



ALBANY UNIFIED SCHOOL DISTRICT

*Val Williams, Superintendent
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Budget Priorities Presentation

Valerie Williams, Superintendent

Allan Garde, Chief Business Official



Why Are We Here?

Governor Brown changed a 40 year system of school funding – LCFF / LCAP

Impact on
Albany USD

- Results

- Shift more funding to high-need school districts

- Unequal funding (We receive less from the State than some neighboring districts)

- Address State pension liability issues

- Escalating pension costs through 2020/21



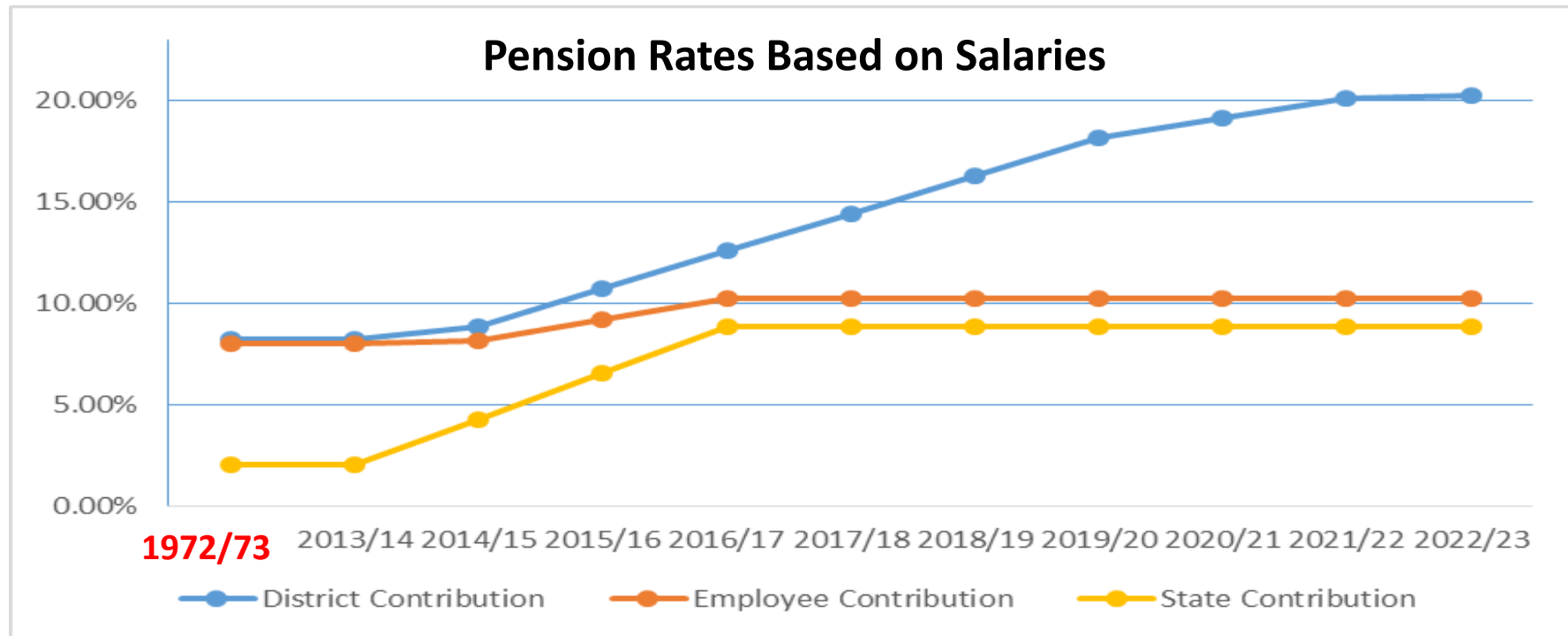
LCFF – Local Control Funding Formula

LCAP – Local Control Accountability Plan

Annual State Pension Costs

- 2013/14 forced to pay \$2M
- 2016/17 forced to pay \$3M

2020/21 will have to pay \$5M



Learn from the Past and Plan for the Future

Official statements since 2014

- Alameda County Office of Education (ACOE) to Albany USD
 - Plan to live within its means and maintain adequate reserves
- Governor Brown to State Legislature
 - Avoid the boom & bust, borrow & spend, of the **last decade**
 - A historic pattern of ten recessions since 1945 (7 year average)

