

2025-26 Second Interim Budget Report



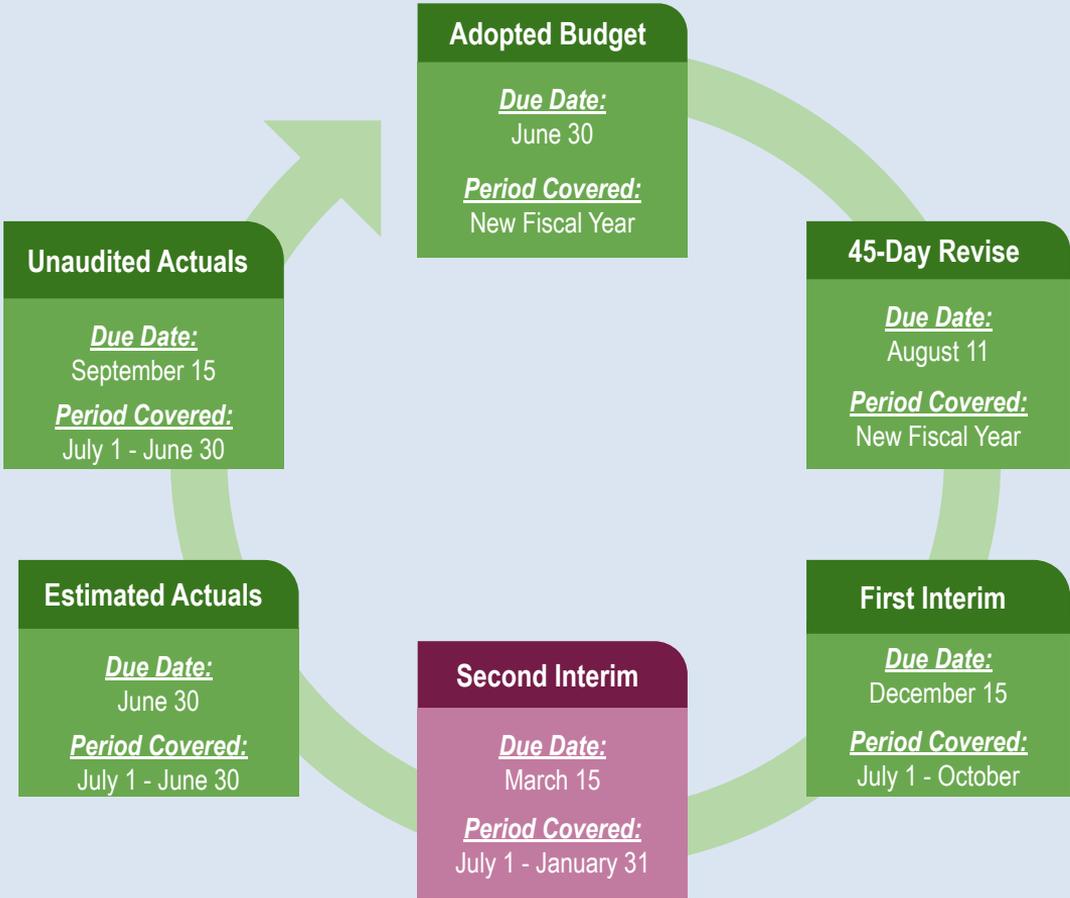
March 10, 2026



Agenda

- **Budget Reporting Timelines and Self Certification**
- **Second Interim Budget Report**
- **Budget Changes since Last Report**
- **Multiyear Projection**
- **Next Steps**

Public Education Budget Cycle - 2025-26 Fiscal Year



Second Interim Report

Purpose

- Second of two required interim reports
- Part of the “checks and balances”
- Includes a review of financials, and a review of Criteria & Standards associated with fiscal stability and solvency

Certification

- Board of Education self-certifies the report as either:
 - Positive
 - Qualified
 - Negative

