

22/23 BUDGET STUDY SESSION

February 22, 2022

INITIAL THOUGHTS - STATE'S BUDGET

- Strong General Fund
- New state policies and programs
- School districts' challenges are not addressed or solved in the budget

PROPOSITION 98

- 2022-2023 Guarantee is \$102 billion
 - 2021-2022 Guarantee adjusted upward by \$5.4 billion
- 2022-2023 Test 1 percentage “rebenched”
- 2022-2023 K-12 share of Proposition 98 is \$87.2 billion

PUBLIC SCHOOL SYSTEM STABILIZATION ACCOUNT (PSSSA)

- \$3.1 billion estimated deposit
- PSSSA balance by the end of 2022-2023 - \$9.7 billion

MAJOR K-12 SPENDING

- Expanded Learning Opportunities Program (ELOP)
- 5.33% COLA to LCFF
- Universal access to school meals
- (Prop 98 “rebenched”) for transitional kindergarten expansion
- Special education base funding formula
- 5.33% COLA for certain categorical programs
- Prop 98 reserve
- College and career pathways
- Support electric buses
- School Facilities Program

DISTRICT LCFF ENTITLEMENT

Base Grant per ADA (with 5.33% COLA)

K-3	\$8,524	Up \$431
4-6 grade	\$8,652	Up \$438
7-8 grade	\$8,909	Up \$451
9-12 grade	\$10,324	Up \$522

LCFF ENTITLEMENT - CONTINUED

Grade Span Adjustments:

10.4% = \$887 per K-3 ADA

2.6% = \$268 per 9-12 ADA

Supplemental Grant = 20% of Adjusted Base Grant

Concentration Grant = 65% of Adjusted Base Grant

TIIG and HST add-ons remain constant

Total LCFF an estimated \$70.5 billion for 2022-23

TIIBG: Targeted Instructional Improvement Block Grant

HST: Home to School Transportation 7

DECLINING ENROLLMENT/ADA PROPOSAL

2022-2023 - Average of prior three years

- 2019-2020 (pre-pandemic ADA)
- 2020-2021 (“hold-harmless” = 2019-2020 ADA)
- 2021-2022 (actual ADA)

INDEPENDENT STUDY IN 2022-2023

- Independent Study – Sole alternative for in-person instruction
- Omicron challenges were not a deciding factor
- Immediate relief will have to come from an executive order

STAND-ALONE CATEGORICAL PROGRAMS

Proposed for Ongoing Funding (no COLA)

- After School Education & Safety Program
- Career Technical Education Incentive Grant
- K-12 Strong Workforce Program
- State Assessment Program

STAND-ALONE CATEGORICAL PROGRAMS

Proposed for Ongoing Funding (5.33% COLA)

- Special Education
- Child Nutrition
- Adult Education Block Grant
- Mandated Block Grant
- Foster Youth Programs

TRANSITIONAL KINDERGARTEN (TK)

