Alum Rock Union Elementary School District

Public Hearing for Fiscal Year 2023-24 Proposed Budget

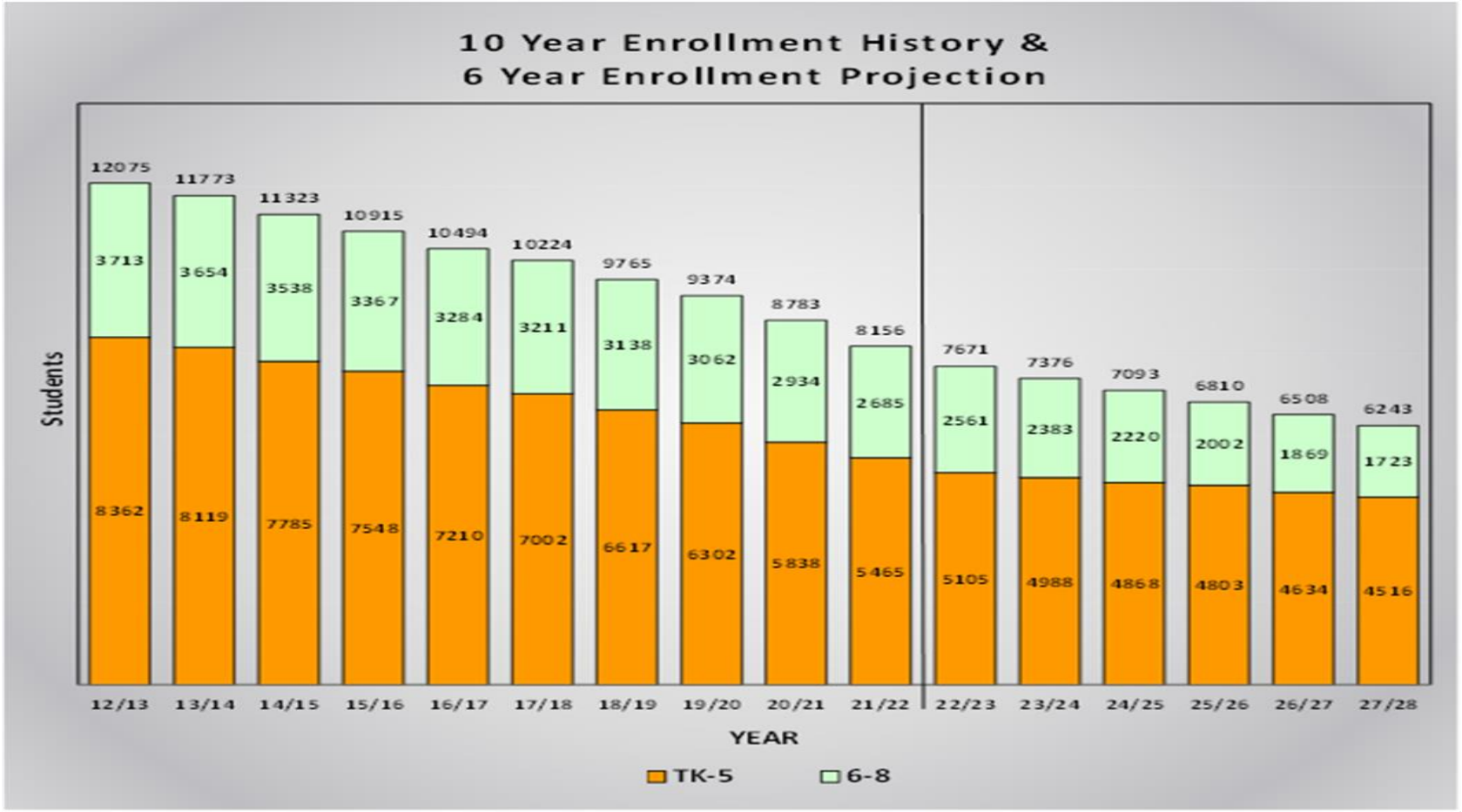
Board Meeting

June 8, 2023

Agenda

- Key Assumptions
- General Fund MYP
- Statement of Reserves

Key Assumptions – Enrollment per SchoolWorks



Key Assumptions – Revenues Based on May Revision

Revenues

- State Revenue
  - District LCFF based on May Revision
    - FY 2023-24 based on prior three year rolling average ADA, COLA = 8.22%
    - FY 2024-25 based on prior three year rolling average ADA, COLA = 3.94%
    - FY 2025-26 based on prior three year rolling average ADA, COLA = 3.29%
  - Aptitud LCFF based on May Revision
    - Combined with District LCFF
  - One-time Arts, Music, Instructional Material Discretionary Block Grant
    - At Budget Enactment for FY 202-23 = Approximately $5M
    - At January Budget Proposal for FY 2023-24 = Reduced to approximately $3.3M
    - At May Revise for FY 2023-24 = Reduced to approximately $2.5M
  - One-time Learning Recovery Emergency Block Grant
    - At Budget Enactment for FY 2022-23 = Approximately $15.3M
    - At January Budget Proposal for FY 2023-24 = No proposed reduction
    - At May Revise for FY 2023-24 = Reduced to approximate $10.4M
  - Special Education – Base rate increases from $820 to $887.40 per ADA, COLA = 8.22%
- Local Revenue
  - Parcel taxes of approximately $4.5M
- Federal Revenue
    - One-time ESSER III = Approximately $9.6M remaining in FY 2023-24

Key Assumptions – LCFF Based on May Revision

	Based on FY 2023-24 May Revise		
LCFF	2023-24	2024-25	2025-26
Funded COLA	8.22%	3.94%	3.29%
Total LCFF Entitlement	117,649,075	114,553,389	115,331,821
Change in Amount from Prior Year	2,590,830	(3,095,686)	778,432
Change in Percentage from Prior Year	2.25%	-2.63%	0.66%

Key Assumptions – Expenditures

- **Expenditures**
  - Negotiation not settled for FY 2023-24 for AREA nor CSEA
  - Tentative agreement reached with Teamsters
    - **5 % On-going salaries increase and 2% one-time payment in FY 2023-24**
