



Pleasanton

UNIFIED SCHOOL DISTRICT

2025/26 Annual Budget Report

June 26, 2025
Board of Trustees Meeting

Business Services Memorandum

To: Board of Trustees

From: Ahmad Sheikholeslami, Assistant Superintendent of Business Services
Anne Wells, Executive Director of Fiscal Services

Date: 6/26/2025

Re: 2025/26 Annual Budget Report

Executive Summary

PUSD's Proposed Budget

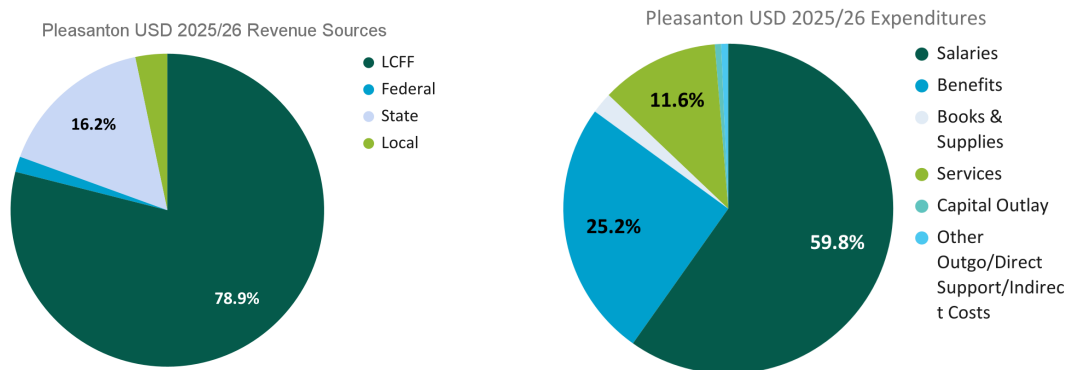
The District continues to face declining enrollment and reduced revenues. With limited reserves at or near the minimum 3% requirement, the District has taken steps to control spending by implementing staffing and expenditure reductions, controlling salary growth, and finding new revenue sources. While these efforts have had an impact, based on 2025/26 Budget, they have not been enough to offset rising costs, loss of one-time funds and declining revenues.

Based on updated estimated actuals for the current fiscal year of 2024/25, our projected expenditures have increased significantly in the areas of salaries and benefits, and Services (Special Education) from our Second Interim (see [Estimated Actuals Section](#) of the report). This adversely affects our ending fund balance, which is estimated to be below the required 3% reserves for the 2024/25 Estimated Actuals and the 2025/26 Budget. The Staff has worked with the Alameda County Office of Education during the past week to review our estimated actuals for 2024/25. Significant accounting clean-up was performed and we believe that the estimated actuals reflect to the best of our knowledge the position 2024/25 Fiscal Year will close.

The estimated actuals places our unrestricted ending fund at \$1,951,522 with an unrestricted reserve of \$1,597,939 or 0.70%. The District's Restricted Ending fund balance for 2024/25 is at \$8,615,593.

The District's total revenue for the 2025/26 Budget is estimated at \$209,153,710, of which \$36,114,790 is restricted sources. The District heavily relies on State funding, with the Local Control Funding Formula (LCFF) and Property Tax making up approximately 78.9% of the funding. It is important to note that while our local property tax base is strong, it does not translate to additional monies for PUSD

because local property tax provides between 56-58% of the LCFF, with the State contributing the remaining portion.



The District's General Fund expenditures for 2025/26 are projected to be \$220,914,172 with \$75,607,131 in restricted expenditures. About 85% of District expenditures are allocated to District personnel.

In the unrestricted General Fund, the District is projected to run a deficit of about \$7.72M, and in the restricted portion, there is about \$808K drawdown of our restricted funds.

Based on our estimated actuals ending-fund balance and 2025/26 deficit, the District General Fund will have a negative ending fund balance of **\$5.77M**. The required minimum 3% reserve would be approximately \$6.63 million, which the District would not meet for the 2025/26 fiscal year or the next two fiscal years, as required by the State. The District can not end the year with a negative fund balance and actions will need to be taken to avoid this. Staff recommends that the Board approve the following measures to deal with the immediate fiscal challenge:

- General Fund, non-essential* personnel hiring freeze
- General Fund, freeze on non-essential* materials and supplies
- General Fund, freeze on non-essential* services and contracts

** Non-essential is defined by positions, material/supplies, and services that will not impact the Collective Bargaining Agreements, not required to meet our obligations under Education Code or Federal and State law, will not impact our obligation in Special Education, and will not impact student and staff safety. The executive cabinet will review all open positions and will set up a strict purchasing process to ensure proper implementation of these protocols.*

The staff will continue its work on the budget after approval to bring the budget into balance and will present a 45-Day Budget Update to the Board in August. The following items will be evaluated and presented to the Board for consideration.

- Further budgetary spending reductions
- Use of allowable one-time funds outside of the General Fund: Specifically using Education Code 17463.7 Sale of Property for one time use in the General Fund. This education code has specific parameters, approvals and limitations.
- Use of new one-time funds from the Enacted State Budget not included in the current assumptions.

State Budget (May Revise)

As a result of significant changes and shifts at the Federal level, the California economy faces uncertain times and challenges. These impacts have led to the May revision, including a downward projection of state revenues for 2025/26 and the three-year budget window. The State budget forecasts a weaker labor market, increased inflation, and economic impacts from higher tariffs. The State faces projected expenditure growth and deficit in budget areas outside of TK-14, which places pressure on resources needed to fulfill education obligations. The full impact of the federal government's changes is not included in the State budget and may further deteriorate the State's position.

On the educational spending side (Proposition 98), the Governor's May Revise maintains ongoing program commitments and fully funds the statutory COLA of 2.30% on the Local Control Funding Formula (LCFF) and most programs outside of LCFF. New investments are being made to increase funding in the Expanded Learning Opportunities Grant (ELOG), Universal Transition Kindergarten (UTK), and a substantial one-time block grant. To achieve these proposals, the Governor's May revise includes a delay in a portion of the Prop 98 minimum guarantee, deferrals, and reduced funding for community colleges.

The State Budget will require both legislative action and the Governor's signature, which will be signed after the District's budget is submitted for Board approval. While we await the final Enacted State Budget for 2025/26, staff have incorporated the most reliable of the May Revise Assumptions into the Budget. The Legislative Branch recently (June 9, 2025) announced a budget that differs from the May Revise. In areas where the two budgets vary, the District has adopted the more conservative approach. Changes from the Enacted State Budget will be included on 45-Day Budget Update.

2025/26 Budget and Multi-Year Projection Assumptions

While the annual budget and updates provide important information for current-year planning, it is also extremely important to evaluate the District's multi-year budget planning to assess the fiscal health of the District. The multi-year budgets are also part of the State budget submission requirement. The budget model includes the following key assumptions:

- **Enrollment and Average Daily Attendance (ADA)**

The LCFF formula is based on average daily attendance (ADA). To calculate the ADA, the State allows districts to use the higher of a three-year rolling average ADA (prior three fiscal year ADA) or the prior or current year ADA. The use of the three-year rolling average is extremely helpful for declining enrollment in school districts like PUSD.

