

**ALBANY UNIFIED SCHOOL DISTRICT
BOARD AGENDA BACKUP**

Regular Meeting of March 28, 2017

ITEM: **BUDGET PRIORITY TIMELINE AND PROCESS**

PREPARED BY: **ALLAN GARDE, CHIEF BUSINESS OFFICIAL**

TYPE OF ITEM: **REVIEW AND DISCUSSION**

PURPOSE: To review and discuss the timeline and process for the District to engage with the community and set budget priorities.

BACKGROUND INFORMATION: On June 27, 2013, the State adopted the 2013/14 Budget which began the implementation of the Local Control Funding Formula and Local Control Accountability Plan. This marks the biggest change in K-12 funding in over forty years. At the [September 23, 2014 Board Work-study](#), the Board began discussions on developing a budget priority process. At the [April 7, 2015 Regular Board Meeting](#), the Board approved a Budget Priority Timeline initiated when budget reserves are projected to be below 9% in the State required multiyear projections. At the [March 14, 2017 Board Meeting](#), the Board approved the 2016/17 2nd Interim Financial Report with the multiyear projection noting a 7.94% reserve.

DETAILS: The 2nd Interim Financial Report has begun the engagement process for staff to work with the community on collecting recommendations and developing budget priorities.

Approach to Cost Reduction:

- Equitable Across Staff

- Permanent in Nature

- One-Time Over an Annual Process

Engagement Timeline (April through June / August through October):

1. Meetings with:
 - School Site Staff

 - School Site Council

 - Parent Teachers Associations

 - Community Fundraising Groups

The meetings will have the same short and basic presentation geared towards a general community member to understand the financial constraints. Detailed information and data will be provided as requests are received. This data will be posted on the Budget Watch webpage for any staff/community member interested in reviewing the information.

2. Town Halls:
 - June Town Hall
 - Saturday Event
 - October Town Hall
 - Weeknight Event
 - Publicize through the Solano Stroll
3. Budget Watch Webpage
 - Review materials
 - Submit recommendations

Format for Ideas and Recommendations:

To accurately capture the needs, priorities, and perspectives of each staff/community member, recommendations should be emailed to: Budget@ausdk12.org. Recommendations can also be submitted through the following survey: <https://goo.gl/forms/wAjCbgnPjwpLGeoD2> Recommendations should touch on one or all of the following questions:

1. Ideas on how the District can reduce costs?
 - Provide the reason and rationale for the suggestion.
2. What should the District maintain?
3. What should the District improve upon?

Discussion and Decision Timeline (November through January)

- November
 - Review list of staff/community recommendations
- December
 - Review 2017/18 1st Interim Financial Report
 - Review list of staff/community recommendations
- January
 - Review Governor's 2018/19 State Budget Proposal
 - Review list of staff/community recommendations
 - Board action on list of recommendations

KEY QUESTIONS/ANSWERS:

1. How will feedback and recommendations be reviewed?
 - a. To best capture the perspectives of each person submitting a recommendation, recommendations will be submitted to Budget@ausdk12.org or through an online survey. The recommendations will be received, analyzed, commented on, and compiled to a list that will be published to the Board and posted on the website towards the end of the calendar year.
2. Why do we have to go through a Budget Priority Process?
 - a. With the volatility in funding from the State, along with the continued escalation of retirement costs passed by the State; school districts throughout California are

having to make significant reductions in the current or subsequent years to maintain fiscal stability.

FINANCIAL INFORMATION:

Albany Unified School District
2nd Interim Budget
Combined General Fund

	2016-2017 2nd Interim Budget	2017-2018 Projected Budget	2018-2019 Projected Budget	2019-2020 Projected Budget
Total Revenues	\$45,532,477	\$43,526,331	\$43,897,743	\$44,677,652
Total Expenditures	\$45,709,645	\$45,462,353	\$46,313,306	\$47,942,903
Net Surplus / (Shortfall)	\$(177,168)	\$(1,936,022)	\$(2,415,563)	\$(3,265,250)
Beginning Fund Balance	8,305,049	8,127,881	6,191,859	3,776,297
Ending Fund Balance	8,127,881	6,191,859	3,776,297	511,046
Total Restricted Reserves	2,115,121	1,809,770	1,457,646	1,460,671
Growth in Supplemental Funds	-	7,941	27,073	68,003
Implementation of California Standards	675,000	-	-	-
Total Unrestricted Undesignated Reserves	5,337,760	4,374,148	2,291,578	(1,017,628)
Total Reserves (With Minimum Required 3% and Undesignated Reserves)	14.67%	12.61%	7.94%	0.87%

STRATEGIC GOALS ADDRESSED: This Board Item addresses



Objective #1: Assess and Increase Academic Success.