- TK to serve all four-year-olds by 2025-2026
- TK adult-to-child ratio 14:1

STATE PRESCHOOL PROGRAM

- Increase investment
 - To assist CSPP providers

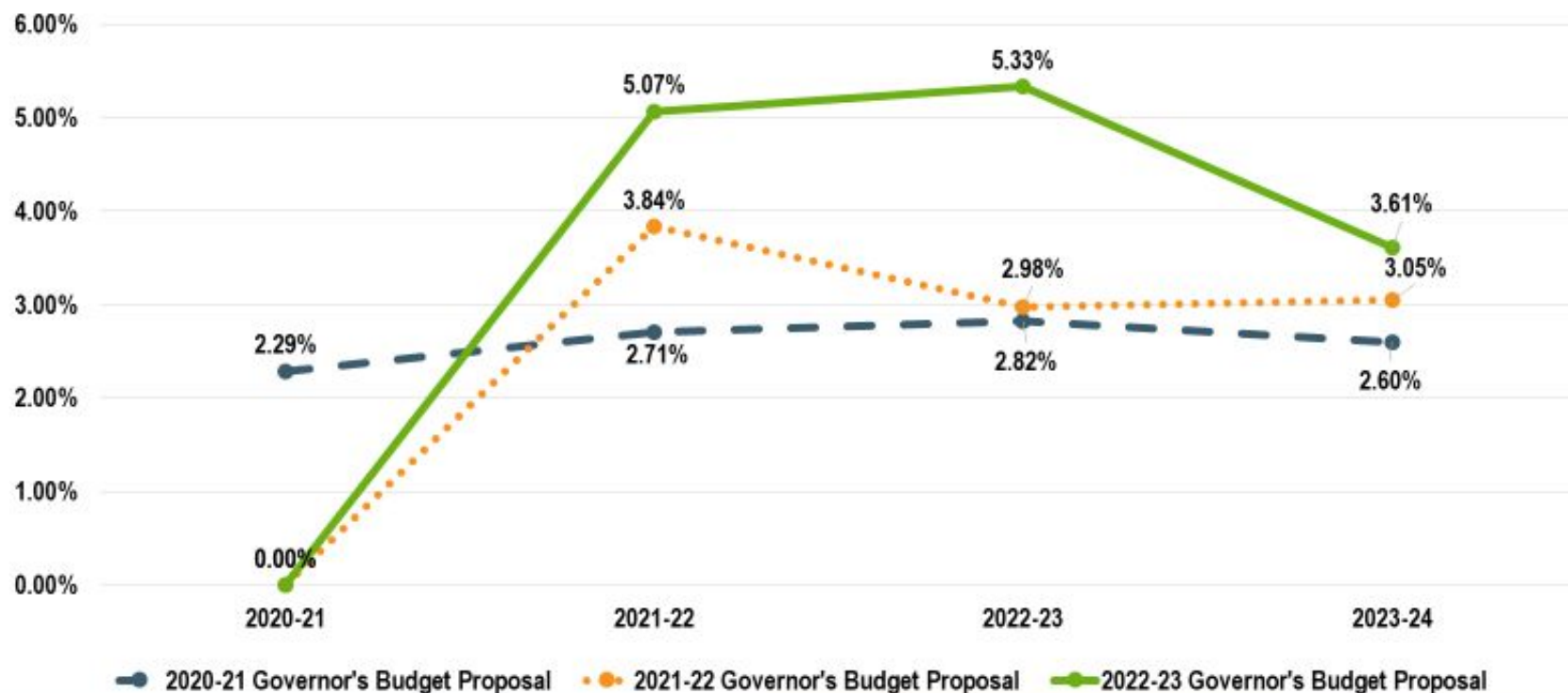
WHAT DOES THIS ALL MEAN FOR AZUSA UNIFIED SCHOOL DISTRICT



COLA

COLA					
	2021-2022	2022-2023*	2023-2024*	2024-2025*	2025-2026*
2021 May Revision	5.07%	2.48%	3.11%	3.54%	N/A
Department of Finance Statutory COLA	1.70%	5.33%	3.61%	3.64%	3.62%
Planning COLA	5.07%	5.33%	3.61%	3.64%	3.62%
* Based on the Governor's January Proposal					

