

***Welcome!***

Alameda Unified School District  
Special School Board Meeting  
**Public Budget Workshop**

At Haight Elementary School  
Wednesday, February 11, 2009  
6:30pm-8pm

# Why are we here tonight?

- **Budget Challenges**: The Alameda Unified School District (AUSD) continues to face Budget Challenges.
  - **Budget Review**: AUSD is reviewing its budget for current year and planning its budget for next year.
  - **Reduced Funding**: The Governor has proposed to greatly reduce funding to schools for the current year and future years.
  - **Less Students**: AUSD continues to enroll fewer students in its schools (called “declining student enrollment”) which also translates to less school funding.
  - **Increased Costs**: And, AUSD faces increased operational costs related to its labor force, special education and utilities.

# AUSD General Information

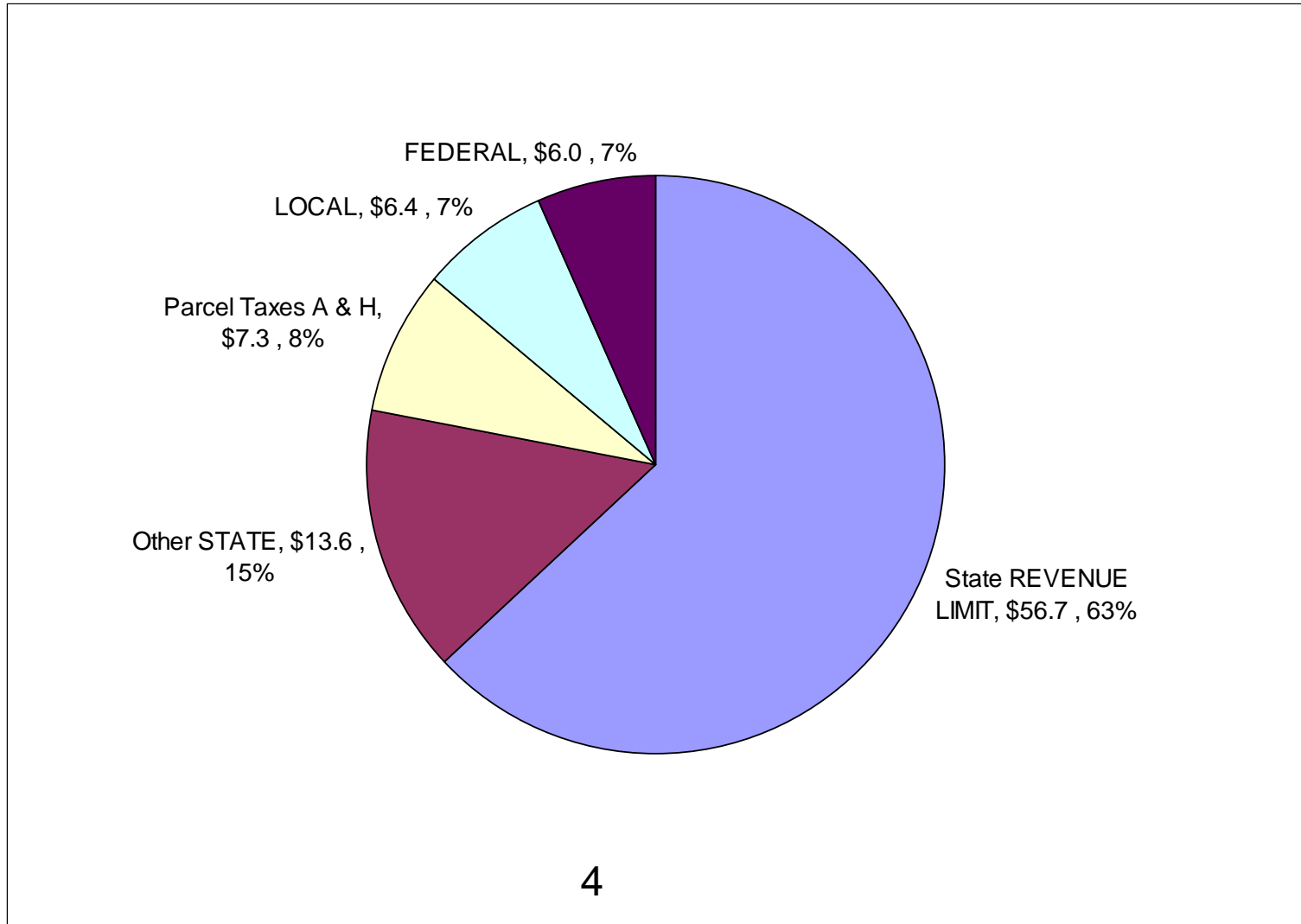
Before we discuss the Budget Challenges, following is some **General Information** about AUSD.

- AUSD serves over **10,000 students** in **21 schools**.
- It has 10 elementary schools, 3 middle schools, 2 comprehensive high schools, 1 early college high school (ASTI), 1 continuation high school, 1 adult school, 1 pre-school program and 2 charters schools.
- AUSD employs **525 teachers** and **368 other employees**.
- AUSD's general operating budget from the 1st Interim Financial Report is **\$93.3 million**.

