

2022-23

Second Interim Budget update

March 14, 2023

Agenda

- **Revised multiyear assumptions**
- **Budget changes up to January 31, 2023**
- **Multiyear projections**

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 2022-23, 2023-24, and 2024-25 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**

First Interim Update



Enrollment

Year	Enrollment Assumed at Budget Adoption in June 2022	Enrollment Assumed at Second Interim 2023
2022-23	8,533	8,830
2023-24	8,362	8,653
2024-25	8,195	8,480
2025-26	8,031	8,311

Students Qualifying for Unduplicated Services*

- One-time correction in student count due to the State switching to Alternative Income Form
- Increase from 28% to 37% of total student population

Year	Unduplicated Student Count Assumed at Budget Adoption in June 2022	Unduplicated Student Count Assumed at Second Interim 2023
2022-23	2,399	3,315
2023-24	2,351	3,083
2024-25	2,304	2,867
2025-26	2,258	2,606

*Unduplicated count of students who qualify for free or reduced priced meal or are English Learners

Cost of Living Adjustment (COLA)

Year	COLA Assumed at First Interim in December 2022	COLA Assumed at Second Interim 2023
2023-24	5.38%	8.13%
2024-25	4.02%	3.54%
2025-26	3.72%	3.31%

Consumer Price Index (CPI)

Year	CPI Assumed at First Interim in December 2022	CPI Assumed at Second Interim 2023
2023-24	2.58%	3.44%
2024-25	2.20%	2.77%
2025-26	2.38%	2.49%

Contribution to Public Employees Retirement System (CalPERS)

Year	PERS Rate Assumed at First Interim in December 2022	PERS Rate Assumed at Second Interim 2023
2023-24	25.20%	27.00%
2024-25	24.60%	28.10%
2025-26	23.70%	28.80%

Contribution to State Teacher's Retirement System (CalSTRS)

Year	CalSTRS Funding Plan Increases	
	Rate	Year-over-year change
2013-14	8.25%	No increase since 1986
2014-15	8.88%	0.63%
2015-16	10.73%	1.85%
2016-17	12.58%	1.85%
2017-18	14.43%	1.85%
2018-19	16.28%	1.85%
2019-20	17.10%	0.82%
2020-21	16.15%	-0.95%
2021-22	16.92%	0.77%
2022-23	19.10%	2.18%
2023-24	19.10%	0%
2024-25	19.10%	0%
2025-26	19.10%	0%

- CalSTRS rate changes require legislative approval
- CalSTRS may follow CalPERS and implements similar rate increases

Assumptions

Categories	Source	2021-22	2022-23		2023-24		2024-25		2025-26	
		Actual	Adopted	Revised	Adopted	Revised	Adopted	Revised	Adopted	Revised
District Enrollment	CALPADS/Projection	8,706	8,533	8,830	8,362	8,653	8,195	8,480	8,031	8,311
ADA - Actual/Projected		8,299	8,141	8,327	7,986	8,264	7,834	8,099	7,686	7,937
Actual ADA as a %age of Enrollment		95.3%	95.4%	94.3%	95.5%	95.5%	95.6%	95.5%	95.7%	95.5%
Funded ADA-Actual/Projected		8,964	8,750	8,773	8,468	8,545	8,135	8,310	7,981	8,229
Funded ADA as a %age of Enrollment		103%	103%	99%	101%	99%	99%	98%	99%	99%
Unduplicated EL/FRPM Count		2,448	2,399	3,315	2,351	3,083	2,304	2,867	2,258	2,666
Unduplicated EL/FRPM Percentage		28%	28%	38%	28%	36%	28%	34%	28%	32%
COLA	ACOE		6.56%		5.38%	8.13%	4.02%	3.54%	3.72%	3.31%
Increase in LCFF Base				6.70%						
State Teacher's Retirement System	ACOE		19.1%		19.1%		19.1%		19.1%	
Public Employee Retirement System	ACOE		25.4%		25.2%	27.0%	24.6%	28.1%	23.7%	28.8%
Deferred Maintenance Budget	AUSD		\$500K		\$500K		\$3Million		\$3Million	