Ch... Ch... Ch... Changing COLAs



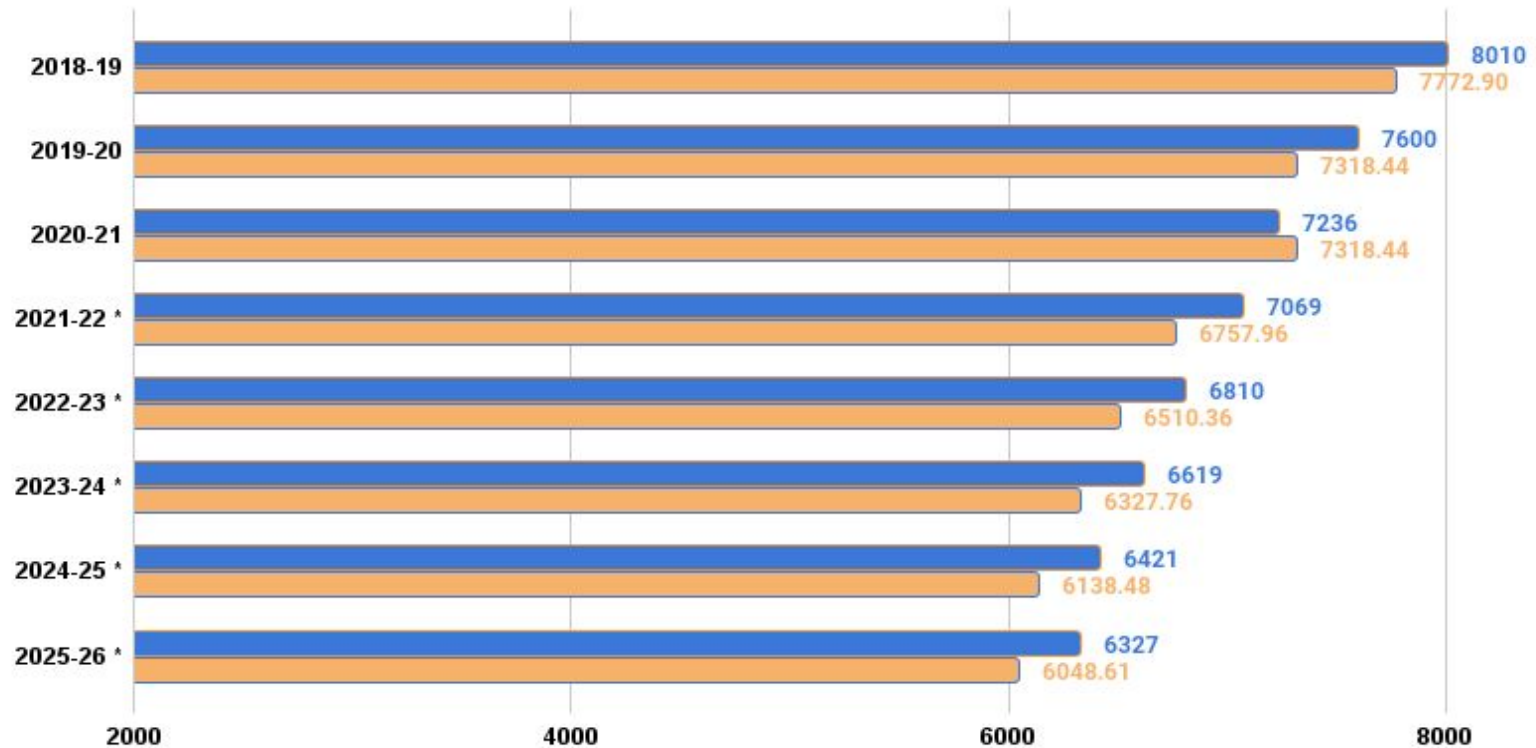
PROJECTED ENROLLMENT & ADA

	Enrollment	ADA	ADA to Enrollment Ratio	Change in Enrollment
2018-19	8010	7772.90	97.04%	(298)
2019-20	7600	7318.44	96.30%	(410)
2020-21	7236	7318.44	101.14%	(364)
2021-22 *	7069	6757.96	95.60%	(167)
2022-23 *	6810	6510.36	95.60%	(259)
2023-24 *	6619	6327.76	95.60%	(191)
2024-25 *	6421	6138.48	95.60%	(198)
2025-26 *	6327	6048.61	95.60%	(94)

