

2023-2024

First Interim Budget Update

December 12, 2023

Agenda

- **Background and timeline**
- **Fiscal Outlook**
- **Updated Budget Assumptions**
- **2023-2024 Budget Update**
 - **General Fund**
 - **Multi-Year Projections**
 - **Staffing**
 - **Parcel Taxes**
- **Upcoming Key Dates**

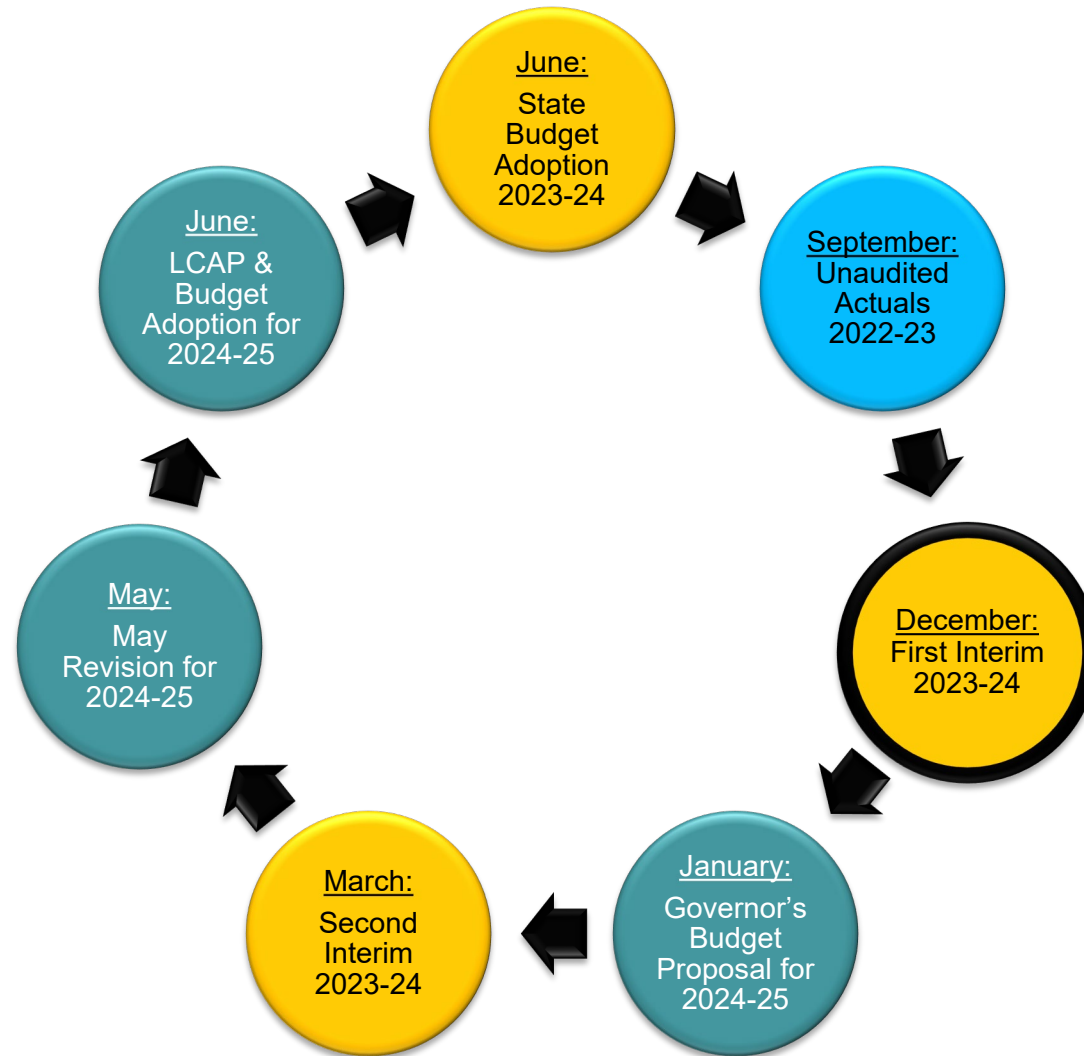
Background

- **Per state law, AUSD's Board must pass First Interim budget update by December 15 of each year.**
- **Board must certify that the District's projected financial outlook for 2023-24, 2024-25, and 2025-26 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



