



# **ALBANY UNIFIED SCHOOL DISTRICT**

*Frank Wells, Ed.D., Superintendent of Schools  
1200 Solano Avenue, Albany CA 94706*

## **FY 2021-22 Proposed Budget Report**

**June 8, 2021**

# Proposed Budget Report

- Routinely required state reporting:
  - Adoption, 1<sup>st</sup> Interim, 2<sup>nd</sup> Interim
  - Fiscal Close (unaudited actuals), Annual Audit
- Proposed Budget Includes:
  - Updates from May Revise
  - Executive Summary
  - Standardized Account Code Structure (SACS) fiscal reports
  - Three-year Projection



# Budget Process Timeline

## SEPTEMBER 15

- UNAUDITED ACTUALS
- 45 DAY REVISE

## JANUARY

- AUDITED ACTUALS (Audit Report)
- GOVERNOR'S BUDGET

## MAY 31

- MAY REVISE

## JUNE 30

- ESTIMATED ACTUALS
- BUDGET ADOPTION
- STATE BUDGET ADOPTION

## DECEMBER 15

- FIRST INTERIM AS OF 10/31

## MARCH 15

- SECOND INTERIM AS OF 1/31

# Budget Development Factors

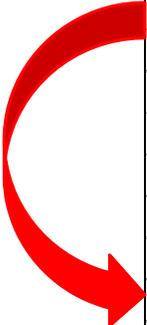
- ▶ Student Enrollment Generates...
  - ▶ Staffing Plans
  - ▶ Revenues
  - ▶ Unduplicated Student Count
- ▶ Local Contracts with employee unions
  - ▶ Albany Teachers Association (ATA)
  - ▶ California School Employees Association (CSEA)
  - ▶ Service Employees Internal Union (SEIU)



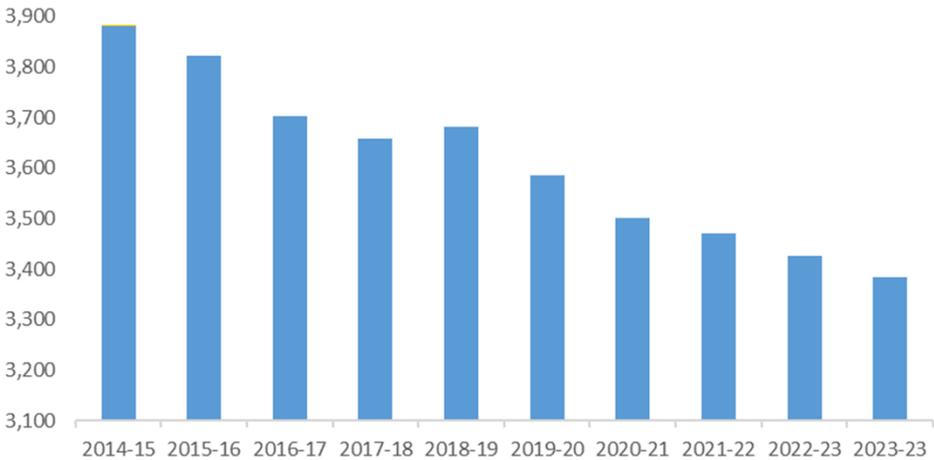
# Enrollment Trend

	Enrollment Projection		Changes Over Prior Year	P-2 Attendance	
2014-15	3,881		-	3,757	
2015-16	3,822		(59)	3,711	
2016-17	3,702		(120)	3,621	
2017-18	3,658		(44)	3,543	
2018-19	3,682		24	3,549	
2019-20	3,586		(96)	3,484	
2020-21	3,501		(85)	N/A	
2021-22	3,471	*	(30)	3,372	*
2022-23	3,427	*	(44)	3,318	*
2023-24	3,383	*	(44)	3,275	*

\* Projection, not actual numbers



Trends and Projection



# Impact of Declining Enrollment

Income Loss		Proportional Layoff	
<ul style="list-style-type: none"> <li>117 ADA decline at \$10,000 each—yields revenue loss</li> </ul>		<ul style="list-style-type: none"> <li>120 students requires 5 teachers at 24:1</li> </ul>	
		<ul style="list-style-type: none"> <li>Five teachers times cost per novice teacher yields savings of: <b>\$425,000</b> (\$85,000 per teacher, including benefits, x 5 teachers)</li> </ul>	
		<ul style="list-style-type: none"> <li>Supplies savings (\$400/ADA) <b>\$48,000</b></li> </ul>	
Lost Revenue:	<b>\$1,170,000</b>	Total proportional savings:	<b>\$473,000</b>

Proportional layoff leaves a \$697,000 deficit. In this example, at least 8 more teachers would need to be laid off to cover the decline. In this example, only 40% of the costs are cut to the match revenue loss to declining enrollment. Program cuts would likely be required to make up the difference.

