

BUCKEYE UNION SCHOOL DISTRICT

AGENDA ITEM #: XII.6.

ACTION:

Approve 2024-2025 Estimated Actuals
and Adopt 2025-2026 Budget with a
Positive Certification

SITUATION:

Estimates of the District's financial operation must be approved prior to spending money beginning July 1st. (Education Code §42127) If a budget is not adopted and submitted to the County Office of Education, no expenditures can be made or payroll processed. A Public Hearing on the draft 2025-2026 Proposed Budget/LCAP was held on Wednesday, June 11, 2025, at which time all interested persons were given the opportunity to address the Board concerning the proposed budget/LCAP. The District also provides the following information: (a) the minimum reserve level required in each year; (b) the amount of assigned and unassigned end fund balances that exceeds the minimum in each year; and (c) reasons for reserves being greater than the minimum, if applicable.

It is significant to note that the primary source of revenue for the District's 2025-2026 proposed budget is funding from the Local Control Funding Formula (LCFF), which is driven by Average Daily Attendance (ADA). The LCFF was fully implemented in 2018-19.

It is estimated that for the 2025-2026 fiscal year, the District will receive a total of \$48,439,619 in LCFF funding and \$61,025,550 in total funding from all revenue sources. The District's proposed budget has been built using the best information available at this time. The State revenues are based on the Governor's May 2025 revised proposed budget. The key planning factors incorporated into the Proposed Budget and MYPs are listed below:

Planning Factor	2025-26	2026-27	2027-28
Cost of Living Adjustment (COLA) LCFF			
COLA	2.30%	3.02%	3.42%
Special Education COLA	2.30%	3.02%	3.42%
Employer Benefit Rates CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	26.81%	26.90%	27.80%
State Unemployment Insurance	0.05%	0.05%	0.05%
Lottery	\$191	\$191	\$191
Unrestricted per ADA Proposition 20 per ADA	\$82	\$82	\$82
Minimum Wage	\$16.90	\$17.40	\$17.80

Universal Transitional Kindergarten/ADA LCFF add-on for the 12-to-1 student-to- adult ratio	\$5,545	\$5,712	\$5,907
Mandated Block Grant Districts			
K-8 per ADA	\$39.09	\$40.27	\$41.65
9-12 per ADA	\$75.31	\$77.58	\$80.23
Charters			
K-8 per ADA	\$20.52	\$21.14	\$21.86
9-12 per ADA	\$57.04	\$58.76	\$60.77

Revenue and Expenditure assumptions are detailed in the budget document and presentation, a copy of which can be located on the District website and is available for inspection at the District Office.

PLAN:

The plan is for the Board to adopt a balanced budget for the 2025/2026 fiscal year, to commit to maintaining a balanced budget and to preserve a fully funded reserve in 2026/2027 and 2027/2028. The multi-year projection included with the Adopted Budget serves to assist the District in making the determination that it is able to meet the financial obligations for the current fiscal year and the next two fiscal years. The multiyear budget projections show that the District will be able to maintain the minimum economic reserve of 3% and the additional Board reserve of 1% for the 2025-26 through 2027-28 budget years.

FISCAL IMPACT:

General Fund expenditure appropriations of approximately \$61,014,849.

SUPERINTENDENT'S RECOMMENDATION:

The Superintendent recommends that the Board adopt a balanced budget for the 2025/2026 fiscal year, to commit to maintaining a balanced budget and to preserve a fully funded reserve in 2026/2027 and 2027/2028.



2025-26 Proposed Budget Report



Presented to the Board of Trustees

Public Hearing – June 11, 2025

Adoption – June 25, 2025

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BUCKEYE UNION SCHOOL DISTRICT EL DORADO HILLS/CAMERON PARK/SHINGLE SPRINGS, CALIFORNIA

ORGANIZATION STRUCTURE

BOARD OF TRUSTEES

Member

Brenda Hanson-Smith, Ph.D.
Melissa Keyzer
Scott Masten, Ph.D.
Kirk Seal
Jon Yoffie

Position

President
Member
Member
Clerk
Member

ADMINISTRATION

David Roth, Ph.D.
Superintendent

Jacqueline S. McHaney
Assistant Superintendent, Administrative Services

Michael Henkel
Director of Fiscal Services

Nicole Schraeder
Director of Student Services

Rachelle Ball
Director of Curriculum and Instruction

BUCKEYE UNION SCHOOL DISTRICT

Mission/Vision Statement & Goals 2025-2026

Mission

Working together with families, the community, and a highly-qualified staff, the Buckeye Union School District ensures that each student masters the knowledge and skills needed to maximize his/her academic and personal success in a global society.

Vision

It is the Vision of the Buckeye Union School District to provide the highest quality educational program for all students, so that they fulfill their innate potential, become lifelong learners, and contribute to society as responsible citizens.

Board Goals and Objectives



Goal # 1: STUDENT ACHIEVEMENT - MAXIMIZE THE PERFORMANCE OF EACH STUDENT, ASSESS AND INCREASE ACADEMIC SUCCESS

We will provide a comprehensive educational experience with expanded opportunities for engagement, assessment and academic growth so that all students will achieve their fullest potential.

Goal # 2: MAINTAIN FISCAL INTEGRITY AND ACCOUNTABILITY

We will support the priority of the District goals by focusing expenditures on academic programs, student achievement and effective staff by developing and maintaining a balanced budget and prudent reserve.

Goal #3: MAXIMIZE USE OF TECHNOLOGY TO ENHANCE THE WORK OF STAFF

We will support the priority of the District goals by focusing on maintaining and using data management systems to target teaching programs, inform instruction, interventions, and use of resources.



Goal #4– STRENGTHEN COMMUNITY RELATIONS AND COMMUNICATIONS

All stakeholders will collaborate and communicate about decisions that guide the sites and District.



