

Alameda Unified School District Board Presentation

May 20, 2009



**School
Services
of
California**
INC. TM

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Financial Trends

- Determination of expenditures is local and historical – not state controlled
 - ▶ So . . . Alameda Unified School District is revenue dependent and expenditure independent



General Characteristics of the District Affecting Financial Flexibility

- The District is declining in enrollment and ADA
- Enrollment pattern – the District’s California Basic Educational Data System (CBEDS) enrollment for 2008-09 is 10,272, approximately the same level as 1996-97, and is projected to decline again in 2009-10
- Revenue Limit cost-of-living adjustment (COLA) is deficiated to a 0% increase and an additional cut beyond the reduction in COLA
 - ▶ Prior to the proposed revised Budget on May 14 the deficit is running at 13.360%
 - ❖ This is anticipated to grow by the end of the fiscal year and into future years
- Current Parcel Tax – Measures A and H – will expire in 2011-12
- Limitation on contracted class sizes provides no flexibility for reduction in expenditures
- Goal is to take action in 2008-09 to stop trend





District Revenues

- For 2008-09 and 2009-10, the District's funding level is below the 2007-08 level with a deficit of 13.360%
 - ▶ This deficit will grow driving funding level below the 2006-07 level
 - ▶ The District could lose an additional \$2.4 million in funding
 - ❖ State propositions not passing equates to an estimated loss of \$2.2 million in 2008-09 and \$200,000 in 2009-10



District Revenues

- Unless there is a passage of the Parcel Tax after 2011-12, the District will lose \$7.3 million in local revenues used to support the largest expenditures, salaries and benefits
- Federal Funds for Stabilization, Individuals with Disabilities Education Act (IDEA), and Title I are restricted and subject to supplement not supplant language
- State restricted programs have been reduced by 20% of 2007-08 funding



District Expenditures

- Salaries and benefits equate to 92% of the total expenditures for the unrestricted general fund
 - ▶ This provides 0.08 ¢ on the dollar to provide all other support for operating the school district
- A reduction in expenditures to absorb the loss of Measure H would equate to approximately:
 - ▶ 140 full-time equivalents (FTE) based on a \$51,000 average salary and benefits, or
 - ▶ A salary rollback percentage close to 10%
- Contract language limitations
 - ▶ No flexibility for K-3 class-size reduction (CSR) of 20:1, even though the state allows larger classes

District Expenditures

- ▶ Class sizes in grades 4-12 are limited to average class sizes of 29:1 on average
 - ❖ Both items above require negotiated efforts between the unions and the District
- Increased encroaching program costs such as special education will continue even with the ability to rebench the “maintenance of effort” level



Flexibility

- SBX3 4 provides the ability to “sweep” fund balance as of June 30, 2008
 - ▶ The District had a restricted fund balance of \$3.4 million with availability to “sweep” \$3.3 million in the programs listed below and on the next slide:

Categorical Programs	6/30/2008 Balance	\$ Available to Sweep
Arts, Music, and P.E. Block Grant	\$512,163	\$512,163
Arts and Music Block Grant	274,655	274,655
Community-Based English Tutoring (CBET)	64,089	64,089
Counselors, Grades 7-12	321,133	321,133
Discretionary Block Grant – Site	295,995	295,995
Discretionary Block Grant – District	218,440	218,440
Educational Technology and Instructional Materials	123,244	0

Flexibility

Categorical Programs	6/30/2008 Balance	\$ Available to Sweep
English Language Acquisition Program (ELAP)	16,223	16,223
Gifted and Talented Education (GATE)	62,309	62,309
Peer Assistance and Review (PAR)	72,979	72,979
Professional Development Block Grant	950,824	950,824
Pupil Retention Block Grant	19,370	19,370
School and Library Improvement Block Grant	377,912	377,912
School Safety Block Grants (Carl Washington)	35,854	35,854
Staff Development: Math and Reading	5,000	50,000
Staff Development: Administrator Training	13,194	13,194
Staff Development: Reading Services for Blind	7,655	7,655
Teacher Credentialing Block Grant	11,197	11,197
TOTAL	\$3,382,236	\$3,303,992

Flexibility

- Additional flexibility is available as a one-time fix for four years through 2012-13 for the following programs:

