



• UNION SCHOOL DISTRICT •



2026-2027 PROPOSED BUDGET

REGULAR BOARD MEETING

JUNE 24, 2026

Presentation



- Vision, Mission and Budget Development
- General Fund Summary
 - 2026-2027 Revenues and Expenditures
- Local Reserves Requirement
- Other Funds
- Multi-Year Projection
- Looking Ahead

Vision and Mission in the Budget Development Process



Vision and Mission



***Vision:** Unrelenting pursuit of the extraordinary school experience*

***Mission:** To ignite genius and empower students to advance the world*

Budget Development



- Budget determinations have been made in accordance with the goals outlined in the District Strategic Plan: Destination 2028! and the Local Control Accountability Plan (LCAP)
- Maintain a fiscally sound reserve balance for a community funded school district (Basic Aid) and a continued commitment to proactive fiscal planning
- Communicate the budget to all stakeholders

Budget Priorities



- Small Class Size
- STEAM+
- Neighborhood Schools
- Support for student well-being and success
 - School Counselors – increase to 9 total counselors
 - Differentiated supports for students
 - Assistant Principal to support Sage Canyon and Carmel Del Mar Schools
 - Teachers on Special Assignment
 - Mathematics intervention teachers
 - Reading intervention teachers
 - Co-teaching
 - Professional learning and teacher leadership
- Deferred Maintenance
- OPEB Trust Fund

GENERAL FUND SUMMARY



2026-2027 Revenue Summary



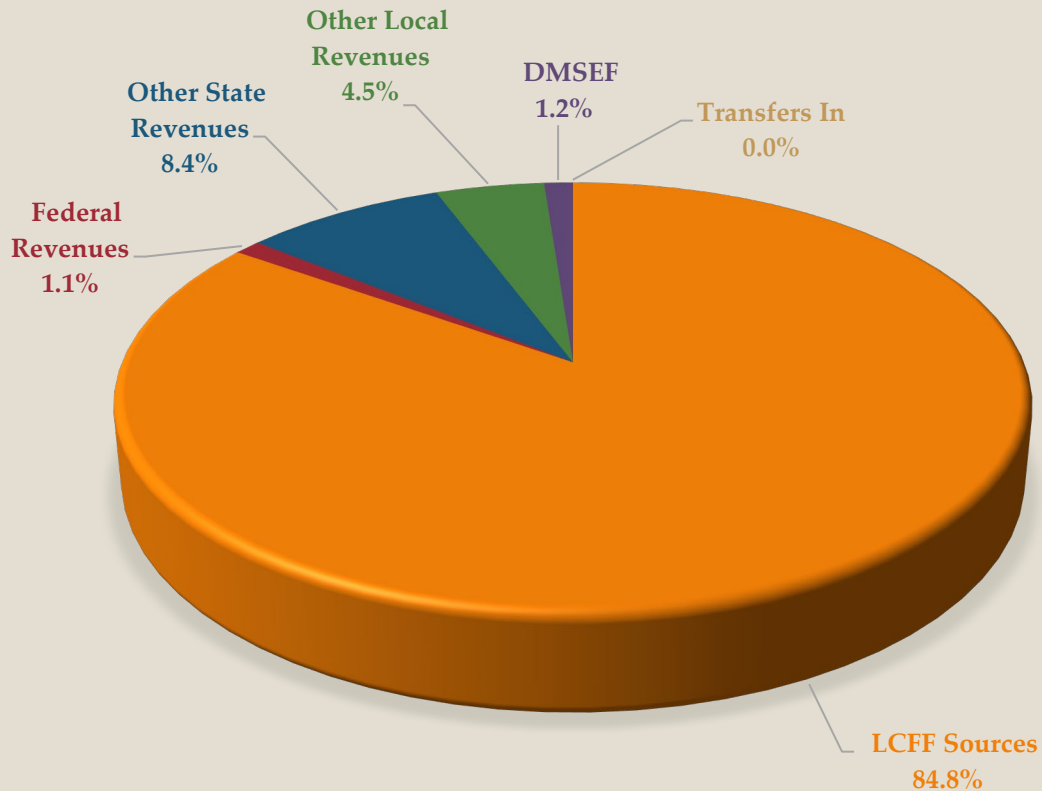
| | 2026-2027 First Read | 2026-2027 Proposed Budget | Difference |
|----------------------|-------------------------|------------------------------|------------|
| LCFF Sources | 72,546,682 | 72,546,192 | (490) |
| Federal Revenues | 932,815 | 950,096 | 17,281 |
| Other State Revenues | 7,181,238 | 7,192,662 | 11,424 |
| Other Local Revenues | 4,858,541 | 4,878,541 | 20,000 |
| Transfers In | - | - | - |
| Total Revenues | 85,519,276 | 85,567,491 | 48,215 |

