

Governor's Revised Budget Proposal for Fiscal Year 2020-21

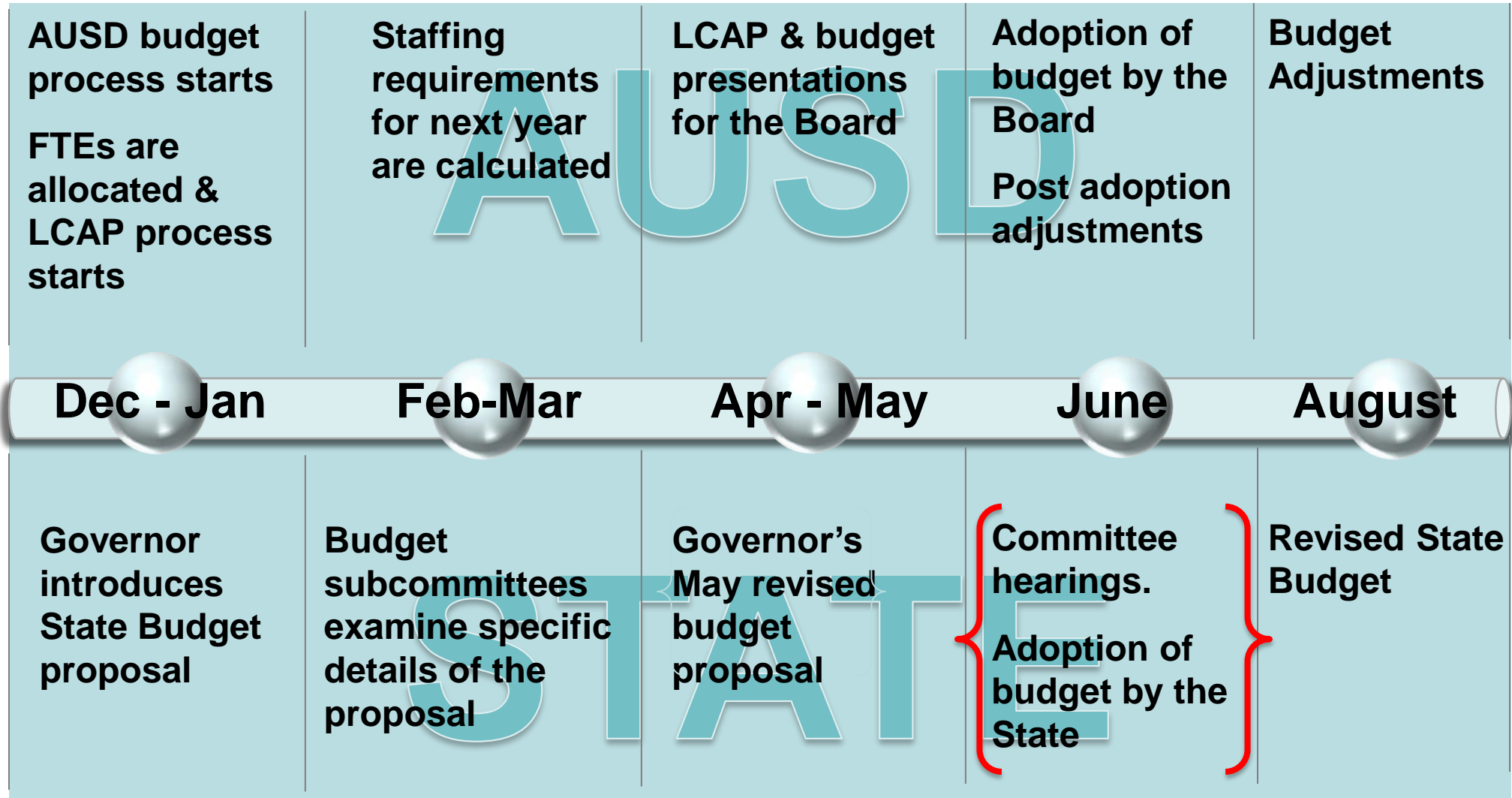
May 26, 2020

2020-2021 Budget – Governor’s Revised Budget Proposal

Agenda

- Budget Timeline
- Proposal Highlights & Impact on AUSD
- Next Steps

2020-2021 Budget – Governor’s Revised Budget Proposal Timeline



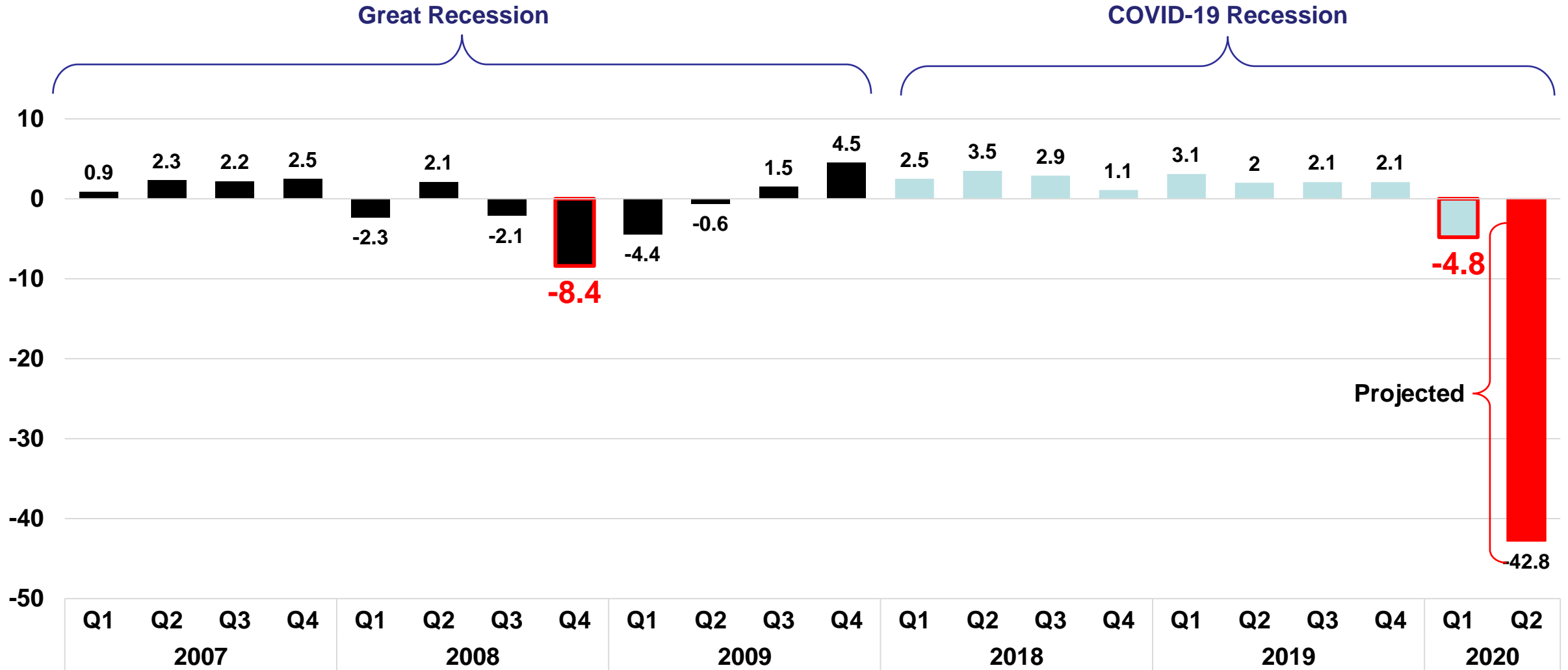
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COVID-19 Impact on State’s Finances

- Updated State revenue and expenditure projections
 - estimates a total of \$54.3 Billion shortfall, from \$5 Billion surplus in January
 - \$41.3 Billion in reduced revenue
 - \$9.1 Billion in 2019-20
 - \$32.2 Billion in 2020-21
 - \$13 billion in additional expenditures

