

First Interim Budget for Fiscal Year 2024-2025

December 10, 2024

Agenda

- **Background and timeline**
- **Updated Budget Assumptions**
- **2024-2025 Budget Update**
 - **General Fund**
 - **Multi-Year Projections**
 - **Staffing**
- **Update on select categorical programs**
- **Fiscal Outlook**
- **Upcoming Key Dates**

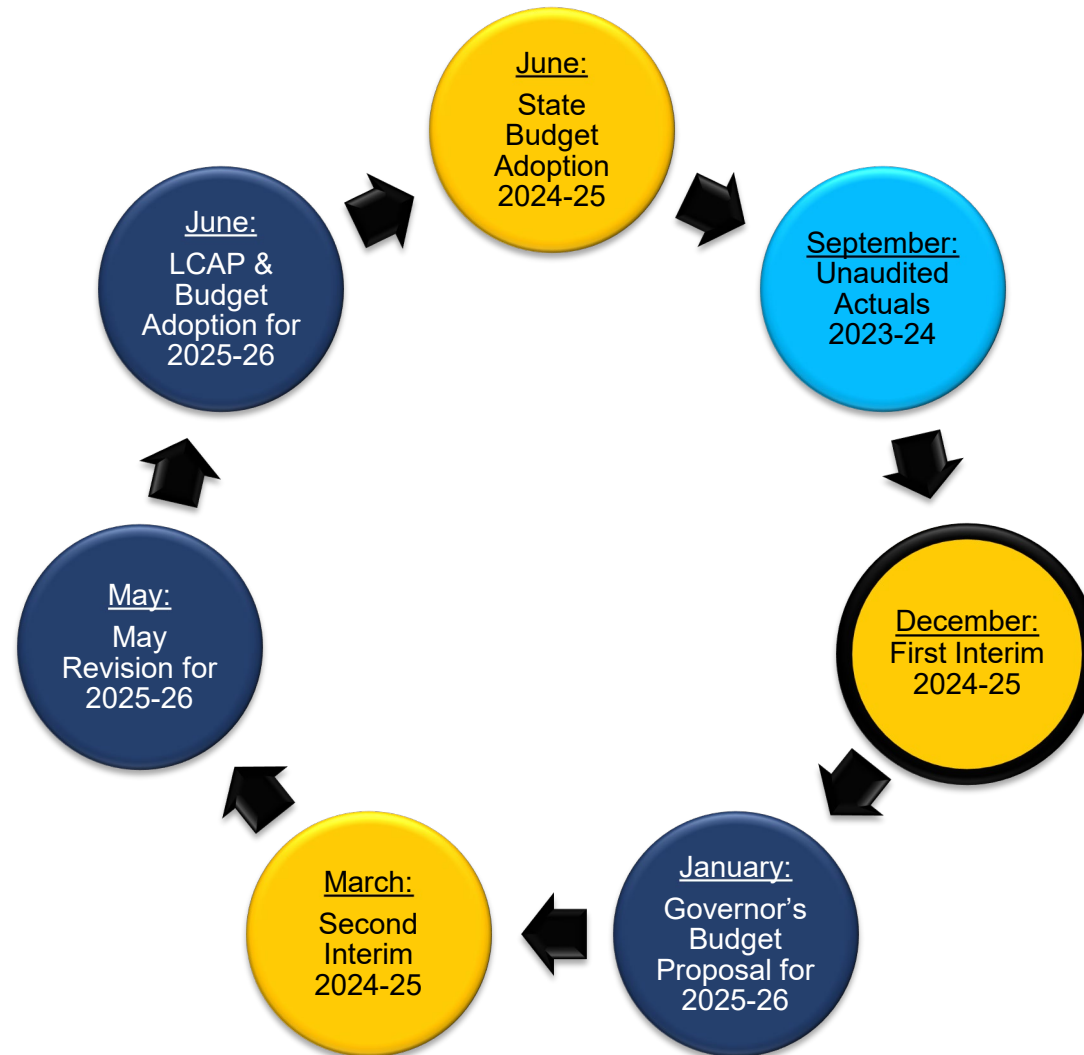
Background

- **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 2024-25, 2025-26, and 2026-27 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.