Process

Board Action → County Office of Ed. Certifies → Report to Sacramento

2025-26 Second Interim Budget Report

	<i>Unrestricted</i>	<i>Restricted</i>	<i>Combined</i>
Beginning Fund Balance	\$ 1,456,387	\$ 31,281,557	\$ 32,737,944
Increase (Decrease) in Fund Balance (from previous slide)	\$ (428,088)	\$ (14,368,657)	\$ (14,796,745)
Ending Fund Balance	\$ 1,028,299	\$ 16,912,900	\$ 17,941,199
Components of Ending Fund Balance			
-Non-spendable (Revolving Cash, Stores, Prepaid Items)	\$ 319,137	\$0	\$ 319,137
-Legally Restricted	\$0	\$ 16,912,900	\$ 16,912,901
-Committed	\$0	\$0	\$0
-Assigned	\$ 709,162	\$0	\$ 709,162
-Undesignated/Unappropriated	\$0	\$0	\$0
Total Ending Fund Balance	\$ 1,028,299	\$ 16,912,900	\$ 17,941,199

Fund 17 Balance *(District is legally required to maintain a reserve in the amount of 3% of expenditures)	
Reserve for Economic Uncertainties (REU)	\$ 14,550,876
Strategic Reserve (Assigned)	\$ 4,586,731

Reserve Percentage (Fund 01 Assigned EFB + Fund 17) 4.09%

Changes Since First Interim Report

<i>Revenues</i>	<i>First Interim</i>	<i>Second Interim</i>	<i>Change</i>	<i>%</i>
LCFF Sources	\$ 335,589,362	\$ 335,675,817	\$ 86,455	0.03%
Federal Revenue	\$ 7,630,849	\$ 7,649,325	\$ 18,476	0.24%
Other State Revenue	\$ 80,964,866	\$ 81,406,684	\$ 441,818	0.55%
Other Local Revenue	\$ 37,235,116	\$ 45,500,587	\$ 8,265,471	22.20%
Transfers In	\$ -	\$ -	\$ -	
Total	\$ 461,420,193	\$ 470,232,413	\$ 8,812,220	1.91%
<i>Expenditures</i>	<i>First Interim</i>	<i>Second Interim</i>	<i>Change</i>	<i>%</i>
Certificated Salaries	\$ 187,101,106	\$ 187,530,951	\$ 429,845	0.23%
Classified Salaries	\$ 69,417,871	\$ 70,115,225	\$ 697,354	1.00%
Employee Benefits	\$ 132,739,499	\$ 134,756,427	\$ 2,016,928	1.52%
Books & Supplies	\$ 18,670,048	\$ 18,902,885	\$ 232,837	1.25%
Services	\$ 65,025,117	\$ 66,176,463	\$ 1,151,346	1.77%
Capital Outlay	\$ 582,775	\$ 4,630,611	\$ 4,047,836	694.58%
Other Outgo / Indirect Costs	\$ 704,146	\$ 548,788	\$ (155,358)	-22.06%
Transfers Out / Contributions	\$ 2,367,808	\$ 2,367,808	\$ -	0.00%
Total	\$ 476,608,370	\$ 485,029,158	\$ 8,420,788	1.77%
Net Increase (Decrease) in Fund Balance	\$ (15,188,177)	\$ (14,796,745)	\$ 391,432	

Additional Information re: Changes

Revenues	First Interim	Second Interim	Change	%
Other State Revenue	\$ 80,964,866	\$ 81,406,684	\$ 441,818	0.55%
Other Local Revenue	\$ 37,235,116	\$ 45,500,587	\$ 8,265,471	22.20%
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Capital Outlay	\$ 582,775	\$ 4,630,611	\$ 4,047,836	694.58%

\$6.95m Restricted

- \$5.3m ZE Bus Grant
- \$1.2m PTA/Classroom
- \$234k Athletics
- \$183k Early Ed PD

