



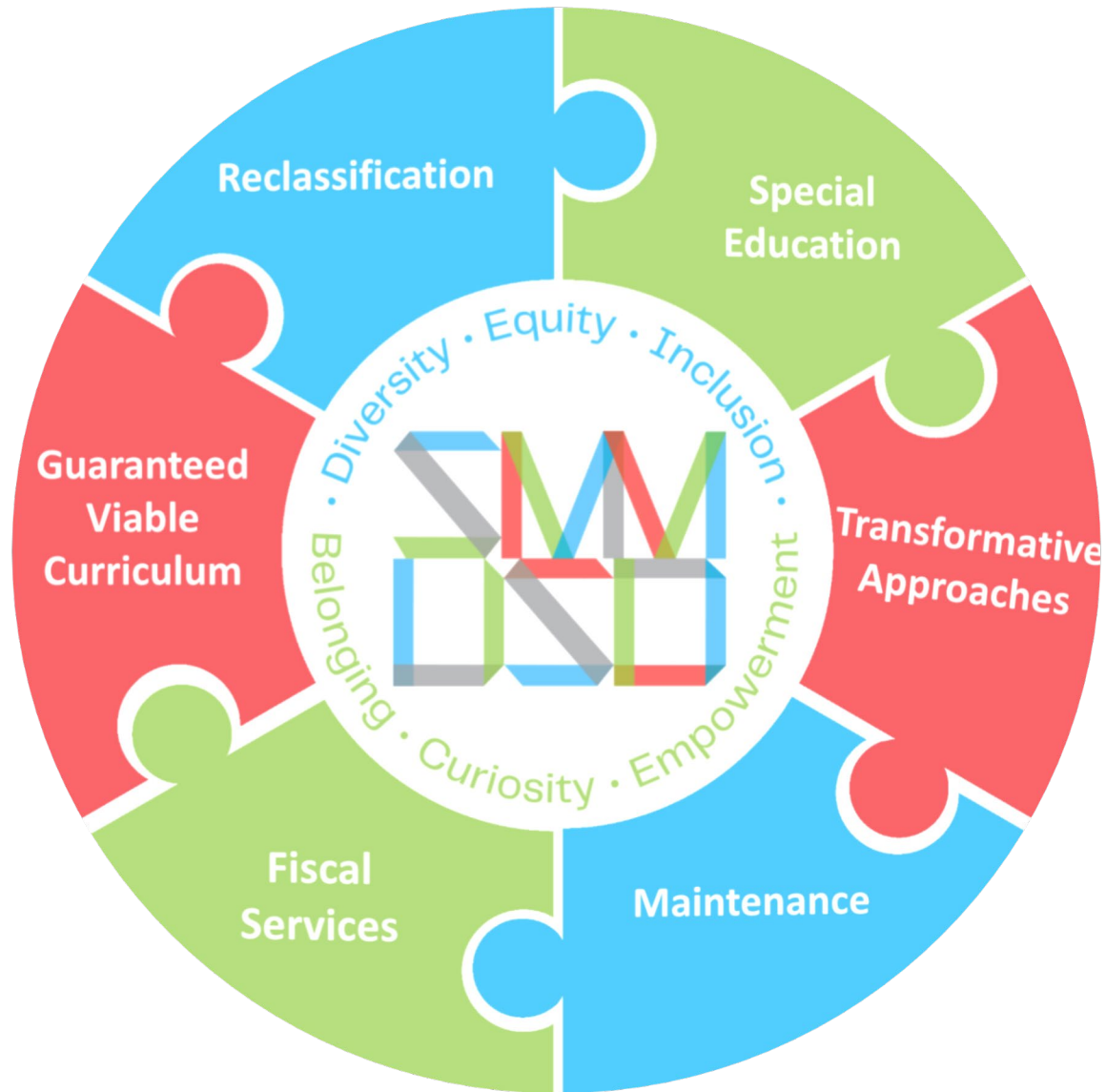
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2025-26 First Interim Report

Gerardo Cruz
Assistant Superintendent,
Business & Fiscal Services

December 11, 2025
Special Board Meeting
Major Action Agenda Item







Budget Reporting Periods

1. Preliminary Budget – June
2. Public Hearing Budget – June
3. Adopted Budget – June
4. 45-Day Revision (if needed) – August
5. First Interim – December
6. Second Interim – March
7. Third Revision – May
8. Estimated Actuals – June
9. Fourth Revision (if needed) – June
10. Unaudited Actuals – September
11. FOC/Board Liaisons Review Draft Audit – Dec.
12. Board Approves Final Audit Report – Jan.



SMMUSD 1st Interim Report

- Shows the District's financial position as of October 31, 2025
- Displays the Adopted Budget and the First Interim Budget with the change between the two periods
- Includes an analysis of standards and assumptions for financial reporting set by the State
- Analyzes the impact on the Multi-Year Projections of the General Fund for the current and next two fiscal years
- Certifies one of three conditions:
 - Positive, Negative or Qualified



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

GENERAL FUND

FUND 01

2025-26 First Interim Budget Report

2025-26 LOCAL CONTROL FUNDING FORMULA (LCFF) CALCULATION					10/31/2025
BASE GRANT:					
	TK-3	4-6	7-8	9-12	TOTAL
	2,241.43	1,866.97	1,333.16	2,905.92	8,347.48
2024-25 BASE	10,025	10,177	10,478	12,144	
2025-26 2.30% COLA	231	234	241	279	
2025-26 BASE	10,256	10,411	10,719	12,423	
	22,987,188	19,437,192	14,290,098	36,101,151	92,815,629
AUGMENTATION GRANTS:					
CLASS SIZE REDUCTION (CSR) AUGMENTATION: BASE GRANT X 10.4%					2,390,668
CAREER TECHNICAL EDUCATION (CTE) AUGMENTATION 9-12 BASE GRANT X 2.6%					938,630
SUPPLEMENTAL AND CONCENTRATION GRANTS:					
TOTAL ENROLLMENT (3-YEAR AVERAGE)					8,704
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)					2,727
					31.33%
SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT					6,024,753
TRANSPORTATION, TIIG GRANT, & ADD-ON:					
2012-13 LCFF IMPLEMENATION & ADD-ON FOR TRANSPORTATION					\$897,197
2012-13 TARGETED INSTRUCTIONAL IMPROVEMENT BLOCK GRANT					\$429,757
TRANSITIONAL KINDERGARTEN ADD-ON					\$762,729
TOTAL 2025-26 LCFF ENTITLEMENT					\$104,259,362
MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS					\$8,585,843
TOTAL 2025-26 LCFF ENTITLEMENT					\$104,259,362
LOCAL REVENUE / PROPERTY TAXES					\$121,645,640
Amount of Property Tax Over LCFF Entitlement (Basic Aid when negative)					(\$17,386,278)

Note Outside of Calculation:

