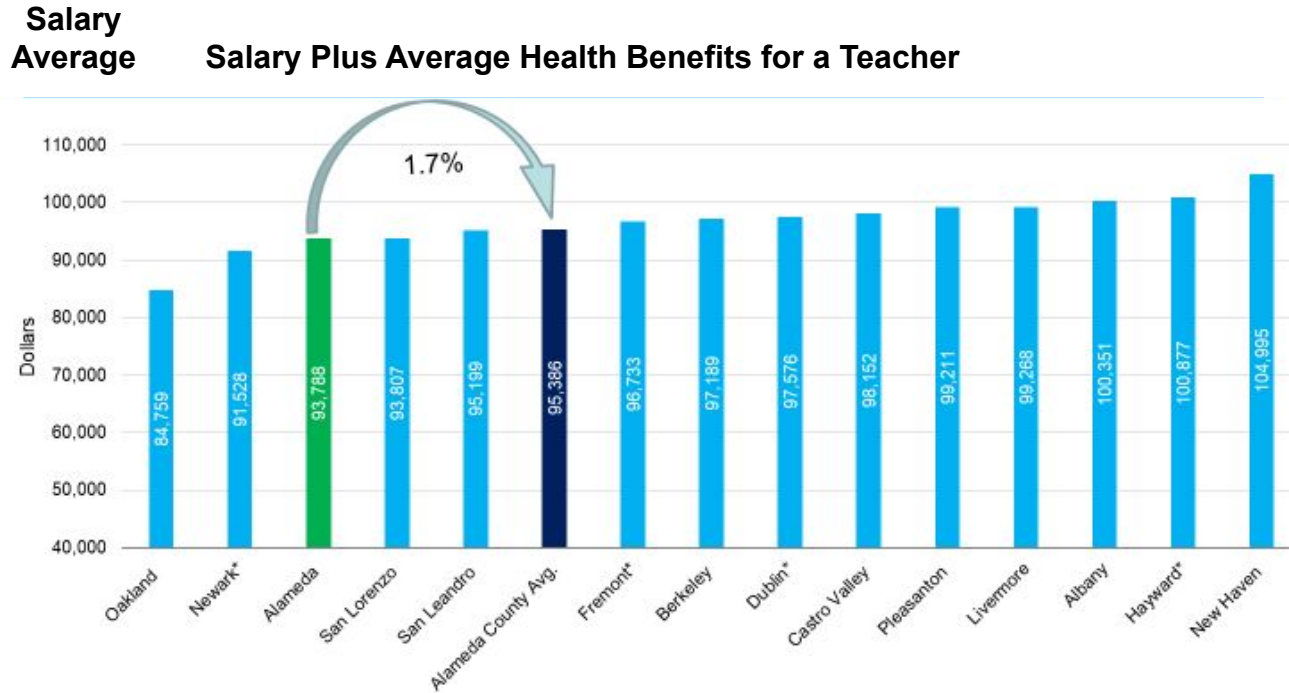
Source: Davis Demographics

Projected Enrollment - Grades 6 - 12



Source: Davis Demographics

Serving the Most Students Well Requires Top Talent

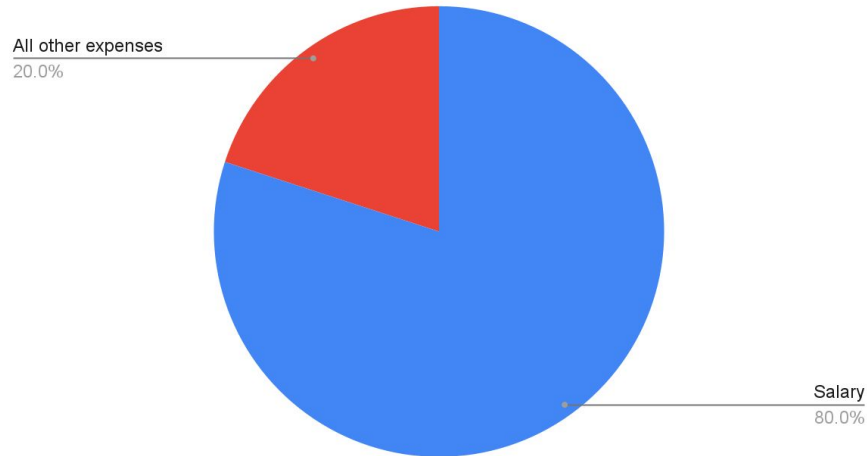


* Health benefits are part of the salary schedule

Source: School Services of CA; SABRE Report for 2020-21

Serving the Most Students Well Requires Top Talent and Better Overall Compensation

AUSD: Salary vs. All Other Expenses as % of Overall Budget



- AUSD spends the same percentage of revenue on salaries as other districts in the region (i.e., proportionate).
- The number of schools and programs we run, however, has an impact on that total (see next slide).
- Measure A has helped us to move closer to that average.
- Keeping pace with surrounding districts will require regular increases.

The Complexities of Keeping Pace with Employee Compensation in Our Current Situation

Example:

- *Two districts spend about 80% of total budget on salaries.*
- *The districts have similar enrollment but operate a different number of schools.*
- *Each district receives \$100.*
- *New or newly allocated money then generates different outcomes for employees in each district.*

District A (fewer schools)	Allocates \$100	Divides \$100 by 25 people	\$4 per person
