Alum Rock Union Elementary School District

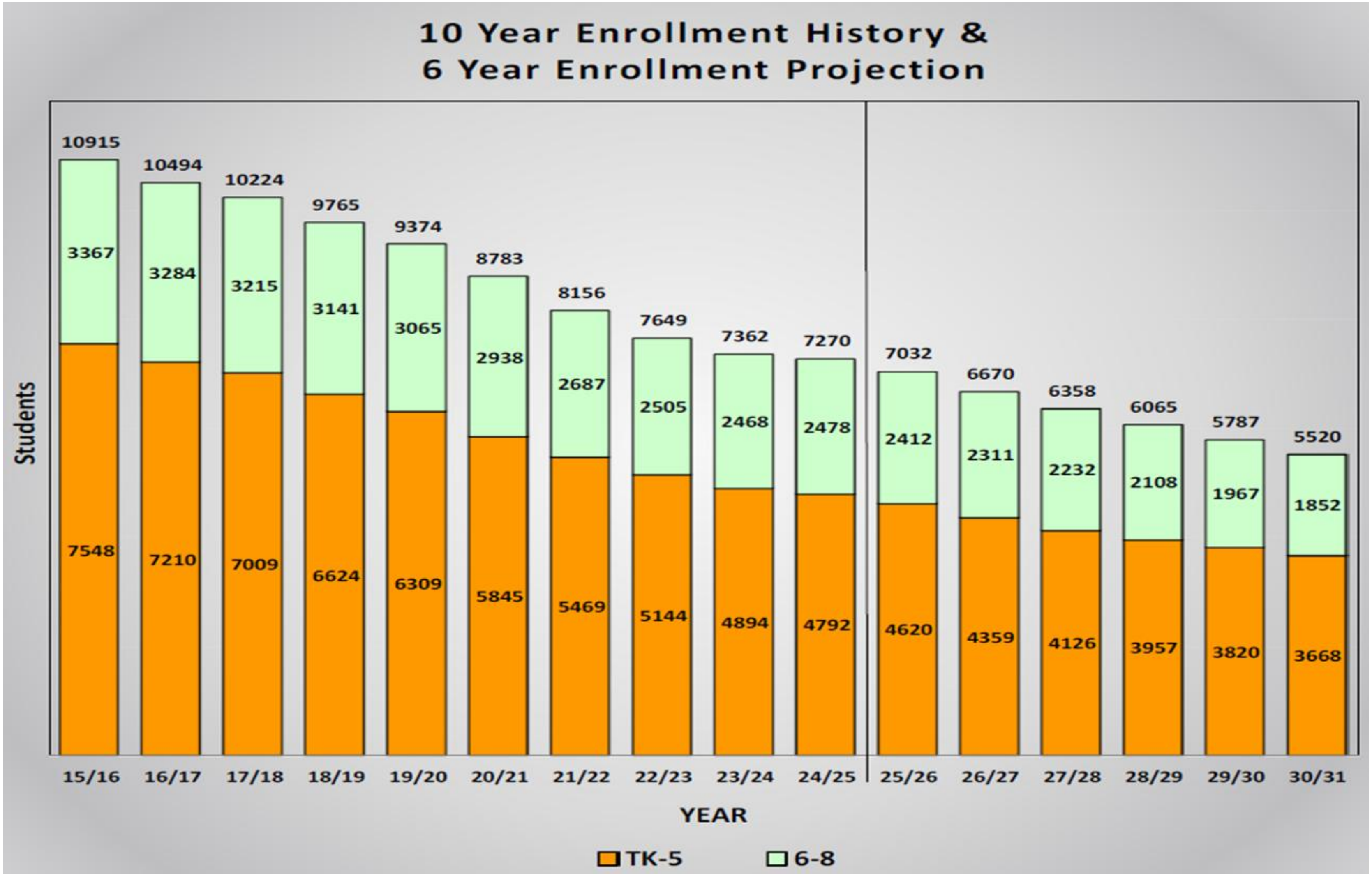
2025-26 Proposed Budget Summary for Budget Committee Meeting

AUGUST 06, 2025

Overview

- Key Assumptions
- Multi-Year Projections (MYP)
  - Unrestricted General Fund
  - Restricted General Fund
- Considerations not included in FY 2025-26 Budget
- Potential Risks and Uncertainties

Key Assumptions – Enrollment History and Projections per SchoolWorks



Key Assumptions – Enrollment

The MYP includes an additional potential 300 * student decrease (total decrease of approximately 540 students) due to school closures and projected enrollment drop.

* Most recent FY 25-26 enrollment information from Student Services.

Key Assumptions – Revenues Based on May Revision

Federal Revenue

- Title I, II, III, IV = $3.7M
- Special Education = $1.9M

State Revenue

- LCFF (Local Control Funding Formula) based on May Revision = $107.7M (Unrestricted)
- ASES (After School Education and Safety Program) = $2.1M (Restricted)
- Prop 28 Arts and Music Grant = $933K (Restricted)
- ELOP (Expanded Learning Opportunities Program) = $12.2M (Restricted)
- Lottery = $1.3M (Unrestricted)
- Lottery = $588K (Restricted)

Local Revenue

- Parcel taxes of approximately $4.9M, each year
- Lease revenue of approximately $2.7M, each year

Key Assumptions – Expenditures

FY 2024-25

- 1% off salary schedule payment is not included in expenditures and fund balance yet. Cost is approximately $1.1M.

