



• UNION SCHOOL DISTRICT •



**2025-2026**  
**SECOND INTERIM BUDGET**

**REGULAR BOARD MEETING**  
**MARCH 11, 2026**

# Presentation



- Vision & Mission in the Budget Process
- First Interim vs. Second Interim
  - Revenue and Expenditure Variances
- General Fund Summary
  - Revenues and Expenditures
- Multi-Year Projection
- Looking Ahead

# Vision and Mission in the Budget Process



# Vision and Mission



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

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

# Budget Cycle



Board Adopts Budget	June
1 <sup>st</sup> Interim Budget Report	December
Governor presents Budget	January
<b>2<sup>nd</sup> Interim Budget Report</b>	<b>March</b>
Governor Revises Budget	May
Board Adopts Next Year's Budget	June
Unaudited Actuals	September

# Budget Process



- Budget determinations have been made in accordance with the goals of 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

# First Interim vs. Second Interim



# Revenue



	First Interim	Budget Adjustments	Second Interim
LCFF Sources	69,347,264	130,943	69,478,207
Federal Revenues	1,093,441	4,944	1,098,385
Other State Revenues	8,322,885	289,237	8,612,122
Other Local Revenues	4,851,029	65,984	4,917,013
Transfers In	-	-	-
<b>Total Revenues</b>	<b>83,614,619</b>	<b>491,108</b>	<b>84,105,727</b>

# Revenue Variances



- LCFF Sources:
  - Increase to property tax received based on actuals
  
- Federal Revenues
  - Increase to current year apportionments
  
- Other State Revenues:
  - Increase to ELOP
  
- Other Local Revenues:
  - Increase to budget as funds are received throughout the year

# Expenditures



	First Interim	Budget Adjustments	Second Interim
Certificated Salaries	35,019,452	1,089,859	36,109,311
Classified Salaries	11,532,848	558,300	12,091,148
Employee Benefits	20,713,255	262,542	20,975,797
Books & Supplies	3,858,041	(646,918)	3,211,123
Operating Expenses	10,813,433	300,248	11,113,681
Capital Outlay	274,312	880,114	1,154,426
Other Outgo/ Transfer Out	368,517	490,529	859,046
<b>Total Expenditures</b>	<b>82,579,858</b>	<b>2,934,674</b>	<b>85,514,532</b>

# Expenditure Variance



- Salaries and Employee Benefits:
  - Salary increase of 4.25% retroactive to July 1, 2025, and corresponding increase to payroll statutory benefits
- Books, Supplies & Operating Expenses:
  - Decrease in supplies due to movement of one-time funds to capital outlay
  - Increase budget based on actuals to date
- Capital Outlay and Other Outgo
  - Capital outlay increase for DMHA playground
  - Increase to account for Apple lease for technology refresh

