

Budget & LCAP Adoption Process

Public Hearing on Proposed Budget for Fiscal Year 2023-2024

June 13, 2023

Agenda

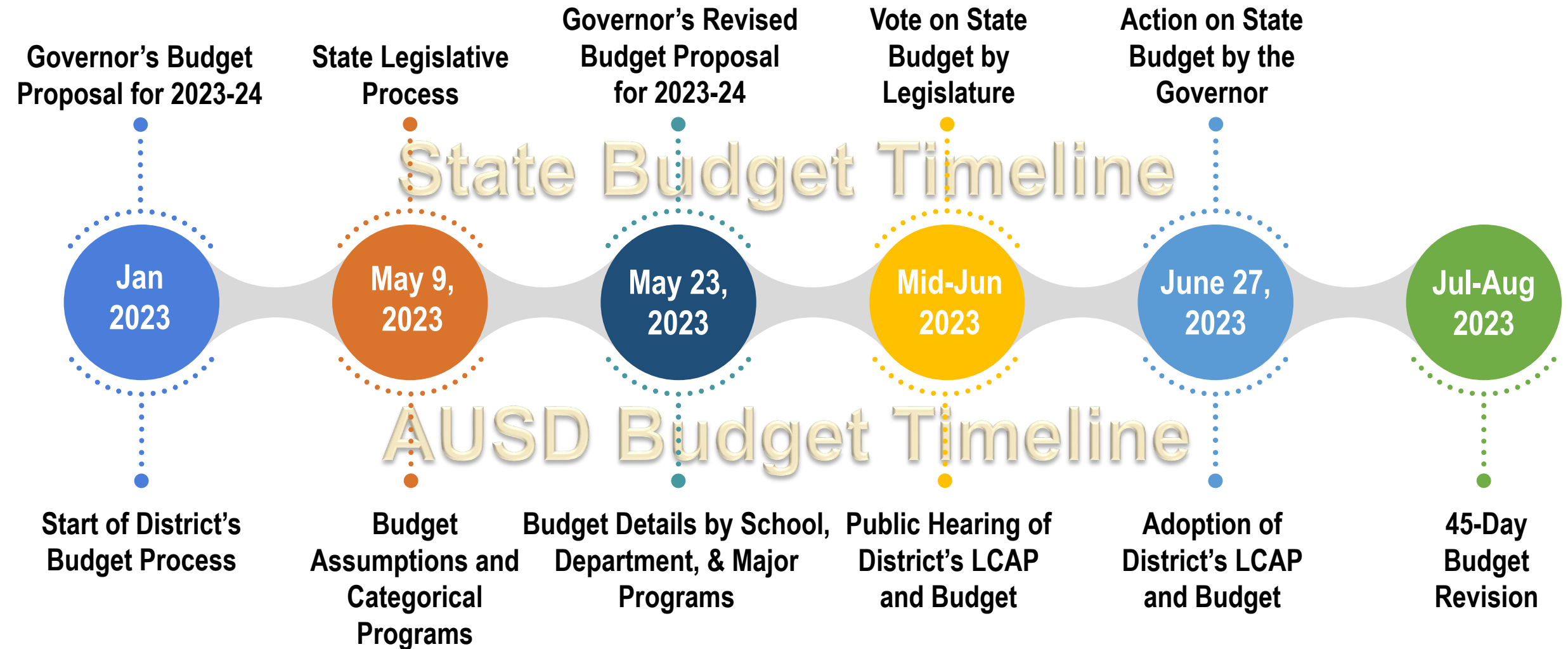
- **Background**
- **Timeline**
- **State Budget Update**
- **Budget assumptions**
- **2023-2024 General Fund budget & Multi-year projections**

Background

- **Per State Law AUSD's Board must adopt budget and the Local Control Accountability Plan (LCAP) by June 30, 2023.**
- **Board must certify that the District's projected financial outlook for 2023-2024, 2024-2025, and 2025-2026 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**
- **Staff recommends a positive certification.**



Timeline



Differences Between May Revise and the Legislative Proposal

Description	Governor's May Revise	Legislative Bill
COLA	8.22%	8.22%
Learning Recovery Block Grant	Reduce by 32% (Reduction of \$1.9 million for AUSD)	No reduction
Discretionary Block Grant	Reduce by 51% (Reduction of \$2.5 million for AUSD)	No reduction