District B (more schools)	Allocates \$100	Divides \$100 by 30 people	\$3.33 per person

Why Doesn't An Increased Cost of Living Adjustment Allow us to Avoid Reductions, Increase Salaries, and Align Funding with Strategic Goals?

Summary of Potential Changes

Description	2023-24 (millions)	2024-25 (millions)	2025-26 (millions)	Total (millions)
Cost of Living Adjustment (COLA)	\$3.5	\$3.0	\$3.0	\$9.5
Consumer Price Index (CPI)	-\$0.3	-\$0.5	-\$0.7	-\$1.5
Contribution to Public Employee's Retirement System (CalPERS)	-\$0.4	-\$0.8	-\$1.1	-\$2.3
Balance	\$2.8	\$1.7	\$1.2	\$5.7
Contribution to State Teacher's Retirement System (CalSTRS)	-\$1.0	-\$2.1	-\$3.1	-\$6.2
Balance	\$1.8	-\$0.4	-\$1.9	-\$0.5

Budget Proposals and Scenarios for 2023-2024

Proposal to Phase out Bay Farm Middle School Program Beginning August of 2023

Guiding Questions

- Should the district continue to run four middle school programs?
- Is running four middle schools a higher priority than some of the other foundational needs and deficits in our district?
- If the benefits of a small K-8 program with lower class sizes outweigh other district-wide needs, is that program currently located in the most accessible place for all students?

