



Rescue Union School District 2025-26 1st Interim Update

December 9, 2025



Board of Trustees

Michael Gordon, President Kim White, Vice-President
Michelle Bebout, Clerk Jamie Hunter, Member Michael Flaherty, Member



The promise of public education is for every child to succeed in school and life. To realize this promise, every child must be given resources, support, and interventions based on his or her needs. Our school district is uniquely positioned to fulfill this promise to all of our students.

The concept of educational equity can mean different things to different people so the Rescue Union School District Board of Trustees and Superintendent want to be very clear with our intention:

- ✦ We affirm in our actions that each student can, will, and shall learn.
- ✦ We believe educational equity is the intentional allocation of resources, instruction, and opportunities according to need.
- ✦ We affirm that factors including but not limited to disability, race, ethnicity, and socio-economic status, should not affect our students rights to quality educational opportunities.



Timeline and Certifications

Financial Cycle for 2025-26

- ✓ **June 10, 2025** – Public Hearing
- ✓ **June 17, 2025** – Board Approval/Budget Adoption
- ✓ **December 9, 2025** - First Interim Budget
- ✚ **March 2026** - Second Interim Budget
- ✚ **June 2026** - June Budget Update (with 2026-27 budget adoption)
- ✚ **September 2026** - Unaudited Actual Financials
- ✚ **December 2026** - Audit Report (*board approved January 2027*)



Timeline and Certifications

School Districts and county offices of education are required to file two reports during the fiscal year (interim reports) on the status of their financial health. This presentation is a user-friendly summary of the 2025-26 First Interim Report.

- The ***first interim report is due by December 15*** and the ***second interim report is due by March 15***.
- These reports must include a certification of whether a school district is able to meet its financial obligations. The certifications are classified as positive, qualified, or negative.
 - A ***positive*** certification is assigned when the district will meet its financial obligations for the current and two subsequent fiscal years.
 - A ***qualified*** certification is assigned when the district may not meet its financial obligations for the current or two subsequent fiscal years.
 - A ***negative*** certification is assigned when a district will be unable to meet its financial obligations for the remainder of the current year or for the subsequent fiscal year.
- The county superintendent of schools determines the validity of a school district's certification, and may reclassify a district's certification from positive to qualified or negative.



2025-26

1st Interim Budget

■ This revision includes:

- Updated budget assumptions
 - Multi-year budget assumptions
 - Including updated attendance and enrollment
 - Historical Enrollment and Attendance
- Updated revenues
- Updated expenditures
- A look into the future
- Updated cash-flow (separate report)
- Detail Multi-year projections (separate report)
- All fund summary report (separate report)

■ Next budget update March 2026





Multi-Year Assumptions

ASSUMPTIONS	2025-26	2026-27	2027-28
<u>COLA</u>	2.30%	2.32%	2.92%
<u>ENROLLED / ADA</u>	3,549 / 3,404.39	3,514 / 3,376.83	3,489 / 3,352.83
<u>FUNDED ADA</u>	3,401.00	3,401.00	3,389.31
<u>UPC %</u>	19.61%	19.42%	18.65%
<u>STRS RATE / PERS RATE</u>	19.10% / 26.81%	19.10% / 26.90%	19.10% / 27.80%
<u>NEGOTIATION STATUS</u>	SETTLED	NOT SETTLED	NOT SETTLED
<u>ONE-TIME FUNDS</u>	EEF - Year 5 \$188k	N/A	N/A
	Learning Recovery	Est Retirees: 4	Est Retirees: 4
	Student Support		

EEF: Educator Effectiveness Funding



RUSD Enrollment/ADA Update

Our original budget assumed we were going to decline. However, we continue to have new enrollments, including many inter-district transfers.

Our 2025-26 enrollment is approximately 8 more than was budgeted. We have increased our 2026-27 and 2027-28 enrollment with these additional student included, but still estimating a decline.

School Districts receive funding on the greater of current or prior year average daily attendance (ADA), with some annual adjustments. Beginning 2022-23, we can also use a 3 year average for ADA. Rescue has been funded on the three year average in 2022-23 and 2023-24. Beginning 2024-25, we will be funded on current year ADA.