EDUCATION PROTECTION ACCOUNT	\$1,600,000
TRANSFER TO CHARTER SCHOOL	-\$300,000

2025-26 First Interim Budget Report

FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$50,347,147	\$62,550,053	\$12,202,906
8011-8099	LCFF Revenue	\$131,631,483	\$132,031,483	\$400,000
8100-8299	Federal Revenue	\$0	\$0	\$0
8300-8590	State Revenue	\$2,465,000	\$2,365,000	(\$100,000)
8600-8799	Local Revenue	\$61,731,769	\$61,889,638	\$157,869
8980-8999	Local General Fund Contributions	(\$44,636,667)	(\$43,737,355)	\$899,312
	Total Revenue	\$151,191,585	\$152,548,766	\$1,357,181
1000-1999	Certificated Salaries	\$63,168,211	\$63,749,536	\$581,325
2000-2999	Classified Salaries	\$27,095,364	\$26,928,751	(\$166,613)
3000-3999	Employee Benefits	\$38,213,703	\$38,680,244	\$466,541
4000-4999	Books and Supplies	\$4,589,592	\$4,797,442	\$207,850
5000-5999	Services and Other Operating Costs	\$24,454,409	\$24,985,036	\$530,627
6000-6999	Capital Outlay	\$71,000	\$283,990	\$212,990
7100-7299	Other Outgo	\$120,000	\$120,000	\$0
7300-7399	Indirect Costs	(\$110,738)	(\$63,521)	\$47,217
7400-7499	Debt Services	\$0	\$0	
7600-7629	Transfer Out/ Fund 12, 13, 14	\$3,225,000	\$3,925,000	\$700,000
	Total Expenditures	\$160,826,541	\$163,406,478	\$2,579,937
	Increase /(Decrease) Fund Balance	(\$9,634,956)	(\$10,857,712)	(\$1,222,756)
	Projected Fund Balance	\$40,712,191	\$51,692,341	



Explanation of major differences between Estimated Actuals and Unaudited Actuals

\$3.6M

REVENUE:

- **PROPERTY TAX – \$504K** Higher property tax than budgeted due to increased delinquent assessment collections
- **EDUCATION PROTECTION ACCOUNT – (\$130K)** Lower state funding received than originally projected in the budget due to decrease in average daily attendance (ADA)
- **IN LIEU PROPERTY TAX TRANSFER TO CHARTER – (\$80K)** District residents attending outside charter schools, resulting in higher-than-budgeted property tax revenue transfers
- **LEASE & RENTAL – \$741K** This reflects new facility rental agreements and higher occupancy rates than originally projected
- **LEASE & RENTAL GASB 87 – (\$394K)** This was caused by required accounting adjustments under the new GASB 87 lease standard implementation
- **MEASURE R – \$416K** Better-than-expected parcel tax collection due to property owners who no longer qualify for the Senior Exemption
- **MEASURE GSH/YY – \$85K** Derived from additional sales taxes generated within the City of Santa Monica compared to forecast
- **INTEREST EARNED – \$531K** Driven by Federal Reserve interest rate increases improving investment portfolio returns
- **INTEREST EARNED GASB 87 – \$2M** Favorable accounting adjustments for positive interest calculations under GASB 87
- **ALL OTHER LOCAL INCOME – \$485K** This was generated by reimbursement from the District Property & Liability Insurance provider related to the Franklin and Palisades fires
- **LOCAL GENERAL FUND CONTRIBUTION – \$329K** Additional contribution to Special Education by \$231K is offset by cost savings in Routine Restricted Maintenance Account (RRMA) that nets to a favorable \$329K

\$3.6M



Explanation of <u>major</u> differences between Estimated Actuals and Unaudited Actuals		\$12.58M
<u>Expenses:</u>		
SALARIES & STATUTORY BENEFITS – Resulted from, permanent vacancies, positions remaining unfilled longer than expected and employees taking extended unpaid leave [\$3.3 million]; use of one-time funds from Career Technical Education, Covid ESSER Funds, as well as a Health Benefit credit from the District’s transition from CalPERS to SISC [\$3.3 million]		\$6.6M
CONSULTANTS, LEGAL, & OTHER OPERATING – This was generated by reduced need for external consultants, fewer legal disputes, and less other operating costs (include but is not limited to: Conference/Travel, Maintenance Agreements, Advertising, Membership Dues, Inter-fund transfers, Banking Fees, & Audit Fees)		\$3.2M
UNUSED TRANSFER TO FOOD SERVICES – Occurred because food service operations required less general fund subsidy than budgeted due to higher federal and state meal program reimbursement rates		\$900K
SEXUAL ASSAULT MOLESTATION INSURANCE PAID IN 25-26 NOT 24-25 – Timing differences as insurance premium was deferred to the following fiscal year		\$500K
COSTS SAVINGS IN SUPPLIES/BOOKS/TEXTBOOKS - Education Services General Supply Cost & Electronic Devices – \$510K - Maintenance & Operations Custodial & General Supply Costs – \$86K - Health Services Nursing Supplies & Non-Capital Equipment – \$88K - Unspent Site Formula & Stretch Grant Allocations – \$103K		\$810K
RENTALS, LEASES, & REPAIRS – This was driven by use of Deferred Maintenance Funds and Ongoing Major Maintenance Funds as well as more favorable lease and repair renegotiations		\$350K
DECREASE IN CAPITAL OUTLAY – Came from reduced need of additional white vehicle fleet as well as bus replacements		\$227K

2025-26 First Interim Budget Report

FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$50,347,147	\$62,550,053	\$12,202,906
8011-8099	LCFF Revenue	\$131,631,483	\$132,031,483	\$400,000
8100-8299	Federal Revenue	\$0	\$0	\$0
8300-8590	State Revenue	\$2,465,000	\$2,365,000	(\$100,000)
8600-8799	Local Revenue	\$61,731,769	\$61,889,638	\$157,869
8980-8999	Local General Fund Contributions	(\$44,636,667)	(\$43,737,355)	\$899,312
	Total Revenue	\$151,191,585	\$152,548,766	\$1,357,181
1000-1999	Certificated Salaries	\$63,168,211	\$63,749,536	\$581,325
2000-2999	Classified Salaries	\$27,095,364	\$26,928,751	(\$166,613)
3000-3999	Employee Benefits	\$38,213,703	\$38,680,244	\$466,541
4000-4999	Books and Supplies	\$4,589,592	\$4,797,442	\$207,850
5000-5999	Services and Other Operating Costs	\$24,454,409	\$24,985,036	\$530,627
6000-6999	Capital Outlay	\$71,000	\$283,990	\$212,990
7100-7299	Other Outgo	\$120,000	\$120,000	\$0
7300-7399	Indirect Costs	(\$110,738)	(\$63,521)	\$47,217
7400-7499	Debt Services	\$0	\$0	
7600-7629	Transfer Out/ Fund 12, 13, 14	\$3,225,000	\$3,925,000	\$700,000
	Total Expenditures	\$160,826,541	\$163,406,478	\$2,579,937
	Increase /(Decrease) Fund Balance	(\$9,634,956)	(\$10,857,712)	(\$1,222,756)
	Projected Fund Balance	\$40,712,191	\$51,692,341	



2025-26 First Interim Budget Report

Major Variances (+/-)