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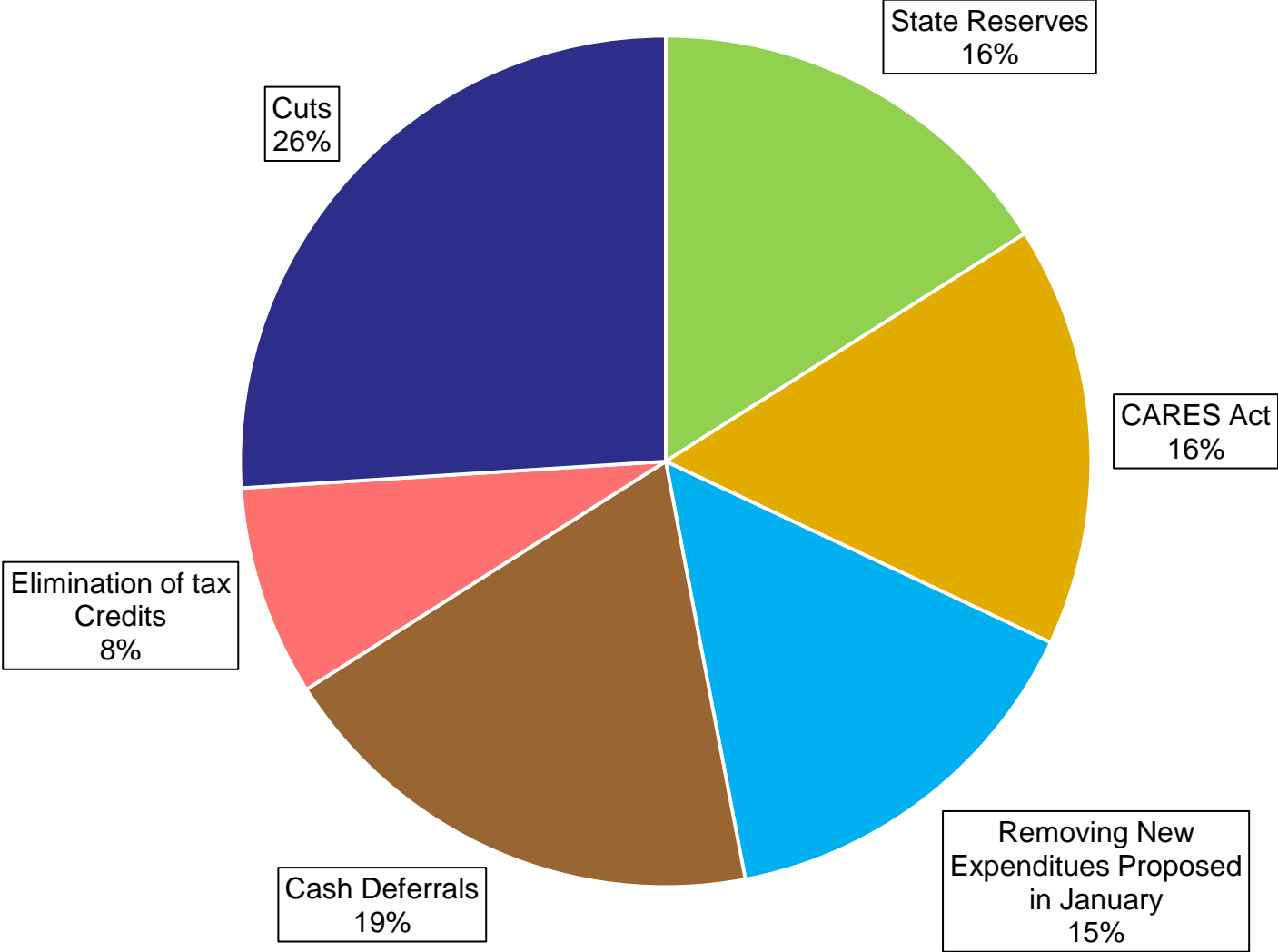
U.S. Real GDP—Great Recession vs. COVID-19



Source: U.S. Bureau of Economic Statistics
 Graph by School Services of California