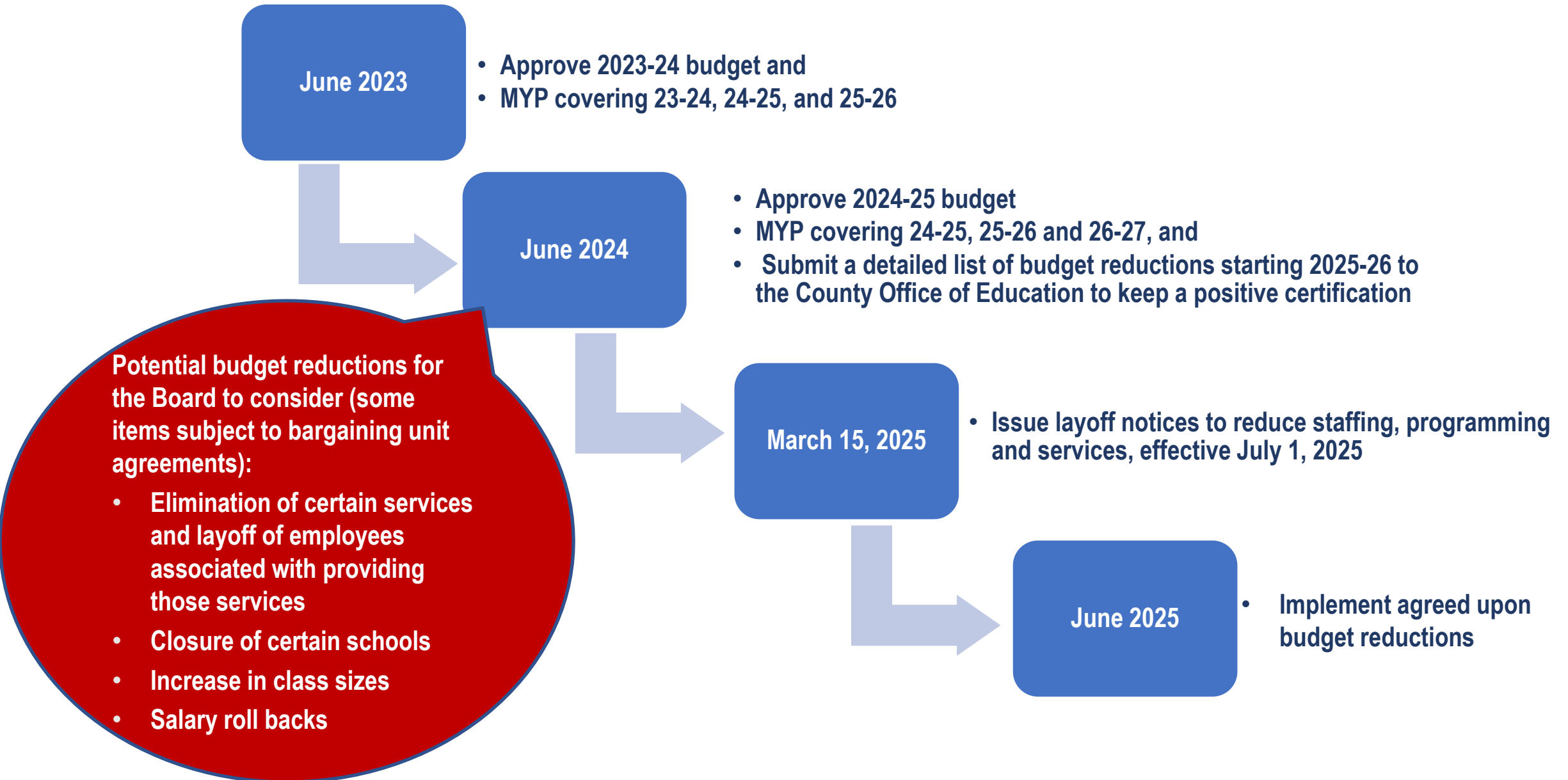
Budget Challenges

- **Legislative Analyst Office state multiyear budget outlook (3-5 years)**
 - Very unlikely that the state will be able to afford the May Revision spending levels
 - Multiyear one-time commitments no longer affordable
 - Combination of state reserve funds and reduction of one-time commitments may be needed to sustain core, ongoing programs
- **Local Revenue**
 - **Measure A parcel tax litigation**
 - Annual revenue: \$10.9 million
 - Requires maintaining higher than normal reserves for contingency planning
 - **Measure B1 parcel tax expiration**
 - Annual revenue: \$12.8 million
 - Expiring at the end of 2024-25

