



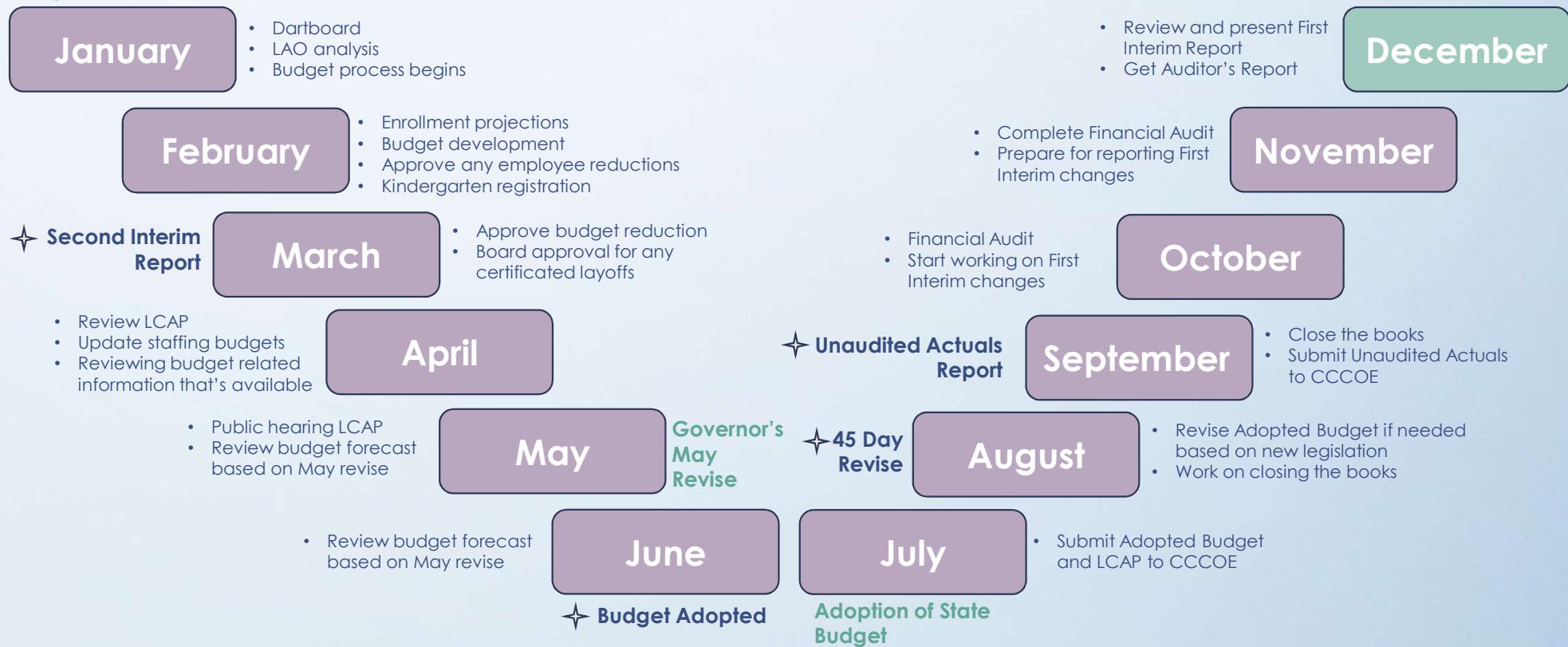
Moraga School District

2025-26 FIRST INTERIM BUDGET



Budget Calendar

Governor's
proposed State
Budget



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.