Categorical Programs	Current Year Award	Flexibility Transfer
Adult Education	\$1,147,117	\$800,000
Arts and Music Block Grant	150,780	0
CAHSEE Intervention Grants	66,956	0
CaSAFE	35,529	0
Community Based English Tutoring (CBET)	67,591	0
Counselors, Grades 7-12	295,494	0
Deferred Maintenance	445,172	340,000
English Language Acquisition Program (ELAP)	106,418	0
Gifted and Talented Education (GATE)	77,123	0
Instructional Materials Fund	593,588	0

Flexibility

- Additional flexibility is available as a one-time fix for four years through 2012-13 for the following programs:

Categorical Programs	Current Year Award	Flexibility Transfer
Morgan-Hart Class Size Reduction	\$290,187	\$ 0
Peer Assistance and Review (PAR)	42,223	0
Professional Development Block Grant	550,260	0
Pupil Retention Block Grant	46,793	0
ROC/P	1,366,894	0
School and Library Improvement Block Grant	763,243	0
School Safety Block Grants (Carl Washington)	143,847	0
Targeted Instructional Improvement Block Grant	721,837	448,000
TOTAL	\$6,911,052	\$1,588,000

District Programs

- Priorities must be determined regarding programs that will continue to meet the Board goals and achieve expected outcomes. The following list includes current programs and associated costs as consideration in the reduction plan:

Unrestricted Site Programs	Total
Music and PE Program	\$1,025,341
Counselor Program	576,607
Library & Media Program	1,253,630
Health Services Program	323,018
Athletics Program	345,771
Dept. Chair/Saturday School	187,715
Custodians & Grounds	2,746,265
Technology	630,879
Independent Study	104,436
Discretionary Funds (Sites)	483,652
TOTAL	\$7,677,314

- In order to determine changes in boundaries, reconfigurations, and/or school closure, the District will need to identify the capacity and the current enrollment of each school site
- Closed schools have fixed costs for each facilities that must be absorbed by the District whether it is open or closed
- A range in savings for a school closure depends on a district's makeup of school facilities
 - ▶ An average range is somewhere between \$300,000 and \$500,000 savings to a school agency



- The District is projecting to deficit spend prior to taking into consideration the most recent reductions
- Without concessions on class size, there is very little flexibility to implement a reduction plan that will leave the District fiscally solvent (absent a renewal of the parcel tax)
- Therefore, the District needs a multiyear implementation plan to make the required reductions, remain solvent, and meet its priorities