# Ending Fund Balance

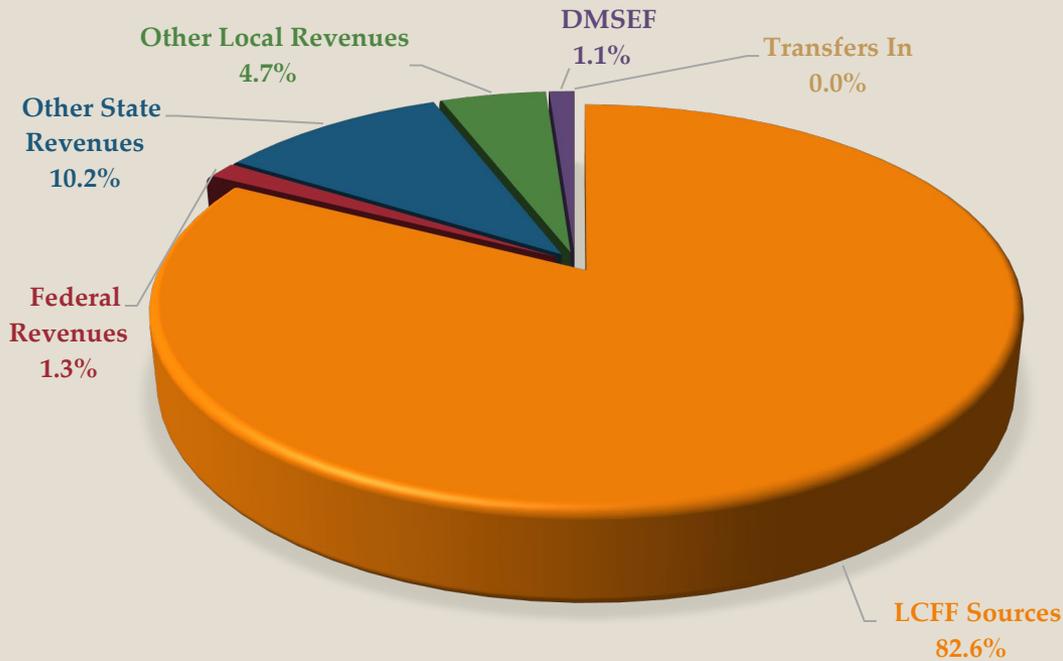


	Second Interim UNRESTRICTED	Second Interim RESTRICTED	Second Interim COMBINED
Beginning Fund Balance	20,494,756	3,379,966	23,874,722
Net Increase (Decrease)	28,319	(1,437,124)	(1,408,805)
Ending Fund Balance	20,523,075	1,942,842	22,465,917
<b><i>Components of Ending Fund Balance:</i></b>			
Revolving Cash	25,000		25,000
Restricted:		1,942,842	1,942,842
Assigned:			
Minimum Reserve 15%	12,827,180		12,827,180
Math Curriculum Adoption	750,000		750,000
3% Reserve for Economic Uncertainties	2,565,436		2,565,436
Unassigned/Unappropriated	4,355,459		4,355,459
<b>Unrestricted Reserve Percentage:</b>	<b>24.0%</b>		

# General Fund Summary



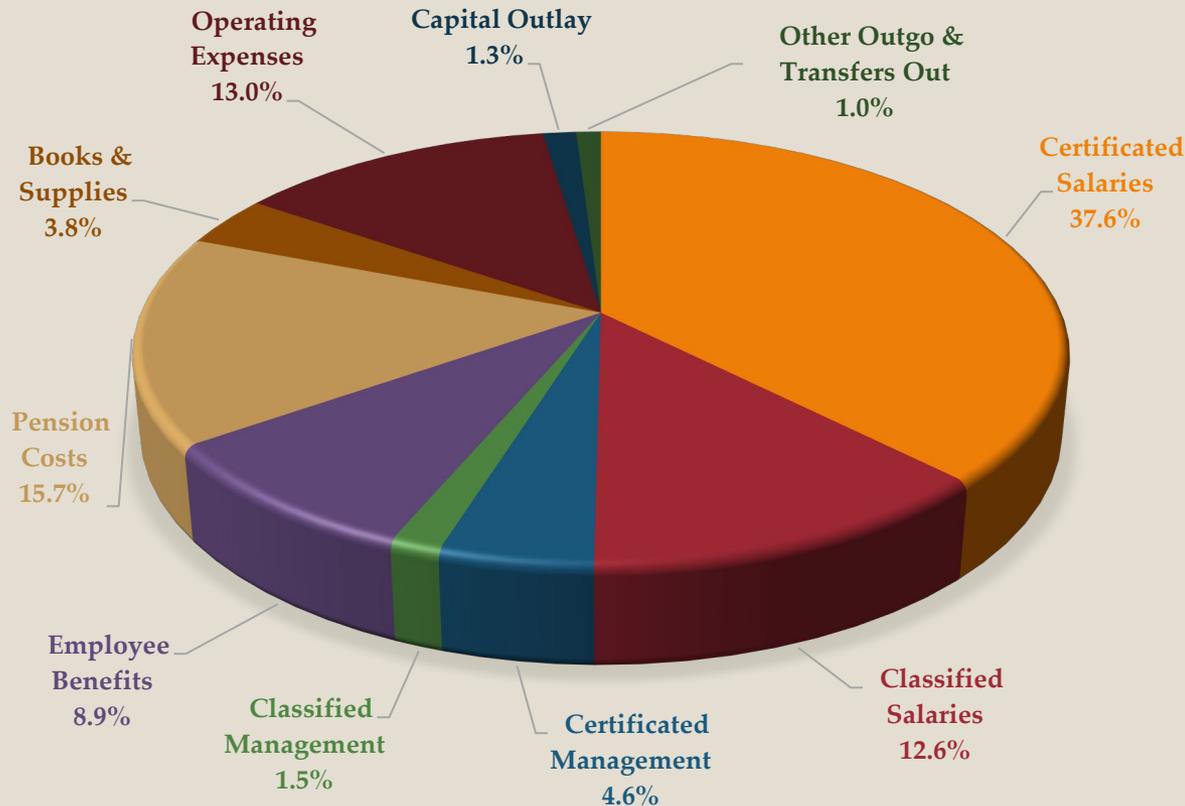
# 2025-2026 Revenue Summary



LCFF Sources	69,478,207
Federal Revenues	1,098,385
Other State Revenues*	8,612,122
Other Local Revenues	3,967,013
DMSEF	950,000
Transfers In	0
<b>Total Revenue &amp; Other Financing Sources</b>	<b>84,105,727</b>

