



Date: May 13, 2021

To: Aimee Eng, Budget & Finance Committee Chair
From: Lisa Grant-Dawson, Chief Business Officer

Re: Budget Options and Strategy to Address Current and Future Year District Deficits

Dear Chair Eng and the Budget & Finance Committee Directors Williams and Hutchinson,

At the April 28, 2021 Board meeting Resolution No 2021-0254, Approving the District's Revised 2021-22 Budget Reduction Options and Bridge Plan for the Fiscal Year 2021-2022 Budget was approved after a first reading on February 24, 2021. As part of the adoption of this strategy for the 2021-22 budget, the plan included the use of one time money to bridge necessary financial reductions in expenditures to secure solvency based on the projected reductions for the 2021-22 budget, which are also essential in meeting the out year requirements and meeting the District's [fiscal sustainability plan](#) which the Board also adopted on February 24, 2021.

After the presentation of the 2021-22 Second Interim, the Alameda County Office of Education and our County Trustee noted in a memo to the District "per ACOE's directive on their 1st Interim letter [,] that 'Board-approved and identified budget-balancing solutions' be included" in the multi-year projects at Third Interim and at 2021-22 budget adoption. "Specifically, I am requesting that the MYP for the combined \$58,583,000 for the 2022-23 Board Cover Memorandum Resolution 2021-0254 Page 3 fiscal year have explicit wording as to how the District plans to address the deficit defined as other adjustments in the 2nd interim report." The Third Interim Budget report will be presented on May 26, 2021 and must include such explicit wording as directed.

To reach the goal of providing explicit language, staff is providing the Budget and Finance committee with the developing list of options, some which were initiated in 2019-20 and ranged in status from implemented to not fully evaluate. Additionally the 2021-22 Budget Development process also provided an opportunity for the Board, staff, and stakeholders to provide options to address the existing and future operational deficit. The board must specifically state what it will do and how it intends to make these options executable to balance the District's budget.

On October 29, 2020, staff provided the Budget and Finance Committee a [presentation](#) summarizing the status of the 2019-20 proposed revenue enhancement and budget reduction options for the 2020-21 fiscal year as part of the 2021-22 Budget Development process. The following options presented in 2019-20 were updated to include status.

- 1) Coordinated Bell Schedules Across All Schools
 - a) *Strategy Development Compromised due to COVID-19*



- 2) Saturday School in all Possible Schools
 - a) *Strategy Development Compromised due to COVID-19*
 - b) Update: In progress
 - i) Included as an option for Expanded Learning Opportunity Strategy
 - ii) Note: Saturday school is a program designed to make up instructional time and funding due to absence or truancy; therefore, truancy trends and strategies must be evaluated to include contractual bargaining agreements.
- 3) Increased Free and Reduced Lunch Participation
 - a) *Developing Strategy*
 - b) Update: In progress
 - i) Contribution from the General Fund has been eliminated as of Second Interim 2020-21
 - ii) Outstanding loan from contributions prior to 2005 repaid in 2020-21
- 4) Lease Sites that are Currently or Will Soon Become Vacant
 - a) *Strategy Executed and In Progress*
- 5) Reduce Energy Costs
 - a) *Strategy Development Compromised due to COVID-19*
 - b) Update: Single year opportunity applied
 - c) The District included cost avoidance savings from energy and other costs as part of Second Interim and reserved and used the projected savings to continue COVID related investments in lieu of new funding.
- 6) Alternate Safety Plan
 - a) *Strategy Executed and In Progress*
- 7) Cohort 3 Recommendation for the Citywide Plan
 - a) *Strategy in progress*

The 2021-22 Budget Reduction Option & Bridge Plan included the following items as identified as items 6-8 on the Options and Bridge Plan, which are recommended to be included in the specific wording:

- 8) Realignment of General Fund Base, Supplemental, and Other Grant Funded/Restricted Positions and Expenditures
 - a) In Progress
- 9) Initiate a District Administrative/Central Re-Organization Analysis and Recommend a Plan to align support services needed and clarify departmental priorities, roles, and goals.
 - a) In progress
- 10) Early Retirement Incentive
 - a) In progress of review with Public Agency Retirement Services (PARS)
- 11) Reduction of positions included in the 2021-22 Bridge Plan.



It is my hope that this information is helpful during the discussion and subsequent drafting of the components of the explicit wording to include in the District's Third Interim.

Sincerely,

A handwritten signature in black ink that reads "Lisa Grant-Dawson".

Lisa Grant-Dawson
Chief Business Officer