



Alum Rock Union Elementary School District

**2016-17
Budget Update**

January 12, 2017
Presented by: Kolvira Chheng, Director of Fiscal Services



Agenda

- **Alum Rock's Core Values**
- **Assembly Bill (AB) 1200 Requirements**
- **Status of Salary and Benefits Settlements**
- **Cost of 1%**
- **Reserve Level as of First Interim Report**
- **Impact of 4.25% Salary Increase**
- **Challenges Facing Alum Rock**



Alum Rock's Core Values

- ▶ Board/District is committed to making the most generous offer it can afford and providing compensation and benefits that are competitive with other similar school districts
- ▶ Commitment to maintain and improve student services in the District
- ▶ Expenditures/Financials - Maintain a fiscally solvent school district



AB 1200 Requirements

- ▶ County Superintendent is responsible for ensuring districts are able to meet their reserve requirements for the current and two subsequent years
- ▶ For Alum Rock, 3% of total unrestricted and restricted general fund expenditures



Status of Salary and Benefits Settlements

Status of Salary and Benefits Settlements				
Units	2013-14	2014-15	2015-16	2016-17
AREA	4.50%	4.00%	3.00%	Not Yet Settled
CSEA	4.50%	4.00%	3.00%	4.25%
Teamsters	4.50%	4.00%	3.00%	4.25%
Management/Confidential	4.50%	4.00%	3.00%	4.25%

Notes:

- 1) Health benefits for all units is at 85/15
- 2) All settlements in 2016-17 is effective as of July 1, 2016



Status of Salary Settlements with Surrounding Districts

Status of Salary Settlements with Surrounding Districts						
District	2013-14	2014-15	2015-16	2016-17	2017-18	Total
Evergreen	3.00%	3.25%	4.00%	TBD	TBD	10.25%
Mt. Pleasant	4.00%	3.00%	4.50%	TBD	TBD	11.50%
Franklin	5.00%	4.00%	3.50%	TBD	TBD	12.50%
Alum Rock	4.50%	4.00%	3.00%	4.25%	TBD	15.75%
Orchard	3% & \$850 One Time	2% and \$750 One Time	6.00%	3.00%	3.00%	17.00%
Oak Grove	2.00%	5.00%	4.50%	3.50%	2.50%	17.50%
Berryessa	4.00%	5.50%	4.00%	3.00%	2.00%	18.50%

Note:

1) Alum Rock has not yet settled with AREA in 2016-17



Cost of 1% - Unrestricted General Fund

- ▶ AREA = \$537,851
- ▶ CSEA = \$99,689
- ▶ Teamsters = \$59,192
- ▶ Management/Confidential = \$82,310
- ▶ All Units = \$779,042



Unrestricted General Fund Projected Reserve Level as of First Interim, which was board approved on December 8, 2016

	UNRESTRICTED GENERAL FUND		
	2016-17	2017-18	2018-19
	First Interim	Budget	Budget
BEGINNING BALANCE	23,897,099	15,909,034	13,355,504
TOTAL REVENUES	115,887,699	113,852,172	114,037,458
TOTAL EXPENDITURES	102,297,068	94,251,508	94,762,590
TOTAL CONTRIBUTIONS/TRANSFERS	(21,578,697)	(22,154,193)	(22,601,936)
Increase/(Decrease)	(7,988,066)	(2,553,529)	(3,327,068)
TOTAL ENDING FUND BALANCE	15,909,034	13,355,504	10,028,436
COMPONENTS OF ENDING BALANCE			
Revolving Fund	20,000	20,000	20,000
Restricted	-	-	-
Committed	1,000,000	1,000,000	1,000,000
Assigned	-	-	-
Reserve for Economic Uncertainties	4,379,499	3,982,879	4,003,368
Unassigned/Unappropriated Amount	10,509,535	8,352,625	5,005,068