Fiscal Outlook

- Projected state revenues did not materialize
 - \$68 billion deficit for fiscal year 2024-25
 - Per LAO
 - “Higher borrowing costs and reduced investment have cooled California’s economy”
 - “Significant risk that weakness could persist into next year”
- Other unique AUSD challenges
 - Measure B1 parcel tax
 - Currently in year six, expires at the end of next school year
 - \$12.5M revenue removed from 2025-26
 - Renewal measure on March 2024 election

	2018-19		2019-20		2020-21		2021-22		2022-23		2023-24	2024-25		2025-26		2026-27		
	Nov-18	Mar-19	Nov-19	Mar-20	Nov-20	Mar-21	Nov-21	Jun-22	Nov-22	Jun-23	Nov-23	Mar-24	Nov-24	Mar-25	Nov-25	Jun-26	Nov-26	Jun-27
Measure B1	\$12.5M Annually											Election to merge both parcel taxes into a single parcel tax on March 5, 2024						
Measure A					\$10.5M Annually													

Cost of Living Adjustment (COLA)

Year	COLA at Adoption	COLA at First Interim
2023-24	8.22%	8.22%
2024-25	3.94%	1.00%
2025-26	3.29%	3.29% or 2% or 1% ?

Enrollment

Year		Actual Enrollment	
2019-20		9,372	
2020-21		9,070	
2021-22		8,706	
2022-23		8,830	
Year	- 181 students	Adoption 23-24	First Interim 23-24
2023-24 (Projected)		8,649	9,063
2024-25 (Projected)		8,476	8,882
2025-26 (Projected)		8,306	8,704

-666 students (from 2019-20 to 2021-22)

+233 students (from 2022-23 to 2023-24)

Assuming 2% Decline (from 2023-24 to 2025-26)

Shift of 414 students for revenue calculation! (from 2023-24 to 2025-26)

Average Daily Attendance (ADA)

- **Under Temporary COVID measures, option to use current year, prior year, or three prior years average ADA to calculate revenue**
 - **2023-24 – Using current year - No increase in revenue**
 - **2024-25 – Using prior year – Increase in revenue**
 - **2025-26 – Using 3-year average – Increase in revenue**

Assumptions - Summary

Categories	Source	2022-23	2023-24		2024-25		2025-26	
		Actual	Adopted	Revised	Adopted	Revised	Adopted	Revised
District Enrollment	CALPADS/ Projection	8,830	8,649	9,063	8,476	8,882	8,306	8,704
ADA - Actual/Projected		8,302	8,219	8,610	8,055	8,438	7,893	8,269
Funded ADA-Actual/Projected		8,759	8,550	8,610	8,287	8,610	8,191	8,448
Funded ADA as a %age of Enrollment		99%	99%	95%	98%	97%	99%	97%
Unduplicated EL/FRPM Count		3,315	3,199	3,433	2,975	3,364	2,767	3,297
Unduplicated EL/FRPM Percentage		38%	37%	38%	35%	38%	33%	38%
Measure B1 Parcel Tax		\$12.5M						
Measure A Parcel Tax		\$10.5M						
COLA	ACOE	6.56%	8.22%		3.94%	1.00%	3.29%	?
Increase in LCFF Base		6.70%						
Increase in Consumer Price Index (CPI)		5.69%	3.54%		3.02%		2.64%	
State Teacher's Retirement System	ACOE	19.10%	19.10%		19.10%		19.10%	
Public Employee Retirement System	ACOE	25.4%	26.7%		27.7%		28.3%	

