



# Rescue Union School District 2025-26 2nd Interim Update

March 10, 2026



## 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

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.

- 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.



# 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 10, 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*)





# 2025-26

## 2<sup>nd</sup> Interim Budget

- This revision includes:
  - Updated budget assumptions
    - Multi-year budget assumptions
    - Updated attendance and enrollment
    - Historical Enrollment and Attendance
  - Updated revenues
  - Updated expenditures
  - STRS/PERS update
  - 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 June 2026 (with 2026-27 budget adoption)





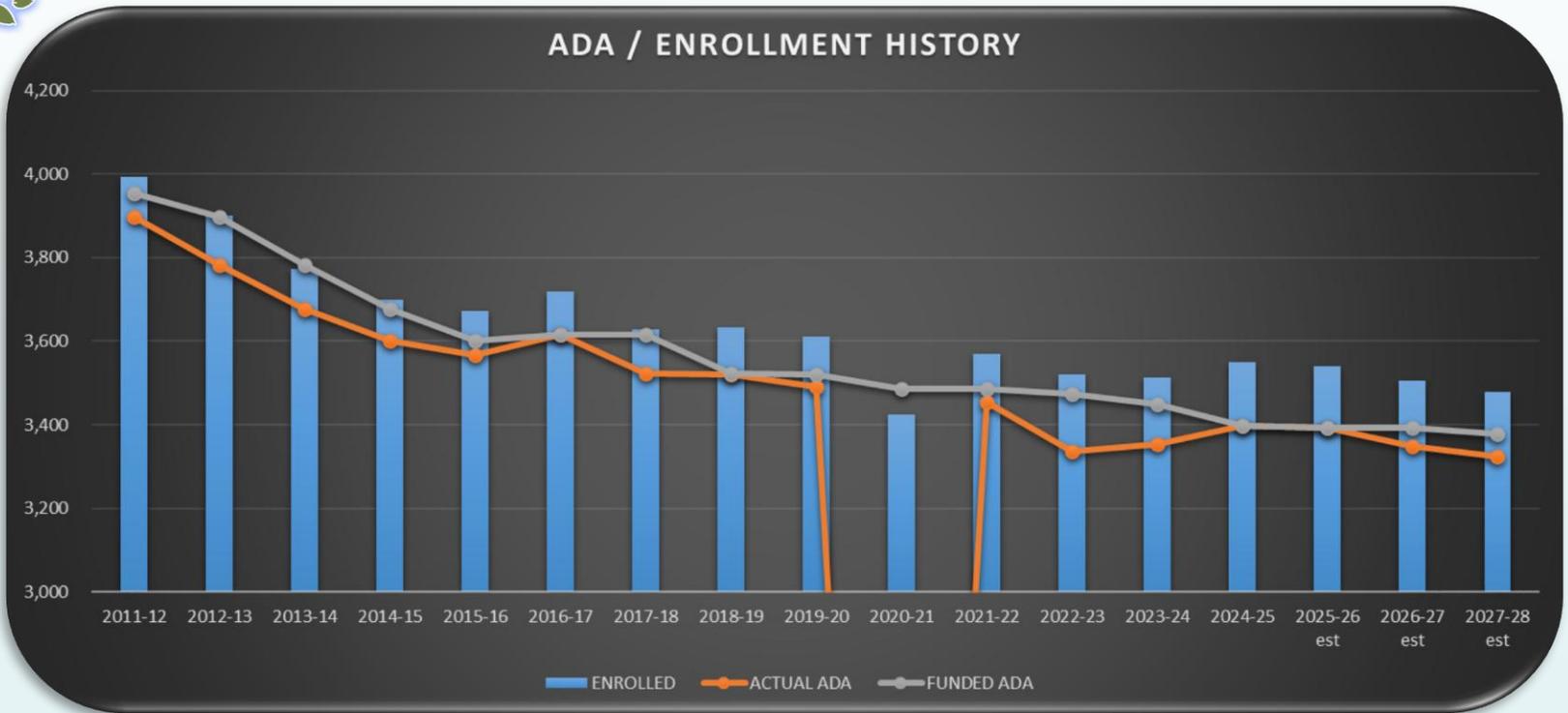
# Multi-Year Assumptions

ASSUMPTIONS	2025-26	2026-27	2027-28
<u>COLA</u>	2.30%	2.41%	2.92%
<u>ENROLLED / ADA</u>	3,541 / 3,392.56	3,505 / 3,349.20	3,479 / 3,324.32
<u>FUNDED ADA</u>	3,393.50	3,392.56	3,378.42
<u>UPC %</u>	19.63%	20.03%	19.87%
<u>STRS RATE / PERS RATE</u>	19.10% / 26.81%	19.10% / 26.40%	19.10% / 26.90%
<u>NEGOTIATION STATUS</u>	SETTLED	NOT SETTLED	NOT SETTLED
<u>ONE-TIME FUNDS</u>	EEF - Year \$290k	Est Retirees: 4	Est Retirees: 4

- EEF: Educator Effectiveness Funding
- COLA: Cost of Living Adjustment



# RUSD Enrollment History



School Districts receive funding on the greater of current year (CY) of prior year (PY) average daily attendance (ADA), or three year average (3YA), with some annual adjustments.

