

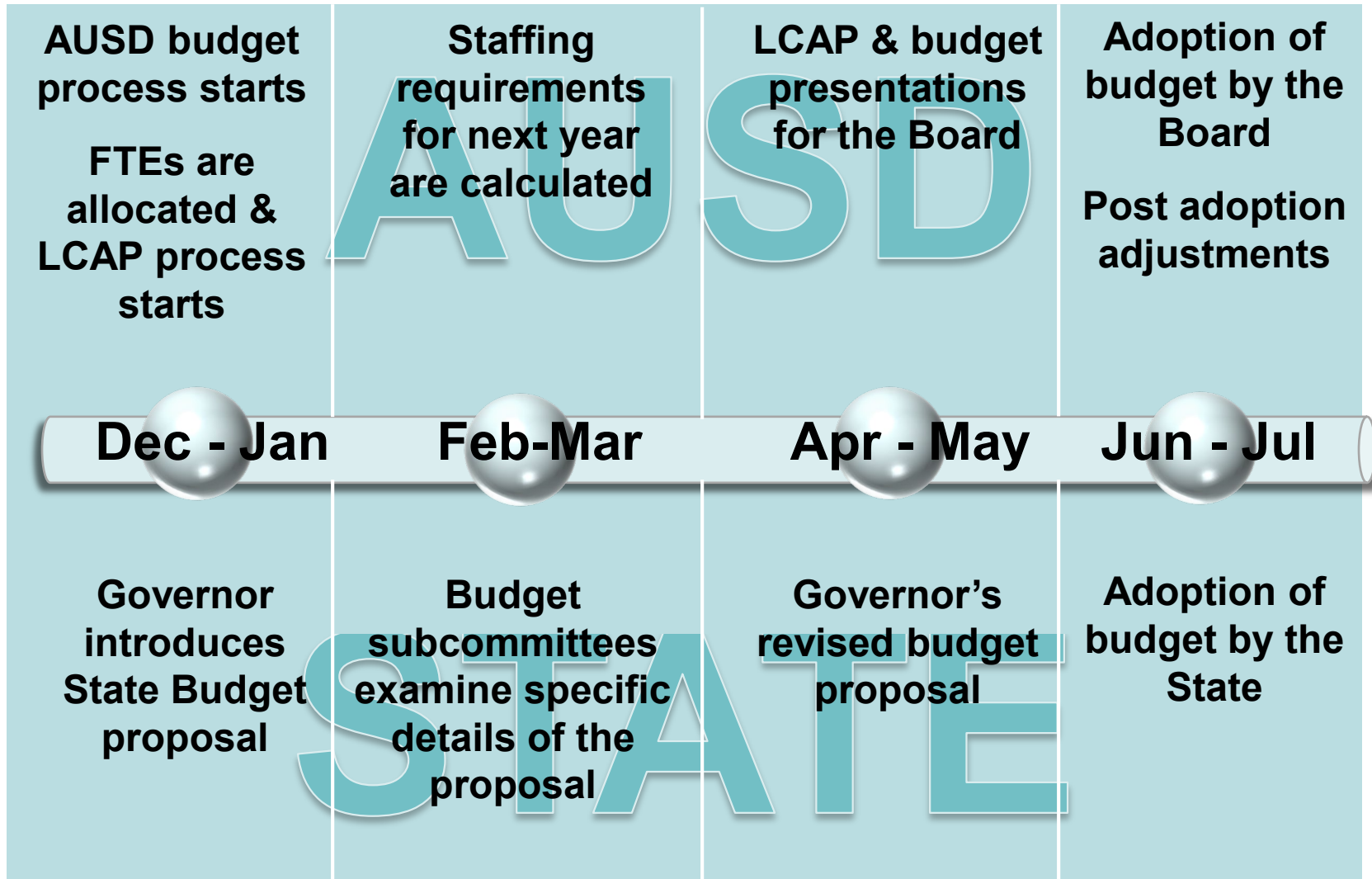
Governor's Budget Proposal for Fiscal Year 2021-22

January 26, 2021

Agenda

- State and AUSD budget timeline
- Education budget
 - COLA
 - Other State and Federal funds
- Items to watch
- Next steps