# Multiyear Projection Assumptions

	2020-21	2021-22	2022-23	2023-24
	2nd Interim	Projected	Projected	Projected
<b>Enrollment</b>	3,501	3,471	3,427	3,383
<b>Average Daily Attendance (Funded)</b>	3,484	3,485	3,372	3,318
<b>Cost of Living Allowance (COLA)</b>	0.00%	5.07%	2.48%	3.11%
<b>Local Control Funding Formula (TK-3: Per Student)</b>	\$8,967	\$9,389	\$9,607	\$9,904
(4-6: Per Student)	\$8,244	\$8,632	\$8,834	\$9,106
(7-8: Per Student)	\$8,489	\$8,889	\$9,096	\$9,377
(T9-12: Per Student)	\$10,094	\$10,569	\$10,815	\$11,148
<b>LCFF - Unduplicated Count Percentage</b>	27.27%	25.47%	24.71%	24.55%
<b>Mandated Block Grant</b>	K-8 \$32.18 9-12 \$61.94	K-8 \$32.79 9-12 \$63.17	K-8 \$33.60 9-12 \$64.74	K-8 \$34.64 9-12 \$66.75
<b>Lottery - Unrestricted (Per ADA)</b>	\$150	\$150	\$150	\$150
<b>Lottery - Prop. 20 Instructional Materials (Per ADA)</b>	\$49	\$49	\$49	\$49
<b>STRS - State Teacher Retirement System</b>	16.15%	16.92%	19.10%	19.10%
<b>PERS - Public Employee Retirement System</b>	20.70%	22.91%	26.10%	27.10%
<b>Unemployment Insurance Rate</b>	0.05%	1.23%	0.90%	0.30%

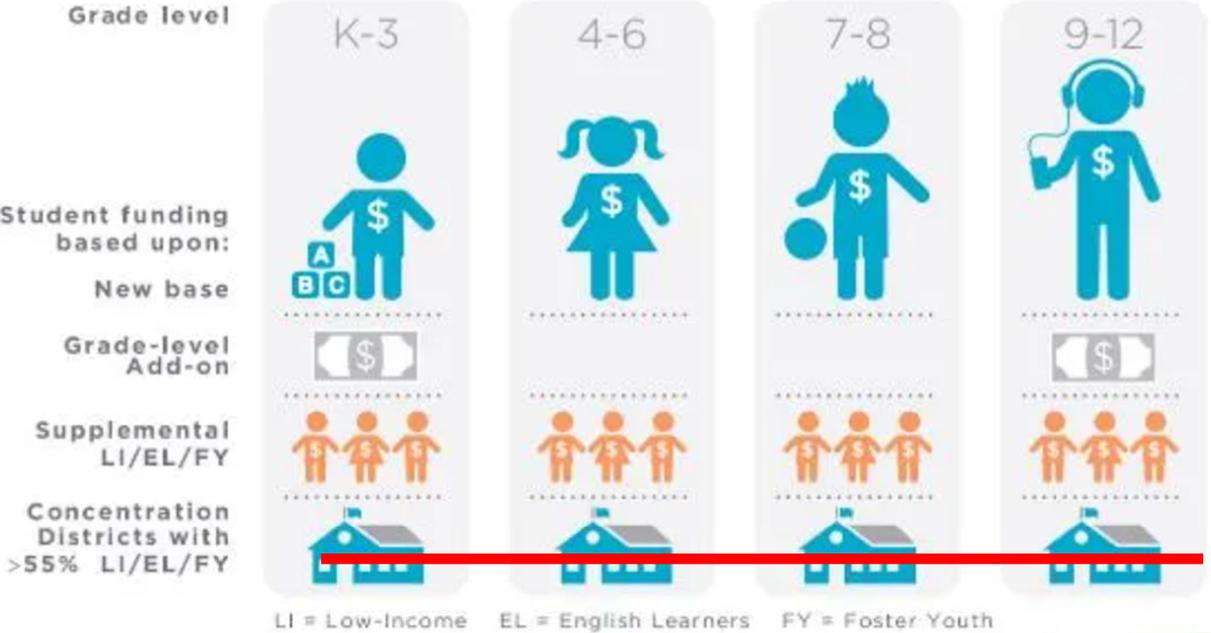
# Local Control Funding Formula (LCFF)

