


Budget 2020/2021


Acton-Agua Dulce Unified School District



Budget Hearing - June 25, 2020
Budget Adoption – June 25, 2020

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The Fiscal Reporting Cycle:



By June 30	<ul style="list-style-type: none"> Board adopts a Budget for next fiscal year
By September 15	<ul style="list-style-type: none"> Books closed for prior year Board approves <i>Unaudited Actuals Report</i>
By December 15	<ul style="list-style-type: none"> Board approves <i>First Interim Report</i> for current year financial status as of October 31 Auditors review prior year and submit report to COE
By January 31	<ul style="list-style-type: none"> Audit for prior year delivered to Board
By March 15	<ul style="list-style-type: none"> Board approves <i>Second Interim Report</i> for current year financial status as of January 31
July/August	<ul style="list-style-type: none"> Business Department closes books for prior year ending June 30

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Budget Consideration: Strategic Plan

- Student achievement
- Effective instruction and leadership
- Community engagement
- Safety and student connectedness
- Utilization of fiscal capital and resources
- Maintain responsible General Fund reserve level

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Budget Consideration: LCAP Goals

- Goal 1 - Increase grade level academic content proficiency
- Goal 2 - Increase English Learner reclassification rates
- Goal 3 - Decrease absences and suspensions
- Goal 4 - Increase feelings of safety, and involve parents/community in decision-making
- Goal 5 - Ensure students are on track for high school graduation and have access to a broad course of study
- Goal 6 - Maintain appropriate assignment of qualified staff
- Goal 7 - Maintain safe, secure, drug-free, aesthetically pleasing learning environment

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The Budget: Funds

The General Fund (01)

- **Unrestricted** – used for ordinary instructional and operational purposes
- **Restricted** – used for targeted programs or purposes (SpEd, Maint.)



Reserve – minimum 4% required if ADA is <= 1,000
 Reserve – minimum 3% required if ADA is 1,001 – 30,000

Other Funds (13 - 40)

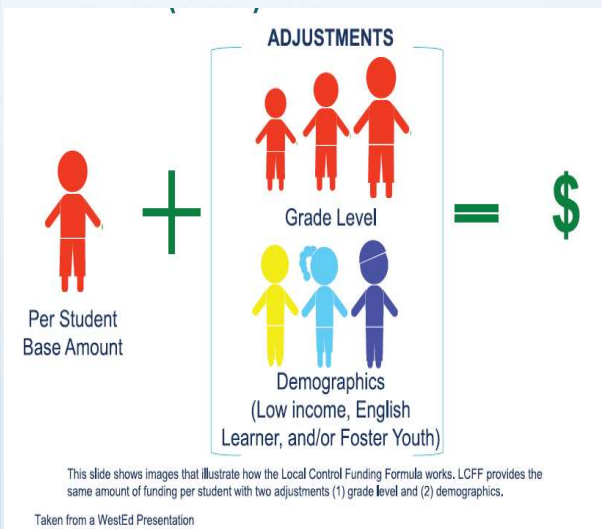
- **Restricted** – established to carry out specific activities or objectives in accordance with legally defined regulations, restrictions, or limitations
 (cafeteria, maintenance, developer fees, and capital improvement projects)



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The Budget: Funding Varies By District & Charter



- LCFF funds are the main source of revenue
- LCFF base is ADA-driven
- ADA = enrollment X attendance rate (attendance matters)
- Additional funding for:
 - K-3 at negotiated class size (26:1)
 - 9-12
 - Unduplicated Pupil Percentage
 - 20% X base for each unduplicated pupil (supplemental) and
 - 50% X base for each unduplicated pupil beyond 55% of enrollment (concentration) (AADUSD 3 year average=54.6%)

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Budget Assumptions:

