



Alum Rock Union Elementary School District

2016-17

First Interim Budget

December 8, 2016

Presented by: Kolvira Chheng, Director of Fiscal Services



Agenda

- **Budget Cycle**
- **Purpose/Reason for First Interim Reporting**
- **Changes from Adopted Budget to First Interim**
- **Multi- Year Projections**
- **Challenges/Opportunities facing Alum Rock**
- **Next Steps**



Budget Cycle





Purpose/Reason for 1st Interim

- School Boards are required to certify projected year end and subsequent years' financial condition twice a year:
 - Using “Interim Reports” (Ed Code 35015 and 35035)
 - Typically During December and March of each year
- The First Interim includes a snapshot of the District’s financial positions as of October 31, 2016
- This First Interim includes the multiple year projections for current and two subsequent years



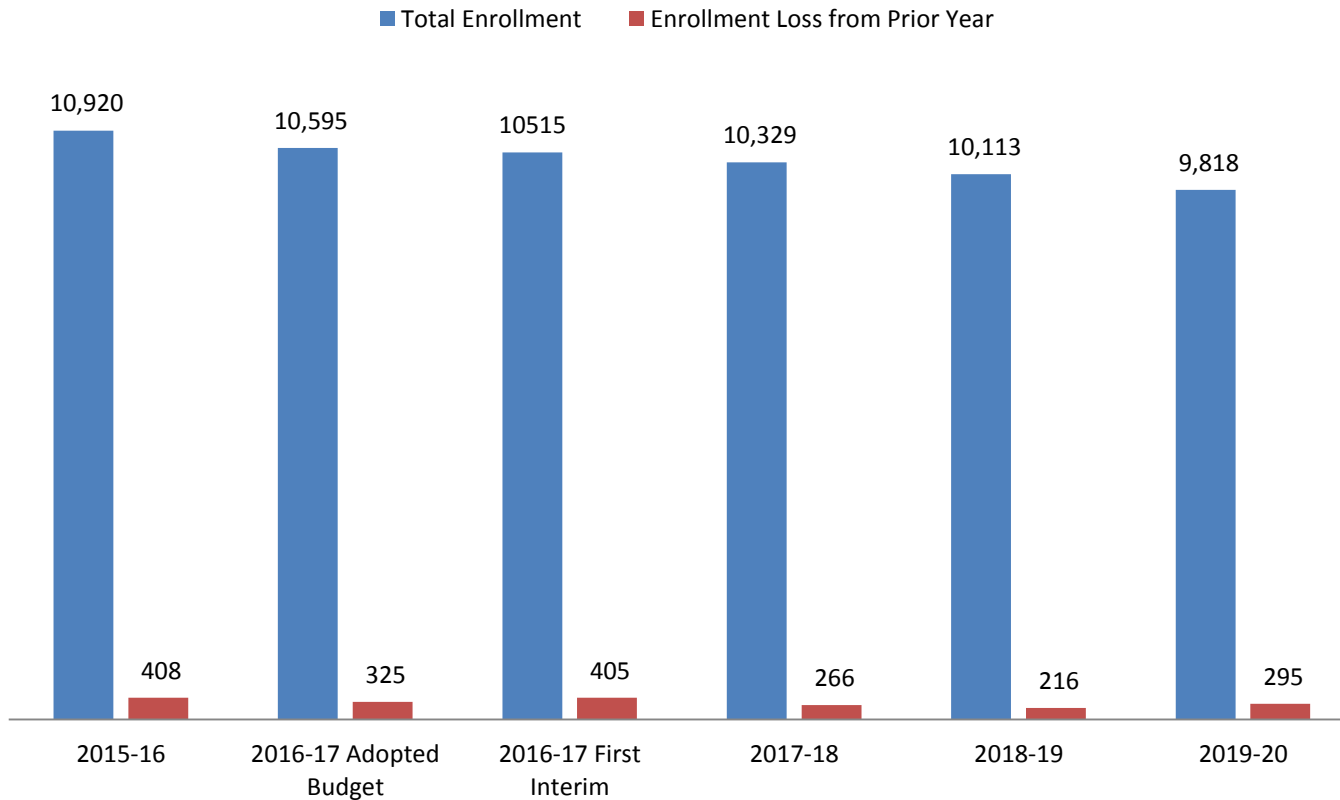
Purpose/Reason for 1st Interim

- Assumptions changes constantly. Administration utilizes the most current information available and continually monitors significant assumption changes, including but not limited to:
 - Enrollment and ADA (Average Daily Attendance)
 - Funding per ADA, COLA and Gap Funding Percentage
 - Staffing changes
 - State Budget
 - Federal, State and Local funding amounts (LCFF, Lottery, Parcel Tax, Property Tax, Title I)
 - Impact of negotiations that have settled
 - Cash flow
 - New Laws impacting financials (Affordable Care Act, Family and Medical Leave Act)



Changes in Enrollment

Dolinka's Study





Changes in Unrestricted General Fund

	UNRESTRICTED GENERAL FUND		
	Adopted Budget	First Interim	Difference
BEGINNING BALANCE	19,983,783	23,897,115	3,913,332