**projections*

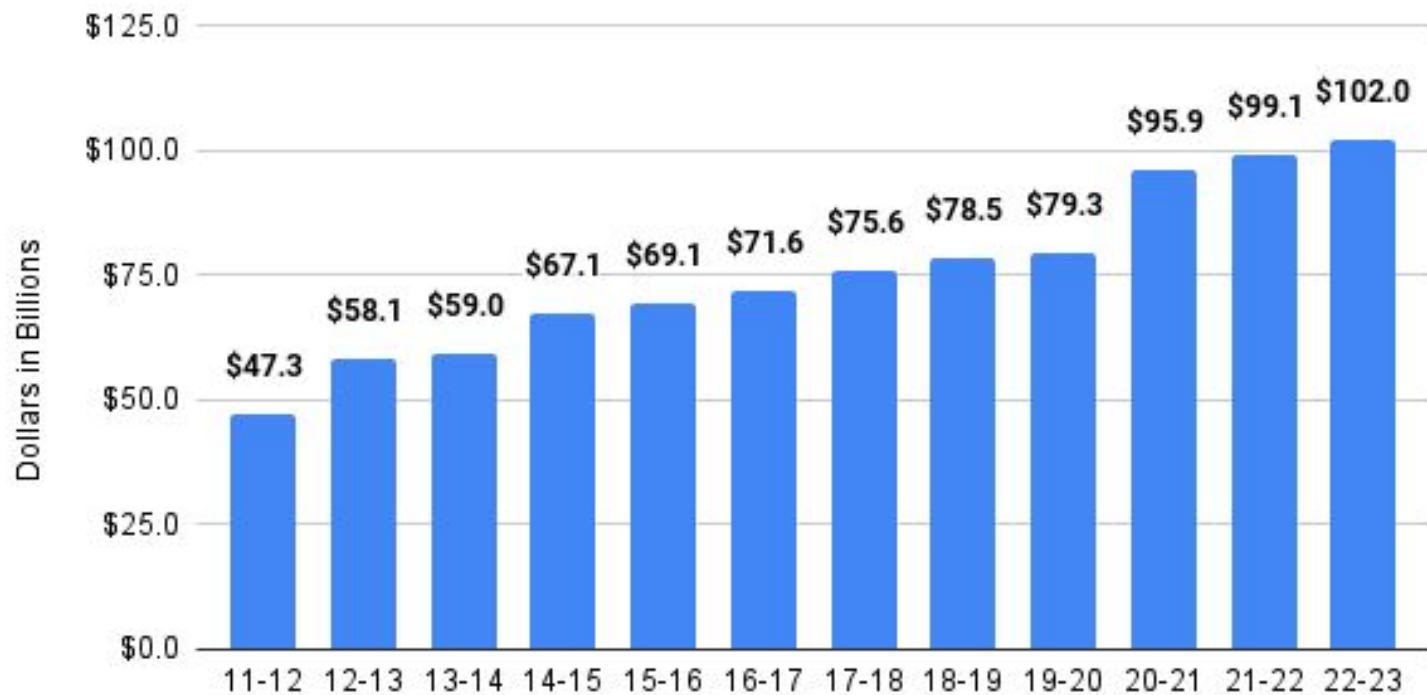
Enrollment and ADA

■ Enrollment ■ ADA



* Projections

Proposition 98 Funding



Data Provided by K-12 Education

LOCAL CONTROL FUNDING FORMULA (LCFF) - BASE

Grade Span	2021-2022 Base Grant Per ADA	5.33% COLA	2022-2023 Base Grant Per ADA
TK-3	\$8,093	\$431	\$8,524
4-6	\$8,215	\$438	\$8,653
7-8	\$8,458	\$451	\$8,909
9-12	\$9,802	\$522	\$10,324

AUSD 2022-2023 LCFF - BASE

Grade Span	2021-2022 Base Grant Per ADA	5.33% COLA	2022-2023 Base Grant Per ADA	2022-2023 Funded ADA	2022-2023 Base Allocation
TK-3	\$8,093	\$431	\$8,524	2,178.75	\$18,572,443
4-6	\$8,215	\$438	\$8,653	1,521.75	\$13,167,489
7-8	\$8,458	\$451	\$8,909	1,070.81	\$9,539,644
9-12	\$9,802	\$522	\$10,324	2,025.81	\$20,915,367
					\$62,194,943

LCFF - GRADE SPAN ADJUSTMENT

Grade Span	2021-2022 Grade Span Adj. Per ADA	5.33% COLA	2022-2023 Grade Span Adj. Per ADA
TK-3	\$842	\$45	\$887
4-6			
7-8			
9-12	\$255	\$14	\$269

AUSD 2021-22 LCFF - GRADE SPAN ADJUSTMENT

Grade Span	2021-2022 Grade Span Adj. Per ADA	5.33% COLA	2022-2023 Grade Span Adj. Per ADA	2022-2023 Funded ADA	2022-2023 Grade Span Adj. Allocation
TK-3	\$842	\$45	\$887	2,179	\$1,932,287
4-6					
7-8					
9-12	\$255	\$14	\$269	2,026	\$544,115
					\$2,476,402

AUSD 2022-2023 PROJECTED LCFF BASE FUNDING

Grade Span	2022-2023 Funded ADA	2022-2023 Base Grant Per ADA	2022-2023 Grade Span Adj. Per ADA	2022-2023 LCFF Allocation
TK-3	2,179	\$8,524	\$887	\$20,504,729
4-6	1,522	\$8,653		\$13,167,489
7-8	1,071	\$8,909		\$9,539,644
9-12	2,026	\$10,324	\$269	\$21,459,483
				\$64,671,345