Revenues:

\$12,202,906	2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
\$400,000	Increase in LCFF Revenue
	<i>\$500K Increase in Redevelopment Agency (RDA) pass through funds</i>
	<i>\$100K Decrease in Education Protection Account (EPA)</i>
(\$100,000)	Decrease in State Lottery Revenue
\$157,869	Increase in Local Revenue
	<i>\$75K Increase to Santa Monica Education Foundation</i>
	<i>\$83K Increase to Malibu Education Foundation</i>
\$899,312	Increase in Local General Fund Contributions from Unrestricted Sources
	<i>\$1.6M Decrease to Special Education LGCF - Increase to Revenue</i>
	<i>\$700K Increase to Routine Restricted Maintenance</i>

2025-26 First Interim Budget Report

Expenditures:

- \$581,325 Increase in Certificated Monthly, Hourly, Overtime, and Substitute Salaries
- (\$166,613) Decrease in Classified Monthly, Hourly, Overtime, and Substitute Salaries
- \$466,541 Increase in Employee Health Benefits (\$665,318) & Decrease in Statutory Benefits (\$201,127)
- \$207,850 Increase in Books and Supplies
- \$530,627 Increase in Services & Operating Costs (legal costs, independent contractors, & conf/travel)
 - \$237,830 Other Operational Costs
 - \$14K Decrease in Conference & Travel
 - \$60K Increase in Dues & Memberships
 - \$214K Increase in Rentals/Leases/Repairs
 - \$3K Increase to contra-account for Intra-fund Transfers (decrease to General Ledger)
 - \$20K Increase to contra-account for Inter-fund Transfers (decrease to General Ledger)
 - \$289,797 Other Operational Costs
 - \$468K Increase in Other Operating Costs (Maintenance Agmts, Advertising, Memberships, Interfund Transfers, & Other)
 - \$168K Decrease in Consultants
 - \$10K Decrease in Legal
- (\$47,217) Decrease in Indirect Charges to Categorical Programs from Federal/State Resources (increase to expenses)
- \$700,000 Increase in Fund 14 Deferred Maintenance Contribution

SANTA MONICA- MALIBU USD - PROPERTY TAXES COMPARISON

FISCAL YEAR	P2 REPORT			ANNUAL REPORT			FY vs. FY VARIANCE		
	PROPERTY TAXES	RDA FUNDS	TOTAL	PROPERTY TAXES	RDA FUNDS	TOTAL			
2013-14	51,700,678	6,958,920	58,659,598	52,656,493	13,157,653	65,814,146	7,154,548	12.20%	2.11%
2014-15	55,736,580	10,582,632	66,319,212	57,371,774	15,200,596	72,572,370	6,253,158	9.43%	10.27%
2015-16	60,240,363	10,225,493	70,465,856	62,583,086	11,082,687	73,665,773	3,199,917	4.54%	1.51%
2016-17	65,588,613	6,517,394	72,106,007	66,181,738	14,731,464	80,913,202	8,807,195	12.21%	9.84%
2017-18	72,407,623	7,073,023	79,480,646	64,963,302	18,279,332	83,242,634	3,761,988	.73%	2.88%
2018-19	71,277,791	8,151,060	79,378,851	70,579,431	14,889,013	85,468,444	6,089,593	7.67%	2.67%
2019-20	73,835,932	17,273,237	91,109,169	74,659,786	16,524,221	91,184,007	74,838	0.10%	6.27%
2020-21	80,743,207	15,000,000	95,743,207	78,971,008	21,912,180	100,883,188	5,139,981	5.10%	9.62%
2021-22	93,763,505	15,000,000	108,763,505	93,913,203	19,572,246	113,485,449	4,721,944	4.16%	11.10%
2022-23	97,922,388	15,000,000	112,922,388	98,740,236	21,799,348	120,539,584	7,617,196	6.32%	5.85%
2023-24	91,703,372	18,000,000	109,703,372	92,856,330	24,571,397	117,427,727	7,724,355	6.58%	(2.65%)
2024-25	91,163,541	22,000,000	113,163,541	90,701,068	23,931,235	114,632,303	1,468,762	1.30%	(2.44%)
2025-26	99,645,640	22,500,000	122,145,640						

2025-26 First Interim Budget Report

FUND 01: RESTRICTED GENERAL FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$14,128,040	\$21,371,385	\$7,243,345
8100-8299	Federal Revenue	\$4,599,382	\$5,369,746	\$770,364
8300-8590	State Revenue	\$6,246,347	\$10,750,604	\$4,504,257
8600-8799	Local Revenue	\$10,894,014	\$12,016,616	\$1,122,602
8980-8999	Local General Fund Contributions	\$44,636,667	\$43,737,355	(\$899,312)
	Total Revenue	\$66,376,410	\$71,874,321	\$5,497,911
1000-1999	Certificated Salaries	\$17,467,459	\$19,568,568	\$2,101,109
2000-2999	Classified Salaries	\$17,063,990	\$16,771,655	(\$292,335)
3000-3999	Employee Benefits	\$22,641,271	\$22,210,328	(\$430,943)
4000-4999	Books and Supplies	\$3,590,864	\$6,663,164	\$3,072,300
5000-5999	Services and Other Operating Cos	\$9,294,403	\$13,465,033	\$4,170,630
6000-6999	Capital Outlay	\$97,000	\$330,989	\$233,989
7300-7399	Indirect Costs	\$36,279	\$42,021	\$5,742
	Total Expenditures	\$70,191,266	\$79,051,758	\$8,860,492
	Increase /(Decrease) Fund Balance	(\$3,814,856)	(\$7,177,437)	(\$3,362,581)
	Projected Fund Balance	\$10,313,184	\$14,193,948	



2025-26 First Interim Budget Report

Major Variances (+/-)

Revenues:

\$7,243,345	2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
\$770,364	Increase in Federal Projected Revenue
	<i>\$10K Decrease in IDEA Entitlement</i>
	<i>\$459K Increase in Title I Federal Funds (including carryover funds)</i>
	<i>\$8K Decrease in Title II Federal Funds</i>
	<i>\$182K Increase in Title III Federal Funds (including carryover funds)</i>
	<i>\$146K Increase in Title IV Federal Funds (including carryover funds)</i>
	<i>\$1K Increase Carl Perkins</i>
\$4,504,257	Increase in State Projected Revenue
	<i>\$247K Increase in Lottery Instructional Materials</i>
	<i>\$723K Increase in A-G Completion Improvement Grant</i>
	<i>\$51K Increase LCFF Equity Multiplier</i>
	<i>\$75K Increase in Classified School Employee Professional Development Block Grant</i>
	<i>\$26K Decrease in Special Education Early Intervention Preschool Grant</i>
	<i>\$569K Increase in K-12 Strong Workforce Program</i>
	<i>\$639K Decrease in Career Technical Education Incentive Grant</i>
	<i>\$672K Increase in Educator Effectiveness</i>
	<i>\$2.5M Increase in Student Support & Professional Development Discretionary Block Grant</i>
	<i>\$312K Increase Expanded Learning Opportunities Program</i>
\$1,122,602	Increase in Projected Revenue from PTA, Booster Club, & Gifts for Carry Over Balances
(\$899,312)	Decrease in Local General Fund Contribution (LGFC) to Special Education
	<i>\$1.6M Decrease to Special Education LGCF - Increase to Revenue</i>
	<i>\$700K Increase to Routine Restricted Maintenance</i>