RUSD Enrollment/ADA Update



ENROLLMENT/ADA COMPARISON			
	2025-26	2026-27	2027-28
Budget Enrollment	3541	3505	3479
Budget ADA	3,396.99	3,369.13	3,344.29
Budget ADA Rate	0.9593	0.9612	0.9613
1st Interim Enrollment	3549	3514	3489
1st Interim ADA	3,404.39	3,376.83	3,352.83
1st Interim Rate	0.9593	0.9610	0.9610
Enrollment Variance	8.00	9.00	10.00
ADA Variance	7.40	7.70	8.54

FUNDED ADA COMPARISON			
	2025-26	2026-27	2027-28
Budget FUNDED ADA	3,393.50	3,392.27	3,383.39
	<i>Prior Year</i>	<i>Prior Year</i>	<i>3PY Average</i>
1st Interim FUNDED ADA	3,401.00	3,401.00	3,389.31
	<i>Current Year</i>	<i>Prior Year</i>	<i>3PY Average</i>
Variance	7.50	8.73	5.92

Projecting enrollment continues to be tricky! We are fortunate that our enrollment is the same as last years enrollment. We projected a loss of 8 students. This increase is reflected in our projections for the next two years.



General Fund

Rescue Union District Financial Status Comparison 2025-26 1st Interim

	b	c	d	e	f	g	h	i	j	k
		<u>Budget Adoption</u> <u>2025-26</u>			<u>1st Interim</u> <u>2025-26</u>			<u>Compare</u> <u>Budget Adoption to 1st Interim</u>		
		Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
4										
5										
6	Revenue Detail									
7	LCFF Sources (8010-8099)	39,951,026	-	39,951,026	40,349,319	-	40,349,319	398,293	-	398,293
8	Federal Revenue (8100-8299)	-	638,104	638,104	-	658,986	658,986	-	20,881	20,881
9	Other State Revenue (8300-8599)	1,181,892	4,078,130	5,260,022	1,183,849	5,411,417	6,595,266	1,957	1,333,287	1,335,244
10	Other Local Revenue (8600-8799)	1,657,653	2,667,613	4,325,266	1,658,932	2,547,807	4,206,739	1,279	(119,806)	(118,527)
11	Total Revenue	42,790,571	7,383,848	50,174,418	43,192,100	8,618,210	51,810,310	401,530	1,234,362	1,635,892
12										
13	Expenditure Detail									
14	Certificated	18,089,233	3,106,068	21,195,301	17,726,234	3,165,807	20,892,041	(363,000)	59,739	(303,261)
15	Classified	5,854,022	2,708,153	8,562,174	6,094,076	3,076,100	9,170,177	240,055	367,948	608,003
16	Employee benefits	7,531,430	4,061,347	11,592,777	7,608,428	4,270,887	11,879,315	76,998	209,540	286,538
17	Books & Supplies	1,494,373	754,523	2,248,896	1,598,392	1,265,479	2,863,870	104,019	510,955	614,974
18	Service, Other Operating	3,087,141	3,406,290	6,493,430	3,248,217	3,892,508	7,140,725	161,076	486,218	647,294
19	Capital Outlay	478,395	148,520	626,915	478,705	169,235	647,940	310	20,715	21,025
20	Other Outgo	268,825	1,652,574	1,921,399	268,825	1,842,896	2,111,721	-	190,322	190,322
21	Indirect Costs	(236,050)	186,050	(50,000)	(252,448)	202,448	(50,000)	(16,398)	16,398	-
22	Total Expenditures	36,567,368	16,023,525	52,590,893	36,770,428	17,885,360	54,655,788	203,060	1,861,835	2,064,895
23										
24	Excess/(Deficiency)	6,223,203	(8,639,677)	(2,416,474)	6,421,672	(9,267,150)	(2,845,478)	198,469	(627,473)	(429,004)
25										
26	Other Financing Sources/uses									
27	Transfers In	-	-	-	-	-	-	-	-	-
28	Transfers Out	500,000	-	500,000	500,000	-	500,000	-	-	-
29	Other Sources	-	-	-	-	-	-	-	-	-
30	Other Uses	-	-	-	-	-	-	-	-	-
31	Contributions (8800-8999)	(7,754,819)	7,754,819	-	(8,779,542)	8,779,541.7	-	(1,024,723)	1,024,723	-
32	Total Other Sources/Uses	(8,254,819)	7,754,819	(500,000)	(9,279,542)	8,779,542	(500,000)	(1,024,723)	1,024,723	-
33										
34	Net Inc/Dcr to Fund Balance	(2,031,616)	(884,858)	(2,916,474)	(2,857,870)	(487,608)	(3,345,478)	(826,253)	397,250	(429,004)
35										
36	Beginning Balance	10,514,609	2,844,950	13,359,558	12,118,447	3,767,517	15,885,964	1,603,839	922,567	
37	Ending Balance	8,482,993	1,960,092	10,443,084	9,260,578	3,279,908	12,540,486	777,585	1,319,817	2,097,402

