



• UNION SCHOOL DISTRICT •



2025-2026 PROPOSED BUDGET

REGULAR BOARD MEETING

JUNE 18, 2025

Presentation



- Vision, Mission and Budget Development
- General Fund Summary
 - 2025-2026 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+
- Support for student well-being and success
 - School counselors
 - Differentiated supports for students
 - Teachers on special assignment
 - Mathematics intervention teachers
 - Reading intervention teachers
 - Co-teaching
- Neighborhood Schools
- World Language Program
- Deferred Maintenance
- OPEB Trust Fund

GENERAL FUND SUMMARY



2025-2026 Revenue Summary



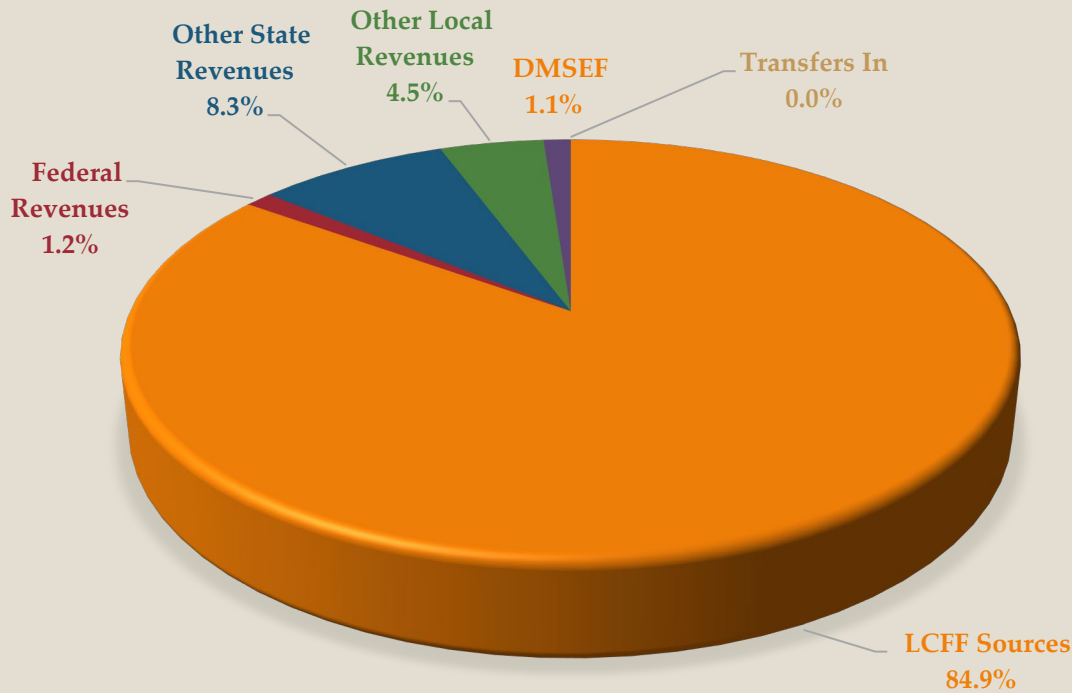
	2025-2026 First Read	2025-2026 Proposed Budget	Difference
LCFF Sources	68,910,922	68,910,922	-
Federal Revenues	967,519	964,705	(2,814)
Other State Revenues	6,697,115	6,697,115	-
Other Local Revenues	4,489,915	4,584,915	95,000
Transfers In			
Total Revenues	81,065,471	81,157,657	92,186

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 \$698,128 based upon three-year average P-2 ADA of 3,490.64 funded at the minimum guarantee of \$200/ADA.
- Local Revenues include \$950,000 from DMSEF

2025-2026 Revenue Summary



Revenue Source	Amount
LCFF Sources	68,910,922
Federal Revenues	964,705
Other State Revenues ¹	6,697,115
Other Local Revenues	3,634,915
DMSEF ²	950,000
Transfers In	-
Total Revenues	81,157,657

1. Other State Revenues includes State STRS “on-behalf” contribution of \$3,596,138
2. All DMSEF funds are allocated towards STEAM+ salary and benefits