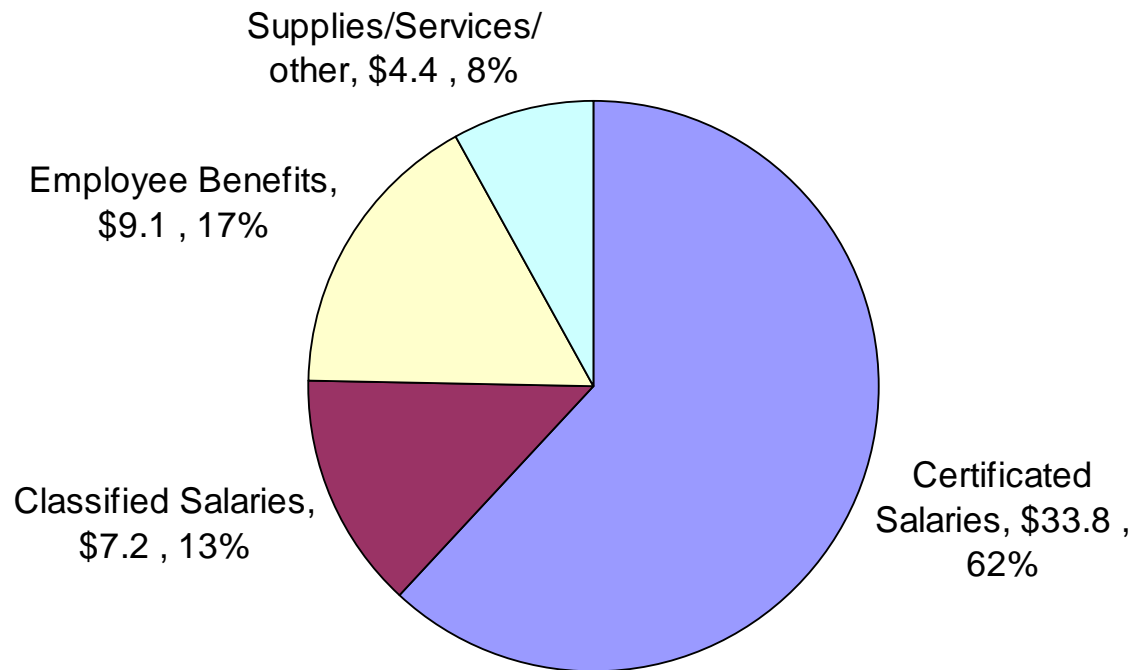
# Some of the Other Revenues *called “Categorical” Funds*

Lottery Funds	\$1.2M
Class Size Reduction for grades K-3	\$2.8M
Title I, Low Income	\$1.2M
Special Education	\$9.3M
21 <sup>st</sup> Century Programs	\$0.9M
After-school Programs	\$0.7M
Economic Impact Aid	\$1.3M
Instructional Materials (books)	\$0.7M
Staff Development	\$0.6M
Targeted Improvement	\$0.8M
School and Library Improvement	\$0.8M

# 08/09 AUSD Revenues = \$90M (Pie Chart in millions)



# 08/09 AUSD Unrestricted Expenses=\$54.5M (Pie Chart in millions)



# List of Reserves

## as of 1st Interim Report, 10/31/08

- \$1.1M for the State Mandated Programs
- \$2.8M unallocated Measure H Parcel Tax
- \$1.4M for Multi-Year Projections
- \$400K for the State's Cost of Living Adj. (COLA)
- \$70K for Technology
- \$50K for the Revolving Cash Account
- Total of **\$5.8M** in Reserve
  
- Please note that in addition to the Reserve listed above, AUSD also provides for the State Recommended 3% Reserve for Economic Uncertainties, currently at \$2.8M, which is deposited in the separate Special Reserve Fund 17.

# *Now to discuss the* **AUSD Budget Challenges**

The net loss of funds over a two-year period for AUSD is currently projected to be about **\$7 million**. That is a loss of \$3M from the current year 2008/09, and a loss of \$4M from 2009/10.

The two-year loss of **\$7M** can be grouped as follows:

- \$4.3M: State Budget Crisis
- \$0.3M: Declining Student Enrollment
- \$0.7M: The Opening of the new Nea Charter School in Alameda
- \$1.7M: Increased operational costs related to its labor force and school programs



# \$7M is an On-Going Loss

- The \$7M loss in funding is an “On-Going” loss of funds.
- “On-Going” means that the loss continues year after year.
- There is no proposal to reinstate the funds next year, or any future year.

# On-Going (continued)

- The “On-Going” nature requires that the district find “On-Going” sources to cover the “On-Going” loss of funds.
- It is like using your savings account to pay your monthly bills.
- Eventually your savings will run out.
- And you will be forced to either bring in more income or cut back on your monthly expenses.

