



Moraga School District

2025-26 FIRST INTERIM BUDGET



Budget Calendar

Governor's
proposed State
Budget

✦ First Interim Report

January

- Dartboard
- LAO analysis
- Budget process begins

- Review and present First Interim Report
- Get Auditor's Report

December

February

- Enrollment projections
- Budget development
- Approve any employee reductions
- Kindergarten registration

- Complete Financial Audit
- Prepare for reporting First Interim changes

November

✦ Second Interim Report

March

- Approve budget reduction
- Board approval for any certificated layoffs

- Financial Audit
- Start working on First Interim changes

October

- Review LCAP
- Update staffing budgets
- Reviewing budget related information that's available

April

✦ Unaudited Actuals Report

September

- Close the books
- Submit Unaudited Actuals to CCCOE

- Public hearing LCAP
- Review budget forecast based on May revise

May

Governor's
May
Revise

✦ 45 Day
Revise

August

- Revise Adopted Budget if needed based on new legislation
- Work on closing the books

- Review budget forecast based on May revise

June

✦ Budget Adopted

July

Adoption of State
Budget

- Submit Adopted Budget and LCAP to CCCOE

2025-26 First Interim Report

2025-26 First Interim Report

Purpose

- Communicate the overall financial condition of the District to the Governing Board, County Office of Education and the community.
- Analyze and revise the operating budget for updated information.
- A Multiple Year Projection (MYP) is prepared and required by the County Office of Education.



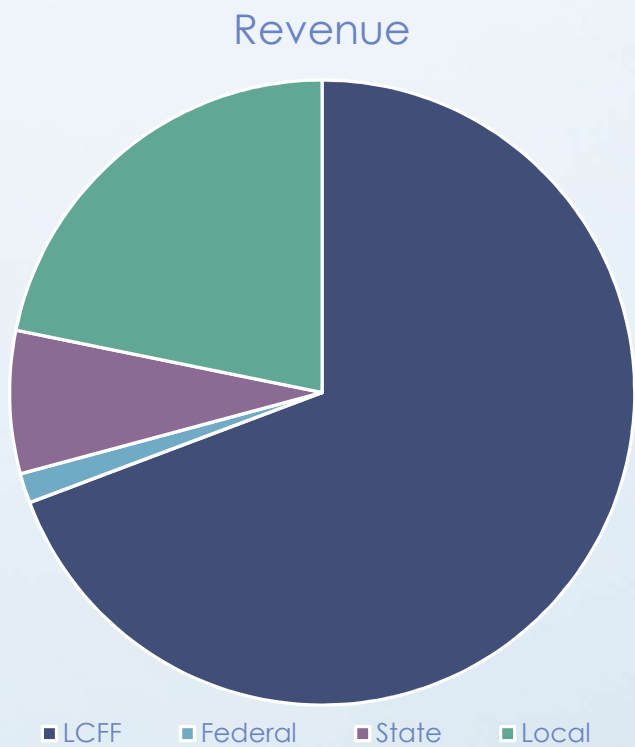
Schedule of Changes

REVENUES

Overall  in Revenues of \$672k

2025-26 ADOPTED BUDGET vs FIRST INTERIM				
	ADOPTED BUDGET	FIRST INTERIM	CHANGE	EXPLANATION
LCFF Sources	\$20,562,127	\$20,698,868	136,741	Increase primarily due to: - the TK add-on rate increasing from \$3,148 to \$5,545 despite a reduction in TK ADA from 128.99 to 95.50
Federal	\$467,582	\$463,867	(3,715)	Immaterial
State	\$2,794,711	\$3,365,496	570,785	Increase primarily due to: - \$551k for Student Support and Professional Development Grant - one-time money - \$35k increase to Prop 28 allocation based on PY enrollment Offset by: - CSESAP match revenue expected
Local	\$6,831,860	\$6,800,539	(31,321)	Decrease primarily due to: - \$40k interest earnings due to falling interest rate
TOTAL REVENUES	\$30,656,280	\$31,328,770	672,490	