\*Other State Revenues includes STRS "on-behalf" contribution of \$3,596,138

# 2025-2026 Expenditure Summary



Certificated Salaries	32,153,992
Classified Salaries	10,775,952
Certificated Management	3,955,319
Classified Management	1,315,196
Employee Benefits	7,591,101
Pension Costs*	13,384,696
Books & Supplies	3,211,123
Operating Expenses	11,113,681
Capital Outlay	1,154,426
Other Outgo/Transfer Out	859,046
<b>Total Expenditures &amp; Other Outgo</b>	<b>85,514,532</b>

Total Salary and Benefits = 80.9%

\*Pension costs include State STRS "on-behalf" contribution of \$3,596,138

# Multi-Year Projection



# Multi-Year Projection



- Based upon the School Services of California Dartboard
- Property Tax Projection:
  - 2026-27 3.5% Increase
  - 2027-28 3.5% Increase
- Salary: Step and Column 2% Increase Annually
- Benefits: Annual Adjustments in Employer STRS and PERS Contributions

# Multi-Year Projection



DESCRIPTION	FY 2025-26 Current (Base Year)	FY 2026-27 First Projected Year	FY 2027-28 Second Projected Year
Revenues			
LCFF Sources	69,478,207	71,820,494	74,244,185
Federal Revenues	1,098,385	991,664	991,664
Other State Revenues	8,612,122	7,143,396	7,118,152
Other Local Revenues	4,917,013	4,875,445	4,876,763
Transfers In/Other Sources	0	0	0
<b>Total Revenues:</b>	<b>\$84,105,727</b>	<b>\$84,830,999</b>	<b>\$87,230,764</b>
Expenditures			
Certificated Salaries	36,109,311	36,575,689	37,051,395
Classified Salaries	12,091,148	12,218,271	12,347,936
Employee Benefits	20,975,797	21,526,861	22,127,698
Books & Supplies	3,211,123	2,959,547	2,927,149
Services, Other Operating Expense	11,113,681	11,414,199	11,665,783
Capital Outlay	1,154,426	262,853	270,083
Other Outgo/Transfer Out/Debt Service	859,046	575,044	577,526
<b>Total Expenditures:</b>	<b>\$85,514,532</b>	<b>\$85,532,465</b>	<b>\$86,967,570</b>

# Multi-Year Projection – Current Year



DESCRIPTION	FY 2025-26 Current (Base Year) <b>UNRESTRICTED</b>	FY 2025-26 Current (Base Year) <b>RESTRICTED</b>	FY 2025-26 Current (Base Year) <b>COMBINED</b>
Beginning Balance as of July 1	20,494,756	3,379,966	23,874,722
Net Increase (Decrease) In Fund Balance	28,319	(1,437,124)	(1,408,805)
Ending Balance	20,523,075	1,942,842	22,465,917
Revolving Cash	25,000		25,000
Restricted		1,942,842	1,942,842
Assignments:			
- Minimum Reserve 15%	12,827,180		12,827,180
- Math Curriculum	750,000		750,000
Reserve for Economic Uncertainties	2,565,436		2,565,436
Unassigned/ Unappropriated Amount	4,355,459		4,355,459
<i>Total Fund Balance</i>	20,523,075	1,942,842	22,465,917
<i>Unrestricted Reserve Percentage</i>	<b>24.0%</b>		