Middle School Enrollment by Grade Level

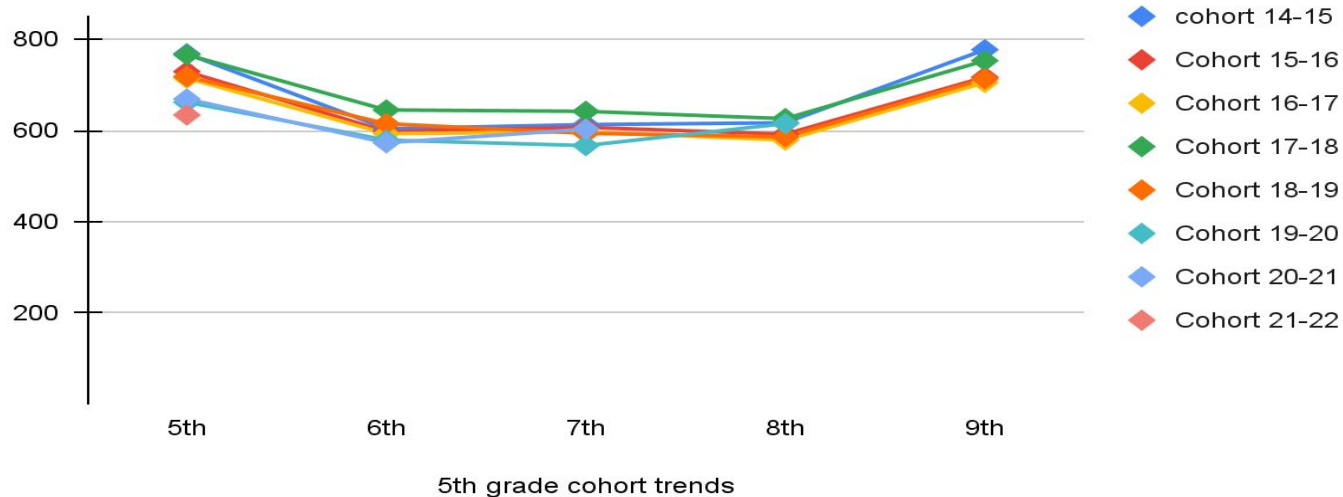
2015-2016				2020-2021			
Grade Level	Enrollment	% of District Enrollment	STATEWIDE Average % of enrollment	Grade Level	Enrollment	% of District Enrollment	STATEWIDE Average % of enrollment
5	732	7.68	7.75	5	684	7.54	7.58
6	610	6.40	7.46	6	597	6.58	7.23
7	563	5.91	7.48	7	606	6.68	7.60
8	619	6.50	7.44	8	646	7.12	7.73
9	731	7.67	7.86	9	720	7.94	8.34

1. AUSD continues to see notably lower enrollment than statewide averages in grades 6,7, and 8 over time.
2. This continues to raise the question of whether we should continue to offer four middle school options.
3. Typically a district our size would have two middle schools.
4. Also need to consider that two charter options for middle school are available on the island
 - a. These charters have their own enrollment declines and a changing of student body composition (i.e., Alameda residents vs. non-residents).

2015-2016 data above was first presented to the Board on 2/13/18; sources for both years are from Comparative Analysis of District Income and Expenditures (CADIE) Report from School Services of California

5th-9th Grade Enrollment Trends: AUSD Schools Overall

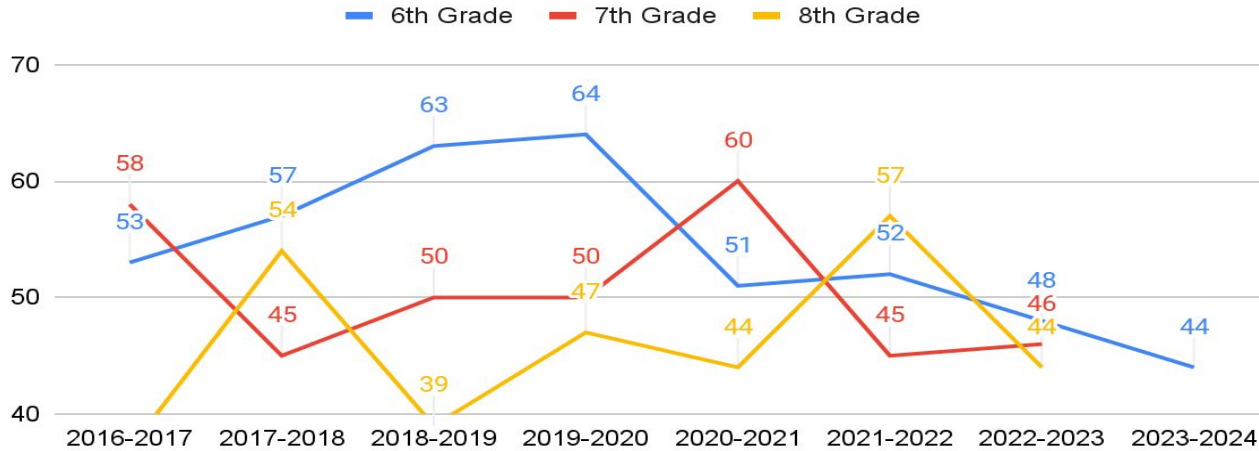
Consistent Trends in Cohort Enrollment 5th through 9th Grade Enrollment



- AUSD 5th grade cohort enrollment pattern over time shows declines between 5th and middle school years, with recovery in 9th grade.
- In this context should AUSD continue to offer four options? Particularly when significant space is available at three other boundary/neighborhood programs?
- If part of the initial theory was that more options are a key to retaining enrollment at these grade levels, data largely shows this has not been the case over the past six to seven school years.