FIRST INTERIM REVENUES



Source	%
LCFF	66%
Local	21.5%
State	11%
Federal	1.5%

Schedule of Changes

EXPENDITURE

Overall  in Expenditures of \$365k

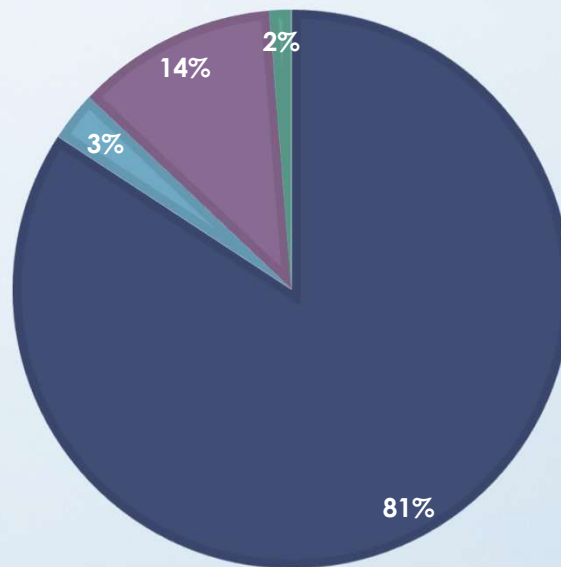
2025-26 ADOPTED BUDGET vs FIRST INTERIM				
	ADOPTED BUDGET	FIRST INTERIM	CHANGE	EXPLANATION
Certificated Salaries	\$13,379,767	\$12,869,935	(509,832)	Decrease primarily due to: -\$500k difference between budgeted vs. actual pay for 12 FTE positions
Classified Salaries	\$4,572,397	\$4,542,330	(30,067)	Decrease primarily due to: -\$30k vacant TK aide position; lower TK enrollment
Benefits	\$8,847,304	\$8,543,989	(303,315)	Decrease primarily due to: -\$150k driven by salary decreases -\$150k employee benefits changes (health and retirement)
Books & Supplies	\$598,423	\$1,131,827	533,404	Increase primarily due to: - \$436k for new ELA curriculum - \$97k for carryover budgeted as expenses for the current year
Contracts & Services	\$4,613,527	\$4,404,247	(209,280)	Decrease primarily due to: - \$229k Calshape Grant contracted services. These expenses were budgeted in anticipation of Calshape revenue that was not received last year. Revenue is due upon project completion. Budget will be adjusted based on project timeline
Capital Outlay	\$0	\$160,000	160,000	Dishwashers to be purchased \$40k per site (Dishwasher grant)
Other Outgo	\$653,543	\$652,919	(624)	CCCOE SPED School
Indirect Support Costs	(\$100,000)	(\$105,000)	(5,000)	
TOTAL EXPENDITURES	\$32,564,961	\$32,200,248	(364,713)	