Revised Budget for FY 2022-2023

	Unrestricted			Restricted		Total
	Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	General Fund
REVENUES						
LCFF Revenue	\$ 96,912,786			\$ 747,212		\$ 97,659,998
Federal Categorical Revenue				2,388,121	9,005,288	11,393,409
State Categorical Revenue	1,909,230			1,390,748	22,659,930	25,959,908
Local Revenue	554,536		23,682,558	7,163,819	1,851,022	33,251,935
Total Revenues	\$ 99,376,552	\$ -	\$ 23,682,558	\$ 11,689,900	\$ 33,516,240	\$ 168,265,250
EXPENDITURES						
Certificated Salaries	\$ 28,940,570	\$ 2,872,219	\$ 14,500,323	\$ 10,653,389	\$ 2,476,915	\$ 59,443,416
Classified Salaries	10,386,873	328,394	2,256,135	5,963,085	3,053,504	21,987,991
Benefits	13,201,620	940,259	4,678,151	5,570,574	8,091,803	32,482,407
Books & Supplies	1,949,429	545,343	206,270	182,271	5,469,264	8,352,577
Services & Op. Expenses	10,172,349	705,768	274,408	14,383,113	7,092,220	32,627,858
Capital Outgo & Transfers	(3,661,648)	410,329	1,803,841	1,991,487	3,375,986	3,919,995
Total Expenditures	\$ 60,989,193	\$ 5,802,312	\$ 23,719,128	\$ 38,743,919	\$ 29,559,692	\$ 158,814,244
Other Sources (Uses)	\$ (44,626,189)	\$ 5,769,717		\$ 26,765,451	\$ 5,745,811	\$ (6,345,210)
Net Inc. (Dec) in Fund Bal.	\$ (6,238,830)	\$ (32,595)	\$ (36,570)	\$ (288,568)	\$ 9,702,359	\$ 3,105,796
Beginning Balance	\$ 21,341,319	\$ 1,378,239	\$ 36,570	\$ 288,567	\$ 7,669,585	\$ 30,714,280
Ending Balance	\$ 15,102,489	\$ 1,345,644	\$ -	\$ (1)	\$ 17,371,944	\$ 33,820,076

Components of Ending Fund Balance

Line #		Unrestricted			Restricted		Total
		Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	General Fund
A	Ending Balance	\$ 15,102,489	\$ 1,345,645	\$ -	\$ -	\$ 17,371,942	\$ 33,820,076
	Revolving Cash Fund	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	Measure A Litigation	375,000					375,000
	Textbook Adoptions	1,865,680					1,865,680
	Proxy ADA Pending 22-23 Audit	500,000					500,000
	LCFF Supplemental		1,345,645				1,345,645
	Expanded Learning Opp. Prgm.					1,127,778	1,127,778
	Educator Effectiveness Grant					1,419,617	1,419,617
	Restricted Lottery (Text Books)					998,156	998,156
	Discretionary Block Grant					5,527,546	5,527,546
	A-G Access/Success Grant					258,609	258,609
	Learning Recovery Grant					5,953,355	5,953,355
	Misc. Grants & Donations					2,086,881	2,086,881
B	Components of Ending Fund Balance - Total	\$ 2,790,680	\$ 1,345,645	\$ -	\$ -	\$ 17,371,942	\$ 21,508,267
C = A - B	Unassigned/Unappropriated Ending Fund Balance	\$ 12,311,809	\$ -	\$ -	\$ -	\$ -	\$ 12,311,809

Multiyear Projections - Unrestricted General Fund

Line	Description	2022-23	2023-24	2024-25	2025-26
		Revised	Projected	Projected	Projected
A	Projected Beginning Bal., July 1	\$ 22,756,128	\$ 16,448,133	\$ 15,512,073	\$ 11,501,807
B	Revenues	\$ 123,059,110	\$ 128,438,076	\$ 127,067,088	\$ 116,525,385
C1	Expenditures	96,855,843	94,261,927	95,754,363	96,666,430
C2	Contribution to Restricted	32,511,262	35,112,209	35,322,991	35,757,756
D = B-C1-C2	Surplus (Deficit)	\$ (6,307,995)	\$ (936,060)	\$ (4,010,266)	\$ (15,898,801)
E = A+D	Projected Ending Bal., June 30	\$ 16,448,133	\$ 15,512,073	\$ 11,501,807	\$ (4,396,994)
F	Assignments/Commitments	\$ 4,136,325	\$ 4,136,325	\$ 4,136,325	\$ 4,136,325
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 12,311,808	\$ 11,375,748	\$ 7,365,482	\$ (8,533,319)

Looking Ahead

Tonight's Vote

Temporary Positions Funded Using COVID One-Time Funds

Employee Category	2021-22	2022-23	2023-24	2024-25	Comments
Academic Counselors	3	3	3		Transfer to Learning recovery Block Grant from 24-25 to 26-27
Program Manager - Assessment	1	1	1		
Program Manager - Mental Health	1				
Teacher on Special Assignment - Learning Loss	1	1	1		
Education Equity/Family Engagement Coordinator	1	1			Transfer to LCFF Supplemental on ongoing basis
Psychologist	1				
Digital Communication Specialist	1	1			Transfer to C-19 extension for 23- 24 and 24-25
Paraprofessionals	10				
COVID Testing Assistants		2			
Total	19	9	5		