- 2025-26 – Funded on PY
- 2026-27 – Funded on PY
- 2027-28 – Funded on 3YA



# General Fund

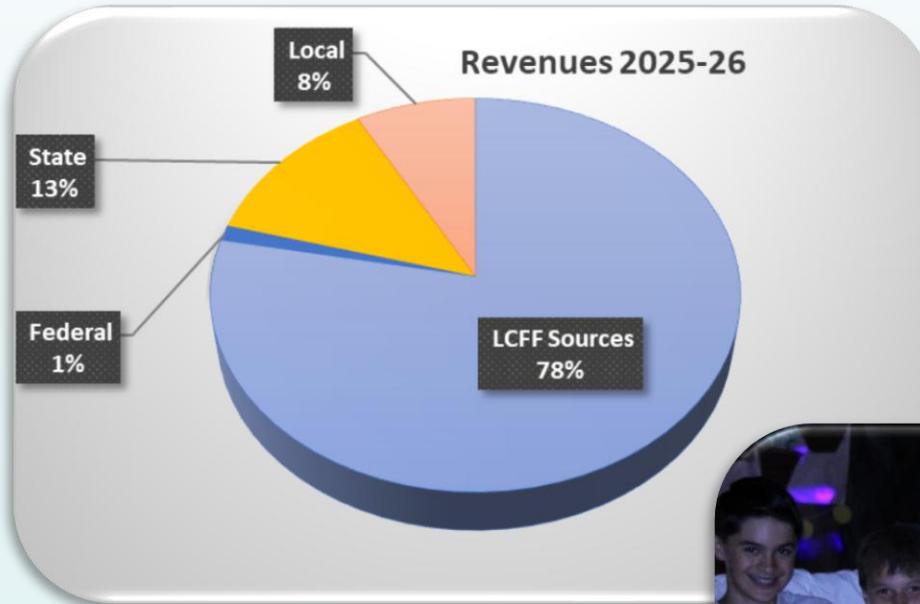
## Rescue Union District Financial Status Comparison 2025-26 2nd Interim