Restricted

- \$434k AMS
- \$220k PTA/Classroom

\$724k Restricted

- \$105k ELOP
- \$160k SPED
- \$493k PTA/Classroom Donations/Boosters

\$427k Unrestricted

- \$330k Legal
- \$87k Facility Use & Planning

Restricted

- Literacy Screening PD
- CYBHI

\$1.2m Unrestricted

- \$703k 3130 Crow Canyon
- \$100k Facility Use
- \$437k DVHS Pool Utilities

Combined

- Health Benefits

\$3.9m Restricted

- \$3.7m ZE Bus Grant
- \$249k KIT Funds

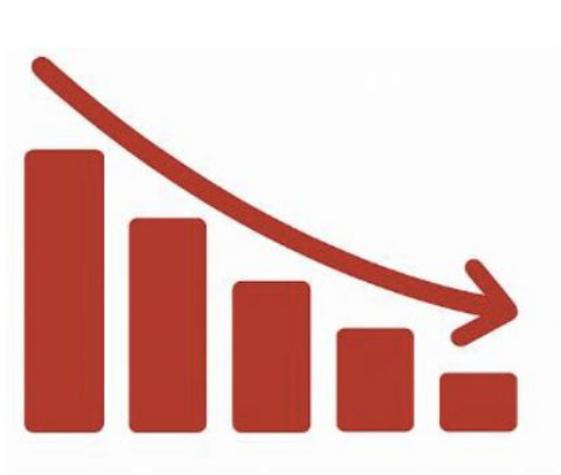
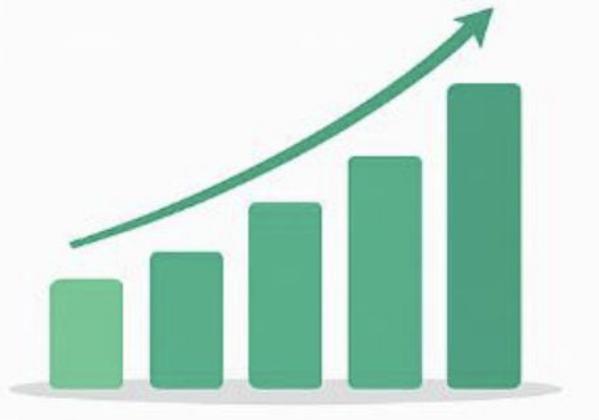
\$193k Unrestricted

- ZE Bus replacement

Note: Bulleted Item dollar amounts may not add up to totals in the table due to space constraints.

Multiyear Projections

- **Multiyear projections (MYPs) are the result of mathematical calculations for future years based on the following:**
 - **Industry standard economic assumptions**
 - **Locally calculated data point estimates**
 - **Decisions that have already been made**



- **MYPs are an important tool to assess a district’s ongoing financial sustainability**
- **MYPs project how current day decisions affect the organization’s finances in the future**

SRVUSD MYP Assumptions

- Below are the assumptions that inform the multiyear projection.

	2025-26	2026-27	2027-28
Enrollment	27,986	27,236	26,486
ADA Ratio	95.49%	95.48%	95.48%
3-Year Funded ADA	27,872.61	27,377.56	26,718.27
Unduplicated %	11.40%	11.85%	12.23%
COLA	2.30%	2.41%	3.06%
California CPI	3.37%	3.08%	2.75%
Health & Welfare	8.05%	8.05%	8.05%