Timeline

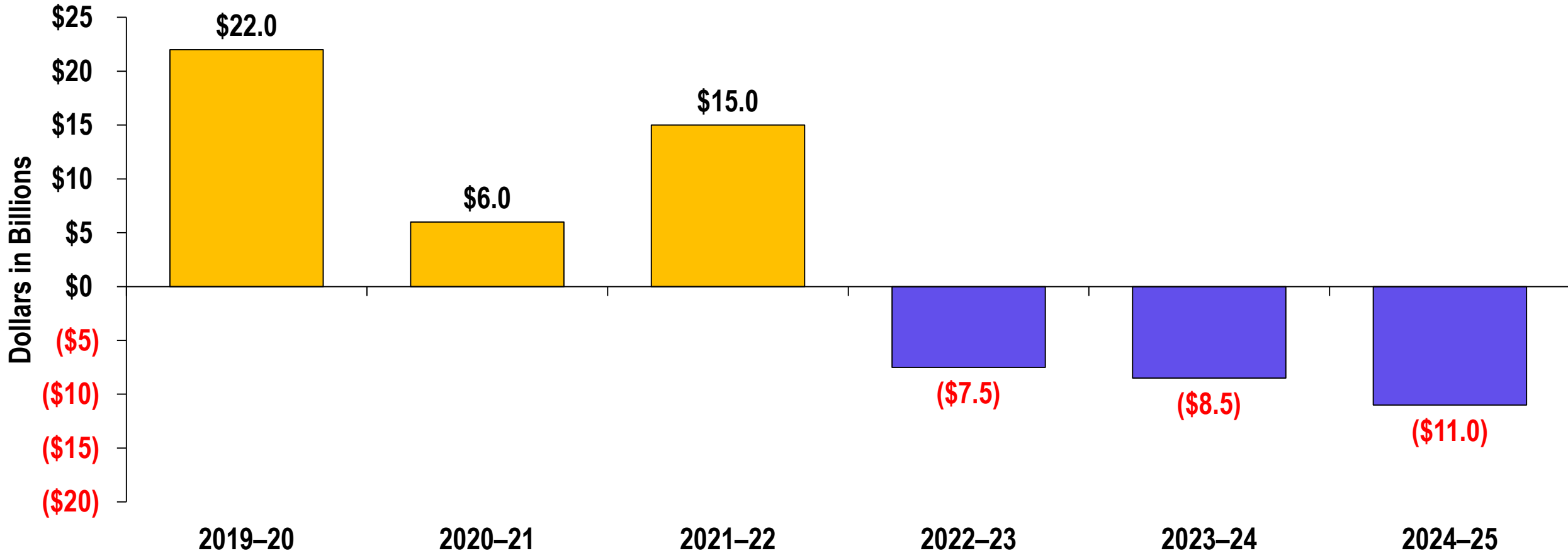


State of Economy

- Big Three taxes are up
 - Personal income tax
 - Sales/Use tax
 - Corporate tax
- Uneven “K” shaped recovery
 - Disproportionate job losses for employees in low-wage sectors
 - Job losses concentrated to younger workers in service sector
 - Lack of affordable childcare and closure of schools keeping people from participating in the workforce
- Commercial real estate

Surplus and Shortfalls – California Budget

Budget Projects Surplus and Future Shortfalls¹



¹Budget shortfalls or surplus, measured by the annual Governor's Budget
Source: 2021-22 Governor's Budget Summary, page 3

Education Funding

- Prop 98 Test 1 is operative – 38% of general fund revenue for K-14
- Prop 98 Supplemental Payment
 - 2020-21 budget included a supplemental 1.5% payment to K-14
 - Eventual increase to 40% of Revenue in Test 1
 - 2021-22 proposal includes repeal of supplemental payment in long-term
- Projected COLA options

Year	DOF Statutory COLA	Projected Funded COLA by Dept. of Finance	Projected Funded COLA by School Services	Recommended Funded COLA by the County Office
2020-21	2.31%	0.00%	0.00%	0.00%
2021-22	1.50%	3.84%	3.84%	Not available yet
2022-23	2.98%	2.98%	1.28%	Not available yet
2023-24	3.05%	3.05%	1.61%	Not available yet

State Expanded Learning Time & Academic Intervention Grant

- \$5.8 million in one-time Prop-98 funding to address learning loss
 - Push for “Early” action by legislature
 - Use by June 30, 2022
- Funds may be used for
 - Extend instructional learning time by increasing number of days or minutes
 - Tutoring or other one-on-one small group instruction
 - Before & After school programs

Other State Funds

- \$2 billion in one-time Prop 98 funds for Safe School for All Grant proposal
 - \$450/ADA for February resumption of in-person instruction, or
 - \$337/ADA for March resumption of in-person instruction
- Transitional Kindergarten
 - One-time funding for professional development
 - One-time funding to expand facilities
- Special Education
 - 1.5% COLA
- One-time \$450M for Mental Health programs
- \$540M on one-time Prop-98 funds Educator Professional Development

