

2025-26 Adopted Budget



SARATOGA UNION
SCHOOL DISTRICT

Nurturing minds. Inspiring futures.

June 4, 2025

Jean Aldrete, Chief Business Official



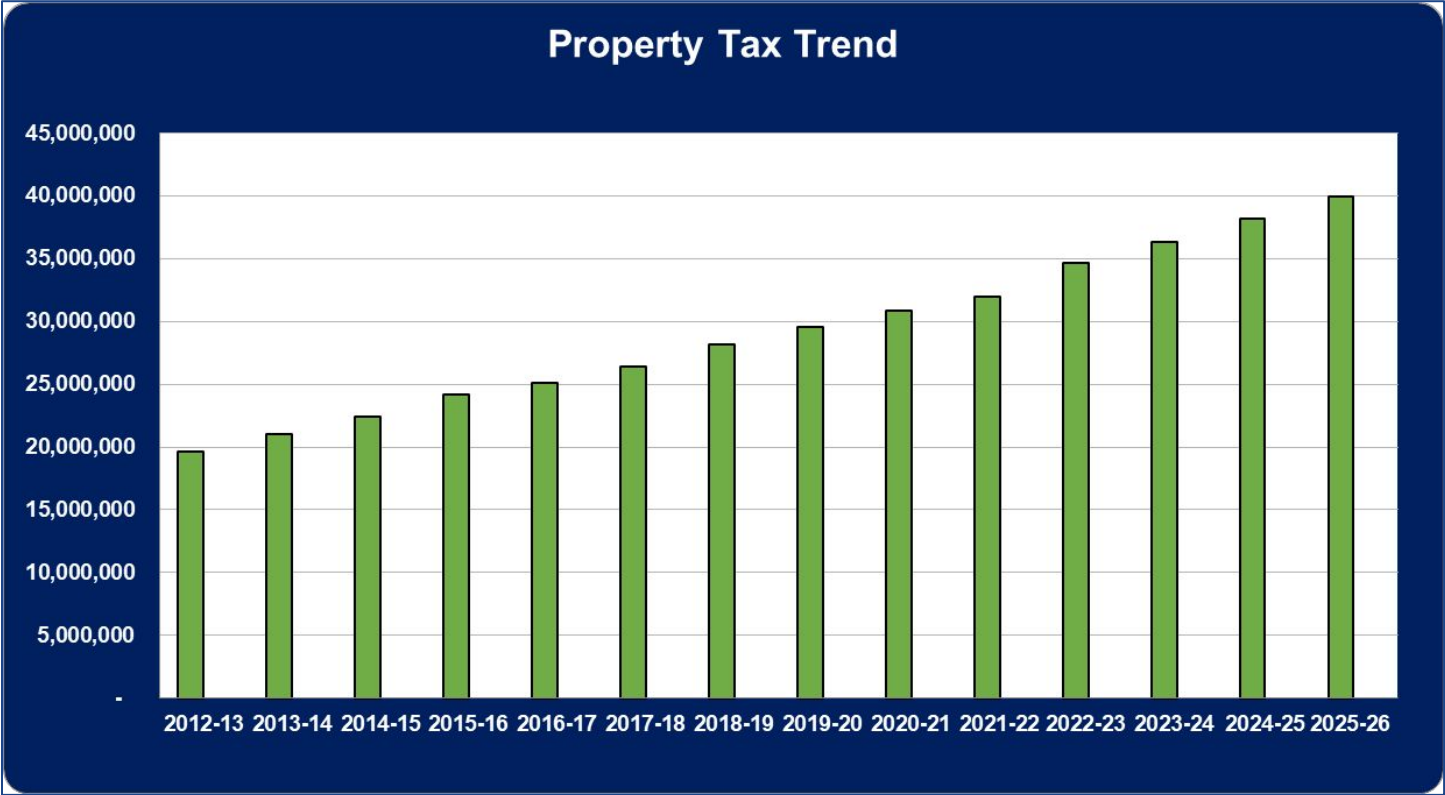
Financial Reporting Cycle Next Year in Review