Summary of Assumptions

Categories	Source	2022-23	2023-24	2024-25	2025-26
		Actual	Projected MYP - Year 1	Projected MYP - Year 2	Projected MYP - Year 3
District Enrollment	CALPADS/Projection	8,825	8,649	8,476	8,306
ADA - Actual/Projected		8,302	8,219	8,055	7,893
Actual ADA as a %age of Enrollment		94.1%	95.0%	95.0%	95.0%
Funded ADA-Actual/Projected		8,759	8,550	8,287	8,191
Funded ADA as a %age of Enrollment		99%	99%	98%	99%
Unduplicated EL/FRPM Count		3,264	3,199	2,975	2,767
Unduplicated EL/FRPM Percentage		37%	37%	35%	33%
Measure B1 Parcel Tax		\$12.5M	\$12.5M	\$12.5M	
Measure A Parcel Tax		\$10.5M	\$10.5M	\$10.5M	\$10.5M
COLA	ACOE	6.56%	8.22%	3.94%	3.29%
Increase in LCFF Base		6.70%			
Increase in Consumer Price Index (CPI)		5.71%	3.54%	3.02%	2.64%
State Teacher's Retirement System	ACOE	19.1%	19.1%	19.1%	19.1%
Public Employee Retirement System	CalPERS	25.4%	26.7%	27.7%	28.3%

