Orinda USD

Budget Proposal

2026-27

Board of Trustees Meeting, 6.01.2026 & 6.08.2026

OUSD 2026-27 Budget Proposal

Introduction

California Education Code Section 42127, requires school districts to adopt a budget and file it with the County Superintendent of Schools within five days of adoption or by July 1, whichever occurs first.

The Orinda Union School District (OUSD) budget development process ensures that adopted budget complies with the requirements of the State Board of Education.

The Local Control Accountability Plan (LCAP) is a component of LCFF. Under LCFF, all districts are required to prepare an LCAP that includes District goals, services, and actions in an effort to align District practices and resources to meet the goals and address state priorities.

The steps to adopt the budget include the governing board holding a public hearing on or before July 1 of each year. Per Education Code section 42127, the County Superintendent shall approve, conditionally approve or disapprove the adopted budget on or before September 15.

Annual Budget Cycle

2026-27 Fiscal Year Budget Cycle	
Description	**Board of Trustees Meeting**
Proposed Budget Public Hearing	June 1, 2026
District Adopted Budget	June 8, 2026
State Enacted Budget	July 1, 2026
First Interim (as of October 31)	By December 15, 2026
Second Interim (as of January 31)	By March 15, 2027
Unaudited Actuals	By September 15, 2027
Annual Financial Audit	January, 2027

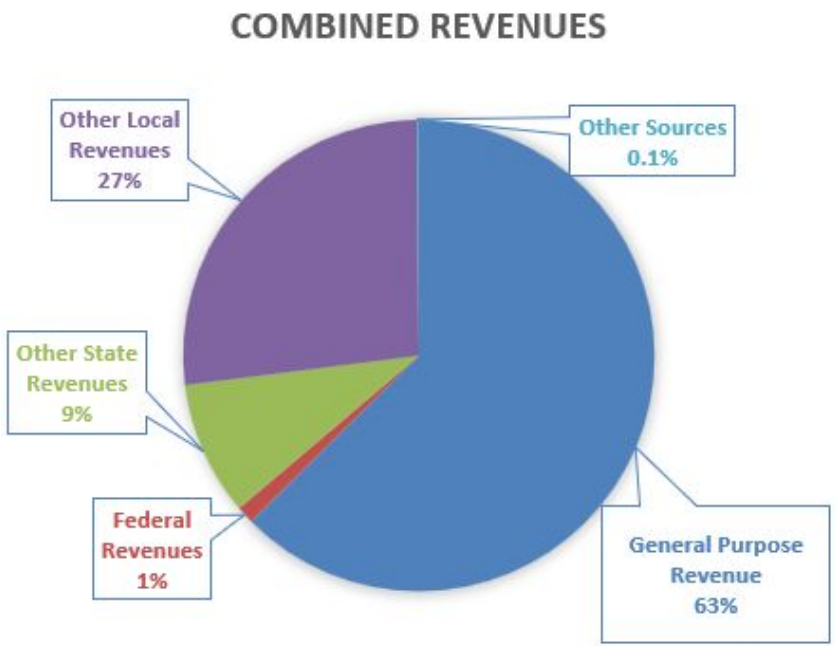
Governor’s May Revision Highlights

- Cost of Living Adjustment (COLA) increased from 2.41% to 2.87%
- Additional LCFF investment of 1.44% to fund a Paid Pregnancy Disability Leave
- TK Add-on rate does not receive additional 1.44% COLA
- Special Education base rate increased from $999 to $1,340 per ADA
- Student Support & Professional Development Discretionary Block Grant (one-time)
- Learning Recovery Emergency Block Grant (one-time)
- The “settle up” the Prop 98 amount decreased from $5.6B to $3.9B
- Additional discretionary deposit to Rainy-day Reserve, which triggers 10% reserve cap for districts with enrollment of 2,500 or above.
- State Grants, Child Nutrition, and Mandated Block Grant will receive 2.87% COLA.

Revenues

Projected Revenues ($52.3M)

- 63% of revenue projected to be received from the State.
- 27% of revenue projected to be received from Local Sources (9% Parent Donations, 11% Parcel Tax, and 7% combination of SELPA, CCTA, Redevelopment Agency, Interest, Use Fees, etc.)