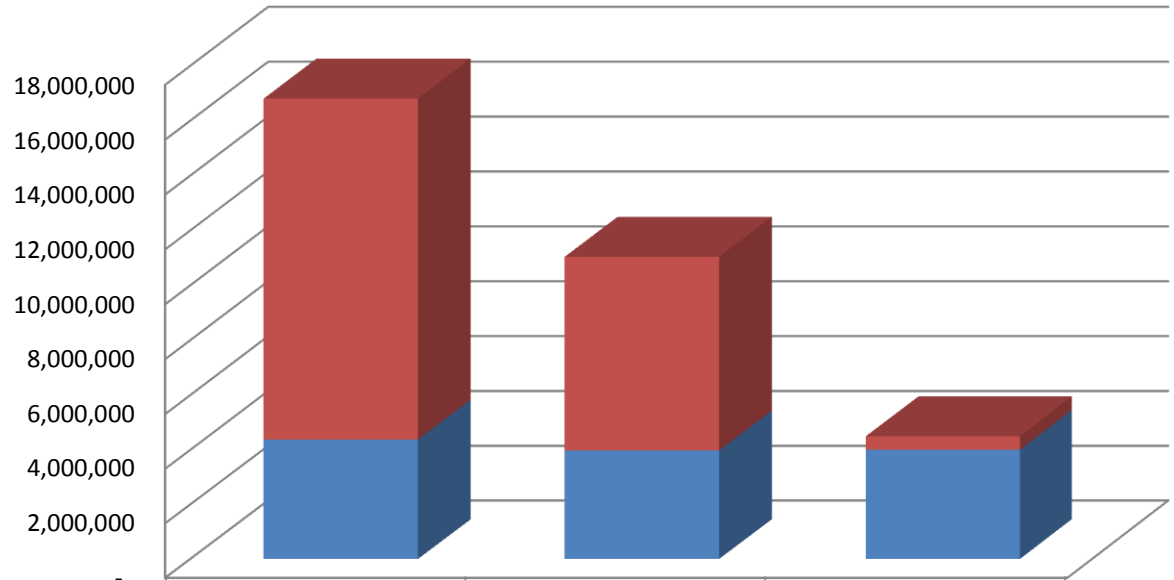


Impact of 4.25% Salary Increase for Unrestricted General Fund

	UNRESTRICTED GENERAL FUND		
	2016-17	2017-18	2018-19
	First Interim	Budget	Budget
TOTAL ENDING FUND BALANCE	15,909,034	13,355,504	10,028,436
COMPONENTS OF ENDING BALANCE			
Revolving Fund	20,000	20,000	20,000
Restricted	-	-	-
Committed	1,000,000	1,000,000	1,000,000
Assigned	-	-	-
Reserve for Economic Uncertainties	4,379,499	3,982,879	4,003,368
Unassigned/Unappropriated Amount	10,509,535	8,352,625	5,005,068
Cost of Settlements			
Cost of 4.25% On-Going Effective 7/1/16, AREA Only	<u>(2,285,867)</u>	<u>(4,571,734)</u>	<u>(6,857,600)</u>
Total Cost of Settlements	(2,285,867)	(4,571,734)	(6,857,600)
Other Adjustments:			
Use of One-Time Funds	2,200,000	2,200,000	2,200,000
LCAP Facility Shift to Bonds	2,000,000	2,000,000	2,000,000
Cost 3 PD Days	-	(926,000)	(1,852,000)
Total Other Adjustments	4,200,000	3,274,000	2,348,000
Reserves Above/(Below) 3%	<u>12,423,668</u>	<u>7,054,892</u>	<u>495,468</u>



