Alum Rock Union Elementary School District

2024-25
First Interim Budget

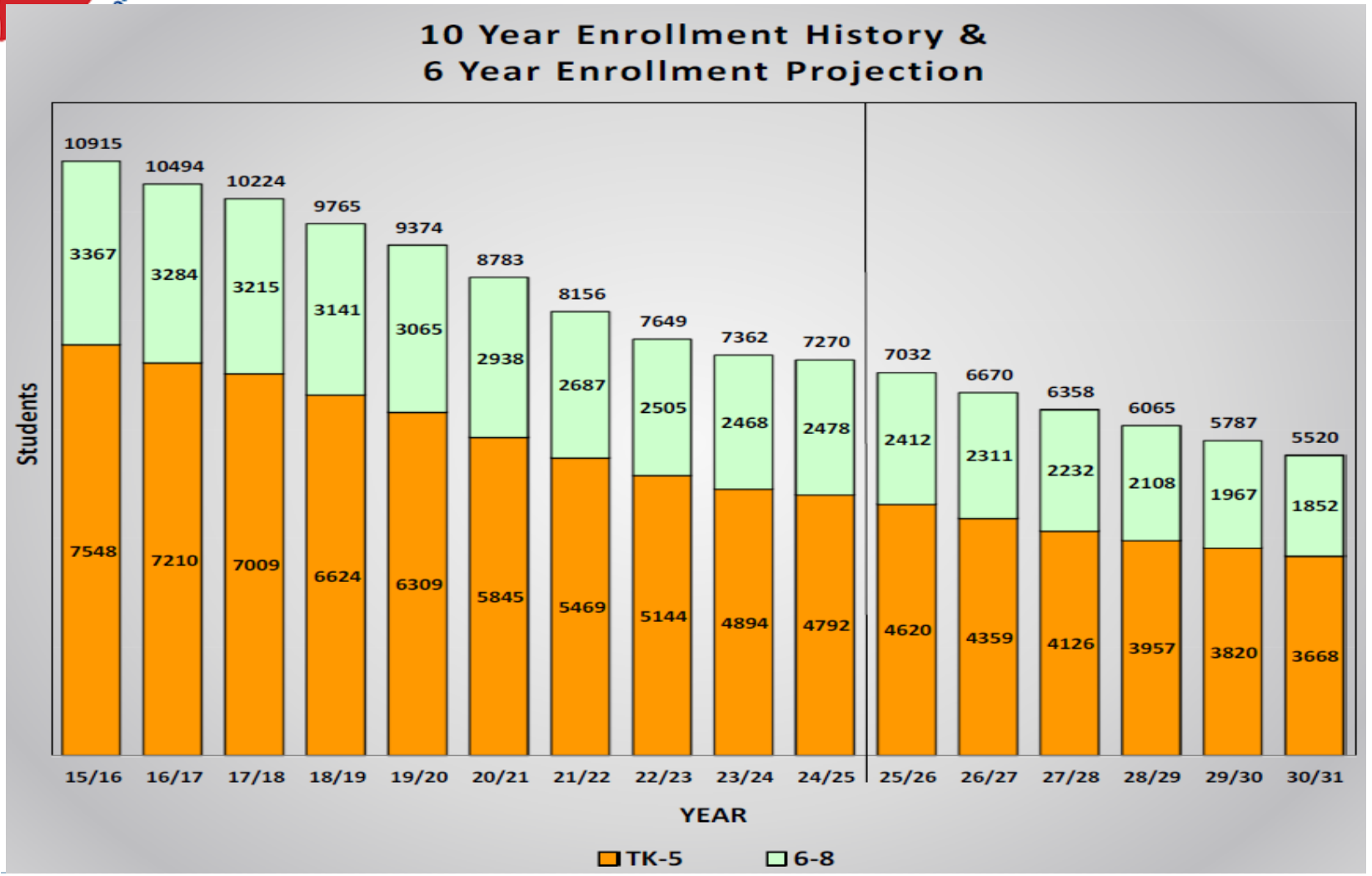
December 19, 2024

Presented by: Teresa DeCelles, Asst. Supt., Business Services

Agenda

- Enrollment Projections
- Changes since Adopted Budget
- Key Assumptions
- First Interim Multi-Year Projections
- Next Steps/Future Considerations

Enrollment Projections per SchoolWorks



What's Changed Since Adopted Budget - Enrollment

- 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 Adopted Budget

- 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.

Key Assumptions

- The MYP includes the board approved School Closure/Consolidation Plan
- The MYP includes the board approved Fiscal Stabilization Plan

Fiscal Stabilization Plan
(includes School Closure/Consolidation Plan)

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

Multi-Year Projection – Unrestricted General Fund

	UNRESTRICTED GENERAL FUND		
	2024-25 First Interim	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	**50,687,744**	**32,858,981**	**23,642,210**
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	(38,376,353)	(36,331,832)	(36,778,451)
TOTAL REVENUES	**79,836,571**	**82,375,662**	**82,512,205**
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	-	-	-
TOTAL EXPENDITURES	**97,665,334**	**91,592,433**	**90,335,517**
Surplus/(Deficit)	**(17,828,763)**	**(9,216,771)**	**(7,823,312)**
ENDING FUND BALANCE	**32,858,981**	**23,642,210**	**15,818,898**

Revenue Considerations – Not Included in First Interim MYP

- 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

- 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.

Potential Surprises

- 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

Other Considerations

- 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

Multi-Year Projection – Restricted General Fund

	RESTRICTED GENERAL FUND		
	2024-25 First Interim	2025-26 Projected	2026-27 Projected
BEGINNING BALANCE	**26,844,713**	**-**	**-**
LCFF	-	-	-
Fed	8,359,409	6,648,369	6,510,894
State	37,318,650	24,237,613	23,725,786
Local	1,493,283	712,546	704,430
Contribution	38,376,353	36,331,832	36,778,451
TOTAL REVENUES	**85,547,695**	**67,930,360**	**67,719,561**
Certificated Salaries	18,941,896	16,322,906	16,567,750
Classified Salaries	10,482,370	10,219,721	10,423,116
Employee Benefits	18,657,400	17,332,532	17,546,663
Books and Supplies	31,347,793	2,268,470	2,142,036
Services and Other Operating Expenditures	22,232,594	14,846,485	14,094,092
Capital Outlay	-	-	-
Other Outgo	2,782,171	2,782,171	2,782,171
Other Outgo - Indirect Costs	7,948,184	4,158,075	4,163,733
Other Adjustments	-	-	-
TOTAL EXPENDITURES	**112,392,408**	**67,930,360**	**67,719,561**
Surplus/(Deficit)	**(26,844,713)**	**-**	**-**
ENDING FUND BALANCE	**-**	**-**	**-**

Next Steps/Future Considerations

- December 2024 – Begin School Closure/Consolidation Process and Fiscal Stabilization Process
- January 2025 - Governor's Budget Proposal for Fiscal Year 2025-26
- January 2025 – Begin Budget Development Process
- March 2025 – Second Interim Report (Budget as of 01/31/25)
- May 2025 – Governor's May Revise
- May 2025 – Third Interim Report (Budget as of 04/30/25)
- June 2025 – Public Hearing for 2024-25 Budget and LCAP
- June 2025 – Adoption of 2024-25 Budget and LCAP

Thank you and Questions