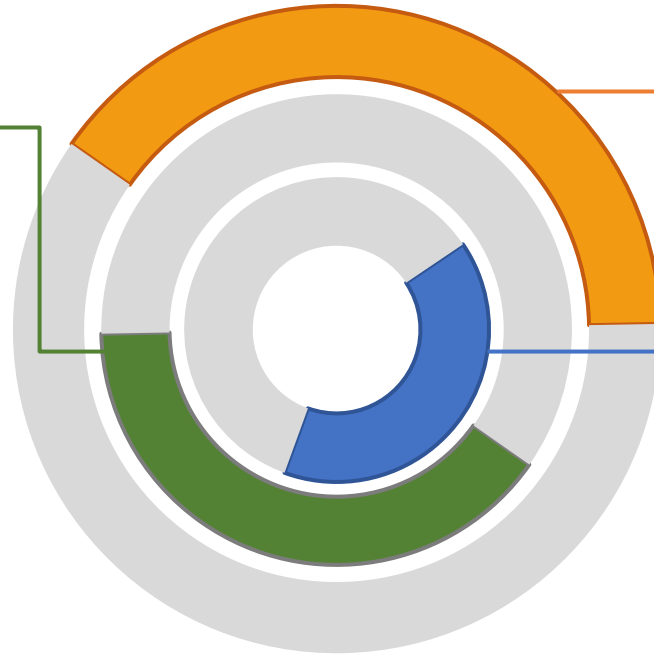
Timeline



Budget Considerations

Implementation of 2023-24 negotiated agreement

One-time funds used to increase healthcare contribution. Need to absorb in ongoing budget



Improve District's Competitiveness

Keep making investments in employee compensation and healthcare costs

Extend One-Time Investments

One-time State funds used for various short-term programs. Identify resources and provide options to extend

Cost of Living Adjustment (COLA)

Year	COLA at Adoption	COLA at First Interim
2024-25	1.07%	1.07%
2025-26	2.93%	2.93%
2026-27	3.08%	3.08%

Enrollment

Year	Actual Enrollment	
2019-20	9,372	
2020-21	9,070	
2021-22	8,706	
2022-23	8,830	
2023-24	9,061	
Year	Adoption 24-25	First Interim 24-25
2024-25 (Current)	9,061	9,293
2025-26 (Projected)	9,061	9,293
2026-27 (Projected)	8,879	9,107

Average Daily Attendance (ADA) and Funding

Year	Enrollment	Actual ADA	ADA used for Revenue Calculation
2024-25 (Current)	9,293	8,758	Current Year → 8,758
2025-26 (Projected)	9,293	8,758	Current Year → 8,758
2026-27 (Projected)	9,107	8,583	Previous Year ↘ 8,758

Summary of Assumptions

Categories	Source	2023-24 Actual	2024-25 Projected MYP Year 1	2025-26 Projected MYP Year 2	2026-27 Projected MYP Year 3
District Enrollment	CALPADS/Projection	9,061	9,293	9,293	 9,107
ADA - Actual/Projected		8,564	8,758	8,758	8,583
Actual ADA as a %age of Enrollment		94.5%	94.2%	94.2%	94.2%
Funded ADA-Actual/Projected		8,564	8,758	8,758	 8,758
Funded ADA as a %age of Enrollment		94.5%	94.2%	94.2%	96.2%
Unduplicated EL/FRPM Count		3,537	3,496	3,496	3,426
Unduplicated EL/FRPM Percentage		39%	38%	38%	38%
Measure B1 Parcel Tax		\$12.5M	\$12.5M		
Measure A Parcel Tax		\$10.5M	\$10.5M		
Measure E Parcel Tax				\$23.0M	\$23.0M
COLA	ACOE	8.22%	1.07%	2.93%	3.08%
Increase in LCFF Base/Deficit Factor					
Increase in Consumer Price Index (CPI)		3.46%	3.23%	2.86%	2.81%
State Teacher's Retirement System	CalSTRS	19.1%	19.1%	19.1%	19.1%
Public Employee Retirement System	CalPERS	26.7%	27.1%	27.6%	28.0%
20:1 Staff to Student Ratio in TK	Local Decision			\$578K	\$578K
Deferred Maintenance Budget	Local Decision	 \$500K	\$500K	\$500K	\$500K
Set-Aside for Uninsured Liabilities	Local Decision		 \$1M	\$1M	\$1M