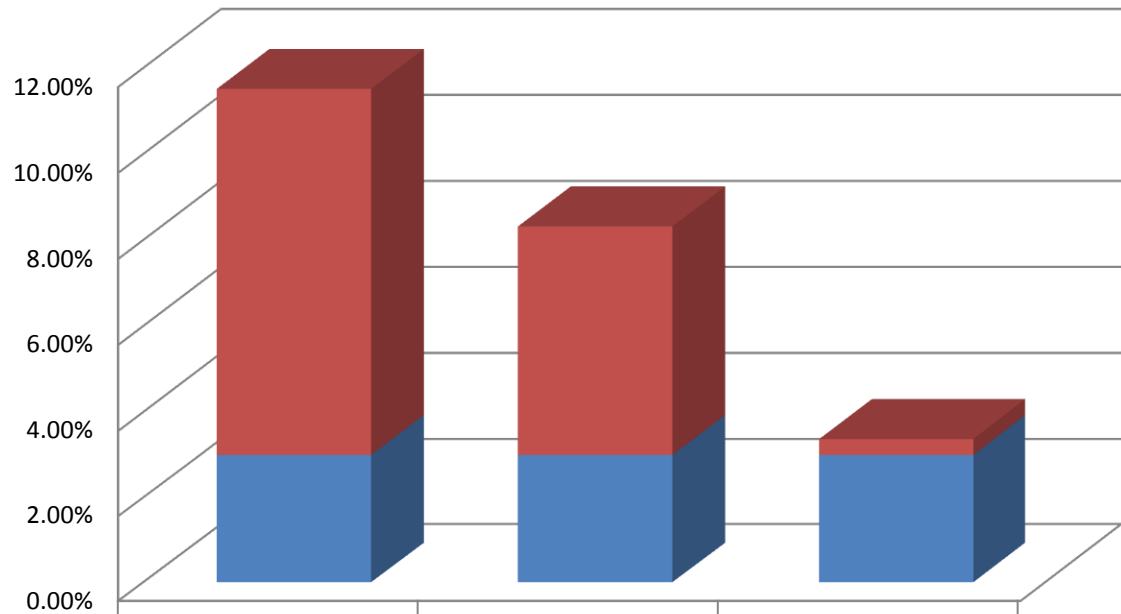
Projected Reserve Amounts After 4.25% Increase



	2016-17	2017-18	2018-19
■ Total Available Funds Above Required Reserve	12,423,668	7,054,892	495,468
■ Required Reserve Amounts	4,379,499	3,982,879	4,003,368