b	c	d	e	f	g	h	i	j	k
	<u>1st Interim 2025-26</u>			<u>2nd Interim 2025-26</u>			<u>Compare 1st Interim to 2nd Interim</u>		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted Variance	Restricted Variance	Total Variance
<b>Revenue Detail</b>									
LCFF Sources (8010-8099)	40,349,319	-	40,349,319	40,308,440	-	40,308,440	(40,879)	-	(40,879)
Federal Revenue (8100-8299)	-	658,986	658,986	-	661,018	661,018	-	2,032	2,032
Other State Revenue (8300-8599)	1,183,849	5,411,417	6,595,266	1,190,082	5,352,686	6,542,769	6,233	(58,731)	(52,498)
Other Local Revenue (8600-8799)	1,658,932	2,547,807	4,206,739	1,654,058	2,839,843	4,493,901	(4,874)	292,036	287,162
<b>Total Revenue</b>	<b>43,192,100</b>	<b>8,618,210</b>	<b>51,810,310</b>	<b>43,152,580</b>	<b>8,853,547</b>	<b>52,006,128</b>	<b>(39,520)</b>	<b>235,338</b>	<b>195,818</b>
<b>Expenditure Detail</b>									
Certificated	17,726,234	3,165,807	20,892,041	17,739,975	3,168,121	20,908,096	13,741	2,314	16,056
Classified	6,094,076	3,076,100	9,170,177	6,120,516	3,058,566	9,179,082	26,440	(17,534)	8,905
Employee benefits	7,608,428	4,270,887	11,879,315	7,581,206	4,284,687	11,865,893	(27,221)	13,800	(13,421)
Books & Supplies	1,598,392	1,265,479	2,863,870	1,613,023	1,283,529	2,896,552	14,632	18,050	32,682
Service, Other Operating	3,248,217	3,892,508	7,140,725	3,153,052	4,064,073	7,217,126	(95,164)	171,566	76,401
Capital Outlay	478,705	169,235	647,940	479,005	274,868	753,873	300	105,633	105,933
Other Outgo	268,825	1,842,896	2,111,721	268,825	1,842,896	2,111,721	-	-	-
Indirect Costs	(252,448)	202,448	(50,000)	(247,494)	197,494	(50,000)	4,953	(4,953)	-
<b>Total Expenditures</b>	<b>36,770,428</b>	<b>17,885,360</b>	<b>54,655,788</b>	<b>36,708,109</b>	<b>18,174,235</b>	<b>54,882,344</b>	<b>(62,319)</b>	<b>288,875</b>	<b>226,556</b>
<b>Excess/(Deficiency)</b>	<b>6,421,672</b>	<b>(9,267,150)</b>	<b>(2,845,478)</b>	<b>6,444,471</b>	<b>(9,320,687)</b>	<b>(2,876,216)</b>	<b>22,799</b>	<b>(53,537)</b>	<b>(30,738)</b>
<b>Other Financing Sources/uses</b>									
Transfers In	-	-	-	-	-	-	-	-	-
Transfers Out	500,000	-	500,000	500,000	-	500,000	-	-	-
Other Sources	-	-	-	-	-	-	-	-	-
Other Uses	-	-	-	-	-	-	-	-	-
Contributions (8800-8999)	(8,779,542)	8,779,542	-	(8,734,062)	8,734,062.2	-	45,480	(45,480)	-
<b>Total Other Sources/Uses</b>	<b>(9,279,542)</b>	<b>8,779,542</b>	<b>(500,000)</b>	<b>(9,234,062)</b>	<b>8,734,062</b>	<b>(500,000)</b>	<b>45,480</b>	<b>(45,480)</b>	<b>-</b>
<b>Net Inc/Dcr to Fund Balance</b>	<b>(2,857,870)</b>	<b>(487,608)</b>	<b>(3,345,478)</b>	<b>(2,789,591)</b>	<b>(586,625)</b>	<b>(3,376,216)</b>	<b>68,279</b>	<b>(99,017)</b>	<b>(30,738)</b>
<b>Beginning Balance</b>	<b>12,118,447</b>	<b>3,767,517</b>	<b>15,885,964</b>	<b>12,118,447</b>	<b>3,767,517</b>	<b>15,885,964</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Ending Balance</b>	<b>9,260,578</b>	<b>3,279,908</b>	<b>12,540,486</b>	<b>9,328,856</b>	<b>3,180,892</b>	<b>12,509,748</b>	<b>68,279</b>	<b>(99,017)</b>	<b>(30,738)</b>



# 2025-26

## 2<sup>nd</sup> Interim Revenue Projections



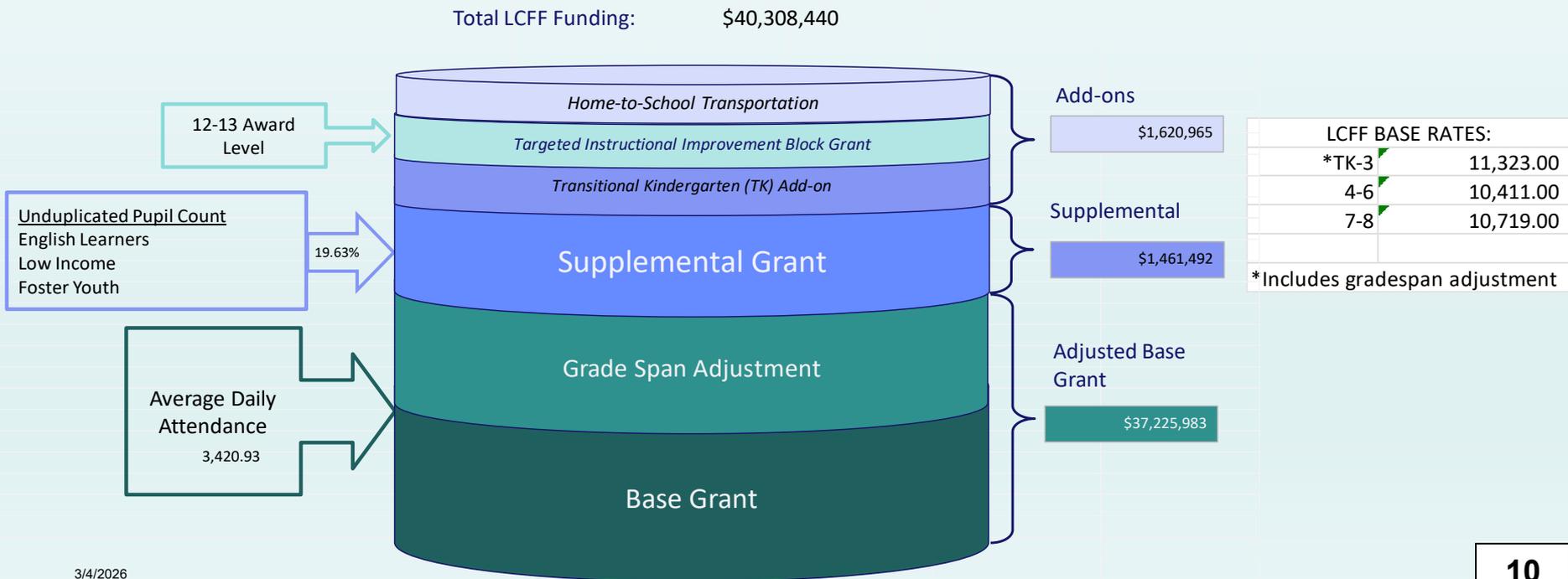
Local Control Funding Formula (LCFF) funds are our primary source of revenues. Adjusting for one-time funds and local bus grant funds, our LCFF is 78% of our total revenue