Revenue Assumptions



- Property Tax Revenue 4.0%
- Deferred Maintenance Fund 14 transfer 0.50%
- State Aid (which is also referred to as “hold harmless”) is budgeted at \$1,170,350. This amount is the past allocated categorical funding, less the permanent \$2.5 million Basic Aid Reduction which was incurred during the recession.
- Education Protection Account (Prop 30/55) Budget is \$672,502 based upon three-year average P-2 ADA of 3,362.51 funded at the minimum guarantee of \$200/ADA.
- Local Revenues include \$1,020,000 from DMSEF

2026-2027 Revenue Summary



| Revenue Source | Amount |
|-----------------------------------|------------|
| LCFF Sources | 72,546,192 |
| Federal Revenues | 950,096 |
| Other State Revenues ¹ | 7,192,662 |
| Other Local Revenues | 3,858,541 |
| DMSEF ² | 1,020,000 |
| Transfers In | - |
| Total Revenues | 85,567,491 |

1. Other State Revenues includes State STRS “on-behalf” contribution of \$3,797,055
2. All DMSEF funds are allocated towards STEAM+ salary and benefits

2026-2027 Expenditure Summary



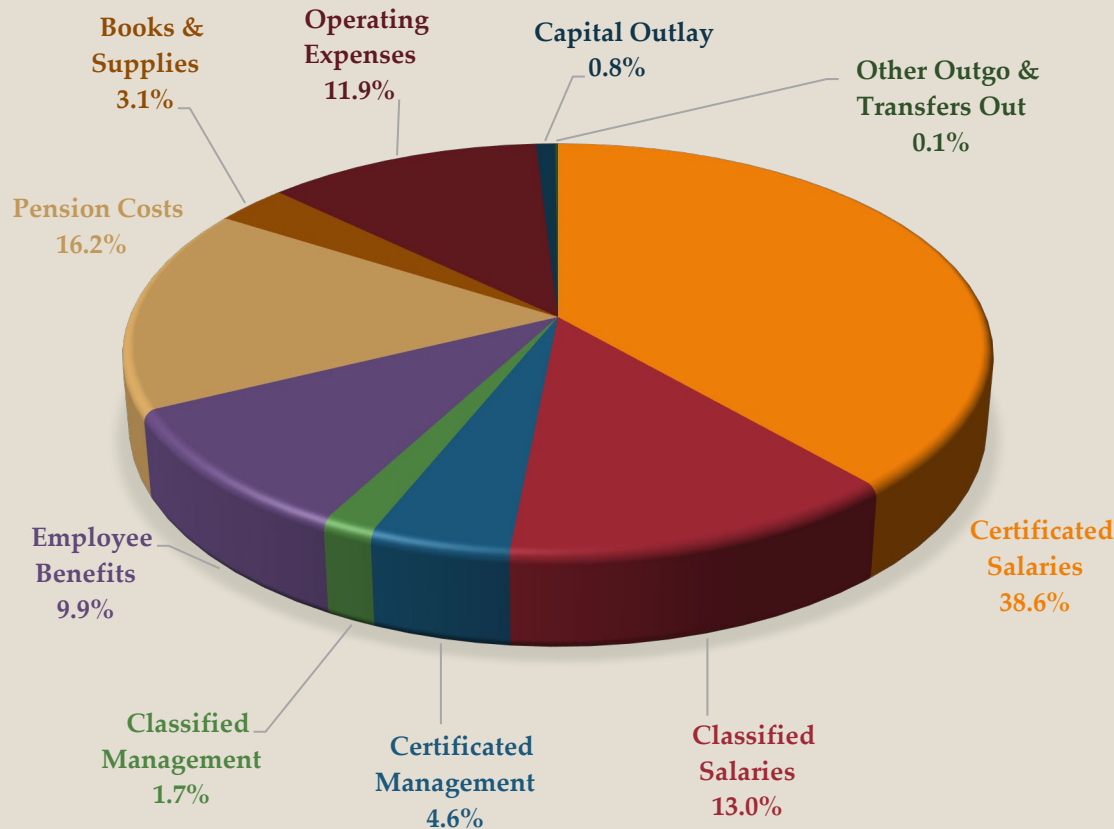
| | 2026-2027 First Read | 2026-2027 Proposed Budget | Difference |
|--|-------------------------|------------------------------|------------|
| Certificated Salaries | 36,274,674 | 36,985,661 | 710,987 |
| Classified Salaries | 12,676,239 | 12,597,757 | (78,482) |
| Employee Benefits | 22,609,235 | 22,388,980 | (220,255) |
| Books & Supplies | 3,407,711 | 2,682,844 | (724,867) |
| Operating Expenses | 10,171,253 | 10,225,815 | 54,562 |
| Capital Outlay | 705,000 | 705,000 | - |
| Other Outgo, Debt Service, & Transfer Out | 106,463 | 106,463 | - |
| Total Expenditures | 85,950,575 | 85,692,520 | (258,055) |

