

2020-2021

Second Interim Budget Update

March 9, 2021

Agenda

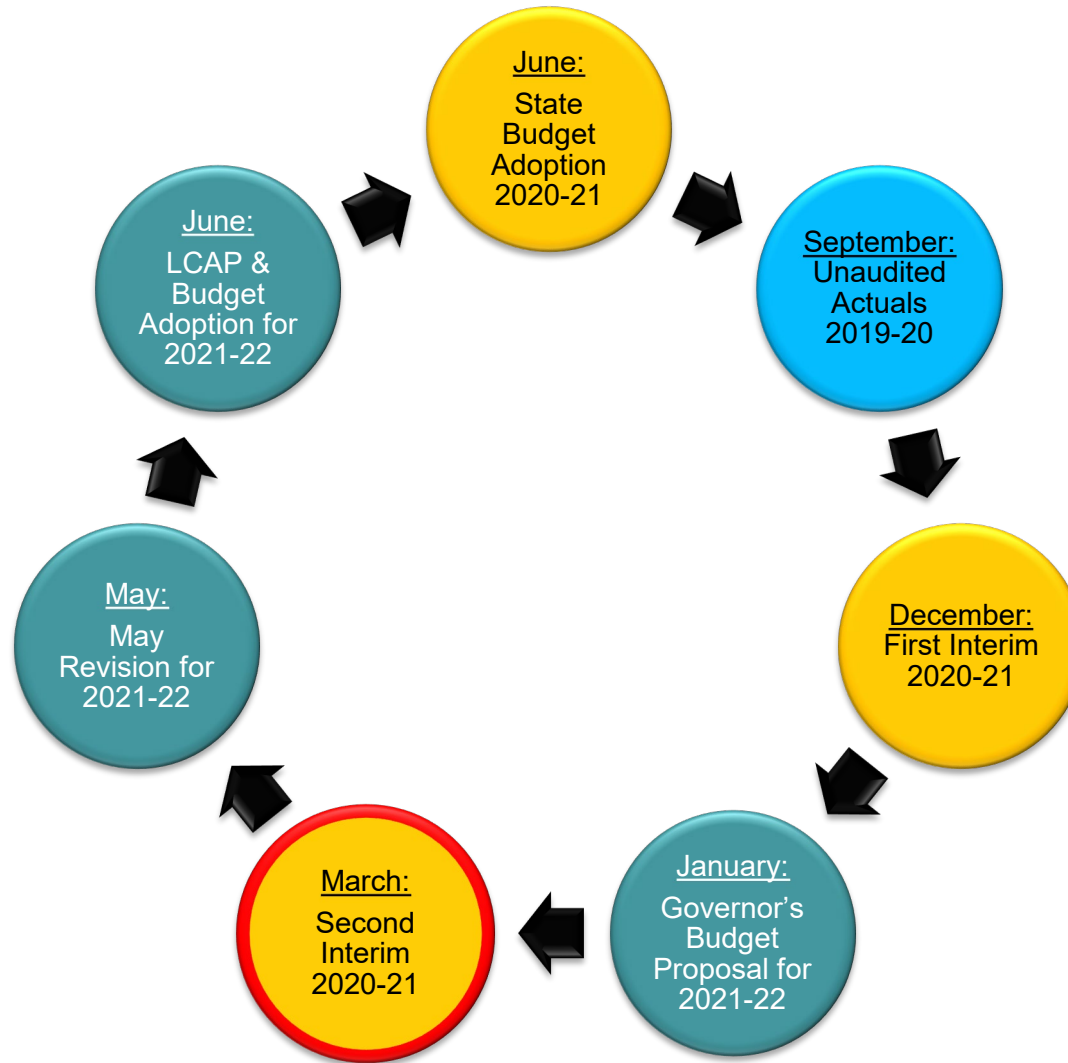
- Background
- Timeline
- Budget assumptions
 - ADA lookback options
 - Changes from First Interim
- 2020-2021 General Fund budget & Multi-year projections
- Update on one-time state funds

Background

- Per state law, AUSD's Board must pass Second Interim budget update by March 15 of each year.
- Board must certify that the District's projected financial outlook for 2020-21, 2021-22, and 2022-23 is one of the following:
 - **Positive: WILL MEET** the financial obligations for the current and two subsequent fiscal 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 year and two subsequent fiscal years
- Staff recommends a positive certification.