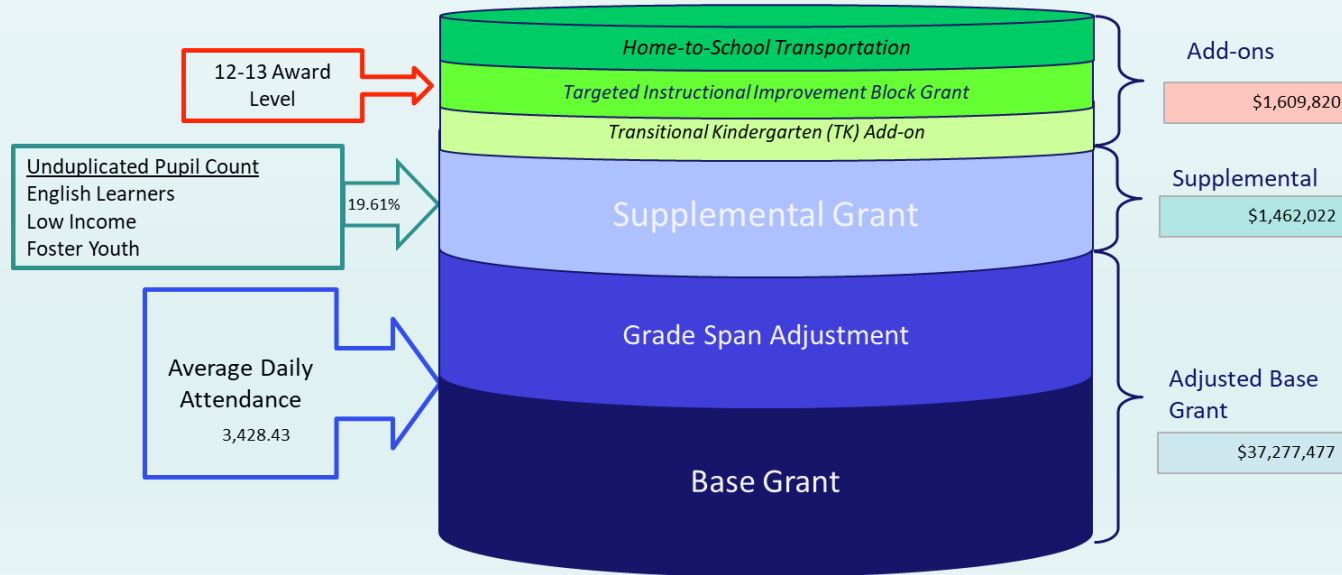


2025-26

LCFF-Local Control Funding Formula

- Base grant and Grade Span Adjustment is based on greater of current or prior year ADA
- Supplemental and concentration funding is added based on the “unduplicated count” percentage
 - ⊕ Supplemental funding is 20% of our funding by grade x our Unduplicated rate
 - ⊕ Concentration funding is available to Districts with at least 55% UPP (Rescue not eligible).
- Home to school transportation and TIIG are both funded at 2012-13 funding level
 - ⊕ Beginning 2022-23 transportation is increased by the LCFF COLA and funded at no less than 60% of transportation expenditures (excluding capital outlay).