TOTAL REVENUES	115,380,885	115,887,699	506,814
TOTAL EXPENDITURES	101,743,839	102,297,068	553,229
TOTAL CONTRIBUTIONS/TRANSFERS	(21,103,380)	(21,578,697)	(475,317)
Surplus/(Deficit)	(7,466,334)	(7,988,066)	(521,732)
COMPONENTS OF ENDING BALANCE			
Revolving Fund	20,000	20,000	-
Restricted	-	-	-
Committed	-	1,000,000	1,000,000
Assigned	1,500,000	-	(1,500,000)
Reserve for Economic Uncertainties	4,155,559	4,379,499	223,940
Unassigned/Unappropriated Amount	6,841,890	10,509,550	3,667,660



Changes in Unrestricted General Fund

- Revenues:
 - LCFF revenue for Alum Rock increased by \$423K due to increase in UPP % by approximately 2%
 - LCFF revenue for Aptitud increased by \$284K due to increase of ADA by approximately 28 ADA
 - One-Time Fund reduced from \$237 to \$214 per ADA, approximately \$200K

- Expenditures and Liabilities:
 - Replaced Kinder Paras (\$886, 916) with YMCA and Think Together for before and after school programs (\$886,289)
 - Increased \$200K for Campus Paras
 - Settled with CSEA for 4.25% on-schedule salary increase = \$428,587, including statutory benefits
 - Settled with Teamster for 4.25% on-schedule salary increase = \$251,564, including statutory benefits
 - Committed \$1M for pending obligation (H1-B)



Multi-Year Projection Unrestricted General Fund

	UNRESTRICTED GENERAL FUND		
	2016-17	2017-18	2018-19
	First Interim	Projected	Projected
BEGINNING BALANCE	23,897,100	15,909,034	13,355,504
TOTAL REVENUES	115,887,699	113,852,172	114,037,458
TOTAL EXPENDITURES	102,297,068	94,251,509	94,762,590
TOTAL CONTRIBUTIONS/TRANSFERS	(21,578,697)	(22,154,193)	(22,601,936)
Surplus/(Deficit)	(7,988,066)	(2,553,530)	(3,327,068)
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