Revised 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	\$ 103,671,546			\$ 824,794		\$ 104,496,340
Federal Categorical Revenue				2,497,177	4,501,316	6,998,493
State Categorical Revenue	3,082,010			1,430,019	11,203,680	15,715,709
Local Revenue	2,193,421		23,822,611	7,132,685	1,438,740	34,587,457
Total Revenues	\$ 108,946,977	\$ -	\$ 23,822,611	\$ 11,884,675	\$ 17,143,736	\$ 161,797,999
EXPENDITURES						
Certificated Salaries	\$ 30,080,760	\$ 3,602,375	\$ 14,556,390	\$ 11,041,792	\$ 3,793,326	\$ 63,074,643
Classified Salaries	10,813,248	603,834	2,296,496	5,581,148	3,510,469	22,805,195
Benefits	13,914,040	1,226,353	4,663,768	5,558,393	7,648,303	33,010,857
Books & Supplies	2,474,359	34,370	133,094	155,215	3,410,672	6,207,710
Services & Op. Expenses	10,380,426	841,653	324,147	16,355,201	8,068,229	35,969,656
Capital Outgo & Transfers	(4,351,718)	430,876	1,827,358	1,797,731	2,550,205	2,254,452
Total Expenditures	\$ 63,311,115	\$ 6,739,461	\$ 23,801,253	\$ 40,489,480	\$ 28,981,204	\$ 163,322,513
Other Sources (Uses)	\$ (40,393,513)	\$ 6,631,338		\$ 28,526,295	\$ 5,235,880	\$ -
Net Inc. (Dec) in Fund Bal.	\$ 5,242,349	\$ (108,123)	\$ 21,358	\$ (78,510)	\$ (6,601,588)	\$ (1,524,514)
Beginning Balance	\$ 22,521,587	\$ 1,912,334	\$ -	\$ 225,983	\$ 21,616,285	\$ 46,276,189
Ending Fund Balance (EFB)	\$ 27,763,936	\$ 1,804,211	\$ 21,358	\$ 147,473	\$ 15,014,697	\$ 44,751,675
Components of Ending Fund Balance	\$ 16,081,813	\$ 1,804,211	\$ -	\$ 147,473	\$ 15,014,697	\$ 33,048,194
Unassigned Ending Fund Balance	\$ 11,682,123	\$ (0)	\$ 21,358	\$ -	\$ -	\$ 11,703,481

Ending Fund Balance - Details

Line #		Unrestricted			Restricted		Total
		Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	General Fund
A	Ending Balance	\$ 27,763,936	\$ 1,804,211	\$ 21,358	\$ 147,473	\$ 15,014,697	\$ 44,751,675
	Revolving Cash Fund	\$ 50,000	\$ -	\$ -	\$ -	\$ -	\$ 50,000
	Proxy ADA Set-Aside	500,000					500,000
	Potential Long-Term Commitments	15,531,813					15,531,813
	LCFF Supplemental		1,804,211				1,804,211
	Educator Effectiveness Grant					910,803	910,803
	Restricted Lottery (Text Books)					840,462	840,462
	Antibias Education					84,692	84,692
	Art, Music, Instructional Material BG					4,997,655	4,997,655
	Kitchen Infrastructure BG					974,718	974,718
	Learning Recovery BG					3,604,569	3,604,569
	Maintenance Account					994,715	994,715
	A-G Access Block Grant					158,342	
	Misc. Grants & Donations				147,473	2,448,741	2,596,214
B	Components of Ending Fund Balance - Total	\$ 16,081,813	\$ 1,804,211	\$ -	\$ 147,473	\$ 15,014,697	\$ 33,048,194
C = A - B	Unassigned/Unappropriated Ending Fund Balance	\$ 11,682,123	\$ -	\$ 21,358	\$ -	\$ -	\$ 11,703,481

Ending Fund Balance – Commitments

Purpose	Justification	Amount	
		Fund 1	Fund 17
Revolving Fund	To cover minor unforeseen expenditures	\$ 50,000	\$ -
Proxy ADA	ADA received for Independent Study in 21-22, subject to 22-23 financial audit	500,000	
Commitments	Potential Long-Term Commitments	15,531,813	
LCFF Supplemental	LCFF Supplemental grant carryover from FY 2022-23 to 2023-24 Ed. Code 42238.07	1,804,211	
To maintain fiscal solvency and stability	Maintain additional reserves equivalent to at least 3 week's salary and benefit cost to protect the district against unforeseen circumstances		7,274,650
Deficit Spending Mitigation	To cover for deficit spending in out years per adopted budget multiyear financial projections		9,689,479
Total Commitments		\$ 17,886,024	\$ 16,964,129