Goal #5 – SUPPORT THE WHOLE CHILD

We will foster the social and emotional growth of all students, implement an array of strategies to increase student engagement, identify individual socioemotional and behavioral needs, and apply collaborative appropriate interventions.

Buckeye Union School District 2025-26 Proposed Budget Report and Multiyear Fiscal Projection

Public Hearing – June 11, 2025

Adoption – June 25, 2025

A school district operates during the fiscal year of July 1 to June 30. In January, the District begins planning for the following year's budget based primarily upon the State's January Budget Proposal, enrollment projections and the May Revise. During the months of May and June each year, the District finalizes its budget for the coming year. School districts are required to adopt a budget prior to July 1 of each year in order to authorize the expenditure of funds. The proposed budget is only an initial blueprint for revenues and expenditures since the preparation of the adopted budget occurs before the State has enacted its budget, and before actual revenues and expenditures are known for the current year. In the event that material revisions are necessary, a revised budget will be presented to the Board no less than 45 days after the enacted state budget.

To project the budget, the District must use a series of assumptions. These assumptions are then inserted into State and District formulas to determine the final budget for the next year. Two major determinates in the District's proposed budget are stakeholder engagement from the Local Control Accountability Plan process and the Governor's Revised Budget Proposal in May. The accuracy of the District's budget projection for the next year is only as good as the assumptions used to develop the budget. If the assumptions change, so too will the budget. Consequently, the major assumptions have to be carefully considered in evaluating the accuracy of next year's income and expense. With the understanding that changing assumptions directly affect the financial outlook of the District, the State requires all school districts to report their budget for the current year, as well as two subsequent years. Illustrated below is a summary of the proposed state budget and budget guidelines as provided by the County Office of Education and School Services of California. The Proposed Budget Report also contains financial summaries, multi-year projections and detailed financial state reports relating to the estimated financial activity for 2025-26 through 2027-28 specific to the Buckeye Union School District.

Governor's Revised State Budget Proposal "May Revision"

On May 14, 2025, Governor Gavin Newsom released the May Revision for the proposed 2025- 26 State Budget. Proposition 98 funding is estimated to be \$114.6 billion for 2025-26, which is *approximately \$4.3 billion less* than the Governor's January budget proposal. For the period incorporating the 2023/24, 2024/25, and 2025/26 fiscal years (i.e. budget window period), Proposition 98 funding is estimated to be *\$4.6 billion lower than* what was in the Governor's January budget.

The 2025-26 Governor's January Budget proposed to appropriate the 2024-25 Proposition 98 minimum guarantee at \$1.6 billion lower than the calculated Proposition 98 formula level. The 2025-26 Governor's May Revision maintains the Governor's January Budget proposal of appropriating the 2024-25 Proposition 98 minimum guarantee at \$117.6, which is *now \$1.3 billion lower* than the formula requires. Reducing the amount appropriated from \$118.9 billion to \$117.6 billion mitigates the risk of appropriating more resources than are ultimately available when the final calculations are made after the end of the fiscal year. In addition, the Governor's May Revision proposes to increase the TK-12 portion of Proposition 98 for Universal Transitional Kindergarten purposes and makes a corresponding reduction to the Proposition 98 portion for community colleges.

The 2025-26 Governor's May Revision continues with the theme of June cash deferrals. While the 2024-25 \$490 million (\$246 TK-12) of principal apportionment deferrals will have come and gone in the near future, the Governor's May revision

proposes deferring \$2.3 billion (\$1.8 billion TK-12) of the June 2026 Local Control Funding Formula apportionments to July 2026. While these types of deferrals do not impact the anticipated revenues of the District, they can impact Cash Flow. This is one of many reasons why it is essential to maintain adequate cash reserves.

In addition, due to changes in revenues from capital gains, the mandatory deposit into the Public School System Stabilization Account (PSSSA) for 2024-25 is projected to be \$540 million instead of \$1.2 billion. However, that balance will not remain in the account long since the revised lower Proposition 98 guarantee requires a withdrawal from the account to support LCFF, which will deplete the account

Local Control Funding Formula (LCFF)

Illustrated below is a comparison of projected statutory Cost-of-Living-Adjustments (COLAs) for the current budget year, upcoming budget year and two subsequent years:

Description	24-25	25-26	26-27	27-28
LCFF COLAs (24-25 Gov. Proposal)	0.76%	2.73%	3.11%	3.17%
LCFF COLAs (24-25 May Revision)	1.07%	2.93%	3.08%	3.30%
LCFF COLAs (24-25 Enacted Budget)	1.07%	2.93%	3.08%	3.30%
LCFF COLAs (24-25 First Interim)	1.07%	2.93%	3.08%	3.08%
LCFF COLAs (25-26 Gov. Proposal)	1.07%	2.43%	3.52%	3.63%
LCFF COLAs (25-26 May Revision)	1.07%	2.30%	3.02%	3.42%

The Governor's Budget proposes to fully fund the 2025-26 Local Control Funding Formula (LCFF) COLA of 2.30% with on-going funds, which costs approximately \$2.1 billion.

Declining enrollment protection for school districts will continue, allowing districts to use the greater of current year, prior year, or average of the three most recent prior years' average daily attendance (ADA). Charter schools will continue to be funded based on current year ADA.

All school districts should continue to develop multiple scenarios using all available options to ensure they are prepared for both best- and worst-case budgets and are better able to adapt to economic uncertainty

Block Grants

Student Support and Professional Development Discretionary Block Grant

The Governor's May Revision proposes to appropriate \$1.7 billion in one-time funding for Local Educational Agencies (LEAs) to assist with rising costs, which is down from the \$1.8 billion as presented in the January proposal. Although the expenditures would be discretionary, the Governor proposes specific uses as follows:

- Professional development for teachers on the English Language Arts/Development Framework and Literacy Roadmap with a focus on strategies for English learners
- Professional development for teachers on the Math Framework
- Teacher recruitment and retention strategies
- Career pathways and dual enrollment efforts

The District projects it will receive approximately \$1,438,200 and has included it in the proposed District budget.