# The On-Going Loss *Over the years...*

<u>On-Going Net Lost Funds</u>	<u>On-Going? Or 1-time?</u>	<u>08/09</u>	<u>09/10</u>	<u>10/11</u>	<u>11/12</u>
08/09	On-Going	\$ (3.0)	\$ (3.0)	\$ (3.0)	\$ (3.0)
09/10	On-Going		\$ (4.0)	\$ (4.0)	\$ (4.0)
10/11	On-Going			\$ (1.3)	\$ (1.3)
11/12	On-Going				\$ (0.6)
Totals	On-Going	\$ (3.0)	\$ (7.0)	\$ (8.3)	\$ (8.9)

# AUSD Options

## *to cover the On-Going Loss*

AUSD will look to the following in order to address the On-Going Loss:

- **Available Reserves**: (above the state recommended 3% Reserve held in the Special Fund 17).
- **Categorical Flexibility**: The Governor's Proposal to use restricted funding from state grants (called Categorical Programs) for general operations.
- **Measure H**: Allocate Measure H Parcel Tax Funds.
- **Class Size**: Adjust the # of students enrolled in each class
- **Budget Cuts**: Consider cutting programs or services

# Categorical Program List

## *Consider these for Categorical Flexibility*

- Adult Education
- 9th Grade Class Size Reduction (CSR)
- K-3 CSR
- Economic Impact Aid
- English Learner (ELAP/CBET)
- Art & Music Grant
- Supplemental Counseling
- Pupil Retention (Cont. Ed/Counseling)
- Professional Develop.
- Teacher Programs (PAR/BTSA)
- School Safety
- School/Library Improvement (SLIG)
- Targeted Improvement
- Instructional Materials
- HS Exit exam (CAHSEE)
- Gifted and Talented Ed.
- Regional Occupational Programs (ROP)
- Child Nutrition

# Adjusting Class Size

- **AUSD could negotiate with its teachers' union on class size.**
- **Current teacher staffing ratios provide an *average* of the following student enrollments for most classes at each grade level:**
  - 20.44 students in each class in grades Kindergarten (K) through 3rd
  - 29 students in each class in grades 4th through 12th
  - 20 students in each 9th grade class for English
  - 20 students in each 9th grade class for Math

# Class Size Example

*the financial savings...*

- Assume **3,000** K-3 students
- With **20 students** in each K-3 class, we need **150 teachers** (3,000/20)
- With **30 students** in each K-3 class, we need **100 teachers** (3,000/30)
- That is a difference of **50 teachers** (150-100)
- The **financial savings** from this example on increasing class size from 20:1 to 30:1 in grades K through 3rd would be about **\$3M** (50 less teachers multiplied by about \$60,000 per teacher).

# Budget Cuts

## *Only if and when necessary...*

- The amount of Budget Cuts would depend upon how much of the On-Going Loss is covered by the ***proposed*** Categorical Flexibility, allocating Measure H and any adjustments made to class size.
- In order to minimize Budget Cuts, AUSD would need to fully utilize the ***proposed*** Categorical Flexibility and allocate all of the Measure H Parcel Tax Funds.



# What is the Strategy?

## ***3 Scenarios***

- **Scenario 1**: Maximize the proposed Categorical Flexibility, allocate the remaining Measure H in later years, minimize Class Size adjustments and minimize Budget Cuts.
- **Scenario 2**: Use some of the proposed Categorical Flexibility, allocate the remaining Measure H sooner, consider some Class Size adjustments and Budget Cuts.
- **Scenario 3**: Do NOT use any of the proposed Categorical Flexibility, allocate all of the remaining Measure H now, pursue increasing Class Size and Budget Cuts.

# Small Group Activity

- We will conduct a Small Group Activity
  - Brainstorming Activity
  - This is a time to share ideas/comments/questions
  - This is NOT a time to debate or to agree/disagree
- We will divide into small groups with a Facilitator
- We will ask the small groups to share ideas/comments/questions on the following:
  - AUSD Budget
  - The 3 Scenarios
  - Other areas that you feel are important to the Alameda Unified School District

# **Small Group Activity**

## ***Report Out***

- The Facilitators from each small group will share one comment from their group.
- All comments will be collected and summarized. They will be reviewed by staff and shared with the community during the Budget Process.

# Next Steps – *Feb. to April*

- AUSD Staff will review Public Budget Workshop comments.
- **Feb. 24th**: Regular Board Meeting, Budget Information Update
- **Feb. 25th**: Principals' Meeting, Site Budget Information
- **Mar. 10th**: Regular Board Meeting
  - Present 2nd Interim Financial Report
  - School Board required to act on any Layoff Notices for teachers and other certificated employees
- **Mar. 24th**: Regular Board Meeting, Budget Information Update
- **Apr. 2nd**: Special Board Meeting, 2nd Public Budget Workshop
- **Apr. 14th**: Regular Board Meeting, Budget Information Update

# Next Steps – *May to June*

- **May mid-month**: Governor announces his May Revision to next year's Budget
- **May 26th**: Regular Board Meeting, Update on Governor's May Revision
- **June 9th**: Regular Board Meeting, Present Draft Budget Information for next year, 2009/10
- **June 23rd**: Regular Board Meeting, Present Final Budget for 2009/10 for school board to approve.