



Alum Rock Union Elementary School District

2025-26
First Interim Budget

December 18, 2025

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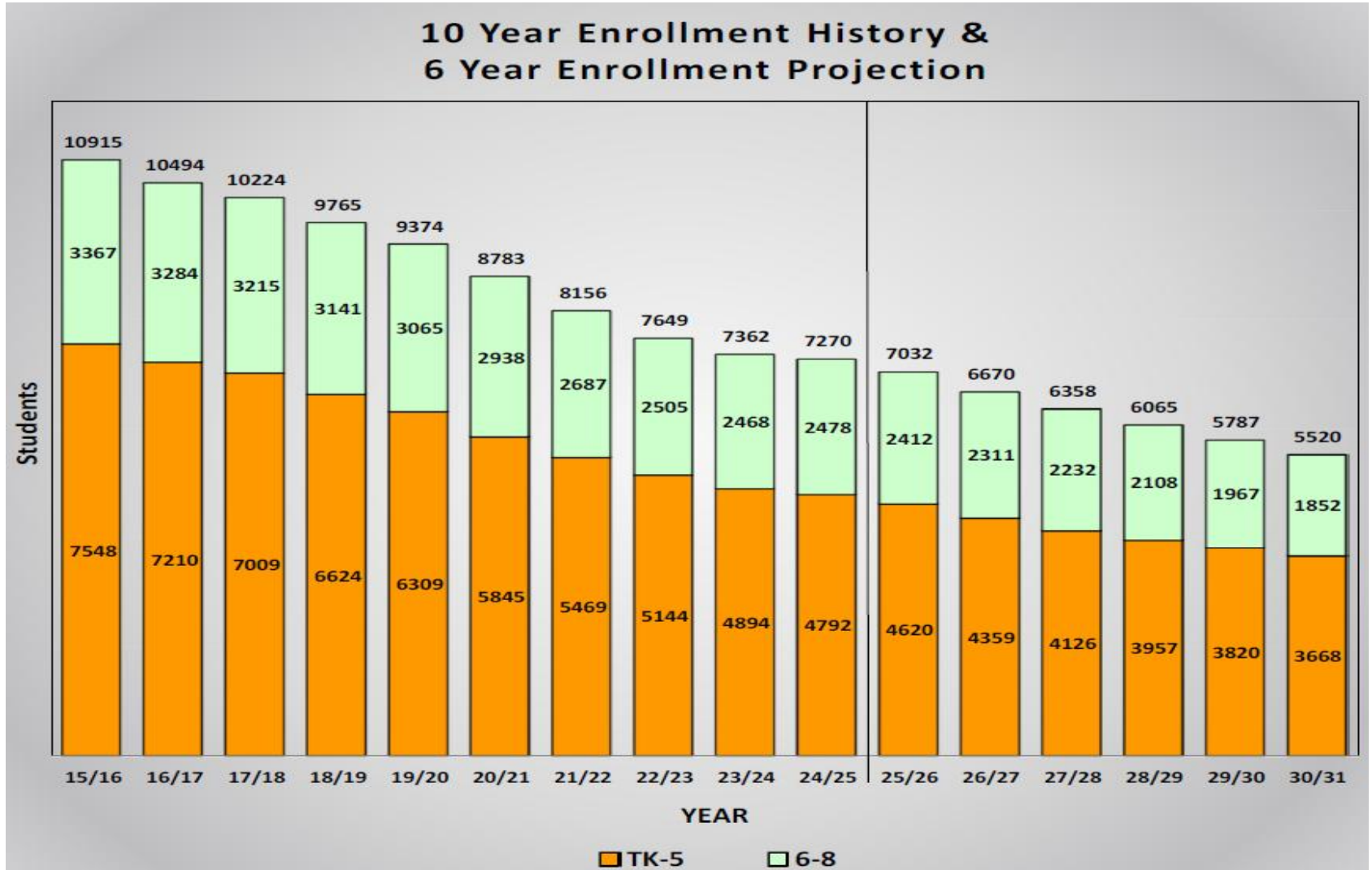


Overview

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- Key Assumptions
- First Interim Multi-Year Projections
- Considerations Not Included in the Multi-Year Projections
- Potential Risks and Uncertainties
- Next Steps and Future Considerations



Enrollment Projections per SchoolWorks





Enrollment Projections

- FY 2025-26: $6,763 + 54 \text{ COE} = 6,817$ (467 decrease from PY)
 - FY 2026-27: $6,401 + 54 \text{ COE} = 6,455$ (362 decrease from PY)
 - FY 2027-28: $6,089 + 54 \text{ COE} = 6,143$ (312 decrease from PY)
 - FY 2028-29: $5,796 + 54 \text{ COE} = 5,850$ (293 decrease from PY)
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- Based on SchoolWorks 2024/25 Demographics and Enrollment Projections (September 2024)
 - Reflects an additional decrease of 269 students due to school closures and consolidations, compared to the previously budgeted decrease of 300 students — a net increase of 31 students from the original budget



What's Changed Since Adopted Budget

- Overall, for the three year projections, the ending fund balance has increased \$4.4M since budget development.
- The beginning fund balance increased \$2.3M to \$38.4M from \$36.1M due to savings from the 2024-25 school year.