Without Parcel Tax (Measure B1) Revenue

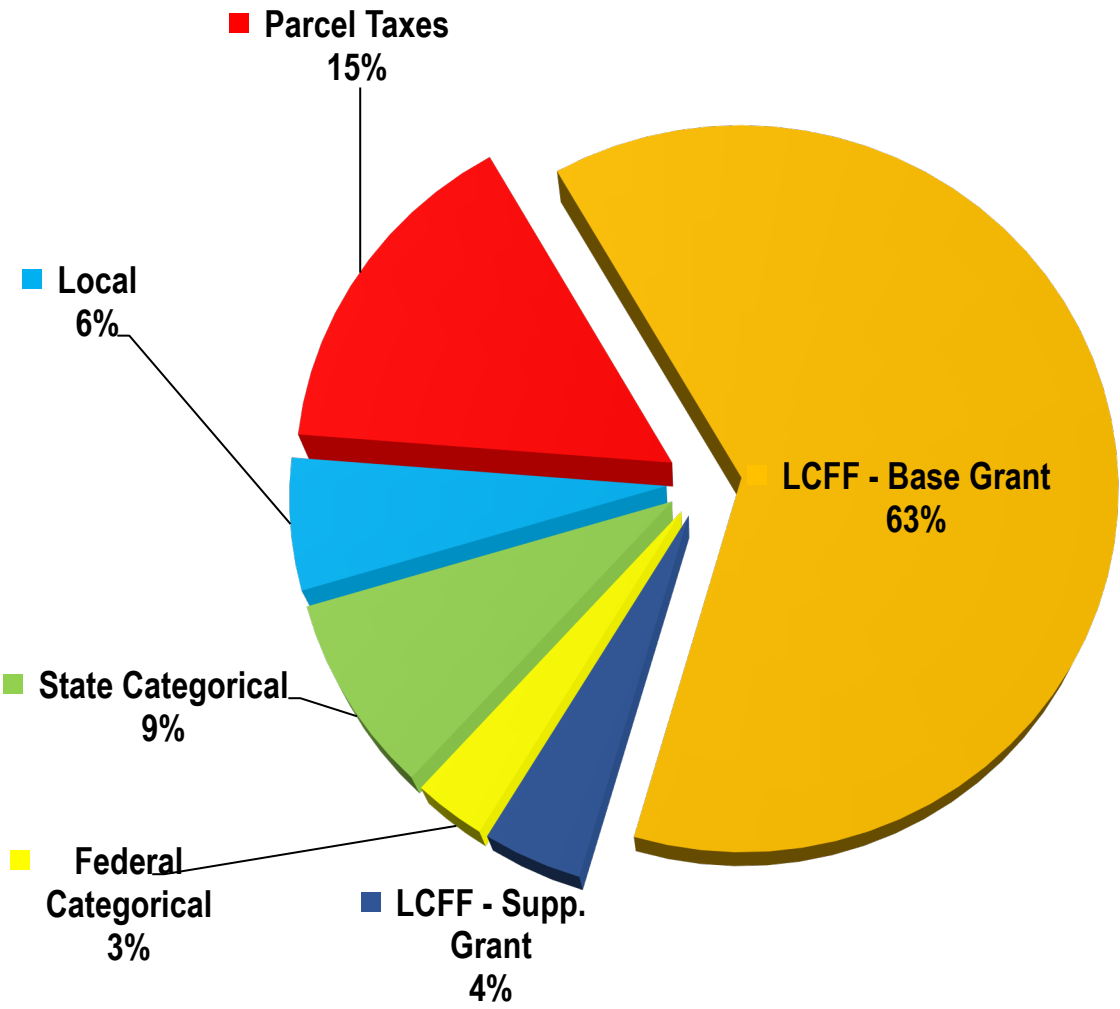


Proposed Budget for FY 2023-2024

	Unrestricted			Restricted		Total
	Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	General Fund
REVENUES						
LCFF Revenue	\$ 102,484,160			\$ 689,990		\$ 103,174,150
Federal Categorical Revenue	-			2,509,192	2,205,899	4,715,091
State Categorical Revenue	1,878,329			1,430,019	9,968,622	13,276,970
Local Revenue	829,557		23,746,785	7,052,987	746,187	32,375,516
Total Revenues	\$ 105,192,046	\$ -	\$ 23,746,785	\$ 11,682,188	\$ 12,920,708	\$ 153,541,727
EXPENDITURES						
Certificated Salaries	\$ 30,095,977	\$ 3,285,633	\$ 14,490,069	\$ 12,022,720	\$ 3,155,091	\$ 63,049,490
Classified Salaries	10,595,023	612,685	2,283,123	7,235,387	3,258,939	23,985,157
Benefits	13,946,882	1,244,782	4,698,744	6,816,602	7,476,526	34,183,536
Books & Supplies	2,341,852	31,050	160,082	166,000	853,015	3,551,999
Services & Op. Expenses	9,998,462	893,712	287,409	12,149,619	4,771,186	28,100,388
Capital Outgo & Transfers	(3,828,372)	414,434	1,827,358	2,003,798	871,940	1,289,158
Total Expenditures	\$ 63,149,824	\$ 6,482,296	\$ 23,746,785	\$ 40,394,126	\$ 20,386,697	\$ 154,159,728
Other Sources (Uses)	\$ (40,821,226)	\$ 6,482,296		\$ 28,711,938	\$ 5,245,189	\$ (381,803)
Net Inc. (Dec) in Fund Bal.	\$ 1,220,996	\$ -	\$ -	\$ -	\$ (2,220,800)	\$ (999,804)
Beginning Balance	\$ 17,165,683	\$ 1,302,392	\$ -	\$ -	\$ 17,909,288	\$ 36,377,363
Ending Balance	\$ 18,386,679	\$ 1,302,392	\$ -	\$ -	\$ 15,688,488	\$ 35,377,559