Does not include cost of raises for 2025-26

FIRST INTERIM EXPENDITURES

EXPENSES

■ Salaries & Benefits ■ Books & Supplies
■ Contracts & Services ■ Other Outgo



Schedule of Changes

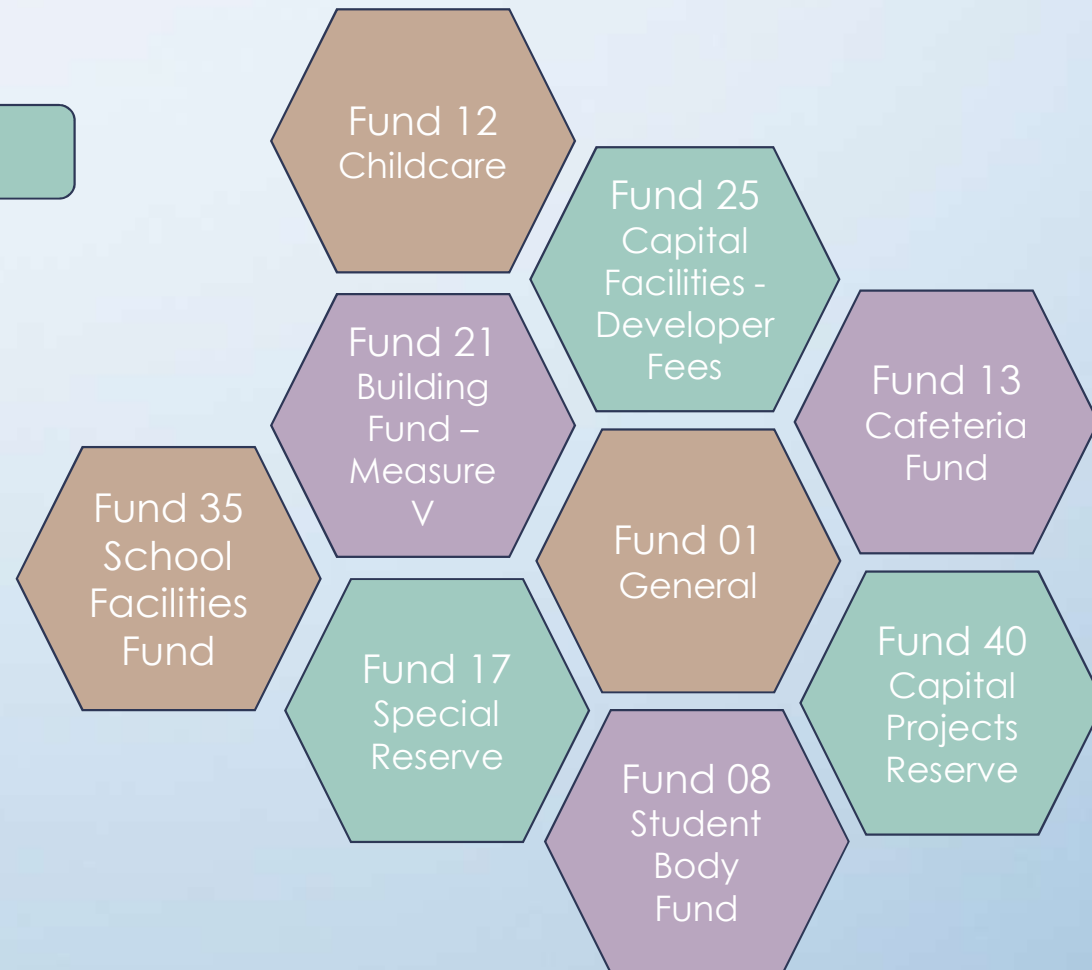
RESERVES

Overall  in Fund Balance of \$656k

2025-26 ADOPTED BUDGET vs FIRST INTERIM				
	ADOPTED BUDGET	FIRST INTERIM	CHANGE	EXPLANATION
Transfers In	-	-	-	
Excess (Deficiency) of Revenues over Expenditures	(\$1,908,681)	(\$871,478)	1,037,203	a
FUND BALANCE, RESERVES				
Beginning Balance	\$6,398,828	\$6,398,828	-	b
Ending Balance	\$4,490,147	\$5,527,350	1,037,203	a+b
RESERVES				
NONSPENDABLE				
Revolving Cash	\$25,000	\$25,000	-	
Prepaid Expenditures	\$22,152	\$22,152	-	Prepayment for Malwarebytes contract
RESTRICTED				
Legally Designated (restricted programs)	\$775,175	\$1,181,827	406,652	Increase in Student Support and Professional Development grant offset by decreases in the Dishwasher grant Restricted Lottery
ASSIGNED				
Textbooks	\$150,000	\$150,000	-	
Technology Replacement/Upgrades	\$130,000	\$130,000	-	
Litigation	\$100,000	\$100,000	-	
UNASSIGNED				
Designated for Economic Uncertainties	\$976,949	\$966,007	(10,941)	3% of Total Expenditures c
Unassigned Fund Balance	\$2,310,871	\$2,952,364	641,493	Ending balance minus all other reserves d
Plus Fund 17	\$1,074,908	\$1,100,283	25,375	e
TOTAL AVAILABLE RESERVES IN \$	\$4,362,728	\$5,018,654	655,926	c+d+e
TOTAL AVAILABLE RESERVES %	13.40%	15.59%	2.19%	as a % of total expenditures

All Funds

Positive Fund Balances



LCFF Funding

- Base grant for each student
- Grade span adjustment money for TK-3 and a TK add-on for TK ADA
- Supplemental funding for each student with higher needs (English learners, foster care or reduced lunch) 20% additional funding per student
- The LCAP guides the use of LCFF funds
- The LCFF revenue is the total bucket
- Part of this bucket is funded with property taxes and the state funds the rest

MYP - LCFF Funding			
	2025-26	2026-27	2027-28
Enrollment	1,783	1,810	1,813
Unduplicated Pupil %	8.36%	8.28%	8.27%
Funded ADA	1,760.64	1,733.98	1,726.07
TK ADA	95.5	104.72	84.48
TK add-on	\$5,545	\$5,712	\$5,907
COLA	2.30%	3.02%	3.42%
LCFF Revenue	\$20,050,034	\$20,388,709	\$20,895,778