Bay Farm Middle: Enrollment Trends

Bay Farm Middle School: 7-Year Enrollment Trends by Grade Level



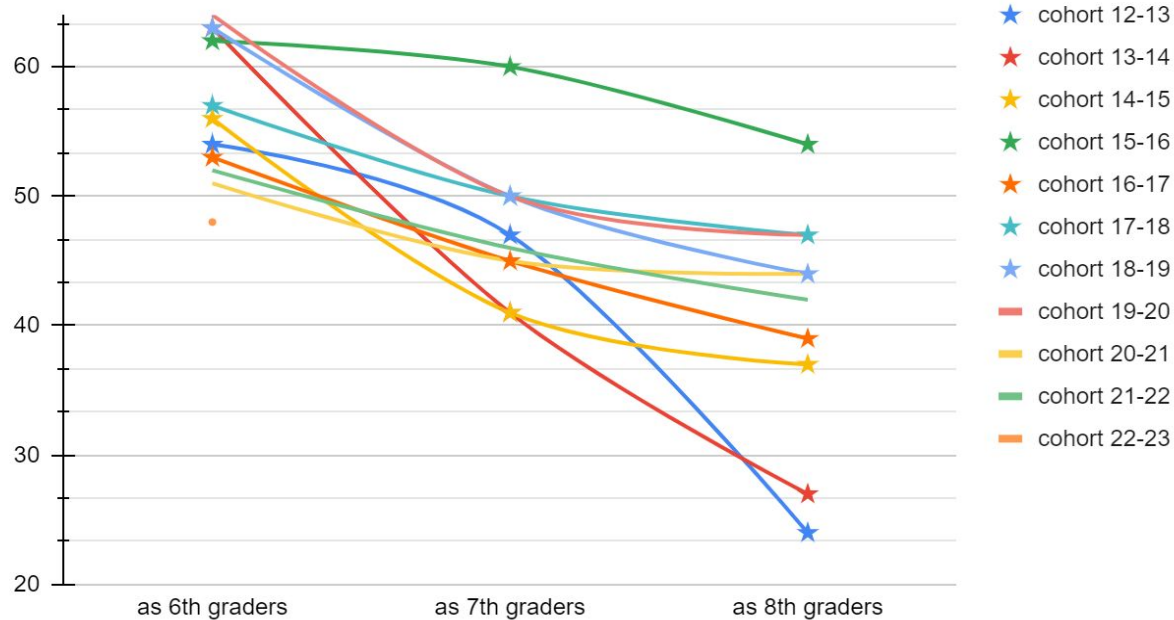
Bay Farm Middle Enrollment

- Initial 6th grade enrollment and attrition trends from 6th through 8th need to be considered.
- Enrollment goals for 6th grade class were established as a minimum of 60 students.
 - This goal has been met in two of the past seven years, followed by steady attrition of those cohorts between 6th and 8th.

***2023-2024 projections reflect sign-ups as of 1/17/22*

Bay Farm Middle: 6th Grade Cohort Enrollment and Attrition Patterns

Bay Farm Middle: 6th Grade Cohort Size Attrition Over Time



- Bay Farm Middle has met initial 6th grade enrollment target in two of past seven years: 2018-19 and 2019-20.
- However, enrollment consistently declines between 6th and 8th grade years for same period of time.
- Chart revised since 1/24/23 to include additional years of historical attrition data

Bay Farm Middle: Cohort Attrition: Where Did They Go?