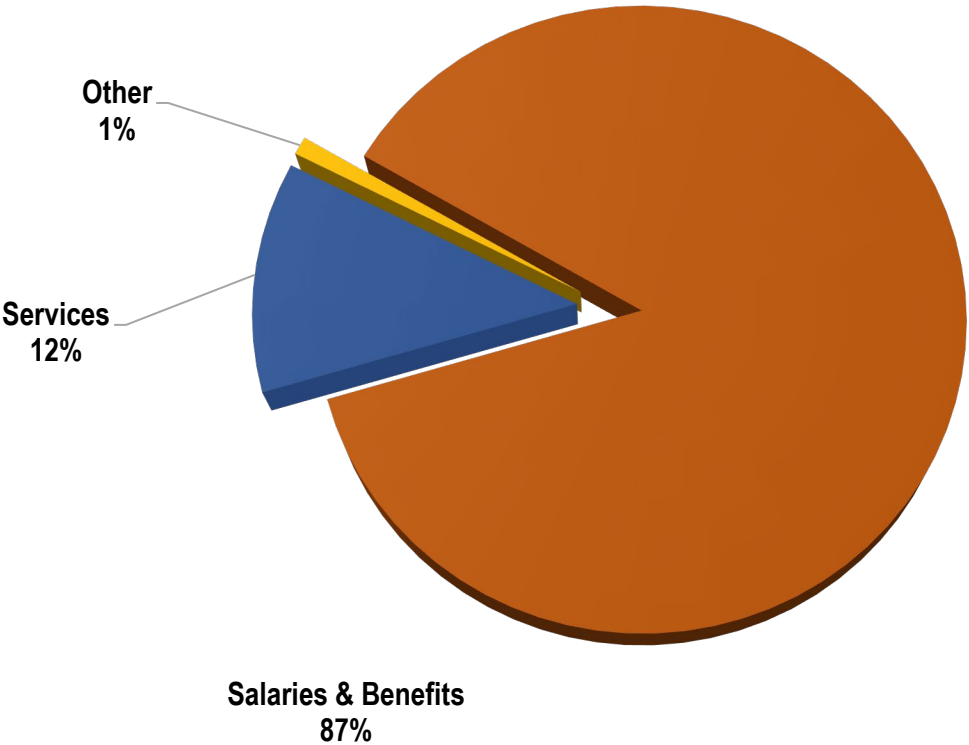
General Fund Revenue (Unrestricted & Restricted)

Description		Total
		(Millions)
LCFF Base Grant	\$	96.6
LCFF Supp. Grant		6.4
Federal Revenue		4.7
Other State Revenue		13.3
Other Local Revenue		9.0
Parcel Taxes		23.7
Total	\$	153.7

