



Alum Rock Union School District

2015/16 Second Interim Report Dr. Hilaria Bauer, Superintendent

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Accuracy, Transparency, Communication, Collaboration, Customer Service

Agenda: Who, What, Why

- ▶ General Fund
 - State, Federal, Local Changes
- ▶ Multi-Year Projections
 - Assumptions
- ▶ Areas of Interest, Opportunity, Recognition and Concern
- ▶ Questions

General Fund (Unrestricted)

A Comparative

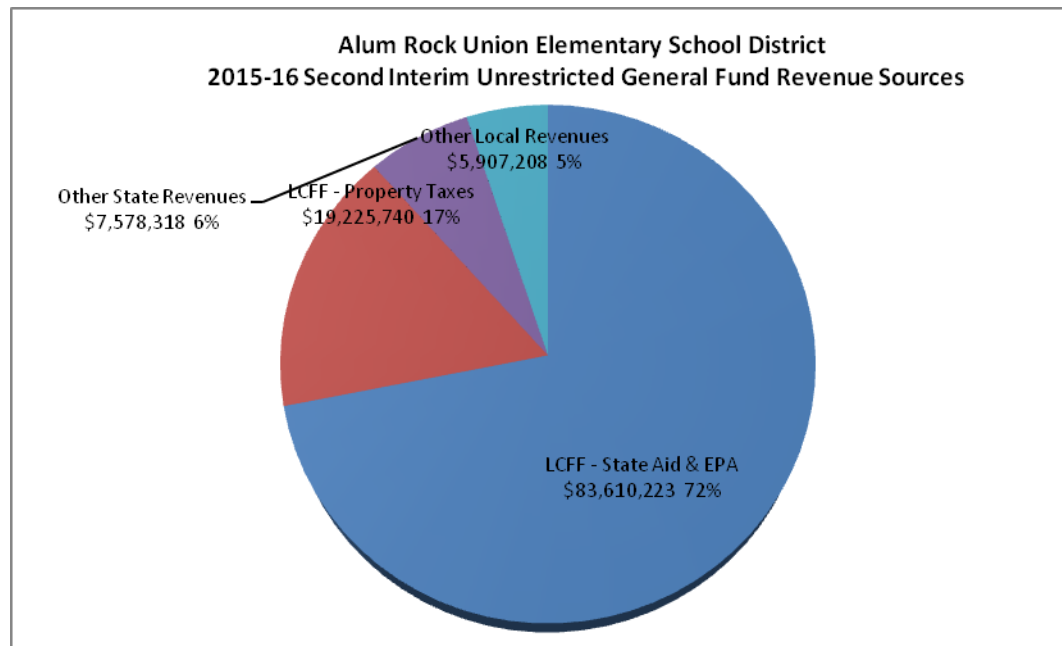
| Description | 1 st Interim 15/16 | 2 nd Interim 15/16 | Difference |
|------------------------|----------------------------------|----------------------------------|-------------|
| Beginning Fund Balance | \$14,677,796. | \$14,677,796. | No Change |
| Revenues | \$116,122,010. | \$116,321,489. | \$199,479. |
| Expenditures | \$96,648,023. | \$96,900,574. | \$252,551. |
| Contributions | \$19,355,851. | \$19,366,766. | <\$10,915.> |
| Surplus | \$118,136. | \$54,147. | <\$63,987.> |
| Ending Fund Balance | \$14,795,932. | \$14,731,943. | <63,987.> |

General Fund Unrestricted Revenues: What Changed & Why

▶ Revenues: Increased \$199,479.

- LCFF Adjustment <\$103,313.>
 - Combination State/Local Changes
 - Adjusted LCFF Gap Percentage Funded
 - 51.52% to 51.97%
 - Charter Net Shift
- Mandated Block Grant \$302,792.
 - Local Change
 - Add-back from 1st Interim
- Microsoft Voucher
 - Future Adjustment \$431k Revenue only
 - Offset to Teacher laptop purchases
 - One-time money