Multiyear Projections – Unrestricted General Fund

Line	Description	2023-24	2024-25	2025-26
		Revised	Projected	Projected
	Cost of Living Adjustment (COLA)	8.22%	1.00%	3.29%
A	Projected Beginning Balance, July 1	\$ 24,433,921	\$ 29,589,505	\$ 28,231,723
B	Revenues	\$ 132,769,588	\$ 133,150,771	\$ 119,385,445
C1	Expenditures	93,470,026	97,507,761	96,913,957
C2	Contribution to Restricted Programs	34,143,978	37,000,792	37,843,907
D = B-C1-C2	Surplus (Deficit)	\$ 5,155,584	\$ (1,357,782)	\$ (15,372,419)
E = A+D	Projected Ending Balance, June 30	\$ 29,589,505	\$ 28,231,723	\$ 12,859,304
F	Assignments/Commitments	\$ 17,886,024	\$ 17,886,024	\$ 2,354,211
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 11,703,481	\$ 10,345,699	\$ 10,505,093

Multiyear Projections – Unrestricted General Fund

Line	Description	2023-24	2024-25	2025-26
		Revised	Projected	Projected
	Cost of Living Adjustment (COLA)	8.22%	1.00%	1.00%
A	Projected Beginning Balance, July 1	\$ 24,433,921	\$ 29,589,505	\$ 28,231,723
B	Revenues	\$ 132,769,588	\$ 133,150,771	\$ 117,021,711
C1	Expenditures	93,470,026	97,507,761	96,913,957
C2	Contribution to Restricted Programs	34,143,978	37,000,792	37,843,907
D = B-C1-C2	Surplus (Deficit)	\$ 5,155,584	\$ (1,357,782)	\$ (17,736,153)
E = A+D	Projected Ending Balance, June 30	\$ 29,589,505	\$ 28,231,723	\$ 10,495,570
F	Assignments/Commitments	\$ 17,886,024	\$ 17,886,024	\$ 2,354,211
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 11,703,481	\$ 10,345,699	\$ 8,141,359

Full Time Equivalent (FTE) Employees

Employee Category	2019-20	2020-21	2021-22	2022-23	2023-24 Adoption	Increase from June 2023	2023-24 First Interim	Changes Funded By:				
								Unrestricted	Restricted	ELOP*	LRBG**	SPED
Certificated Non-Management	542	520	518	503.0	527.8	3.6	531.4	(3.6)	2.7		(3.0)	7.5
Classified Non-Management	332	306	296	322.3	329.2	11.4	340.6	6.0	1.3	0.3		3.8
Certificated Management	39	40	40	40.0	42.0	3.0	45.0				3.0	
Classified Management	19	18	19	18.8	19.4	(0.6)	18.8	(0.6)				
Total FTE	932	884	873	884.1	918.4	17.4	935.8	1.8	4.0	0.3	-	11.3

*Expanded Learning Opportunities Program

**Learning Recovery Block Grant

Temporary Positions Funded Using COVID One-Time Funds

Employee Category	2021-22	2022-23	2023-24	2024-25
Additional Counselors at Secondary Schools**	3	3	3	
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		
Psychologist	1			
Digital Communication Specialist**	1	1		
Paraprofessionals	10			
COVID Office Assistants		2		
Total	19	9	5	

