



• UNION SCHOOL DISTRICT •



**2026-2027
PROPOSED BUDGET
FIRST READ**

**REGULAR BOARD MEETING
MAY 27, 2026**

Presentation



- 2025-26 General Fund Estimated Actuals Update
 - Budget Adjustments to Estimated Actuals
- 2026-27 Proposed General Fund Budget
 - Revenue and Expenditure Assumptions
- Looking Ahead
 - May Revise Update
 - June Adoption for all Funds

Estimated Actuals



GENERAL FUND
2025-2026

Estimated Actuals Revenue



	2025-2026 Second Interim	Budget Adjustments	2025-2026 Estimated Actuals
LCFF Sources	69,478,207	385,131	69,863,338
Federal Revenues	1,098,385	(32,117)	1,066,268
Other State Revenues	8,612,122	21,679	8,633,801
Other Local Revenues	4,917,013	176,199	5,093,212
Total Revenues	84,105,727	550,892	84,656,619

2025-2026 Changes in Revenue



- Adjustment to property tax revenue – 4.85% increase over 2024-2025
- Decrease to Federal IDEA Funds
- Increase to State STRS on behalf
- School Site Fundraising and Donation dollars

Estimated Actuals Expenditures



	2025-2026 Second Interim	Budget Adjustments	2025-2026 Estimated Actuals
Certificated Salaries	36,109,311	884,645	36,993,956
Classified Salaries	12,091,148	(22,543)	12,068,605
Employee Benefits	20,975,797	216,321	21,192,118
Books & Supplies	3,211,123	(376,871)	2,834,252
Operating Expenses	11,113,681	95,036	11,208,717
Capital Outlay	1,154,426	9,299	1,163,725
Other Outgo & Transfer Out	859,046	(493,276)	365,770
Total Expenditures	85,514,532	312,611	85,827,143

2025-2026 Changes in Expenditures



- Adjustments to salaries and benefits based on actual expenses including State STRS on behalf revenue off-set.
- School Site Fundraising and Donation Expenditures i.e. Field Trips
- Supplies budget decrease based on estimated final expenses
- Decrease due to Apple refresh occurring in 2026-2027

Estimated Actuals Ending Balance



Components of the Ending Fund Balance

	2025-26 Second Interim	Budget Adjustments	2025-26 Estimated Actuals
Net Increase/Decrease in Fund Balance	(1,408,805)	238,281	(1,170,524)
Beg Fund Balance	23,8774,722	(30)	23,874,692
Ending Fund Balance	22,465,917	238,251	22,704,168
Revolving Cash	25,000	-	25,000
Restricted	1,942,842	221,054	2,163,896
Assigned: Min. Reserve Policy 15%	12,827,180	46,890	12,874,070
Math Curriculum Adoption	750,000	-	750,000
3% Min. Reserve for Economic Uncertainty	2,565,436	9,378	2,574,814
Unassigned/Unappropriated	4,355,459	(39,071)	4,316,388
Total Unrest. General Fund Reserve %	24.0%		23.9%

Proposed Budget



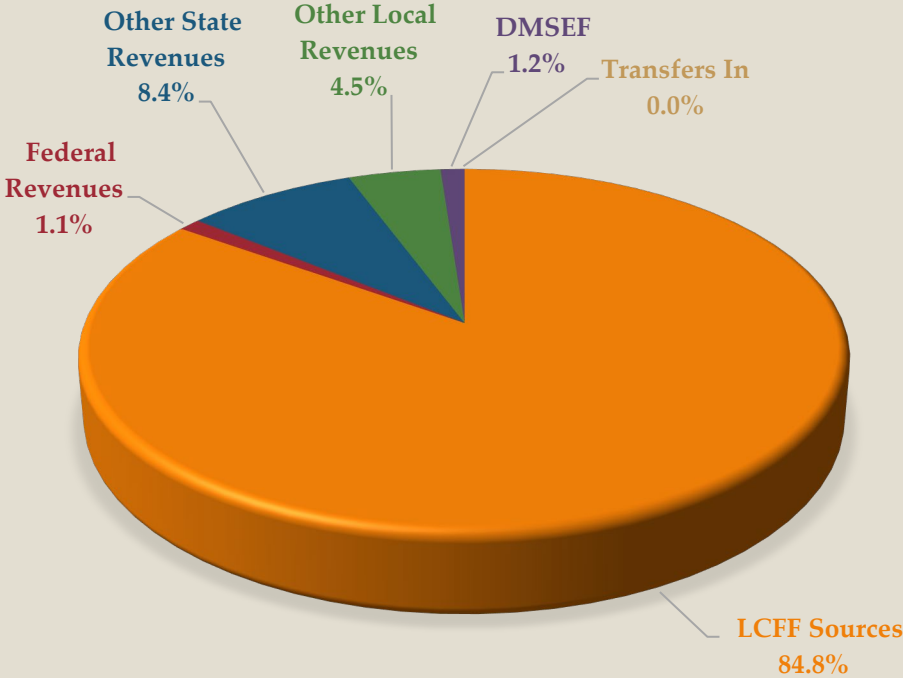
GENERAL FUND
2026-2027

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

2026-2027 Proposed Budget Revenue



Revenue Source	Amount
LCFF Sources	72,546,682
Federal Revenues	932,815
Other State Revenues ¹	7,181,238
Other Local Revenues	3,858,541
DMSEF ²	1,000,000
Transfers In	0
Total Revenues	85,519,276