General Fund Unrestricted Revenue State, Federal, Local

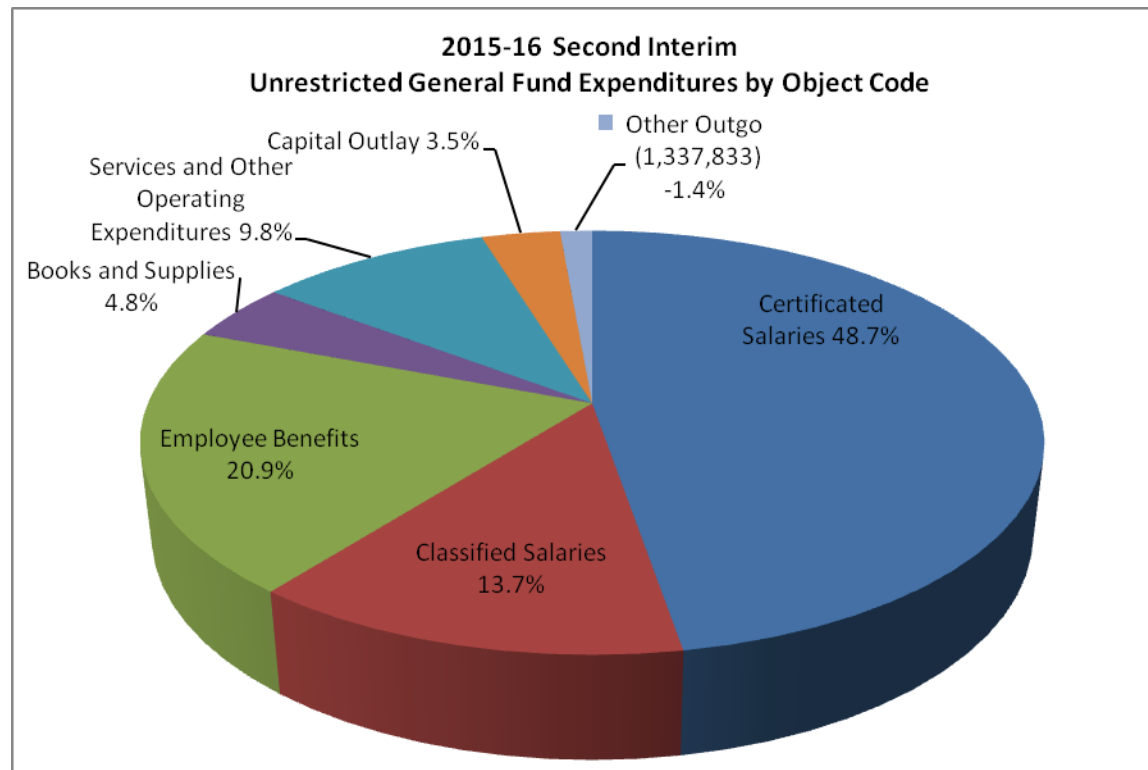


General Fund Unrestricted Expenditures: What Changed & Why

Expenditures: Increased \$252,551.

- Salaries & Benefits \$64,087.
 - Minor Staffing Changes
- Materials & Supplies <\$224,332.>
 - Budget Transfers
- Services & Other Operating \$467,294.
 - Budget Transfers & Contracts
- Capital Outlay <\$27,000.>
 - Alignment
- Other Outgo <\$27,498.>
 - Increased Indirect Costs Realized

General Fund Unrestricted Expenditures: District Priorities



General Fund Unrestricted: Analysis & The Bottom Line

- ▶ No Unanticipated Changes
 - Normal Process of Adjustments & Revisions
- ▶ Minimal Changes to Contributions
 - Routine Restricted Maintenance Account (RRMA), Special Education**
- ▶ Continued Operating Surplus \$54,147.
- ▶ Impact Ending Fund Balance
 - \$118,136 to \$54,147.

General Fund (Restricted)

A Comparative

| Description | 1 st Interim 15/16 | 2 nd Interim 15/16 | Difference |
|------------------------|----------------------------------|----------------------------------|--------------|
| Beginning Fund Balance | \$3,163,258. | \$3,163,258. | No Change |
| Revenues | \$15,019,033. | \$16,012,763. | \$993,730. |
| Expenditures | \$35,277,398. | \$36,282,042. | \$1,004,644. |
| Contributions | \$19,155,851. | \$19,166,766. | <\$10,915.> |
| Surplus <Deficit> | <\$1,102,514.> | <\$1,102,514.> | No change |
| Ending Fund Balance | \$2,064,744. | \$2,060,744. | No Change |