# 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.
- Home to school transportation had been funded at 2012-13 funding level until 2023-24 when COLA began.





# Revenue Changes since 1<sup>st</sup> Interim



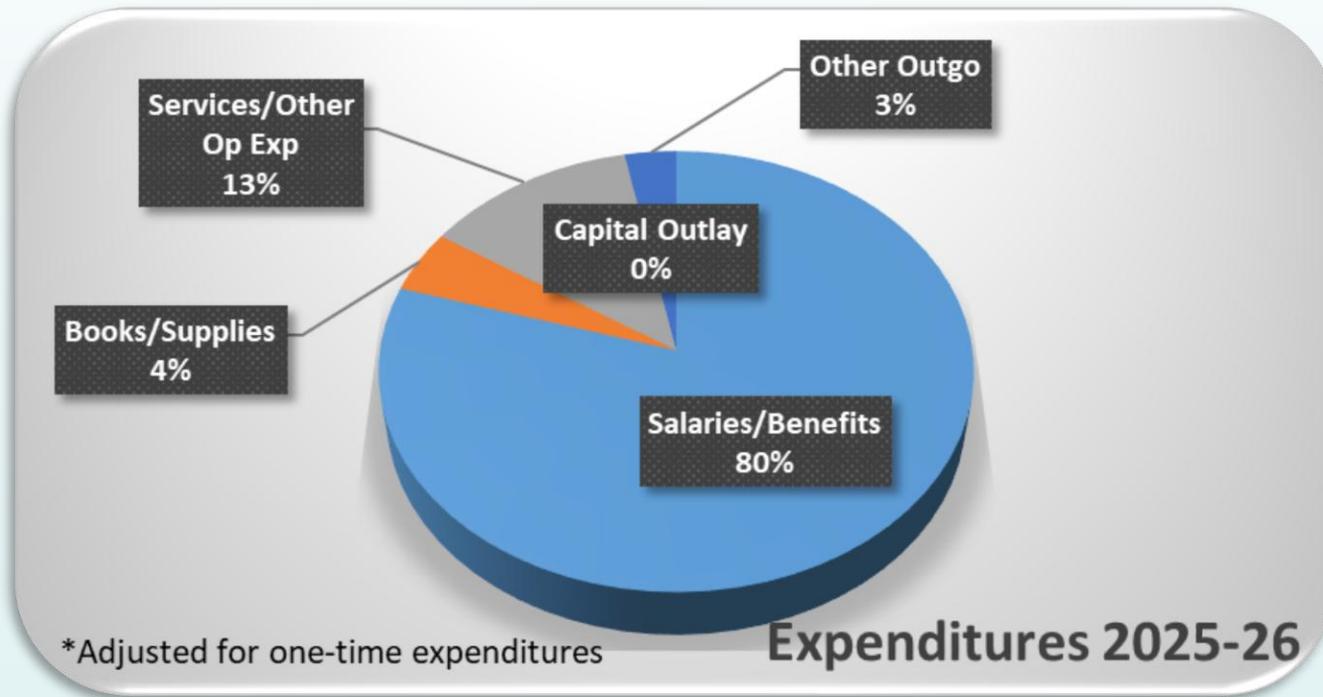
**Total Revenue Change \$195,818**

- **LCFF** \$<41K>
  - Current year ADA is tracking lower than originally projected
- **Federal** \$2k
  - \$<2K> Title II
  - \$4k Title I
- **State** \$<52,500>
  - \$<22k> ELOP
  - \$<30k> Lottery
- **Local** \$287k
  - \$292k Donations
  - \$<13k> Bus pass sales
  - \$26k Wellness grant
  - \$<21k> SIA Dividends



# 2025-26

## 2<sup>nd</sup> Interim Expenditure Projections



When one-time expenditures such as the bus purchase and residential placement costs are removed, Salaries/ Benefits are 80% of our total expenditures.



