



# Alum Rock Union Elementary School District

**Public Hearing for 2021-22 Proposed Budget**

**Board Meeting  
June 10, 2021**



# Agenda

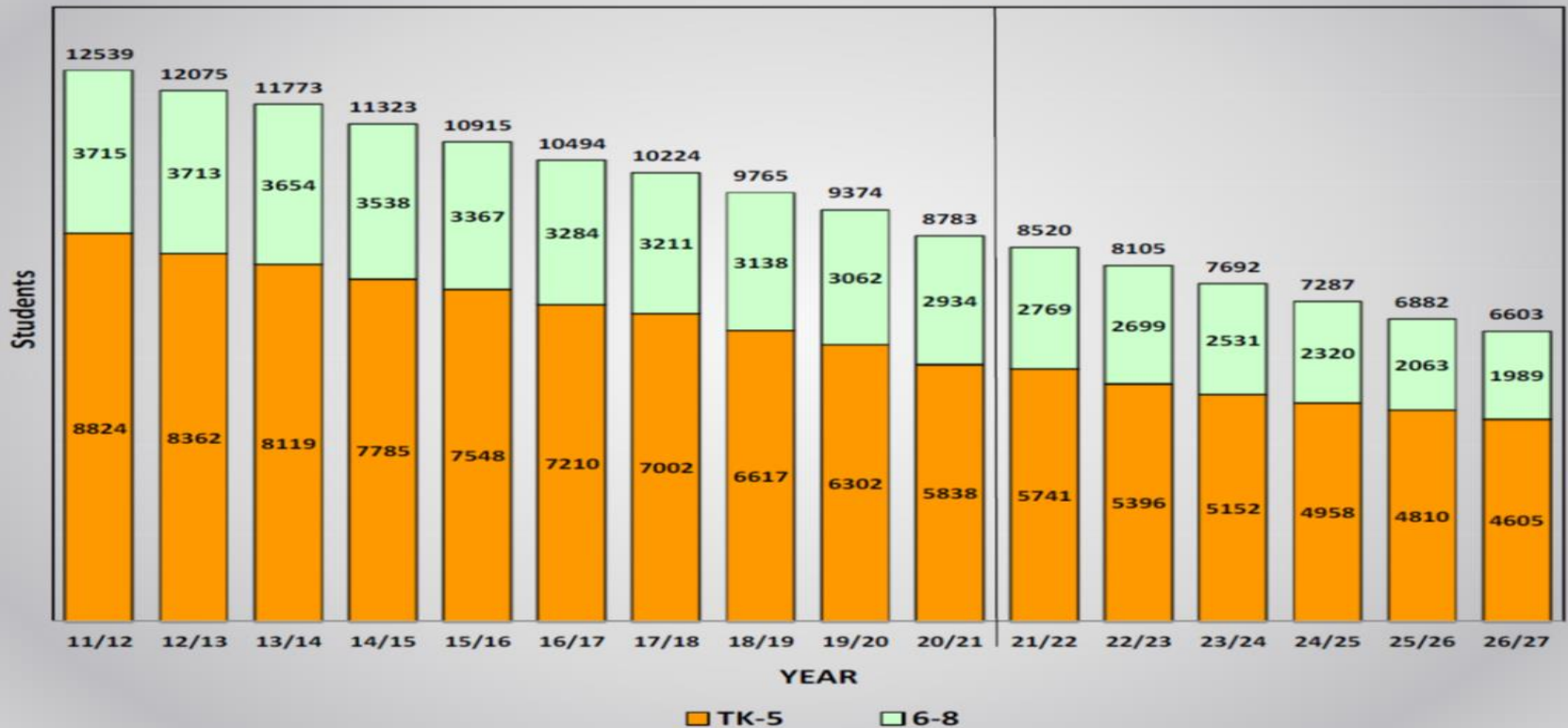
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- **Key Assumptions**
- **General Fund MYP**
- **Statement of Reserves**



## Key Assumptions – Enrollment per SchoolWorks

**10 Year Enrollment History & 6 Year Enrollment Projection**





## Key Assumptions – Revenues Based on May Revision

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### ► Revenues

#### ► State Revenue

##### ► District LCFF based on May Revision

- ☐ FY 2021-22 based on greater of current or 2019-20 P-2 ADA, COLA = 5.07%
- ☐ FY 2022-23 based on greater of current or prior year P-2 ADA, COLA = 2.48%
- ☐ FY 2023-24 based on greater of current or prior year P-2 ADA, COLA = 3.11%