General Fund: Restricted

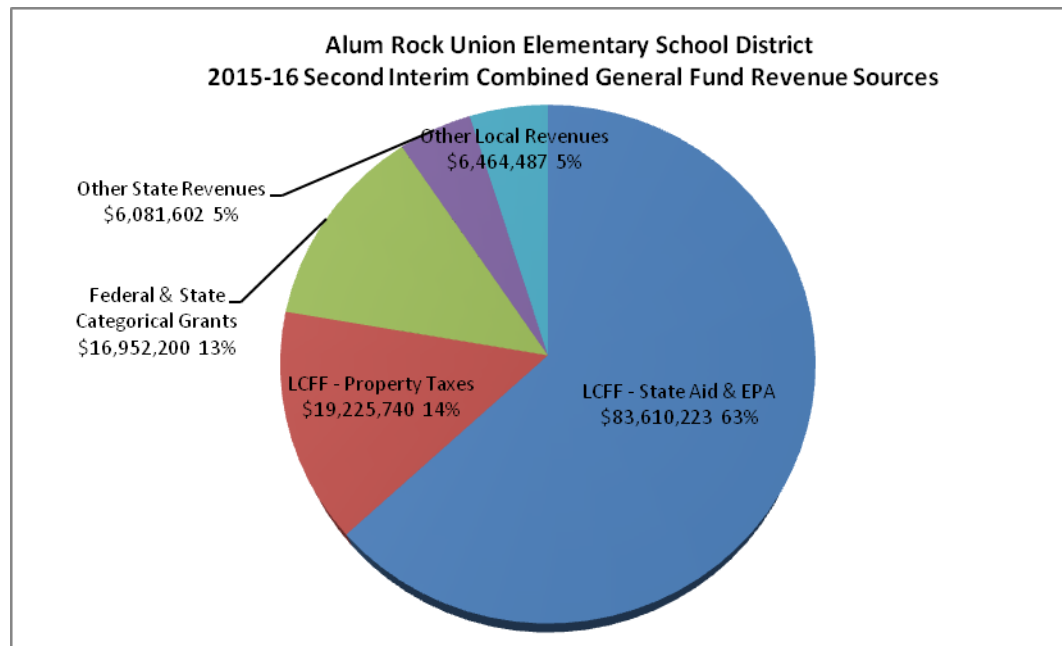
What Changed & Why

- ▶ Revenues: Increase \$993,730
 - STRS On-Behalf \$2.86 million
 - An Accounting Requirement
 - Williams Settlement <\$2.457>
 - Transfer Revenue to Fund 40 Capital Outlay
 - Silicon Valley Grant \$490,000.

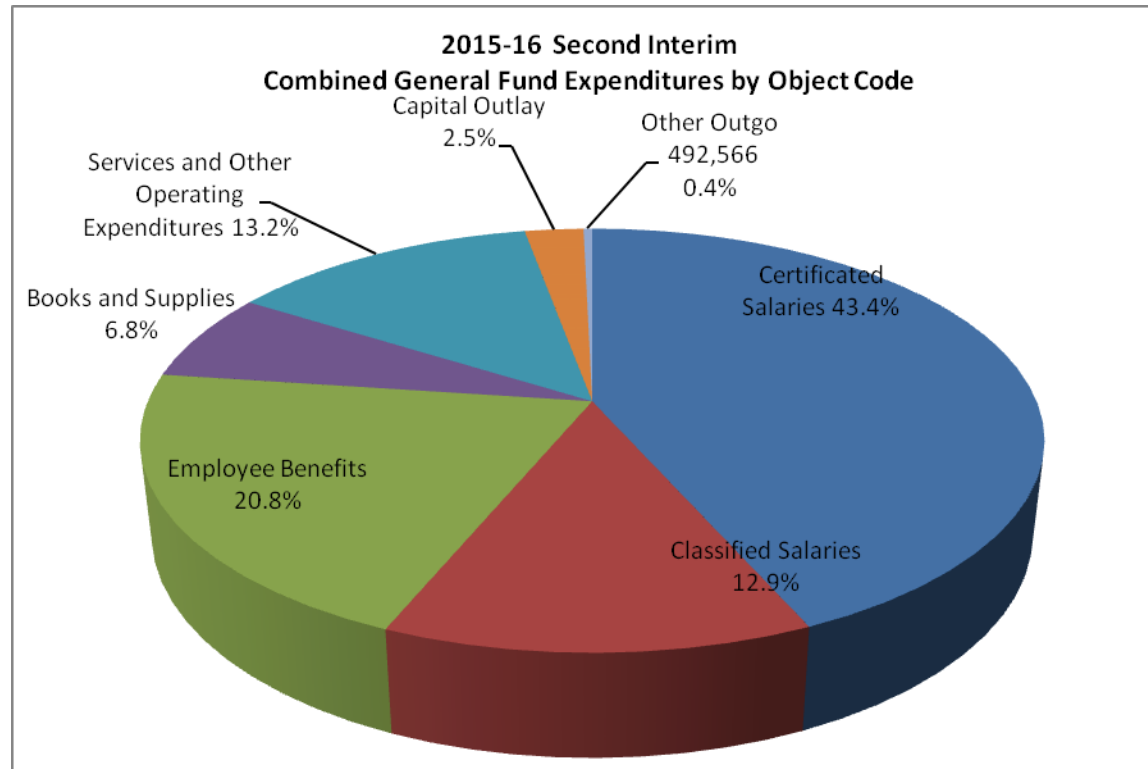
- ▶ Expenditures: Increase \$1,004,644
 - STRS On-Behalf \$2.86 million
 - Revenue & Expenditures Offset
 - Williams Settlement <\$2.457 million>
 - Transfer Expenditure to Fund 40 Capital Outlay
 - Silicon Valley Grant \$490,000.
 - Other Normal Budget Transfers and Adjustments