# Expenditure Changes since 1<sup>st</sup> Interim

**Total Expenditure Change \$226,556**

- **Salaries/Benefits** - \$11,540
  - \$11k Principal substitute
  - \$5k increase in stipends
  - \$10k increase in aide support
  - \$<13k> benefit corrections
- **Books/Supplies** - \$32,700
  - \$<31k> Move to Class Sal for PBIS facilitator
  - \$44k site donations
  - \$14k Counselor supplies (Kimoichi kits)
  - \$5k Library and site supplies
- **Services/Contracts** - \$76,400
  - \$<17k> Reduce Legal
  - \$98k site donations
  - \$17k Fire and Curriculum contracts
  - \$<10k> Insurance and travel
  - \$<11k> move to capital expenditures
- **Capital Outlay** - \$106k
  - \$115k PTO Shades
  - \$11k playground slide
  - \$<21k> move to supplies





# True Operating Deficit

What is this?

- This is the amount that we are spending beyond our revenues, not including “one-time” items
- This is also known as a “structural deficit”

How do we calculate this?

- Identify one-time revenues
- Identify one-time expenditures
- Remove these items from the current budget (unrestricted)

Why do we care about this number?

- This tells us whether our budget is balanced or if we are spending more than our revenues





# True Operating Deficit

One-time revenues include:

- Bus Grant

One-time expenditures include:

- Temp RSP for TOSA
- Principal substitute
- Transportation Admin training
- Contracted aides
- Curriculum adoption
- Bus purchase
- Two Special Education van purchase

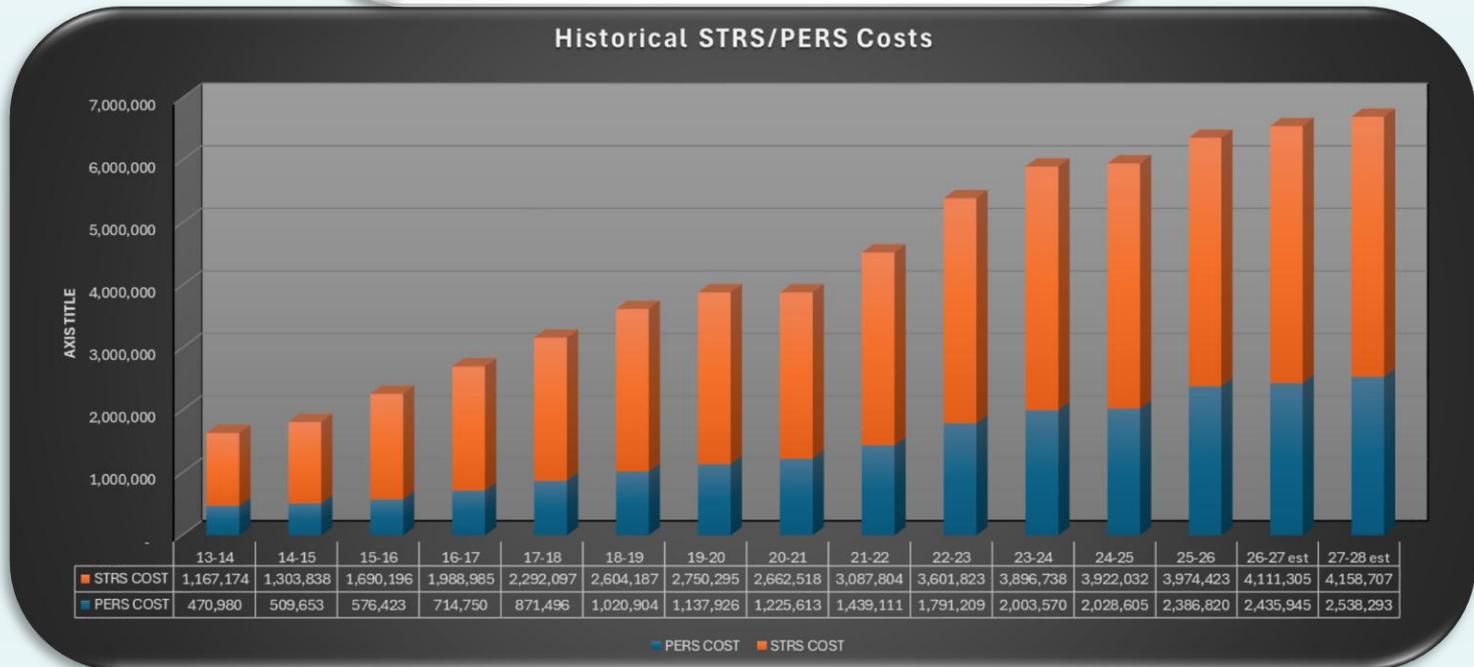
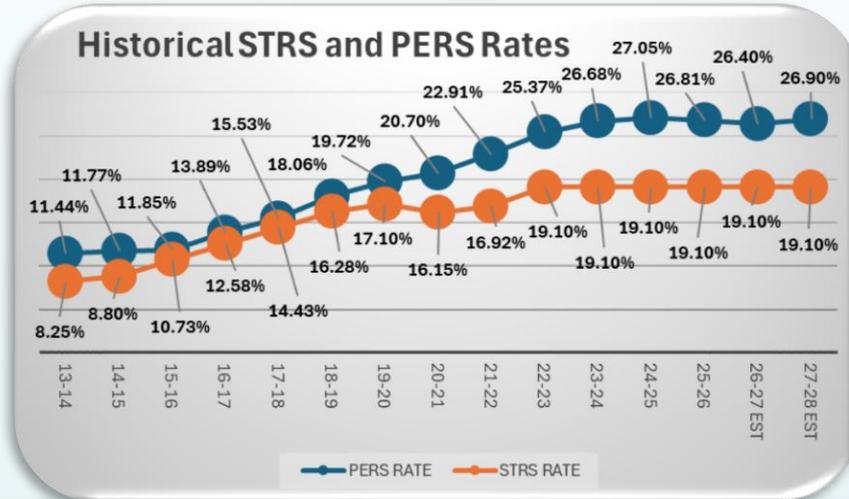
While this improves our structural deficit, we are still deficit spending