##### ► Aptitud LCFF based on May Revision

- ☐ FY 2021-22 based on current year ADA, COLA = 5.07%
- ☐ FY 2022-23 based on current year ADA, COLA = 2.48%
- ☐ FY 2023-24 based on current year ADA, COLA = 3.11%

##### ► Special Education – Base Rate increases from \$625.00 to \$650.31 per ADA, COLA = 4.05%

##### ► In-Person Instruction Grant = approximately \$3.1M

##### ► Expanded Learning Opportunities Grant = approximately \$6.8M

#### ► Local Revenue

##### ► Parcel taxes of approximately \$4.5M expires starting in FY 2022-23

#### ► Federal Revenue

- ☐ Elementary and Secondary School Emergency Relief (ESSER) II, approximately \$10M in FY 2021-22
- ☐ ESSER III, approximately \$22.45M in FY 2022-23
  - ☐ \$17.96 M for broad usage (80%)
  - ☐ \$4.49M M for learning loss (20%)



## Key Assumptions – LCFF Based on May Revision

LCFF	2021-22	2022-23	2023-24
Funded COLA	5.07%	2.48%	3.11%
LCFF Entitlement-ARUSD	98,065,595	92,847,884	90,931,073
LCFF Entitlement-Aptitud	<u>4,692,671</u>	<u>4,726,797</u>	<u>4,806,566</u>
Total LCFF Entitlement	<u>102,758,266</u>	<u>97,574,681</u>	<u>95,737,639</u>



## Key Assumptions – Expenditures

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### ▶ Expenditures

#### ▶ CalPERS Rates

- ▶ FY 2021-22 = 22.91%, FY 2022-23 = 26.10% and FY 2023-24 = 27.10%

#### ▶ CalSTRS Rates

- ▶ FY 2021-22 = 16.92%, FY 2022-23 = 19.10% and FY 2023-24 = 19.10 %

#### ▶ Unemployment Insurance (UI) = Increases from .05% to 1.23%

#### ▶ Increase Step and Column for all three years

#### ▶ Increase contribution for Special Education Program in out-years

#### ▶ Maintain 3% contribution to Routine Restricted Maintenance Account (RRMA) for all three years

#### ▶ Reduction of 15 certificated FTEs at \$85K average salary for FY 2022-23 to align with declining enrollment

#### ▶ Reduction of 10 certificated FTEs at \$85K average salary for FY 2023-24 to align with declining enrollment

#### ▶ Negotiation NOT yet settled with all bargaining units for fiscal year 2021-22

#### ▶ A transfer of approximately \$17.96M from the Unrestricted General Fund to the Restricted General Fund to utilize ESSER III funds in FY 2022-23



## Unrestricted General Fund MYP

	UNRESTRICTED GENERAL FUND		
	2021-22 Proposed Budget	2022-23 Projected	2023-24 Projected
<b>BEGINNING BALANCE</b>	<b>14,275,667</b>	<b>18,801,243</b>	<b>23,325,102</b>
LCFF	102,758,266	97,574,681	95,737,639
Fed	-	-	-
State	1,573,800	1,510,287	1,434,799
Local	6,751,785	2,312,802	2,312,802
Contribution	(23,866,096)	(24,594,183)	(24,997,354)
<b>TOTAL REVENUES</b>	<b>87,217,755</b>	<b>76,803,587</b>	<b>74,487,886</b>
Certificated Salaries	39,366,289	41,620,573	41,255,257
Classified Salaries	10,985,402	14,362,593	14,649,845
Employee Benefits	21,516,653	25,202,637	24,792,193
Books and Supplies	2,402,598	1,502,598	1,502,598
Services and Other Operating Expenditures	10,569,600	9,719,600	9,219,600
Capital Outlay	240,400	240,400	240,400
Other Outgo	716,022	716,022	716,022
Other Outgo - Indirect Costs	(3,104,785)	(3,123,948)	(2,447,166)
Other Adjustments	-	(17,960,747)	-
<b>TOTAL EXPENDITURES</b>	<b>82,692,179</b>	<b>72,279,728</b>	<b>89,928,749</b>
<b>Surplus/(Deficit)</b>	<b>4,525,576</b>	<b>4,523,859</b>	<b>(15,440,863)</b>
<b>ENDING FUND BALANCE</b>	<b>18,801,243</b>	<b>23,325,102</b>	<b>7,884,239</b>