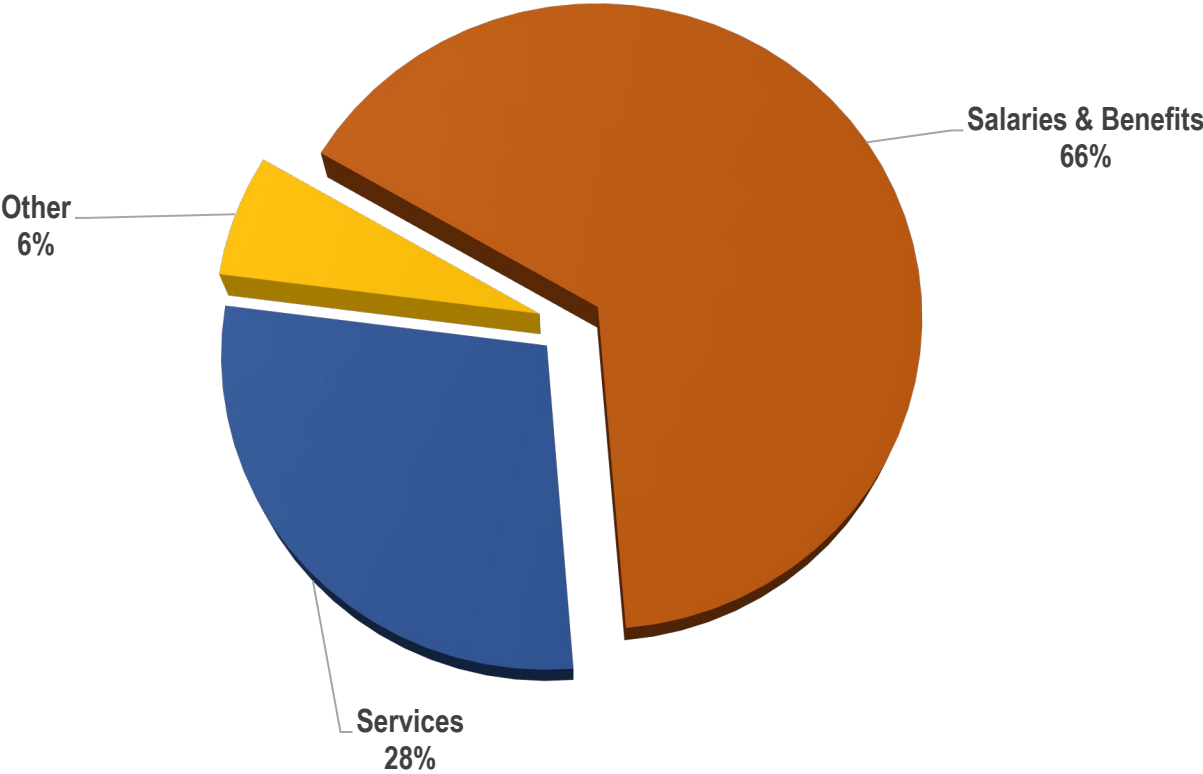


General Fund Expenditures

Unrestricted General Fund

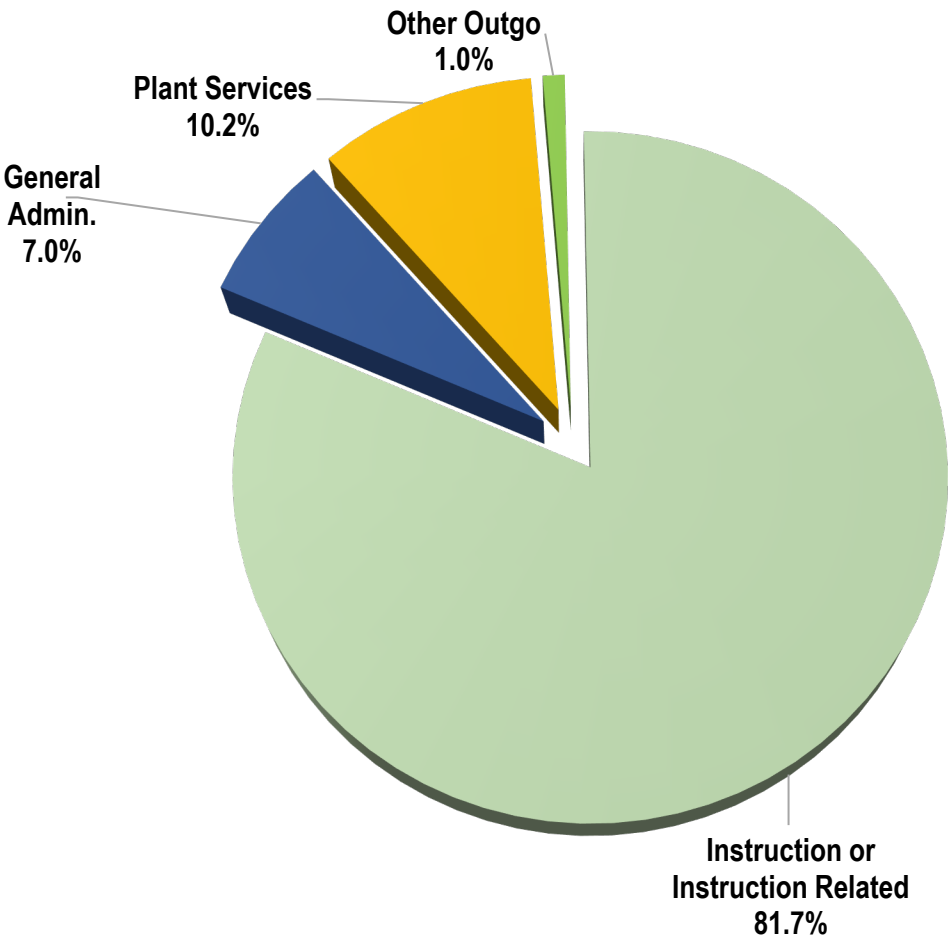


Restricted General Fund



Expenditures – Major Operational Areas

Major Operational Areas	
Instruction	Activities dealing directly with the interaction between teachers and students
Instruction Related	Library & Media teachers, School Administration, Teaching Staff Development
Pupil Services	Counselors, Psychologists, Specialized Special Ed. Services, Transportation, Health Services
Ancillary Services	Athletics, After School Services
General Admin.	Fiscal Services, Technology Services, Insurance, Human Resources, Legal, Superintendent
Plant Services	Utilities, Custodial Services, Maintenance Staff