	2025-26	2025-26	2025-26
	Unrestricted	ONE-TIME ADJUSTMENTS	True On-going Rev/Expend
<b>Revenue Detail</b>			
LCFF Sources (8010-8099)	40,308,440		40,308,440
Federal Revenue (8100-8299)	-		-
Other State Revenue (8300-8599)	1,190,082		1,190,082
Other Local Revenue (8600-8799)	1,654,058	(346,395)	1,307,663
<b>Total Revenue</b>	<b>43,152,580</b>	<b>(346,395)</b>	<b>42,806,186</b>
<b>Expenditure Detail</b>			
Certificated	17,739,975	(97,569)	17,642,406
Classified	6,120,516	-	6,120,516
Employee benefits	7,581,206	(22,789)	7,558,418
Books & Supplies	1,613,023	(500,000)	1,113,023
Service, Other Operating	3,153,052	(509,000)	2,644,052
Capital Outlay	479,005	(479,005)	-
Other Outgo	268,825		268,825
Indirect Costs	(247,494)		(247,494)
<b>Total Expenditures</b>	<b>36,708,109</b>	<b>(1,608,362)</b>	<b>35,099,747</b>
<b>Excess/(Deficiency)</b>	<b>6,444,471</b>	<b>(1,261,967)</b>	<b>7,706,439</b>
<b>Other Financing Sources/uses</b>			
Transfers In	-		
Transfers Out	500,000	-	500,000
Other Sources	-		
Other Uses	-		
Contributions (8800-8999)	(8,734,062)		(8,734,062)
<b>Total Other Sources/Uses</b>	<b>(9,234,062)</b>	<b>-</b>	<b>(9,234,062)</b>
<b>Net Inc/Dcr to Fund Balance</b>	<b>(2,789,591)</b>	<b>(1,261,967)</b>	<b>(1,527,623)</b>



# STRS/PERS

## Historical rates and costs





# Multi-Year Projections (MYP) Assumptions – Expenditures

- LCFF COLA (\$928k estimated increase in funding)
  - ⊕ 2.41%
  - ⊕ Educator Effectiveness – 2025-26 last year
- Prop 28 Art/Music
  - ⊕ Using funds one year after received
- One-time funding is known
- Reserves are holding, but some reductions have been assumed
  - ⊕ Reduced facility repairs \$50k
  - ⊕ Reduced computer replacement \$50k
- No changes to staffing
  - ⊕ While this budget assumes all retirees will be replaced, we need to wait for student enrollment to ensure we know where to hire (e.g. additional TK and Kinder classes, etc.)
  - ⊕ TK teacher ratio change in 2025-26 (1:10 ratio with a max 24 in the class)