Federal Funds

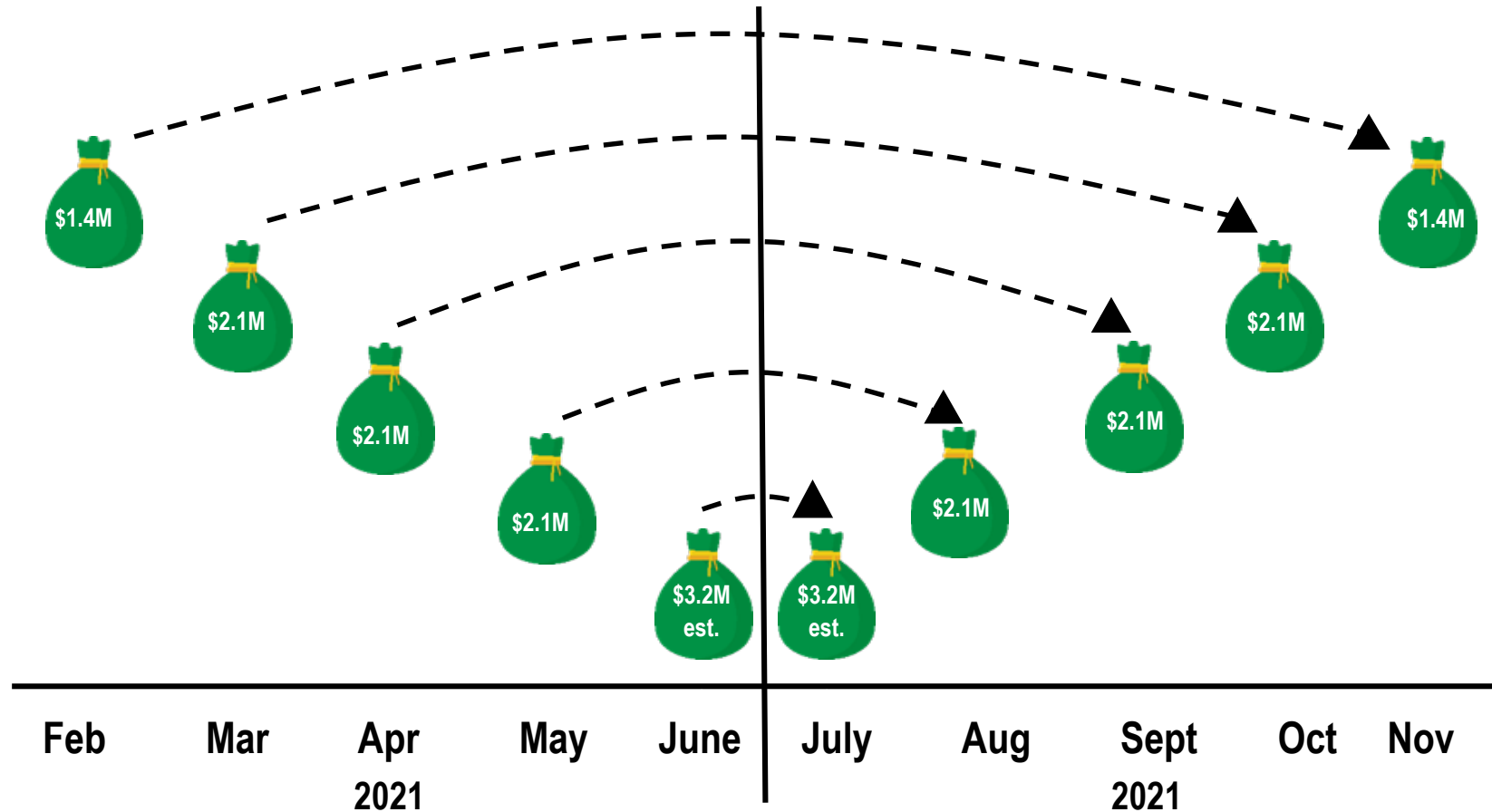
- Coronavirus Response & Relief Supplemental Appropriations (CARES Act 2.0)
 - AUSD's share is approximately \$3.2M
 - Deadline December 31, 2023
 - Potential project:
 - COVID-19 testing for 1,000 staff members ~ up to \$160K per month
 - COVID-19 testing for 5,000 students ~ up to \$1.3M per month
 - Wood Middle School Heating & Ventilation System
 - Technology replacements
- Child Nutrition reimbursements
 - Addition of 75 cents per meal

Federal Funds – Broadband Access

- Broad band access for qualifying families
 - \$50 per month
- Who is eligible?
 - Individuals who already qualify for FCC's Lifeline program
 - Families with children who qualify for free or reduced priced meal
 - Families with a college Pell Grant recipient
 - Families who qualify for a low-income or COVID-19 discount program
- To apply:
 - <https://nationalverifier.servicenowservices.com/lifeline>
 - https://www.usac.org/wp-content/uploads/lifeline/documents/forms/LI_Application-5629_UniversalForm.pdf