*Transfers to LCFF Supplemental Funds

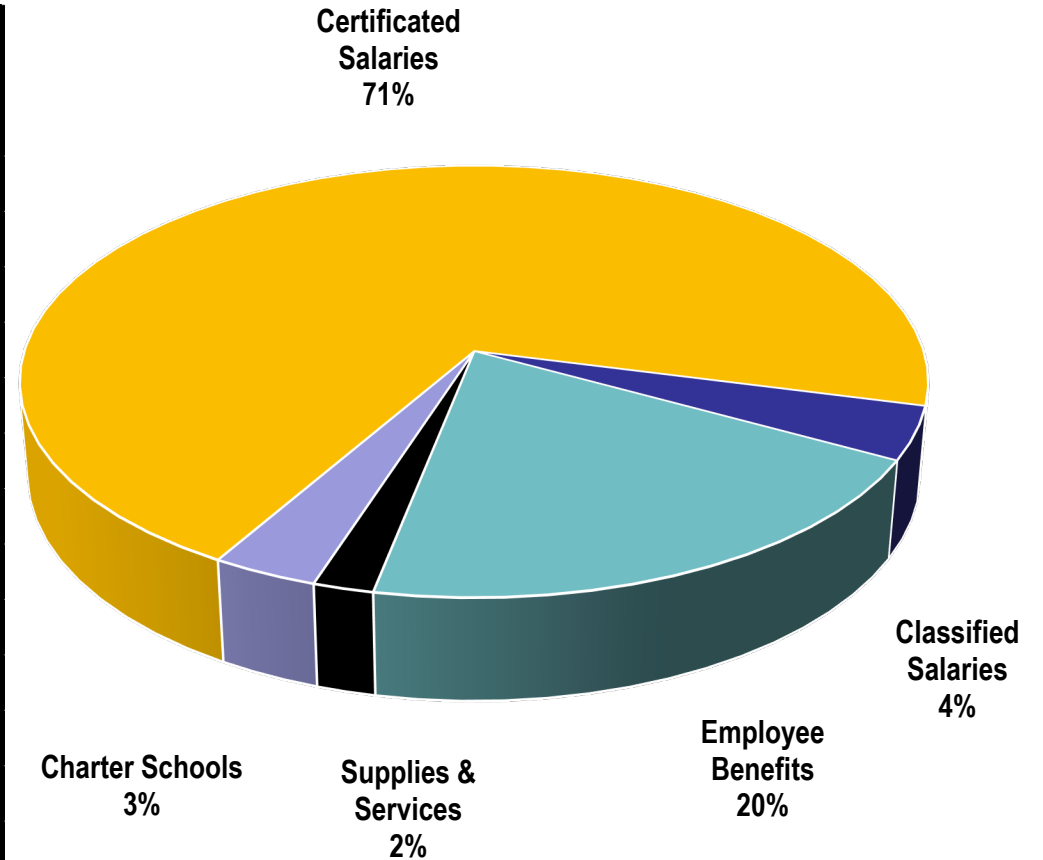
**Transferred to Restricted Funds

Temporary Positions Funded Using Restricted One-Time Funds

Employee Category	2023-24	2024-25	2025-26	2026-27	2027-28
Digital Communication Specialist	1	1			
Additional Site Admin Support	3	3	3	3	
Additional Counselors at Secondary Schools		3	3	3	
Additional Campus Security at Secondary Schools	3	2	2		
Total	7	9	8	6	