Full Time Equivalent (FTE) Employees

Employee Category	2019-20	2020-21	2021-22		2022-23 - 2nd Interim		2023-24		Increase from 2022-23	Changes Funded By:				
			Reg.	COVID Funded	Reg.	COVID Funded	Reg.	COVID Funded		Unrestricted	Restricted	ELOP*	LRBG**	SPED
Certificated Non-Management	542	520	518	5	503.0	4	523.8	4	20.8	9.7	0.5	-	3.0	7.6
Classified Non-Management	332	306	296	12	322.3	4	329.2	-	6.9	4.6	0.8	3.4	1.8	(3.6)
Certificated Management	39	40	40	2	40.0	1	41.0	1	1.0	(0.1)	0.4	(0.3)	1.0	-
Classified Management	19	18	19	-	18.8	-	19.4	-	0.6	0.5	0.1			
Total FTE	932	884	873	19	884.1	9	913.4	5	29.3	14.7	1.8	3.1	5.8	4.0

*Expanded Learning Opportunities Program

**Learning Recovery Block Grant

Multiyear Projections - Unrestricted General Fund

Line	Description	2023-24	2024-25	2025-26
		Proposed Amount (Millions)	Projected Amount (Millions)	Projected Amount (Millions)
A	Projected Beginning Bal., July 1	\$ 18.4	\$ 19.6	\$ 19.5
B	Revenues	\$ 128.9	\$ 130.2	\$ 119.6
C1	Expenditures	\$ 93.4	\$ 95.8	\$ 97.0
C2	Contribution to Restricted	\$ 34.3	\$ 34.5	\$ 35.2
D = B-C1-C2	Surplus (Deficit)	\$ 1.2	\$ (0.1)	\$ (12.6)
E = A+D	Projected Ending Bal., June 30	\$ 19.6	\$ 19.5	\$ 6.9
F	Assignments/Commitments	\$ 3.4	\$ 3.8	\$ 3.9
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 16.2	\$ 15.7	\$ 3.0

Expenditure reduction of \$12.5 million in 2025-26 will be part of 2024-25 budget adoption in June 2024

Public Hearing of Budget Proposal - Reserves

As required by Senate Bill (SB) 858, the Alameda Unified School District has determined:

- **Fund 17**
 - **Minimum reserve level, required by law, is \$4,645,246**
 - **Additional committed reserves, equal to three weeks payroll, of \$7,274,650, per BP 3100**
 - **Deficit spending mitigation measures - \$9,689,479**
- **Greater than minimum reserves are required in 2023-24 to keep the District solvent in fiscal year 2023-24, 2024-25, and 2025-26**

Fund Balance Commitments

Purpose	Justification	Fund 1	Fund 17
Revolving Fund		\$ 50,000	\$ -
Litigation Contingency	To cover potential legal costs related to Measure A litigation	375,000	
LCFF Supplemental	LCFF Supplemental grant carryover from FY 2022-23 to 2023-24, Ed Code 42238.07	1,302,392	
Proxy ADA	ADA received for Independent Study in 21-22, subject to 22-23 financial audit	500,000	
Commitments	Potential long-term commitments	1,182,501	
3-Week Payroll	Per Board Policy 3100		7,274,650
Deficit Spending Mitigation	To cover for deficit spending in out years per adopted budget multiyear financial		9,689,479
	Total Commitments	\$ 3,409,893	\$ 16,964,129

Resolution Committing Funds

WHEREAS, the Governmental Standards Accounting Board (GASB) has issued Statement No. 54, establishing a hierarchy clarifying constraints that govern how a government entity can use amounts reported as fund balance; and

WHEREAS, the Alameda Unified School District Board of Education (Board) has previously adopted Board Policy 3100 acknowledging its authority to commit, assign, or evaluate existing fund-balance classifications and identify the intended uses of committed or assigned funds; and

WHEREAS, the committed fund balance classification reflects amounts subject to specific internal constraints self-imposed by the Board; and

WHEREAS, once the committed fund-balance constraints are imposed, it requires the constraint to be revised, removed or redirected for other purposes by the Board in the same manner as the Board originally approved the commitment; and

WHEREAS, the Board has determined it has specific needs that it elects to fund with portions of its General Fund ending fund balance.