Program Continuations

Transitional Kindergarten

The May Revision provides a total of \$2.1 billion in ongoing funding (inclusive of all prior years' investments) to support the full implementation of universal transitional kindergarten (TK) so that all children who turn four years old by September 1 of the school year can enroll in TK. This is a slight decrease from the Governor's Budget estimate of \$2.4 billion. The budget also provides an accumulated amount of \$1.2 billion in on-going funding to support lowering the average student-to-adult ratio from 12-to-1 to 10-to-1 in every TK class. This is also lower than the \$1.5 billion included in the Governor's Budget for this purpose.

Expanded Learning Opportunities Program (ELOP)

The May Revision increases the proposed adjustment for the Expanded Learning Opportunities Program from \$4.435 billion to \$4.515 billion in total ongoing funds for full implementation of the program increasing the number of LEAs that offer universal access to students from those with an unduplicated pupil percentage of at least 75% to those with an unduplicated pupil percentage of at least 55%. This funding also includes ongoing support to LEAs with less than 55% unduplicated pupils to provide access to all unduplicated pupils. Additionally, the May Revision includes an additional \$10 million to increase the minimum grant amount from \$50,000 to \$100,000 per LEA.

Special Education

The May Revision includes an 2.30% COLA, increasing the base rate to approximately \$917.02. In addition, the May Revision retains the following policy adjustments:

- Limiting the amount of additional funding Special Education Local Plan Areas (SELPA's) are allowed to retain for non-direct student services before allocation to member school districts. SELPA's will be required to allocate at least the same amount they allocated in 2024-25, increased by the 2.30% COLA, to their member school districts in 2025-26. This will allow for consideration of declining enrollment as part of the allocation requirement.
- Maintains the moratorium on creation of new single-district SELPA's to June 30, 2026.
- Requiring the posting of each SELPA's annual local plan on the CDE's website.

School Nutrition

The May Revision proposed \$90.7 million in additional ongoing funding to fully fund the universal meals program in 2025-26 and provides \$21.9 million in additional ongoing Proposition 98 funds for the Summer Electronic Benefits Transfer (SUN Bucks) program, which provides nutrition funding to eligible students during the summer months. The May Revision also includes a 2.30% COLA to the Universal School Meal program state reimbursement rate. No other change is proposed to the program.

School Facilities

The May Revision includes \$15 million in one-time Proposition 98 General Fund for Secondary School Redesign Pilot Program for a COE to administer a pilot program to redesign middle and high schools to better serve the needs of all

students and increase student outcomes, and to manage a network of grantees to support peer learning and documentation of practices.

Career Technical Education Master Plan

Per Executive Order N-11-23 approved August 31, 2023, the Governor called for a Master Plan on Career Education and issued an executive summary of the Master Plan in December 2024. As a result, Governor Newsom proposed various actions with a combination of one-time and ongoing funding. However, the Governor's May Revision proposes to significantly decrease or eliminate the funding for various actions noted in the Master Plan on Career Education.

Other Proposed Governor's Budget Components

Illustrated below is a summary of other major budget proposals:

- The Governor's Budget includes \$174 million to fund the 2.30% estimated statutory COLA for the Adult Education Block Grant; American Indian Education Centers; American Indian Early Childhood Education Program; Child Nutrition; Foster Youth Programs; LCFF Equity Multiplier; Mandate Block Grant, and special education.
 - The COLA is proposed to be suspended relating to the California State Preschool *Program rates*
- \$7.1 billion for childcare and development programs administered by the Department of Social Services and maintains funding for the Cost of Care Plus Rate and prior commitments for the state to move to a single rate system based on cost of care.
- \$100 million of one-time funds for student teacher stipends instead of \$150 million of one-time funds to support recruitment and retention of teachers.
- \$695 million of one-time funds relating to literacy programs and coaching, professional development, and reading difficulties screener training.
- One-time property tax backfills of \$1.2 million in 2024-25 and \$8.5 million in 2025-26 for impacted basic aid school districts due to the recent wildfires in Southern California.
- One-time \$500,000 in Proposition 98 General Fund to support the California Association of Student Councils.
- To address the projected budget shortfall, the May Revision includes a reduction of \$177.5 million in remaining, unused General Fund from a \$2 billion one-time allocation provided to the Office of Public School Construction in the 2023 Budget Act for TK-12 school facilities. These funds were made available on an as-needed basis for fire impacted LEAs through August 2025; however, impacted schools have indicated that they do not plan to apply for the funds by this date. Proposition 2 facilities funds will be available as needed for fire-impacted LEAs moving forward. Also permits school districts to apply for hardship assistance relating to extraordinary circumstances, and proposes the revision of unallocated state school facility program funds that will not be able to be utilized by the August 2025 deadline.

Risks Associated With the Proposed State Budget

Although the May Revision fully funds the COLA and avoids cuts to ongoing education programs, it only does so by deferring \$1.8 billion in LCFF payments from June to July of 2026. The financial impact of devastating wildfires in Southern California and federal policy and funding changes being pursued by the new federal administration bring a risk of additional state budget shortfalls in future years.

The federal administration's tariff policies and potential federal funding reductions and layoffs could negatively affect the state's economy, reduce state revenues and increase state costs. The May Revision assumes a "growth recession," a period of below-trend growth and rising unemployment, but it does not reflect a traditional economic recession. Given

the inconsistent federal tariff policy, stock market volatility, heightened uncertainty among both businesses and consumers, and higher inflation expectations, the relative probability of a recession is higher than in a typical period of normal growth and stability. In a mild recession state revenues could be around \$14 billion lower than the May Revision forecast.