Total LCFF Funding: \$40,349,319





2025-26

Revenue Changes since Adopted Budget

	<u>Budget Adoption</u> <u>2025-26</u>	<u>1st Interim</u> <u>2025-26</u>	<u>Compare</u> <u>Budget</u> <u>Adoption to</u> <u>1st Interim</u>
Revenue Detail	TOTAL UNRESTRICTED/ RESTRICTED	TOTAL UNRESTRICTED/ RESTRICTED	CHANGE
LCFF Sources (8010-8099)	39,951,026	40,349,319	398,293
Federal Revenue (8100-8299)	638,104	658,986	20,881
Other State Revenue (8300-8599)	5,260,022	6,595,266	1,335,244
Other Local Revenue (8600-8799)	4,325,266	4,206,739	(118,527)
Total Revenue	50,174,418	51,810,310	1,635,892

LCFF \$398k

- Increased ADA

Federal \$21k

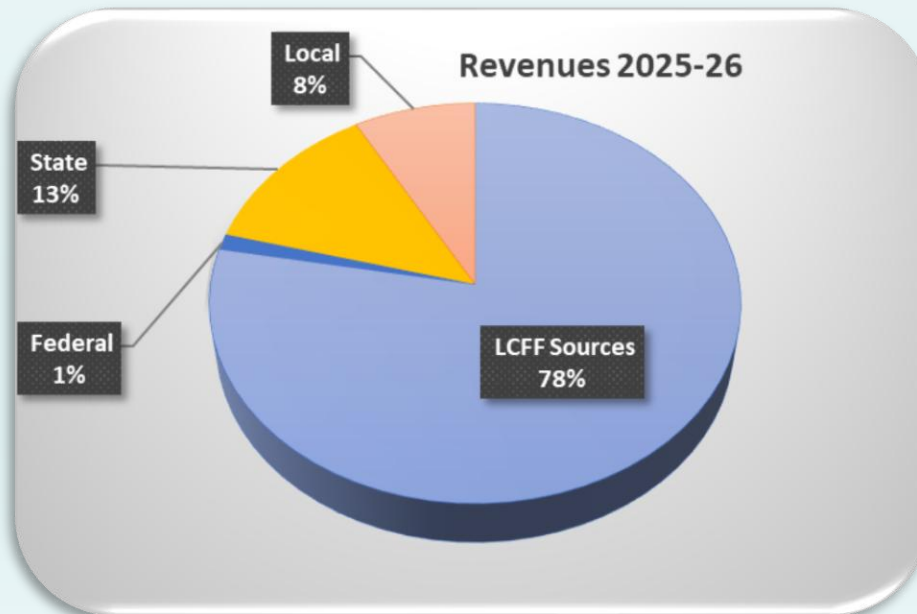
- \$21k prior year Title carry-over

State \$1.3mil

- \$1.1mil One-time Discretionary grant
- \$33k Lottery
- \$71k Learning Recovery (one-time)
- \$78k Prop 28 increase
- \$20k UPK carryover grant

Local <\$118k>

- \$64k Medi-Cal
- <\$323k> Special Ed
- \$206k Site Donations
- <\$67k> CTEIG





2025-26

Expenditure Changes since Adopted Budget

Salaries/Benefits - \$591k

- <\$303k> Cert staffing changes
- \$608k Classified
 - Negotiated settlement
 - 14 new IIFs
 - Increase substitute budget
- \$286k Related Benefits