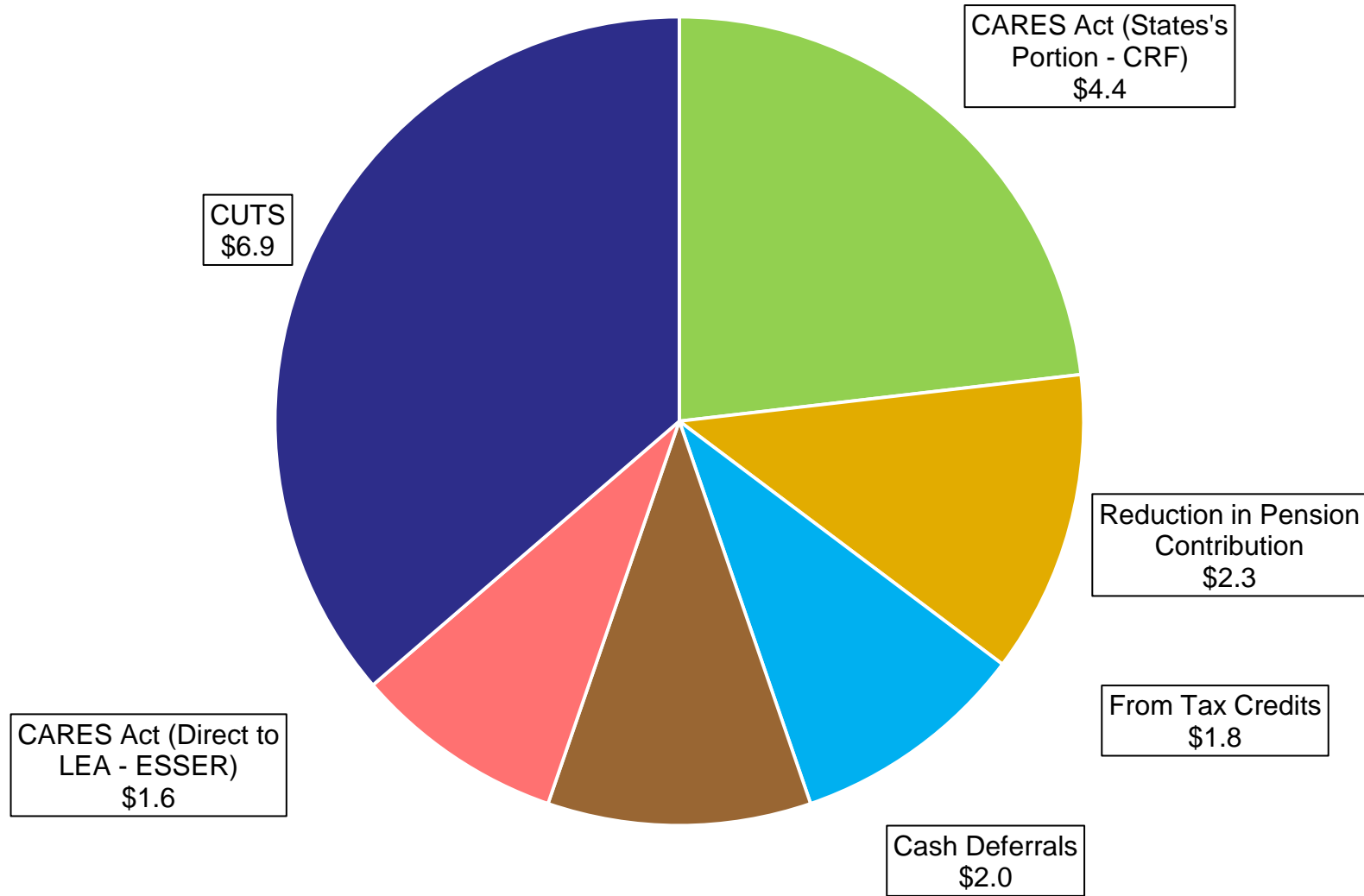
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State’s Strategy to Cover \$54.3 Billion Shortfall



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Education Budget – Reduction of \$19 Billion



All amounts in billions

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Education Budget Highlights

- 10% reduction
 - LCFF Base & Supplemental (approx. 8.4M in 2020-21)
 - CTE, Adult Ed., Child Development, After School Programming
 - Trigger mechanism if the federal government provides sufficient funding
- Special Education funding increase
 - From \$579 to \$645 /ADA (approx. \$580K for AUSD)
- Elimination of \$250M in one-time funding for special education preschool program
- CalSTRS & CalPERS rate buy-down
 - Approximately 2% reduction in 2020-21 and 2021-22