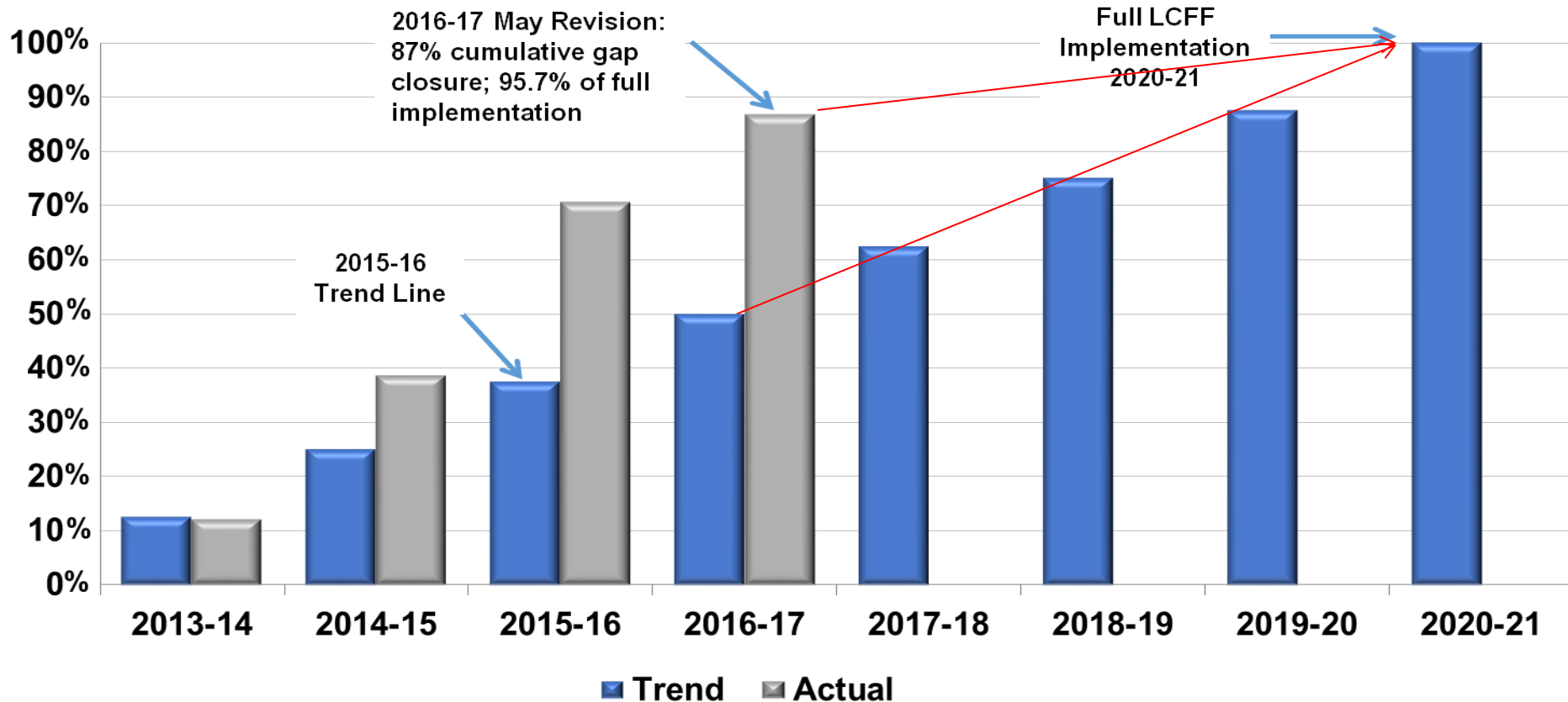
Challenges/Opportunities Facing Alum Rock

- Declining Enrollment
- PERS/STRS costs continue to increase significantly through 2020-21
- Collective Bargaining Agreement for all units not settled for 2016-17
- Shortage of teachers
- Condition of Facilities
- The Minimum Proportionality Percentage (MPP) requirement conundrum
- LCFF close to full implementation



LCFF Overview

▶ Progress Toward LCFF Implementation





Next Steps

- January Governors Budget Projections
- Second Interim – March 2017
- Budget Development Process Begins
- Collaborative Efforts with Educational Services to Develop LCAP
- May Revise
- Public Hearing for 2017-18 Budget and LCAP
- Adoption of Budget and LCAP



Thank you and Questions

