



# Alum Rock Union Elementary School District

**Presentation  
Addendum to the Fiscal Stabilization Plan**

**December 02, 2024**



# Agenda

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- Addendum to the Fiscal Stabilization Plan
  - Unrestricted General Fund Multi-Year Projections – Budget Adoption
  - Unrestricted General Fund Multi-Year Projections – First Interim
  - What’s Changed Since Budget Development
  - Summary of Savings/Changes Since Budget Development
  - School Site Savings
  - Revenue Considerations – Not Included in First Interim MYP
  - Expenditure Considerations – Not Included in First Interim MYP
  - Other Considerations



# Unrestricted G/F 2024-25 Budget MYP (Based on Board Action on May 21, 2024)

	UNRESTRICTED GENERAL FUND		
	2024-25	2025-26	2026-27
	Adopted Budget	Projected	Projected
<b>BEGINNING BALANCE</b>	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)
<b>TOTAL REVENUES</b>	<b>81,593,107</b>	<b>78,881,596</b>	<b>80,453,112</b>
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	-	-	-
<b>TOTAL EXPENDITURES</b>	<b>101,157,652</b>	<b>89,755,157</b>	<b>88,754,408</b>
<b>Surplus/(Deficit)</b>	<b>(19,564,545)</b>	<b>(10,873,561)</b>	<b>(8,301,296)</b>
<b>ENDING FUND BALANCE</b>	<b>28,117,142</b>	<b>17,243,581</b>	<b>8,942,285</b>



# Draft First Interim Unrestricted General Fund 2024-25 Budget MYP

	UNRESTRICTED GENERAL FUND		
	2024-25	2025-26	2026-27
	First Interim	Projected	Projected
<b>BEGINNING BALANCE</b>	<b>50,687,744</b>	<b>32,858,981</b>	<b>23,642,210</b>
LCFF	106,947,539	108,145,635	108,833,823
Fed	-		-
State	2,162,196	2,122,781	2,037,772
Local	9,103,189	8,439,078	8,419,061
Contribution	<u>(38,376,353)</u>	<u>(36,331,832)</u>	<u>(36,778,451)</u>
<b>TOTAL REVENUES</b>	<b><u>79,836,571</u></b>	<b><u>82,375,662</u></b>	<b><u>82,512,205</u></b>
Certificated Salaries	47,859,347	45,136,966	44,385,226
Classified Salaries	15,817,667	13,173,545	13,109,880
Employee Benefits	27,845,110	24,648,953	24,325,581
Books and Supplies	2,355,040	2,105,040	2,105,040
Services and Other Operating Expenditures	12,102,384	11,052,034	10,939,553
Capital Outlay	40,949	40,949	40,949
Other Outgo	39,000	39,000	39,000
Other Outgo - Indirect Costs	(8,394,163)	(4,604,054)	(4,609,712)
Other Adjustments	-	-	-
<b>TOTAL EXPENDITURES</b>	<b><u>97,665,334</u></b>	<b><u>91,592,433</u></b>	<b><u>90,335,517</u></b>
<b>Surplus/(Deficit)</b>	<b><u>(17,828,763)</u></b>	<b><u>(9,216,771)</u></b>	<b><u>(7,823,312)</u></b>
<b>ENDING FUND BALANCE</b>	<b><u>32,858,981</u></b>	<b><u>23,642,210</u></b>	<b><u>15,818,898</u></b>





## What's Changed Since Budget Development - Enrollment

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- Alum Rock's enrollment for FY 2024-25 is better than projected at budget development.
- The preliminary October CBEDS enrollment is 7,226 vs 7,093.
- The 2024 updated Demographics Report includes the updated 2024-25 projections which increases projections for 2025-26 and 2026-27.
- The increased enrollment and ADA has been incorporated in the First Interim LCFF Revenue Calculations.
- However, to account for the potential decrease in enrollment due to school closures and consolidations, enrollment was decreased by 300 in FY 2025-26 and FY 2026-27.