- Enrollment: 1,006 (2019/20 = 1,040)
- Funded ADA (current or prior year) : 986.91 (2019/20 = 1,028.66)
- Unduplicated Pupils: 564, 54.60% (2019/20 = 581, 54.02%)
- STRS Employer Rate: 16.15% (2019/20 = 17.10%)
- PERS Employer Rate: 20.70% (2019/20 = 19.721%)
- 0% COLA per May Revise
- Bargaining unit negotiations not started for 2020/21
- Local revenue adjusted for current ADA at 12 charters with funds assigned for 1 charter being monitored for fiscal solvency issues
- Reduction of 3.5 certificated FTEs and 8.25 classified hours (1.03 FTE) to align with current enrollment and operational needs
- Maintain required GF reserve current and 2 following years (MYP)

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General Fund Summary 2020/21:

Unrestricted & Restricted	2019/2020 Est. Act.	2020/2021 Budget	% Difference
Total Revenues	\$19,816,863	\$17,854,914	(9.9%)
Total Expenditures	\$16,769,578	\$17,583,916	4.9%
Excess/(Deficit)	\$3,047,285	\$270,998	(91.1%)
Transfers (Out)/In	\$0	\$0	0%
Beginning Balance	\$7,792,648	\$10,839,933	39.1%
Ending Balance	\$10,839,933	\$11,110,931	2.5%

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General Fund Revenue Summary:

- LCFF fully implemented
- COLA at 0% per May Revise with no more “LCFF gap funding”
- 20/21 LCFF Supplemental - \$856,822 (must be used to improve or increase services for EL, Low Income, and Foster Youth above base program)
- ADA decreased by 42, but funded at prior year per law
- Charter oversight/additional service fees included at 3%
- Local revenue is stable due to continued authorization of 12 charters schools

Revenue (U & R)	2019/2020 Est. Act.	2020/2021 Budget
LCFF	\$10,432,438	\$8,869,570
Federal	\$898,140	\$853,805
Other State	\$1,225,249	\$856,838
Other Local	\$7,261,036	\$7,274,701
Transfers In/(Out)	\$0	\$0
Total	\$19,816,863	\$17,854,914

Charter Revenue – Portion of “Other Local”

Reporting Period	ADA	Revenue
20/21 – Projected**	12,667	\$4,108,920
Estimated Actuals 19/20*	12,667	\$4,108,920
2 nd Interim 19/20	11,280	\$3,495,963

*P2 ADA certification pending. **Prior year P2 ADA used for projections.

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General Fund Expenditure Summary:

Expenditures (U & R)	2019/2020 Est. Act.	2020/2021 Budget
Cert. Salaries	\$6,307,096	\$6,476,698
Class. Salaries	\$2,480,506	\$2,603,673
Benefits (Cert & Class)	\$3,591,015	\$3,373,609
Books & Supplies	\$635,390	\$1,041,483
Services	\$2,539,555	\$2,917,085
Capital Outlay	\$46,285	\$0
Other Outgo	\$1,169,731	\$1,171,368
Total	\$16,769,578	\$17,583,916

- Salary and benefit costs contained through position control aligning staffing to enrollment
- Step/column movement and district contribution rate for benefits included
- Athletic and music program support increased
- Professional development days (3) included
- NGSS Science adoption included
- Planned actions and services in 19/20 LCAP continued (achievement, behavior, safety, counseling, technology, supplies, facility maintenance, etc.)

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General Fund: MYP 2019/20 – 2022/23

