

Alvord Unified School District

Our Promise: All students will realize their unlimited potential.

Alvord Budget Update

Impact of Proposed 2021/22 State Budget

**Board of Education Presentation
February 4, 2021**

Presented by Dusty Nevatt

Chief Business Officer, Business Services



Presentation Overview

Looking Forward

Revenue Changes Proposed

Spending Allocations – Influencing Factors

Impact to District Financial Health

Budget Next Steps

2020/21 Second Interim Report – March 2021

THE ALVORD UNIFIED SCHOOL DISTRICT PROMISE: ALL STUDENTS WILL REALIZE THEIR UNLIMITED POTENTIAL.



MAJOR K-12 BUDGET PROPOSALS

Revenues & Possible New Grants

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Local Control Funding Formula (LCFF)

STUDENT ATTENDANCE (ADA)

2020/21 funded at 2019/20 levels 17,355

2021/22 projecting reduction -840 (two-year catch) funding at 17,355

LOCAL CONTROL FUNDING FORMULA (LCFF)

2020/21	0% COLA	\$195 M	includes 156 County Pgm ADA
2021/22	3.84% COLA	\$201 M	17,355 + 156 County ADA
2022/23	0% COLA	\$191 M	16,512 + 156 County ADA

2021/22 increase \$6 M – result of COLA

2022/23 decrease \$10 M - projected enrollment reductions

CASH DEFERRALS

Cash Borrowing Required 2020/21

District planned cash borrowing of \$36.5 M will happen in February 2021

LCFF dollars reduced

-\$ 7 M February 2021 (53%) to be received November 2021

-\$11 M March, April & May 2021 (82%) to be received in August – Sept

-\$14 M June 2021 (100%) to be received in July 2021

2021/22

District estimated cash borrowing of \$15 M - 20 M

-\$15 M June 2022 (100%) to be received in July 2022

CARES ACT - Coronavirus Response Grant Awards

	Amount	Spend by	Major Use
Federal ESSER *	\$4.5 M	September 2022	Response to pandemic, student needs, sanitation, technology, mental health support, etc.
Federal GEER	\$1 M	September 2022	Learning Loss Mitigation
Federal CARES *	\$17 M	May 2021	Learning Loss Mitigation
State CARES *	\$1.7 M	June 30, 2021	Learning Loss Mitigation
State – SB 117 *	\$300 K	None given	PPE – Personal Protection Equipment
	\$25 M		

CARES ACT – Coronavirus Aid Relief and Economic Security Act - Federal
 ESSER – Elementary and Secondary School Emergency Relief - Federal
 GEER – Governor’s Emergency Education Relief - Federal

*CARES Act dollars included in the 2020/21 Revised Budget



New Coronavirus Relief Dollars

- **2021/22 State Budget**
 - **\$18 M proposed CARES Act**
 - Spend by September 2023
 - Focus on supporting students' return to school
 - **School Reopening**
 - Feb 15 start – prorated funding for later start dates
 - Safe schools, COVID testing for students

Biden “American Rescue Plan” \$1.9 Trillion / \$130 B K-12 Schools

- **Safe school environments, class sizes, summer school**



2021/22 State Budget Proposals

Ongoing

- **Special Education – Preschool \$300 M / \$300 K to Alvord**
- **Behavioral/Mental Health Partnerships - \$25 M**
- **1.5% Increase to State Restricted Grant Programs**

One-Time

- **Expanded Learning/Intervention - \$4.6 B**
- **Investing in Educators – various focus - \$540 M**
- **Special Education Professional Learning Networks - \$5 M**
- **Student Mental Health - \$425 M**
- **Early Learning/Transitional Kindergarten - \$500 M**