As of the CALPADS (TK-12) date of October 2, 2024, the 2024/25 enrollment was 13,277. The projected enrollment used in the LCFF calculation for 2025/26 is 13,000. This is about a 1,800-student decline from 2019/20 levels. PUSD, similar to most school districts in California, has seen enrollment declines due to the pandemic, lower birth rates, immigration, housing costs, and availability of new housing. With lower enrollment/ADA, PUSD will see lower LCFF revenues. The rolling average will help soften the landing over several years; however, revenues will decline, and adjustments to staffing and programs will need to be made.

The Demographic Projections were updated in January 2025, which confirmed the continued enrollment decline even as we expanded with TK and new housing for the next seven years. The District continues to see smaller TK and kindergarten classes entering the District impact our enrollment and long-term projections. For the Adopted Budget, staff has used the estimates that consider the demographer's projections and current enrollment data for 25/26, which is coming in lower than the demographer's projections at this time.

- **Local Control Funding Formula Factors (LCFF)**

The chart below shows the key LCFF assumptions that drive funding. The May Revise includes funding the statutory 2.30% Cost of Living Adjustment (COLA) to the LCFF and other major programs outside of the LCFF. It is important to note that the total LCFF funding does not grow by the COLA rate because the funded ADA also determines the LCFF. Additionally, the COLA does not apply to the approximately \$5.6M in Economic Recovery Grant funding in our LCFF. As a result of the lower COLA and declining enrollment, the net increase in LCFF funding

from 24/25 is 0.73%. PUSD LCFF funding will remain flat in the next several years due to declining enrollment despite increases in the COLA. The net growth is only 0.28% in 26/27 and 0.90% in 27/28.

Supplemental funding generated to support our Unduplicated Pupil Percentage (UPP) population (English learners, low-income, unhoused, or foster youth) will remain flat, but the costs of the programs will continue to increase, requiring reductions in staffing and programs in the coming years as well.

Transitional Kindergarten LCFF

With the 2025/26 school year, all children who turn 4 years old by September 1 can attend TK. The State has proposed to increase funding to account for the increased enrollment. Additionally, the State is requiring the TK staffing ratio to be decreased from 12:1 to 10:1 and has proposed additional funding for the lower class size. There has been some significant debate on how much additional funding per TK student will be allocated for this lower ratio. The May Revise proposes \$3,148 for the current 12:1 student-to-adult ratio and an additional \$2,397 for lowering the ratio to 10:1, for a total TK add-on of \$5,545. The legislative version of the budget also includes this proposal; therefore, staff has included it in the budget assumptions. This assumption carries some risk.

Local Control Funding Formula Assumptions 2025/26			
School Year	FY 25/26	FY 26/27	FY 27/28
Enrollment	13,000	12,672	12,517
LCFF ADA Funding	13,025	12,691	12,369
COLA	2.30%	3.02%	3.42%
Unduplicated as % Enrollment	16.51%	16.40%	16.42%
Grades TK-3 \$/per Student	\$10,256	\$10,566	\$10,927
Grades 4-6 \$/per Student	\$10,411	\$10,725	\$11,092
Grades 7-8 \$/per Student	\$10,719	\$11,043	\$11,420
Grades 9-12 \$/per Student	\$12,423	\$12,798	\$13,236
K-3 Grade Span Adj \$/per Student	\$1,067	\$1,099	\$1,137
9-12 Grade Span Adj \$/per Student	\$323	\$333	\$344
TK Add on \$/Student	\$5,545	\$5,712	\$5,907
TOTAL EST LCFF Funding - unrestricted	163,935,771	164,389,558	165,871,756
Net Impact on LCFF Funding	0.73%	0.28%	0.90%

LCFF - Unrestricted Breakdown for 2025/26

PUSD LCFF for 2025/26	
Base Grant	\$145,451,777

Grade Span Adjustment	\$5,046,408
Supplemental Grant	\$4,969,450
Home to School Transportation (Special Education)	\$776,447
Transitional Kindergarten**	\$2,112,645
Economic Recovery Target*	\$5,579,044
Total	\$163,935,771

* No COLA Adjustment

** Includes May Revise Assumptions

- **Other Ongoing State Funding**

The District receives additional State funding outside of the LCFF. The two main funding sources are the Lottery and the Mandated Block Grant. For the Lottery, the estimated revenue is \$273 per ADA. The estimated rate for the Mandated Block Grant is \$39.09 per ADA for grades TK-8 and \$75.31 per ADA for grades 9-12.

Special Education Funding - State

The District projects to receive about \$12M in funding from the State for our students in special education. This funding is not adequate and the District must contribute from the unrestricted General Fund to cover the full cost of Special Education. In the past 5 years since COVID our Special Education costs have been increasing. The District's unrestricted General Fund contribution to Special Education for 2025/26 is estimated at \$32.2M to meet the needs of the students. This is a projected increase of about 2M from 2024/25 level.

For the 2025/26 Budget, the May Revise includes an increase to the base SELPA from \$896.89 per ADA to \$917.52 per ADA, including the 2.30% COLA.

Expanded Learning Opportunities Program (ELOP)

In 2021/22 the State initiated the ELOP to support TK-6 grade unduplicated students (English learners, unhoused, foster youth, and low socio-economic students) with extended after-school academic support. These funds are restricted in nature and must be spent on allowable ELOP expenditures. The estimated funding per TK-6 unduplicated student is currently unknown, as a proposal is being considered to expand the Rate 1 group to include schools with a UPP of 55% or higher. The current law sets it at 75%. PUSD received Rate 2 funding because our UPP count is around 16.5%. The estimated funding for 2025/26 is \$1.57M based on last fiscal year's funding level.

Proposition 28 Art and Music Funding

On November 8, 2023, voters also approved Proposition 28, which provides ongoing funds to schools for art and music. 2023/24 was the initial year of funding. Detailed information and audit guidelines were not developed by the

State until Spring 2024. The District has three years to spend the funding received in each year. Currently, the schools are developing plans for those expenditures, and the District will provide an annual report to the Board. PUSD allocation for all the schools is estimated to be about \$1.57M for 2025/26. These funds are restricted and will be audited annually.

State's STRS Contribution (on behalf of the employee/employer)

The Other State revenues also include revenues for the State's share of contribution to the employee pension (STRS). These contributions serve only as an accounting function, as the revenue and expenditures are recorded in our books without any actual revenues being received or expended. This artificially inflates both our revenues and expenditures by about \$9.25M.

Tri-Valley Regional Occupational Program (TVROP)/CTE

PUSD, Dublin USD, and Livermore Valley JUSD, participate in the TVROP. PUSD's annual financial contribution to TVROP is \$1.6M. This participation allows PUSD students to take career-technical classes as high school juniors and seniors (some sophomores) at various Tri-Valley locations. TVROP provides elective courses that satisfy A-G requirements for UC and CSU, college credit through partnerships with local community colleges, preparation for college and careers through rigorous and relevant instruction, hands-on learning, and internships, and instruction by industry professionals.

As a result of collaboration with TVROP and additional PUSD CTE pathways, the District receives the CTEIG grant from the State. The estimated grant amount for 2025/26 is about \$892,000. These funds will be used to fund CTE classes and programs. The funds may also be used for our contribution to TVROP.