COLA						0.000%	
Unduplicated as % of Enrollment						25.47%	FY 21-22
	ADA	Base	Gr Span	Supp	Concen	TARGET	Daily ADA
Grades TK-3	1,023.54	8,092	801	476	-	\$ 9,610,117	\$ 52
Grades 4-6	785.25	8,214		438	-	\$ 6,778,609	\$ 48
Grades 7-8	548.44	8,458		451	-	\$ 4,875,002	\$ 49
Grades 9-12	1,128.60	9,802	243	536	-	\$ 11,928,516	\$ 59
Total ADA	3,485.83						
Home-to-School Transportation						27,884	
Total LCFF Funding		30,433,773	1,149,613	1,608,858	-	\$ 33,220,128	

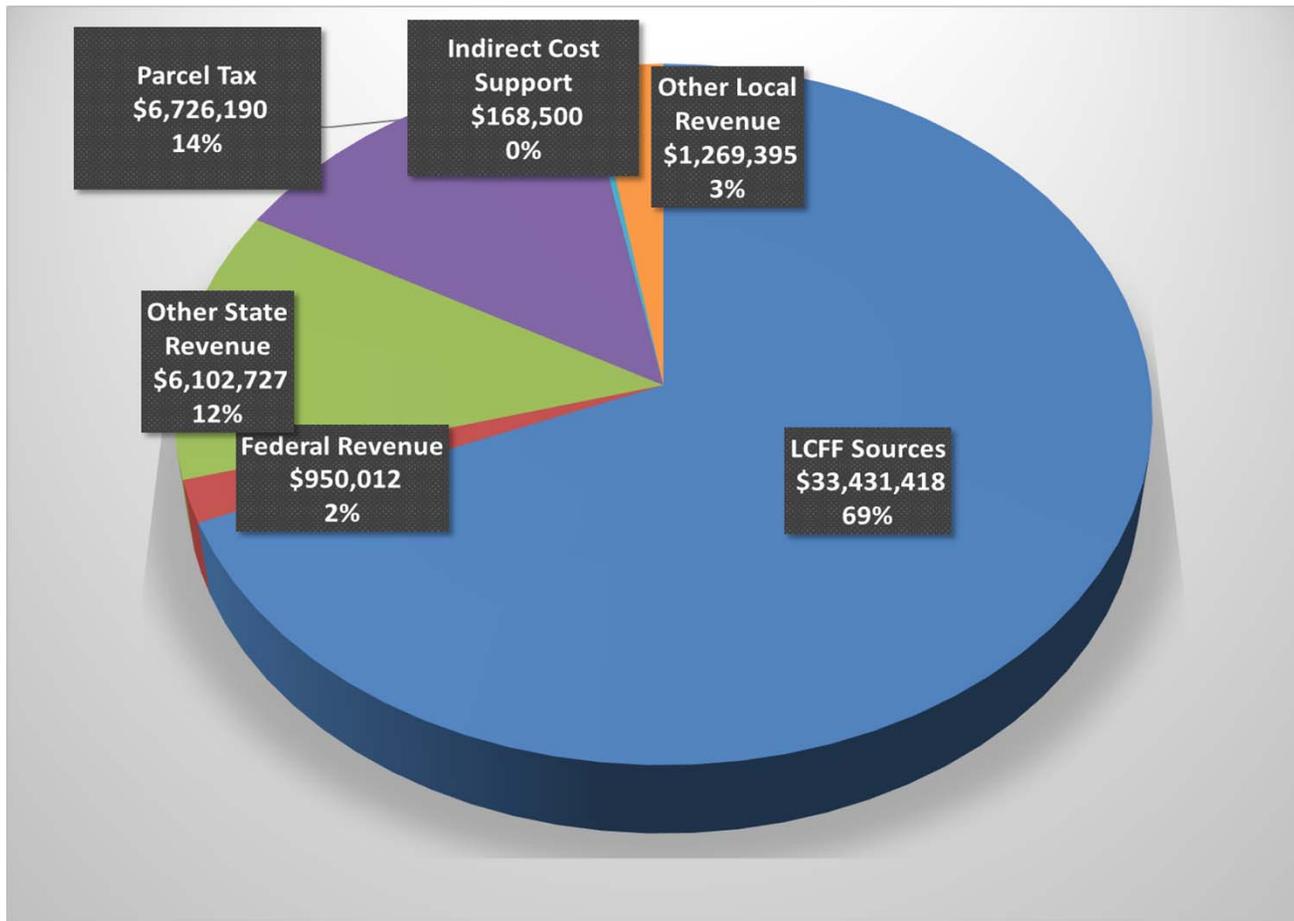
It is important to note that the proposed COLA of 5.07% is applicable to the LCFF funding but not to other programs, including Special Education (4.05% COLA) and Albany Children's Center Program (1.7% COLA).