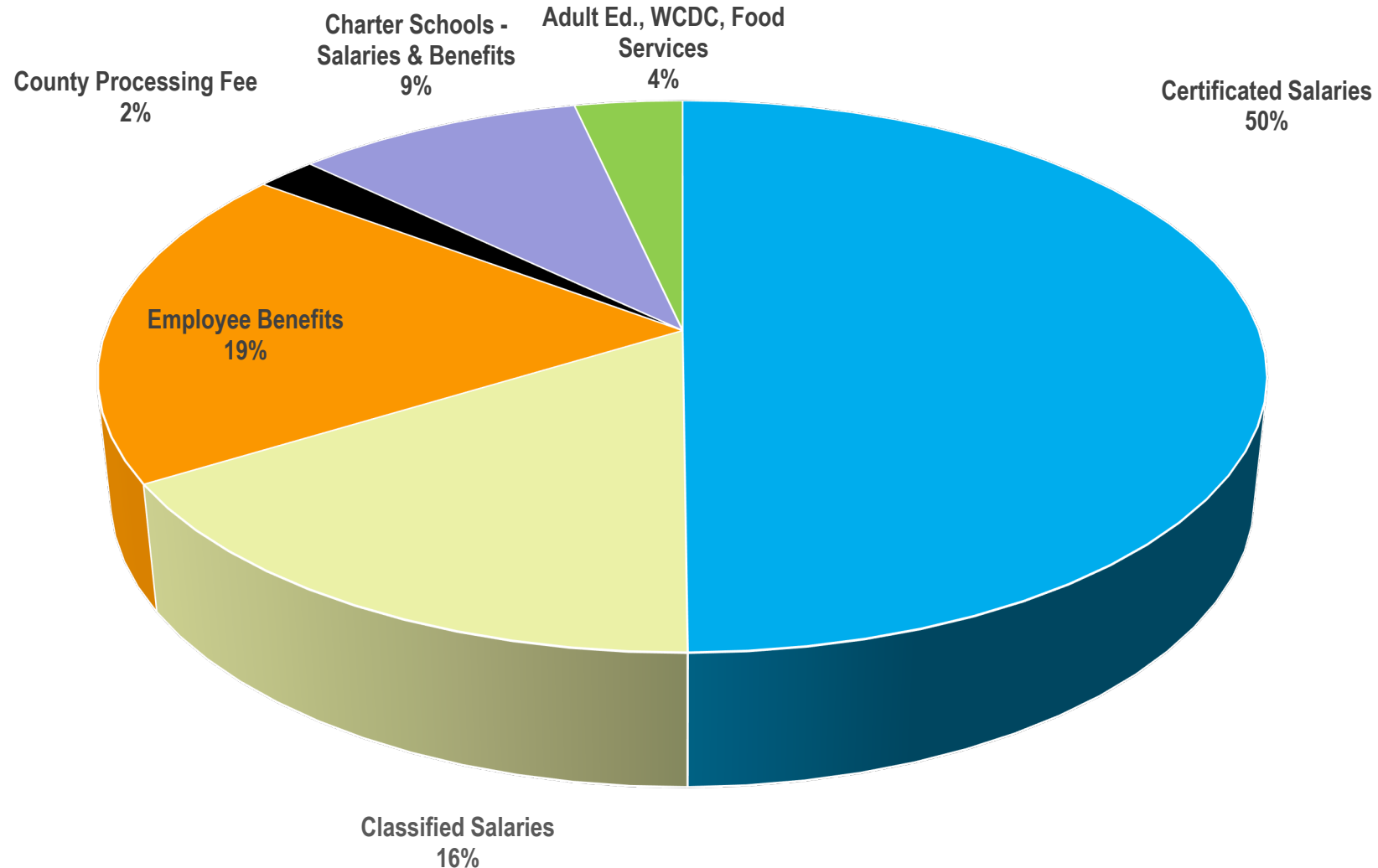
Parcel Tax – Measure B1

PTAX #	Description	Approved Percentage Range	Budget (Amount)	Budget (%)
1	Small Class Sizes in K-3	14% to 15%	\$ 1,801,000	14.19%
2	Neighborhood Elementary Schools	7% to 8%	916,000	7.22%
3	Secondary School Choice Initiative	7%-8%	952,401	7.50%
4	Programs to Close the Achievement Gap	13% to 14%	1,668,661	13.15%
5	High School Athletics Program	4%	506,000	3.99%
6	Enrichment Program	9-10%	1,203,715	9.48%
7	Attract and Retain Excellent Teachers	30-31%	3,810,000	30.02%
8	Counseling and Student Support	6%	772,892	6.09%
9	Alameda Charter Students	3-4%	430,000	3.39%
10	Technology	5%	632,508	4.98%
11	Adult Education	0%	-	0.00%
		Sub-Total	12,693,177	
12	Accountability and Fiscal Transparency		205,618	
		Total	\$ 12,898,795	



Parcel Tax – Measure A

Description	Budget (Amount)
Certificated Salaries	\$ 5,438,432
Classified Salaries	1,782,993
Employee Benefits	2,071,266
County Processing Fee	212,409
Charter Schools - Salaries & Benefits	1,015,555
Adult Education	95,557
WCDC	134,774
Food Services	144,629
Capital Facilities	6,843
	\$ 10,902,458



Upcoming Key Dates



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	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