- **One-time State Funding**

Arts, Music, and Instructional Materials Discretionary (AMIM) Block Grant

The 2022/23 Enacted State Budget included one-time restricted funds for arts and music programming, professional development, acquiring instructional materials, developing diverse book collections, operational costs, and expenses related to the pandemic. On April 27, 2023, the Board approved the District's multi-year plan to spend the \$8.95M allocation. This allocation was reduced to \$8,635,063 by the State due to lower State revenues. Due to various financial factors, the funds have been redirected to cover allowable expenses. Staff estimates that as of the end of the 2024/25 fiscal year, all funds will be expended from this grant. Funds were used to cover PARS and pension costs. In 2025/26, the pay down of the pension and PARS costs will return to the unrestricted General Fund.

Learning Recovery Block Grant

The 2022/23 Enacted State Budget included one-time restricted funds to support increasing instructional learning time, closing the achievement gap, addressing barriers to learning, facilitating credit recovery, and providing additional academic services to students. On April 27, 2023, staff presented its multi-year plan to the Board to spend the \$5.375M allocation. In the 2023/24 Enacted Budget, the grant amount was reduced to \$4,605,886. The District fully expended these funds in allowable areas in 2023/24.

In the 2025/26 May Revise, the Governor has proposed to include a partial allocation to this program on a one-time basis for the reductions that were made in 2023/24. PUSD expects to receive about \$256,471. As required the District has included in the LCAP plans to spend these funds if they are implemented in the State Budget.

Proposed Student Support and Professional Development Discretionary Block Grant

The Governor has proposed to provide one-time funds for 2025/26. The amount was slightly reduced from the January Budget. In the current proposal, the Funds are fully flexible to address rising costs, although the State has highlighted the following priorities:

- Professional development for teachers on the English Language Arts (ELA) and English Language Development (ELD) Framework, Literacy Roadmap, and Mathematics Framework
- Teacher recruitment and retention efforts
- Career pathways and dual enrollment

The May revise included an allocation of \$1.7B to this grant, which is estimated at \$314 per ADA. The legislature in the Budget version has allocated \$500M, or about \$85 per ADA. The funds are available for expenditure through June 30, 2029, and will require a final report to the CDE. Because the details and final amount of these one-time funds may be changed with the Enacted State Budget, staff has allocated the more conservative amount in the Budget, which is about \$1M. Adjustments will be made at the 45-day Budget Update.

● Federal

Projected ongoing revenues for 2025/26 from all Federal programs are about \$3.34 M. The Special Education portion is approximately \$2.6M, and revenues from Title I, II, and III funding are about \$669K. Recent changes at the Federal level have increased the possibility of reductions in funding. The Proposed

Federal 2026 Budget includes maintaining Special Education and Title I funding while eliminating Title III and Migrant Education funding.

- **Local Revenues**

Local revenue consists of donations from PPIE, donations from parents to schools, PTA donations, local grants, Career Technical Education Incentive Grant (CTEIG), Graphics Services, local grants, leases, and rentals.

The District anticipates receiving about \$6.87M in local revenues. Below is a breakdown of some of the larger items:

- \$700K from PPIE
- \$700K Facility rental and Leases
- \$900K Other local grants
- \$900K Interest earnings
- \$892K From CTEIG
- \$2M CERBT Transfer

Additional donations will be received throughout the year and will be recorded once they are earned. This will also increase the corresponding expenditures associated with the donations.

Additionally, the District transfers about \$2.25M annually from its Enterprise Fund 630 (Kids Club) into the General Fund. The Kids Club program includes both fee-based students and students who meet the ELOP program eligibility. Revenues from the fee-based portion are transferred to the General Fund. In recent years, the District has grown the program to meet the needs of our families with the added benefit of generating revenues for the District.

The Budget also includes transferring into the General Fund the revenues from the Gatan lease once the loan on the property is paid from the sale of the Vineyard Property. It is anticipated to bring \$900K annually into the General Fund.

- **Staffing and Reductions**

Staffing represents the largest expenditure category at 85% of total expenditures. For the Final Budget report, staff will expand on the staffing section to include a staffing table for 2025/26.

Beginning in spring 2024 with the creation of the Budget Advisory Committee, the District began planning right-sizing and reductions to address revenue loss and

increased expenditures. In February 2025, the Board approved a Reduction in Force Resolution (RIF), and staff on temporary contracts were released. The District has done thorough work to right-size and reduce staff in management, certificated, and classified positions. The board-approved reductions yielded estimated savings of \$6.5M in staff and non-staffing areas that have been incorporated into the budget. Staffing adjustments have also been made based on projected enrollment for 2025/26.

- **Early Retirement Incentive (PARS)**

At the end of 2021/22, the District offered an early retirement incentive to its employees through PARS. Savings realized in salaries should offset the PARS costs that are paid over a five-year period starting in 2022. The District's annual payment to PARS, which is reflected in benefit costs, is about \$882,000. The District allocated as part of the AMIM Block Grant to use those funds to offset 3 of the 5 payments. The final two payments will be from the General Fund in 2025/26 and 2026/27.

- **Salaries**

Salaries and benefits typically make up approximately 85% of operating expenses. Compensation increases include several components. The first component is employee movement on the salary schedule. When hired, staff are placed on a salary schedule depending on their experience and education.

Certificated staff (primarily teachers) can move on this schedule both in experience (steps) and increased education (columns). There are 20 steps and 5 columns. Column movements are based on earned education credits.

Classified staff and managers also advance in annual steps outlined in their respective salary schedules. This typically occurs for up to 5 or 10 years (until they hit the highest step). Once they reach the end of the salary schedule, Classified staff are limited to longevity increases and negotiated increases, and Management staff are limited strictly to negotiated increases.

The District has budgeted an average 1.86% for salary increases as a result of step/column movement. This is slightly higher than previous years to reflect increased retirements and the hiring of new staff who will be moving on the salary schedule.

The second component is negotiated compensation increases. In 2024/25, the District provided a salary schedule increase, additional stipends and benefit increase. For the certificated bargaining group (APT), the 2024/25 salary included a 1% salary schedule increase, additional funds towards health benefits, and other stipend increases. A "me too" clause was negotiated with

CSEA that included a 1% salary schedule increase effective July 1, 2024, and an additional 0.54% starting on July 1, 2025. Management received a 1% salary schedule increase and additional health benefits comparable to certificated staff.

The District is committed to ensuring that compensation levels are maintained to ensure the retention and attraction of new employees, while remaining fiscally responsible. Due to the current budget challenges, no additional compensation has been included in 2025/26 and the following years.

Compensation is a mandatory subject of bargaining, and any compensation changes negotiated with the bargaining units require Board approval to become effective. Approved compensation increases generally reflect the District's consideration of the factors identified in Government Code Section 3548.2, including the interests and welfare of the public and the District's financial ability to pay, total compensation comparability with similar districts, and the Consumer Price Index.

Employee Benefits

- **Pension**

The District participates in two State pensions: the State Teachers' Retirement System (STRS) for credentialed personnel and the Public Employees' Retirement System (PERS) for non-credentialed personnel. Certificated salaries, which are subject to STRS, make up approximately half of total District expenditures and almost 85% of total salaries. Since 2014/15, employer rates of contribution have been increasing based on Assembly Bill 1469 from 8% to 19.1% over a seven-year period. PERS has also been increasing to ensure the long-term stability of that pension program. PERS rates can be adjusted annually and are currently at 27.05%. The impacts of the current market volatility and potential economic downturn have not been factored into these projections.