Cohort	Students who left after school year/grade level	Subsequent year school enrollment
6th graders 17-18	14	12 @ Lincoln, 2 left District
7th Graders 17-18	18	14 @ Lincoln, 1 @ Junior Jets, 1 @ Charter, 2 left District
6th Grade 18-19	20	14 @ Lincoln, 1 @ Charter, 5 left District
7th Grade 18-19	5	3 @ Lincoln, 2 left District
6th Graders 19-20	6	4 @ virtual academies, 2 left District
7th Graders 19-20	9	3 @ Lincoln, 1 @ Junior Jets, 2 @ Virtual Academies, 3 left District
6th Graders 20-21	9	5 @ Lincoln, 1 @ Wood, 1 @ Junior Jets, 2 left District
7th Graders 20-21	9	3 @ Lincoln, 2 @ Virtual Academies, 4 left district
6th Graders 21-22	10	9 @ Lincoln, 1 @ Junior Jets
7th Graders 21-22	4	4 @ Lincoln

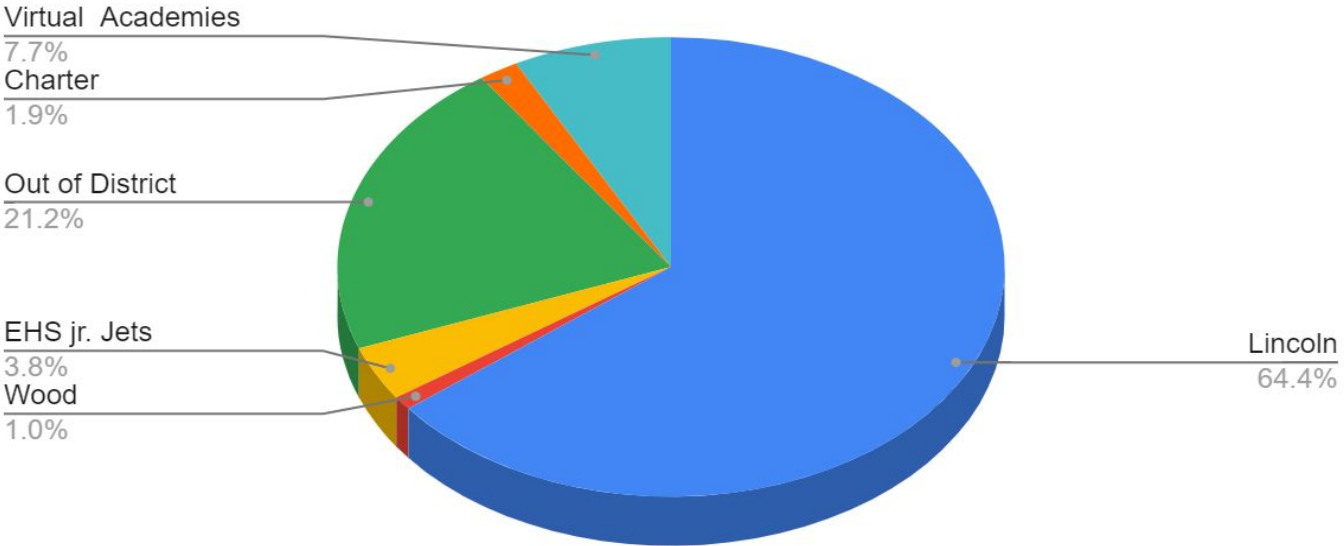
Does not reflect total cohort movement or attrition.

Does not include students who were placed or enrolled into those cohorts in the following year.

Data only reflects students who left Bay Farm Middle after 6th or 7th grade.

Bay Farm Middle: Cohort Attrition: Where Did They Go?

Students Leaving Bay Farm Middle After 6th or 7th Grade:
Where Did They Go? (17-18 through 21-22)



Does not reflect total cohort movement or attrition
Does not include students who were placed or enrolled into those cohorts in the following year
Data only reflects students who left Bay Farm Middle after 6th or 7th Grade

Bay Farm Middle: Enrollment Trends

6th Grade Cohorts	Previous Year's TOTAL BF 5th Graders	# Previous Year's 5th Graders Continuing at BFM as 6th Graders	Total 6th Grade Enrollment	6th Grade Capacity
2020-21 BF 6th Graders	75	25	51	64
2021-22 BF 6th Graders	60	31	52	64
2022-23 BF 6th Graders	68	23	48	64

Bay Farm Middle: Facilities Question

Isn't the new building under construction for middle school?