Cash Deferrals

- Approximately \$11M of AUSD’s State Aid will be deferred from 2020-2021 to 2021-22
- Borrowing options include:
 - Inter-fund borrowing
 - County Treasury
 - Municipal bonds
 - Tax Revenue Anticipation Notes (TRAN)



What's Not in the Budget Proposal

- COVID-19 liability coverage against law suits
- Hold harmless provision to keep LCFF Supplemental Grant at 19-20 funding level

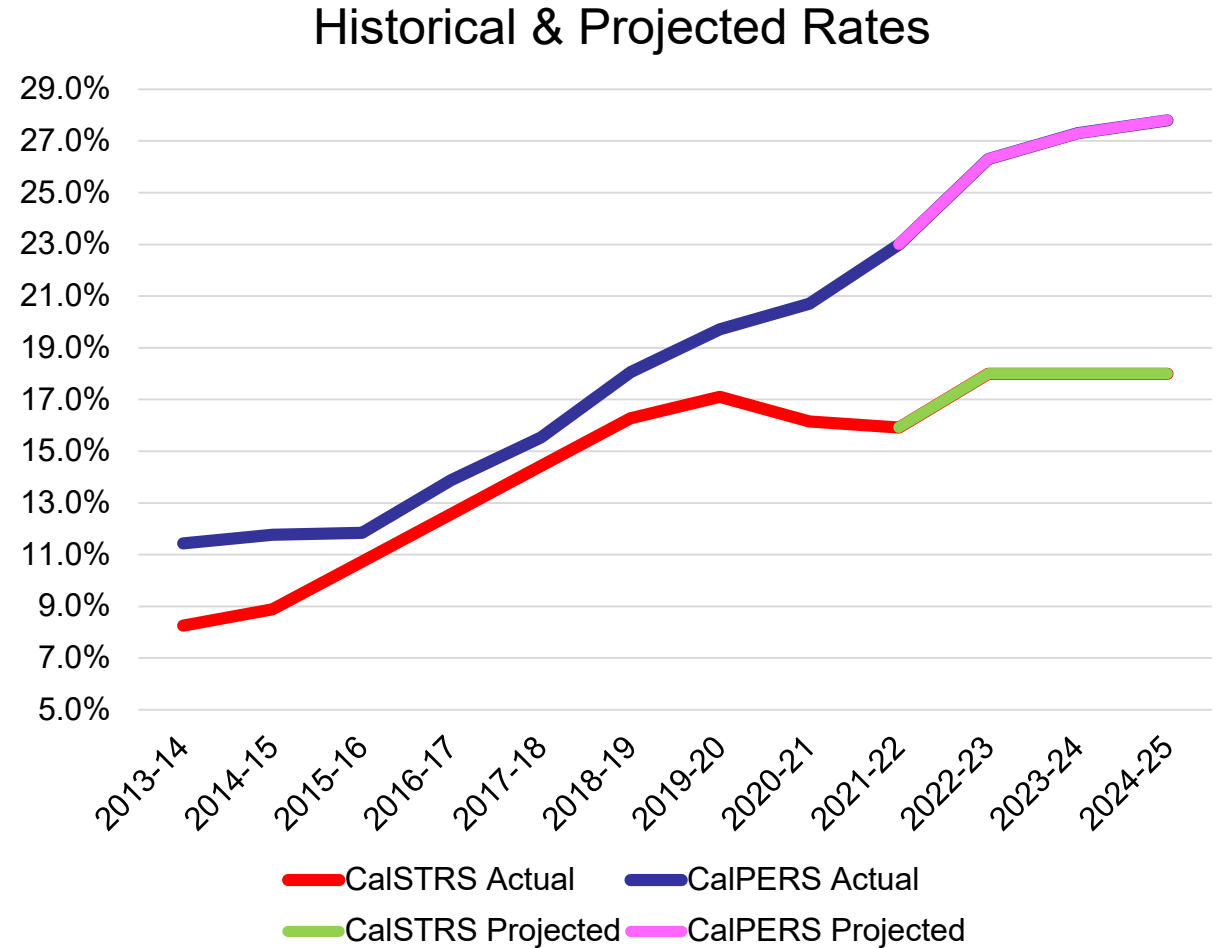
Items to Watch

- Declining enrollment
- Special Education costs
- Pension contributions

Pension Contributions

- No additional contribution by the State to reduce District’s pension costs
- Payment by the State in previous years reduced the 2021-22 rate

Year	CalSTRS	CalPERS
2020-21	16.15%	20.70%
2021-22	15.92%	23.00%
2022-23	18.00%	26.30%
2023-24	18.00%	27.30%
2024-25	18.00%	27.80%



Next Steps

- Second Interim Budget Update for 2020-21
- May Revise
- Adoption of the 2021-22 Budget

Governor's Budget Proposal for Fiscal Year 2021-22

Board Discussion

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