Alum Rock Union Elementary School District

Public Hearing for Fiscal Year 2024-25 Proposed Budget

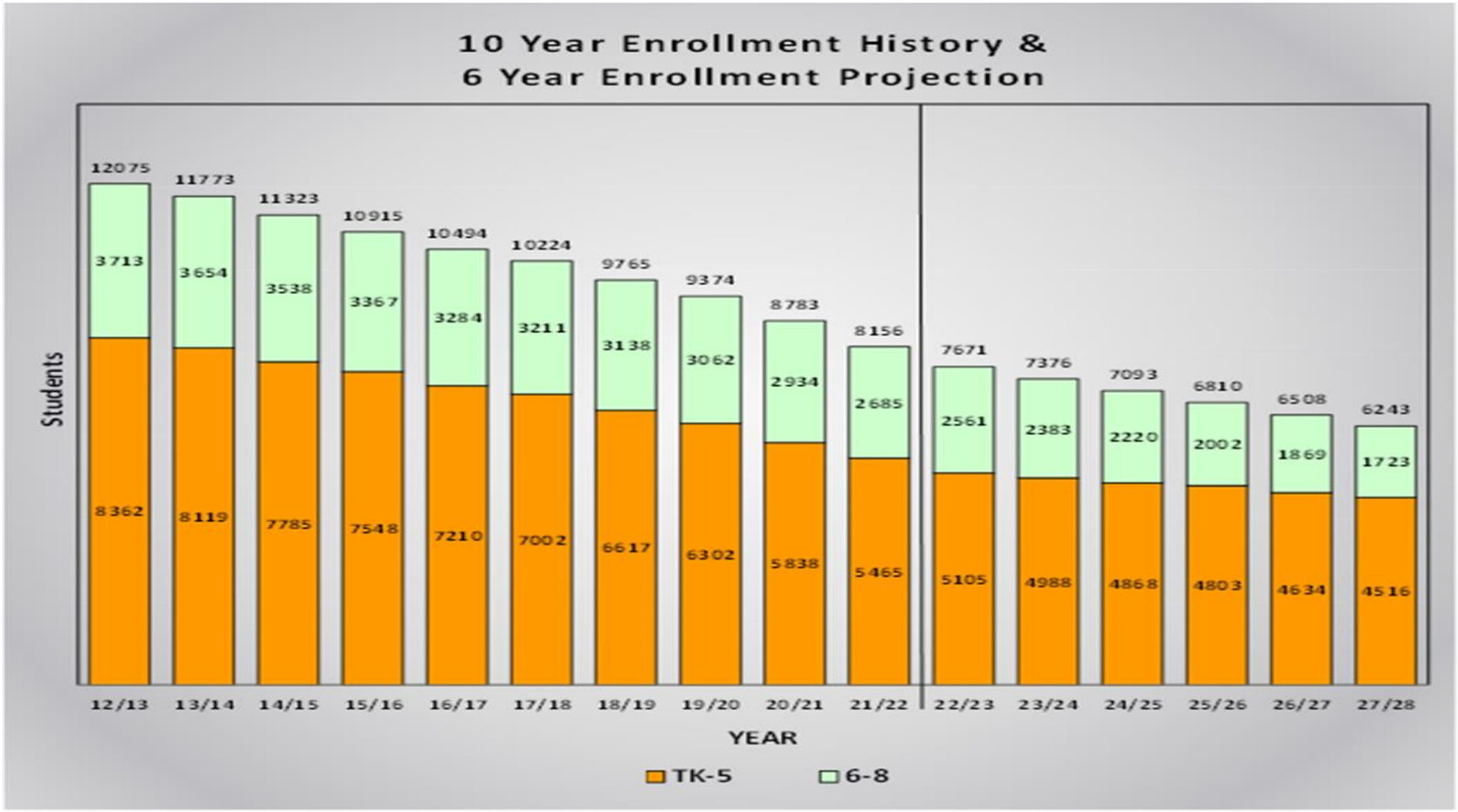
Board Meeting

June 13, 2024

Agenda

- Key Assumptions
- General Fund MYP
- Statement of Reserves
- Next Steps

Key Assumptions – Enrollment per SchoolWorks



Key Assumptions – Revenues Based on May Revision

Revenues

- State Revenue
  - LCFF based on May Revision
    - FY 2024-25 based on three prior year average ADA, COLA = 1.07%
    - FY 2025-26 based on three prior year average ADA, COLA = 2.93%
    - FY 2026-27 based on three prior year average ADA, COLA = 3.08%
  - ASES = $3.5M (Restricted)
  - Prop 28 Arts and Music Grant = $1.26M (Restricted)
  - ELOP = $11M (Restricted)
  - Lottery = $1.3M (Unrestricted)
  - Lottery = $538K (Restricted)
  - Special Education Base Grant = $896.89 per ADA, approximately $6.3M (Restricted)
- Local Revenue
  - Parcel taxes of approximately $4.5M, each year
  - Lease revenue of approximately $2.7M, each year

Key Assumptions – LCFF Based on May Revision

	Based on FY 2024-25 May Revise		
LCFF	2024-25	2025-26	2026-27
Funded COLA	1.07%	2.93%	3.08%
Total LCFF Entitlement	108,593,371	105,868,802	107,755,508
Change in Amount from Prior Year	N/A	(2,724,569)	1,886,706
Change in Percentage from Prior Year	N/A	-2.51%	1.74%

- **Expenditures – Comprehensive Budget Solution Plan Adopted on May 21, 2024**
  - **Starting in FY 2024-25**
    - **Vacancies not filled and cost shift to other funds = $893,351**
    - **LCAP Staffing Savings = $644,233**
    - **LCAP Contracts Savings = $677,602**
  - **Starting in FY 2025-26**
    - **Reduction of 15 FTEs = $1,783,960**
    - **School Consolidation Option (6 elementary and 3 middle schools) = $10,075,188**
      - **Alternative Option not included in proposed budget (6 elementary, 2 middle and convert 1 additional middle to a dual immersion) = $8,692,046**