Books/Supplies - \$615k

- \$384k Prop 28
- \$46k Summer Facilities
- \$384k Donations Carry over

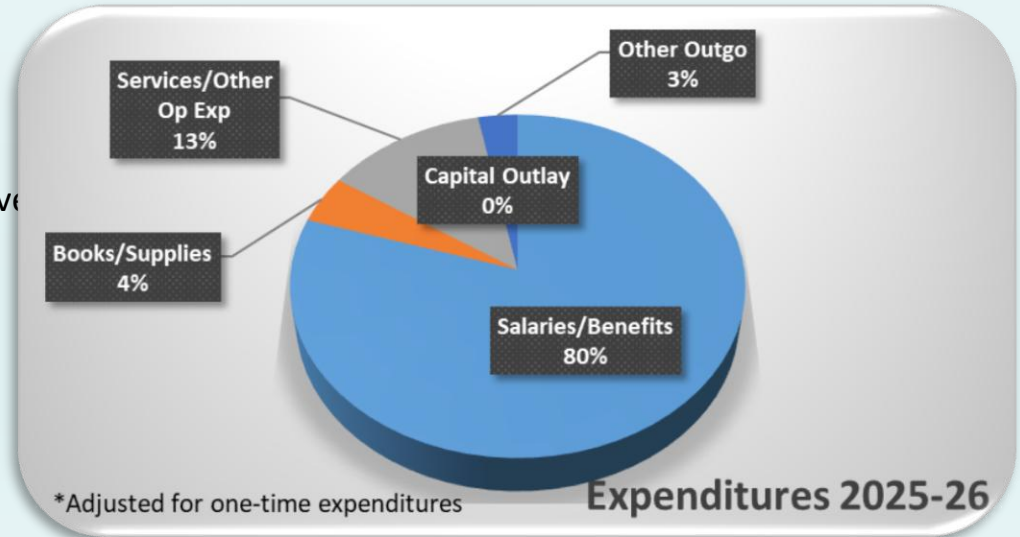
Services/Contracts - \$647k

- \$255k Summer Facility Projects
- \$35k Summer Tech Project
- \$410k Site Budget Donations Carry over
- \$446k increase to SPED services
- <\$516k> NPS placements

Capital Outlay - \$21k

- \$21k Playground improvement

	<u>Budget Adoption</u> <u>2025-26</u>	<u>1st Interim</u> <u>2025-26</u>	<u>Compare</u> <u>Budget</u> <u>Adoption to</u> <u>1st Interim</u>
Expenditure Detail	TOTAL UNRESTRICTED/ RESTRICTED	TOTAL UNRESTRICTED/ RESTRICTED	CHANGE
Certificated	21,195,301	20,892,041	(303,261)
Classified	8,562,174	9,170,177	608,003
Employee benefits	11,592,777	11,879,315	286,538
Books & Supplies	2,248,896	2,863,870	614,974
Service, Other Operating	6,493,430	7,140,725	647,294
Capital Outlay	626,915	647,940	21,025
Other Outgo	1,921,399	2,111,721	190,322
Indirect Costs	(50,000)	(50,000)	-
Total Expenditures	52,590,893	54,655,788	2,064,895





Multi-Year Projections

Unrestricted only

Line E. NET INCREASE (DECREASE)

We are projected to deficit spend over the next three years, however we are still meeting our minimum reserve levels.