2025-26 Adopted Budget & LCAP Public Hearing	June 4, 2025
2025-26 Adopted Budget and LCAP Adoption	June 12, 2025
2024-25 Unaudited Actuals	September 2025
2025-26 First Interim	December 2025
Governor's 2026-27 Budget Proposal	January 2026
2025-26 Second Interim	March 2026
2026-27 Governor's May Revision	May 2026
2026-27 Adopted Budget & LCAP Public Hearing	June 2026
2026-27 Adopted Budget & LCAP Adoption	June 2026

2025-26 GENERAL FUND REVENUE ASSUMPTIONS

- Property Taxes - Applied 5% increase for Secured Taxes Only (Overall change 4.63%)
- COLA of 2.30% for some programs (Mandated Block Grant, Special Education, etc.)
- Proposition 30 Education Protection Act \$319,052
- Unduplicated Count Required Set aside \$372,406 (10.78%/179 students)
- Lottery funds: \$191 Unrestricted/\$82 Restricted
- Mandated Block Grant \$20.52 per ADA (Average Daily Attendance)
- Overall reduction in Federal Title I, II & III by 6.2% pending potential changes in federal funding policy
- Transfer portion of property taxes of \$1,000,000 to Fund 14 Deferred Maintenance Fund for facilities projects

PROPERTY TAX HISTORY & PROJECTIONS

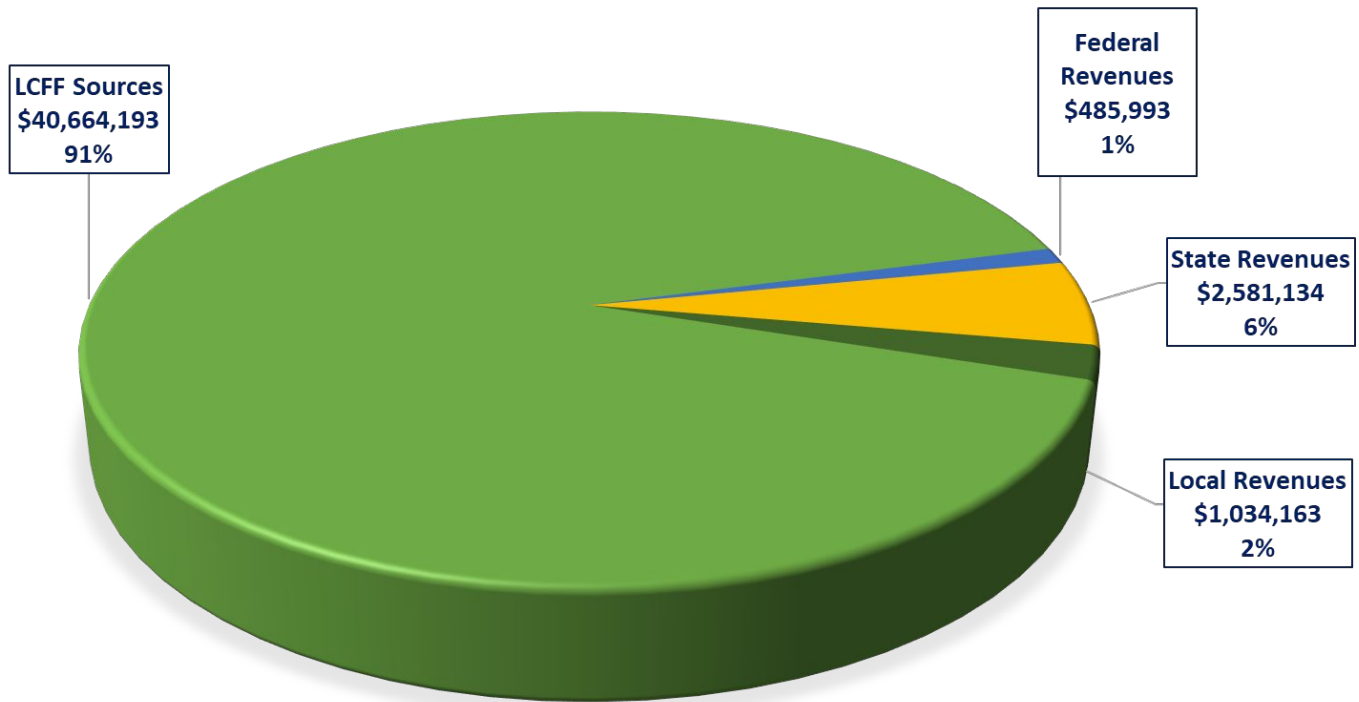


10 Year Avg:
5.64%

5 Year Avg:
5.25%

2025-26
Assumption

GENERAL FUND REVENUES



Total Revenues
\$44,765,483

TOTAL GENERAL FUND REVENUE CHANGES 2024-25 TO 2025-26

REVENUES	2024-25	2025-26	DIFFERENCE
LCFF Sources	\$35,880,143	\$40,664,193	\$4,784,050
Federal Revenues	\$480,450	\$485,993	\$5,543
Other State Revenues	\$2,476,968	\$2,581,134	\$104,166
Local Revenues	\$1,874,381	\$1,034,163	(\$840,218)
TOTALS	\$40,711,942	\$44,765,483	\$4,053,541

LCFF Sources: Increase in property taxes of \$1.76 million and decrease in transfer to Fund 14 Deferred Maintenance from \$4 million to \$1 million

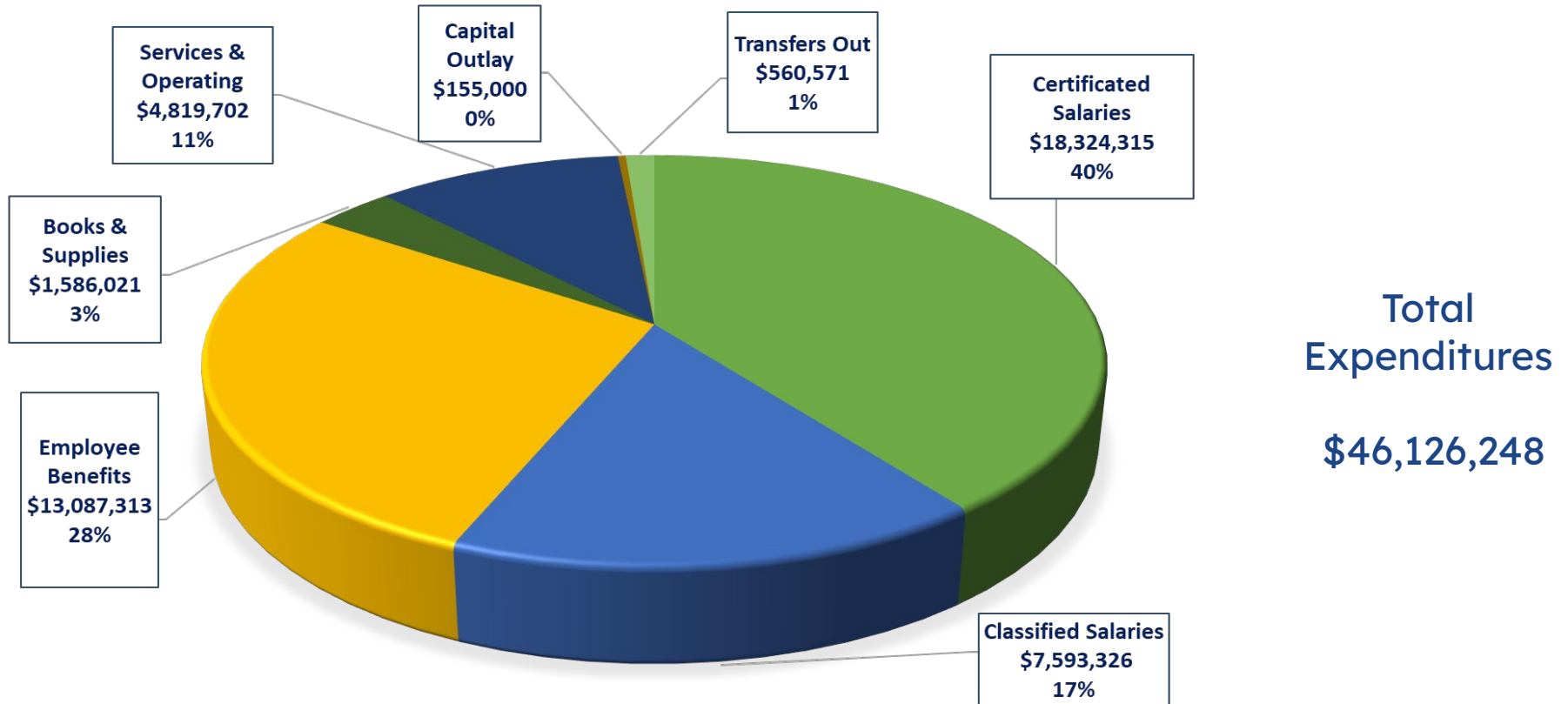
State Revenues: Increases in Prop 28, ELOP, Mandated Block Grant