Proposed Budget Revenue Highlights

- The LCFF revenues have increased by $1.8M from 2025-26 to 2026-27
  - Increase due to COLA, additional LCFF investment, and enrollment increase (+45 students)
- Special Education State funding has increased by $1.24M
- Contributions from the Unrestricted General Fund decreased
- ONE Foundation donations to Elementary personnel support and technology support increased by 2.5%
- Revenues for Home-to-School transportation costs are expected to increase
- Excluded due to potential changes:
  - Proposed 2027 Student Support & PD Discretionary Block Grant
  - Proposed 2027 Learning Recovery Emergency Block Grant

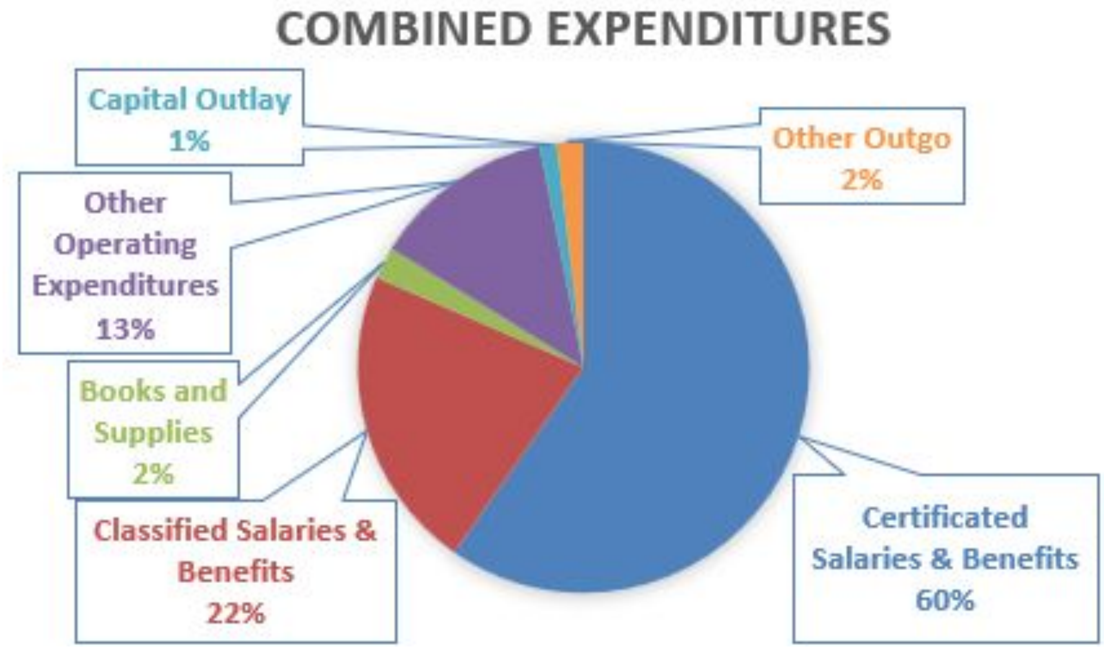
Revenues

Revenue (Rounded to the Nearest 1000's)	Unrestricted	Restricted	Combined	%
General Purpose Revenue	$ 31,696,000	$ 1,021,000	$ 32,717,000	63%
Federal Revenues	$ -	$ 631,000	$ 631,000	1%
Other State Revenues	$ 672,000	$ 4,138,000	$ 4,809,000	9%
Other Local Revenues	$ 5,221,000	$ 8,828,000	$ 14,049,000	27%
Other Sources	$ 62,000	$ -	$ 62,000	0%
Contributions	$ (6,093,000)	$ 6,093,000	$ -	
	$ 31,558,000	**$ 20,711,000**	**$ 52,269,000**	

Expenditures

Projected Expenditures ($53.1M)

- Certificated salaries/benefits are 60%, Classified salaries/benefits are 22% of the total budget



Proposed Budget Expenditure Highlights

- The certificated and classified salary and benefit budgets increased by 7.4%
- Certificated salaries/benefits budget increased for 3.7 FTE positions to accommodate anticipated enrollment increase and program needs
- Special Education contracts reduced to be replaced with Classified 6.33 FTE
- In addition to ongoing funds, one-time funds, 2026 Student Support and Professional Development Discretionary Block Grant, are utilized to fund certificated positions, professional development, and workshops
- Home-to-School transportation costs increased
- Liability insurance costs are projected to increase by about 8%

Expenditures

Expenditures (Rounded to the Nearest 1000's)	Unrestricted	Restricted	Combined	%
Certificated Salaries & Benefits	$19,889,000	$11,803,000	$31,692,000	60%
Classified Salaries & Benefits	$7,079,000	$4,499,000	$11,578,000	22%
Books and Supplies	$867,000	$349,000	$1,216,000	2%
Contracts & Services	$3,536,000	$3,395,000	$6,931,000	13%
Capital Outlay	$0	$650,000	$650,000	1%
Other Outgo	$202,000	$806,000	$1,008,000	2%
	$31,573,000	**$21,502,000**	**$53,075,000**	