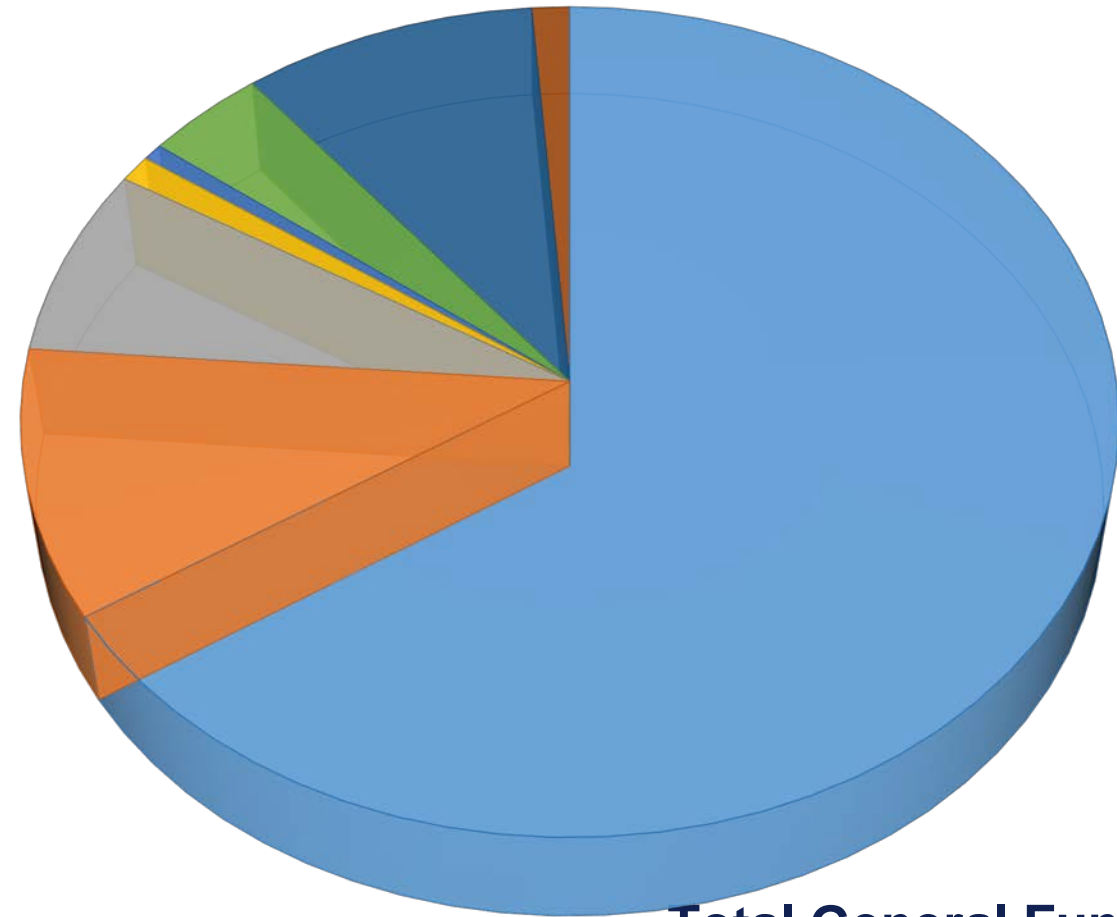
Factors Influencing District Educational Spending Allocations

THE ALVORD UNIFIED SCHOOL DISTRICT PROMISE: ALL STUDENTS WILL REALIZE THEIR UNLIMITED POTENTIAL.



First Interim 2020/21 General Fund Spending Allocations by Activity

- Instruction 66%
- Instructional Support 10%
- Pupil Services 7%
- Extra Curricular Activities 1%
- Retiree Costs 1%
- District Administration 4%
- Maintenance & Operations 10%



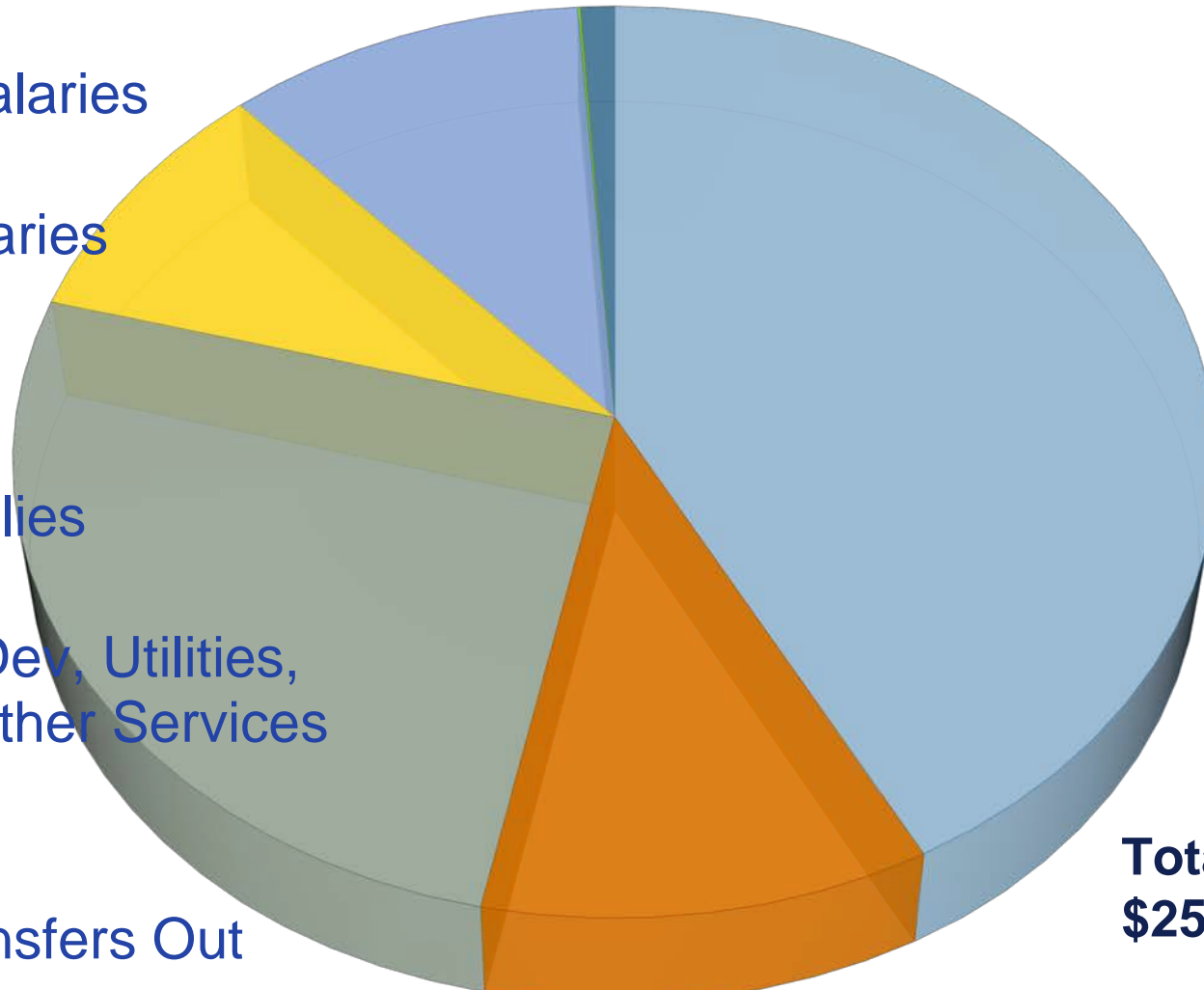
**Total General Fund Expenses
\$254.8 M**