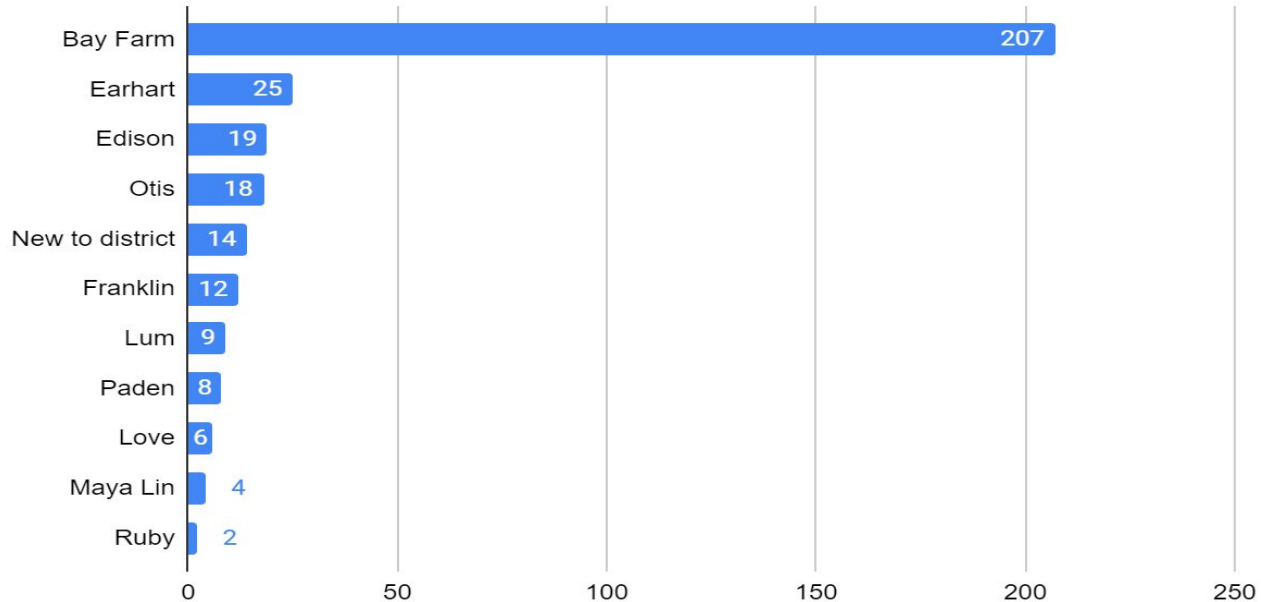
There are 11 portables on the Bay Farm campus:

- If the middle school program continued, it would be housed in part in the four new permanent classrooms being built.
- If the program *was not continued*, those new facilities would still be utilized by the K-5 program.
- At present, the district's long-term plan is to replace all 11 of the portable structures currently on that campus.
- The phasing out of the middle school program would ultimately mean that a portion of the 11 current portables would not need to be replaced and would possibly be removed in time, depending on their condition and the school's enrollment.

In either scenario, the new building will be needed and will be utilized.

Why Not Make BFMS a “Zoned” Middle School?

5th grade schools where all Bay Farm 6th graders have come from over the past 6 school years (includes 6-year totals for all 6th grade cohorts between 2017-2018 and 2022-2023).



- Demand for another zoned middle school on the east end appears limited.
- District-wide middle school enrollment is prompting a consolidation of middle school offerings, not an expansion.

Housing Development Plans and AUSD Enrollment

City is planning for approximately 3,365 new housing units over the next 10 years.