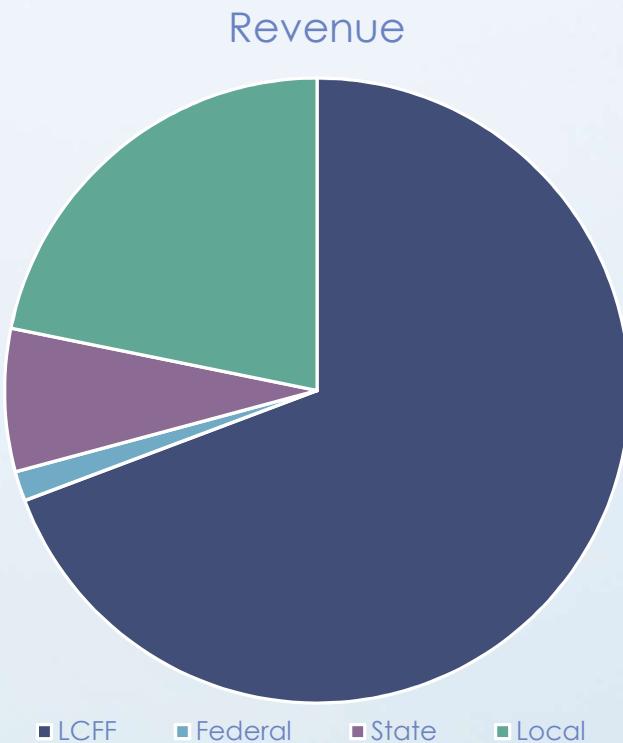
Schedule of Changes

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



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) | |

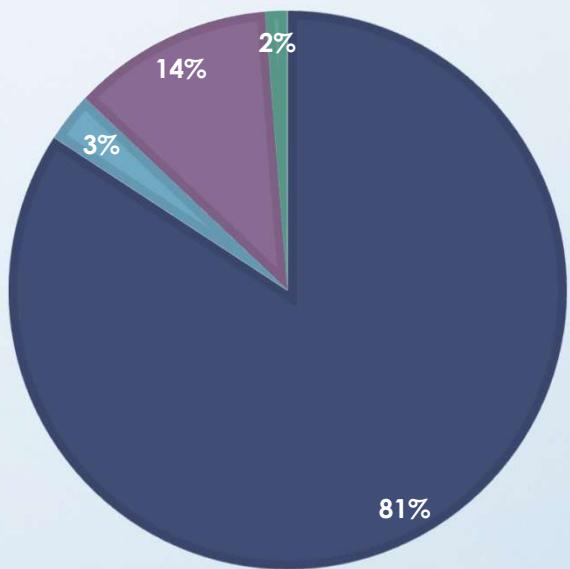
Does not include cost of raises for 2025-26

2025-26 First Interim Report

FIRST INTERIM EXPENDITURES

EXPENSES

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



Schedule of Changes

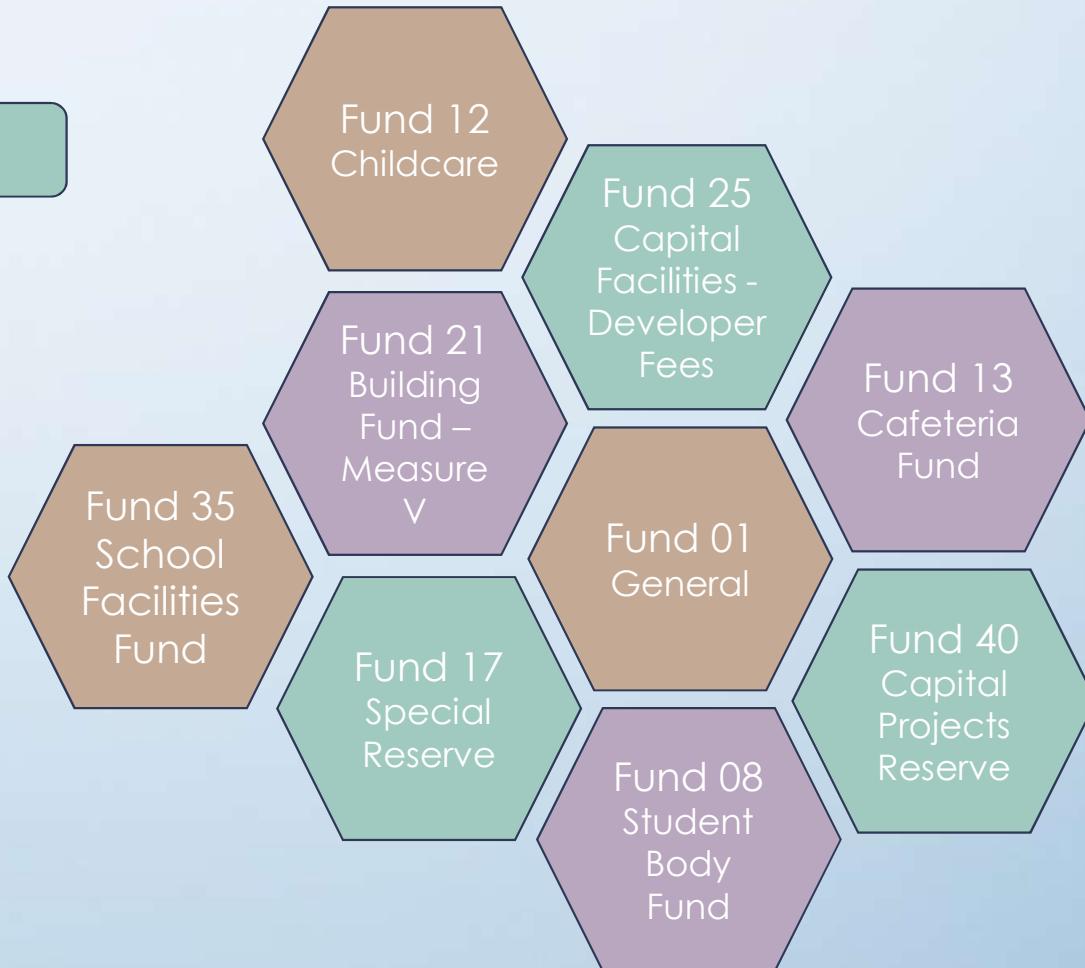
RESERVES

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 |

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

Previously
communicated
in the 2024-25
Second Interim
presentation



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: Prepays | 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



Next Steps

JANUARY 2026:

FY 2024-25 Audit report and Final Financial Statements

MARCH 2026:

FY 2025-26 Second Interim Report