Figure REV-03
Capital Gains Realizations
(Dollars in Billions)

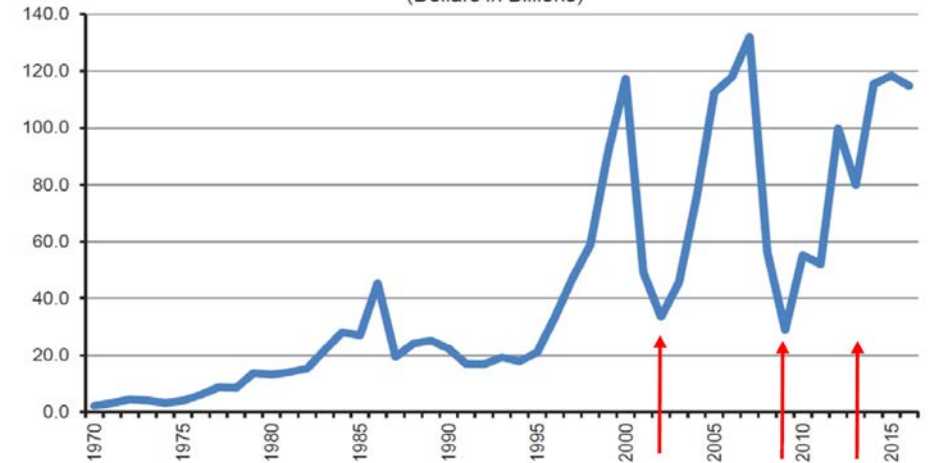
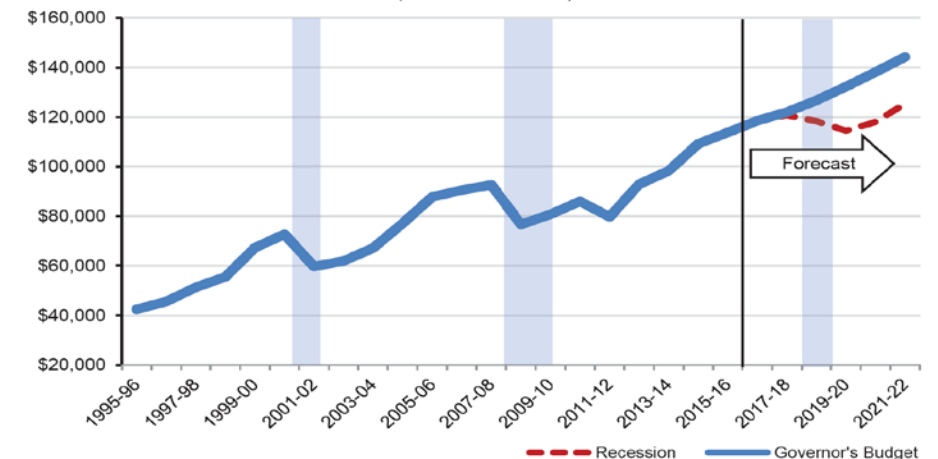


Figure REV-06
Annual Revenue Could Drop by \$20 Billion in a Recession
(Dollars in Millions)



Current Timeline



Albany Unified School District

For the 2017/18 Budget, the State requires a 3% minimum reserve in 2019/20.

2017-2018 Budget Multi-Year Projection

	2017-2018 Adopted Budget	2018-2019 Projected Budget	2019-2020 Projected Budget	2020-2021 Projected Budget
Total Revenues	\$43,547,025	\$44,202,549	\$44,774,467	\$45,956,410
Total Expenditures	\$45,820,956	\$46,647,336	\$47,996,849	\$49,191,390
Net Surplus / (Shortfall)	\$(2,273,931)	\$(2,444,787)	\$(3,222,382)	\$(3,234,980)
Total Savings Account - Reserves	5,360,763	2,939,195	(245,968)	(3,386,949)
Total Reserves Percentage	11.70%	6.30%	-0.51%	-6.89%

Until the shortfall of \$3M is addressed, reserves will continue to decline resulting in less financial and programmatic stability

Assumes no recession. Financials are significantly worse if a recession occurs.

A reduction of ongoing expenditures by \$1.15M will meet the State requirement.