**Rescue Union School District  
Multi-Year Projected Budget**

	G 2025-26	J 2025-26	N 2026-27	R 2027-28
2025-26 2nd Interim	1st Interim	2nd Interim	2nd Interim	2nd Interim
	Total	Total	Total	Total
COLA	2.30%	2.30%	2.41%	2.92%
LCFF Enrollment	3,549.00	3,541	3,505	3,479
LCFF ADA:	3,401.00	3,393.50	3,392.56	3,378.42
UPC %	19.61%	19.63%	20.03%	19.87%
<b>A. REVENUE:</b>				
LCFF Sources 8010-8099	40,349,319	40,308,440	41,236,754	42,259,903
Federal Reven8100-8299	658,986	661,018	568,691	565,578
Other State Rε8300-8599	6,595,266	6,542,769	5,186,632	5,217,549
Local Revenueε8600-8799	4,206,739	4,493,901	3,429,591	3,309,029
<b>TOTAL REVENUE</b>	<b>51,810,310</b>	<b>52,006,128</b>	<b>50,421,668</b>	<b>51,352,059</b>
<b>B. EXPENDITURES:</b>				
Certificated Sε 1000-1999	20,892,041	20,908,096	21,529,253	21,715,271
Classified Sala2000-2999	9,170,177	9,179,082	9,331,366	9,538,425
Benefits 3000-3999	11,879,315	11,865,893	12,061,645	12,215,995
Books & Supp 4000-4999	2,863,870	2,896,552	2,147,386	2,178,357
Services 5000-5999	7,140,725	7,217,126	5,503,325	5,352,604
Capital Outlay6000-6599	647,940	753,873	29,812	29,812
Other Outgo 7100-7299	2,111,721	2,111,721	2,111,721	2,111,721
Direct Suppor 7300-7399	(50,000)	(50,000)	(50,000)	(50,000)
				-
				-
<b>TOTAL EXPENDITURES</b>	<b>54,655,788</b>	<b>54,882,344</b>	<b>52,664,508</b>	<b>53,092,186</b>
<b>C. EXCESS ( DEFICIENCY)</b>	<b>(2,845,478)</b>	<b>(2,876,216)</b>	<b>(2,242,840)</b>	<b>(1,740,126)</b>
<b>D. OTHER FINANCING SOURCES/USES</b>				
Interfund Trai8910-8929		-	-	-
Interfund Trai7610-7629	500,000	500,000	500,000	500,000
Other Sources8930-8979		-	-	-
Other Uses 7630-7699		-	-	-
Contributions 8980-8999		-	-	-
<b>TOTAL SOURCES/USES</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>	<b>(500,000)</b>
<b>E. NET INCREASE (DECREASE)</b>	<b>(3,345,478)</b>	<b>(3,376,216)</b>	<b>(2,742,840)</b>	<b>(2,240,126)</b>
<b>BEGINNING BALANCE</b>	<b>15,885,964</b>	<b>15,885,964</b>	<b>12,509,748</b>	<b>9,766,908</b>
Audit adj	-	-	-	-
<b>F. RESTATED BEGINNING BALANCE</b>	<b>15,885,964</b>	<b>15,885,964</b>	<b>12,509,748</b>	<b>9,766,908</b>
<b>PROJECTED ENDING BALANCE</b>	<b>12,540,486</b>	<b>12,509,748</b>	<b>9,766,908</b>	<b>7,526,782</b>