Goal: We will provide a comprehensive educational experience with expanded opportunities for engagement, assessment, and academic growth so that all students will achieve their fullest potential.



Objective #2: Support the Whole Child.

Goal: We will foster the social and emotional growth of all students, implement an array of strategies to increase student engagement, identify individual socio-emotional and behavioral needs, and apply collaborative appropriate interventions.



Objective #3: Communicate and Lead Together.

Goal: All stakeholders will collaborate and communicate about decisions that guide the sites and district.

RECOMMENDATION: Discuss the Budget Priority Timeline and Process



ALBANY UNIFIED SCHOOL DISTRICT

Val Williams, Superintendent
1051 Monroe Street, Albany CA 94706

Budget Priority Timeline and Process

Board Meeting: March 28, 2017

Allan Garde, Chief Business Official



Overview



- Budget Priority Timeline
- Highlight of 2nd Interim Financials
- Approach to Budget Priority Process
- Timeline of Events
- Meeting Format
- Ideas and Recommendations
- Next Steps



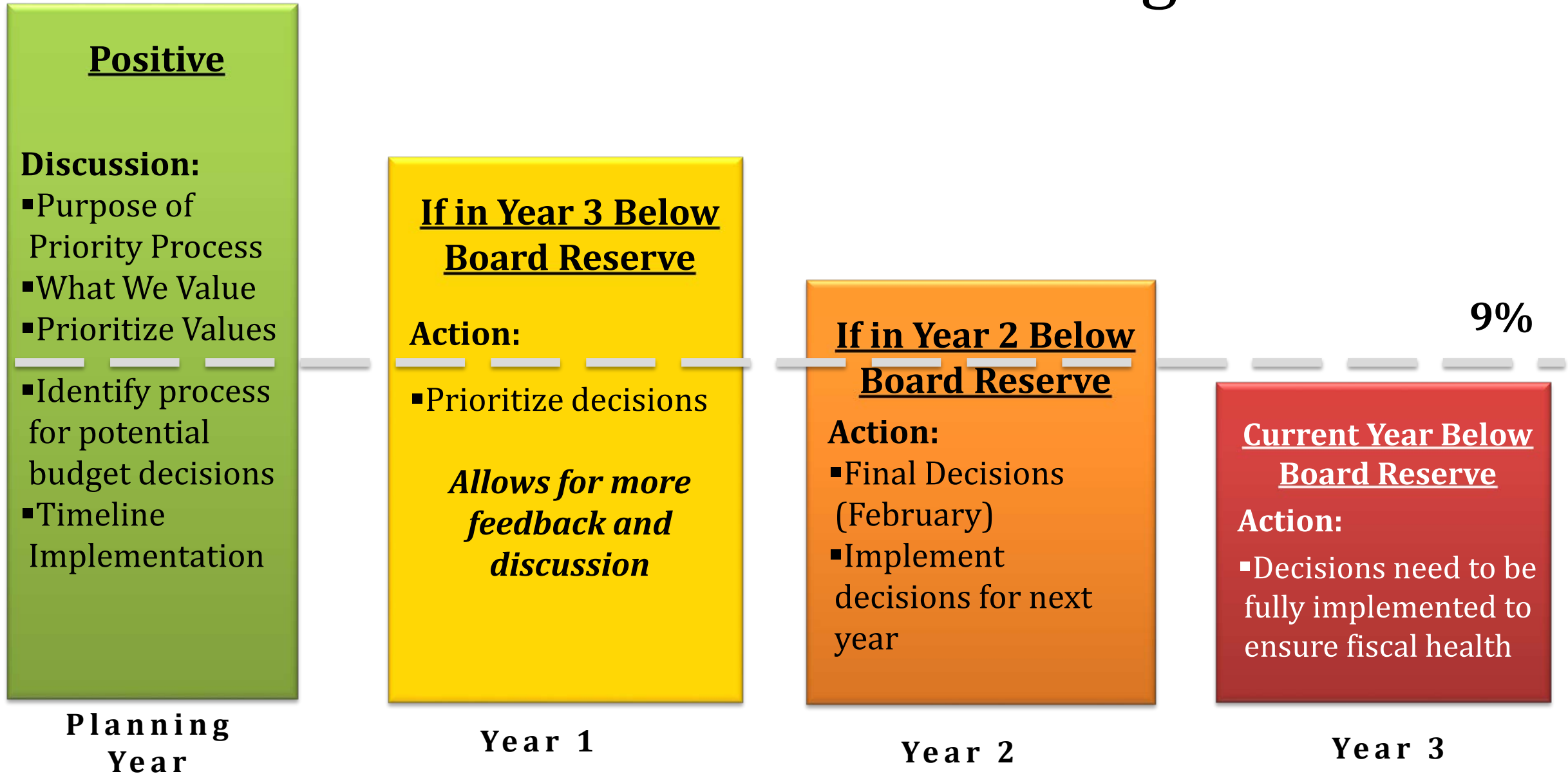
Budget Priority Timeline Purpose

- Ensure fiscal stability for Albany USD
- Focuses on collaborative and systemic fundamental solutions
- Avoids last minute symptomatic decision-making

Fundamental
Solutions



Timeline – When do we begin?



2nd Interim to Budget Adoption

2016/17 2nd Interim Financials - March

Albany Unified School District			
2nd Interim Budget Combined General Fund	2016-2017 2nd Interim Budget	2017-2018 Projected Budget	2018-2019 Projected Budget
Total Revenues	\$45,532,477	\$43,526,331	\$43,897,743
Total Expenditures	\$45,709,645	\$45,462,353	\$46,313,306
Net Surplus / (Shortfall)	\$(177,168)	\$(1,936,022)	\$(2,415,563)
Total Reserves (With Minimum Required 3% and Undesignated)	14.67%	12.61%	7.94%