Local Revenues: Removed one-time donations in budget year. Budget when received

GENERAL FUND EXPENDITURE 2025-26 ASSUMPTIONS

- Staffing
 - Certificated: Increase by 5 FTE:
 - One new Social Worker (with elimination of CASSY contract)
 - Two new elementary PE teachers (with elimination of Rhythm and Moves Contract)
 - Two new roving sub teachers
 - Classified: Decrease of 2.314 FTE for changes in staffing for Treehouse Program (Fund 63 only)
- Salary Increases: 26-27 of 6.5%, 27-28 of 0% (not yet negotiated)
- PERS rate changes: Increase by .09% for 26-27, 0.90% for 27-28
- Health Plan Increase of 7% (Medical/Dental/Vision)
- Utilities: Increase by 12.6% overall
- Insurance: Increase by 10% - increasing assessments for AB218

TOTAL GENERAL FUND EXPENDITURES



GENERAL FUND EXPENDITURE

2024-25 TO 2025-26 CHANGES

EXPENDITURES	2024-25	2025-26	DIFFERENCE
Certificated Salaries	\$16,447,194	\$18,324,315	\$1,877,121
Classified Salaries	\$7,149,848	\$7,593,326	\$443,478
Employee Benefits	\$11,867,097	\$13,087,313	\$1,220,216
Books & Supplies	\$1,652,604	\$1,586,021	(\$66,583)
Services & Operating	\$5,375,126	\$4,819,702	(\$555,424)
Capital Outlay	\$309,617	\$155,000	(\$154,616)
Other Outgo	\$325,904	\$ -	(\$325,904)
Transfers Out	\$68,064	\$560,571	\$492,507
TOTAL	\$43,195,454	\$46,126,248	\$2,930,784

GENERAL FUND EXPENDITURE

2024-25 TO 2025-26 CHANGES

Certificated, Classified Salaries & Employee Benefits: Added 5 FTE, negotiated salary increases of 6%, step and column 1.5%, health benefits increases of 7%, decrease in PERS rate of 0.24%

Books & Supplies: Removal of one-time expenses that occurred in 2024-25

Services & Operating: Largely due to elimination of Rhythm and Moves contract, CASSY counseling services contract, and reduction of Non-Public school contracts as well as removal of one-time expenses

Capital Outlay: Removal of one-time costs for maintenance vehicles and food service equipment with increase in 25-26 for technology equipment

Other Outgo: Elimination of supplemental early retirement plan payments completed in 2024-25

Transfers Out: Transfer of \$300,571 to Fund 17 Basic Aid Reserve Fund per board policy and \$260,000 to Fund 13 Cafeteria Fund

MULTI-YEAR PROJECTION ASSUMPTIONS

REVENUES

Property Taxes 4% per year

Change in LCFF Proposition 30 (EPA)

Projections are based on reasonable assumptions that are exactly wrong, but approximately right

EXPENDITURES

Step/Column 1.5%

2026-27 Only - Added Salary Increase 6.5%

PERS Increases (0.09% & .90%)

Health Benefits Increases 10%

Utilities & Insurance Increases 10%

Removal of one-time known costs for technology and furniture

They are not predictions of the future, but merely forecasts based on information at the time and historical averages

Helps guide decisions for the future

MULTI-YEAR PROJECTIONS

	2025-26	2026-27	2027-28
Revenues	\$44,765,483	\$46,273,141	\$47,843,477
Expenditures	(\$45,565,677)	(\$48,406,282)	(\$49,346,366)
Excess Revenue Over Expenditures	(\$800,194)	(\$2,133,141)	(\$1,502,889)
Interfund Transfers Out	(\$560,571)	(\$590,215)	(\$622,523)
Net Increase/(Decrease)	(\$1,360,765)	(\$2,723,356)	(\$2,125,412)
Beginning Fund Balance	\$10,797,993	\$9,437,228	\$6,713,872
Ending Fund Balance	\$9,437,228	\$6,713,872	\$4,588,460

