



# **2025-26 1st Interim Report**

Piedmont USD Board of Education Meeting  
December 10, 2025

# Required Reports

- The District is required to adopt a budget and provide updates to the Alameda County Office of Education (ACOE) by:

- July 1                      Adopt a budget

→ ○ December 15    1<sup>st</sup> Interim Report to ACOE

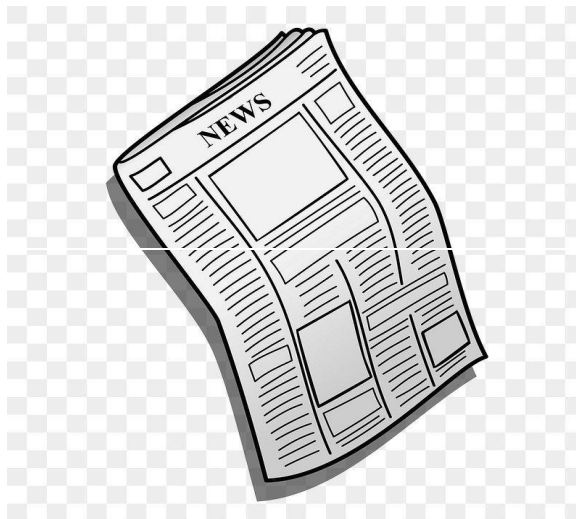
- March 15                2<sup>nd</sup> Interim Report to ACOE