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First Interim 2020/21 Total General Fund Spending Allocations

- Certificated Salaries
- Classified Salaries
- Benefits
- Books & Supplies
- Professional Dev, Utilities, Contracts & Other Services
- Equipment
- Indirect & Transfers Out



Salaries & Benefits
\$201 M
79% of Total GF Expenses

Total General Fund Expenses
\$254.8 M

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Factors & Events - Influence Spending Allocations

Ongoing

- Educational programs
- Changes to LCAP goals & activities
- Restricted Grant requirements
- Salary changes
 - Automatic Step, Salary Increases, Changes in Positions
- Retirement rate changes
 - Certificated STRS 15.92% (21/22) vs. 16.15% (20/21)
 - Classified PERS 23.00% (21/22) vs. 20.70% (20/21)
- Natural increases:
 - Insurance, Utilities, Supplies, Special Education needs, etc.



Factors & Events - Influence Budget Allocations

One-Time

- **Restricted Grant expenses (expense = revenues)**
 - **CARES Act \$25 M**
 - **Restricted grant carryovers – dollars not spent in the previous year**
 - **New restricted grants (expenses – revenues)**
- **Savings from school closures**
 - **Utilities, transportation, student events, athletics, staffing costs**
- **Response to COVID Pandemic**
 - **Sanitation, technology, support school ASBs, remote instruction & working from home**

Impact to District Financial Health

Economic Reserve – Minimum 3% total general fund expenses typically \$7 M to \$8 M range

- **One-Time Restricted Grant expenses increases this requirement**
 - **CARES Act \$25 M – additional \$750 K economic reserve**
- **Savings from school closures**
 - **Reduces reserve in 2020/21 – increases in 2021/22**
- **Changes in spending allocations throughout the year**
 - **Impacts reserve requirements**
- **Ending Balances included restricted dollars**

Next Steps

- **January** Release of Governor's Proposed State Budget
- **February** **Budget update**
- **February** June 30, 2020 Audited Financial Report presented
- **March** Board Action – 2020/21 Second Interim Report
- **May** Release of Governor's Budget - May Revision
- **June** Public Hearing 2021/22 LCAP & Adopted Budget
- **June** Board Action on 2021/22 LCAP & Adopted Budget

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Local Control Funding Formula (LCFF)

STUDENT ATTENDANCE FUNDING FACTS

Daily rates received when student attends school

\$78 **Grades TK-3**

\$72 **Grades 4-6**

\$74 **Grades 7-8**

\$88 **Grades 9-12**

3.84% COLA \$2.23 to \$2.73 daily rate increase

Meal applications influence attendance funding

2020/21 **additional 10 qualifying meal applications +\$21,000**

2021/22 **additional 10 qualifying meal applications +\$25,000**



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Questions?