Fund Balances

Components of the Fund Balance

Description (Rounded to the Nearest 1000's)	2025-26 Estimated Actuals	2026-27 Proposed Budget	Changes
REVENUES	50,213,000	52,269,000	2,056,000
EXPENDITURES	50,142,000	53,076,000	2,934,000
Net Increase/Decrease in Fund Balance	71,000	(807,000)	(878,000)
Ending Fund Balance	7,214,000	6,407,000	(807,000)
Restricted	2,071,000	1,204,000	(866,000)
Designated for Economic Uncertainties (9%)	4,513,000	4,777,000	264,000
Assigned	291,000	261,000	(30,000)
Unassigned	339,000	164,000	(175,000)

Other Funds - Separate From General Fund

Projected 2026-27 Ending Fund Balances	
13 - Cafeteria Fund	$512,741
14 - Deferred Maintenance	$0
21 - Building Fund (Measure E and I)	$6,521,998
25 - Capital Facilities (Developer Fees)	$144,426
40 - Special Reserve (Capital Outlay)	$3,178,352
51 - Bond Interest and Redemption (Debt Services)	$4,726,561
63 - Other Enterprise Fund (BASC)	$137,667
71 - Retiree Benefit Fund (OPEB Trust)	$2,323,850

Multi-Year Projections (MYP)

Multi-Year Projection Assumptions

Major Assumptions	2026-27	2027-28	2028-29
Enrollment	2,751 (+45)	2,773 (+ 22)	2,755 (+4)
Step and Column Increase	1.50%	1.50%	1.50%
Cost of Living Adjustment (COLA) for LCFF per pupil funding	2.87%	3.30%	3.09%
Additional LCFF Investment	1.44%		
Consumer Price Index (CPI)	3.76%	3.18%	2.76%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
CalPERS Employer Rate	26.40%	26.80%	25.90%

Multi-Year Projection Assumptions-cont.

- Enrollment projection is based on the actual sign-ups as of May 20th with anticipated summer sign-ups and demographer’s report
- Average Daily Attendance Percentage 96.8% to continue
- Teacher FTE to increase by 1.0 FTE in 2027-28 reflecting enrollment increase
- 1.5 FTE Intervention TOSA to be paid by Unrestricted Fund starting 2028-29
- Part of TIP mentor stipends & TIP program costs to be paid by Unrestricted Fund starting 2028-29
- Some of the multi-year software license to be paid in 2027-28 and 2028-29
- Health benefit costs increase by 5%
- Parent-funded Capital Project costs to end in 2026-27

Multi Year Projections

Description (Rounded to the Nearest 1000’s)	**2026-27**	**2027-28**	**2028-29**
Net Beginning Fund Balance	$7,214,000	$6,407,000	$6,828,000
REVENUES	$52,269,000	$53,793,000	$55,027,000
EXPENDITURES	$53,076,000	$53,372,000	$54,026,000
Net Increase (Decrease) in Fund Balance	($807,000)	$421,000	$1,001,000
Ending Fund Balance, June 30	$6,407,000	$6,828,000	$7,829,000
Nonspendable / Restricted	$1,204,000	$1,048,000	$1,094,000
Committed / Reserve (6% + 3%)	$4,777,000	$4,803,000	$4,862,000
Assigned	$261,000	$231,000	$200,000
Unassigned	$164,000	$746,000	$1,673,000

Orinda USD Budget Proposal Summary

- Cost of Living Adjustment (COLA) for 2026-27 is currently estimated at 2.87% and additional LCFF investment at 1.44%, which are expected to be approved in the state budget.
- May Revise budget requires payment of 14-week pregnancy leave which was included in the OUSD proposed budget.
- One-time grants have been excluded as the allocation method is being discussed at the state level. These funds could result in significant revenue allocation to the District.
- Enrollment is projected to continue to increase before it levels in future years. Average Daily Attendance (ADA) improved in 2025-26 at 96.8%
- State has proposed expected significant allocation to offset increasing Special Education costs. The increased allocation does not fully fund Special Education expenses.
- Staff is expecting to present a 45-day budget revise during August 17 Board meeting to reflect the state adopted budget.

Next Step…

Budget Adoption: June 8, 2026

State Enacted Budget: July 1, 2026

Expected 45-Day Budget Revision: August 17, 2026