- June 30                 Estimated Actuals

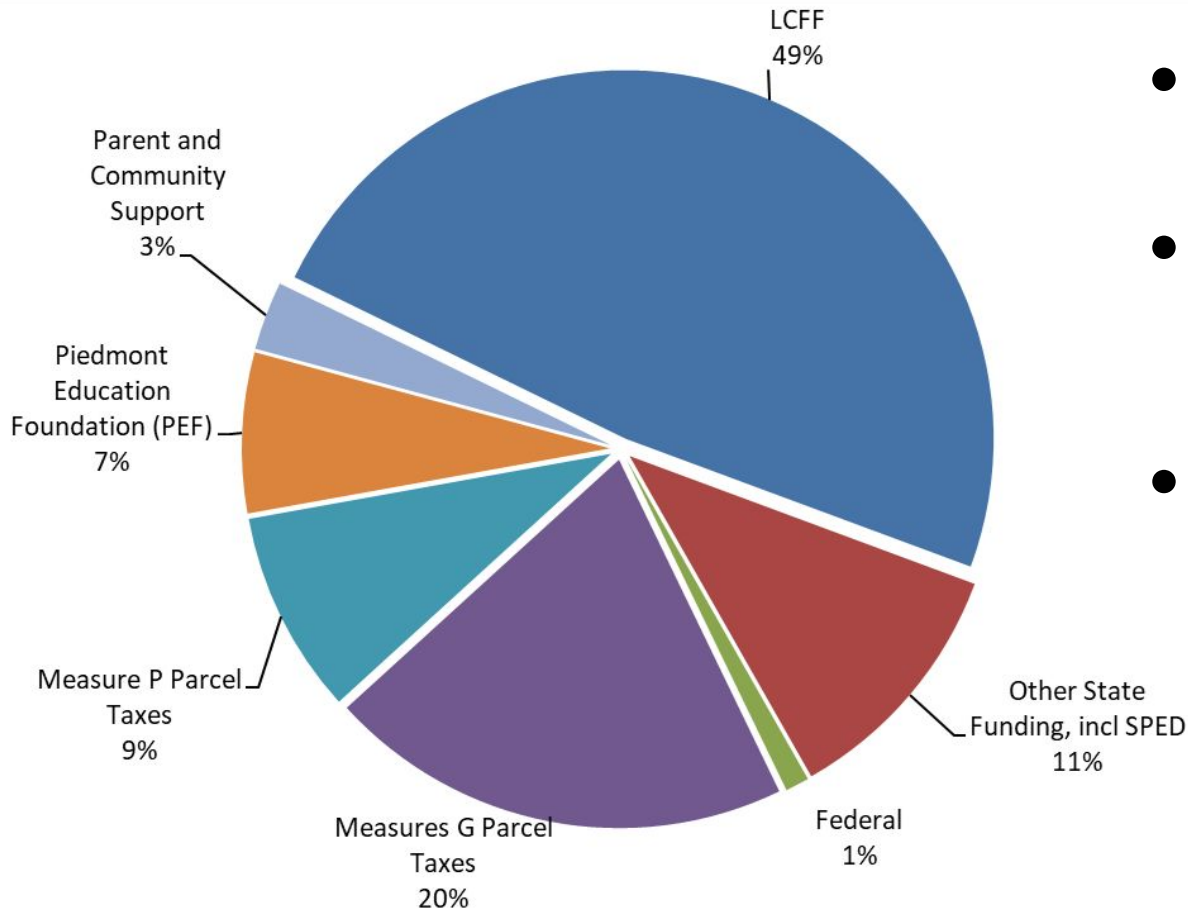
- September 15    Unaudited Actuals

# Headlines

- The District expects to meet all financial obligations, including the requirement for a 3% reserve.
- As usual at this time, uncertainty about next year's budget requires caution, but the District expects to be able to meet all obligations for this year and the next two.



# Revenues



- 49% is Local Control Funding Formula (LCFF).
- 39% is locally generated - parcel taxes, PEF, parent donations.
- Per pupil, all revenue sources = **\$23,620**

# Changes to Revenues

- LCFF and State revenues are adjusted based on final State Budget.
- Add'l local funds include Athletics funds previously held by ASB transfer to separate accounts in the District's general fund, and parent contributions over original estimates.
- Increase in Other State revenues includes 1x Block Grant & Mandated Costs Reimbursement.

| Revenues                    | General Fund Revenues     |                        | Difference<br>6/25->12/25 |
|-----------------------------|---------------------------|------------------------|---------------------------|
|                             | 2025-26<br>Adopted Budget | 2025-26<br>1st Interim |                           |
| LCFF                        | \$ 28,099,231             | \$ 28,319,258          | \$ 220,027                |
| PARCEL TAX REVENUE          | 17,159,797                | 17,159,797             | -                         |
| LOCAL REVENUES - PEF        | 4,054,062                 | 4,116,427              | 62,365                    |
| LOCAL REVENUES - ALL OTHERS | 1,174,734                 | 1,763,597              | 588,863                   |
| STATE REVENUES              | 3,734,886                 | 4,686,490              | 951,604                   |
| SELPA FUNDS                 | 1,748,206                 | 1,825,902              | 77,696                    |
| FEDERAL REVENUES            | 607,278                   | 611,939                | 4,661                     |
| <b>Total Revenues</b>       | <b>\$ 56,578,194</b>      | <b>\$ 58,483,410</b>   | <b>\$ 1,905,216</b>       |

# Expenditures

- 82% of expenditures are salaries and benefits.
- Overall, the District spends **\$23,230** per pupil.