Revised Budget for FY 2024-2025

	Unrestricted			Restricted		Total
	Totally Unrestricted	LCFF Supplemental	Parcel Tax (A & B1)	Special Education	All Other	General Fund
<u>REVENUES</u>						
LCFF Revenue	\$ 107,339,272	\$ -	\$ -	\$ 898,280	\$ -	\$ 108,237,552
Federal Categorical Revenue	-			2,786,528	1,859,189	4,645,717
State Categorical Revenue	1,970,753			3,156,439	11,537,190	16,664,382
Local Revenue	1,802,324		23,831,179	7,398,868	1,526,384	34,558,755
Total Revenues	\$ 111,112,349	\$ -	\$ 23,831,179	\$ 14,240,115	\$ 14,922,763	\$ 164,106,406
<u>EXPENDITURES</u>						
Certificated Salaries	\$ 33,212,439	\$ 4,595,588	\$ 14,614,163	\$ 12,339,821	\$ 3,486,631	\$ 68,248,642
Classified Salaries	11,940,247	834,204	2,400,759	5,991,693	3,484,317	24,651,220
Benefits	16,516,059	1,721,751	4,655,434	6,554,011	7,912,011	37,359,266
Books & Supplies	3,320,047	34,114	93,982	248,816	3,452,772	7,149,731
Services & Op. Expenses	12,075,068	517,461	282,482	17,390,951	7,042,780	37,308,742
Capital Outgo & Transfers	(4,268,393)	610,918	1,402,556	2,427,971	1,720,011	1,893,063
Total Expenditures	\$ 72,795,467	\$ 8,314,036	\$ 23,449,376	\$ 44,953,263	\$ 27,098,522	\$ 176,610,664
Other Sources (Uses)	\$ (43,699,496)	\$ 7,505,324	\$ (381,803)	\$ 30,448,255	\$ 5,745,917	\$ (381,803)
Net Inc. (Dec) in Fund Bal.	\$ (5,382,614)	\$ (808,712)	\$ -	\$ (264,893)	\$ (6,429,842)	\$ (12,886,061)
Beginning Balance	\$ 31,446,936	\$ 2,271,398	\$ -	\$ 264,893	\$ 17,305,222	\$ 51,288,449
Ending Balance	\$ 26,064,322	\$ 1,462,686	\$ -	\$ -	\$ 10,875,380	\$ 38,402,388

Multiyear Projections - Unrestricted General Fund

Line	Description	2024-25	2025-26	2026-27
		Proposed Amount (Millions)	Projected Amount (Millions)	Projected Amount (Millions)
A	Projected Beginning Bal., July 1	\$ 33.71	\$ 27.53	\$ 19.12
B	Revenues	\$ 134.94	\$ 137.95	\$ 141.28
C1	Expenditures	\$ 104.55	\$ 108.59	\$ 109.48
C2	Contribution to Restricted	\$ 36.57	\$ 37.77	\$ 38.03
D = B-C1-C2	Surplus (Deficit)	\$ (6.18)	\$ (8.41)	\$ (6.23)
E = A+D	Projected Ending Bal., June 30	\$ 27.53	\$ 19.12	\$ 12.89
F	Assignments/Commitments	\$ 2.62	\$ 2.62	\$ 2.62
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 24.91	\$ 16.50	\$ 10.27