Multiyear Projection

Revenues	2025-26	2026-27	2027-28
LCFF Sources	\$ 335,675,817	\$ 337,997,681	\$ 340,253,657
Federal Revenue	\$ 7,649,325	\$ 7,241,644	\$ 7,241,644
Other State Revenue	\$ 81,406,684	\$ 69,513,700	\$ 70,528,787
Other Local Revenue	\$ 45,500,587	\$ 40,918,558	\$ 40,953,891
Transfers In	\$0	\$ 750,000	\$ (750,000)
Total	\$ 470,232,413	\$ 456,421,584	\$ 458,227,979
Expenditures			
Certificated Salaries	\$ 187,530,951	\$ 182,074,746	\$ 179,240,734
Classified Salaries	\$ 70,115,225	\$ 70,271,311	\$ 70,310,760
Employee Benefits	\$ 134,756,427	\$ 135,710,293	\$ 138,386,197
Books & Supplies	\$ 18,902,885	\$ 13,157,048	\$ 11,374,428
Services	\$ 66,176,463	\$ 59,493,664	\$ 60,218,746
Capital Outlay	\$ 4,630,611	\$ 164,020	\$ 164,020
Other Outgo / Indirect Costs	\$ 548,788	\$ 548,788	\$ 548,788
Transfers Out / Contributions	\$ 2,367,808	\$ 2,367,808	\$ 945,845
Other Adjustments	\$0	\$0	\$0
Total	\$ 485,029,158	\$ 463,787,677	\$ 461,189,518
Net Increase (Decrease) in Fund Balance	\$ (14,796,745)	\$ (7,366,093)	\$ (2,961,539)

Multiyear Projection

Fund 01 - General Fund	2025-26	2026-27	2027-28
Beginning Fund Balance	\$ 32,737,944	\$ 17,941,199	\$ 10,575,105
Increase (Decrease) in Fund Balance (from previous slide)	\$ (14,796,745)	\$ (7,366,093)	\$ (2,961,539)
Ending Fund Balance	\$ 17,941,199	\$ 10,575,105	\$ 7,613,567
Components of Ending Fund Balance			
-Non-spendable: Revolving Cash, Stores, Prepaid Items	\$ 319,137	\$ 319,137	\$ 319,137
-Legally Restricted	\$ 16,912,901	\$ 9,713,481	\$ 6,520,686
-Committed	\$ 0	\$ 0	\$ 0
-Assigned	\$ 709,162	\$ 542,487	\$ 773,744
-Undesignated/Unappropriated	\$ 0	\$ 0	\$ 0
Total Ending Fund Balance	\$ 17,941,199	\$ 10,575,105	\$ 7,613,567

