



# Alum Rock Union School District

## 2015/16 Second Interim Report Dr. Hilaria Bauer, Superintendent

Prepared and Presented By:

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Accuracy, Transparency, Communication, Collaboration, Customer Service

# Agenda: Who, What, Why

- ▶ General Fund
  - State, Federal, Local Changes
- ▶ Multi-Year Projections
  - Assumptions
- ▶ Areas of Interest, Opportunity, Recognition and Concern
- ▶ Questions

# General Fund (Unrestricted)

## A Comparative

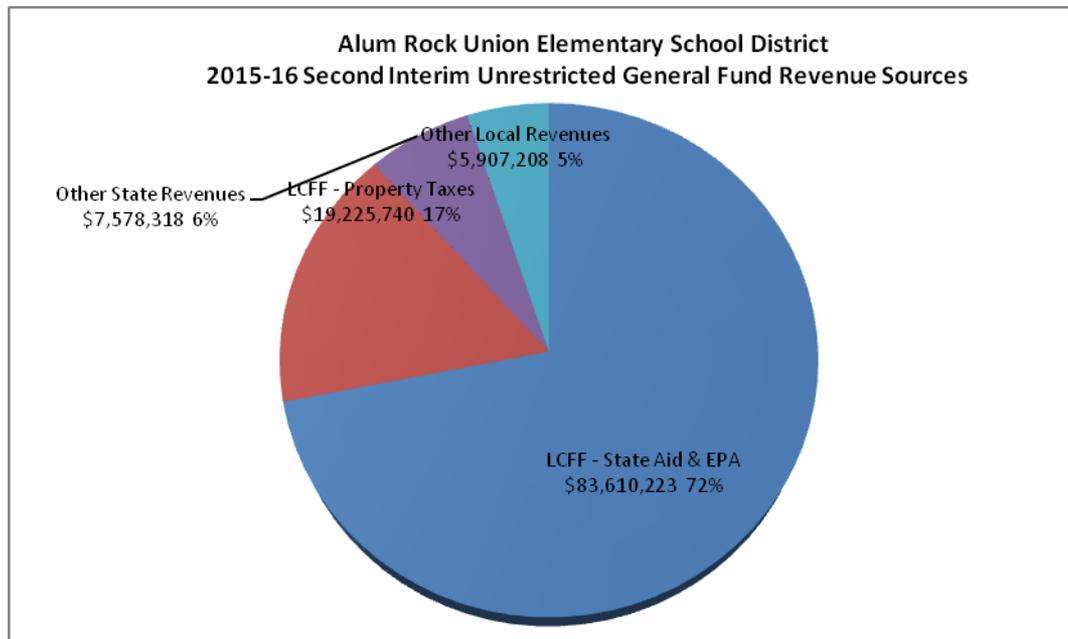
Description	1 <sup>st</sup> Interim 15/16	2 <sup>nd</sup> Interim 15/16	Difference
Beginning Fund Balance	\$14,677,796.	\$14,677,796.	No Change
Revenues	\$116,122,010.	\$116,321,489.	\$199,479.
Expenditures	\$96,648,023.	\$96,900,574.	\$252,551.
Contributions	\$19,355,851.	\$19,366,766.	<\$10,915.>
Surplus	\$118,136.	\$54,147.	<\$63,987.>
Ending Fund Balance	\$14,795,932.	\$14,731,943.	<63,987.>

# General Fund Unrestricted Revenues: What Changed & Why

## ▶ Revenues: Increased \$199,479.

- LCFF Adjustment <\$103,313.>
  - Combination State/Local Changes
    - Adjusted LCFF Gap Percentage Funded
      - 51.52% to 51.97%
    - Charter Net Shift
- Mandated Block Grant \$302,792.
  - Local Change
  - Add-back from 1<sup>st</sup> Interim
- Microsoft Voucher
  - Future Adjustment \$431k Revenue only
  - Offset to Teacher laptop purchases
  - One-time money