Most of these units are multi-family units (MFU), with 1 or 2 bedrooms. Specifically, the planned new housing is comprised of:

- 2,636 multi-family units
- 729 single-family detached units
- The majority of the units are in the Ruby Bridges, Love, Maya Lin, and Encinal Jr/Sr High School zones - not Bay Farm.

Typically, we project enrollment increases from developments using the following factors/assumptions:

- 10 students for every 100 new units of multi-family housing
- 30 students for every 100 new units of single-family housing

Calculations are based on historic patterns of development and enrollment.

E.g., actual impact over the past 5 years has shown that the last 260 units built have yielded only an additional 30 students across TK-12. This is about 11.5 students per 100 units – more in line with the lower multi-family factor of 10:100 shown above, even though over half of those 260 units were single-family dwellings.

Local Promotion of Program

AUSD promotes open enrollment broadly (not specific to any one open enrollment school). Bay Farm staff, however, has facilitated recruitment at the local level. Acknowledging the questions people have asked about District-level promotion, we share a summary of those local efforts here.

- BF staff offers multiple information nights
- Promotes directly with Bay Farm 5th grade families & 5th grade classes at the school
- Digital fliers are sent annually to all elementary principals and office managers to share with their respective schools, as well as to DO to be included in PeachJar (a flyer distribution platform)
- Posts link for families to sign up for site tours and sends that link to all elementary principals and office managers to share with their respective schools
- Posts slide deck from information night on website and provides campus tours when requested.

How Will AUSD Middle Schools Support Transition for 6th Graders Who Were Planning on Bay Farm?

EHS Jr. Jets	Wood	Lincoln
<ul style="list-style-type: none">• 5th-grade visits with school tours and hang-out time• 6th-grade orientation• 8th-grade buddies• Core classes• Staggered lunch schedule• Private quad• Separate building• 6th-grade socials• 6th-grade Tier 2 intervention groups• JJ play zone• 6th grade advisory• Wheel• Built-in breaks• Grade level assembly• Project-based learning days• Literacy groups	<ul style="list-style-type: none">• Orientation tour for incoming 6th graders led by 8th graders before school starts. They play games, meet each other, and have a tour and lunch.• Most 6th grade classes are held in a quad, so they spend most of their time separate from the older students.• There's an ice cream social for 6th graders in the 6th grade quad the second week of school.• Caregivers can look forward to the principal's Sunday night robocall to stay in the know about school activities.• Wood uses the same platforms as Bay Farm: Aeries, Parent Square, and Google Classroom to communicate with students and families.	<ul style="list-style-type: none">• Orientation tour for incoming 6th graders during the school day in the spring• Tours for 6th graders led by leadership students in August so kids can tour the school, and find classes and lockers• A picnic day the Saturday before school for students to show their parents around campus and meet each other• Advisory weekly with SEL and community building curriculum that admin write• Weekly Newsletter and same communication platforms• A variety of clubs at lunch, plus Leo's Lounge as a space for kids who need help finding friends and socializing• 6th grade specific lunch activities (lunch activities led by Leadership for only 6th grade); 6th grade speedball led by a PE teacher

Proposing the Gradual Phase Out of Bay Farm Middle School Program

Recommendation is that no 6th grade class be assigned in August of 2023

Budget Proposals and Scenarios for 2023-2024

***Proposal to Incrementally Move Funding for
Maya Lin “Innovative Program” from AUSD
General Fund to Alternative Revenue Sources***

Maya Lin Innovative: Brief Historical Recap

- In January of 2012, Board approves this as part of a larger package of investments in a then-magnet program at Maya Lin
- Included initial intent to develop into a K-8 option (see page 43 of 1/10/12 Board presentation)
- Magnet school designation was changed to open enrollment in 2019-2020
- On April 10, 2018 Board reduces approximately \$225K from Maya Lin program, but retained funding for the innovative-funded art teacher
 - Reductions were for:
 - additional literacy support
 - class size reductions in grades 4 and 5
 - funding for dedicated Spanish instruction
 - additional counseling services

Preliminary Recommendation: Gradual Reduction in General Fund Dollars to Maya Lin for “Innovative Programming” OPTION : 3-Year Off Ramp