Actual and Projected* Employer Contribution Rates

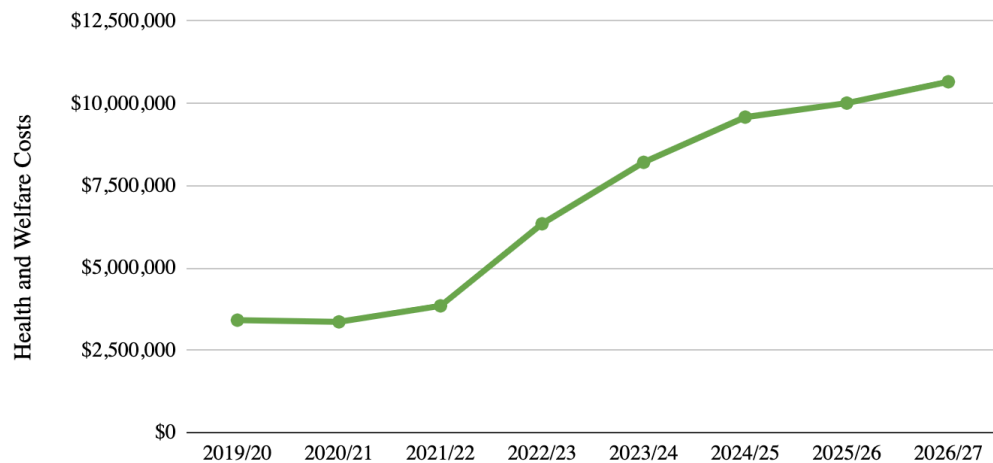
Pension Program	2024/25	2025/26*	2026/27*	2027/28*
STRS Employer Rates (Approx)	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates (Approx)	27.05%	26.81%	27.80	27.40

In 2024/25 the District used about \$2.5M in one time funds to pay down our pension costs from the AMIM Block Grant. With those funds depleted all pension costs will come back to the General Fund ongoing revenues.

- **Healthcare**

The District pays up to \$13,357 annually towards medical costs for all full-time unit members in management, certificated, and classified staff. Staff can access cash-in-lieu options if they choose not to accept the District's program. The cash-in-lieu amount for full-time employees is \$2,000 for management and certificated staff and \$7,745 for classified staff. The District also contributes to the dental programs for classified and management employees. We expect the District's contribution to employee health benefits to increase over time. For 2025/26, we have estimated our contribution to employee health benefits to be about \$10.66M, which is an increase of 6.5% from estimated actuals.

Health and Welfare Costs



- **Other Post Employment Benefits (OPEB)**

The District will continue to support its pay-as-you-go OPEB liabilities, which are about \$1M annually and include retiree medical benefits and a "golden handshake" for retirees. As part of the PARS incentive, the "golden handshake" for APT members was suspended for five years through 2026.

- In February 2021, the Board took action to move funds into the CalPERS CERBT trust fund to help manage the long-term OPEB obligations.
- In 2023/24, the District drew on the CERBT fund in the amount of \$1.24 million to offset the 2023/24 retiree costs.
- The current asset in the CERBT fund as of March 2025 was about \$6.23M.
- The 2024/25 Estimated Actual includes tapping into the funds by maximizing the allowable annual drawdown of about \$1.8M.
- The 2025/26 Budget includes another drawdown of about \$2M.
- The funds are one-time and these drawdowns can not continue much further without depleting all the funds.

- **Books and Supplies**

The budget includes a 5% reduction of both unrestricted and restricted expenditures in the area of Books and Supplies with a spend down of one-time funds.

- **Services and Other Operating Expenditures**

Reduction in restricted expenditures includes moving contracted services costs back to salaries, adjustments for one-time expenditures, and donation-related expenditures.

- **State Unemployment Insurance and Worker Compensation Rates**

The Unemployment insurance rate is 0.05% for 2024/25.

The District's Worker Compensation rate is \$1.68 per \$100 of payroll. The District needs to continue to be vigilant and reduce work-related injuries to continue managing this approximately \$2.41M annual cost for all funds.

- **Property and Liability Insurance**

Rates have been increasing due to a challenging property and liability insurance market impacted by fires, floods, and sexual molestation cases. For 2024/25, our premiums increased by 4.5% from 2023/24 for a total of about \$2.35M. This includes a cost of \$333,910 to cover past-year costs related to AB 218, Childhood Sexual Assault.

- **Utilities and Operations**

Our utility costs include water, electricity, gas, sewage, and garbage. Rates for the District have increased in all utility areas. To help manage these costs, we have initiated water and energy conservation projects. Our estimated cost for these services is \$5.66M.

- **General Fund Transfer In and Out**

The 2025/26 Budget includes a transfer into the general fund of \$3,230,000.

- \$2,250,000 from Fund 63, Enterprise fund (Kids Club and STEAM)
 - \$50,000 for technology from Fund 40 (Sycamore Capital Fund interest earnings)
 - \$900,000 from Fund 40 from the lease of the District Property
 - 3% administrative costs from Fund 25 Developer Fees

- **2024/25 Estimated Actuals**

At estimated actuals, the staff estimates total revenues of \$212,880,605 of which \$41,361,795 are from restricted sources. Total expenditures in the estimated actuals are \$226,697,395. The estimated unrestricted net fund deficit is about

\$7.75M. This amount has increased due to the need to increase our contribution to restricted Special Education costs. The restricted net fund drawdown is about \$3.99M. A detailed variance report is included in Attachment D. The net revenue increase from the Second Interim is 1.10%, and the net expenditure increase from the Second Interim is 3.12%. Although the variance is small, it is significant because the District only carries a 3% reserve. The main driver of this increase is underestimating our salaries, compensation increases and increases in Service costs. Staff will develop a more robust report as to the cause and actions needed to avoid such discrepancies in the future.

The most significant changes from the Second Interim are the following:

- Unrestricted Revenues increase of \$1,154,277
 - Increase OPEB transfer from the OPEB Set Aside Funds
 - Interest earnings and Facility Fees
 - CA Youth Behavioral Implementation Grant
- Restricted Revenues increase of \$795,966
 - Decrease of \$1.1M in State revenues (Reduced ELOP allocation, reduced UPK Grant)
 - Increase in local revenues of \$1.793M from outside billings, LEA Medi-Cal, Site donations, and Alameda Alliance for Health grant
- Unrestricted Expenditure increase of \$4,626,206
 - Increase of \$5,030,468 in Salaries
 - Based on actuals through May 2025 and projections for June 2025
 - Includes 1% salary schedule increase* based on the negotiated Collective Bargaining Agreements
 - Increase of \$816,745 in Benefits
 - Decrease of \$1,427,958 in Book/Supplies and Services
 - Increase of \$234,989 in other outgo
- Restricted Expenditure increase of \$2,435,424
 - Increase of \$1,325,845 in Salaries
 - Based on actuals through May 2025 and projections for June 2025
 - Includes 1% salary schedule* increase based on the negotiated Collective Bargaining Agreement
 - Decrease of \$320,715 in Benefits
 - Decrease of \$971,302 in Book/Supplies
 - Increase of \$2,575,046 mainly from special education, routine restricted maintenance, and Site Donations

- Decrease of \$173,450 from other areas

* The total cost of the 1% salary increase in salaries and benefits is about \$1.6M of the total increase above. The cost is further increased due to increased health care contributions and stipends.