Multiyear Projections - Unrestricted General Fund

Line	Description	2024-25	2025-26	2026-27
		Proposed Amount (Millions)	Projected Amount (Millions)	Projected Amount (Millions)
A	Projected Beginning Bal., July 1	\$ 33.71	\$ 29.60	\$ 23.26
B	Revenues	\$ 134.94	\$ 137.95	\$ 141.28
C1	Expenditures	\$ 104.55	\$ 108.59	\$ 109.48
C2	Contribution to Restricted Programs	\$ 36.57	\$ 37.77	\$ 38.03
C3	Transfer from Reserves to pay for 23/24 Settlement	\$ 2.07	\$ 2.07	\$ 2.07
C4	LCFF/S Program reductions			\$ 1.50
D = B-C1..C4	Surplus (Deficit)	\$ (4.11)	\$ (6.34)	\$ (2.66)
E = A+D	Projected Ending Bal., June 30	\$ 29.60	\$ 23.26	\$ 20.60
F	Assignments/Commitments	\$ 2.62	\$ 2.62	\$ 2.62
G = E-F	Unassigned/Unappropriated Ending Fund Balance	\$ 26.98	\$ 20.64	\$ 17.98

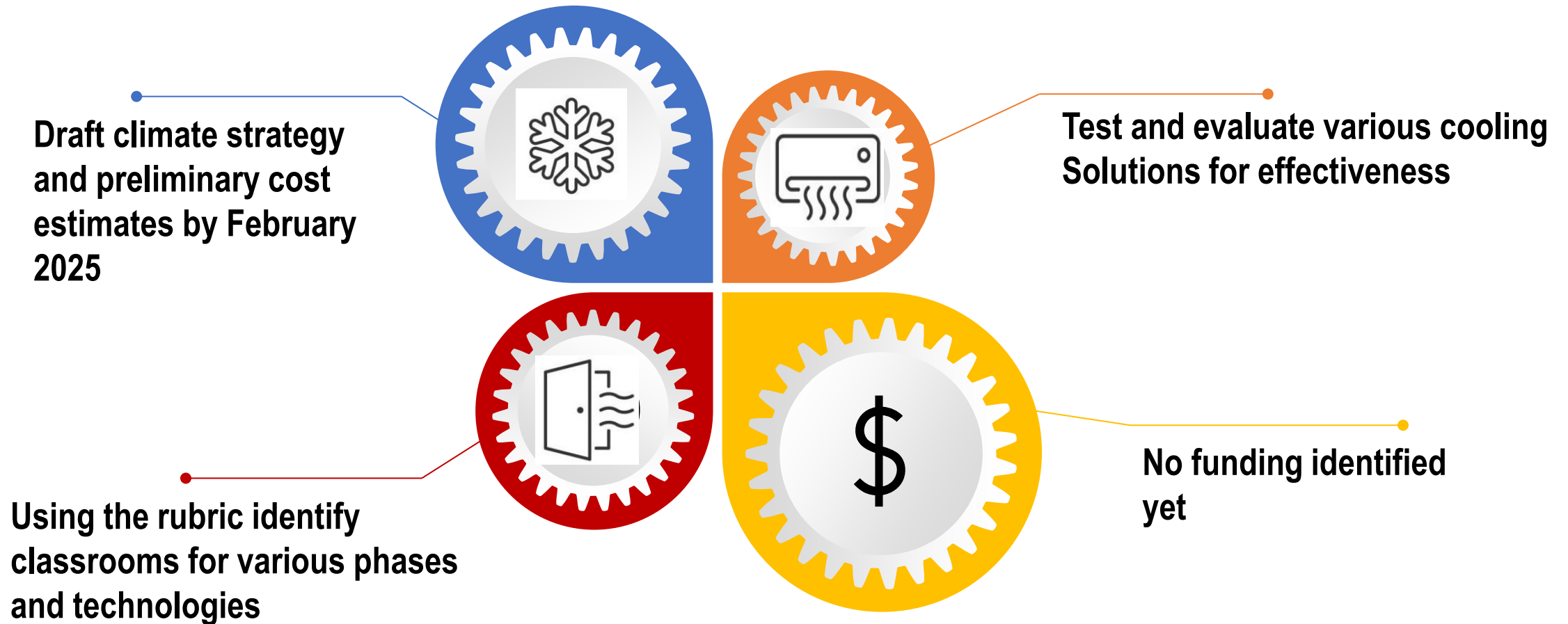
Full Time Equivalent (FTE) Employees

Employee Category	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 Adoption							
Certificated Non-Management	542	520	518	507.0	531.4	542.6	Increase from June 2024	2024-25 First Interim	Changes Funded By:				
Classified Non-Management	332	306	296	326.3	340.7	336.6	1.1	543.7	Unrestricted	Restricted	SPED		
Certificated Management	39	40	40	41.0	45.1	42.0	15.6	352.2	(1.2)	0.9	1.4		
Classified Management	19	18	19	18.8	18.8	18.8	-	42.0	3.6	1.6	10.4		
Total FTE	932	884	873	893.1	936.0	940.0	-	18.8					