2025-26 First Interim Budget Report

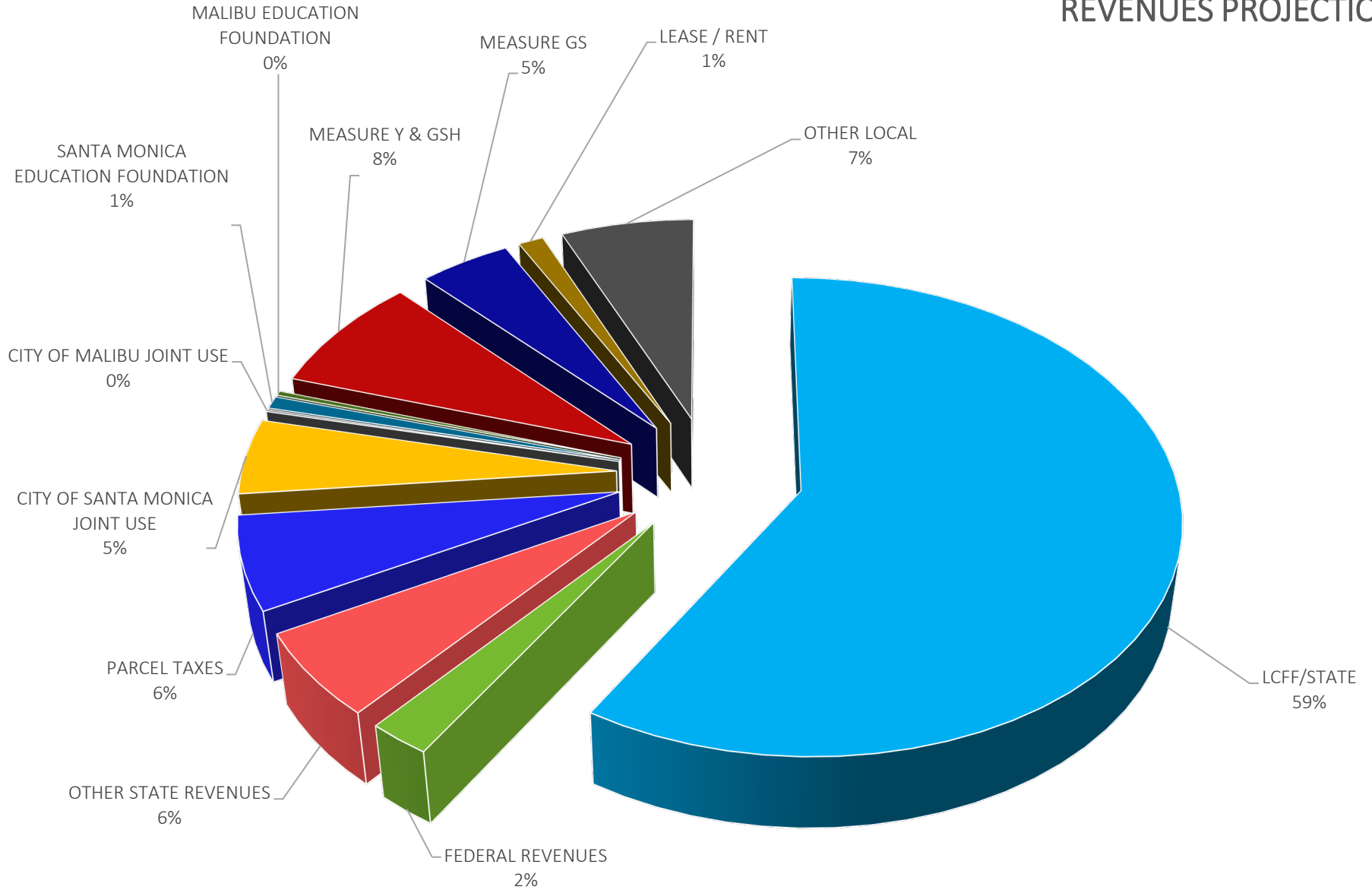
Major Variances (+/-)

Expenditures:

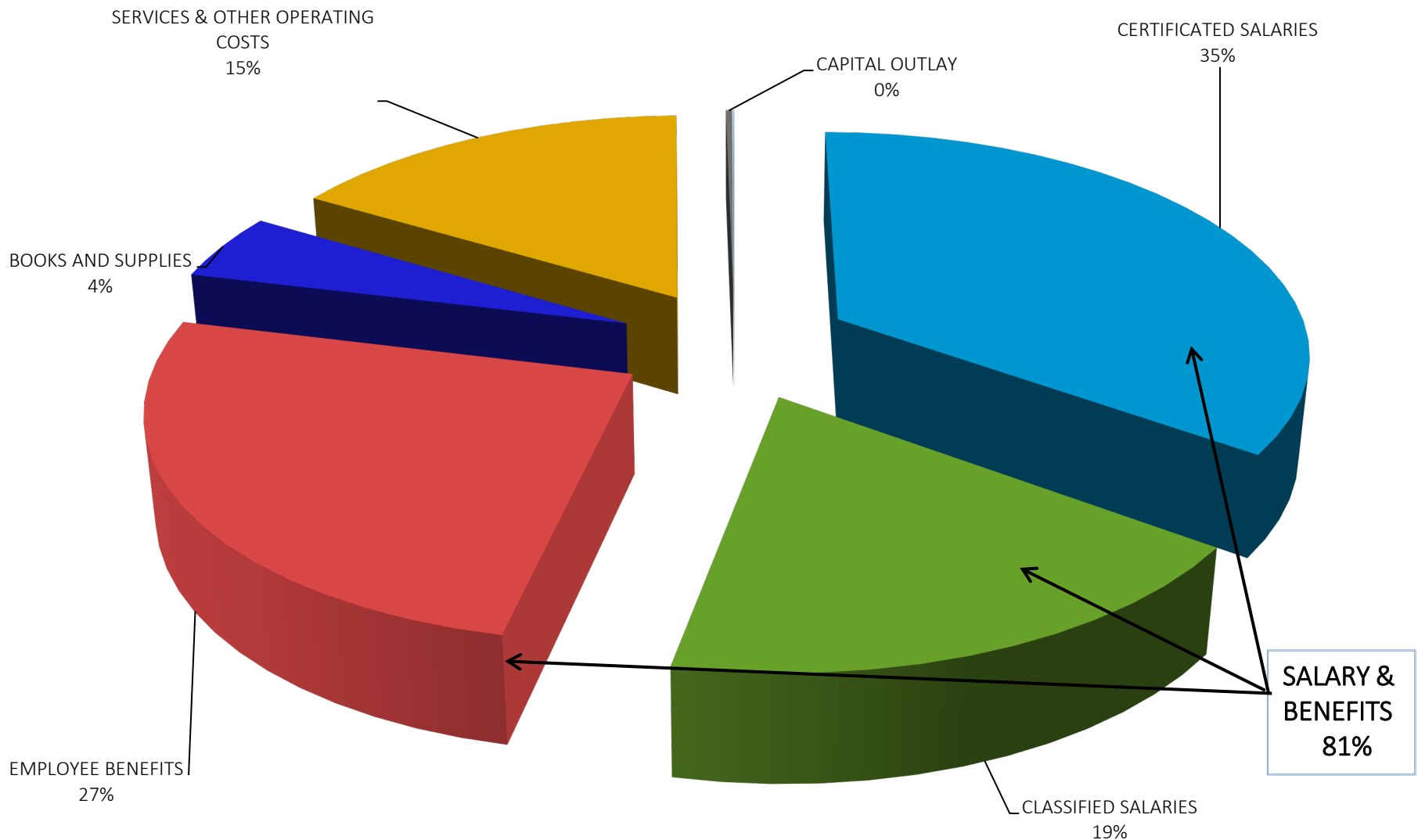
\$2,101,109	Increase in Certificated Monthly, Hourly, Overtime, and Substitute Salaries
(\$292,335)	Decrease in Classified Monthly, Hourly, Overtime, and Substitute Salaries
(\$430,943)	Decrease in Employee Health Benefits (\$753,867) & Increase in Statutory Benefits (\$322,924)
\$3,072,300	Increase in Books & Supplies - Learning Recovery Items from Covid-19 per Board adopted resolution
\$4,170,630	Increase in Services & Operating Costs (legal costs, independent contractors, conf/travel)
	<i>\$1.85M Other Operating Costs (Maintenance Agreements, Advertising, Memberships, Interfund Transfers, Comms)</i>
	<i>\$1.13M Restricted Categorical Programs Consultants</i>
	<i>\$3K Intrafund Transfers</i>
	<i>\$13K Repair by Vendor</i>
	<i>\$636K Conference & Travel</i>
	<i>\$525K Subagreement - NPA</i>
\$233,989	Increase in Capital Outlay
	<i>\$1K Equipment (Arts and Music in School - Prop 28)</i>
	<i>\$130K New Child Nutrition Vehicles (Kitchen Infrastructure and Training Funds)</i>
	<i>\$83K Robotic Mop Vacuums (Restricted Maintenance)</i>
\$5,742	Increase in Indirect Costs to various Categorical Programs from Federal and State Resources