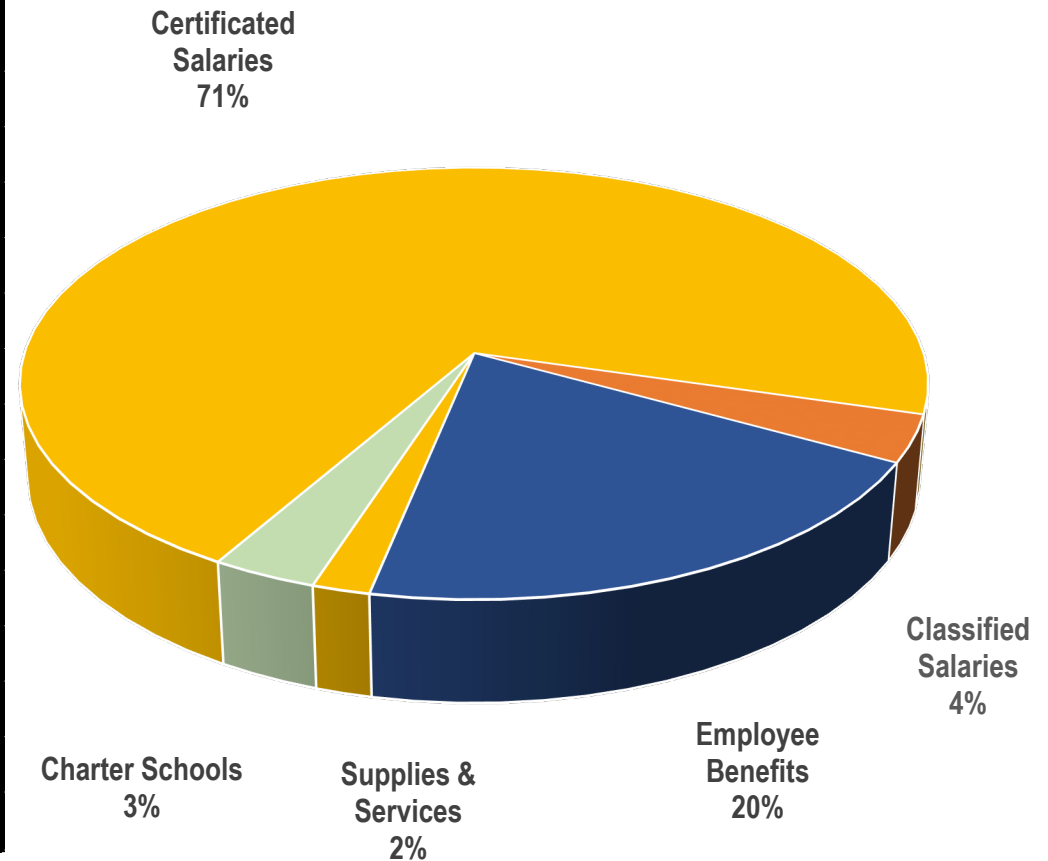
Reserve Fund

- **Additional reserves provide a cushion against**
 - Decline in enrollment
 - Change in demographics
 - Prepare the district for a softer landing in case future parcel tax renewals are not sought or fail

Reserve for Economic Uncertainties	Amount (millions)
3% of expenditures (required by the state)	\$4.9
Three weeks worth of salary	\$6.7
Deficit spending mitigation measures	\$9.6
Total	\$21.3