# General Fund Unrestricted Revenue State, Federal, Local

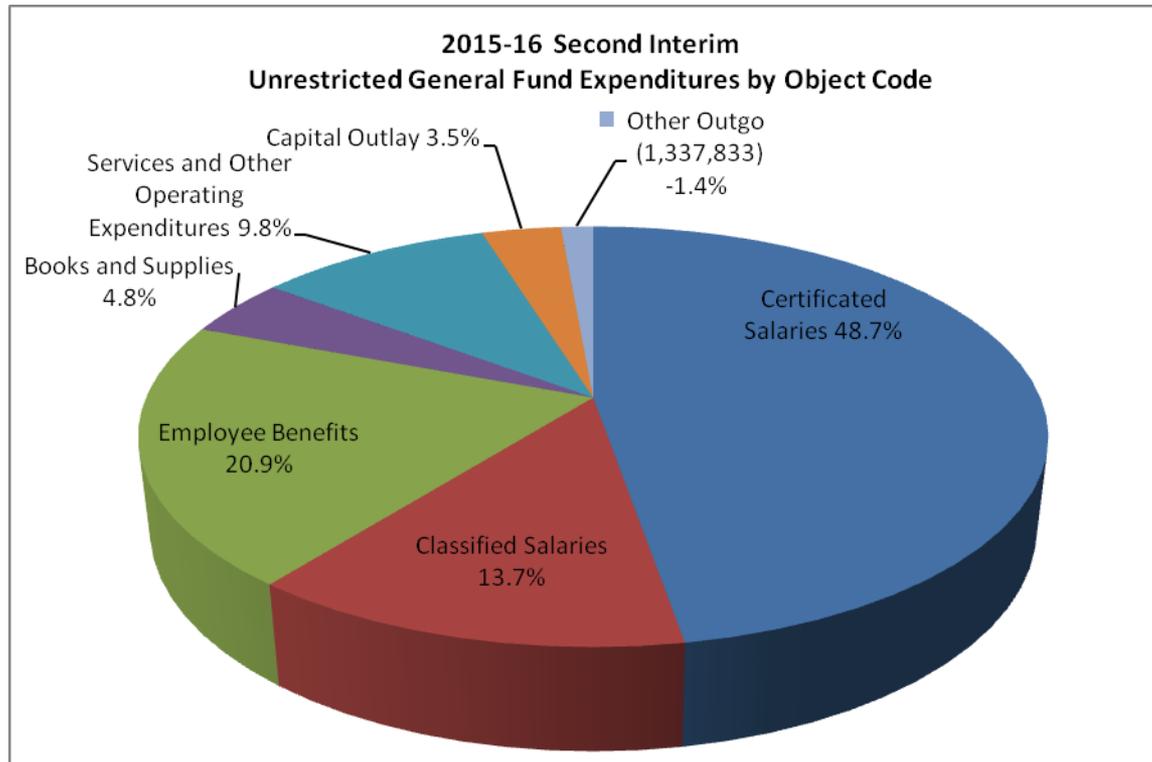


# General Fund Unrestricted Expenditures: What Changed & Why

**Expenditures: Increased \$252,551.**

- Salaries & Benefits \$64,087.
  - Minor Staffing Changes
- Materials & Supplies <\$224,332.>
  - Budget Transfers
- Services & Other Operating \$467,294.
  - Budget Transfers & Contracts
- Capital Outlay <\$27,000.>
  - Alignment
- Other Outgo <\$27,498.>
  - Increased Indirect Costs Realized

# General Fund Unrestricted Expenditures: District Priorities



# General Fund Unrestricted: Analysis & The Bottom Line

- ▶ No Unanticipated Changes
  - Normal Process of Adjustments & Revisions
- ▶ Minimal Changes to Contributions
  - Routine Restricted Maintenance Account (RRMA), Special Education\*\*
- ▶ Continued Operating Surplus \$54,147.
- ▶ Impact Ending Fund Balance
  - \$118,136 to \$54,147.