Fund 01 – Assumptions for MYP

Governor's Assumptions	2025-26	2026-27	2027-28
COLA - Cost of Living Adjustment	2.30%	3.02%	3.42%
Consumer Price Index - CPI	3.09%	2.82%	2.72%
CalPERS Employer Rate	26.81%	26.90%	27.80%
CalSTRS Employer Rate	19.10%	19.10%	19.10%
Unemployment Rate	0.05%	0.05%	0.05%
Classified Driven Benefits	36.03%	36.93%	36.53%
Certificated Driven Benefits	22.03%	22.03%	22.03%
District's Assumptions	2025-26	2026-27	2027-28
Enrollment	1,783	1,810	1,813
Funded ADA	1,760.64	1,733.98	1,726.07
Step and Column Increase	1.66%	1.66%	1.66%
Health Benefit Rate Increases	7%	7%	7%
Reserve for Economic Uncertainty	10%	10%	10%
Routine Restricted Maintenance	3%	3%	3%
Workers' Compensation	1.43%	1.43%	1.43%
Unduplicated Pupil %	8.36%	8.28%	8.27%

✦ Board policy 3100 was updated in 2023-24 to include a 10% reserve



Breakdown of 2026-27 proposed cuts included in the MYP

TAs Cut	\$225,324
Elementary Counselors	
1.0 FTE cut through Capacity Grant	\$101,486
1.0FTE	\$134,469
Co-Teaching Stipend	\$94,400
	\$555,679

Previously
communicated
in the 2024-25
Second Interim
presentation

These categories are placeholders. The Budget Advisory Committee needs to work on recommending final cuts for 2026-27



Multiple Year Projection – 2025-26 First Interim

Does not
include
cost of
raises for
2025-26

MORAGA SCHOOL DISTRICT - MYP - FIRST INTERIM BUDGET 2025-26			
	2025-26	2026-27	2027-28
Total Revenues:	31,328,770	31,054,586	31,561,655
Total Expenditures:	32,200,248	31,915,565	32,652,249
Net Increase (Decrease) to Fund Balance:	(871,478)	(860,979)	(1,090,594)
FUND BALANCE RESERVES:			
Beginning Balance	6,398,828	5,527,350	4,666,371
Net Increase (Decrease) to Fund Balance:	(871,478)	(860,979)	(1,090,594)
Transfers In from Fund 17			
ENDING FUND BALANCE:	5,527,350	4,666,371	3,575,777
COMPONENTS OF THE ENDING FUND BALANCE			
NONSPENDABLE: Revolving Cash	25,000	25,000	25,000
NONSPENDABLE: Prepaids	22,152	0	0
RESTRICTED: Categorical Programs	1,181,826	1,076,441	883,640
ASSIGNED:			
Textbook Adoption	150,000	250,000	0
Litigation	100,000	100,000	100,000
Technology Replacement/Upgrade	130,000	130,000	50,000
UNASSIGNED AVAILABLE RESERVES:			
3% Required Reserve	966,007	957,467	979,567
Undesignated Fund Balance:	2,952,365	2,127,462	1,537,569
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:			
TOTAL AVAILABLE GENERAL FUND RESERVES	3,918,372	3,084,929	2,517,137
ADD FUND 17 RESERVES	1,100,283	1,100,283	1,100,283
TOTAL AVAILABLE RESERVES IN DOLLARS:	5,018,655	4,185,212	3,617,420
TOTAL AVAILABLE RESERVES AS A PERCENTAGE:	15.59%	13.11%	11.08%

Proposed Budget Report



Positive – District is projected to meet its financial obligations for all three years

Qualified – It is projected that the district may not meet its financial obligations in one of the three years

Negative – It is projected that the district will not be able to meet its financial obligations in the current or next fiscal year

Staff recommends that the Governing Board approve the District's First Interim Report for 2025-26



What's coming up?