2025-26 GENERAL FUND (FUND 01) REVENUES PROJECTION



2025-26 GENERAL FUND (Fund 01) EXPENDITURES PROJECTION



2025-26 First Interim Budget Report

As of 10/31/2025

Components of Ending Fund Balances

2025-26

Fund 01: Unrestricted General Fund	
Unrestricted General Fund Beginning Balance	\$62,550,054
Current Year (Deficit)/Surplus Spending	(\$10,857,712)
Ending Fund Balance that Requires Explanation	\$51,692,342
Reasons for Assigned and Unassigned Ending Fund Balances	
*State Recommended 17% Minimum Level for Unified Districts	
	\$51,692,342
Less: 3% Reserve for Economic Uncertainties	(\$7,273,748)
Reserve for Revolving Cash & Prepaid	(\$20,025)
Reserve for 26-27 Deficit Spending	(\$6,366,739)
Reserve for 27-28 Deficit Spending	(\$7,330,023)
^Reserve for up to 2 months General Fund Expenditures	\$30,701,807
Unappropriated Balance	\$0

*current reserve is at 21.31% (up 3.70% from 17.61% @ 25-26 Adopted Budget)

*2023-24 Statewide Average Reserve for Unified State-Aid Districts is 24.62%

*Basic Aid Districts should be 33%

^A 2-month reserve would be approximately \$35.7M



2023-24

Statewide Average Reserves

2023-24 Average Unrestricted General Fund, Plus Fund 17; Net Ending Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change From Prior ~Year
1. Elementary School Districts	25.54%	-0.01%
2. High School Districts	24.40%	1.46%
3. Unified School Districts	24.36%	0.62%
4. †SMMUSD Reserve (as of 2023-24 Actuals)	29.04%	†12.61%
5. ^SMMUSD Reserve (as of 2025-26 First Interim)	21.31%	*4.55%

† Compared to 2022-23

^ Prior Year Ending Fund Balance included in Current Year Beginning Balance

* Compared to 2024-25 First Interim

Source: Statewide Certified Data (School Services of California)

~Compared to reserve levels of 2022-23





SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

OTHER FUNDS

FUNDS

11, 12, 13, 14, 21, 25, 40, 51, 71

2025-26 First Interim Budget Report

FUND 11: ADULT EDUCATION FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$1,241,012	\$1,306,475	\$65,463
8100-8299	Federal Revenue	\$65,771	\$65,771	\$0
8300-8590	Other State Revenue	\$1,021,003	\$980,896	(\$40,107)
8600-8799	Local Revenue	\$0	\$0	\$0
	Total Revenues	\$1,086,774	\$1,046,667	(\$40,107)
1000-1999	Certificated Salaries	\$376,532	\$378,491	\$1,959
2000-2999	Classified Salaries	\$273,429	\$273,334	(\$95)
3000-3999	Employee Benefits	\$306,258	\$309,825	\$3,567
4000-4999	Books and Supplies	\$15,863	\$16,450	\$587
5000-5999	Services and Other Operating Costs	\$66,073	\$66,643	\$570
7300-7399	Indirect Costs	\$48,619	\$1,958	(\$46,661)
	Total Expenditures	\$1,086,774	\$1,046,701	(\$40,073)
	Increase /(Decrease) Fund Balance	\$0	(\$34)	(\$34)
	Projected Fund Balance	\$1,241,012	\$1,306,441	

Revenue:

\$65,463 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
 (\$40,107) Decrease in Other State Revenue

Expenditures:

\$1,959 Increase in Certificated Salaries
 \$3,567 Increase in Employee Benefits
 (\$46,661) Decrease in Indirect Costs

2025-26 First Interim Budget Report

FUND 12: CHILD DEVELOPMENT FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$6,386,725	\$7,066,396	\$679,671
8100-8299	Federal Revenue	\$60,636	\$60,636	\$0
8300-8590	State Revenue	\$2,564,091	\$2,367,476	(\$196,615)
8600-8799	Local Revenue	\$1,612,815	\$3,101,145	\$1,488,330
8900-8929	Interfund Transfer from Fund 01	\$475,000	\$475,000	\$0
	Total Revenues	\$4,712,542	\$6,004,257	\$1,291,715
1000-1999	Certificated Salaries	\$1,725,502	\$2,426,716	\$701,214
2000-2999	Classified Salaries	\$1,187,388	\$1,598,094	\$410,706
3000-3999	Employee Benefits	\$1,367,642	\$1,771,709	\$404,067
4000-4999	Books and Supplies	\$82,355	\$125,735	\$43,380
5000-5999	Services and Other Operating Costs	\$506,317	\$574,264	\$67,947
6000-6999	Capital Outlay	\$0	\$0	\$0
7300-7399	Indirect Costs	\$13,623	\$12,861	(\$762)
	Total Expenditures	\$4,882,827	\$6,509,379	\$1,626,552
	Increase /(Decrease) Fund Balance	(\$170,285)	(\$505,122)	(\$334,837)
	Projected Fund Balance	\$6,216,440	\$6,561,274	