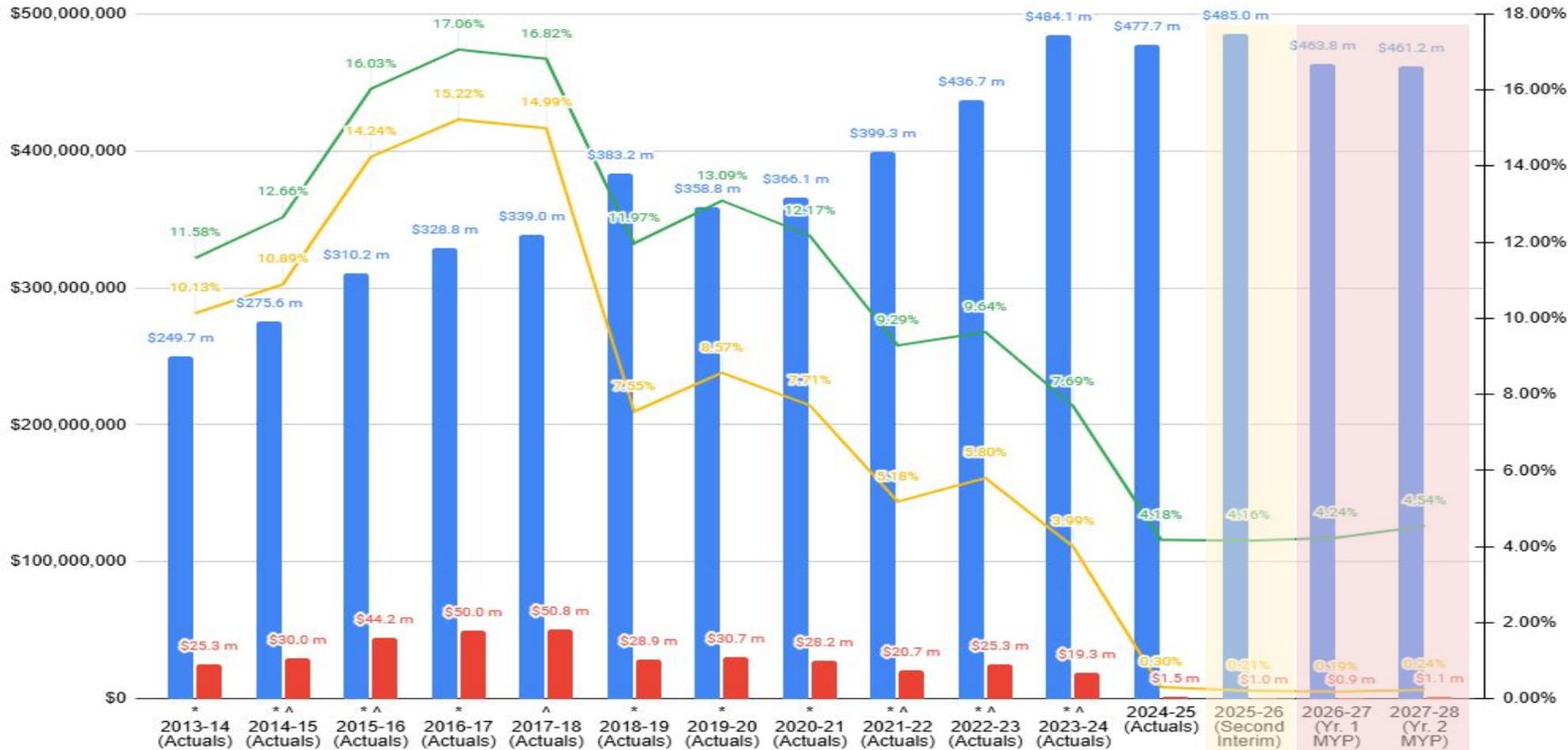
Fund 17 Balance *(District is legally required to maintain a reserve in the amount of 3% of expenditures)			
Reserve for Economic Uncertainties (REU)	\$ 14,550,876	\$ 13,954,307	\$ 13,939,680
Strategic Reserve (Assigned)	\$ 4,586,731	\$ 4,833,300	\$ 5,897,927

Reserve Percentage (Fund 01 Assigned EFB + Fund 17) **4.09%** **4.17%** **4.47%**

MYP Changes Since the 1st Interim Budget Report

- **LCFF Revenue in 2027-28 is \$1.5m lower than projected at First Interim, due to a combination of increased declining enrollment and lower COLAs in both years**
- **Revenue for a partial year of new office building in unrestricted local revenue**
- **Early Retirement program savings (SERP) for 2026-27 and 2027-28 were included at First Interim Report as “Other Adjustments,” but they have now been reflected in the certificated and classified salary and statutory benefit lines.**
- **Contribution from Fund 17 is reduced by \$250,000, to \$750,000 in 2026-27, and is now fully repaid in 2027-28.**