**Rescue Union School District  
Multi-Year Projected Budget**

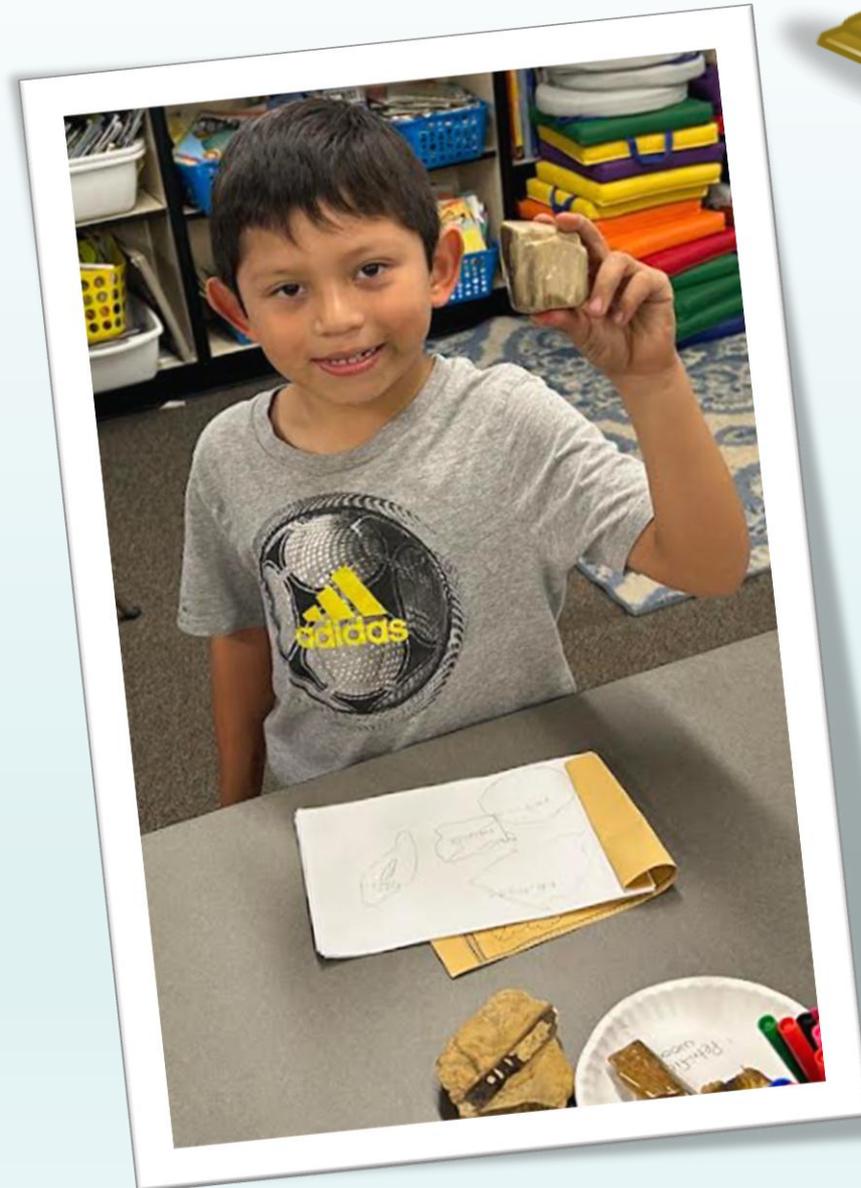
2025-26 2nd Interim	G	J	N	R
	2025-26	2025-26	2026-27	2027-28
	1st Interim	2nd Interim	2nd Interim	2nd Interim
	Total	Total	Total	Total
<b>G. COMPONENTS OF THE ENDING BALANCE:</b>				
a) Nonspendable				
Revolving Cash	5,750	5,750	5,750	5,750
Stores	-	-	-	-
Prepaid expenses	-	-	-	-
All Others	-	-	-	-
b) Restricted	<b>3,279,908</b>	<b>3,180,892</b>	<b>2,382,789</b>	<b>1,783,230</b>
Expanded Learning Opportunities	284,023	260,865	68,313	6,678
Educator Effectiveness RS 6266	-	-	-	-
Lottery Instructional Materials RS	985,255	949,683	542,002	134,322
ERMHS RS 6546	152,404	98,319	101,623	104,928
9054	204,286	204,286	113,283	22,280
Interventi	228,750	229,074	97,240	-
Student Support & Prof Learning P	853,938	853,938	853,938	853,938
Learning Recovery Emer Grant RS	-	-	-	-
Medi-Cal Billing	5,594	5,594	-	-
TUPE	2,000	2,000	-	-
Arts, Music & Inst Mat'l's Block Grd	-	-	-	-
Arts & Music In Schools (Prop 28) P	563,658	551,695	606,389	-
Literacy Screenings Prof Dev	-	-	-	-
PTO Site Donations	-	25,438	(0)	-
c) Committed				
Stabilization Arrangements				
Other Commitments	-	-	-	-
d) Assigned	<b>3,739,249</b>	<b>3,784,872</b>	<b>2,061,918</b>	<b>378,583</b>
Assigned Descriptions:				
Liability - Compensated Absences	45,356	45,356	45,356	45,356
Liability - H/W Prior Year adjust	200,000	200,000	200,000	200,000
U/R Lottery - Instr Supplies / Text	982,112	998,931	941,462	133,227
MAA - Health services	29,416	29,416	-	-
Emergency Facility Needs	132,425	132,425	150,000	-
Safety Improvements	50,000	50,000	50,000	-
CalPERS/CalSTRS	-	-	-	-
SPED residential reserve	-	-	-	-
Declining Enrollment Mitigation	2,299,940	2,328,744	675,100	(0)
-	-	-	-	-
e) Unassigned				
Reserve for Economic Uncertain	5,515,579	5,538,234	5,316,451	5,359,219
Unassigned/Unappropriated	-	-	-	-
<b>Ending Fund Balance</b>	<b>12,540,486</b>	<b>12,509,748</b>	<b>9,766,908</b>	<b>7,526,782</b>
REU	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>	<b>10.0%</b>



# Future Budget Impacts



- Enrollment updates and impacts to LCFF
- May Revise and Final State Budget Adoption
- Ongoing State Budget Deficits
- Negotiations





# Other Funds

## ■ Fund 35 – School Facilities Fund

- ⊕ Rescue Elementary Staff Restroom replacement \$500,000
- ⊕ Transportation lift station \$600,000
- ⊕ Green Valley Playground replacement \$225,000
- ⊕ Lake Forest parking lot replacement \$127,000

## ■ Fund 40 – Special Reserve – Capital Facilities

- ⊕ Facility Truck replacement \$200,000



# Questions?