- ▶ Ending Fund Balance Restricted: \$2,060,744.
 - Special Education, RRMA

General Fund “Combined” Revenue



General Fund “Combined” Expenditures



General Fund (Unrestricted)

Multi-Year Projections

| Description | 2 nd Interim 2015/16 | 2016/17 | 2017/18 |
|----------------------|------------------------------------|----------------|----------------|
| Beginning Balance | \$14,677,796. | \$14,731,943. | \$11,098,353. |
| Revenues | \$77,978,957. | \$75,026,700. | \$72,116,953 |
| Expenditures | \$97,100,575. | \$98,493,206. | \$98,510,695. |
| Contributions | \$19,166,766. | \$19,832,917. | \$20,431,606. |
| Surplus <Deficit> | \$54,147. | <\$3,633,589.> | <\$5,962,136.> |
| Ending Fund Balance | \$14,731,943. | \$11,098,353. | \$5,136,217. |

General Fund Unrestricted Multi-Year Assumptions

▶ LCFF

- Revenue Growth
- Declining Enrollment
- Gap Percentage Adjustments
 - 2016/17 35.55% to 49.08%
 - 2017/18 35.11% to 45.34%

▶ Salaries

- Statewide Average Step & Column
- Does not include attrition
- Does not include negotiated settlements

▶ Statutory Benefits

- STRS Increased Costs
 - Increases 1.85% each year = Increased costs \$1.160 million in 16/17 and \$1.232 million in 17/18
- PERS Increased Costs
 - Increases 1.203% 16/17 and 3.55% 17/18 = Increased costs \$326k in 16/17 and \$637k in 17/18

▶ One-Time Dollars

- 2016/17 Eliminated Revenue & Expenditures
 - One-time Discretionary \$5.7 million, Educator Effectiveness \$954k, Silicon Valley Grant \$490k
- 2016/17 Added Revenue & Expenditures
 - One-time Discretionary \$2.247 million
- 2017/19 Eliminated Revenue & Expenditures
 - One-time discretionary \$2.247 million

Declining Enrollment: Concern & Hope

- ▶ Declining Enrollment
 - Adjusted @ 2nd Interim

| | First Interim | Second Interim | Changes |
|---------|---------------|----------------|---------|
| 2015-16 | 10,923 | 10,920 | (3.00) |
| 2016-17 | 10,645 | 10,595 | (50.00) |
| 2017-18 | 10,385 | 10,329 | (56.00) |

- ▶ Bringing Students Back
 - Diverse Programs and Opportunities, Highly Qualified Teachers, Extended Day Kindergarten, Parent Engagement, Safety, Equity

Areas of Concern/Opportunity

- ▶ Declining Enrollment
 - Conservative Budget Approach
- ▶ Health Plan Changes
 - Maintaining Benefits/Reducing Costs
- ▶ Professional Development
 - Support for our Educators
- ▶ Technology
 - Core or Supplemental
- ▶ Attrition
 - No staffing reductions
 - Retirements
- ▶ Facilities
 - Safety, Comfort, Prioritization, Equity
 - June bond election

Questions?