Expenditure Assumptions



- \$2,000 annual increase to health and welfare benefits cap per Collective Bargaining Agreement approved at the February 11, 2026, Board Meeting
- Staffing adjustments
- Pension Rates
 - PERS from 26.81% to 26.40%
 - STRS remains at 19.10%
- Continue OPEB Trust Contribution

2026-2027 Expenditure Summary



| Expenditure | Amount |
|----------------------------|-------------------|
| Certificated Salaries | 33,037,865 |
| Certificated Management | 3,947,796 |
| Classified Salaries | 11,124,226 |
| Classified Management | 1,473,531 |
| Employee Benefits | 8,506,531 |
| Pension Costs | 13,882,449 |
| Books & Supplies | 2,682,844 |
| Operating Expenses | 10,225,815 |
| Capital Outlay | 705,000 |
| Other Outgo & Transfer Out | 106,463 |
| Total Expenditures | 85,692,520 |

Total Salary and Benefits* = 84.0%

*Pension costs includes State STRS "on-behalf" contribution of \$3,797,055

Ending Fund Balance



Components of the Ending Fund Balance

| | 2026-2027 Proposed Unrestricted Bal | 2026-2027 Proposed Restricted Bal | 2026-2027 Proposed Total Fund Balance |
|---|---|---|---|
| Net Inc/Dec in Fund Balance | 465,871 | (590,900) | (125,029) |
| Beg Fund Balance | 21,855,848 | 2,163,896 | 19,872,585 |
| Ending Fund Balance | 22,321,719 | 1,572,996 | 23,894,715 |
| Revolving Cash | 25,000 | - | 25,000 |
| Restricted | - | 1,572,996 | 1,572,996 |
| Assigned: Min. Reserve Policy 15% | 12,53,880 | - | 12,853,880 |
| Assigned: ELA Curriculum Adoption | 800,000 | - | 800,000 |
| 3% Min. Reserve for Economic Uncertainty | 2,570,776 | - | 2,570,776 |
| Unassigned/Unappropriated | 6,072,063 | - | 6,072,063 |
| Total Unrest. General Fund Reserve% | 26.0% | - | 26.0% |

Local Reserves Requirement



Proposed 2026-2027 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$22,296,719.00

Special Reserves Fund 17 Balances: \$1,144,882.00

Less Minimum 3% Reserve for Economic Uncertainties: \$2,570,776.00

Remaining Balance to Substantiate Need: \$20,870,825.00

\$ 6,072,063.00 Basic Aid stabilization and reserve for pensions, OPEB, and Future Obligations

\$ 800,000.00 ELA Curriculum Adoption

\$ 12,853,880.00 Fund Balance Policy requiring reserves of at least 15%

\$ 1,144,882.00 Pacific Sky Child Nutrition Operations Reserve (Fund 17)