GENERAL FUND MULTI-YEAR ENDING BALANCES

	2025-26	2026-27	2027-28
A. Revolving Cash	\$635	\$635	\$635
B. Restricted Reserves	\$775,246	\$620,421	\$620,421
C. Assigned Reserves <i>Maintenance Projects</i> <i>Technology Replacement</i> <i>Elementary Furniture Replacement (25-26 only)</i> <i>K-8 Textbook Adoptions</i>	\$1,351,878	\$1,000,000	\$1,000,000
D. Reserve for Economic Uncertainty 3%	\$1,383,787	\$1,469,895	\$1,499,067
E. Unassigned/Unappropriated	\$5,925,682	\$3,622,921	\$1,468,337
F. Total Ending General Fund Balance	\$9,437,228	\$6,713,872	\$4,588,460
G. Fund 17 Basic Aid Reserve Fund	\$6,479,333	\$6,894,548	\$7,302,071
H. Total Available Reserves (D + E + G)	\$13,788,802	\$11,987,364	\$10,269,475
Reserve %	29.89%	24.47%	20.55%

OTHER FUNDS REVIEW

2025-26 ADOPTED BUDGET	BEGINNING BALANCE	REVENUES	EXPENDITURES	ENDING BALANCE
Associated Student Body Fund 8	\$8,841	\$3,001	(\$2,500)	\$9,342
Cafeteria Fund 13	\$11,415	\$1,344,000	(\$1,327,450)	\$27,965
Deferred Maintenance Fund 14	\$155,082	\$1,025,000	(\$40,000)	\$1,140,082
Basic Aid Reserve Fund 17	\$6,053,762	\$425,571	\$-	\$6,479,333
Post Employment Benefits Fund 20	\$517,267	\$10,000	\$-	\$527,267
Building Fund 21	\$1,859,742	\$71,000	\$-	\$1,930,742
Capital Reserve Fund 25	\$3,049,923	\$75,000	(\$4,000)	\$3,120,923
Bond Interest Redemption Fund 51	\$9,184,449	\$8,560,507	(\$4,755,000)	\$12,989,956
Enterprise (Treehouse) Fund 63	\$1,062,141	\$1,548,000	(\$1,528,337)	\$1,081,804

ED CODE 421279(a)(2)(B) REQUIREMENT STATEMENT OF EXCESS RESERVES

Education Code requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for each fiscal year identified in the budget.

Reminder: As a Basic Aid District state funding is minimal and first issuance of tax receipts do not come in until November. Roughly \$11.8 million in expenses need to be covered before November so cash flow reserves are critical.

MULTI-YEAR REVIEW OF EXCESS RESERVES

Combined Assigned/Unassigned/Unappropriated Fund Balances	2025-26	2026-27	2027-28
Fund 01 General Fund	\$8,661,347	\$6,092,816	\$3,967,404
Fund 17	\$6,479,333	\$6,894,548	\$7,302,071
Total	\$15,140,680	\$12,987,741	\$11,271,641
Less: 3% REU	(\$1,383,787)	(\$1,469,895)	(\$1,499,067)
Balance to Substantiate	\$13,756,893	\$11,517,469	\$9,770,408
Maintenance & Other Projects	\$500,000	\$500,000	\$500,000
Educational Technology Replacement Plan	\$250,000	\$250,000	\$250,000
Elementary Furniture Replacement	\$351,878	\$ -	\$ -
Elementary Furniture Replacement	\$250,000	\$250,000	\$250,000
Cash Flow Needs	\$5,925,682	\$3,622,921	\$1,468,337
Special Reserve Fund 17 Per Board Policy (15% PY GF Expenses)	\$6,479,333	\$6,894,548	\$7,302,071
Total	\$13,756,893	\$11,517,469	\$9,770,408

NEXT STEPS

- June 12th
 - Close Public Hearing
 - Board Approval and Adoption 2025-26 Adopted Budget & LCAP
- Budget will be forwarded to Santa Clara County Office of Education for review and approval
- District may revise budget for any material changes with 45 days of State Budget Adoption
- July - September begin closing books for 2024-25

Thank you!

Questions?