Furthermore, the federal administration and Congress are considering significant cuts to education programs and to other programs, such as Medicaid, which would have a direct effect on LEA budgets but could potentially have a much larger indirect effect to the extent they force the state to redirect funding from schools to mitigate the impact of federal funding cuts. Projected declines in state revenue combined with growth in Medi-Cal costs have created a state budget deficit that is projected to grow significantly in the future. Federal funding reductions, especially to Medicaid, will significantly increase the state's budget deficit and may require the state to suspend Proposition 98 and reduce education funding.

Local Control Accountability Plan (2024-2027)

The changes to the LCAP template adopted in November 2021 make close coordination between a school districts fiscal and programmatic leadership more critical than ever. All members of the leadership team need to be actively engaged in LCAP development to ensure accurate alignment of the budget, the LCAP, and non-LCAP planning processes. The requirements to calculate and implement carryover for increased and improved services make it imperative that the expenditure tables related to the Annual Update and the Budget/LCAP year planned Goals and Actions are as accurate as possible. Given the unprecedented one-time financial resources coupled with uncertainty about the sustainability of initiatives funded with these resources, the District will be continuously communicating to all educational partners the specifics regarding these funds and will seek to actively engage our educational partners in prioritizing the use of these funds.

Statement of Reserves / Reserve Cap

Given the ongoing uncertainty regarding the federal budget, including potential reductions in education-related funding, it is essential to approach fiscal planning with increased caution. Current federal budget discussions indicate possible impacts on state and local educational agencies. Maintaining strong reserves is essential to mitigate potential impacts, safeguard districts' financial stability, and ensure the continuity of essential programs and services.

The Governor's May Revision for 2025–26 reflects a more constrained fiscal outlook, projecting a \$12 billion general fund deficit and proposing a range of budget solutions, including spending reductions and funding shifts. As part of this plan, the state will draw down the Public School System Stabilization Account (PSSSA), reducing its balance to zero.

As a result of this withdrawal, the local reserve cap is not expected to be triggered in either the 2025–26 or 2026–27 fiscal years.. With continued uncertainty at both the federal and state levels, careful reserve management is more important than ever. Maintaining reserves that are strategically organized and clearly documented will help ensure districts' long-term fiscal stability.

Furthermore, given the risks associated with the state budget, County offices as well as other well-respected school finance experts continue to reinforce the need for school districts to exercise caution before making any long-term commitments and consider increasing reserves so that they can manage the deferral and absorb potential state and federal funding reductions. The required reserve for economic uncertainty represents only a few weeks of payroll for most districts, including BUSD. The Government Finance Officers Association recommends reserves, at minimum, equal to two months of average general fund operating expenditures, or about 17%. In determining an appropriate level

of reserves, districts should consider multiple external and local factors including but not limited to:

- State and federal economic forecasts and volatility
- Unknown impacts of federal tax reform on state revenue
- Forecasted revenue changes versus projected expenditure increases in budget and multiyear projection years
- Ending balance impact of various district enrollment scenarios
- Cash flow requirements and the relationship between budgeted reserves and actual cash on hand
- Savings for future one-time planned expenditures
- Protection against unanticipated/unbudgeted expenditures
- Credit ratings and long-term borrowing costs

For the 2025-2026 school year, BUSD has a 4% reserve requirement and projects an ending fund balance equating to an additional 6.78% in reserves, over the current 4% reserve requirement, for a total projected reserve of 10.78%. The additional reserves will assist in protecting the District against unforeseen circumstances such as revenue shortfalls and unanticipated expenditures.

Routine Restricted Maintenance Account (RRMA):

Per Education Code Section 17070.75, school districts are required to deposit into the account a minimum amount equal to or greater than three percent (3%) of the total General Fund expenditures and other financing uses for that fiscal year. While school districts have taken advantage of multiple flexibility provisions over the past decade, school districts must now comply with the 3% contribution provision beginning in 2019-20 due to the interpretation of Education Code Section 17070.75(b)(2)(B-C) by the California Department of Education. Illustrated below are the primary compliance components:

- The 3% contribution is calculated on total General Fund expenditures, including other financing uses (i.e. transfers out, debt issuances relating to the General Fund)
- The 3% contribution incorporates RRMA and CalSTRS on-behalf expenditures
- The final 3% contribution is based on year-end actual data; therefore, while it is developed based on budget, it must be trued up using actual expenditures
- The actual contribution will be audited as part of the School Facility Program Bond Audit

The District's current 2025-26 RRMA contribution is \$2,310,502 which is in compliance with all interpretations of the required minimum contributions.

2025-26 Primary Budget Components

2025-2026 **Buckeye Union School District Primary Budget Components**

2025-26 Average Daily Attendance (ADA) is estimated to be as follows:

- District: 3,150.00
- VVCM: 664.00
- OMMI: 202.00
- County Program: 36.49
- Total ADA: 4,052.49

However, due to a decline in enrollment in 2025-2026, the **funded ADA** will be based on the new, 3-year average provision adjusted ADA as follows:

- District: 3,259.04
- VVCM: 664.00
- OMMI: 202.00
- County Program: 36.49

Total Funded ADA for 2025-2026: 4,161.53 (Benefit of 3-year average provision)

- ❖ The District's estimated unduplicated pupil percentage for supplemental funding is estimated to be 19.88%. Due to the low percentage, the District does not receive any concentration funding. The percentage will be revised based on actual data.
- ❖ COLA: At budget adoption the District is recognizing 2025-2026: 2.30%; 2026-2027: 3.02%; and 2027-2028: 3.42%
- ❖ Lottery revenue is estimated to be \$191 per ADA for unrestricted purposes and \$82 per ADA for restricted purposes.
- ❖ Mandated Cost Block Grant is \$39.09 for K-8 ADA – traditional schools and \$20.52 for K-8 ADA - Charter schools.
- ❖ STRS Employer Statutory Rates are 19.10% in 2025-2026, 19.10% in 2026-2027 and 19.10% in 2027-2028.
- ❖ PERS Employer Projected Rates are 26.81% in 2025-2026, 26.9% in 2026-2027 and 27.8% in 2027-2028.
- ❖ State Unemployment Rates are: 0.05% in 2025-2026, 0.05% in 2026-2027 and 0.05% in 2027-2028.
- ❖ Except as illustrated under Contributions to Restricted Programs, all federal and state restricted categorical programs are self-funded.