Not included in the 2025-26 First Interim Report

- Cost of raises
- Lower COLA projected for 2026-27
- District will need to make new budget cuts to correct deficit spending



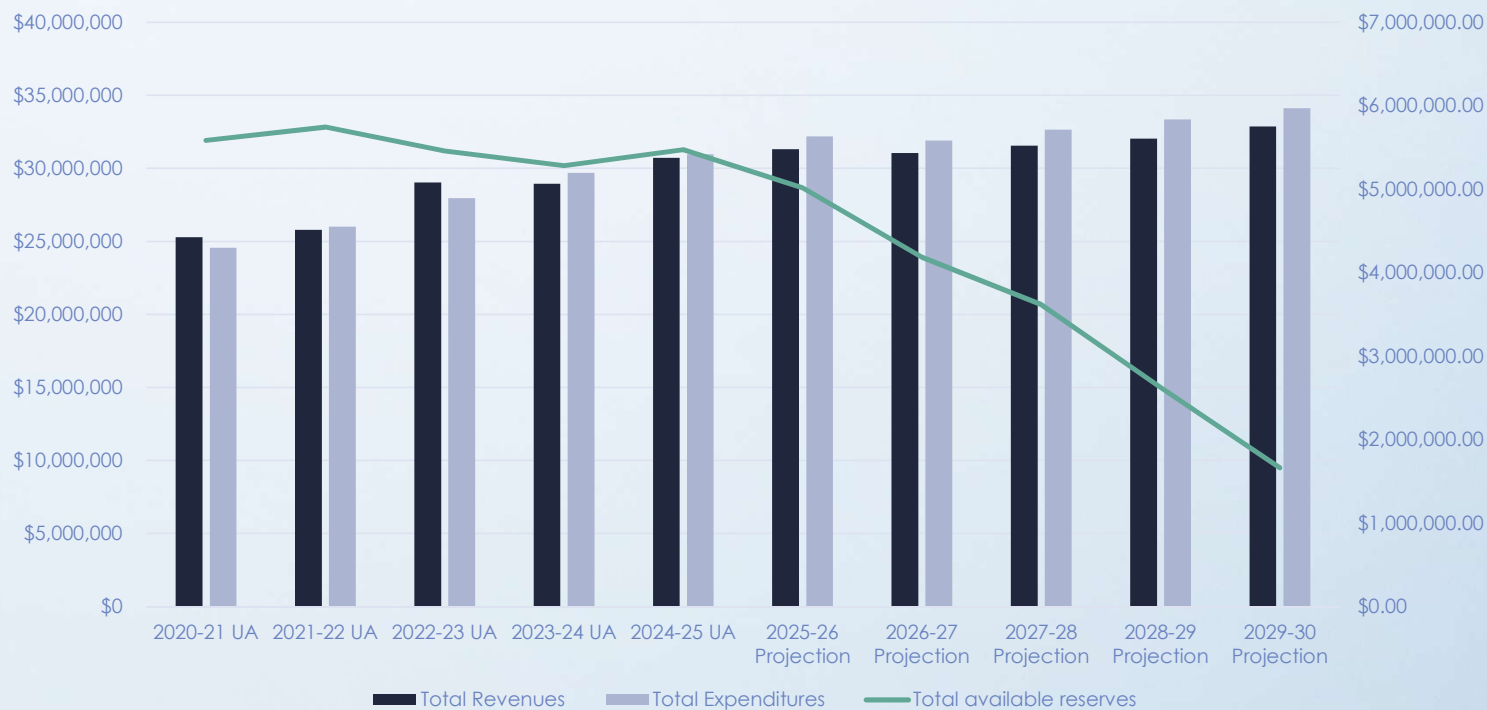
COLA 2026-27

A lower COLA is now projected for the year 2026-27

- Fiscal Crisis and Management Assistance Team (FCMAT) predicts the 2026-27 COLA to be between 1.27% and 2.53%
- The district has relied on the 3.02% original Dartboard 2026-27 COLA for First Interim
- 2026-27 COLA **2.53%** = a **\$98k** reduction to 2026-27 LCFF revenue
- 2026-27 COLA **1.27%** = a **\$347k** reduction to 2026-27 LCFF revenue
- The District is waiting for the Governor's Proposed Budget in January 2026

STRUCTURAL DEFICIT – MYP

Spending vs. Reserves over Time



Does not include raises for 2025-26, or a lower COLA for 2026-27

↑ 15.6% ↑ 13.1% ↑ 11.1% ↑ 7.9% ↑ 4.9%
2025-26 First Interim Report

Next Steps

JANUARY 2026:

FY 2024-25 Audit report and Final Financial Statements

MARCH 2026:

FY 2025-26 Second Interim Report