Revenue:

\$679,671 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
 \$1,488,330 Increase in Local Revenue - Child Development Parent Fees
 (\$196,615) Decrease in State Revenue

Expenditures:

\$701,214 Increase in Certificated Monthly, Hourly, Overtime, and Substitute Salaries
 \$410,706 Decrease in Classified Hourly, Overtime, and Substitute Salaries
 \$404,067 Increase in Statutory Benefits & Employee Health Benefits
 \$43,380 Increase in Books & Supplies
 \$67,947 Increase in Services & Other Operating Costs

2025-26 First Interim Budget Report

FUND 13: CAFETERIA SPECIAL FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$1,136,607	\$880,885	(\$255,723)
8100-8299	Federal Revenue	\$2,150,000	\$2,150,000	\$0
8300-8590	State Revenue	\$2,250,000	\$2,250,000	\$0
8600-8799	Local Revenue (Food Sales)	\$300,000	\$300,000	\$0
8900-8929	Interfund Transfer	\$750,000	\$750,000	\$0
	Total Revenues	\$5,450,000	\$5,450,000	\$0
2000-2999	Classified Salaries	\$2,278,911	\$2,217,445	(\$61,466)
3000-3999	Employee Benefits	\$1,221,262	\$1,249,610	\$28,348
4000-4999	Books and Supplies	\$2,825,500	\$2,786,400	(\$39,100)
5000-5999	Services and Other Operating Costs	(\$216,850)	(\$48,850)	\$168,000
6000-6999	Capital Outlay	\$0	\$24,100	\$24,100
7300-7399	Indirect Costs	\$12,217	\$6,681	(\$5,536)
	Total Expenditures	\$6,121,040	\$6,235,386	\$114,346
	Increase /(Decrease) Fund Balance	(\$671,040)	(\$785,386)	(\$114,346)
	Projected Fund Balance	\$465,567	\$95,499	

Revenue:

(\$255,723) 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance

Expenditures:

(\$61,466) Decrease in Classified Hourly, Overtime, and Substitute Salaries

\$28,348 Increase in Statutory Benefits & Employee Health Benefits

(\$39,100) Decrease in Food Costs & Paper Supply Costs

\$168,000 Increase in Services & Other Operating Costs

\$24,100 Increase in Capital Outlay

(\$5,536) Decrease in Indirect Costs

2025-26 First Interim Budget Report

FUND 14: DEFERRED MAINTENANCE FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$1,349,726	\$1,531,681	\$181,955
8010-8099	LCFF transfer to Fund 14	\$0	\$0	\$0
8600-8799	Local Revenue	\$0	\$0	\$0
8919	Transfer from General Fund	\$2,000,000	\$2,700,000	\$700,000
	Total Revenues	\$2,000,000	\$2,700,000	\$700,000
4000-4999	Books and Supplies	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$1,950,000	\$2,450,200	\$500,200
6000-6999	Capital Outlay	\$50,000	\$50,000	\$0
	Total Expenditures	\$2,000,000	\$2,500,200	\$500,200
	Increase /(Decrease) Fund Balance	\$0	\$199,800	\$199,800
	Projected Fund Balance	\$1,349,726	\$1,731,481	

Revenue:

\$181,955 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
 \$ 700,000 Increase in Transfer from General Fund

Expenditures:

\$ 500,200 Increase in Other Operating Costs



2025-26 First Interim Budget Report

*FUND 21: BUILDING FUND / MEASURE ES, SMS, QS, M, & MM - All Series

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Fair Market Value Adjustment (FMV)	(\$9,064,892)	(\$9,064,892)	\$0
	Beginning Fund Balance	\$317,155,870	\$304,602,351	(\$12,553,519)
8600-8799	Local Revenue	\$0	\$0	\$0
8800-8951	Bond Proceeds - SMS Series C	\$0	\$0	\$0
8800-8951	Bond Proceeds - M Series C	\$0	\$0	\$0
8800-8951	Bond Proceeds - QS Series A	\$0	\$198,955,000	\$198,955,000
8952-8979	Other Financing	\$0	\$0	\$0
	Total Revenues	\$0	\$198,955,000	\$198,955,000
2000-2999	Classified Salaries	\$1,051,306	\$1,066,318	\$15,012
3000-3999	Employee Benefits	\$609,013	\$603,174	(\$5,839)
4000-4999	Books and Supplies	\$151,875	\$180,638	\$28,763
5000-5999	Services and Other Operating Costs	\$71,484,198	\$86,394,731	\$14,910,533
6000-6999	Capital Outlay	\$235,951,553	\$306,769,532	\$70,817,979
	Total Expenditure	\$309,247,945	\$395,014,393	\$85,766,448
	Increase /(Decrease) Fund Balance	(\$309,247,945)	(\$196,059,393)	\$113,188,552
	Projected Fund Balance	\$7,907,925	\$108,542,958	

*Budget by Sub-Fund, Measure & Series In First Interim Board Item Attachment



2025-26 First Interim Budget Report

FUND 25: CAPITAL FACILITIES FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$6,267,619	\$6,016,591	(\$251,028)
8681	Developer Fees	\$0	\$500,000	\$500,000
8660	Local Revenue	\$0	\$200,000	\$200,000
	Total Revenues	\$0	\$700,000	\$700,000
4000-4999	Supplies	\$80,000	\$80,000	\$0
5000-5999	Services and Other Operating Costs	\$770,000	\$690,000	(\$80,000)
6000-6999	Capital Outlay	\$150,000	\$230,000	\$80,000
	Total Expenditures	\$1,000,000	\$1,000,000	\$0
	Increase /(Decrease) Fund Balance	(\$1,000,000)	(\$300,000)	\$700,000
	Projected Fund Balance	\$5,267,619	\$5,716,591	

Revenue:

(\$251,028) 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance

\$ 500,000 Increase in Developer Fees

\$ 200,000 Increase in Local Revenue

Expenditure:

(\$80,000) Decrease in Services and Other Operating Costs

\$80,000 Increase in Capital Outlay



2025-26 First Interim Budget Report

FUND 35: COUNTY SCHOOL FACILITIES FUND

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$4,960,092	\$256,489	(\$4,703,604)
8545	State Revenue	\$0	\$0	\$0
8660	Local Revenue	\$0	\$0	\$0
	Total Revenues	\$0	\$0	\$0
4000-4999	Supplies	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$0	\$0	\$0
6000-6999	Capital Outlay	\$0	\$0	\$0
	Total Expenditures	\$0	\$0	\$0
	Increase /(Decrease) Fund Balance	\$0	\$0	\$0
	Projected Fund Balance	\$4,960,092	\$256,489	