# General Fund (Restricted)

## A Comparative

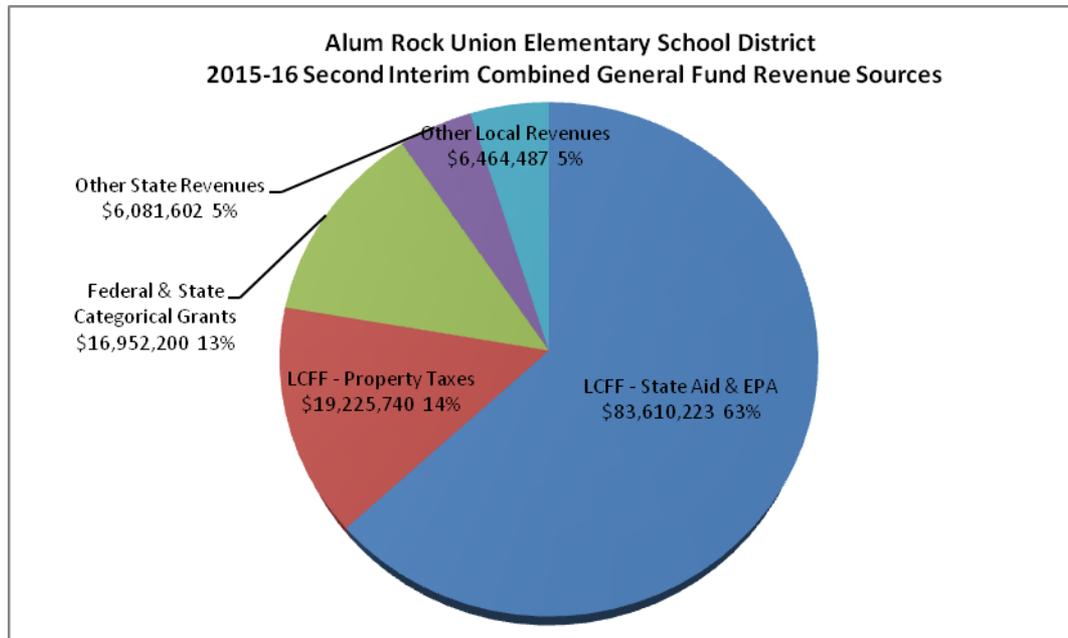
Description	1 <sup>st</sup> Interim 15/16	2 <sup>nd</sup> Interim 15/16	Difference
Beginning Fund Balance	\$3,163,258.	\$3,163,258.	No Change
Revenues	\$15,019,033.	\$16,012,763.	\$993,730.
Expenditures	\$35,277,398.	\$36,282,042.	\$1,004,644.
Contributions	\$19,155,851.	\$19,166,766.	<\$10,915.>
Surplus <Deficit>	<\$1,102,514.>	<\$1,102,514.>	No change
Ending Fund Balance	\$2,064,744.	\$2,060,744.	No Change