2025-2026 Expenditure Summary



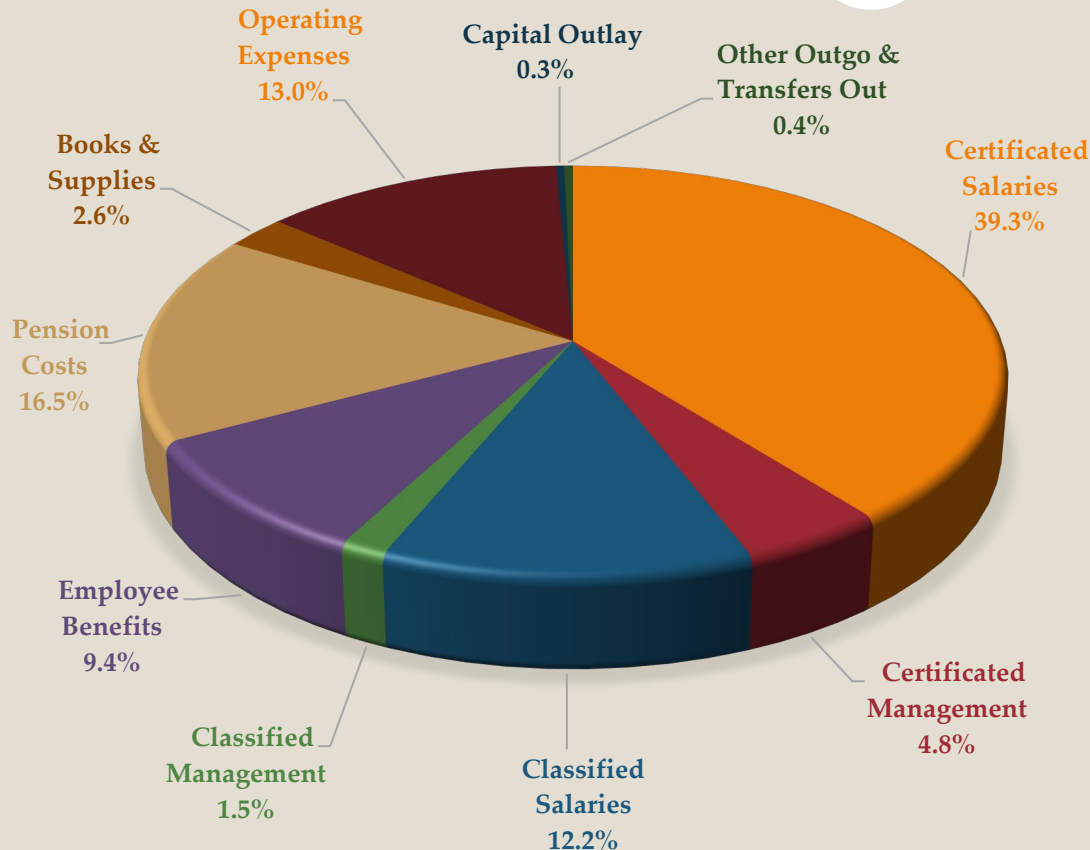
	2025-2026 First Read	2025-2026 Proposed Budget	Difference
Certificated Salaries	35,600,725	35,600,725	-
Classified Salaries	11,105,394	11,105,394	-
Employee Benefits	20,636,967	20,920,870	283,903
Books & Supplies	2,110,669	2,109,329	(1,340)
Operating Expenses	10,441,075	10,455,298	14,223
Capital Outlay	275,000	275,000	-
Other Outgo, Debt Service, & Transfer Out	307,022	307,022	-
Total Expenditures	80,476,852	80,773,638	296,786

Expenditure Assumptions



- \$500 annual increase to health and welfare benefits cap per Collective Bargaining Agreement approved at the February 12, 2025, Board Meeting
- Continue OPEB Trust Contribution
- Pension Rates
 - PERS from 27.05% to 26.81%
 - STRS remains at 19.10%

2025-2026 Expenditure Summary



Expenditure	Amount
Certificated Salaries	31,749,781
Certificated Management	3,850,944
Classified Salaries	9,881,692
Classified Management	1,223,702
Employee Benefits	7,595,778
Pension Costs	13,325,092
Books & Supplies	2,109,329
Operating Expenses	10,455,298
Capital Outlay	275,000
Other Outgo & Transfer Out	307,022
Total Expenditures	80,773,638

Total Salary and Benefits* = 83.7%

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

Ending Fund Balance



Components of the Ending Fund Balance

	2025-2026 Proposed Budget
Net Increase in Fund Balance	384,019
Beg Fund Balance	19,872,585
Ending Fund Balance	20,256,604
Revolving Cash	25,000
Restricted	1,860,737
Minimum Reserve Policy 15% and Assignments	12,116,045
Math Curriculum	750,000
3% Minimum Reserve for Economic Uncertainty	2,423,209
Unassigned/Unappropriated	3,081,613
Total Unrest. General Fund Reserve %	22.7%

Local Reserves Requirement



Proposed 2025-2026 Ending Fund Balances:

Assigned and Unassigned/Unappropriated Fund Balances: \$18,370,867.00

Special Reserves Fund 17 Balances: \$2,317,791.47

Less Minimum 3% Reserve for Economic Uncertainties: \$2,423,209.00

Remaining Balance to Substantiate Need: \$18,265,449.47

\$ 3,081,613.00 Basic Aid stabilization and reserve for pensions, OPEB, and Future Obligations

\$ 750,000.00 Math Curriculum Adoption

\$ 12,116,045.00 Fund Balance Policy requiring reserves of at least 15%

\$ 2,317,791.47 Pacific Sky Child Nutrition Operations Reserve (Fund 17)