AUSD 2022-2023 PROJECTED SUPPLEMENTAL & CONCENTRATION

Supplemental & Concentration	2021-2022	2022-2023*	2023-2024*	2024-2025*	2025-2026*
Unduplicated Pupil Percentage (%)	85.30%	85.24%	85.34%	84.81%	83.44%
Percentage of Change	0.10%	-0.06%	0.10%	-0.53%	-1.37%
AUSD Supplemental Allocation	\$11,311,478	\$11,024,415	\$11,018,025	\$11,041,471	\$10,918,006
AUSD Concentration Allocation	\$10,045,070	\$9,777,635	\$9,792,799	\$9,702,460	\$9,303,335
AUSD Concentration Add-On Allocation	\$3,013,521	\$2,933,291	\$2,937,838	\$2,910,740	\$2,791,001
* Based on the Governor's January Proposal					

REVENUE PROJECTIONS - LCFF

LCFF	2021-2022	2022-2023*	2023-2024*	2024-2025*	2025-2026*
BASE	\$63,857,847	\$62,193,614	\$62,085,985	\$62,552,594	\$62,837,760
Grade Span Adj.	\$2,446,247	\$2,476,289	\$2,467,727	\$2,542,750	\$2,586,536
Supplemental	\$11,311,478	\$11,024,415	\$11,018,025	\$11,041,471	\$10,918,006
Concentration	\$10,045,070	\$9,777,635	\$9,792,799	\$9,702,460	\$9,303,335
Concentration Add-On	\$3,013,521	\$2,933,291	\$2,937,838	\$2,910,740	\$2,791,001
Total Base	\$90,674,163	\$88,405,244	\$88,302,374	\$88,750,015	\$88,436,638
TIIBG	\$467,002	\$467,002	\$467,002	\$467,002	\$467,002
Transportation	\$795,904	\$795,904	\$795,904	\$795,904	\$795,904
LCFF Target	\$91,937,069	\$89,668,150	\$89,565,280	\$90,012,921	\$89,699,544
* Based on the Governor's January Proposal					

TIIBG: Targeted Instructional Improvement Block Grant

CALIFORNIA LOTTERY

California Lottery	2021-2022	2022-2023*	2023-2024*	2024-2025*	2025-2026*
Unrestricted per ADA	\$163	\$163	\$163	\$163	\$163
Restricted per ADA	\$65	\$65	\$65	\$65	\$65
AUSD Unrestricted Allocation	\$1,134,289	\$1,082,470	\$1,054,344	\$994,421	\$924,481
AUSD Restricted Allocation	\$452,324	\$431,660	\$420,444	\$396,548	\$368,658
<i>* Based on the Governor's January Proposal</i>					

MANDATED BLOCK GRANT

Mandate Block Grant	2021-2022	2022-2023*	2023-2024*	2024-2025*	2025-2026*
Grades K-8 per ADA	\$32.79	\$34.54	\$35.79	\$37.09	\$38.43
Grades 9-12 per ADA	\$63.17	\$66.54	\$68.94	\$71.45	\$74.04
AUSD Allocation	\$283,462	\$287,570	\$290,235	\$291,329	\$297,487
<i>* Based on the Governor's January Proposal</i>					