SRVUSD Historical Reserve Balance



Blue bar: General Fund Total Expenditures

Yellow line: General Fund Reserve Percentage %

* = Ongoing salary increase

Yellow background: = 2025-26 First Interim

Red bar: Unrestricted Ending Balance

Green line: UGF + Fund 17 Reserve Percentage %

^ = One-time salary increase

Pink background: = next two years in the multiyear projection

SRVUSD Strategic Reserve Progress

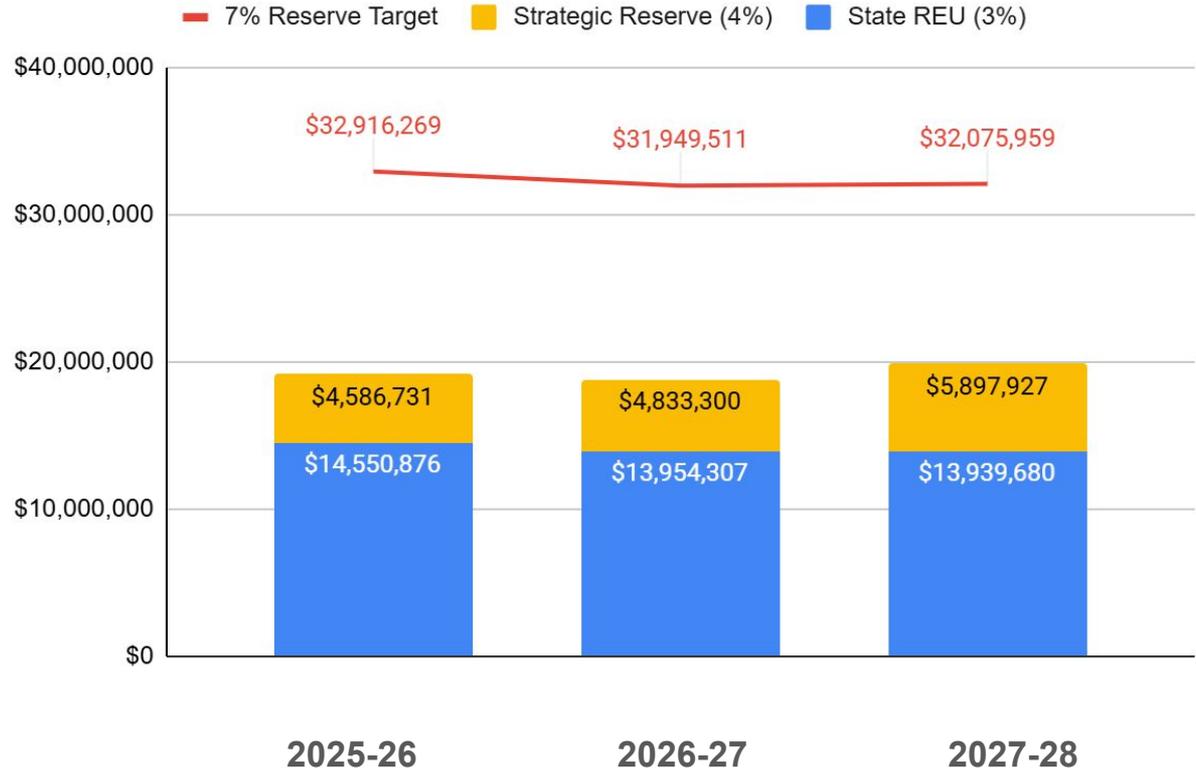
- The Strategic Reserve are savings beyond the minimum 3% Reserve for Economic Uncertainty (REU) required by the State.

State Required 3% Reserve



Local 4% Strategic Reserve

Combined 7% Reserve



Estimated LCFF Revenues in San Ramon Valley Unified

- SRVUSD expects to receive a small increase in LCFF funding due to declining student enrollment.