  - **Starting in FY 2026-27**
    - **Reduction of 10 Certificated FTEs to align with declining enrollment = $1.5M**
    - **Reduction of 9 Certificated FTEs for class loading efficiency = $1.35M**

Key Assumptions – Expenditures

- **Expenditures**
  - Negotiation not settled for FY 2024-25 for all bargaining units
  - CalPERS Rates
    - **FY 2024-25 = 27.05%, FY 2025-26 = 27.60% and FY 2026-27 = 28.00%**
  - CalSTRS Rates
    - **FY 2024-25 = 19.10%, FY 2025-26 = 19.10% and FY 2026-27 = 19.10 %**
  - Increase Step and Column for all three years
  - Maintain 3% contribution to Routine Restricted Maintenance Account (RRMA) for all three years
  - Increase contribution for Special Education Program in out-years

Special Education Program Overview

Presented at Budget Committee Meeting on 5/28/2024					
Special Education Program Summary FY 2023-24					
Funding					
	ADA	Base Rate			
AB 602 (Highest of 3 year LEA ADA/Avg)	7,684	887.4	6,818,782		
LCFF	Enrollment	Attendance Rate	ADA	Avg. per ADA	LCFF Funding
District	266	0.92	244.72	14,000	3,426,080
SCCOE	69	0.92	63.48	14,000	888,720
Total LCFF	335		308.2		4,314,800
Total Special Ed Funding	11,133,582				
Expenditures					
	Cost	Avg. Cost per Pupil			
SCCOE = 69 pupil	7,452,664	108,010			
District SDC = 266	33,803,483	127,081			
District SDC (266) and Prek (85) = 351	33,803,483	96,306			
District Students with IEP = 1,302	33,803,483	25,963			
Total Special Ed Cost (SCCOE and District)	41,256,147				
Unrestricted G/F Budget at 3rd Int.	101,728,264				
Percentage of SpEd Cost to Unrestricted G/F	40.56%				
Percentage of Students with IEP (1,302/7642)	17.04%				

Special Education Program Budget

Alum Rock Union Elementary School District
SPECIAL EDUCATION - FUND 08
Multi-Year
Projection of Income and Expense