Ideas and Recommendations

- Email: Budget@ausdk12.org
- Survey: <https://goo.gl/forms/wAjCbgnPjwpLGeoD2>

Input on the following:

1. Timeline on implementing ongoing cost reductions.
2. Ideas on how the District should reduce costs.
 1. Provide the reason and rationale for the suggestion.
3. What should the District maintain?
4. What should the District improve upon?



Next Steps

Budget Priorities Engagement Meetings

September and October

- All Site Staff
- Bargaining Units
- Parent Teacher Associations
- School Site Councils
- Student Groups
- Instructional Improvement Council
- Solano Stroll Booth
- Town Hall

November

- Analysis of Input

December and January

- Board Meetings on Budget Priorities with lists and programmatic impacts of reductions recommended

Early February 2018

- Final Decisions

List of Ideas and Recommendations

December and January School Board Meetings

Number	Category	Recommendation	Rationale and Reason for Recommendation	Impact on Students	Unrestricted General Fund Savings	Note
Number	Category	What Should be Maintained?	Rationale and Reason for Recommendation	Impact on Students	Unrestricted General Fund Costs	Note
Number	Category	What Should be Improved Upon?	Rationale and Reason for Recommendation	Impact on Students	Potential Cost Impact	Note

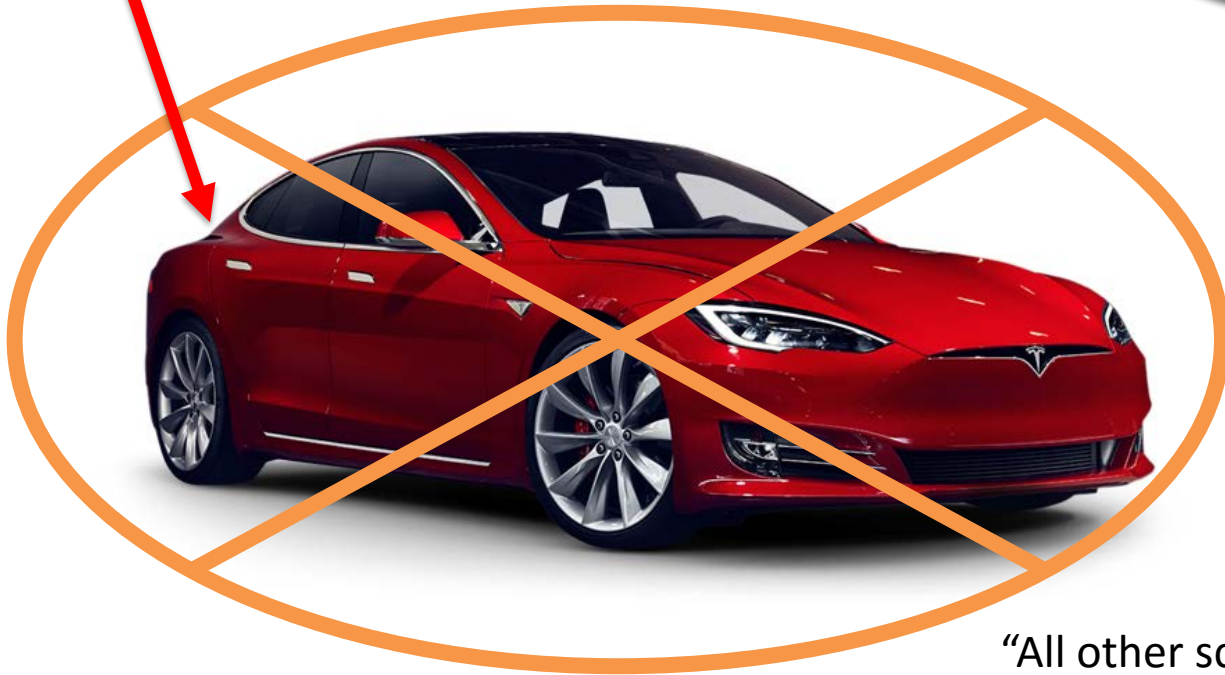


What Will Our Programs Look Like?

High-Quality and Sustainable



Unsustainable



"All other school districts"



Hope for the Best

But, Plan for the ~~Worst~~

New Normal

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