							+	16.7	=	956.7	2.4	2.5	11.8

Fund Balance Commitments

Purpose	Justification	Fund 1	Fund 17	Total
LCFF Supplemental	Approximate carryover from 2024-25 to 2025-26, per education code 42238.07	\$ 1,462,686		\$ 1,462,686
Textbooks	Textbook carryover from 23-24	110,000		110,000
Potential Uninsured Claims	To cover legal and settlement costs related to uninsured liability	1,000,000		1,000,000
Revolving Fund	Revolving Fund set-aside	50,000		50,000
3-Week Payroll	Additional reserves to protect the district against unforeseen circumstances		7,781,832	7,781,832
State Reserve Requirement	3% reserve mandated by the State		5,217,575	5,217,575
Health Benefits	Set-aside for already negotiated contribution to health benefits		9,500,000	9,500,000
Total Commitments		\$ 2,622,686	\$ 22,499,407	\$ 25,122,093

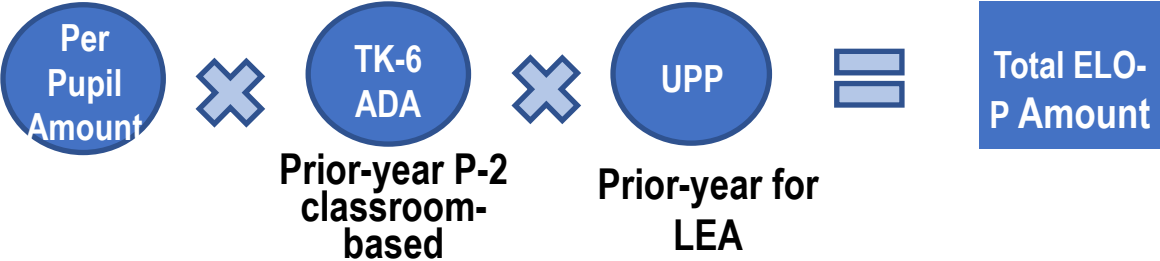
Heat Mitigation in Classrooms



Expanded Learning Opportunities Program (ELOP)

- Optional categorical program to provide after-school services in grades TK-6
- Rate 1 LEAs: Guaranteed rate of \$2,750 per pupil for LEAs with more than 75% of students qualifying for unduplicated status
- Rate 2 LEAs:
 - No guaranteed amount
 - Determined annually by first funding rate 1 schools, with remaining amount distributed to rate 2 schools

Year	Amount per Pupil	
2021-22	\$	672
2022-23	\$	2,054
2023-24	\$	1,802
2024-25	\$	1,579