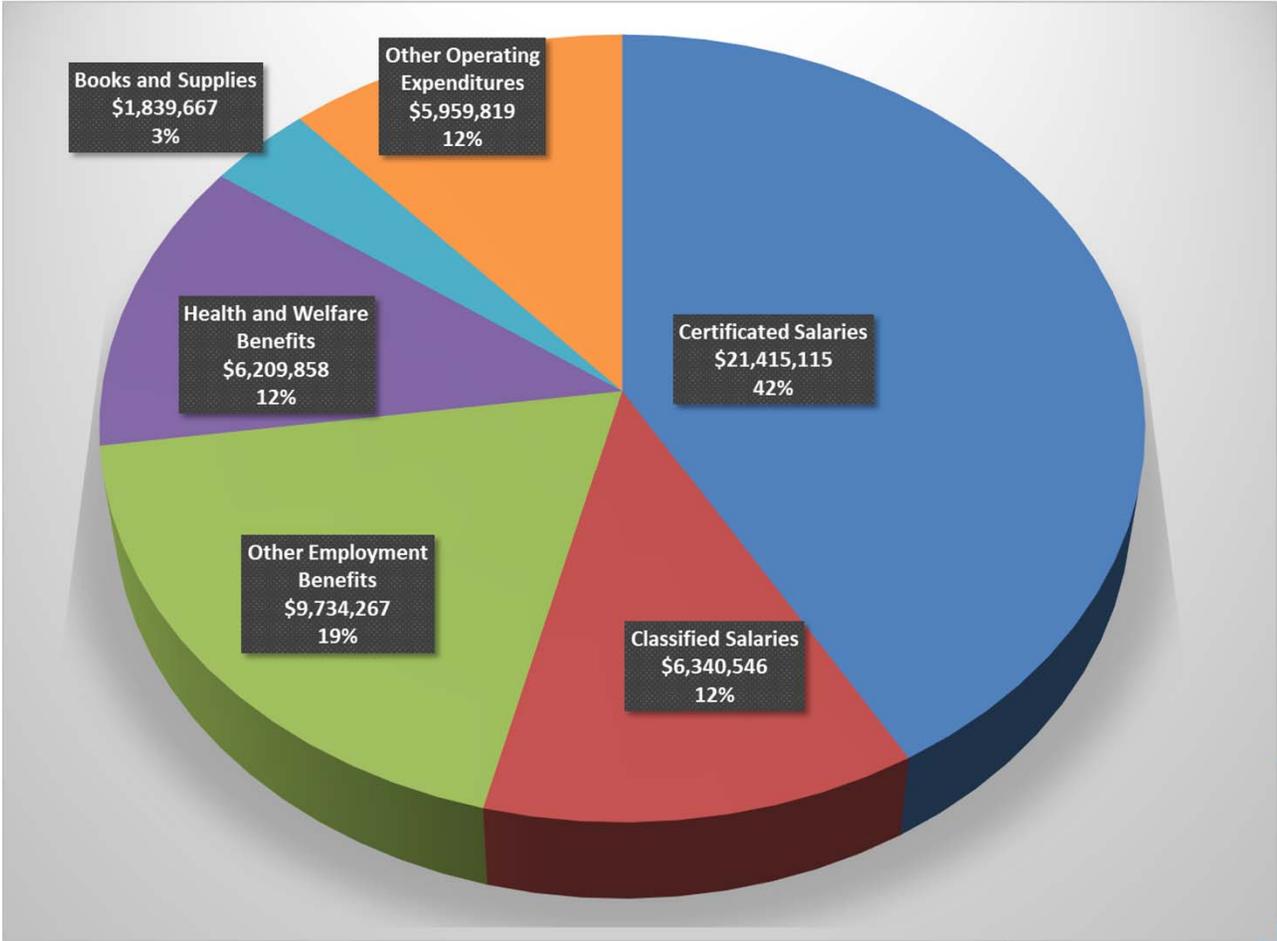
# Base Grant Funding Student Groups



# Total General Fund Revenues



# Total General Fund Expenditures



# FY 2021-22 Proposed Budget (Without One-Time Funding)

Description	2021-22 Proposed Budget		
	Unrestricted	Restricted	Combined
<b>REVENUES</b>	<b>34,747,994</b>	<b>13,731,748</b>	<b>48,479,742</b>
<b>EXPENDITURES</b>			
Certificated Salaries	13,830,788	7,584,327	21,415,115
Classified Salaries	3,186,952	3,153,594	6,340,546
Benefits	8,322,983	7,621,142	15,944,125
Books and Supplies	623,711	1,215,956	1,839,667
Other Services & Oper. Exp	2,118,443	3,491,376	5,609,819
Capital Outlay	-	350,000	350,000
Transfer of Indirect Costs	(202,802)	34,302	(168,500)
<b>TOTAL EXPENDITURES</b>	<b>34,539,443</b>	<b>14,475,624</b>	<b>49,015,067</b>
<b>Net Increase (Decrease)</b>	<b>208,551</b>	<b>(743,876)</b>	<b>(535,325)</b>
<b>FUND BALANCE, RESERVES</b>			
Estimated Beginning Balance	8,365,764	1,241,043	9,606,807
<b>Estimated Ending Balance</b>	<b>8,574,315</b>	<b>497,167</b>	<b>9,071,482</b>
Restricted	-	497,167	497,167
Assigned	3,434,716	-	3,434,716
Reserve for Economic Uncertainties @ 3%	1,470,500	-	1,470,500
Unassigned - Other	3,669,099	-	3,669,099
<b>Total - Est. Fund Balance</b>	<b>8,574,315</b>	<b>497,167</b>	<b>9,071,482</b>
<i>Fund Balance Reserve Percentage</i>			<b>10.49%</b>