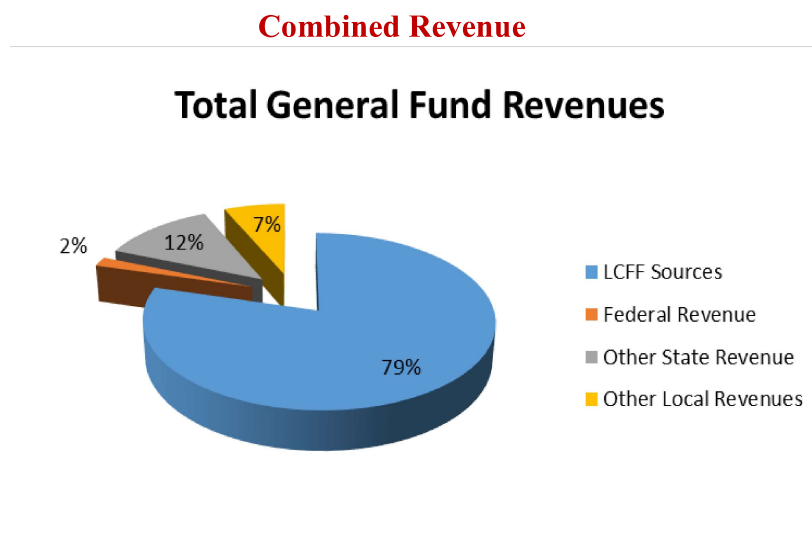
General Fund Revenue Components

The District receives funding for its general operations from various sources. A summary of the major funding sources is illustrated below:

2025-2026

Description	Unrestricted	Combined
General Purpose Revenue (LCFF)	\$48,439,619	\$48,439,619
Federal Revenues	\$0	\$1,078,081
Other State Revenues	\$2,600,807	\$7,481,772
Other Local Revenues	\$1,324,640	\$4,026,078
Transfers In & Indirect Cost Recaptures	\$0	\$0
Contribution to Restricted Programs	(\$9,335,033)	-0-
TOTAL	\$43,030,033	\$61,025,550

Following is a graphical representation of revenue by percentage:



Education Protection Account

As approved by the voters on November 6, 2012, The Schools and Local Public Safety Protection Act of 2012 (Proposition 30) temporarily increased the State's sales tax rate and the personal income tax rates for taxpayers in high tax brackets.

The creation of Proposition 30 provides that a portion of K-14 general purpose funds must be utilized for instructional purposes. Revenues generated from Proposition 30 are deposited into an account called the Education Protection Account (EPA). The District will receive funds from the EPA based on its proportionate share of statewide general purpose funds. A corresponding reduction is made to its state aid funds.

K-14 local agencies have the sole authority to determine how the funds received from the EPA are spent, but with these provisions:

- The spending plan must be approved by the governing board during a public meeting
- EPA funds cannot be used for the salaries or benefits of administrators or any other administrative costs (as determined through the account code structure)
- Each year, the local agency must publish on its website an accounting of how much money was received from the EPA and how the funds were expended

Further, the annual financial audit includes verification that the EPA funds were used as specified by Proposition 30. If EPA funds are not expended in accordance with the requirements of Proposition 30, civil or criminal penalties could be incurred.

Illustrated below is how the District's EPA funds are appropriated for 2025-2026. The amounts will be revised throughout the year based on information received from the State.

Education Protection Account (EPA) Budget 2025-26 Fiscal Year	
Description	Amount
BEGINNING BALANCE	\$0
BUDGETED EPA REVENUES: <i>Estimated EPA Funds</i>	\$7,876,478
BUDGETED EPA EXPENDITURES: <i>Certificated Instructional Salaries and Benefits</i>	\$7,876,478
TOTAL	\$7,876,478
ENDING BALANCE	\$0

Subsequently, on November 8, 2016, the voters approved the California Children's Education and Health Care Protection Act (Proposition 55) that maintains increased personal income tax rates for taxpayers in high tax brackets through 2030. Proposition 55 did not extend the sales tax increase; therefore, the temporary sales tax increase expired at the end of calendar year 2016.

Operating Expenditure Components

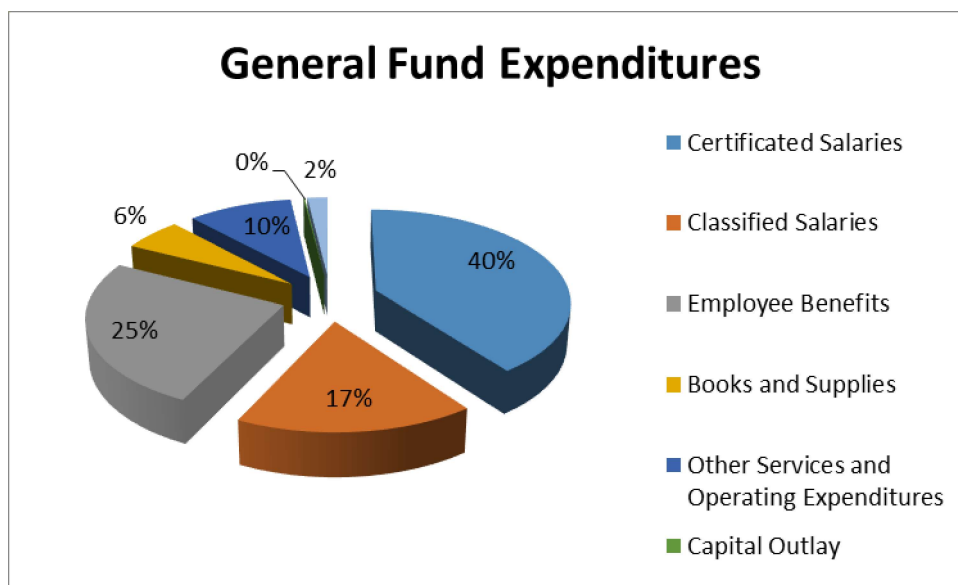
As illustrated below, the General Fund is used for the majority of the functions within the District.