Recovery Funds

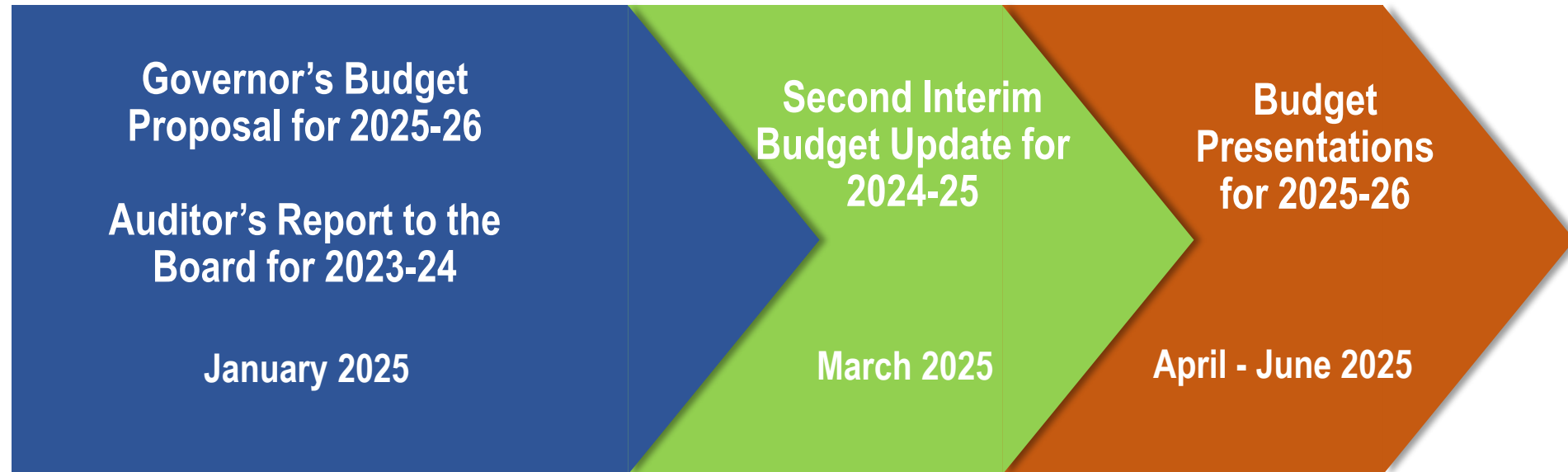
- Part of Unrestricted budget
- Ending fund balance not included as a set-aside
- Expenditures removed from the MYP at the end of 2026-27

Program Description	2023-24 Amount	2024-25 Amount	2025-26 Amount	2026-27 Amount	2027-28 Amount
Support new collaboration	\$ 158,766	\$ 230,000	\$ 230,000	\$ 230,000	\$ -
Additional Site Administrators for SPED	579,493	181,201	186,637	192,236	-
TSA - Special Education	-	49,048	-	-	-
Developing literacy framework	57,815	81,250	81,250	81,250	-
Addl. Counseling & Admin at Secondary Schools	-	445,183	458,539	472,295	-
Multi-year tutoring pool	22,092	50,000	50,000	50,000	-
Additional Campus Security	94,678	114,959	118,408	-	-
Arts Teacher at Maya Lin		112,807	116,191	119,677	-
Indirect Cost	53,959	102,824	93,077	85,909	-
Total Expenditures	\$ 966,803	\$ 1,367,272	\$ 1,334,101	\$ 1,231,367	\$ -

Governor's January Budget Proposal for 2025-26

- **January budget proposal**
 - **Strong income tax returns**
 - **Education budget is fairly insulated**
 - **Budget pressure is more on the non-prop 98 side**
 - **LAO's early projection for COLA is 2.5%**
 - **Things may change if policies change**
 - **Looking for:**
 - **Funding to implement 20:2 in TK**
 - **Guaranteed funding for ELOP rate 2 LEAs**

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	ESSER	Elementary & Secondary School Emergency Relief	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