Positive Status: Meets 3% State Minimum Reserve



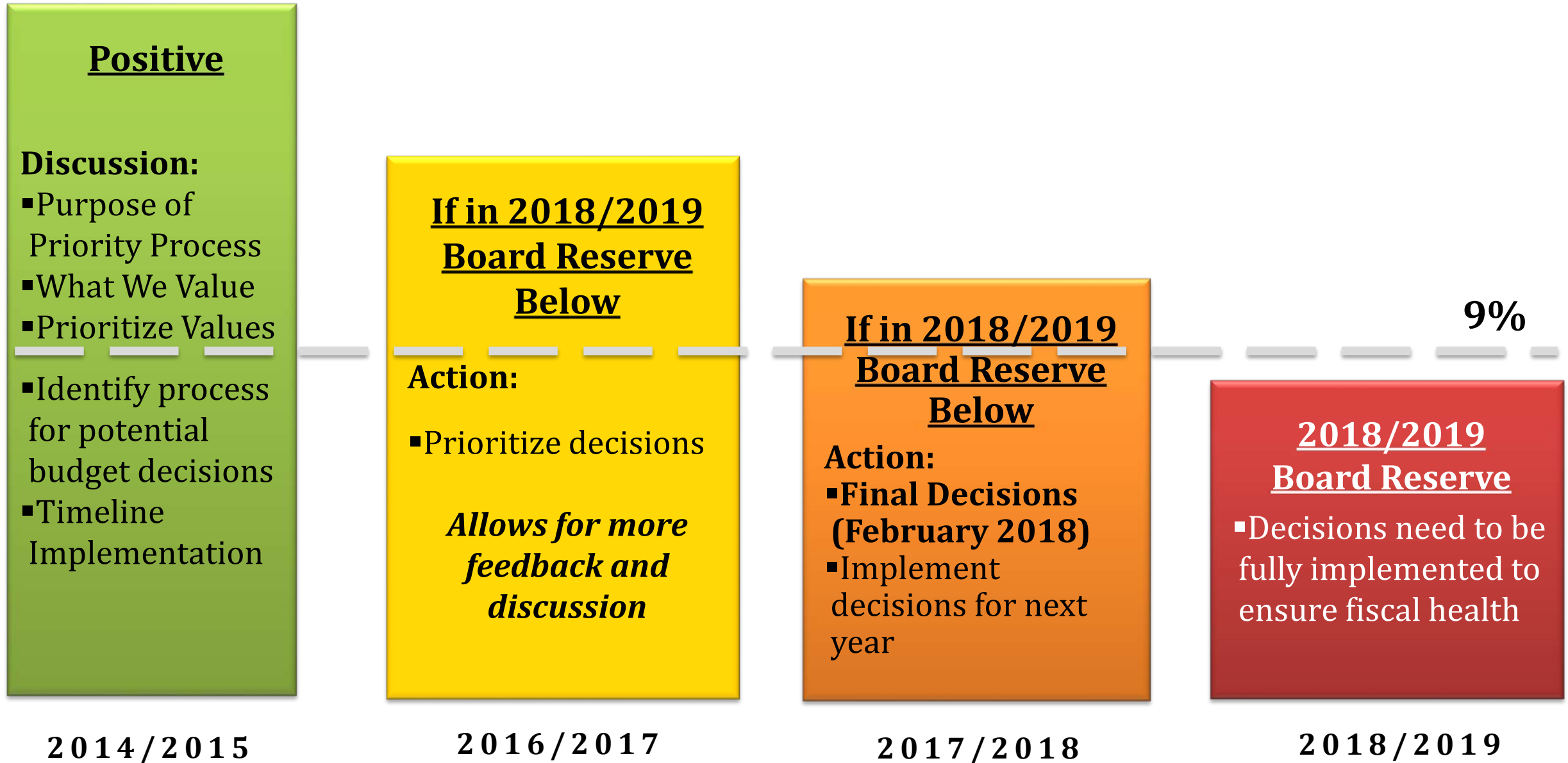
2017/18 Budget Adoption - June

Albany Unified School District			
Draft Budget Adoption Combined General Fund	2017-2018 Projected Budget	2018-2019 Projected Budget	2019-2020 Projected Budget
Total Revenues	\$43,526,331	\$43,897,743	\$44,677,652
Total Expenditures	\$45,462,353	\$46,313,306	\$47,942,903
Net Surplus / (Shortfall)	\$(1,936,022)	\$(2,415,563)	\$(3,265,250)
Total Reserves (With Minimum Required 3% and Undesignated)	12.61%	7.94%	0.87%

Qualified Status: Assumes No Change in State
Funding from Governor's Budget Proposal

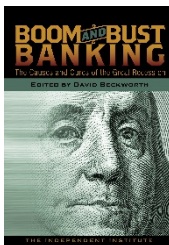
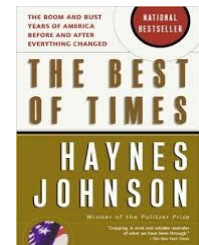
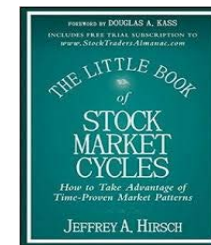
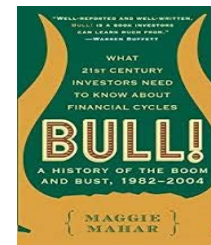
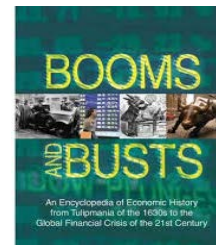
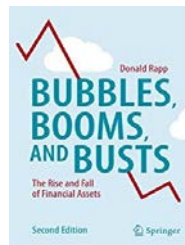


Current Timeline



Approach to Budget Priority Process

- Equitable Across Staff
 - Staff A represents X percent of the total budget; Staff A would represent X percent of the cost reduction
- Reductions are Permanent in Nature
 - Prioritize how to most cost-effectively best serve all students now and in the future
- One-Time Over an Annual Process
 - This should occur once to mitigate impact on employee / community morale and help recruit staff through stability
 - State revenues tied to stock market
 - Need to address this risk



Timeline of Events

Fundraising Groups
Community Groups

Engagement
Meetings

Spring and Fall Town Halls

School Site Staff
School Site Council
Parent Teachers Associations



April to June /
August to October



November
to January

Meeting Format and Resources

- Short Presentation for General Community
 - Varying perspectives and knowledge base of school budgets
- Q & A
 - Meeting time focus on Q & A with the CBO and Superintendent
- Individual Meetings to go “In-Depth” as requested
- Webpage for Data and Details – Budget Watch

Ideas and Recommendations

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

Input on the following:

1. Ideas on how the District can reduce costs?
 - a. Provide the reason and rationale for the suggestion.
2. What should the District maintain?
3. What should the District improve upon?