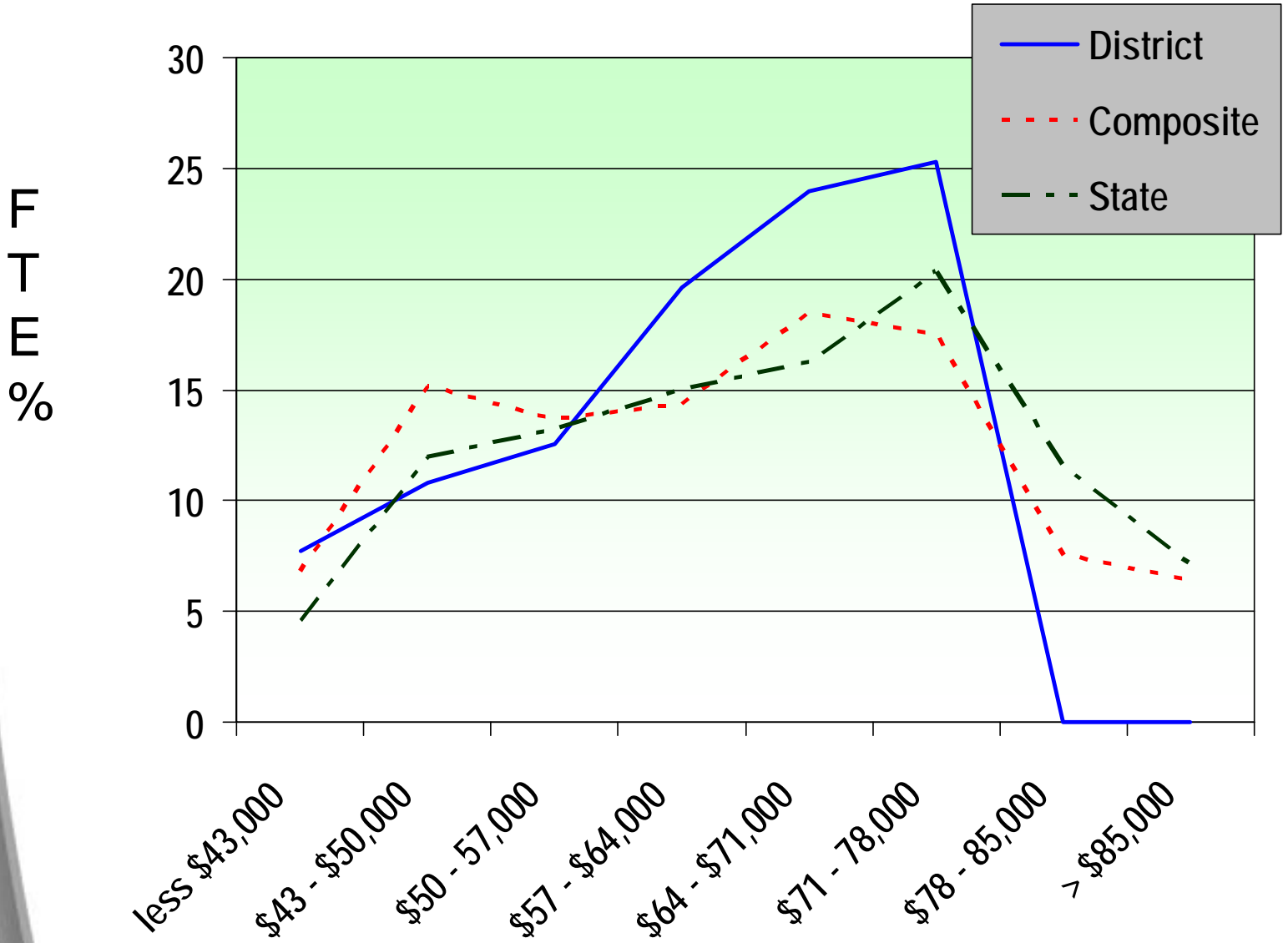


Similar Comparative Districts

- San Lorenzo Unified School District
- Pittsburg Unified School District
- Calexico Unified School District
- Bonita Unified School District
- West Covina Unified School District
- Lompoc Unified School District
- Gilroy Unified School District
- Milpitas Unified School District
- Davis Joint Unified School District
- Woodland Joint Unified School District
- Newark Unified School District
- Novato Unified School District
- Morongo Unified School District

Comparative Analysis of Certificated Salaries

2007-08 Salary Distribution



Unrestricted Revenue Limit Per ADA

Rank	District	Total Revenue Limit per ADA
1	Calexico Unified	\$5,764.87
2	Lompoc Unified	5,681.70
3	All Unified Districts	5,681.25
4	Novato Unified	5,670.76
5	San Lorenzo Unified	5,622.08
6	West Covina Unified	5,593.91
7	Milpitas Unified	5,575.68
8	Comparative Districts Average	5,566.89
9	Gilroy Unified	5,565.83
10	Pittsburg Unified	5,558.55
11	Woodland Joint Unified	5,550.58
12	Newark Unified	5,497.15
13	Davis Joint Unified	5,496.80
14	Alameda City Unified	5,450.53
15	Bonita Unified	5,417.56
16	Morongo Unified	5,361.81



Total Revenue Per ADA

Rank	District	Total Revenue per ADA
1	All Unified Districts	\$9,398.46
2	Novato Unified	9,063.97
3	Morongo Unified	9,059.96
4	Calexico Unified	8,957.36
5	Alameda City Unified	8,916.07
6	Gilroy Unified	8,898.58
7	Newark Unified	8,867.42
8	Davis Joint Unified	8,762.94
9	Comparative Districts Average	8,754.13
10	Woodland Joint Unified	8,735.10
11	West Covina Unified	8,672.62
12	San Lorenzo Unified	8,646.70
13	Bonita Unified	8,635.22
14	Milpitas Unified	8,626.71
15	Lompoc Unified	8,580.45
16	Pittsburg Unified	8,440.59

All Personnel Salaries and Benefits Expense

Rank	District	% of Total Expense
1	Lompoc Unified	87.17
2	Calexico Unified	83.82
3	San Lorenzo Unified	82.87
4	Alameda City Unified	82.34
5	Newark Unified	82.28
6	All Unified Districts	82.14
7	Morongo Unified	81.83
8	Comparative Districts Average	81.38
9	Novato Unified	81.15
10	Davis Joint Unified	80.89
11	Pittsburg Unified	80.71
12	Gilroy Unified	80.71
13	Milpitas Unified	80.40
14	West Covina Unified	79.92
15	Woodland Joint Unified	78.75
16	Bonita Unified	77.00