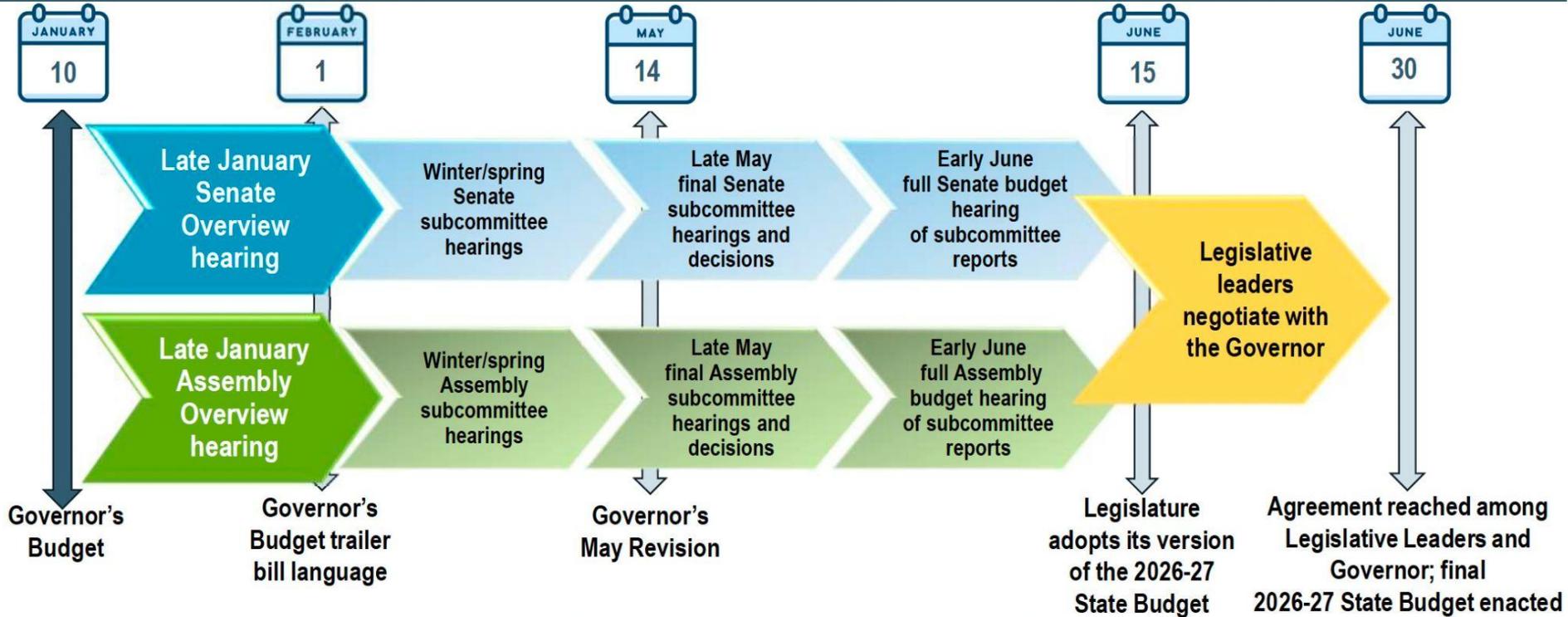
	2024-25	2025-26	2026-27	2027-28
Funded COLA	1.07%	2.30%	2.41%	3.06%
LCFF Revenues	\$332,128,036	\$335,675,817	\$337,997,681	\$340,253,657
\$ Change in LCFF Revenues	N/A	\$3,547,781	\$2,321,864	\$2,255,976
% Change in LCFF Revenues	N/A	1.07%	0.69%	0.67%
Funded ADA (3 Yr Avg)	28,464.12	27,872.61	27,377.56	26,718.27
Funded ADA Difference		-591.51	-495.05	-659.29

Second Interim Report Summary

- The budget and multiyear projection remain largely unchanged from the First Interim report.
- The Board approved budget reductions helped decrease the district's deficit spending.
 - Dropped from \$35.8 million in 2024-25 to \$14.8 million in 2025-26.
- The unrestricted side of the budget is mostly balanced for this fiscal year.
 - Deficit of \$430,000 unrestricted and \$14.4m restricted
- Ongoing expenses are being supported by one-time funds and/or grants.
 - As one-time funds are exhausted, these expenses return to the unrestricted general fund.
- Rising costs and falling revenues will make achieving the 7% reserve policy difficult; reserves are stable at approximately 4% per year.
- Declining enrollment is projected to continue.
- *Staff recommends that the Board self certify the budget Positive, which means the district will meet its financial obligations for this year and the next two fiscal years.*

State Budget Process

The next steps in the State Budget process are controlled by the Legislature, which has the responsibility to examine the Governor's proposals during budget hearings



Next Steps and Upcoming Milestones

- *May 14: Governor's Revision of January proposal*
- **June 9: BOE Meeting, 2026-27 Budget Review**
- *June 15: Legislature signs their version of the State budget*
- **June 16: BOE Meeting, 2026-27 Budget Adoption**
- *June 30: Governor and Legislature agree on a balanced State budget*

 = SRVUSD Budget Events  = State Budget Events



Questions and Board Discussion