Projected Reserve Percentages After 4.25% Increase

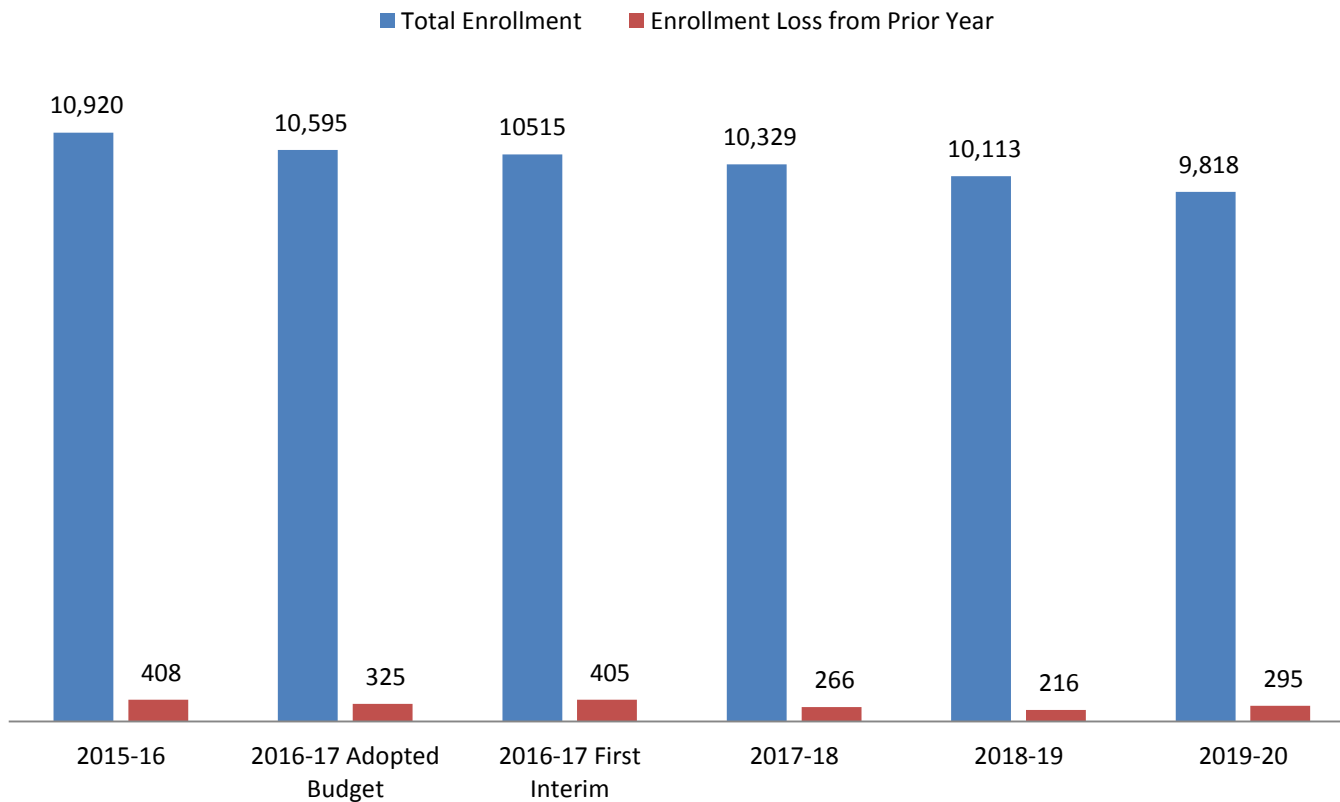


	2016-17	2017-18	2018-19
Total Reserve Percentages Above Required 3%	8.51%	5.31%	0.37%
Required Reserve Percentages	3.00%	3.00%	3.00%



Changes in Enrollment

Dolinka's Study





Impact of Declining Enrollment

	2015-16	2016-17	2017-18	2018-19	2019-20
Enrollment Loss per Dolinka's Study	(408)	(405)	(266)	(216)	(295)
LCFF Entitlement Per Pupil	9,450	10,074	10,528	10,701	11,083
Loss of LCFF Funding per Pupil	\$ (3,855,600)	\$ (4,079,970)	\$ (2,800,448)	\$ (2,311,416)	\$ (3,269,485)