Parcel Tax – Measure B1

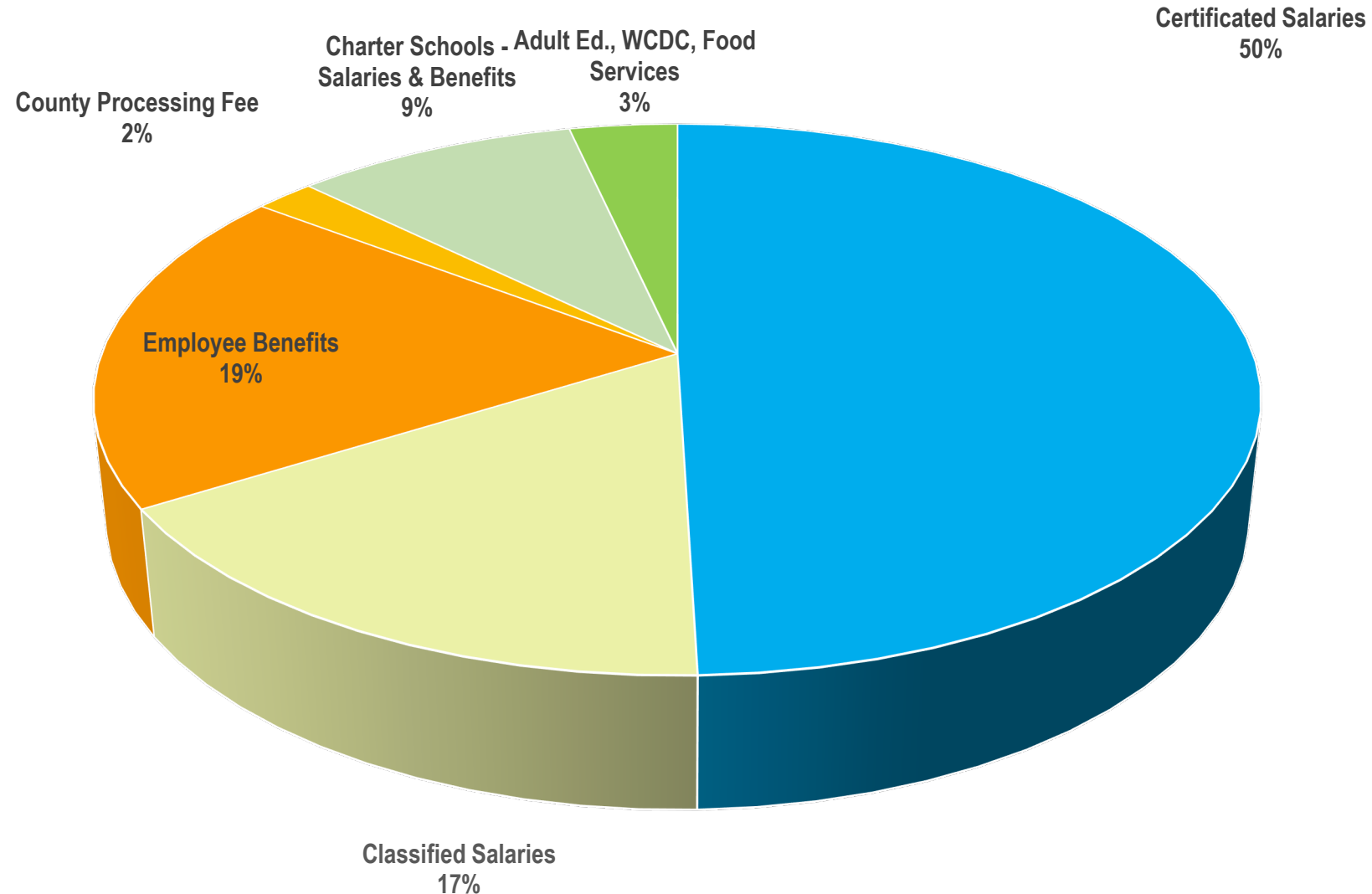
PTAX #	Description	Approved Percentage Range	Budget (Amount)	Budget (%)
1	Small Class Sizes in K-3	14% to 15%	\$ 1,798,000	14.25%
2	Neighborhood Elementary Schools	7% to 8%	915,000	7.25%
3	Secondary School Choice Initiative	7%-8%	936,254	7.42%
4	Programs to Close the Achievement Gap	13% to 14%	1,672,000	13.25%
5	High School Athletics Program	4%	505,000	4.00%
6	Enrichment Program	9-10%	1,164,945	9.23%
7	Attract and Retain Excellent Teachers	30-31%	3,817,000	30.25%
8	Counseling and Student Support	6%	756,820	6.00%
9	Alameda Charter Students	3-4%	422,881	3.35%
10	Technology	5%	631,542	5.00%
11	Adult Education	0%	-	0.00%
		Sub-Total	12,619,442	
12	Accountability and Fiscal Transparency		184,264	
		Total	\$ 12,803,706	



Expires 2024-25

Parcel Tax – Measure A

Description	Budget (Amount)
Certificated Salaries	\$ 5,388,945
Classified Salaries	1,804,047
Employee Benefits	2,092,492
County Processing Fee	212,408
Charter Schools - Salaries & Benefits	999,157
Adult Education	95,557
WCDC	134,774
Food Services	144,629
Capital Facilities	6,843
	\$ 10,878,852



Expires 2026-27

Next Steps

- **Continue with budget development for 23-24**
- **Budget and LCAP presentations in April and May**
- **LCAP and budget action by the Board in June 2023**

Board Discussion & Questions