Rescue Union School District

Multi-Year Projected Budget

		E 2025-26	H 2025-26	L 2026-27	P 2027-28
2025-26 1st Interim		Budget Adoption	1st Interim	1st Interim	1st Interim
		Unrestricted	Unrestricted	Unrestricted	Unrestricted
	COLA	2.30%	2.30%	2.32%	2.92%
	LCFF Enrollment	3,541.00	3,549	3,514	3,489
	LCFF ADA:	3,398.95	3,401.00	3,401.00	3,389.31
	UPC %	19.56%	19.61%	19.42%	18.65%
A. REVENUE:					
LCFF Sources	8010-8099	39,951,026	40,349,319	41,254,816	42,264,395
Federal Revenue	8100-8299	-	-	-	-
Other State Revenue	8300-8599	1,181,892	1,183,849	1,183,849	1,183,849
Local Revenue	8600-8799	1,657,653	1,658,932	1,294,537	1,274,537
TOTAL REVENUE		42,790,571	43,192,100	43,733,203	44,722,782
B. EXPENDITURES:					
Certificated Salaries	1000-1999	18,089,233	17,726,234	18,273,779	18,534,332
Classified Salaries	2000-2999	5,854,022	6,094,076	6,398,550	6,603,965
Benefits	3000-3999	7,531,430	7,608,428	7,818,462	8,042,626
Books & Supplies	4000-4999	1,494,373	1,598,392	1,075,715	1,080,144
Services	5000-5999	3,087,141	3,248,217	3,132,396	3,120,964
Capital Outlay	6000-6599	478,395	478,705	-	-
Other Outgo	7100-7299	268,825	268,825	268,825	268,825
Direct Support/Indirect Costs	7300-7399	(236,050)	(252,448)	(228,092)	(228,092)
TOTAL EXPENDITURES		36,567,368	36,770,428	36,739,635	37,422,764
C. EXCESS (DEFICIENCY)		6,223,203	6,421,672	6,993,568	7,300,018
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In	8910-8929	-	-	-	-
Interfund Transfers Out	7610-7629	500,000	500,000	500,000	500,000
Other Sources	8930-8979	-	-	-	-
Other Uses	7630-7699	-	-	-	-
Contributions	8980-8999	(7,754,819)	(8,779,542)	(8,313,028)	(8,412,261)
TOTAL SOURCES/USES		(8,254,819)	(9,279,542)	(8,813,028)	(8,912,261)
E. NET INCREASE (DECREASE)		(2,031,616)	(2,857,870)	(1,819,460)	(1,612,243)
BEGINNING BALANCE		10,514,609	12,118,447	9,260,578	7,441,118
Audit adj		-	-	-	-
F. RESTATED BEGINNING BALANCE		10,514,609	12,118,447	9,260,578	7,441,118
PROJECTED ENDING BALANCE		8,482,993	9,260,578	7,441,118	5,828,874



Multi-Year Projections Total U/R and Rest



Rescue Union School District Multi-Year Projected Budget

		G 2025-26	J 2025-26	N 2026-27	R 2027-28
2025-26 1st Interim		Budget Adoption	1st Interim	1st Interim	1st Interim
		Total	Total	Total	Total
A. REVENUE:					
LCFF Sources 8010-8099		39,951,026	40,349,319	41,254,816	42,264,395
Federal Revenue 8100-8299		638,104	658,986	500,007	500,007
Other State Revenue 8300-8599		5,260,022	6,595,266	5,262,408	5,187,408
Local Revenue 8600-8799		4,325,266	4,206,739	3,551,116	3,531,116
TOTAL REVENUE		50,174,418	51,810,310	50,568,348	51,482,927
B. EXPENDITURES:					
Certificated Salaries 1000-1999		21,195,301	20,892,041	21,393,816	21,538,466
Classified Salaries 2000-2999		8,562,174	9,170,177	9,335,251	9,540,666
Benefits 3000-3999		11,592,777	11,879,315	12,077,715	12,274,717
Books & Supplies 4000-4999		2,248,896	2,863,870	1,789,317	1,805,218
Services 5000-5999		6,493,430	7,140,725	5,660,476	5,574,698
Capital Outlay 6000-6599		626,915	647,940	40,000	40,000
Other Outgo 7100-7299		1,921,399	2,111,721	2,111,721	2,111,721
Direct Support/Indirect Costs 7300-7399		(50,000)	(50,000)	(50,000)	(50,000)
TOTAL EXPENDITURES		52,590,893	54,655,788	52,358,294	52,835,485
C. EXCESS (DEFICIENCY)		(2,416,474)	(2,845,478)	(1,789,947)	(1,352,558)
D. OTHER FINANCING SOURCES/USES					
Interfund Transfers In 8910-8929		-	-	-	-
Interfund Transfers Out 7610-7629		500,000	500,000	500,000	500,000
Other Sources 8930-8979		-	-	-	-
Other Uses 7630-7699		-	-	-	-
Contributions 8980-8999		-	-	-	-
TOTAL SOURCES/USES		(500,000)	(500,000)	(500,000)	(500,000)
E. NET INCREASE (DECREASE)		(2,916,474)	(3,345,478)	(2,289,947)	(1,852,558)
BEGINNING BALANCE		13,359,558	15,885,964	12,540,486	10,250,539
Audit adj		-	-	-	-
F. RESTATED BEGINNING BALANCE		13,359,558	15,885,964	12,540,486	10,250,539
PROJECTED ENDING BALANCE		10,443,084	12,540,486	10,250,539	8,397,981