Multi-Year Projection Operating Budgets and Reserves

General Fund: Economic Uncertainty and Undesignated/Unapportioned

The chart below is based on the proposed 2025/26 Annual Budget. The Budget will be revised based on the Enacted Budget and further options presented in this report which will be part of the 45 Day Budget Update that will be brought to the Board in August 2025.

Fiscal Year	2024/25 Estimated Actuals	2025/26	2026/27	2027/28
Unrestricted Operating Surplus/Deficit	-\$7,746,268	-\$7,722,093	-\$11,284,015	-\$12,084,320
Unrestricted Ending Fund Balance	\$1,951,522	-\$5,770,571	-16,983,163	-\$28,996,060
Reserves, % of Expense	0.70%	0%	0%	0%
Projected Reserve Totals	\$1,597,939	0	0	0
Required 3%	\$6,800,922	\$6,627,425	\$6,732,425	\$6,807,788

The State requires a minimum 3% reserve, which can only carry payroll for a two-week period. The District can not run a negative ending fund balance. Therefore, the District must either make further reductions or find revenue sources to cover expenditures. The staff will also work closely with the ACOE to develop options on how to address this deficit.

Restricted Ending Fund Balance

Over the past several years, the state has expanded its categorical, Restricted funding programs. While these funds are welcome, they do require significant additional work, staffing, and programming effort. These restricted funds must be spent in the particular program area. The District has a multi-year spending plan for these programs to ensure

an effective and long-term impact. A full accounting of the restricted funds is included in Form 01 of the SACS report.

Cash Flow

With slim reserves and ending fund balances, cash flow will become an issue in 2025/26. To ensure we have adequate cash flow and ability to meet both payroll and monthly expenses the following measure will be taken:

- Close and regular monitoring of actual revenues and expenses
- Review cash flow regularly with ACOE
- Freeze on non-essential expenditures
- Interfund borrowing as needed (requires the return monies to borrowed fund by the end of the fiscal year)
- Borrowing the County Treasurer with Board approval if needed

Other Funds

The District has established various other funds for distinct purposes. These funds are used to account for the proceeds of specific revenue sources that are restricted or committed to the expenditure for specified purposes and that compose a substantial portion of the inflows of the fund. These funds can not be used for general fund expenditures. There are some limited options for inter-fund borrowing and minimal options to move funds by Board Resolution.

- **Adult Education (Fund 11)**

This fund contains revenue and expenses for our Adult Education programs that members attend. The core program areas are English as a Second Language (ESL), Adult High School Diploma and Equivalency, Adults with Disabilities, Career Education, and Parent/Guardian and Community Education. Revenues and expenditures from the Apprenticeship program have also been moved to this category. The monies in this fund are restricted as they are grant-generated. The current (6/11/25) ending fund balance is \$1,471,622.

- **Child Development (Fund 12)**

This new fund was established in 2022/23 with the California State Preschool Program award. The District is allocated \$1,475,716 in the State preschool grant and will award spaces to families to attend the needs-based program. The District receives funding based on students filling out our allocation. The current (6/11/25) ending fund balance is \$432,001.

- **Enterprise Fund (Kids Club/Steam) (Fund 63)**

The goal for Fund 63 is to provide a quality environment for students, providing for each student's social, emotional, physical, and cognitive growth in a safe and comfortable environment by a caring adult staff. The fund is comprised of two

programs:

- Kids Club (afterschool and summer enrichment)
- STEAM (preschool care and learning)

The program earns money for the District's general fund after all expenses are accounted for. The 2025/26 Budget includes a transfer of \$2.25M into the general fund. The current (6/11/25) ending fund balance is \$2,935,380.

- **Cafeteria Fund (Fund 13)**

In 2022/23, the State implemented a free meals-for-all program. The program works in conjunction with the Federal breakfast and lunch programs. The State picks up the reimbursements for students who do not qualify for the Federal programs. Districts are required to offer two meals a day. Since the introduction of the free meals for all, the District meals service has more than doubled with 6000-7000 meals distributed on a daily basis. Child Nutrition Services (CNS) has started to modernize its kitchen equipment, improve quality, and move to scratch cooking. The results from these improvements were witnessed in the 24/25 school year with increased participation at a time enrollment has been decreasing. The current (6/11/25) ending fund balance is \$6,380,876.

- **Deferred Maintenance (Fund 14)**

The District and the State no longer make a financial contribution to this fund. The District is spending down this fund, and the ending balance is expected to be \$17,049.

- **Other Post-Employment Benefits (Fund 71)**

The Board established Fund 71 for the District's OPEB obligations. The District plans to use \$2M to pay for current retiree costs which is allowable. These funds are one-time in nature. The current (6/11/25) ending fund balance is \$6,189,923.

- **Bond Fund (Fund 21)**

This fund is where the District records the activity related to Measure I1 and Measure I. Work continues throughout the District to provide new facilities, safety improvements, and modernizations that support 21st-century education. Measure I projects are now in all phases, including planning, design, and construction. Significant construction work is planned for 2025/26. In May of 2025, the District sold the remaining Measure I1 funds of \$35M and \$160M of Measure I funds. No additional Bond issuances are planned for 2025/26. The current (6/11/25) ending fund balance is \$117,997,199 (recent Bond funds have not been transferred into the fund).

- **Capital Facilities (Fund 25)**

This fund is where the District accounts for the collection of developer fees and the allowable expenditures. As the City proceeds with new housing projects the

District will see increased developer fee funds that will support new construction activities. Proceeds from this fund are used to pay for the portable classroom that the District leases. The monies in this fund are restricted. The current (6/11/25) ending fund balance is \$3,110,160.

- **Capital Outlay (Fund 40)**

This fund includes other non-bond related building and facility projects. The monies are being used to support the improvements at the new District Office and lease payments related to the COP used to purchase the property. We expect the sale of the Vineyard property to close in June of 2025. The District can then decide to use the fund to pay off the COP. The current (6/11/25) ending fund balance is \$4,473,756.

- **Capital Outlay Sycamore (Fund 410)**

The Capital Outlay Funds contain the funds from the sale of the Sycamore property and Vineyard property. The funds can be used for the purchase of property or facility improvements. The monies in this fund are restricted and can only be spent on capital projects with a few exceptions allowed in the Education Code. Interest earnings are used to support technology purchases for the District. The current (6/11/25) ending fund balance is \$8,799,630.

- **County Schools Facilities (Fund 350)**

This fund contains monies from the State's Facility Program. The State deposits its matching funds into this fund. The District is eligible for these funds when they are applied for based on local matching funds (Bond Funds). These funds will be used for facility improvement along with the Bond projects. The current (6/11/25) ending fund balance is \$3,198,757.

Conclusion

The District has been facing significant fiscal challenges for the past several years due to declining enrollment, loss of one-time COVID-era funds, and rising costs in salaries and operations. The District has taken positive steps by adjusting staffing to enrollment and implementing further reductions through an extensive process that included the Budget Advisory Committee and Board of Trustees. The Board approved \$6.5M of reductions from the approximately \$12M in options identified by the BAC and staff.