	2021-22 Actuals	2022-23 Actuals	2023-24 Estimated Actuals	2024-25 Adopted Budget	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	-	1,124,337	310,956	-	-	-
REVENUES						
Federal Revenues	2,609,689	2,290,619	1,869,250	1,914,689	1,914,689	1,914,689
Other State Revenues	2,046,891	1,224,658	990,499	990,499	990,499	990,499
Other Local Revenues	10,754	92,269	89,066	16,926	16,926	16,926
TOTAL REVENUES	4,667,334	3,607,546	2,948,815	2,922,114	2,922,114	2,922,114
OTHER FINANCING SOURCES/USES						
Transfers In - Transfer of Apportionment	1,885,979	797,549	17,591	-	-	-
Transfers In - Fm General Fund	18,157,676	22,753,464	30,526,121	32,067,011	32,483,541	32,941,816
TOTAL OTHER FINANCING SOURCES/USES	20,043,655	23,551,013	30,543,712	32,067,011	32,483,541	32,941,816
TOTAL BEGINNING BALANCE & OTHER FINANCING SOURCES/USES	24,710,989	28,282,896	33,803,483	34,989,125	35,405,655	35,863,930
EXPENDITURES						
Certificated Salaries	10,893,692	12,206,629	13,247,119	13,527,368	13,730,279	13,936,233
Classified Salaries	3,142,704	3,484,470	3,798,898	4,040,097	4,120,899	4,203,317
Benefits	5,510,701	6,767,983	7,414,379	7,739,982	7,843,240	7,970,324
Books and Supplies	88,085	166,957	189,361	116,318	119,924	123,642
Services & Other Oper Exp	2,398,743	4,053,605	6,427,254	4,807,737	4,808,238	4,809,234
Building Improvement/Equipment	-	5,331	-	-	-	-
Other Outgo/Excess cost	10,000	-	759,546	1,940,239	1,940,239	1,940,239
Direct Support/Indirect Cost	1,542,727	1,286,965	1,966,927	2,817,384	2,842,836	2,880,941
Transfers to Other Funds	-	-	-	-	-	-
TOTAL EXPENDITURES	23,586,652	27,971,940	33,803,483	34,989,125	35,405,655	35,863,930
OTHER RESTATEMENTS						
ENDING BALANCE	1,124,337	310,956	-	-	-	-

Unrestricted G/F MYP
(Based on Board Action on May 21, 2024)

	UNRESTRICTED GENERAL FUND		
	2024-25 Proposed Budget	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	**47,681,687**	**28,117,142**	**17,243,581**
LCFF	108,593,371	105,868,802	107,755,508
Fed	-		-
State	1,919,751	1,870,138	1,826,340
Local	8,091,013	8,012,821	8,199,704
Contribution	(37,011,028)	(36,870,165)	(37,328,440)
TOTAL REVENUES	**81,593,107**	**78,881,596**	**80,453,112**
Certificated Salaries	48,889,385	46,810,361	45,873,292
Classified Salaries	15,390,824	11,587,987	11,819,746
Employee Benefits	27,577,103	23,977,862	23,720,528
Books and Supplies	2,433,055	1,933,055	1,933,055
Services and Other Operating Expenditures	11,730,269	9,840,661	9,840,661
Capital Outlay	-	-	-
Other Outgo	30,000	30,000	30,000
Other Outgo - Indirect Costs	(4,892,983)	(4,424,769)	(4,462,874)
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**101,157,652**	**89,755,157**	**88,754,408**
Surplus/(Deficit)	**(19,564,545)**	**(10,873,561)**	**(8,301,296)**
ENDING FUND BALANCE	**28,117,142**	**17,243,581**	**8,942,285**

Unrestricted G/F MYP
(Alternative Option Not Included in Proposed Budget)