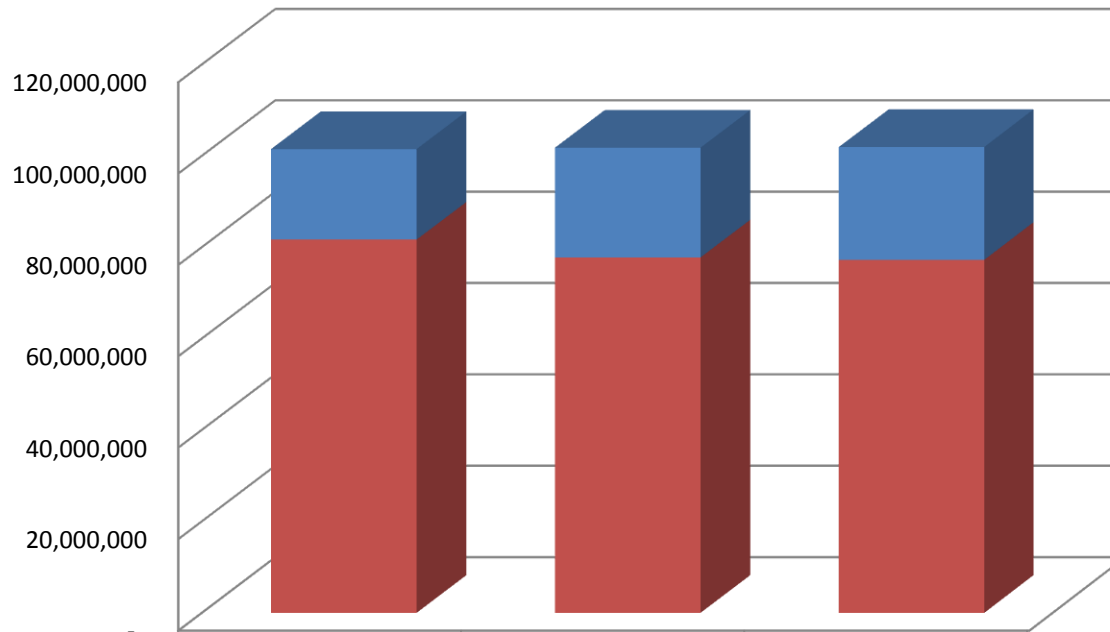


Minimum Proportionality Percentage (MPP) Requirement

Alum Rock Union Elementary (69369) - ARUSD 2016-17 First Interim							
Minimum Proportionality Percentage (MPP): Summary Supplemental & Concentration Grant							
		2013-14	2014-15	2015-16	2016-17	2017-18**	2018-19**
1.	LCFF Target Supplemental & Concentration Grant Funding <i>from Calculator tab</i>		28,401,709	27,517,091	26,359,329	25,571,174	25,727,457
2.	Prior Year (estimated) Expenditures for Unduplicated Pupils above what was spent on services for all pupils		6,999,910	8,809,000	12,065,043	19,809,687	24,014,996
3.	Difference [1] less [2]		21,401,799	18,708,091	14,294,286	5,761,487	1,712,461
4.	Estimated Additional Supplemental & Concentration Grant Funding [3] * GAP funding rate		6,454,817	9,832,527	7,744,644	4,205,309	691,149
	GAP funding rate		30.16%	52.56%	54.18%	72.99%	40.36%
5.	Estimated Supplemental and Concentration Grant Funding [2] plus [4] (unless [3]<0 then [1]) LCAP Section 3, Part A		13,454,727	18,641,527	19,809,687	24,014,996	24,706,145
6.	Base Funding LCFF Phase-In Entitlement less [5], excludes Targeted Instructional Improvement & Transportation		72,444,817	76,658,488	77,642,610	73,740,637	73,200,484
	LCFF Phase-In Entitlement		89,910,901	99,311,372	101,463,654	101,766,990	101,917,986
7/8.	Minimum Proportionality Percentage* [5] / [6] LCAP Section 3, Part B		18.57%	24.32%	25.51%	32.57%	33.75%



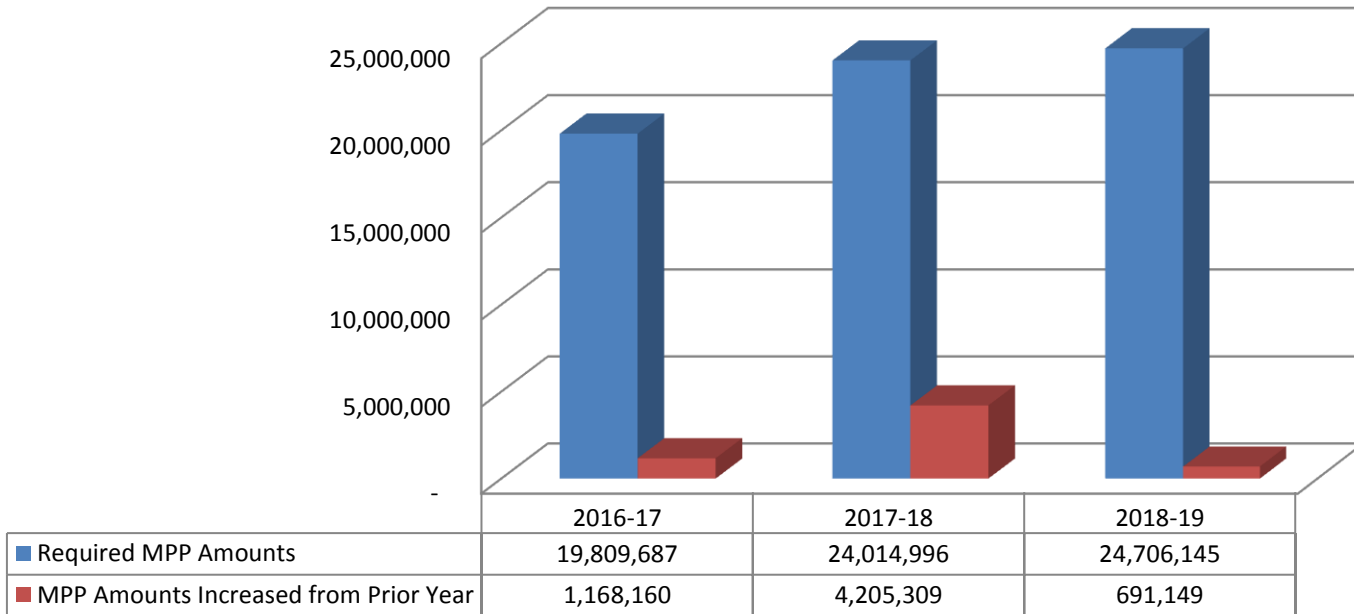
MPP's Proportion of LCFF Funding



	2016-17	2017-18	2018-19
■ MPP Amounts	19,809,687	24,014,996	24,706,145
■ LCFF Base, TIIG and Transportation	81,653,967	77,751,994	77,211,841



MPP Amounts and Increases from Prior Year





Thank you and Questions