Second Interim Update



Budget Assumptions & Comparative Periods

Categories	Source	2020-21			2021-22			2022-23		
		Adopted	1st Interim	2nd Interim	Adopted	1st Interim	2nd Interim	Adopted	1st Interim	2nd Interim
Enrollment	CALPADS/ Projection	9,372	9,072	9,006	9,372	9,072	9,006	9,372	9,072	9,006
Funded ADA-Actual/Projected		8,976	8,976	8,976	8,976	8,976	8,976	8,976	8,709	8,662
ADA as a %age of Total Enrollment		95.8%	98.9%	99.7%	95.8%	98.9%	99.7%	95.8%	96.0%	96.2%
Unduplicated EL/FRPM Count		2,816	2,648	2,743	2,709	2,569	2,661	2,606	2,492	2,581
Unduplicated EL/FRPM Percentage		30.0%	29.2%	30.5%	28.9%	28.3%	29.5%	27.8%	27.5%	28.7%
COLA	SSC	2.3%	0.0%	0.0%	2.5%	0.0%	3.8%	3.3%	0.0%	1.3%
Effective Deficit Factor	SSC	-7.9%	0.0%	0.0%	-12.2%	0.0%	0.0%	-15.0%	0.0%	0.0%
Learning Loss & ESSER Funds	CDE	\$800K	\$5.9M							
State Teacher's Retirement System	CDE	16.2%	16.2%	16.2%	16.0%	16.0%	15.9%	18.1%	18.1%	18.0%
Public Employee Retirement System	PERS	20.7%	20.7%	20.7%	22.8%	23.0%	23.0%	25.5%	26.3%	26.3%
Transfer of IOU to Reserve Fund	AUSD		\$6M							
Deferred Maintenance Budget	AUSD			\$500K			\$500K		\$500K	\$2M

ADA Scenarios for Out Years

Categories	2019-20	2020-21	2021-22	2022-23
District Enrollment	9,372	9,006	9,006	9,006
Actual/Projected ADA	8,976	8,662	8,662	8,662
Funded ADA	8,976	8,976	8,976	8,662
Funding Impact - Gain (Loss)				(\$2.9M)
Unduplicated EL/FRPM Count	2,936	2,743	2,661	2,581
Unduplicated EL/FRPM Percentage	31%	30%	30%	29%
LCFF Supplemental Grant	\$5.2M	\$4.9M	\$4.8M	\$4.6M

- Hold harmless extension to 2021-22 is masking the decline in enrollment
- Opportunity to align staffing and expenditures to actual enrollment in 2021-22, instead of waiting till 2022-23

General Fund Update for FY 2020-2021

	Unrestricted			Restricted			Total
	Totally Unrestricted	LCFF Supplemental Grant	Parcel Tax (A & B1)	Special Education	Other Restricted	Various COVID-19 Resources	General Fund
REVENUES							
LCFF Revenue	\$ 77,872,761	\$ 4,911,758	\$ -	\$ 753,049	\$ -	\$ -	\$ 83,537,568
Federal Categorical Revenue	-	-	-	2,204,626	2,094,423	5,190,688	9,489,737
State Categorical Revenue	1,823,842	-	-	1,071,284	5,975,212	714,259	9,584,597
Local Revenue	991,309	-	22,990,911	5,361,559	871,650	-	30,215,429
Revenues	\$ 80,687,912	\$ 4,911,758	\$ 22,990,911	\$ 9,390,518	\$ 8,941,285	\$ 5,904,947	\$ 132,827,331
EXPENDITURES							
Salaries & Benefits	\$ 42,919,933	\$ 4,088,709	\$ 20,763,510	\$ 20,204,760	\$ 8,594,139	\$ 2,061,818	\$ 98,632,869
Books & Supplies	1,449,342	137,803	220,000	321,664	3,403,150	1,937,563	7,469,522
Services & Op. Expenses	8,169,102	697,330	253,000	12,322,602	4,792,271	106,131	26,340,436
Capital Outgo & Transfers	(2,647,641)	309,473	1,372,598	1,827,040	1,195,274	128,472	2,185,216
Expenditures	\$ 49,890,736	\$ 5,233,315	\$ 22,609,108	\$ 34,676,066	\$ 17,984,834	\$ 4,233,984	\$ 134,628,043
Excess (Deficiency) of Revenues over Expenditures	\$ 30,797,176	\$ (321,557)	\$ 381,803	\$ (25,285,548)	\$ (9,043,549)	\$ 1,670,963	\$ (1,800,712)
Other Sources (Uses)	\$ (34,770,385)		\$ (381,803)	\$ 25,039,297	\$ 3,669,305	\$ -	\$ (6,443,586)
Net Inc. (Dec) in Fund Bal.	\$ (3,973,209)	\$ (321,557)	\$ -	\$ (246,251)	\$ (5,374,244)	\$ 1,670,963	\$ (8,244,298)
Beginning Balance	\$ 15,988,342	\$ 321,557	\$ -	\$ 131,536	\$ 5,736,798	\$ (1,670,963)	\$ 20,507,270
Ending Balance	\$ 12,015,133	\$ -	\$ -	\$ (114,715)	\$ 362,554	\$ -	\$ 12,262,972
Revolving Fund/Restricted	\$ 1,050,000	\$ -	\$ -	\$ (114,715)	\$ 362,554	\$ -	\$ 1,297,839
Unassigned Ending Fund Balance	\$ 10,965,133	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,965,133