    - **Not include in FY 2023-24 Budget Adoption**
  - CalPERS Rates
    - **FY 2023-24 = 25.37%, FY 2024-25 = 26.68% and FY 2025-26 = 27.70%**
  - CalSTRS Rates
    - **FY 2023-24 = 19.10%, FY 2024-25 = 19.10% and FY 2025-26 = 19.10 %**
  - Increase Step and Column for all three years
  - Increase contribution for Special Education Program in out-years
  - Maintain 3% contribution to Routine Restricted Maintenance Account (RRMA) for all three years
  - Reduction of 10 certificated FTEs in FY 2024-25 to align with declining enrollment
  - Reduction of 10 certificated FTEs in FY 2025-26 to align with declining enrollment
  - In FY 2023-24, transfer of approx. $9.6M in salaries & benefits from the Unrestricted G/F to Restricted G/F to utilize ESSER III funds
  - Starting in FY 2024-25, all salaries and benefits costs paid by ESSER III funds will be transferred back from the Restricted G/F to the Unrestricted G/F

Unrestricted General Fund MYP

	UNRESTRICTED GENERAL FUND		
	2023-24 Proposed Budget	2024-25 Projected	2025-26 Projected
BEGINNING BALANCE	**34,623,796**	**36,979,613**	**27,751,103**
LCFF	117,649,075	114,553,389	115,331,821
Fed	-		-
State	1,883,659	1,868,044	1,838,898
Local	7,317,520	7,439,445	7,548,692
Contribution	(32,685,713)	(33,045,239)	(33,621,797)
TOTAL REVENUES	**94,164,541**	**90,815,639**	**91,097,614**
Certificated Salaries	44,185,834	47,241,779	47,087,655
Classified Salaries	12,783,256	15,381,089	15,688,711
Employee Benefits	23,770,162	26,505,194	26,633,574
Books and Supplies	2,829,380	2,829,380	2,829,380
Services and Other Operating Expenditures	11,294,161	11,294,161	11,294,161
Capital Outlay	270,000	270,000	270,000
Other Outgo	696,022	30,000	30,000
Other Outgo - Indirect Costs	(4,020,090)	(3,507,454)	(3,492,538)
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**91,808,725**	**100,044,149**	**100,340,943**
Surplus/(Deficit)	**2,355,816**	**(9,228,510)**	**(9,243,329)**
ENDING FUND BALANCE	**36,979,613**	**27,751,103**	**18,507,773**