Based on the Second Interim Report, the District's fiscal position indicated a slim 3% reserve for 2024/25, and based on those assumptions, a stabilization of the budget moving into 2025/26. Unfortunately, our updated Estimated Actuals project higher expenditures that will erode our reserves. Our 2025/26 expenditures are also higher than our projections and include the recent 1% increase to the salary schedule.

Staff recommends the Board to approve the proposed Annual 2025/26 Budget and take the following actions to deal with immediate fiscal challenge:

- General Fund, non-essential* personnel hiring freeze
- General Fund, freeze on non-essential* materials and supplies
- General Fund, freeze on non-essential* services and contracts

** Non-essential is defined by positions, material/supplies, and services that will not impact the Collective Bargaining Agreements, not required to meet our obligations under Education Code or Federal and State law, will not impact our obligation in Special Education, and will not impact student and staff safety. The executive cabinet will review all open positions and will set up a strict purchasing process to ensure proper implementation of these protocols.*

The staff continues its work on the budget after the approval to bring the budget into balance and will bring a 45 Day Budget Update in August to the Board. The District will continue to work closely with the ACOE and seek advice on all fiscal matters including cashflow. Staff will continue to look into several areas in the Adopted Budget that need further review and refinement. The following additional items will be evaluated and presented to the Board for consideration.

- Further budgetary spending reductions.
- Better use of restricted funds and grants to reduce pressure on unrestricted expenditures.
- Use of allowable one-time funds outside of the General Fund
 - Specifically using Education Code 17463.7 Sale of Property for one time use in the General Fund. This education code has specific parameters, approvals and limitations.
- Use of new one-time funds from the Enacted State Budget not included in the current assumptions.

Beyond 2025/26 Fiscal Year, the District will need to make significant ongoing reduction in 2026/27 to ensure a balanced budget and fiscal solvency. The District will need to continue the work that was started in 2024/25 between the Budget Advisory Committee, staff and School Board to identify all the available reduction options and implementation plan. Given the depth of the fiscal challenge it will require the entire community and labor partners to work collaboratively together to find sustainable solutions.

Attachments

- A. Multi-Year Budget
- B. Variance Report

Attachment A - Multi-Year Budget

PLEASANTON UNIFIED - FY26 Adopted Budget															
Description	2023/2024			2024/2025			2025/2026			2026/2027			2027/2028		
	Unaudited Actuals			Estimated Actuals			Adopted Budget			Projection Year 1			Projection Year 2		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUE															
LCFF	166,121,001	1,178,694	167,299,695	162,755,676	1,189,777	163,945,453	163,935,771	1,189,777	165,125,548	164,389,558	1,189,777	165,579,335	165,871,756	1,189,777	167,061,533
Federal	0	3,747,754	3,747,754	0	3,547,739	3,547,739	0	3,342,848	3,342,848	0	3,342,848	3,342,848	0	3,342,848	3,342,848
State	3,979,138	30,395,648	34,374,786	3,689,257	31,267,929	34,957,186	4,429,580	29,382,056	33,811,636	3,351,015	29,382,056	32,733,071	3,351,015	29,382,056	32,733,071
Local	4,576,680	6,112,173	10,688,853	5,073,877	5,356,350	10,430,227	4,673,569	2,200,109	6,873,678	2,725,283	2,200,109	4,925,392	2,825,283	2,200,109	5,025,392
TOTAL REVENUE	174,676,819	41,434,270	216,111,089	171,518,810	41,361,795	212,880,605	173,038,920	36,114,790	209,153,710	170,465,856	36,114,790	206,580,646	172,048,054	36,114,790	208,162,844
EXPENDITURES															
Certificated Salaries	82,969,360	22,677,030	105,646,390	84,267,896	19,664,491	103,932,387	82,424,668	19,325,102	101,749,770	82,240,154	19,543,588	101,783,742	83,161,244	19,762,476	102,923,720
Classified Salaries	16,573,191	14,868,973	31,442,164	17,231,642	15,040,434	32,272,076	16,212,745	14,158,551	30,371,296	16,664,332	14,525,257	31,189,590	17,095,938	14,901,462	31,997,400
Benefits	29,067,336	24,504,714	53,572,051	29,830,701	25,252,613	55,083,314	33,151,696	22,552,595	55,704,291	33,083,195	22,795,555	55,878,750	32,774,817	22,984,612	55,759,430
Books & Supplies	2,013,906	2,706,264	4,720,170	1,664,973	3,470,531	5,135,504	2,350,695	2,214,533	4,565,228	2,357,356	2,280,969	4,638,325	2,428,077	2,349,398	4,777,475
Services, Other Operating Expenses	12,352,591	20,027,145	32,379,736	11,736,632	16,028,793	27,765,425	11,509,017	14,110,072	25,619,089	11,469,378	14,110,072	25,579,450	11,928,153	14,110,072	26,038,225
Capital Outlay	115,737	929,424	1,045,161	91,150	925,045	1,016,195	44,000	1,310,595	1,354,595	44,000	1,310,595	1,354,595	44,000	1,310,595	1,354,595
Other Outgo	1,638,309	240,031	1,878,340	1,712,051	228,884	1,940,935	1,773,840	250,000	2,023,840	1,844,794	250,000	2,094,794	1,918,585	250,000	2,168,585
Direct Support/Indirect Costs	-2,725,489	2,479,444	-246,045	-2,180,728	1,732,287	-448,441	-2,159,620	1,685,683	-473,937	-2,159,620	1,685,683	-473,937	-2,159,620	1,685,683	-473,937
TOTAL EXPENDITURES	142,004,942	88,433,026	230,437,967	144,354,317	82,343,078	226,697,395	145,307,041	75,607,131	220,914,172	145,543,589	76,501,719	222,045,308	147,191,194	77,354,298	224,545,493
EXCESS OF REVENUES OVER EXPENDITURES	32,671,878	-46,998,756	-14,326,878	27,164,493	-40,981,283	-13,816,790	27,731,879	-39,492,341	-11,760,462	24,922,267	-40,386,929	-15,464,662	24,856,860	-41,239,508	-16,382,649
OTHER FINANCING SOURCES/USES															
Transfers In	1,556,533	0	1,556,533	2,080,000	0	2,080,000	3,230,000	0	3,230,000	3,230,000	0	3,230,000	3,230,000	0	3,230,000
Transfers Out	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Sources															
Uses															
Contributions to Restricted Programs	-38,611,198	38,611,198	0	-36,990,761	36,990,761	0	-38,683,972	38,683,972	0	-39,364,859	39,364,859	0	-40,099,757	40,099,757	0
Special Education	-31,959,291	31,959,291	0	-30,466,436	30,466,436	0	-32,347,682	32,347,682	0	-32,994,636	32,994,636	0	-33,654,528	33,654,528	0
Restricted Routine Repair	-6,651,906	6,651,906	0	-6,524,325	6,524,325	0	-6,336,290	6,336,290	0	-6,370,223	6,370,223	0	-6,445,229	6,445,229	0
Other Restricted															
TOTAL OTHER FIN. SOURCE/USES	-37,054,665	38,611,198	1,556,533	-34,910,761	36,990,761	2,080,000	-35,453,972	38,683,972	3,230,000	-36,134,859	39,364,859	3,230,000	-36,869,757	40,099,757	3,230,000
NET INCREASE (DECREASE) IN FUND BALANCE	-4,382,787	-8,387,558	-12,770,345	-7,746,268	-3,990,522	-11,736,790	-7,722,093	-808,369	-8,530,462	-11,212,592	-1,022,071	-12,234,662	-12,012,897	-1,139,751	-13,152,649
Beginning Fund Balance	14,080,577	20,993,673	35,074,250	9,697,790	12,606,115	22,303,905	1,951,522	8,615,593	10,567,115	-5,770,571	7,807,224	2,036,653	-16,983,163	6,785,153	-10,198,010
Other Adjustment															
Audit Adjustments															
Other Restatements															
ENDING BALANCE, JUNE 30	9,697,790	12,606,115	22,303,905	1,951,522	8,615,593	10,567,115	-5,770,571	7,807,224	2,036,653	-16,983,163	6,785,153	-10,198,010	-28,996,060	5,645,402	-23,350,658
COMPONENTS OF FUND BALANCE															
Revolving Cash	40,150	0	40,150	40,150		40,150	40,150		40,150	40,150		40,150	40,150		40,150
Stores	402,914	0	402,914	313,433		313,433	200,000		200,000	100,000		100,000	100,000		100,000
Prepaid Expenditures	6,358	764	7,122	0		0	0		0	0		0	0		0
General Reserve															
Legally Restricted Balances		12,605,349	12,605,349		8,615,593	8,615,593		7,807,224	7,807,224		6,785,153	6,785,153		5,645,402	5,645,402
Designated for:															
Economic Uncertainties	6,913,139		6,913,139	6,800,922		6,800,922	6,627,425		6,627,425	6,661,359		6,661,359	6,736,365		6,736,365
Undesignated / Unappropriated	2,335,229		2,335,231	-5,202,983		-5,202,983	-12,638,146		-12,638,146	-23,784,672		-23,784,672	-35,872,575		-35,872,575
TOTAL EXPENDITURES	230,437,967			226,697,395			220,914,172			222,045,308			224,545,493		
Adjusted Total Expenditures	230,437,967			226,697,395			220,914,172			222,045,308			224,545,493		
3.00% Minimum Reserve	6,913,139			6,800,922			6,627,425			6,661,359			6,736,365		
Over (Under) reserves	2,335,229			-5,202,983			-12,638,146			-23,784,672			-35,872,575		
	1.01%			-2.30%			-5.72%			-10.71%			-15.98%		
Total Reserve (Economic Uncertainty and Undesignated/Unappropriated)	9,248,368			1,597,939			(12,638,146)			(23,784,672)			(35,872,575)		
Reserves as a Percentage of Expenditures	4.01%			0.70%			-5.72%			-10.71%			-15.98%		