Budget Contingencies & Impact on Ending Fund Balance

- Higher than normal unspent funds
- Proportionate share of unspent budgets is typically dropped to the fund balance at second interim
- Keeping budgets in place as schools are about to resume in-person instruction
 - School supplies
 - Additional staffing
 - Protective Equipment
- Unspent funds will become part of ending fund balance at close of year

Program	Amount
Athletics	\$ 607,912
Teacher Substitutes & Hourly	592,601
Custodial Substitute & Hourly	367,985
MOF Vacancy Savings	346,100
COVID-19 Contingencies	600,000
Paraprofessional Substitute & Hourly	162,902
Mental Health Contribution	700,000
Transportation Contribution	1,800,000
Special Ed. Contingencies	574,366
Total	\$ 5,751,866

Multiyear Projections - Unrestricted General Fund

Line	Description	2020-2021	2021-2022	2022-2023
		Revised	Projected	Projected
A	Projected Beginning Balance, July 1	\$ 16,309,899	\$ 12,015,133	\$ 10,705,820
B	Revenues	\$ 108,590,581	\$ 111,408,887	\$ 107,849,804
C1	Transfer IOU to Reserve Fund	6,061,783	-	-
C2	Interfund Transfers	381,803	381,803	381,803
C3	Expenditures	77,733,159	82,304,633	85,806,820
C4	Contribution to Restricted Programs	28,708,602	30,031,764	30,738,535
D = B-C1+C2-C3-C4	Surplus (Deficit)	\$ (4,294,766)	\$ (1,309,313)	\$ (9,077,354)
E = A+D	Projected Ending Balance, June 30	\$ 12,015,133	\$ 10,705,820	\$ 1,628,466
F	Assignments/Commitments	\$ 1,050,000	\$ 1,050,000	\$ 50,000
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 10,965,133	\$ 9,655,820	\$ 1,578,466

Components of Ending Fund Balance – Unrestricted General Fund

Line #	Description	2020-2021	2021-2022	2022-2023
1	Ending Fund Balance	\$ 12,015,133	\$ 10,705,820	\$ 1,628,466
2				
3	Components of Ending Fund Balance			
4	Revolving Cash	50,000	50,000	50,000
5	ChromeBook Purchases	500,000	1,000,000	
6	Middle School Math & Social Studies	500,000		
7	Total - Components	\$ 1,050,000	\$ 1,050,000	\$ 50,000
8				
9	Net Unassigned Ending Fund Balance	\$ 10,965,133	\$ 9,655,820	\$ 1,578,466

One-time Grants for FY 2021-22

- In-Person Instruction Grant - \$2.7 million
 - In-person instruction by April 1, 2021
 - TK-2 if in Purple
 - TK-5 if in Red, Orange, or Yellow
 - Must include one 6-12 grade level
 - Grant reduced by 1% (\$27K) per day for each day after April 1 if in-person instruction is not provided
- Expanded Learning Opportunity Grant - \$5.7 million
 - At least 85% must be used for activities provided in-person
 - Up to 15% may be used for activities provided remotely
 - Adopt a plan by June 1, 2021
- Funds are available for use until August 31, 2022
- Revenue not recognized in Second Interim

What's Ahead....

- Early Action on In-person and Expanded Learning Grants
- Elementary & Secondary School Emergency Relief Fund (ESSER II)
- Governor's revised budget proposal for FY 2021-22
- LCAP and Budget adoption – May/June 2021

Board Discussion & Action

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