PROPOSED STATE BUDGET ITEMS CONTINUED

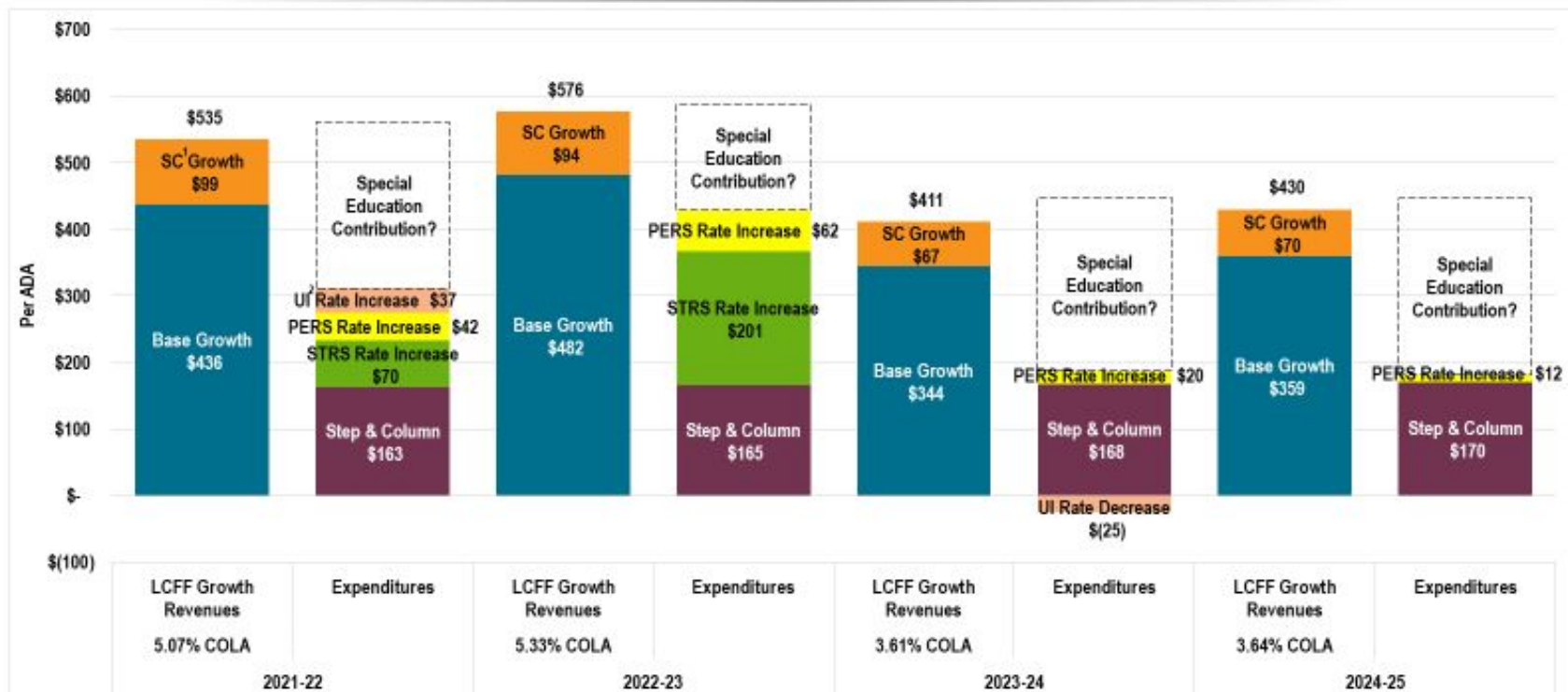
2022-2023 CalPERS & CalSTRS Contributions

- No new funding allocations

CALSTRS & CALPERS

State Retirement	2022-2023*	2023-2024*	2024-2025*	2025-2026*
CalSTRS	19.10%	19.10%	19.10%	19.10%
Percentage of Change	2.21%	0.00%	0.00%	0.00%
Projected Increase	\$1,591,833	\$0	\$0	\$0
CalPERS	26.10%	27.10%	27.70%	27.80%
Percentage of Change	2.21%	1.00%	0.60%	0.10%
Projected Increase	\$423,892	\$132,882	\$70,344	\$11,244

Cost Pressures on Multiyear Projections



¹Supplemental and concentration; ²Unemployment insurance

2021-2022 First Interim MYP					
Restricted/Unrestricted					
	2021-2022	2022-2023	2023-2024	2024-2025	2025-2026
Beginning Fund Balance	\$20,925,716	\$22,704,492	\$20,180,148	\$23,847,592	\$26,831,135
Audit Adjustment/Restatements					
Total Revenue	\$131,870,281	\$124,651,099	\$124,487,281	\$124,937,930	\$124,624,655
Total Expenditures	\$130,091,505	\$127,175,443	\$120,819,837	\$121,954,387	\$123,030,143
Surplus/(Deficit)	\$1,778,776	-\$2,524,343	\$3,667,444	\$2,983,543	\$1,594,512
Other Financing Sources In	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
Other Financing Sources Out	(638,000)	1,000,000	1,000,000	1,000,000	1,000,000
Ending Fund Balance	\$22,704,492	\$20,180,148	\$23,847,592	\$26,831,135	\$28,425,647
Revolving Cash	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Prepaid	\$764,364	\$764,364	\$764,364	\$764,364	764,364
Assignments	\$10,844,265	\$15,575,521	\$19,433,633	\$22,383,139	24,684,742
Restricted	\$7,168,118				
Available Ending Fund Balance	\$14,747,010	\$19,390,784	\$23,058,228	\$26,041,771	\$27,636,283
Required Reserve	\$3,902,745	\$3,815,263	\$3,624,595	\$3,658,632	\$3,690,904
Reserve Requirement Met?	YES	YES	YES	YES	YES