2025-2026

Description	Unrestricted	Combined
Certificated Salaries	\$21,156,162	\$24,331,448
Classified Salaries	\$6,601,362	\$10,527,453
Benefits (Payroll Taxes, STRS/PERS and Health & Welfare Contributions)	\$10,010,902	\$15,433,510
Books and Supplies	\$2,439,636	\$3,435,724
Other Operating Expenditures	\$3,021,228	\$6,061,315
Capital Outlay	\$50,000	\$65,000
Transfers-Out & Other Outgo (<i>Excludes Indirect Cost Recaptures</i>)	\$238,980	\$1,263,289
Indirect Support	(\$147,142)	(\$102,890)
TOTAL	\$43,371,128	\$61,014,849

Following is a graphical representation of expenditures by percentage:

Combined Expenses



General Fund Contributions to Restricted Programs

The following contributions of unrestricted resources to restricted programs are necessary to cover restricted program expenditures in excess of revenue:

Description	Amount
Title I -Low Income and Neglected	\$93,775
Restricted Maintenance Account	\$2,310,501
Special Programs – Special Education	\$6,074,731
Special Programs - ERMHS	\$826,026
Teacher Induction (BTSA)	\$30,000
TOTAL CONTRIBUTIONS	\$9,335,033

General Fund Summary

The District's 2025-26 General Fund projects a budget surplus in the amount of approximately \$10,701, resulting in an estimated increased ending fund balance of approximately \$11,000 dollars. The components of the District's fund balance are as follows:

Description	Amount
Revolving Cash	\$1,000
Restricted	\$4,002,655
3% Reserve for Economic Uncertainties	\$1,830,445
1% Board Reserve for Economic Uncertainties	\$610,148
Additional Economic Uncertainty Reserve	\$4,139,488
TOTAL	\$10,583,736

Cash Flow

The District is anticipating having positive monthly cash balances during the 2025-26 school year, but may need to rely on inter-fund borrowing to do so and depending on the depth and breadth of deferrals. Cash is always closely monitored in order to ensure the District is liquid to satisfy its obligations.

Fund Summaries

Illustrated below is a summary of each Fund's fund balance and corresponding change.

FUND	2025-26 Beginning	Est. Net Change	2025-26 Ending
General (Unrestricted & Restricted) – Fund 01	\$10,573,035	\$10,701	\$10,583,736
Food Service – Fund 13	\$3,907,466	(\$163,149)	\$3,744,317
Deferred Maintenance – Fund 14	\$618,261	(\$305,000)	\$313,261
Special Reserve – Fund 17	\$409,561	\$12,000	\$421,561
Developer Fee – Fund 25	\$6,124,745	\$258,462	\$6,383,207
Building Fund – Fund 35	\$9,525,989	\$220,300	\$9,746,289
Capital Facilities – Fund 49	\$2,963,084	\$1,001,175	\$3,964,259
Bond Interest & Redemption – Fund 51	\$1,554,895	(\$175,988)	\$1,378,907
TOTAL	\$35,677,036	\$858,501	\$36,535,537

Multiyear Projection

General Planning Factors:

Illustrated below are the latest factors released by the Department of Finance (DOF) that districts are expected to utilize as planning factors:

Planning Factor	2025-26	2026-27	2027-28
Cost of Living Adjustment (COLA) LCFF			
COLA	2.30%	3.02%	3.42%
Special Education COLA	2.30%	3.02%	3.42%

Employer Benefit Rates CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	26.81%	26.90%	27.80%
State Unemployment Insurance	0.05%	0.05%	0.05%
Lottery	\$191	\$191	\$191
Unrestricted per ADA Proposition 20 per ADA	\$82	\$82	\$82
Minimum Wage	\$16.90	\$17.40	\$17.80
Universal Transitional Kindergarten/ADA LCFF add-on for the 12-to-1 student-to- adult ratio	\$5,545	\$5,712	\$5,907
Mandated Block Grant Districts			
K-8 per ADA	\$39.09	\$40.27	\$41.65
9-12 per ADA	\$75.31	\$77.58	\$80.23
Charters			
K-8 per ADA	\$20.52	\$21.14	\$21.86
9-12 per ADA	\$57.04	\$58.76	\$60.77

Various aspects of the planning factors illustrated above will be further discussed below with the District's specific revenue and expenditure assumptions.

Revenue Assumptions:

The Local Control Funding Formula is estimated to be adjusted per Department of Finance's estimates of COLA and being funded at the District's LCFF Target. State, Federal and Local revenue is expected to increase in 2025-26, due to the proposed improvements to base grants.