Revenue:

(\$4,703,604) 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance

Expenditure:

No Change Since Budget Adoption



2025-26 First Interim Budget Report

FUND 40: SPECIAL RESERVE FUND FOR CAPITAL OUTLAY

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$10,541,059	\$13,774,638	\$3,233,579
8590-8599	State Revenue	\$0	\$0	\$0
8600-8625	Local Revenue	\$0	\$5,000,000	\$5,000,000
8626-8660	Local Revenue (Interest Earned)	\$0	\$500,000	\$500,000
8661-8699	Local Revenue	\$0	\$0	\$0
8971-8971	Other Sources - Proceeds from COP	\$0	\$0	\$0
	Total Revenues	\$0	\$5,500,000	\$5,500,000
4000-4999	Supplies	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$1,500,000	\$1,948,315	\$448,315
6000-6999	Capital Outlay	\$500,000	\$441,064	(\$58,936)
7400-7499	COPS Payments	\$0	\$4,000,000	\$4,000,000
	Total Expenditures	\$2,000,000	\$6,389,379	\$4,389,379
	Increase /(Decrease) Fund Balance	(\$2,000,000)	(\$889,379)	\$1,110,621
	Projected Fund Balance	\$8,541,059	\$12,885,259	

Revenue:

\$3,233,579 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance
 \$5,000,000 Increase in Local Revenue Increase in Community Redevelopment Funds
 \$500,000 Increase in Local Revenue (Interest Earned)

Expenditure:

\$448,315 Increase in Supplies
 (\$58,936) Increase in Services & Other Operating Costs
 \$4,000,000 Increase in COPS Payments

2025-26 First Interim Budget Report

FUND 51: BOND INTEREST & REDEMPTION FUND*

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	44,164,264	51,294,473	7,130,209
8611-8614	Local Revenue	\$88,993,801	\$88,993,801	-
8661-8799	Local Revenue Interest	\$327,551	\$327,551	-
	Total Revenues	\$89,321,352	\$89,321,352	-
7433	Debt Service - Bond Redemptions	\$26,535,000	\$26,535,000	-
7434	Debt Service - Bond Interest & Other Services	\$44,370,170	\$44,370,170	-
	Total Expenditures	\$70,905,170	\$70,905,170	-
	Increase /(Decrease) Fund Balance	\$18,416,182	\$18,416,182	-
	Projected Fund Balance	\$62,580,446	\$69,710,655	7,130,209

*Fund managed by Los Angeles County Office of Education (LACOE) and reported by District

Revenue:

7,130,209 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance

Updated per LACOE Projected Totals

Expenditure:

Updated per LACOE Projected Totals



2025-26 First Interim Budget Report

FUND 71: RETIREE BENEFIT FUND FOR OPEB

Object	Description	Adopted Budget 7/1/2025	First Interim Budget 10/31/2025	Variance (+/-)
	Beginning Fund Balance	\$10,346,629	\$11,471,149	\$1,124,521
8600-8660	Local Revenue Interest	\$0	\$0	\$0
8661-8799	Local Revenue	\$0	\$0	\$0
	Total Revenues	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$0	\$5,628,790	\$5,628,790
	Total Expenditures	\$0	\$5,628,790	\$5,628,790
	Increase /(Decrease) Fund Balance	\$0	(\$5,628,790)	(\$5,628,790)
	Projected Fund Balance	\$10,346,629	\$5,842,359	(\$4,504,269)

Revenue:

\$1,124,521 2024-25 Ending Fund Balance Added to 2025-26 Beginning Fund Balance

Expenditure:

\$5,628,790 Increase in Services and Other Operating Costs





Multi-Year Projection Reflects:

- The District's financial position over the current and next two fiscal years.
- State revenue Cost of Living (COLA) increases over the next three years
 - 2.30% (2025-26)
 - 3.02% (2026-27)
 - 3.42% (2027-28)
- LCFF Gap Fully Funded (100%)
- Student enrollment declining each year and at 8,520 as of CBEDS Day 10/1/2025 for 2025-26



Multi-Year Projection Reflects:

- Local revenue from Parcel Taxes, Prop Y & GSH, Measure GS, City of Malibu & Santa Monica Joint Uses, Santa Monica Education Foundation, Malibu Fundraising, Leases & Rentals, Other Local Income:
 - \$61.8 million in 2025-26
 - \$61.9 million in 2026-27
 - \$62.5 million in 2027-28
- Employee health & welfare increases of 7% and Step & Column increases of 1.50% each year
- Reserve for Economic Uncertainties at 3%



Multi-Year Projection Reflects:

- Reserves for future deficit spending
- Reserves for Up To 2 Months of General Fund Expenditures
- Projected Property Tax Increases 3.5%-5%
- Salary schedule changes as a result of negotiations with SMMCTA, SEIU, or SMMASA

MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

	A	B	C	D	E	F	G
		2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
Description		ADOPTED BUDGET	FIRST INTERIM	ADOPTED vs FIRST INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
Revenue:							
1 Property Tax		121,645,640	122,145,640	500,000	0.4%	125,631,466	130,813,039
2 Education Protection Account (EPA)		1,700,000	1,600,000	(100,000)	-6.3%	1,600,000	1,600,000
3 LCFF Transfer to Fund 14		-	-	-	0%	-	-
4 LCFF In Lieu Property Tax Transfer to Charter School		(300,000)	(300,000)	-	0.0%	(300,000)	(300,000)
5 Prior Year LCFF Adjustment		-	-	-	0%	-	-
6 Minimum State Aid		8,585,843	8,585,843	-	0.0%	8,585,843	8,585,843
7 Subtotal LCFF Funding		131,631,483	132,031,483	400,000	0.3%	135,517,309	140,698,882



MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

A	B	C	D	E	F	G
	2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
Description	ADOPTED BUDGET	FIRST INTERIM	ADOPTED vs FIRST INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
8 Other Federal (MAA - Medi-Cal Administrative Activities)	-	-	-	0%	-	-
9 Lottery - Unrestricted	1,700,000	1,600,000	(100,000)	-6.3%	1,600,000	1,600,000
10 Mandated Reimbursement Block Grant	410,000	410,000	-	0.0%	410,000	410,000
11 Other State Revenue	355,000	355,000	-	0.0%	355,000	355,000
12 Measure 'R' - Parcel Tax	14,301,621	14,301,621	-	0.0%	14,587,653	14,879,406
13 Measure 'Y' & 'GSH' - City of Santa Monica	18,000,000	18,000,000	-	0.0%	18,000,000	18,000,000
14 Measure 'GS' (Effective 3/1/2023) - City of Santa Monica	10,000,000	10,000,000	-	0.0%	10,000,000	10,000,000
15 Joint Use Agreement - City of Santa Monica	11,529,263	11,529,263	-	0.0%	11,759,848	11,995,045
16 Joint Use Agreement - City of Malibu	299,378	299,378	-	0.0%	299,378	299,378
17 Santa Monica Ed Foundation Donation	1,800,000	1,875,000	75,000	4.0%	1,800,000	1,800,000
18 Malibu Education Foundation	592,508	675,377	82,869	12.3%	592,508	592,508
19 Lease & Rental	2,750,000	2,750,000	-	0.0%	2,750,000	2,750,000
20 Interest Earned	1,250,000	1,250,000	-	0.0%	1,000,000	1,000,000
21 All Other Local Income (including Medi-Cal as of 2023-24)	1,209,000	1,209,000	-	0.0%	1,209,000	1,209,000
22 Local General Fund Contributions	(44,636,667)	(43,737,355)	899,312	-2.1%	(45,529,400)	(46,439,988)
23 TOTAL REVENUE	151,191,585	152,548,766	1,357,181	0.9%	154,351,297	159,149,231