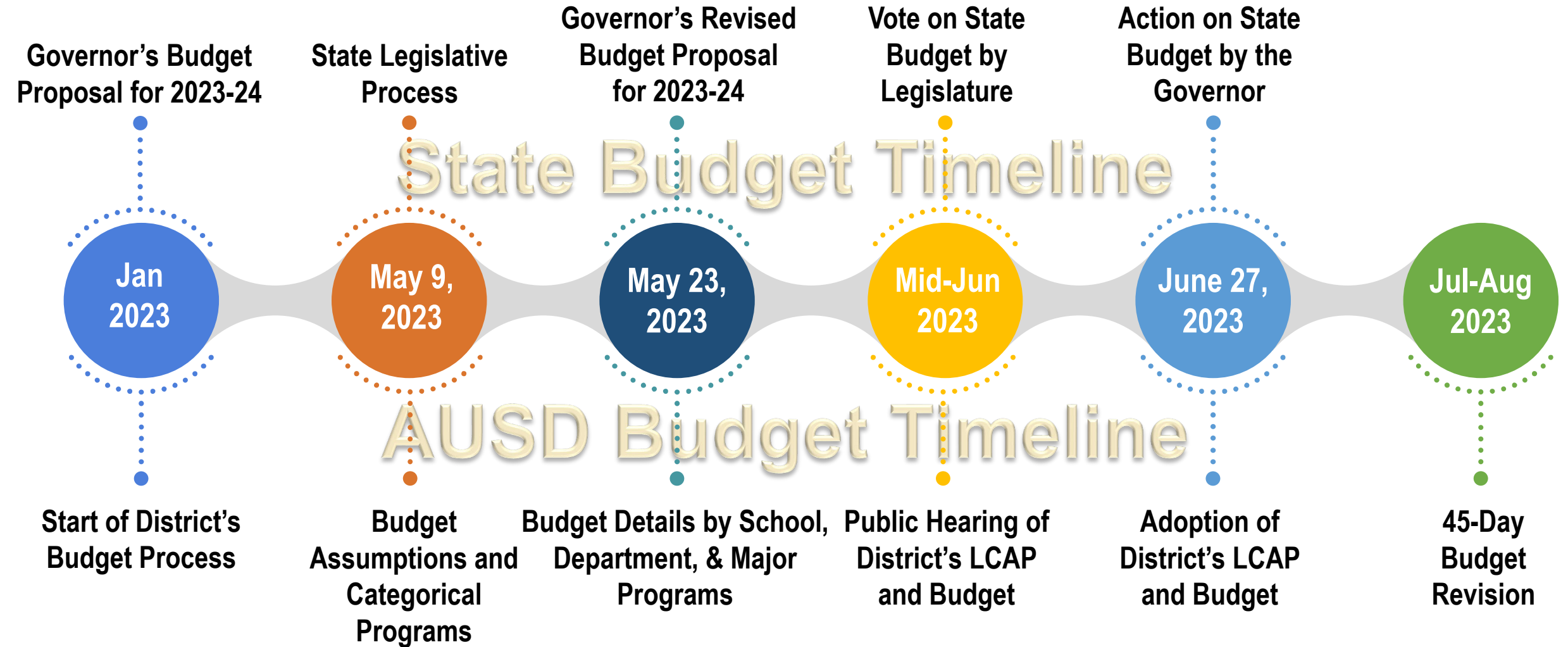
NOW, THEREFORE, BE IT RESOLVED, that the Alameda Unified School District Board of Education,

hereby commits to utilizing portions of its general fund ending balance, as indicated by the committed fund classification in its financial statements, for the following purposes:

Final Budget Considerations

- **Conservative approach**
 - **Adopted with a 2% decline in enrollment**
 - **Enrollment could improve**
- **Ending fund balance for 2022-23**
 - **Opportunity to transfer expenditures to categorical programs as part of closing fiscal year 22-23**

Timeline



Board Discussion & Questions

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			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