\$ 20,870,825.00 Total Need Supported by Excess Fund Balances

MULTI-YEAR PROJECTION



Multi-Year Projection



| DESCRIPTION | FY 2026-27 Current (Base Year) | FY 2027-28 First Projected Year | FY 2028-29 Second Projected Year |
|--|-----------------------------------|------------------------------------|-------------------------------------|
| Revenues | | | |
| LCFF Sources | 72,546,192 | 74,631,899 | 76,784,446 |
| Federal Revenues | 950,096 | 950,096 | 950,096 |
| Other State Revenues | 7,192,662 | 7,140,630 | 7,114,042 |
| Other Local Revenues | 4,878,541 | 4,880,174 | 4,881,636 |
| Transfers In | - | - | - |
| Total Revenues | 85,567,491 | 87,602,799 | 89,730,220 |
| Expenditures | | | |
| Certificated Salaries | 36,985,661 | 37,454,122 | 38,203,205 |
| Classified Salaries | 12,597,757 | 12,849,712 | 13,106,706 |
| Employee Benefits | 22,388,980 | 23,086,723 | 23,736,420 |
| Books & Supplies | 2,682,844 | 2,681,280 | 2,668,608 |
| Services, Other Operating Expenses | 10,225,815 | 10,537,990 | 10,817,550 |
| Capital Outlay | 705,000 | 727,419 | 747,496 |
| Other Outgo, Debt Service, & Transfers Out | 106,463 | 109,849 | 112,880 |
| Total Expenditures: | 85,692,520 | 87,447,094 | 89,392,866 |

Multi-Year Projection Continued



| DESCRIPTION | FY 2026-27 Current (Base Year) | FY 2027-28 First Projected Year | FY 2028-29 Second Projected Year |
|--|-----------------------------------|------------------------------------|-------------------------------------|
| Net Increase (Decrease) In Fund Balance | (125,029) | 155,705 | 337,354 |
| Beginning Balance as of July 1 | 24,019,744 | 23,894,715 | 24,050,420 |
| Ending Balance | 23,894,715 | 24,050,420 | 24,387,775 |
| Revolving Cash | 25,000 | 25,000 | 25,000 |
| Restricted | 1,572,996 | 968,642 | 286,630 |
| Assigned Minimum Reserve 15%, and Assignments | 13,653,880 | 13,917,064 | 13,408,930 |
| Reserve for Economic Uncertainties | 2,570,776 | 2,623,413 | 2,681,786 |
| Unassigned/Unappropriated Amount | 6,072,063 | 6,516,301 | 7,985,429 |
| | | | |
| Unrestricted General Fund Reserve % | 26.0% | 26.4% | 26.9% |

OTHER FUNDS



Fund 13 Cafeteria Fund



| | |
|------------------------------|---------------------|
| Total Revenues | \$ 2,091,200 |
| Total Expenditures | <u>\$ 2,348,226</u> |
| Net Decrease in Fund Balance | \$ (257,026) |
| Beginning Fund Balance | \$ 345,937 |
| Ending Fund Balance | \$ 88,911 |

This fund is used to separately account for federal, state and local resources to operate the food service program.

Fund 14 Deferred Maintenance



| | |
|------------------------------|-------------|
| Total Revenues | \$ 473,569 |
| Total Expenditures | <u>\$ -</u> |
| Net Increase in Fund Balance | \$ 473,569 |
| Beginning Fund Balance | \$3,887,343 |
| Ending Fund Balance | \$4,360,912 |

This fund is used to account for deferred maintenance projects for major replacement or repair - a contribution to the deferred maintenance fund from the general fund of 0.5% of property tax revenue as directed by the Governing Board.

Fund 17 Special Reserve



| | |
|---------------------------------|---------------------|
| Total Revenues | \$ 80,000 |
| Total Expenditures/Transfer Out | <u>\$ 1,300,000</u> |
| Net Decrease in Fund Balance | \$(1,220,000) |
| Beginning Fund Balance | \$2,364,882 |
| Ending Fund Balance | \$1,144,882 |

This fund is used to primarily provide for the accumulation of general fund moneys – prior year contributions from the general fund are assigned for operating costs of the Central Kitchen.