	A	B	C	D	E	F	G
		2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
	Description	ADOPTED BUDGET	FIRST INTERIM	ADOPTED vs FIRST INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
24	Expenditure:						
25	Certificated Salary	63,168,211	63,749,536	581,325	0.9%	64,499,895	66,776,741
26	Classified	27,095,364	26,928,751	(166,613)	-0.6%	27,879,336	28,863,476
27	Benefits	38,213,703	38,680,244	466,541	1.2%	44,540,734	46,617,630
28	STRS	11,987,033	12,012,517	25,484	0.2%	12,319,480	12,754,358
29	PERS	7,006,964	7,024,991	18,027	0.3%	7,499,541	8,024,046
30	SOCIAL SECURITY & MEDICARE	3,096,466	2,994,610	(101,856)	-3.4%	3,068,018	3,176,319
31	HEALTH AND WELFARE	11,265,726	11,931,044	665,318	5.6%	16,727,596	17,563,976
32	SUI	46,365	45,023	(1,342)	-3.0%	46,190	47,820
33	WORKERS COMP	3,625,465	3,522,762	(102,703)	-2.9%	3,695,169	3,825,609
34	OPEB	1,157,461	1,118,724	(38,737)	-3.5%	1,154,740	1,195,503
35	CASH IN-LIEU	28,223	30,573	2,350	7.7%	30,000	30,000
36	Supplies/Books/Textbooks	4,589,592	4,797,442	207,850	4.3%	2,000,000	2,000,000
37	Other Operational Costs	24,454,409	24,985,036	530,627	2.1%	19,103,071	20,281,865
38	504 PLAN ACCOMODATION (STUDENT SERVICES)	200	200	-	0.0%	-	-
39	TRAVEL & CONFERENCE	699,268	685,471	(13,797)	-2.0%	500,000	500,000
40	DUES & MEMBERSHIPS	81,719	141,484	59,765	42.2%	80,000	80,000
41	INSURANCE	3,257,221	3,257,221	-	0.0%	2,920,082	3,066,086
42	UTILITIES	4,602,779	4,602,779	-	0.0%	4,602,779	4,602,779
43	RENTALS, LEASES, REPAIRS	3,064,724	3,279,133	214,409	6.5%	2,500,000	2,500,000
44	INTRA-FUND TRANSFERS FOR SERVICES	(91,037)	(93,881)	(2,844)	3.0%	(65,000)	(65,000)
45	INTER-FUND TRANSFERS FOR SERVICES	(113,660)	(133,363)	(19,703)	14.8%	(175,000)	(175,000)
46	CONSULTANTS & OTHER OPERATING	12,663,785	12,953,582	289,797	2.2%	8,450,000	9,500,000
47	Other Operational Costs	5,322,068	5,790,362	468,294	8.1%	3,000,000	3,000,000
48	Consultants	3,537,717	3,369,220	(168,497)	-5.0%	2,250,000	3,000,000
49	Legal	2,204,000	2,194,000	(10,000)	-0.5%	1,600,000	1,900,000
50	Cost of Early Retirement Incentive (SERP)	1,600,000	1,600,000	-	0.0%	1,600,000	1,600,000
51	COMMUNICATIONS (LAND & MOBILE)	289,410	292,410	3,000	1.0%	290,210	273,000
52	Capital Outlay	71,000	283,990	212,990	75.0%	100,000	100,000
53	Transfer to County Specialized Schools & Debt Service	120,000	120,000	-	0.0%	120,000	120,000
54	Indirect Costs from Restricted General Fund Categoricals	(110,738)	(63,521)	47,217	-74.3%	(1,250,000)	(2,005,458)
55	Interfund Transfer Out to Fund 12 Child Development	375,000	375,000	-	0.0%	375,000	375,000
56	LCAP Transfer Out to Fund 12 Child Development	100,000	100,000	-	0.0%	100,000	100,000
57	Interfund Transfer Out to Fund 13 Food Services	750,000	750,000	-	0.0%	750,000	750,000
58	Interfund Transfer Out to Fund 14 Deferred Maint.	2,000,000	2,700,000	700,000	25.9%	2,500,000	2,500,000
59	TOTAL EXPENDITURE	160,826,541	163,406,478	2,579,937	1.6%	160,718,036	166,479,255

MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

	A	B	C	D	E	F	G
		2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
	Description	ADOPTED BUDGET	FIRST INTERIM	ADOPTED vs FIRST INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
60	Increase (Decrease) Fund Balance	(9,634,956)	(10,857,712)	(1,222,756)	11.3%	(6,366,739)	(7,330,023)
61	Beginning Fund Balance	62,550,054	62,550,054	(0)	0.0%	51,692,342	45,325,603
62	Ending Fund Balance (net of lines 60-61)	52,915,098	51,692,342	(1,222,756)	-2.4%	45,325,603	37,995,580
63	Reserve - Revolving Cash, Prep-pays	20,025	20,025	-	0.0%	20,025	20,005
64	Reserve - Deficit Spending in 25-26	-	-	-	0%	-	-
65	Reserve - Deficit Spending in 26-27	6,366,739	6,366,739	-	0.0%	-	-
66	Reserve - Deficit Spending in 27-28	7,330,023	7,330,023	-	0.0%	7,330,023	-
67	3% Contingency Reserve (unrestricted & restricted general fund)	6,930,535	7,273,748	343,213	4.7%	6,804,843	6,985,912
68	Reserve Up to 2-months of Expenses (\$35.7 million)	32,267,776	30,701,807	(1,565,969)	-5.1%	31,170,712	30,989,663
69	Unappropriated Balance	0	0	0		0	0





Positive Certification of 1st Interim Report

- The District is submitting the 1st Interim Report with a **Positive Certification**.
- The District will be able to meet its obligations in the current and next two fiscal years.



Next Steps

- Receive Board Direction on District Budget Recommendations
- Board Approval of 2025-26 First Interim
- Audit Firm Presented December 11, 2025
 - ✓ Final Audit Report for 2024-25
- Update Board Policy 3100 – Budget
 - ✓ Reserve Language



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2025-26 First Interim Report

Gerardo Cruz
Assistant Superintendent,
Business & Fiscal Services

December 11, 2025
Special Board Meeting
Major Action Agenda Item