	UNRESTRICTED GENERAL FUND		
	2024-25 Proposed Budget	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	**47,681,687**	**28,117,142**	**15,860,439**
LCFF	108,593,371	105,868,802	107,755,508
Fed	-		-
State	1,919,751	1,870,138	1,826,340
Local	8,091,013	8,012,821	8,199,704
Contribution	(37,011,028)	(36,870,165)	(37,328,440)
TOTAL REVENUES	**81,593,107**	**78,881,596**	**80,453,112**
Certificated Salaries	48,889,385	46,810,361	45,873,292
Classified Salaries	15,390,824	11,587,987	11,819,746
Employee Benefits	27,577,103	23,977,862	23,720,528
Books and Supplies	2,433,055	1,933,055	1,933,055
Services and Other Operating Expenditures	11,730,269	9,840,661	9,840,661
Capital Outlay	-	-	-
Other Outgo	30,000	30,000	30,000
Other Outgo - Indirect Costs	(4,892,983)	(4,424,769)	(4,462,874)
Other Adjustments (6 elementary, 2 middle and convert 1 additional middle to a dual immersion)	-	1,383,142	1,383,142
TOTAL EXPENDITURES	**101,157,652**	**91,138,299**	**90,137,550**
Surplus/(Deficit)	**(19,564,545)**	**(12,256,703)**	**(9,684,438)**
ENDING FUND BALANCE	**28,117,142**	**15,860,439**	**6,176,001**

Restricted General Fund MYP

	RESTRICTED GENERAL FUND		
	2024-25 Proposed Budget	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	-	-	-
LCFF	-	-	-
Fed	5,461,380	5,358,078	5,257,785
State	23,062,770	22,584,435	22,120,032
Local	957,939	712,353	704,237
Contribution	37,011,028	36,870,165	37,328,440
TOTAL REVENUES	**66,493,117**	**65,525,031**	**65,410,494**
Certificated Salaries	14,945,651	15,169,835	15,397,383
Classified Salaries	8,781,503	8,609,054	8,780,234
Employee Benefits	16,503,512	16,431,664	16,623,594
Books and Supplies	2,914,795	4,531,562	4,328,911
Services and Other Operating Expenditures	16,870,257	14,773,730	14,233,081
Capital Outlay	-	-	-
Other Outgo	1,940,239	1,940,239	1,940,239
Other Outgo - Indirect Costs	4,537,161	4,068,947	4,107,052
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**66,493,117**	**65,525,031**	**65,410,494**
Surplus/(Deficit)	-	-	-
ENDING FUND BALANCE	-	-	-

Statement of Reserves for 2024-25

District:	Alum Rock Union School District
CDS #:	43-69369
Date of Public Hearing:	13-Jun-24

Adopted Budget
2024-25 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	2024-25 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$28,117,412	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$28,117,412	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$5,029,523	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$23,087,889	

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	$23,087,889	To mitigate structural deficits as reflected in the MYP.
	Total of Substantiated Needs	$23,087,889	
	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:	13-Jun-24

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	
01	General Fund/County School Service Fund	$17,243,581	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$17,243,581	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$4,658,406	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$12,585,175	

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	$12,585,175	To mitigate structural deficits as reflected in the MYP.
	Total of Substantiated Needs	$12,585,175	
	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 2026-27

District:	Alum Rock Union School District
CDS #:	43-69369
Date of Public Hearing:	13-Jun-24

Adopted Budget
2026-27 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	2026-27 Projection	Objects 9780/9789/9790
01	General Fund/County School Service Fund	$8,942,285	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	$0	Form 17
	Total Assigned and Unassigned Ending Fund Balances	$8,942,285	
	District Standard Reserve Level	3%	Form 01CS Line 10B-4
	Less District Minimum Reserve for Economic Uncertainties	$4,624,947	Form 01CS Line 10B-7
	Remaining Balance to Substantiate Need	$4,317,338	

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2026-27 Projection	Description of Need
01	General Fund/County School Service Fund	$4,317,338	To mitigate structural deficits as reflected in the MYP.
	Total of Substantiated Needs	$4,317,338	
	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.

Next Steps and Future Considerations

- June 13 - Public Hearing for Proposed Budget for FY 2024-25
- June 15 – State Enacts Budget
- June 27 – Adoption of FY 2024-25 Budget
- July 2024 through November 2024 – On Going Community Engagement for School Consolidation
- December 2024 or January 2025 – Resolution for School Consolidation/Staffing Reduction
- February 2025 through June 2025 – School Consolidation Logistics

Thank you and Questions