Rescue Union School District
Multi-Year Projected Budget

2025-26 1st Interim

G. COMPONENTS OF THE ENDING BALANCE:

a) Nonspendable

Revolving Cash
Stores
Prepaid expenses
All Others

b) Restricted

Expanded Learning Opportunities (ELOP) RS 2600
Educator Effectiveness RS 6266
Lottery Instructional Materials RS 6300
ERMHS RS 6546
CTEIG RS 9054
Early Intervention RS 6547
Student Support & Prof Learning RS 6019
Learning Recovery Emer Grant RS 7435
Medi-Cal Billing
TUPE
Arts, Music & Inst Matl's Block Grant RS 6762
Arts & Music In Schools (Prop 28) RS 6770
Literacy Screenings Prof Dev

c) Committed

Stabilization Arrangements
Other Commitments

d) Assigned

Assigned Descriptions:

Liability - Compensated Absences
Liability - H/W Prior Year adjust
U/R Lottery - Instr Supplies / Textbook Adopt
MAA - Health services
Emergency Facility Needs
Safety Improvements
CalPERS/CalSTRS
SPED residential reserve
Declining Enrollment Mitigation

e) Unassigned

Reserve for Economic Uncertainties 10%
Unassigned/Unappropriated

Ending Fund Balance

REU

G 2025-26 Budget Adoption Total	J 2025-26 1st Interim Total	N 2026-27 1st Interim Total	R 2027-28 1st Interim Total
6,000	5,750	5,750	5,750
-	-	-	-
-	-	-	-
-	-	-	-
1,960,092	3,279,908	2,809,422	2,569,107
84,192	284,023	42,006	-
-	-	-	-
860,664	985,255	913,147	841,039
115,365	152,404	139,455	126,506
236,657	204,286	119,529	34,772
229,241	228,750	102,092	-
-	853,938	853,938	853,938
-	-	-	-
-	5,594	-	-
3,529	2,000	2,000	2,000
-	0	-	-
430,442	563,658	637,255	-
-	-	-	-
-	-	-	-
3,167,904	3,739,249	2,149,539	489,576
54,915	45,356	45,356	45,356
200,000	200,000	200,000	23,750
927,582	982,112	913,776	420,470
19,094	29,416	-	-
150,000	132,425	150,000	-
50,000	50,000	50,000	-
-	-	-	-
1,766,313	2,299,940	790,407	0
-	-	-	-
5,309,089	5,515,579	5,285,829	5,333,548
-	-	-	-
10,443,084	12,540,486	10,250,539	8,397,981
10.0%	10.0%	10.0%	10.0%



Future Budget Considerations



- Enrollment updates and impacts to LCFF
 - ✦ *While our assumptions have been conservative, we have been fortunate to not see the decline trend continue. We will continue to monitor, however projections have been tricky.*
- January Budget proposal and the COLA estimates
 - ✦ *COLA is currently estimated between 2.3% and 2.5% for 2026-27, however with the federal shutdown, some of the data needed to calculate the COLA is not yet available.*
 - ✦ *COLA estimates for out years are still unknown. Because the COLAs have been unpredictable, we continue to use a slightly lower COLA for 2027-28 than recommended (0.50% lower)*
- One-Time Funding
 - ✦ *Due to the Special Education staffing shortage, the Special Education TOSA will continue through 2026-27*
 - ✦ *Educator Effectiveness ends 2025-26*
 - ✦ *Art, Music, and Instructional Materials Discretionary Grant – fully spent 2024-25*
 - ✦ *Learning Recovery Grant fully spent 2024-25, however partial restoration to cut received in 2025-26*
- We will need to explore how to fund priorities after the one-time funds have been expended:
 - ✦ *Training*
 - ✦ *Staffing needs*
 - ✦ *Routine Maintenance*



Questions?