FY 2025-26

- Incorporates School Consolidation Plan and Fiscal Stabilization Plan including district office staffing reductions.
- We are on track with deficit spending of $9.4M.

FY 2026-27

- Includes consolidation of Adelante I and II onto Fischer site.
- Includes reduction of 10 certificated FTEs to align with declining enrollment = $1.5M.

FY 2027-28

- Includes reduction of 10 certificated FTEs to align with declining enrollment = $1.5M.

Key Assumptions – Expenditures cont’d

- Negotiations are not settled for future years and not included in MYP.
- Step and column increase is included for all three years.
- All positions are included in the FY 2025-26 budget. However, not all the employees are placed in their positions due to ongoing bumping and placement. While we accounted for higher salaries and benefits due to seniority, actual costs will be adjusted at First Interim.
- Budget supports core LCAP goals and maintains critical staff while increasing student programs.

Unrestricted General Fund Multi-Year Projection

	UNRESTRICTED GENERAL FUND		
	2025-26 Proposed Budget	2026-27 Projected	2027-28 Projected
BEGINNING FUND BALANCE	**36,139,378**	**26,736,985**	**18,743,545**
Local Control Funding Formula (LCFF)	107,752,047	108,197,873	106,386,060
State Revenues	2,114,759	2,031,994	1,986,842
Local Revenues	8,464,078	8,444,061	8,573,738
TOTAL REVENUES	**118,330,884**	**118,673,928**	**116,946,640**
Certificated Salaries	43,121,763	42,339,794	41,868,541
Classified Salaries	13,993,110	13,945,836	14,224,752
Employee Benefits	24,914,197	24,305,799	24,352,686
Books and Supplies	2,165,336	2,165,336	2,165,336
Services and Other Operating Expenditures	10,658,964	10,746,483	10,746,483
Capital Outlay	275,000	275,000	275,000
Other Outgo	48,000	48,000	48,000
Other Outgo - Indirect Costs	(1,848,988)	(2,103,106)	(2,063,352)
TOTAL EXPENDITURES	**93,327,382**	**91,723,142**	**91,617,446**
Contribution	(34,405,895)	(34,944,226)	(35,517,138)
Surplus/(Deficit)	**(9,402,393)**	**(7,993,440)**	**(10,187,944)**
ENDING FUND BALANCE	**26,736,985**	**18,743,545**	**8,555,601**

Restricted General Fund Multi-Year Projection

	RESTRICTED GENERAL FUND		
	2025-26 Proposed Budget	2026-27 Projected	2027-28 Projected
BEGINNING FUND BALANCE	-	-	-
Fed	5,584,008	5,477,135	5,373,375
State	22,993,206	22,532,726	22,085,659
Local	1,132,347	820,500	809,187
TOTAL REVENUES	**29,709,561**	**28,830,361**	**28,268,221**
Certificated Salaries	14,077,261	14,288,420	14,502,746
Classified Salaries	8,789,931	8,903,499	9,080,539
Employee Benefits	17,164,471	17,168,031	17,407,612
Books and Supplies	2,484,793	2,350,709	2,264,263
Services and Other Operating Expenditures	17,073,912	16,284,722	15,790,747
Capital Outlay	-	-	-
Other Outgo	3,058,982	3,058,982	3,058,982
Other Outgo - Indirect Costs	1,466,106	1,720,224	1,680,470
TOTAL EXPENDITURES	**64,115,456**	**63,774,587**	**63,785,359**
Routine Repair & Mainenance Contribution	4,722,633	4,619,372	4,619,372
Special Ed Contribution	29,683,262	30,324,854	30,897,766
TOTAL CONTRIBUTION *	**34,405,895**	**34,944,226**	**35,517,138**
Surplus/(Deficit)	-	-	-
ENDING FUND BALANCE	-	-	-

* Contribution is a required payment from the unrestricted general fund to fund RRM and Special Ed

Considerations –
Not Included in FY 2025-26 Budget

- **Future Revenue** - Repurposing of excess facilities to generate leasing revenue or possible sale/land swap of excess facilities.

- **Future Revenue** - The Governor's Proposed Budget includes a one time discretionary block grant.

- **Expenditures** – Negotiations are not settled for fiscal years 2025-26, 2026-27 and 2027-28, and are not included in the multi-year projections.

- **Expenditures** – Transition costs are estimated at $200,000 for FY 2025-26. Actual costs may be higher.

Potential Risks and Uncertainties

- COLA for the out years may change.
- ADA may decrease further due to school closures.
- Potential Litigation.
- $1M invoice received from SELF for prior years AB 218 claims.
- Special Education Maintenance of Effort (MOE) Considerations.
- Uncertainty regarding federal funding.

Thank you and Questions