# Multi-Year Projection – First Projected Year



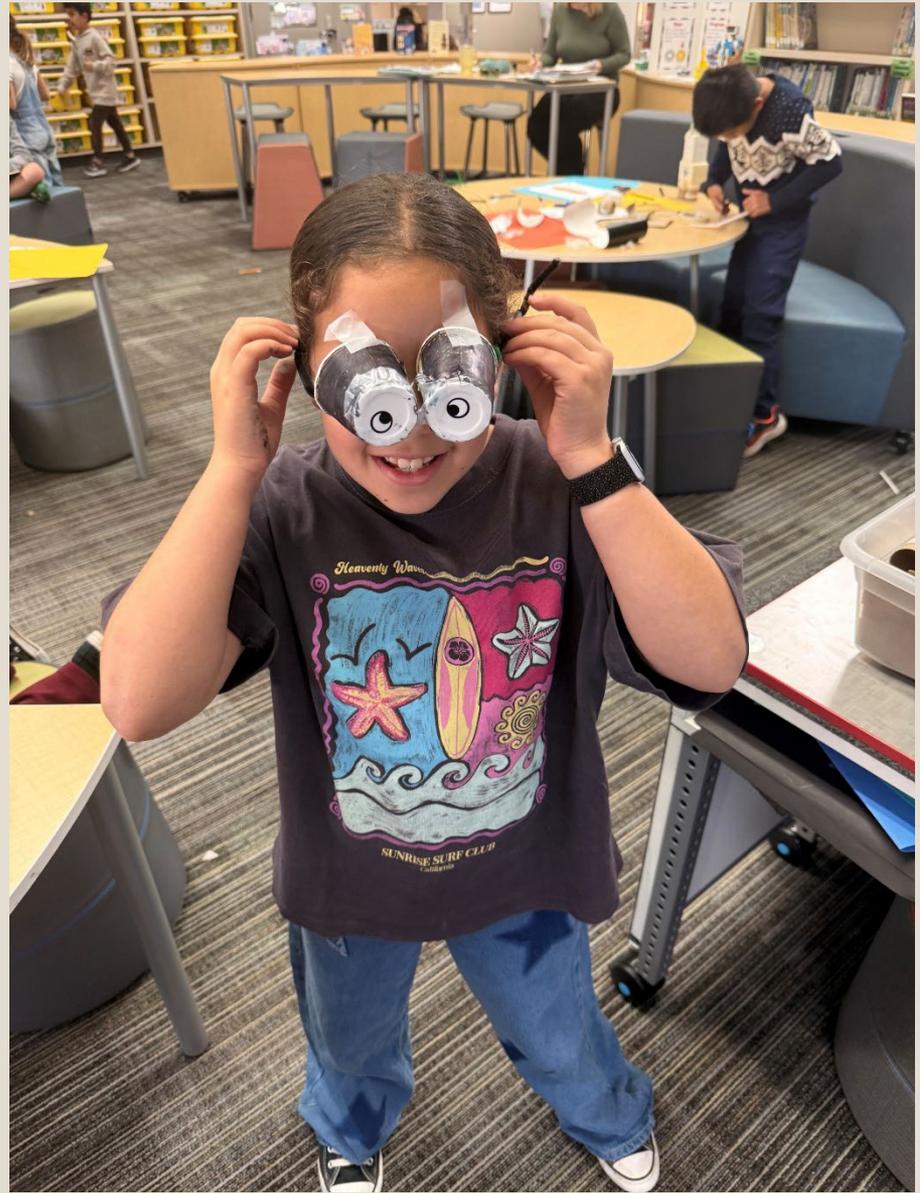
DESCRIPTION	FY 2026-27 First Projected Year <b>UNRESTRICTED</b>	FY 2026-27 First Projected Year <b>RESTRICTED</b>	FY 2026-27 First Projected Year <b>COMBINED</b>
Beginning Balance as of July 1	20,523,075	1,942,842	22,465,917
Net Increase (Decrease) In Fund Balance	493,780	(1,195,245)	(701,466)
Ending Balance	21,016,855	747,597	21,764,451
Revolving Cash	25,000		25,000
Restricted		747,597	747,597
Assignments:			
- Minimum Reserve 15%	12,829,870		12,829,870
- Math Curriculum	750,000		750,000
Reserve for Economic Uncertainties	2,565,974		2,565,974
Unassigned/ Unappropriated Amount	4,846,011		5,313,245
<i>Total Fund Balance</i>	21,016,855	747,597	21,764,451
<i>Unrestricted Reserve Percentage</i>	<b>24.5%</b>		

# Multi-Year Projection – Second Projected Year



DESCRIPTION	FY 2027-28 Second Projected Year <b>UNRESTRICTED</b>	FY 2027-28 Second Projected Year <b>RESTRICTED</b>	FY 2027-28 Second Projected Year <b>COMBINED</b>
Beginning Balance as of July 1	21,016,855	747,597	21,764,451
Net Increase (Decrease) In Fund Balance	725,552	(462,358)	263,194
Ending Balance	21,742,407	285,238	22,027,645
Revolving Cash	25,000		25,000
Restricted		285,238	285,238
Assignments:			
- Minimum Reserve 15%	13,045,135		13,045,135
- Math Curriculum	750,000		750,000
Reserve for Economic Uncertainties	2,609,027		2,609,027
Unassigned/ Unappropriated Amount	5,313,245		5,313,245
<i>Total Fund Balance</i>	21,742,407	285,238	22,027,645
<i>Unrestricted Reserve Percentage</i>	<b>25.0%</b>		

# Looking Ahead



# Looking Ahead



- Monitor enrollment projection and staffing needs
- STRS/PERS annual adjustments
  - PERS expected to decrease slightly
  - STRS to remain at the same rate
- Math curriculum adoption
- Governor's Proposed Budget
  - Uncertainty around multi-year state revenues
  - Potential for one-time funds
- General economic forecast
  - Economic uncertainty based on potential for an AI bubble and geopolitical unrest
  - Potential for increase in escalation of construction costs



Questions?

Board Approval