Fund 21 Measure MM, Series A, B, & C



| | |
|------------------------------|----------------------|
| Total Revenues | \$ 400,000 |
| Total Expenditures | <u>\$ 15,590,955</u> |
| Net Decrease in Fund Balance | \$(15,190,955) |
| Beginning Fund Balance | \$ 7,505,521 |
| Ending Fund Balance | \$ (7,685,434) |

This fund is used to account for capital projects approved under 2018 General Obligation Bond Measure MM. Series 2019 A was issued in the amount of \$55,285,000; Series 2022 B was issued in the amount of \$64,000,000; Series 2024 C was issued in the amount of \$27,000,000.

Fund 25 Capital Facilities Fund



| | |
|------------------------------|---------------------|
| Total Revenues | \$ 130,000 |
| Total Expenditures | <u>\$ 2,515,000</u> |
| Net Decrease in Fund Balance | \$(2,385,000) |
| Beginning Fund Balance | \$ 2,544,624 |
| Ending Fund Balance | \$ 159,624 |

The Developer Fee for Residential is \$5.38/sq. ft. and Commercial is \$0.87/sq. ft.

DMUSD receives 47.47% and the San Dieguito Union High School District receives the remaining 52.53%.

Fund 35 County School Facilities Fund



| | |
|------------------------------|-------------|
| Total Revenues | \$ 225,000 |
| Total Expenditures | <u>\$ 0</u> |
| Net Increase in Fund Balance | \$ 225,000 |
| Beginning Fund Balance | \$7,889,244 |
| Ending Fund Balance | \$8,114,244 |

This fund is used to account for new school facility construction, modernization projects, and facility hardship grants with state funding.

Fund 40 Special Reserve for Capital Outlay



| | |
|------------------------------|---------------------|
| Total Revenues | \$ 215,000 |
| Total Revenues/Transfer In | \$ 1,300,000 |
| Total Expenditures | <u>\$ 2,850,000</u> |
| Net Decrease in Fund Balance | \$(1,335,000) |
| Beginning Fund Balance | \$ 7,994,924 |
| Ending Fund Balance | \$ 6,659,924 |

This fund is used to account for the renovation of district facilities and other capital projects.

Fund 49 CFD 95-1 & CFD 99-1 Combined



| | |
|---------------------------------|---------------------|
| Total Revenues/Transfer In | \$ 5,286,584 |
| Total Expenditures/Transfer Out | <u>\$ 3,373,500</u> |
| Net Increase in Fund Balance | \$ 1,913,084 |
| Beginning Fund Balance | \$ 21,709,769 |
| Ending Fund Balance | \$ 23,622,853 |

CFD 95-1 Ending Fund Balance: \$ 11,371,586

CFD 99-1 Ending Fund Balance: \$ 12,251,267

Fund 63 Enterprise Fund



| | |
|------------------------------|---------------------|
| Total Revenues | \$ 4,606,000 |
| Total Expenditures | <u>\$ 4,418,487</u> |
| Net Increase in Fund Balance | \$ 187,513 |
| Beginning Fund Balance | \$ 3,304,552 |
| Ending Fund Balance | \$ 3,492,065 |

This fund is used to account for the revenue and expenditures of the Early Childhood Development Center and After School Programs.

Fund 73 Trust Fund



| | |
|------------------------------|-----------------|
| Total Revenues | \$ 1,000 |
| Total Expenditures | <u>\$ 1,000</u> |
| Net Increase in Fund Balance | \$ 0 |
| Beginning Fund Balance | \$ 33,147 |
| Ending Fund Balance | \$ 33,147 |

This fund is for Del Mar Heights School and is in memory of Erin Ellerman, any interest earned may be used for library books.



Looking
Ahead

Looking Ahead



- California State Budget
 - Funded Cost of Living Adjustment (COLA) at 2.87%
 - ✦ “Super COLA” does not apply to DMUSD
 - ✦ Paid pregnancy disability leave
 - Special Education funding increase
 - \$5+ billion discretionary block grant proposed
 - \$3.9 billion withholding from Prop 98
 - Balanced budget with projected out year deficits
 - Increase to state General Fund reserves
- September – Unaudited Actuals
- December – First Interim

Questions and Board Approval