Restricted General Fund MYP

	RESTRICTED GENERAL FUND		
	2023-24 Proposed Budget	2024-25 Projected	2025-26 Projected
BEGINNING BALANCE	**9,616,564**	**0**	**0**
LCFF	-	-	-
Fed	5,449,443	5,345,077	5,243,751
State	23,319,697	22,830,302	22,355,161
Local	654,838	648,825	642,066
Contribution	32,685,713	33,045,239	33,621,797
TOTAL REVENUES	**62,109,691**	**61,869,443**	**61,862,775**
Certificated Salaries	17,269,654	14,048,646	14,259,376
Classified Salaries	10,167,604	9,363,814	9,525,906
Employee Benefits	18,442,051	17,244,080	17,462,438
Books and Supplies	7,918,737	4,980,005	4,809,663
Services and Other Operating Expenditures	14,206,506	13,023,829	12,611,240
Capital Outlay	-	-	-
Other Outgo	20,000	20,000	20,000
Other Outgo - Indirect Costs	3,701,704	3,189,068	3,174,152
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**71,726,255**	**61,869,443**	**61,862,775**
Surplus/(Deficit)	**(9,616,564)**	**0**	**0**
ENDING FUND BALANCE	**0**	**0**	**0**

Statement of Reserves for 2023-24

District:	Alum Rock Union School District
CDS #:	43-69369
Date of Public Hearing:	8-Jun-23

Adopted Budget
2023-24 Budget Attachment
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2023-24 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$10,053,563	Form 01
17	Special Reserve Fund for Other Than Capital Out	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$10,053,563	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$4,906,049	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$5,147,514	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2023-24 Budget	Description of Need
01	General Fund/County School Service Fund	$5,147,514	To mitigate structural deficits when one time fund are exhausted.
	Total of Substantiated Needs	$5,147,514	
	Remaining Unsubstantiated Balance	**$0.00**	**Balance should be Zero**

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

Statement of Reserves for 2024-25

District:	Alum Rock Union School District			
CDS #:	43-69369			
Date of Public Hearing:	8-Jun-23			

Adopted Budget
2024-25 Projection Attachment
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	**2024-25 Projection**	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$27,751,103	Form 01
17	Special Reserve Fund for Other Than Capital Out	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$27,751,103	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$4,857,408	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$22,893,695	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	**Fund**	**2024-25 Projection**	**Description of Need**
01	General Fund/County School Service Fund	$22,893,695	To mitigate structural deficit when one time funds are exhausted.
	Total of Substantiated Needs	$22,893,695	
	Remaining Unsubstantiated Balance	**$0.00**	**Balance should be Zero**

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

Statement of Reserves for 2025-26

District:	Alum Rock Union School District
CDS #:	43-69369
Date of Public Hearing:	8-Jun-23

Adopted Budget
2025-26 Projection Attachment
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances

Form	Fund	2025-26 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$18,507,773	Form 01
17	Special Reserve Fund for Other Than Capital Out	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$18,507,773	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$4,866,112	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$13,641,661	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties

Form	Fund	2025-26 Projection	Description of Need
01	General Fund/County School Service Fund	$13,641,661	To mitigate structural deficit when one time funds are exhausted.
	Total of Substantiated Needs	$13,641,661	
	Remaining Unsubstantiated Balance	**$0.00**	**Balance should be Zero**

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

Thank you and Questions

