



Financial Update

April 30, 2020

The Academy of Alameda
AoA Public Schools

Agenda

1. State Budget Update
2. CSDC's Advice for Budgeting during COVID
3. Timeline for Budget Adoption
4. Current 20-21 Budget Assumptions & Demographics
5. AoA's Theory of Action for Budgeting during COVID



State Budget Update

1. Information is changing on a daily basis and we are monitoring updates!
2. During 4/16 budget subcommittee **Gov. Newsom did not give specific numbers**, but did address the following key points:
 - CA is “likely facing a potentially significant budget problem” and revenues will be “insufficient to cover existing service levels”
 - While the state will be submitting a budget in July, the sudden & drastic economic downturn from COVID & delayed tax filings to July 15 will make it difficult for the state to budget
 - Past recessions have lasted multiple budget cycles & we should also be looking at this will extend into future budget years
 - The federal response can assist in their ability to both borrow and print money, whereas CA is prohibited from doing so



CSDC Advice during COVID-19

1. Lower income taxes, capital gains, and sales taxes will affect LCFF revenues that are funded from these sources (76% of our revenues)
2. State reserves protect the state, not K-12 school funding
3. CSDC recommends modeling a “less pessimistic” COLA of 0% and “more pessimistic” cut of 10%-20% of LCFF revenues
4. Schools should plan for a deferral of some of the May and/or June principal apportionments for 19-20, but should arrive in early July
5. Potential mid-year cuts in 20-21 as 2019 taxes are finalized and/or deferrals
 - a. Crisis/recession may not fully “peak” until the 2021-22 fiscal year since the state budget is based off prior year tax revenue assumptions



Timeline for Budget Adoption

While little will be known as we enter into this process, below is the timeline to have a budget ready for submission at the June 25th Board Meeting.

1. May 5th: Finance Committee Meeting
 - Discuss any known updates to State funding & look at budget model projections
2. May 28th: Board Meeting
 - Present a draft of the budget (hopefully with May Revise numbers included)
3. June TBD: Finance Committee Meeting
 - Finalize COLA assumptions used for the budget (while knowing that these will be unknown to the state)
4. June 25th: Board Meeting
 - Adopt the 20-21 Budget & Preliminary Budget for 2 out-years
 - Adopt the new “Operational LCAP” → being released May 1



2020-21 Budget - Enrollment

Grade	Class Size	Total	ADA (95%)
K	24	48	45.6
1	24	48	45.6
2	24	48	45.6
3	24	48	45.6
4	26	52	49.4
5	26	52	49.4
Total		296	281.2

Grade	Class Size	Total	ADA (95%)
6	28	140	133.0
7	28	140	133.0
8	28	170	161.5
Total		460	427.5



2020-21 Budget: Student Demographic Assumptions

School	19-20 Enrollment Count	19-20 Unduplicated Count	19-20 UPP %
Elem	298	153	51.34%
Middle	476	255	53.57%

School	20-21 Enrollment Count	20-21 Unduplicated Count	20-21 UPP %
Elem	296	163	55.07%
Middle	450	248	55.11%

Grade	In-District ADA	Out-District ADA	19-20 AUSD %
ES	205.09	79.37	72%
MS	303.35	151.28	67%

Grade	In-District ADA	Out-District ADA	20-21 AUSD %
ES	202.46	78.74	72%
MS	266.13	161.37	67%



AoA's Budget Development Theory of Action

1. Especially during times of crisis, AoA will remain committed to taking care of our staff & students
2. Advice from Eric Premack: schools and the states will be budgeting “blindly” for 2020-21, be conservative, protect your cash, and develop contingency plans.
3. A need to budget even more strategically by reviewing all aspects of our budget in detail.
4. Make reductions that least impact student outcomes while making sure that you have the level of operational support to sustain and move towards our mission and vision.