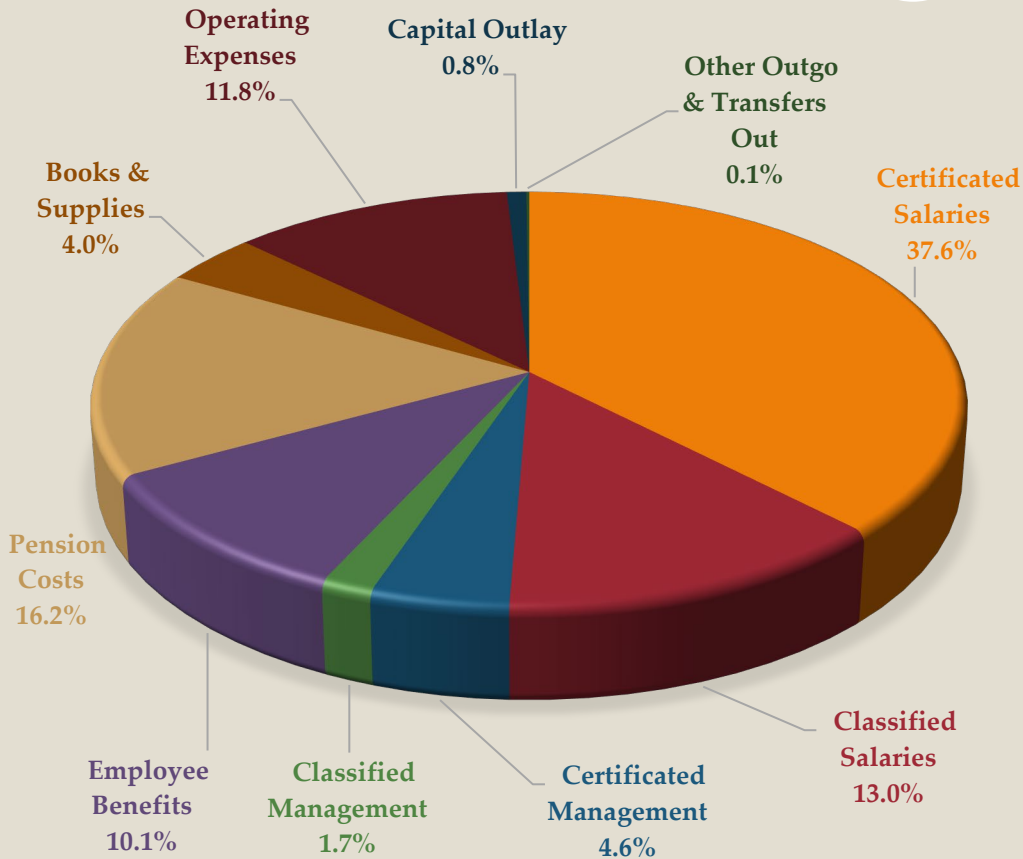
1. Other State Revenues includes: State STRS “on-behalf” contribution of \$3,797,055
 2. All DMSEF funds are allocated towards STEAM+ salary and benefits

Key Revenue Assumptions



- Property Tax Revenue is budgeted at 4% above the 2025-2026 estimated revenue.
- 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 \$672,992 based upon three-year average P-2 ADA of 3,364.96 funded at the minimum guarantee of \$200/ADA.
- Del Mar Schools Education Foundation estimated donation of \$1,000,000 to be used towards STEAM+ salary and benefits

2026-2027 Proposed Budget Expenditures



Expenditure	Amount
Certificated Salaries	32,326,878
Certificated Management	3,947,796
Classified Salaries	11,202,708
Classified Management	1,473,531
Employee Benefits	8,682,181
Pension Costs	13,927,054
Books & Supplies	3,407,711
Operating Expenses	10,171,253
Capital Outlay	705,000
Other Outgo & Transfer Out	106,463
Total Expenditures	85,950,575

*Total Salary and Benefits = 83.3%

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

Key Expenditures Assumptions



- Continue OPEB Trust Contribution
- Pension Rates
 - PERS decrease from 26.81% to 26.40%
 - STRS remains at 19.10%
- Deferred Maintenance
 - 0.50% contribution from Property Tax Revenue
- \$2,000 Annual increase to health and welfare benefits cap per Collective Bargaining Agreement approved at the February 11, 2026 Board Meeting

Proposed 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	162,701	(594,000)	(431,299)
Beg Fund Balance	20,540,272	2,163,896	22,704,168
Ending Fund Balance	20,702,973	1,569,896	22,272,869
Revolving Cash	25,000	-	25,000
Restricted	-	1,569,896	1,569,896
Assigned: Min. Reserve Policy 15%	12,892,585	-	12,892,585
3% Min. Reserve for Economic Uncertainty	2,578,517	-	2,578,517
Unassigned/Unappropriated	5,206,871	-	5,206,871
Total Unrest. General Fund Reserve%	24.1%	-	24.1%

Reserves Requirement



Proposed 2026-2027 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$21,822,855

Less Minimum 3% Reserve for Economic Uncertainties: \$2,578,517

Remaining Balance to Substantiate Need: \$19,244,338

\$ 5,206,871 Basic Aid stabilization and reserve for pensions, OPEB,
and Future Obligations

\$ 12,892,585 Fund Balance Policy requiring reserves of at least 15%

\$ 1,144,882 Operations Reserve (Fund 17)

\$ 19,244,338 Total Need Supported by Excess Fund Balances

Looking Ahead



- Governor's May Budget Revision
 - Funded Cost of Living Adjustment (COLA) at 2.87%
 - ✦ "Super COLA" does not apply to DMUSD
 - 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
 - Still no funding for Universal Transitional Kindergarten for Basic Aid districts like DMUSD

- June Adoption for All Funds
 - District Budget & Multi-Year Projection at the June 24, 2026, Regular Governing Board of Trustees Meeting

Questions?