Maya Lin Innovative Program	23-24	24-25	25-26
AUSD General Fund	\$87,000	\$43,000	\$0
Projected Prop 28 Funds	\$43,000	\$43,000	\$43,000
Alternative Funds Needed		\$43,000	\$86,000

- Value of the work is evident
- What’s in question is the manner by which the program is currently funded
- Above example assumes school would subsidize current staffing with Prop 28 funds
- Shifting funding source appropriately frees up general fund dollars for district-wide actions/services/initiatives
- Recommending gradual transition of program out of general fund dollars and toward an alternative revenue stream

Budget Proposals and Scenarios for 2023-2024

***Proposal to Incrementally Move Funding for
Earhart “Innovative Program” from AUSD
General Fund to Alternative Revenue Sources***

Preliminary Recommendation: Gradual Reduction in General Fund Dollars to Earhart for “Innovative Programming”

Earhart Innovative Program	23-24	24-25	25-26
AUSD General Fund	\$87,000	\$43,000	\$0
Projected Prop 28 Funds	\$43,000	\$43,000	\$43,000
Alternative funds needed		\$43,000	\$86,000

- Value of the work is evident
- Manner in which program is currently resourced is in question
- Shifting funding source appropriately frees up general fund dollars for district-wide actions/services/initiatives
- Recommending gradual transition of program out of general fund dollars and toward an alternative revenue stream

Estimated Funds Returning to Ongoing General Fund

General Fund Innovative Program Dollars	\$260,000
Adjustments to Teen Parenting Staffing (approved 1/24/23)	\$100,000
Bay Farm Middle Program Phase Out (<i>estimated</i>)*	\$300,000
Total (estimate)	Approximately \$660,000 annually

**This is a conservative estimate; full phase out is likely to create a higher savings total district-wide. Complete phase out means reduction of nearly 8 full time positions, plus additional counseling and custodial staff (those savings are not factored in to the current \$300k projection). At current BFMS class sizes, comparable number of middle school students can be served with fewer positions in other AUSD middle schools and reduce overall staffing cost district-wide. Attrition certainly may impact that number, so while savings could move closer to \$500k we are working with a lower and more conservative assumption.*

Earhart Innovative: Brief Historical Recap

In January of 2012, Board conditionally approves this expenditure with the following actions and goals:

- Integrate music into Math, Science, and Technology (presentation was entitled ***Math, Science, Technology with Integration of Music***)
- In February of 2018, the school highlights music component at a board meeting with student presentation (this again makes Prop 28 funds a possible partial source)
- Program funding was to serve as model district-wide
- Conditional approval on January 10, 2012 called for:
 - Securing and developing partnerships with other AUSD schools by January of 2013
 - Those partner schools would be identified by January of 2013
 - Partner elementary schools would seek funding for comparable implementation by the end of the 2013-14 school year
 - Write and submit a science programming plan guide by April 1, 2013 to be considered along with the future funding of the program (*see slide 24 Board of Ed Presentation 1/10/12*).

Supplementing Vs. Supplanting

Current allocation may technically be noncompliant with the State LCFF Supplemental and Federal Title I law or necessitate increased expenditures at other schools.

1. Unrestricted general fund (aka LCFF Base fund) dollars are generally used for base programming on a uniform per-student basis.
2. Yet Maya Lin and Earhart currently receive *exclusive* allocations for programming via those same unrestricted general fund.
 - a. If unrestricted general funds are used for a purpose at a particular school, it implies “base programming.”
 - b. Sustaining general fund allocations at Maya and Earhart would require comparable allocations at the Title 1 schools of ***unrestricted general fund dollars*** at at our Title 1 schools.
 - c. We cannot use LCFF Supplemental or Title 1 funds to provide services that are being provided *from unrestricted general fund dollars at other sites*.
3. Currently Ruby, Paden, and Love receive "innovative dollars" from LCFF Supplemental, NOT the unrestricted general fund. This does not require us to use unrestricted general funds for similar programs at other schools.

Board Discussion