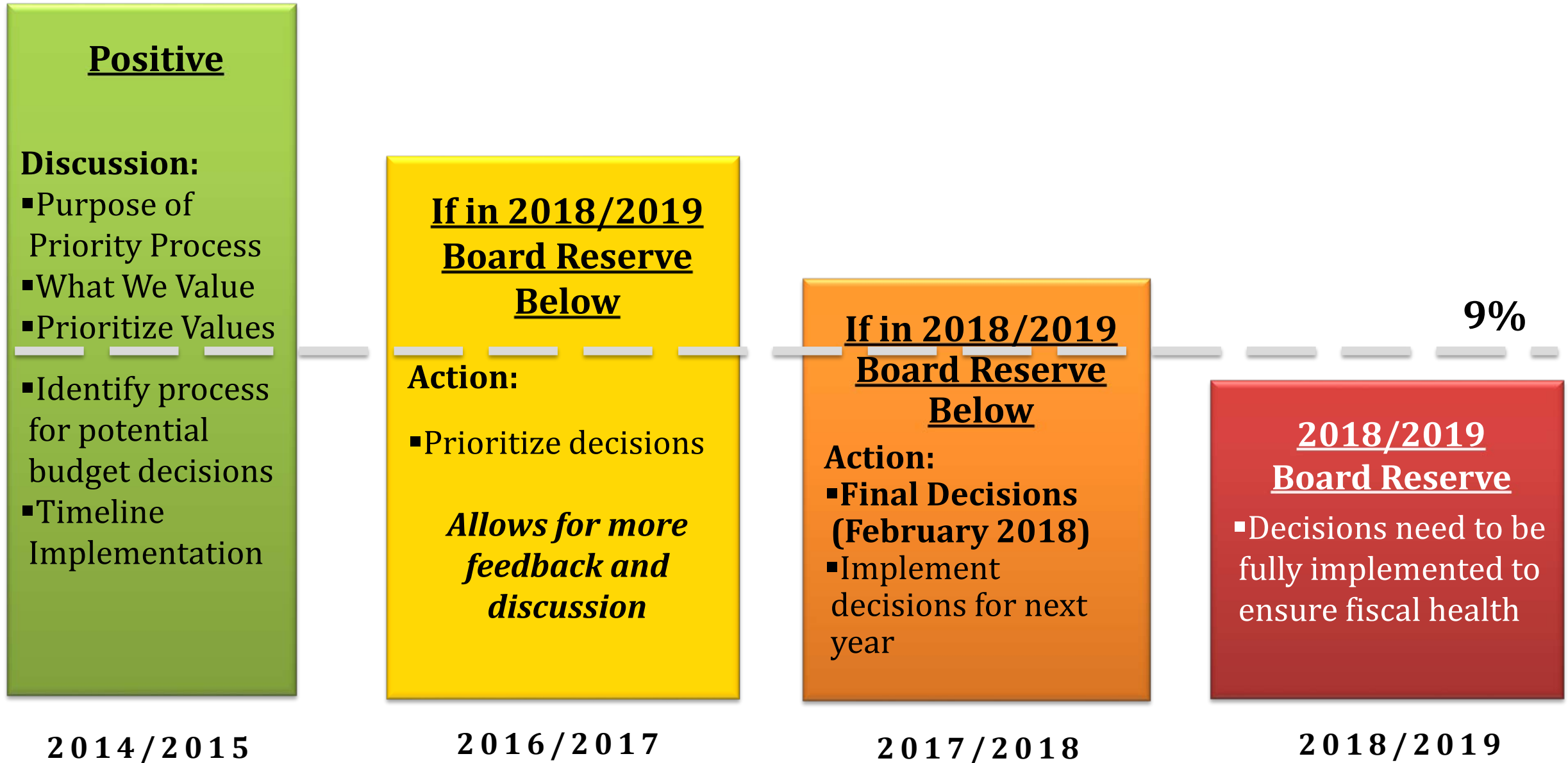


List of Ideas and Recommendations

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



Current Timeline



Next Steps

- **March 28, 2017 Board Meeting – Budget Priority Process Discussion**
 - What is the process to discuss priorities?
- **Spring (Apr-Jun) – Engagement Process**
- **Mid-May 2017 – Governor’s May Revise**
- **June 13, 2017 Board Meeting – Budget Public Hearing**
- **June 27, 2017 Board Meeting – Budget Adoption**
- **Fall (Aug-Oct) – Engagement Process**
- **Winter (Nov-Jan) – Discussion and Plan of Action**