Books and Supplies Expense Per ADA

Rank	District	Books and Supplies per ADA
1	Calexico Unified	\$558.40
2	Lompoc Unified	483.98
3	All Unified Districts	478.25
4	Woodland Joint Unified	474.83
5	Pittsburg Unified	472.17
6	Davis Joint Unified	459.86
7	Gilroy Unified	446.07
8	Morongo Unified	440.19
9	Comparative Districts Average	433.73
10	Bonita Unified	406.34
11	San Lorenzo Unified	406.16
12	Novato Unified	386.61
13	Milpitas Unified	376.14
14	Newark Unified	364.37
15	West Covina Unified	338.37
16	Alameda City Unified	269.60

Services and Other Operating Expense Per ADA 20

Rank	District	Services & Operations per ADA
1	Bonita Unified	\$1,178.40
2	Pittsburg Unified	1,120.31
3	Morongo Unified	1,076.57
4	Davis Joint Unified	1,003.23
5	Alameda City Unified	989.46
6	Novato Unified	923.42
7	Newark Unified	907.00
8	All Unified Districts	893.18
9	Comparative Districts Average	851.90
10	Gilroy Unified	851.67
11	Woodland Joint Unified	844.38
12	San Lorenzo Unified	775.39
13	Calexico Unified	767.45
14	West Covina Unified	702.13
15	Lompoc Unified	529.52
16	Milpitas Unified	479.07

Other Outgo Expense Per ADA



Rank	District	All Other Outgo per ADA
1	Milpitas Unified	\$744.33
2	West Covina Unified	400.62
3	Woodland Joint Unified	397.69
4	Gilroy Unified	305.33
5	Novato Unified	263.65
6	Alameda City Unified	237.40
7	San Lorenzo Unified	221.21
8	Comparative Districts Average	218.20
9	Newark Unified	173.60
10	All Unified Districts	170.22
11	Bonita Unified	160.92
12	Davis Joint Unified	108.38
13	Calexico Unified	66.21
14	Lompoc Unified	-1.21
15	Morongo Unified	-1.81
16	Pittsburg Unified	-31.34



Multiyear Projections

- The following chart provides a view of the District's budget as of Second Interim without any reduction in revenue
 - ▶ Based on the most recent enacted revised proposal for 2008-09 and 2009-10
- The ending balance is adjusted to provide the outcome of not having the Parcel Tax
 - ▶ The shortage presented for each of 2008-09 through 2010-11 does not include the necessary Designation for Economic Uncertainty
 - ❖ Therefore, the District would not be able to meet its statutory requirements of 3% reserve

Multiyear Forecast

	2008-09	*2009-10	*2010-11
REVENUES			
Revenue Limit	\$ 54,884,267.00	\$ 52,369,675.00	\$ 52,354,330.00
Federal	6,323,290.00	6,323,290.00	6,323,290.00
State	12,931,111.00	11,914,787.00	11,914,808.00
Local	14,125,767.00	12,843,116.00	12,843,116.00
Total	88,264,435.00	83,450,868.00	83,435,544.00
EXPENDITURES			
Salaries & Benefits	68,753,433.00	69,410,212.00	70,223,712.00
Books/Supplies & Capital Outlay	7,495,701.00	1,577,262.00	3,368,690.00
Services & Operating Expenses	13,529,996.00	10,450,835.00	10,755,541.00
Other Outgo & Transfers	2,231,563.00	1,901,056.00	1,901,056.00
Total	92,010,693.00	83,339,365.00	86,248,999.00
Other Sources & Uses	(28,820.00)	(828,820.00)	(828,820.00)
Increase/Decrease In Fund Balance	(3,775,078.00)	(717,317.00)	(3,642,275.00)
Beginning Fund Balance	9,089,764.00	5,314,686.00	4,597,369.00
Ending Fund Balance	\$ 5,314,686.00	\$ 4,597,369.00	\$ 955,094.00
Less: Parcel Tax	(7,327,647.00)	(7,327,647.00)	(7,327,647.00)
TOTALS	\$ (2,012,961.00)	\$ (4,743,239.00)	\$ (11,115,792.00)

* Projections