# Restricted General Fund MYP

	RESTRICTED GENERAL FUND		
	2021-22	2022-23	2023-24
	Proposed Budget	Projected	Projected
<b>BEGINNING BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>
LCFF	-	-	-
Fed	16,245,148	28,545,157	5,971,697
State	10,365,580	10,260,253	10,157,994
Local	671,786	150,000	150,000
Contribution	23,866,096	24,594,183	24,997,354
<b>TOTAL REVENUES</b>	<b>51,148,610</b>	<b>63,549,593</b>	<b>41,277,045</b>
Certificated Salaries	15,182,898	11,751,155	11,927,422
Classified Salaries	8,890,368	5,853,793	5,970,069
Employee Benefits	16,634,591	15,742,532	15,914,335
Books and Supplies	1,172,948	2,104,494	2,369,934
Services and Other Operating Expenditures	6,540,247	2,899,965	3,025,346
Capital Outlay	-	-	-
Other Outgo	30,000	30,000	30,000
Other Outgo - Indirect Costs	2,697,558	2,716,721	2,039,939
Other Adjustments	-	22,450,934	-
<b>TOTAL EXPENDITURES</b>	<b>51,148,610</b>	<b>63,549,593</b>	<b>41,277,045</b>
<b>Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>ENDING FUND BALANCE</b>	<b>0</b>	<b>0</b>	<b>0</b>





# Statement of Reserves for 2021-22

District:	Alum Rock Union Elementary School District			
CDS #:	43-69369			
Date of Public Hearing:	10-Jun-21			
<b>Adopted Budget</b>				
<b>2021-22 Budget Attachment</b>				
<b>Balances in Excess of Minimum Reserve Requirements</b>				
<b>Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves</b>				
<b>Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.</b>				
<b>Combined Assigned and Unassigned/unappropriated Fund Balances</b>				
Form	Fund		<b>2021-22 Budget</b>	Objects 9780/9789/9790
01	General Fund/County School Service Fund		\$18,801,243	Form 01
17	Special Reserve Fund for Other Than Capital Out		\$0.00	Form 17
Total Assigned and Unassigned Ending Fund Balances			\$18,801,243	
District Standard Reserve Level			3%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties			\$4,015,224	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need			\$14,786,019	
<b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b>				
Form	Fund		<b>2021-22 Budget</b>	<b>Description of Need</b>
01	General Fund/County School Service Fund		\$14,786,019	To mitigate structural deficit when one time funds are exhausted.
Total of Substantiated Needs			\$14,786,019	
Remaining Unsubstantiated Balance			\$0.00	Balance should be Zero
<b>Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.</b>				





# Statement of Reserves for 2023-24

District:	Alum Rock Union Elementary School District				
CDS #:	43-69369				
Date of Public Hearing:	10-Jun-21				
<b>Adopted Budget</b>					
<b>2023-24 Projection Attachment</b>					
<b>Balances in Excess of Minimum Reserve Requirements</b>					
<b>Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves</b>					
<b>Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.</b>					
<b>Combined Assigned and Unassigned/unappropriated Fund Balances</b>					
Form	Fund		<b>2023-24 Projection</b>	Objects 9780/9789/9790	
01	General Fund/County School Service Fund		\$7,884,238	Form 01	
17	Special Reserve Fund for Other Than Capital Out		\$0.00	Form 17	
Total Assigned and Unassigned Ending Fund Balances			\$7,884,238		
District Standard Reserve Level			3%	Form 01CS Line 10B-4	
Less District Minimum Reserve for Economic Uncertainties			\$3,936,174	Form 01CS Line 10B-7	
Remaining Balance to Substantiate Need			\$3,948,064		
<b>Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties</b>					
Form	Fund		<b>2023-24 Projection</b>	<b>Description of Need</b>	
01	General Fund/County School Service Fund		\$3,948,064	To mitigate structural deficit when one time funds are exhausted.	
Total of Substantiated Needs			\$3,948,064		
Remaining Unsubstantiated Balance			\$0.00	Balance should be Zero	
<b>Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.</b>					

# Statewide Average Reserve Levels

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- The latest statewide data available on school district reserves is from 2019–20

2019–20 Average Unrestricted General Fund, Plus Fund 17; Ending Balances <sup>1</sup>	
Unified School Districts	18.82%
Elementary School Districts	22.70%
High School Districts	17.34%

<sup>1</sup>As a percentage of total general fund expenditures, transfers, and other uses



## Thank you and Questions

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