	2019/20	2020/2021	2021/22	2022/23
Beginning Balance	\$7,792,648	\$10,839,933	\$ 11,110,931	\$ 10,930,849
Projected Revenue (per MYP)	\$19,816,863	\$17,854,914	\$ 17,678,914	\$ 17,419,703
Revenue Adjustments	\$0	\$0	\$0	\$0
Total Projected Revenues	\$19,816,863	\$17,854,914	\$17,678,914	\$17,419,703
Projected Expenses (per MYP)	\$16,769,578	\$17,583,916	\$ 17,858,996	\$ 17,944,060
Expense Adjustments	\$0	\$0	\$0	\$0
Total Projected Expenditures	\$16,769,578	\$17,583,916	\$17,858,996	\$17,944,060
Surplus/(Deficit)	\$3,047,285	\$270,998	(\$180,082)	(\$524,357)
Transfers from/(to other funds)	\$0	\$0	\$0	\$0
Projected Ending Fund Balance	\$10,839,933	\$11,110,931	\$10,930,849	\$10,406,492
Revolving Cash, Stores	(\$1,000)	(\$1,000)	(\$1,000)	(\$1,000)
Restricted Resources	(\$134,272)	(\$96,731)	(\$96,731)	(\$96,731)
Assigned**	(\$3,160,000)	(\$3,920,000)	(\$4,680,000)	(\$5,440,000)
Reserve Dollars	\$7,544,661	\$7,093,200	\$6,153,118	\$4,868,761
Reserve Level	45.0%	40.3%	34.45%	27.13%
Dollars Required for 4% REU	\$670,783	\$703,357	\$714,360	\$717,762
ONE TIME FUNDS AVAILABLE	\$6,873,878	\$6,389,844	\$5,438,758	\$4,150,999
Change in Reserve from Prior Year		-4.7%	-5.9%	-7.3%

- COLA included. Pension changes included. Bargaining not started for 2020/21.
- Charter oversight and additional service fees included at 3%.
- MYP includes set asides for revenue adjustments related to potential charter authorization issues₁₁

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Summary of Other Funds:

Purpose	Cafeteria	Deferred Maintenance	Reserve - Not Capital	Capital Facilities	Facilities (State Grant)	Reserve - Capital Proj.
Beginning Balance	\$74,507	\$608,266	\$3,051	\$322,982	\$68,702	\$498,824
Total Revenues	\$425,300	\$330,000	\$30	\$98,000	\$750	\$5,000
Total Expenditures	\$434,853	\$345,895	\$0	\$50,300	\$69,452	\$84,000
Excess (Deficit)	(\$9,553)	(\$15,895)	\$30	\$47,700	(\$68,702)	(\$79,000)
Ending Balance	\$64,954	\$592,371	\$3,051	\$370,682	\$0	\$419,824
Available for Interfund Borrowing	\$48,716	\$444,278	\$2,288	\$278,012	\$0	\$314,868
Maximum Available for Interfund Borrowing (Cash Flow)						\$1,088,162

To ensure the District has sufficient cash to meet monthly obligations throughout the year, resolutions to approve short-term borrowing and transfers were included for approval by the Board on the June 11, 2020 agenda.

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Summary:

- The District is able to meet its financial obligations for the current and two future years for a **Positive Certification**
- Revenues for 2020/21 decreased compared to prior year due to a continued decrease in enrollment and reduced state funding with a 0% COLA at May Revise
- The delay in tax filing deadlines make significant changes in state funding probable
- Declining enrollment and Average Daily Attendance (ADA) is projected to continue through 2022/23 (-32 ADA 21/22, -30 ADA 22/23) and has been included in the MYP
- Certificated positions and classified hours were reduced to align staffing levels with current enrollment and operational needs
- STRS and PERS adjustments have been included
- Facility maintenance and upgrade costs create a need for additional project and facility improvement funds, and prioritization decisions
- Depletion of fiscal resources in other funds as capital projects have been completed limits the district's ability manage cash flow internally through temporary interfund transfers
- The District is able to meet the required Economic Reserve level, but will need additional adjustments to maintain adequate reserves in future years to align staffing and allow for unanticipated circumstances with revenue or expenses

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Next Steps for Budget:

July – August, 2020

- Closing the books 2019/20

July – August, 2020

- Revised budget may be required if enacted state budget results in significant revenue adjustments

On or before August 15, 2020

- LACOE may seek clarification and request revisions on the Budget

September 15, 2020

- Unaudited Actuals 2019/20 due to LACOE

On or before December 15, 2020

- 1st Interim Report and 1-year LCAP Adoption



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