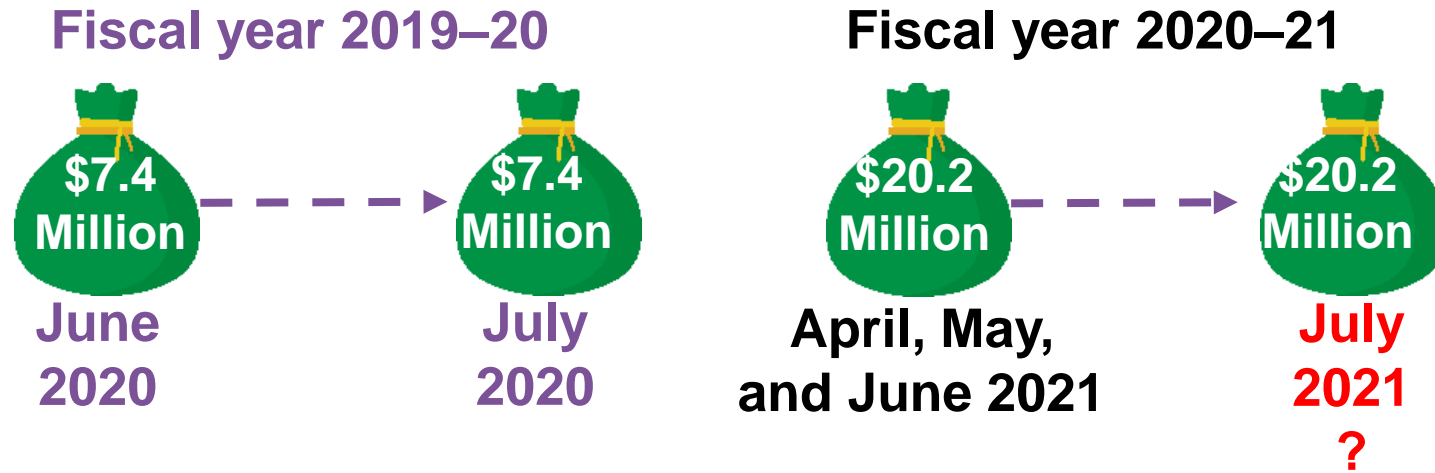
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Education Budget Highlights

- CARES Act -ESSER
 - One-time - Approximately \$800K
 - Restricted Funds, not subject to supplanting prohibition
- CARES Act –GEERF & CRF
 - One-time, must spend by December 30, 2020
 - \$4.4B to address learning loss
 - 2/3rd for Districts with concentration grant - AUSD does not qualify
 - 1/3rd for all school districts
 - Potentially \$1.9M for AUSD
 - Restricted Funds

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Cash Deferrals



- Avoids additional cuts, but moves the borrowing costs to the district
- Would necessitate borrowing to meet payroll and vendor obligations
- Borrowing options include:
 - Inter-fund borrowing
 - County Treasury
 - Municipal bonds
 - Tax Revenue Anticipation Notes (TRAN)

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County Guidance

- Don’t count of CARES Act (GEERF & CRF) if you are not a concentration district
 - Even the 1/3rd set-aside for all school districts may give way to more funding for concentration and high supplemental districts
- Board resolution with the budget adoption committing the district to account for budget shortfall in FY2020-21 through expenditure reduction and/or revenue enhancement

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Impact of May Revise on Alameda Unified Unrestricted General Fund

Description	2020-21
LCFF COLA	\$ (8,400,000)
CARES Act - GEERF & CRF	\$ -
CARES Act - ESSER	\$ -
Reduction in pension expenditure	\$ 1,800,000
Increase in AB602 funding	\$ 590,000
Removal of STRS/PERS on-behalf from Routine Maintenance calculation	\$ 120,000
Total	\$ (5,890,000)

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What’s Not in the May Revision

- Flexibility to reduce the instructional year and minutes
- Extension of ADA hold harmless provided in 2019-20 to 2020-21
- Flexibility in the use of LCFF Supplemental funds
- Ability to sweep ending balances from categorical programs

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Next Steps

- June 2020
 - Estimated Actuals & Budget Adoption
 - Better ending fund balance projection
 - Adoption of the State budget
- July - August 2020
 - Revised State budget & updated AUSD budget
 - Collaborative work with Bargaining Units
- September 2020
 - Unaudited Actuals - Firm ending fund balance
- December 2020
 - LCAP Adoption

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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