## What's Changed Since Budget Development

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- Overall, for the three year projections, the ending fund balance has increased \$6.8M since budget development.
- The beginning fund balance increased \$3M to \$50M from \$47M due to savings from the 2023-24 school year.
- For 2024-25, there is a \$1.7M savings due to increased indirect costs out of the unrestricted general fund to the restricted fund to account for the \$26M in Carryover.
- For 2025-26 and 2026-27, there is a savings of \$1.6M and \$478K respectively due to increased LCFF Revenue from increased enrollment/funded ADA.



## Fiscal Stabilization Plan

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- The savings for school closures is less than what was originally projected due to the following reasons:
- Counselors were counted as a reduction but should not have been since we are reducing them as they resign. Four counselor positions were reduced since budget development. This is a reduction in savings of \$606,614 for school closures.
- Utilities savings were reduced to 80% per consultation with our SCCOE assigned Fiscal Expert. This is a reduction in savings of \$331,826 in FY 2025-26 and \$28,120 in FY 2026-27 for the Adelante consolidations.



# Fiscal Stabilization Plan

<b>Summary of Savings/Changes Since Budget Development</b>			
<b><u>Savings</u></b>	<b><u>2024-25</u></b>	<b><u>2025-26</u></b>	<b><u>2026-27</u></b>
<b>Closure/Consolidation of Schools</b>		7,885,162	7,885,162
<b>Consolidation of Adelante I &amp; II at Fischer Site</b>			1,066,330
<b>4 Counselors Positions Not Filled</b>	<u>606,614</u>	<u>606,614</u>	<u>606,614</u>
<b>Subtotal Closure/Consolidation of Schools</b>	<b>606,614</b>	<b>8,491,776</b>	<b>9,558,106</b>
<b>District Office Staffing Reductions</b>	99,748	1,783,960	1,783,960
<b>Special Education Staffing Reductions</b>		1,891,000	1,891,000
<b>Certificated Staffing Reductions</b>	<u>-</u>	<u>1,500,000</u>	<u>3,000,000</u>
<b>Total</b>	<b><u>706,362</u></b>	<b><u>13,666,736</u></b>	<b><u>16,233,066</u></b>





# Fiscal Stabilization Plan

2025-26 School Site Savings	
Job Title	Amount
Principals and Assistant Principals	\$ 2,766,551
TK/K Paraeducators	\$ 182,273
Health Assistants, Community Liaisons, Custodians	\$ 2,368,105
School Administrative Assistants, School Office Assistants	\$ 1,388,147
Campus Paraeducators	\$ 379,735
Utilities	\$ 800,351
<b>Grand Total</b>	<b>\$ 7,885,162</b>



## Revenue Considerations – Not Included in First Interim MYP

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- Repurposing of excess facilities to generate facilities use or leasing revenue
- Possible sale or land swap of excess facilities
- The District would like to hire a Real Estate Consultant to assist us in evaluating various real estate considerations and revenue options
- It takes three or more years to realize revenue from leasing a site or land swap options



## Expenditure Considerations – Not Included in First Interim MYP

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- Step and column increases for employees are included in the projections.
- However, there are no raises or off salary increases in the multi-year projections since negotiations are not settled.
- Moving expenditures and other costs due to school closures are not accounted for in the multi-year projections since they are not quantified yet.



## Other Considerations

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- FY 2024-25 - Conduct a Comprehensive Special Education Study
- FY 2024-25 - Continue to evaluate each position as vacancies arise
- FY 2025-26 and FY 2026-27 - The District may have additional certificated staffing reductions due to class loading efficiencies



# Uncharted Waters





## Uncharted Waters – Potential Surprises

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- COLA may change, current COLA projections are:
  - FY 2025-26 = 2.93%
  - FY 2026-27 = 3.08%
  - FY 2027-28 = 3.30%
- Changes to ADA due to closures
- Special Education MOE (Maintenance of Effort) Considerations
- FCMAT concerns with liability exposure





# Thank you and Questions

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