Enrollment Data and Trends

Per enrollment data and trends, the District anticipates enrollment to decrease for the current year in its traditional schools but increase for its Charter School programs. Set forth below is an analysis of the ADA data:

HISTORICAL ATTENDANCE/ENROLLMENT AND PROJECTION'S									
Fiscal Year	Total K-8 Enrollment	Actual ADA	Actual Attendance %	ADA at 94%	ADA at 94.5%	ADA at 95%	ADA at 95.5%	ADA at 96%	ADA at 96.5%
2012-13	4,808	4,604.50	96.63%	4,520	4,544	4,568	4,592	4,616	4,640
2013-14	4,738	4,567.83	96.68%	4,454	4,477	4,501	4,525	4,548	4,572
2014-15	4,728	4,535.97	96.32%	4,444	4,468	4,492	4,515	4,539	4,563
2015-16	4,702	4,514.34	96.50%	4,420	4,443	4,467	4,490	4,514	4,537
2016-17	4,683	4,487.39	96.17%	4,402	4,425	4,449	4,472	4,496	4,519
2017-18	4,776	4,567.93	95.99%	4,489	4,513	4,537	4,561	4,585	4,609
2018-19	4,677	4,486.16	96.05%	4,396	4,420	4,443	4,467	4,490	4,513
2019-20	4,691	4,550.36	97.30%	4,410	4,433	4,456	4,480	4,503	4,527
2020-21	4,444	4,266.63	96.16%	4,177	4,200	4,222	4,244	4,266	4,288
2021-22	4,348	4,009.26	93.81%	4,087	4,109	4,131	4,152	4,174	4,196
2022-23	4,306	4,137.57	96.09%	4,048	4,069	4,091	4,112	4,134	4,155
2023-24	4,247	4,065.25	95.72%	3,992	4,013	4,035	4,056	4,077	4,098
2024-25	4,171	3,981.44	95.46%	3,921	3,942	3,962	3,983	4,004	4,025
PROJECTED:									
2025-26	4,205	N/A	N/A	3,953	3,974	3,995	4,016	4,037	4,058
2026-27	4,157	N/A	N/A	3,908	3,928	3,949	3,970	3,991	4,012
2027-28	4,030	N/A	N/A	3,788	3,808	3,829	3,849	3,869	3,889
2028-29	3,995	N/A	N/A	3,755	3,775	3,795	3,815	3,835	3,855
2029-30	3,943	N/A	N/A	3,706	3,726	3,746	3,766	3,785	3,805
2030-31	3,934	N/A	N/A	3,698	3,718	3,737	3,757	3,777	3,796

Estimated Ending Fund Balances:

During 2025-26, the District estimates that the General Fund is projected to end the year with a budget surplus in the amount of approximately \$10,701 resulting in a projected General Fund ending balance of approximately \$6,581,081 in unrestricted funds and \$4,002,655 in restricted funds.

During 2026-27, the District estimates that the General Fund is projected to end the year deficit spending in the amount of approximately (\$1,485,673) resulting in a projected General Fund ending balance of approximately \$5,095,743 in unrestricted funds and \$4,002,320 in restricted funds.

During 2027-28, the District estimates that the General Fund is projected to end the year deficit spending in the amount of approximately (\$1,644,858) resulting in a projected General Fund ending balance of approximately \$3,670,508 in unrestricted funds and \$3,782,697 in restricted funds.

Illustrated below are the estimated components of the General Fund ending balance for the current year and two subsequent years. It is important to note, however, that the District has not reached labor settlements for the 2025-26 thru 2027-28 school years.

GENERAL FUND			
Description	2025-26	2026-27	2027-28
Revolving Cash	\$1,000	\$1,000	\$1,000
Restricted	4,002,655	4,002,320	3,782,697
3% Reserve for Economic Uncertainties	1,830,445	1,855,469	1,886,690
1% Board Reserve for Economic Uncertainties	610,148	618,490	628,897
Additional Economic Uncertainty Reserve	4,139,488	2,620,784	1,153,921
<i>Estimated Ending Fund Balance</i>	10,583,736	9,098,063	7,453,205

Conclusion:

The projected budget and multi-year projections support the District's assertion that it is able to meet its financial obligations for the current and subsequent two years. Despite the short term and some long-term budgetary challenges, the District is confident that it will be able to maintain prudent operating reserves and have the necessary cash in order to ensure that the District remains fiscally solvent.

Next Steps:

- Staff will attend workshops in July for additional clarity and implementation guidance.
- Staff will continue to update and begin work on the update to the Local Control Accountability Plan in 2025-28
- Labor Relations for 2025-2026 and 2026-2027
- Close Books for FY24-25
- Complete Financial Audit – October/November
- Continue Monitoring Enrollment
- Continue Monitoring State Revenues for First Interim adjustments, if any.