\$ 18,265,449.47 Total Need Supported by Excess Fund Balances

MULTI-YEAR PROJECTION



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	68,910,922	71,241,089	73,307,168
Federal Revenues	964,705	964,705	964,705
Other State Revenues	6,697,115	6,668,442	6,650,667
Other Local Revenues	4,584,915	4,586,301	4,587,627
Transfers In	0	0	0
Total Revenues	81,157,657	83,460,537	85,510,168
Expenditures			
Certificated Salaries	35,600,725	36,340,754	37,224,384
Classified Salaries	11,105,394	11,449,610	11,807,594
Employee Benefits	20,920,870	21,586,762	22,456,960
Books & Supplies (includes Chromebooks, Audio Visual Equipment)	2,109,329	2,130,000	2,146,401
Services, Other Operating Expenses (includes Facility Maintenance Projects)	10,455,298	10,746,944	10,996,115
Capital Outlay	275,000	85,960	88,341
Other Outgo, Debt Service, & Transfers Out	307,022	307,231	307,432
Total Expenditures:	\$80,773,638	\$82,647,261	\$85,027,228

Multi-Year Projection Continued



DESCRIPTION	FY 2025-26 Current (Base Year)	FY 2026-27 First Projected Year	FY 2027-28 Second Projected Year
Net Increase (Decrease) In Fund Balance	384,019	813,276	482,940
Beginning Balance as of July 1	19,872,585	20,256,604	21,069,880
Ending Balance	20,256,604	21,069,880	21,552,820
Revolving Cash	25,000	25,000	25,000
Restricted	1,860,738	1,909,811	1,933,882
Assigned Minimum Reserve 15%, and Assignments	12,866,046	12,397,089	12,754,084
Reserve for Economic Uncertainties	2,423,209	2,479,418	2,550,817
Unassigned/Unappropriated Amount	3,081,612	4,258,562	4,289,037
Unrestricted General Fund Reserve %	22.7%	23.2%	23.0%

OTHER FUNDS



Fund 13 Cafeteria Fund



Total Revenues	\$ 2,588,201
General Fund Transfer	\$ -
Total Expenditures	<u>\$ 2,588,201</u>
Net Increase in Fund Balance	\$ 0
Beginning Fund Balance	\$129,584
Ending Fund Balance	\$129,584

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	\$ 395,173
Total Expenditures	<u>\$ -</u>
Net Increase in Fund Balance	\$ 395,173
Beginning Fund Balance	\$3,368,151
Ending Fund Balance	\$3,763,324

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	\$ 60,000
Total Expenditures	<u>\$ -</u>
Net Increase/Decrease in Fund Balance	\$ -
Beginning Fund Balance	\$2,257,791
Ending Fund Balance	\$2,317,791

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>\$ 10,659,227</u>
Net Decrease in Fund Balance	\$(10,259,227)
Beginning Fund Balance	\$ 19,090,626
Ending Fund Balance	\$ 8,831,399

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	\$ 90,000
Total Expenditures	<u>\$ 15,000</u>
Net Increase in Fund Balance	\$ 75,000
Beginning Fund Balance	\$ 2,254,715
Ending Fund Balance	\$ 2,329,715

The 2024 Developer Fee for Residential is \$5.17/sq. ft. and Commercial is \$0.84/sq. ft. DMUSD receives 47.47% (\$2.45 & \$0.40 /sq. ft. respectively) and the San Dieguito Union High School District receives the remaining 52.53%. Funds are to be used to increase capacity at a school site.

Fund 35 County School Facilities Fund



Total Revenues	\$	10
Total Expenditures	\$	<u>0</u>
Net Increase in Fund Balance	\$	10
Beginning Fund Balance	\$	484
Ending Fund Balance	\$	494

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	\$ 160,000
Total Expenditures	<u>\$ 11,750</u>
Net Increase in Fund Balance	\$ 148,250
Beginning Fund Balance	\$ 7,872,623
Ending Fund Balance	\$ 8,020,873

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	\$ 4,995,000
Total Expenditures/Transfer Out	<u>\$ 3,352,200</u>
Net Increase in Fund Balance	\$ 1,642,800
Beginning Fund Balance	\$ 19,020,137
Ending Fund Balance	\$ 20,662,937

CFD 95-1 Ending Fund Balance: \$ 9,709,267

CFD 99-1 Ending Fund Balance: \$ 10,953,670

Fund 63 Enterprise Fund



Total Revenues	\$ 4,385,500
Total Expenditures	<u>\$ 4,385,500</u>
Net Increase in Fund Balance	\$ 0
Beginning Fund Balance	\$ 762,332
Ending Fund Balance	\$ 762,332

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	\$ 500
Total Expenditures	<u>\$ 1,000</u>
Net Increase in Fund Balance	\$ (500)
Beginning Fund Balance	\$ 32,887
Ending Fund Balance	\$ 32,387

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



- State Budget
 - Protecting K-14 funding
 - ✦ Universal Meals
 - ✦ Expanded Learning Opportunities Program (ELOP)
 - ✦ Funded Cost of Living Adjustment (COLA) at 2.3%
 - Still no funding for Universal Transitional Kindergarten for DMUSD
 - Discretionary Block Grant proposed

- Continue Monitoring Universal Meals and Child Nutrition Services Program

- Continue Monitoring Enrollment and Staffing Projections

Questions?