What's Changed Since Adopted Budget

- For 2025-26, there is a \$1.3M savings due to:
 - Revenue increase of \$793K from the additional TK add on (\$2,468 per TK) and additional interest revenue
 - Savings of \$692K in Special Education costs due to reductions in staffing and contracts resulting from efficiencies of school closures
 - Savings of \$1.165M of indirect costs out of the unrestricted general fund to the restricted general fund for carryover programs
 - Offset by a \$500K transfer to Fund 14 Deferred Maintenance
 - Offset by \$823K of unbudgeted expenditures arising from \$239K of additional positions, \$288K for the former Superintendent's payout, \$110K in additional transition costs and \$186K of additional utilities expense



What's Changed Since Adopted Budget

- For 2026-27, deficit spending of nearly \$8M remained relatively the same from budget. The decreased savings from the Adelante merger of \$1M to \$500K plus the Deferred Maintenance transfer out of \$250K was offset by savings in the Special Education contribution of \$775K.
- For 2027-28, there is a savings of \$731K mostly due to the savings in the Special Education contribution.



Key Assumptions

- The Multi-Year Projections include the board approved School Closure/Consolidation Plan and the Fiscal Stabilization Plan.
- For FY 2026-27, this includes the merger of Adelante I and II onto the Fischer school site for a savings of approximately \$500K per year.
- The Multi-Year Projections include the following COLA projections (based on the School Services of CA Dartboard):
 - FY 2025-26 = 2.30%
 - FY 2026-27 = 3.02%
 - FY 2027-28 = 3.42%
- The Multi-Year Projections include step and column increases for certificated and classified staff.



Multi-Year Projection – Unrestricted General Fund

	UNRESTRICTED GENERAL FUND		
	2025-26	2026-27	2027-28
	First Interim	Projected	Projected
BEGINNING BALANCE	38,466,693	30,391,541	22,422,003
Local Control Funding Formula (LCFF)	108,213,679	108,700,770	107,382,873
Lottery Revenues	1,367,543	1,275,221	1,216,453
Other State Revenues	905,690	916,693	927,446
Parcel Tax Revenue	4,770,930	4,875,831	4,983,022
Other Local Revenues	3,866,122	3,483,164	3,503,147
TOTAL REVENUES	119,123,964	119,251,679	118,012,941
Certificated Salaries	43,266,891	42,568,544	42,100,723
Classified Salaries	13,714,061	13,675,363	13,948,870
Employee Benefits	24,773,177	24,387,964	24,428,111
Books and Supplies	2,241,879	2,241,879	2,241,879
Services and Other Operating Expenditures	11,680,830	11,810,530	11,610,530
Capital Outlay	275,000	275,000	275,000
Other Outgo	48,000	48,000	48,000
Other Outgo - Indirect Costs	(3,013,835)	(2,205,389)	(2,163,821)
TOTAL EXPENDITURES	92,986,003	92,801,891	92,489,292
Interfund Transfer Out	(500,000)	(250,000)	(250,000)
Routine Repair & Maintenance Contribution	(4,722,633)	(4,619,372)	(4,619,372)
Special Ed Contribution	(28,990,480)	(29,549,954)	(30,110,648)
TOTAL CONTRIBUTIONS	(34,213,113)	(34,419,326)	(34,980,020)
Surplus/(Deficit)	(8,075,152)	(7,969,538)	(9,456,371)
ENDING FUND BALANCE	30,391,541	22,422,003	12,965,632



Multi-Year Projection – Restricted General Fund

	RESTRICTED GENERAL FUND		
	2025-26	2026-27	2027-28
	First Interim	Projected	Projected
BEGINNING BALANCE	33,947,321	-	-
LCFF	-	-	-
Fed	7,122,747	6,972,544	6,826,716
State	32,776,488	23,049,941	22,588,183
Local	714,925	820,114	808,801
TOTAL REVENUES	40,614,160	30,842,599	30,223,700
Certificated Salaries	15,997,535	15,828,840	16,066,273
Classified Salaries	18,519,144	8,401,863	8,568,070
Employee Benefits	21,756,458	17,229,503	17,466,495
Books and Supplies	8,907,953	3,037,030	2,887,074
Services and Other Operating Expenditures	37,377,588	15,674,677	15,167,364
Capital Outlay	67,458	-	-
Other Outgo	3,058,982	3,058,982	3,058,982
Other Outgo - Indirect Costs			
Other Adjustments	2,589,476	1,781,030	1,739,462
TOTAL EXPENDITURES	108,274,594	65,011,925	64,953,720
Contribution	33,713,113	34,169,326	34,730,020
Surplus/(Deficit)	(33,947,321)	-	-
ENDING FUND BALANCE	-	-	-



Considerations – Not Included in First Interim MYP

- Future Revenue - Repurposing of excess facilities to generate leasing revenue
- Expenditures - Negotiations are not settled for fiscal years 2025-26, 2026-27 and 2027-28, and are not included in the multi-year projections.



Potential Risks and Uncertainties

- COLA for the out years may change
- ADA may decrease due to the Adelante merger
- Special Education MOE (Maintenance of Effort) Considerations
- Potential litigation



Next Steps and Future Considerations

- January 2026 – Governor’s Budget Proposal for Fiscal Year 2026-27
- February - May 2026 – Budget Development Process
- March 2026 – Second Interim Report (Budget as of 01/31/26)
- May 2026 – Governor’s May Revise
- June 2026 – Public Hearing for 2026-27 Budget and LCAP
- June 2026 – Adoption of 2026-27 Budget and LCAP



Thank you and Questions