# General Fund: Restricted

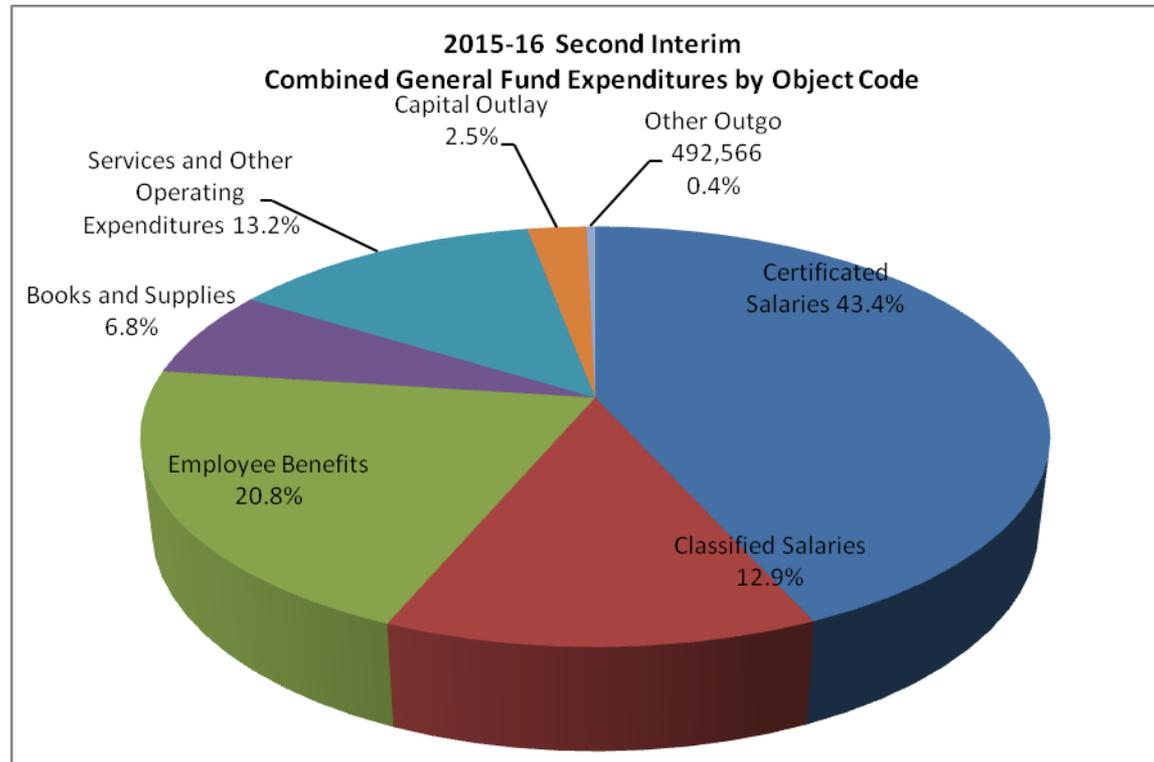
## What Changed & Why

- ▶ Revenues: Increase \$993,730
  - STRS On-Behalf \$2.86 million
    - An Accounting Requirement
  - Williams Settlement <\$2.457>
    - Transfer Revenue to Fund 40 Capital Outlay
  - Silicon Valley Grant \$490,000.
  
- ▶ Expenditures: Increase \$1,004,644
  - STRS On-Behalf \$2.86 million
    - Revenue & Expenditures Offset
  - Williams Settlement <\$2.457 million>
    - Transfer Expenditure to Fund 40 Capital Outlay
  - Silicon Valley Grant \$490,000.
  - Other Normal Budget Transfers and Adjustments
  
- ▶ Ending Fund Balance Restricted: \$2,060,744.
  - Special Education, RRMA

# General Fund “Combined” Revenue



# General Fund “Combined” Expenditures



# General Fund (Unrestricted) Multi-Year Projections

Description	2 <sup>nd</sup> Interim 2015/16	2016/17	2017/18
Beginning Balance	\$14,677,796.	\$14,731,943.	\$11,098,353.
Revenues	\$77,978,957.	\$75,026,700.	\$72,116,953
Expenditures	\$97,100,575.	\$98,493,206.	\$98,510,695.
Contributions	\$19,166,766.	\$19,832,917.	\$20,431,606.
Surplus <Deficit>	\$54,147.	<\$3,633,589.>	<\$5,962,136.>
Ending Fund Balance	\$14,731,943.	\$11,098,353.	\$5,136,217.

# General Fund Unrestricted Multi-Year Assumptions

## ▶ LCFF

- Revenue Growth
- Declining Enrollment
- Gap Percentage Adjustments
  - 2016/17 35.55% to 49.08%
  - 2017/18 35.11% to 45.34%

## ▶ Salaries

- Statewide Average Step & Column
- Does not include attrition
- Does not include negotiated settlements

## ▶ Statutory Benefits

- STRS Increased Costs
  - Increases 1.85% each year = Increased costs \$1.160 million in 16/17 and \$1.232 million in 17/18
- PERS Increased Costs
  - Increases 1.203% 16/17 and 3.55% 17/18 = Increased costs \$326k in 16/17 and \$637k in 17/18

## ▶ One-Time Dollars

- 2016/17 Eliminated Revenue & Expenditures
  - One-time Discretionary \$5.7 million, Educator Effectiveness \$954k, Silicon Valley Grant \$490k
- 2016/17 Added Revenue & Expenditures
  - One-time Discretionary \$2.247 million
- 2017/19 Eliminated Revenue & Expenditures
  - One-time discretionary \$2.247 million

# Declining Enrollment: Concern & Hope

- ▶ Declining Enrollment
  - Adjusted @ 2<sup>nd</sup> Interim

	First Interim	Second Interim	Changes
2015-16	10,923	10,920	(3.00)
2016-17	10,645	10,595	(50.00)
2017-18	10,385	10,329	(56.00)

- ▶ Bringing Students Back
  - Diverse Programs and Opportunities, Highly Qualified Teachers, Extended Day Kindergarten, Parent Engagement, Safety, Equity

# Areas of Concern/Opportunity

- ▶ Declining Enrollment
  - Conservative Budget Approach
- ▶ Health Plan Changes
  - Maintaining Benefits/Reducing Costs
- ▶ Professional Development
  - Support for our Educators
- ▶ Technology
  - Core or Supplemental
- ▶ Attrition
  - No staffing reductions
  - Retirements
- ▶ Facilities
  - Safety, Comfort, Prioritization, Equity
  - June bond election

# Questions?