Buckeye Union School District
2025-2026
Budget Comparison

2025-2026 Proposed Budget				2024-2025 Estimated Actuals				Variance			
	a	b	c	d	e	f		i7	h	i	
REVENUES											
1 LCF Sources	Account	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	
2 Federal Revenues	8000	48,439,619	-	48,439,619	47,686,834	-	47,686,834	752,785	-	752,785	
3 Other State Revenues	8100-8299	-	1,078,081	1,078,081	-	867,261	867,261	-	210,820	210,820	
4 Local Revenues	8300-8599	2,600,807	4,880,965	7,481,772	1,175,394	4,833,315	6,008,709	1,425,413	47,650	1,473,063	
5 Transfers In (Non-operational)	8600-8799	1,324,640	2,701,438	4,026,078	1,345,627	2,798,036	4,143,663	(20,987)	(96,598)	(117,585)	
6 Contributions to Restricted Programs	8900	-	-	-	-	-	-	-	-	-	
7 TOTAL REVENUES	8980	(9,335,033)	9,335,033	-	(9,279,046)	9,279,046	-	(55,987)	55,987	-	
		43,030,033	17,995,517	61,025,550	40,928,809	17,777,658	58,706,467	2,101,224	217,859	2,319,083	
8											
9 EXPENDITURES											
10 Certificated Salaries	1000	21,156,162	3,175,286	24,331,448	21,568,011	3,091,314	24,659,325	(411,849)	83,972	(327,877)	
11 Classified Salaries	2000	6,601,362	3,926,091	10,527,453	6,835,408	3,887,469	10,722,877	(234,046)	38,622	(195,424)	
12 Employee Benefits	3000	10,010,902	5,422,608	15,433,510	9,281,361	5,419,133	14,700,494	729,541	3,475	733,016	
13 Books & Supplies	4000	2,439,636	996,088	3,435,724	3,752,597	617,008	4,369,605	(1,312,961)	379,080	(933,881)	
14 Services & Operating Expenses	5000	3,021,228	3,040,087	6,061,315	2,551,590	4,045,312	6,596,902	469,638	(1,005,225)	(535,587)	
15 Capital Outlay	6000	50,000	15,000	65,000	50,000	993,511	973,511	-	(908,511)	(908,511)	
16 Other Outgo/Transfers Out	7000 except 7300	238,980	1,024,309	1,263,289	238,980	1,204,410	1,443,390	-	(180,101)	(180,101)	
17 Indirect Support	7300-7399	(147,142)	44,252	(102,890)	(121,501)	44,186	(77,315)	(25,641)	66	(25,575)	
18 TOTAL EXPENDITURES		43,371,128	17,643,721	61,014,849	44,156,446	19,232,343	63,388,789	(785,318)	(1,588,622)	(2,373,940)	
19											
20 EXCESS (DEFICIENCY) OF REVENUES											
21 OVER EXPENDITURES	(A-B)	(341,095)	351,796	10,701	(3,227,637)	(1,454,685)	(4,682,322)	2,886,542	1,806,481	4,693,023	
22											
23 BEGINNING BALANCE, July 1		6,922,176	3,650,859	10,573,035	10,149,813	5,105,544	15,255,357	(3,227,637)	(1,454,685)	(4,682,322)	
24 ACTUAL ENDING BALANCE, June 30		6,581,081	4,002,655	10,583,736	6,922,176	3,650,859	10,573,035	(341,095)	351,796	10,701	
25											
26 COMPONENTS OF ENDING BALANCE											
27 <i>RESERVED</i>											
28 Revolving Cash	9711	1,000	-	1,000	1,000	-	1,000	-	-	-	
29 Prepaid Expenditures	9713	-	-	-	-	-	-	-	-	-	
30 <i>RESTRICTED</i>	9740	-	4,002,655	4,002,655	-	3,650,859	3,650,859	-	-	351,796	
31 <i>DESIGNATED</i>		-	-	-	-	-	-	-	-	-	
32 Required Reserve for Economic Uncertainties (3%)	9789	1,830,445	-	1,830,445	1,901,664	-	1,901,664	(71,219)	-	(71,219)	
33 Board Reserve for Economic Uncertainties (1%)	9789	610,148	-	610,148	633,888	-	633,888	(23,740)	-	(23,740)	
34 Additional Economic Uncertainty reserve	9789	4,139,488	-	4,139,488	4,385,624	-	4,385,624	(246,136)	-	(246,136)	
35 Reserve for Technology Replacement	9789	-	-	-	-	-	-	-	-	-	
36 Reserve for Textbook Adoption	-	-	-	-	-	-	-	-	-	-	
37 Total Undesignated Amount	9789	0	0	0	0	0	0	0	0	0	
38 <i>Special Reserve Fund Balance</i>		390,569	0	390,569	400,569	0	400,569	-10,000	0	-10,000	

Buckeye Union School District
2025-2026 Budget
Multi-Year Projections

	2025-2026 Proposed Budget			2026-2027 Projected Budget			2027-2028 Projected Budget		
	a	b	c	d	e	f	g	h	i

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		Food Service	Deferred Maintenance	Special Reserve	Developer Fees	County School Facilities	Capital Project Fund - Mello Roos	Bond Interest and Redemption
REVENUES		13	14	17	25	35	49	51
1	LCFF Sources	-	-	-	-	-	-	-
2	Federal Revenues	729,924	-	-	-	-	-	-
3	Other State Revenues	2,094,059	-	-	-	-	-	-
4	Local Revenues	152,000	30,000	12,000	385,000	300,000	1,775,000	1,890,450
5	Transfers In	-	-	-	-	-	20,000	-
6	Contributions to Restricted Programs	-	-	-	-	-	-	-
7	TOTAL REVENUES	2,975,983	30,000	12,000	385,000	300,000	1,795,000	1,890,450
8								
EXPENDITURES								
9	EXPENDITURES							
10	Certificated Salaries	-	-	-	-	-	-	-
11	Classified Salaries	658,139	-	-	75,108	-	-	-
12	Employee Benefits	335,198	-	-	31,430	-	-	-
13	Books & Supplies	1,104,405	-	-	-	-	-	-
14	Services & Operating Expenses	638,500	90,000	-	20,000	1,500	25,000	-
15	Capital Outlay	300,000	245,000	-	-	58,200	-	-
16	Other Outgo/Transfers Out	-	-	-	-	20,000	768,825	2,066,438
17	Indirect Support	102,890	-	-	-	-	-	-
18	TOTAL EXPENDITURES	3,139,132	335,000	-	126,538	79,700	793,825	2,066,438
19								
20	EXCESS (DEFICIENCY) OF REVENUES							
21	OVER EXPENDITURES	(163,149)	(305,000)	12,000	258,462	220,300	1,001,175	(175,988)
22								
23	BEGINNING BALANCE, July 1	3,907,466	618,261	409,561	6,124,745	9,525,989	2,963,084	1,554,895
24	ACTUAL ENDING BALANCE, June 30	3,744,317	313,261	421,561	6,383,207	9,746,289	3,964,259	1,378,907

All balances are restricted or assigned