Attachment B - General Fund Variance Report

Estimated Actuals 2024/25

Unrestricted & Restricted General Fund	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$ 22,303,904	\$ 22,303,904	\$ 22,303,904	\$ 22,303,904	\$ 22,303,904		
REVENUE							
LCFF Sources/Property Taxes	\$ 164,179,580	\$ 164,013,098	\$ 163,902,157	\$ 163,945,453	\$ -	\$ 43,296	0.03%
Federal Revenues	\$ 3,440,056	\$ 3,462,134	\$ 3,432,737	\$ 3,547,739	\$ -	\$ 115,002	3.24%
Other State Revenue (1)	\$ 31,972,329	\$ 35,018,664	\$ 35,864,940	\$ 34,957,186	\$ -	\$ (907,754)	-2.60%
Other Local Revenue (2)	\$ 5,236,308	\$ 6,237,331	\$ 7,342,528	\$ 10,430,227	\$ -	\$ 3,087,699	29.60%
TOTAL REVENUE	\$ 204,828,273	\$ 208,731,227	\$ 210,542,362	\$ 212,880,605	\$ -	\$ 2,338,243	1.10%
EXPENDITURES							
Certificated Salaries (3)	\$ 99,822,322	\$ 98,151,873	\$ 99,403,714	\$ 103,932,387	\$ -	\$ 4,528,673	4.36%
Classified Salaries (3)	\$ 30,944,676	\$ 30,602,446	\$ 30,444,436	\$ 32,272,076	\$ -	\$ 1,827,640	5.66%
Employee Benefits (3)	\$ 54,866,719	\$ 54,160,415	\$ 54,587,284	\$ 55,083,314	\$ -	\$ 496,030	0.90%
Books and Supplies (4)	\$ 5,484,322	\$ 7,314,260	\$ 6,980,335	\$ 5,135,504	\$ -	\$ (1,844,831)	-35.92%
Services, Operating Expenses (5)	\$ 20,644,815	\$ 23,610,474	\$ 25,744,808	\$ 27,765,425	\$ -	\$ 2,020,617	7.28%
Capital Outlay (6)	\$ 295,500	\$ 347,344	\$ 1,217,683	\$ 1,016,195	\$ -	\$ (201,488)	-19.83%
Other Outgo	\$ 1,657,062	\$ 1,716,145	\$ 1,705,946	\$ 1,940,935	\$ -	\$ 234,989	12.11%
Direct Support/Indirect Costs	\$ (442,798)	\$ (448,441)	\$ (448,441)	\$ (448,441)	\$ -	\$ -	0.00%
TOTAL EXPENDITURES	\$ 213,272,618	\$ 215,454,516	\$ 219,635,765	\$ 226,697,395	\$ -	\$ 7,061,630	3.12%
OTHER FINANCING SOURCES							
Transfers In	\$ 1,580,000	\$ 1,580,000	\$ 2,080,000	\$ 2,080,000	\$ -	\$ -	0.00%
Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Transfers Out and Other Uses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
INCOME minus EXPENSES & TRANSFERS	\$ (6,864,345)	\$ (5,143,289)	\$ (7,013,403)	\$ (11,736,790)	\$ -	\$ (4,723,387)	40.24%
ENDING FUND BALANCE	\$ 15,439,559	\$ 17,160,615	\$ 15,290,501	\$ 10,567,114		\$ (4,723,387)	-44.70%

1 Reduced ELOP allocation, and reduced UPK to earned

Increases from CERBT (OPEB) Trust, Interest Earnings, Facility Use Fees, CA Youth Behavioral Health Impl Grant, Outside billing, LEA Medi-Cal, Site Donations, and Alameda Alliance for

2 Health Grant

3 Higher actual and projected salaries and 1% increased salary compensation

4 Reductions based on actual expenses to date and encumbrances

5 Increased in Special Education Services and Routine Restricted Maintenance. Adjustments based on actuals and encumbrances