# Multiyear Projection (Without One-Time Funding)

	2021-22 Proposed Budget	2022-23 Projected Budget	2023-24 Projected Budget
Description	Combined	Combined	Combined
<b>REVENUES</b>	<b>48,479,742</b>	<b>48,288,412</b>	<b>48,751,906</b>
<b>EXPENDITURES</b>	<b>49,015,067</b>	<b>49,791,518</b>	<b>50,683,516</b>
<b>Net Increase (Decrease)</b>	<b>(535,325)</b>	<b>(1,503,106)</b>	<b>(1,931,610)</b>
<b>FUND BALANCE, RESERVES</b>			
Estimated Beginning Balance	9,606,807	9,071,482	7,568,376
<b>Estimated Ending Balance</b>	<b>9,071,482</b>	<b>7,568,376</b>	<b>5,636,766</b>
Restricted	497,167	497,167	497,167
Assigned	3,434,716	3,434,716	1,931,610
Reserve for Economic Uncertainties @ 3%	1,470,500	1,493,800	1,520,600
Unassigned - Other	3,669,099	2,142,693	1,687,389
<b>Total - Est. Fund Balance</b>	<b>9,071,482</b>	<b>7,568,376</b>	<b>5,636,766</b>
<i>Fund Balance Reserve Percentage</i>	<i>10.49%</i>	<i>7.30%</i>	<i>6.33%</i>



# Structural Deficit

- ▶ Defined as having ongoing programs and financial commitments for a given year that exceed that particular year's revenue
- ▶ Ending fund balance can be used to address the deficit



# Next Steps ...

- 2020-21 Budget:
  - September: Unaudited Actuals
  - January 2022: Audit and Final Financial Statements
- 2021-22 Budget:
  - June 8: Budget Public Hearing
  - June 22: Budget Adoption
  - June 30: Governor acts on the budget (State)