6 Reduced costs related to new ELOP portable to be installed in 2025/26

Attachment B - General Fund Variance Report

Estimated Actuals 2024/25

Unrestricted General Fund	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$ 9,697,791	\$ 9,697,791	\$ 9,697,791	\$ 9,697,791	\$ 9,697,791		
REVENUE							
LCFF Sources/Property Taxes	\$ 163,001,706	\$ 162,835,224	\$ 162,724,283	\$ 162,755,676		\$ 31,393	0.02%
Federal Revenues	\$ -	\$ -	\$ -	\$ -		\$ -	
Other State Revenue	\$ 3,076,198	\$ 3,380,204	\$ 3,473,363	\$ 3,689,257		\$ 215,894	5.85%
Other Local Revenue	\$ 3,704,452	\$ 3,213,783	\$ 3,778,887	\$ 5,073,877		\$ 1,294,990	25.52%
TOTAL REVENUE	\$ 169,782,356	\$ 169,429,211	\$ 169,976,533	\$ 171,518,810	\$ -	\$ 1,542,277	0.90%
EXPENDITURES							
Certificated Salaries	\$ 79,714,173	\$ 79,497,083	\$ 79,838,893	\$ 84,267,896		\$ 4,429,003	5.26%
Classified Salaries	\$ 16,514,070	\$ 16,427,089	\$ 16,630,177	\$ 17,231,642		\$ 601,465	3.49%
Employee Benefits	\$ 29,303,008	\$ 28,977,361	\$ 29,013,956	\$ 29,830,701		\$ 816,745	2.74%
Books and Supplies	\$ 2,704,392	\$ 2,608,610	\$ 2,538,502	\$ 1,664,973		\$ (873,529)	-52.47%
Services, Operating Expenses	\$ 12,521,537	\$ 12,102,513	\$ 12,291,061	\$ 11,736,632		\$ (554,429)	-4.72%
Capital Outlay	\$ 70,500	\$ 70,500	\$ 75,150	\$ 91,150		\$ 16,000	17.55%
Other Outgo	\$ 1,477,062	\$ 1,536,145	\$ 1,477,062	\$ 1,712,051		\$ 234,989	13.73%
Transfers of Indirect Costs	\$ (2,084,990)	\$ (2,132,231)	\$ (2,136,690)	\$ (2,180,728)		\$ (44,038)	2.02%
TOTAL EXPENDITURES	\$ 140,219,752	\$ 139,087,070	\$ 139,728,111	\$ 144,354,317	\$ -	\$ 4,626,206	3.20%
OTHER FINANCING SOURCES							
Transfers In/Out	\$ 1,580,000	\$ 1,580,000	\$ 2,080,000	\$ 2,080,000		\$ -	0.00%
Other Sources/Uses	\$ -	\$ -	\$ -	\$ -		\$ -	
Contributions	\$ (34,904,301)	\$ (34,904,301)	\$ (34,904,301)	\$ (36,990,761)		\$ (2,086,460)	5.64%
Categorical Programs	\$ -	\$ -	\$ -	\$ -		\$ -	
Special Education	\$ (28,783,514)	\$ (28,783,514)	\$ (28,783,514)	\$ (30,466,436)		\$ (1,682,922)	5.52%
Restricted Routine Repair	\$ (6,120,787)	\$ (6,120,787)	\$ (6,120,787)	\$ (6,524,325)		\$ (403,538)	6.19%
Transfers Out and Other Uses	\$ -	\$ -	\$ -	\$ -		\$ -	
TOTAL - OTHER FINANCING	\$ (33,324,301)	\$ (33,324,301)	\$ (32,824,301)	\$ (34,910,761)	\$ -	\$ (2,086,460)	5.98%
INCOME <i>minus</i> EXPENSES & TRANSFERS	\$ (3,761,697)	\$ (2,982,160)	\$ (2,575,879)	\$ (7,746,268)	\$ -	\$ (5,170,389)	66.75%
ENDING FUND BALANCE	\$ 5,936,094	\$ 6,715,631	\$ 7,121,912	\$ 1,951,523		\$ (5,170,389)	-264.94%

Attachment B - General Fund Variance Report

Estimated Actuals 2024/25

Restricted General Fund	Original Budget	First Interim	Second Interim	Estimated Actuals	Unaudited Actuals	Increase / (Decrease)	Percentage
BEGINNING FUND BALANCE	\$ 12,606,113	\$ 12,606,113	\$ 12,606,113	\$ 12,606,113	\$ 12,606,113		
REVENUE							
LCFF Sources/Property Taxes	\$ 1,177,874	\$ 1,177,874	\$ 1,177,874	\$ 1,189,777		\$ 11,903	1.00%
Federal Revenues	\$ 3,440,056	\$ 3,462,134	\$ 3,432,737	\$ 3,547,739		\$ 115,002	3.24%
Other State Revenue (1)	\$ 28,896,131	\$ 31,638,460	\$ 32,391,577	\$ 31,267,929		\$ (1,123,648)	-3.59%
Other Local Revenue (2)	\$ 1,531,856	\$ 3,023,548	\$ 3,563,641	\$ 5,356,350		\$ 1,792,709	33.47%
TOTAL REVENUE	\$ 35,045,917	\$ 39,302,016	\$ 40,565,829	\$ 41,361,795	\$ -	\$ 795,966	1.92%
EXPENDITURES							
Certificated Salaries (3)	\$ 20,108,149	\$ 18,654,790	\$ 19,564,821	\$ 19,664,491		\$ 99,670	0.51%
Classified Salaries (3)	\$ 14,430,606	\$ 14,175,357	\$ 13,814,259	\$ 15,040,434		\$ 1,226,175	8.15%
Employee Benefits	\$ 25,563,711	\$ 25,183,054	\$ 25,573,328	\$ 25,252,613		\$ (320,715)	-1.27%
Books and Supplies (4)	\$ 2,779,930	\$ 4,705,650	\$ 4,441,833	\$ 3,470,531		\$ (971,302)	-27.99%
Services, Operating Expenses (5)	\$ 8,123,278	\$ 11,507,961	\$ 13,453,747	\$ 16,028,793		\$ 2,575,046	16.07%
Capital Outlay (6)	\$ 225,000	\$ 276,844	\$ 1,142,533	\$ 925,045		\$ (217,488)	-23.51%
Other Outgo	\$ 180,000	\$ 180,000	\$ 228,884	\$ 228,884		\$ -	0.00%
Direct Support/Indirect Costs	\$ 1,642,192	\$ 1,683,790	\$ 1,688,249	\$ 1,732,287		\$ 44,038	2.54%
TOTAL EXPENDITURES	\$ 73,052,866	\$ 76,367,446	\$ 79,907,654	\$ 82,343,078	\$ -	\$ 2,435,424	2.96%
OTHER FINANCING SOURCES							
Transfers In	\$ -	\$ -	\$ -	\$ -		\$ -	
Contributions	\$ 34,904,301	\$ 34,904,301	\$ 34,904,301	\$ 36,990,761		\$ 2,086,460	5.64%
Categorical Programs	\$ -	\$ -	\$ -	\$ -		\$ -	
Special Education	\$ -	\$ 28,783,514	\$ 28,783,514	\$ 30,466,436		\$ 1,682,922	5.52%
Restricted Routine Repair	\$ -	\$ 6,120,787	\$ 6,120,787	\$ 6,524,325		\$ 403,538	6.19%
Transfers Out and Other Uses	\$ -	\$ -	\$ -	\$ -		\$ -	
INCOME minus EXPENSES & TRANSFERS	\$ (3,102,648)	\$ (2,161,129)	\$ (4,437,524)	\$ (3,990,522)		\$ 447,002	-11.20%
ENDING FUND BALANCE	\$ 9,503,465	\$ 10,444,984	\$ 8,168,589	\$ 8,615,591		\$ 447,002	5.19%