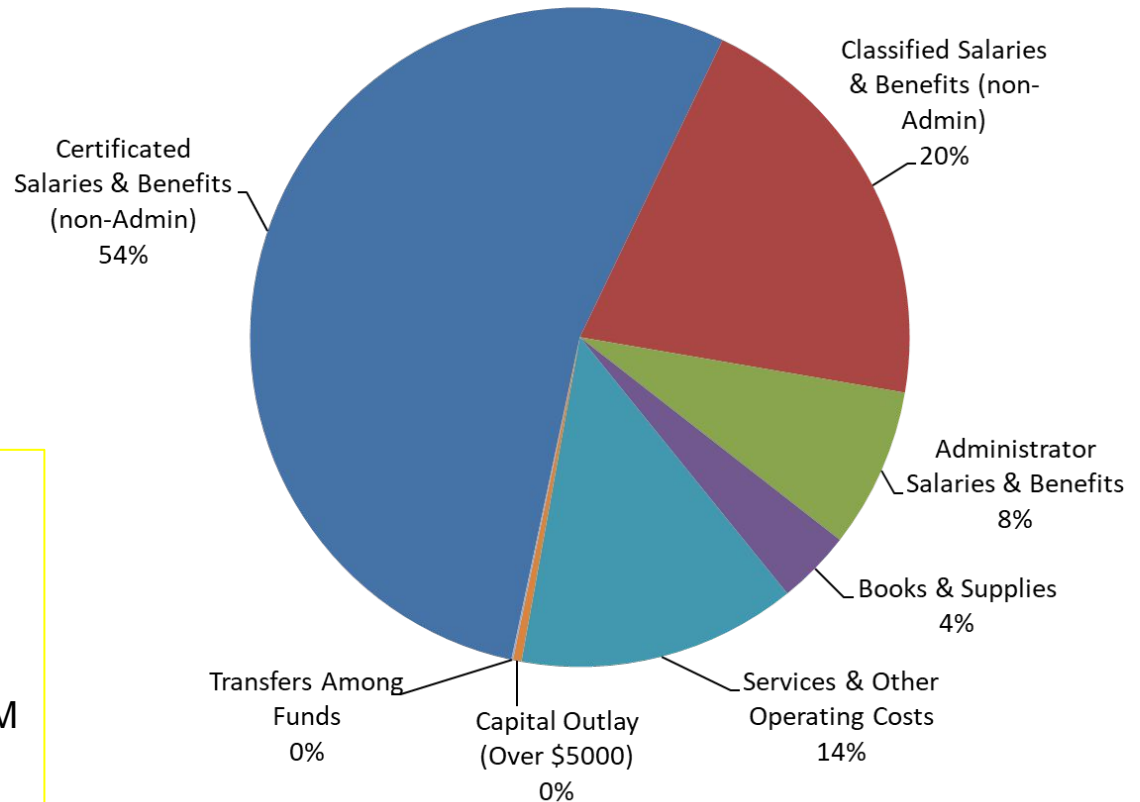
**Personnel Costs = 82%**

82% = \$47.3 M

**Non-Personnel Costs = 18%**

18% = \$10.2 M

Unrestricted portion = 44% or \$4.5M



# Changes to Expenditures

- As vacant positions are filled, the actual salaries and benefits are updated.
- Approximately \$630 K in carryover balances from prior year are incorporated into the budget as books & supplies or services.
- The increases to local revenues are tied to expenses, so books & supplies has increased based on IC donations for classrooms, etc.

| General Fund - Expenditures |                      |                      |                        |
|-----------------------------|----------------------|----------------------|------------------------|
| Expenditures                | Adopted Budget       | 2025-26 1st Interim  | Difference 6/25->12/25 |
| Certificated Salaries       | \$ 23,582,467        | \$ 23,655,251        | \$ 72,784              |
| Classified Salaries         | 8,340,096            | 8,430,558            | 90,462                 |
| Benefits                    | 15,559,945           | 15,189,934           | (370,011)              |
| Books & Supplies            | 1,166,456            | 2,093,539            | 927,083                |
| Services/Other Oper.        | 7,305,672            | 7,856,462            | 550,790                |
| Capital Outlay              | 59,484               | 239,797              | 180,313                |
| Internal Transfers          | 46,658               | 45,781               | (877)                  |
| <b>Total Expenditures</b>   | <b>\$ 56,060,778</b> | <b>\$ 57,511,322</b> | <b>\$ 1,450,544</b>    |

# Net Change to Fund Balance

- The reserve requirement is met.
- Restricted and unspent grant funds, including the 1X State Grant, are held in the Restricted EFB.

|                            | Ending Fund Balance       |                        |                           |
|----------------------------|---------------------------|------------------------|---------------------------|
|                            | 2025-26<br>Adopted Budget | 2025-26<br>1st Interim | Difference<br>6/25->12/25 |
| Beginning Balance          | \$ 3,692,501              | \$ 5,989,928           | \$ 2,297,427              |
| + Revenues                 | 56,578,194                | 58,483,410             | 1,905,216                 |
| - Expenditures             | (56,060,778)              | (57,511,322)           | (1,450,544)               |
| Rev-Exp = Surplus(Deficit) | 517,416                   | 972,088                | 454,672                   |
| Ending FB                  | 4,209,917                 | 6,962,016              | 2,752,099                 |
| 3% Minimum Reserve         | 1,691,340                 | 1,730,000              | 38,660                    |
| Restricted & Revolving     | 542,568                   | 1,334,988              | 792,420                   |
| Committed/not available    | 489,737                   | 1,350,000              | 860,263                   |
| Over (Under) Reserve       | 1,486,272                 | <b>2,547,028</b>       | 1,060,756                 |

# Multi Year Projections

The First Interim is when we start to adjust plans for 2026-27

- Certain assumptions are not likely to shift much between now and June:
  - Measure G and Measure P amounts
  - STRS & PERS rates
  - Cost of step & column increases
  - Enrollment projections overall
- Other assumptions are very likely to shift:
  - COLA
  - Actual Enrollment
  - Additional salary increases
- The following MYP assumptions show what is used in the 1st Interim and the range of how much revenues and expenses could shift.

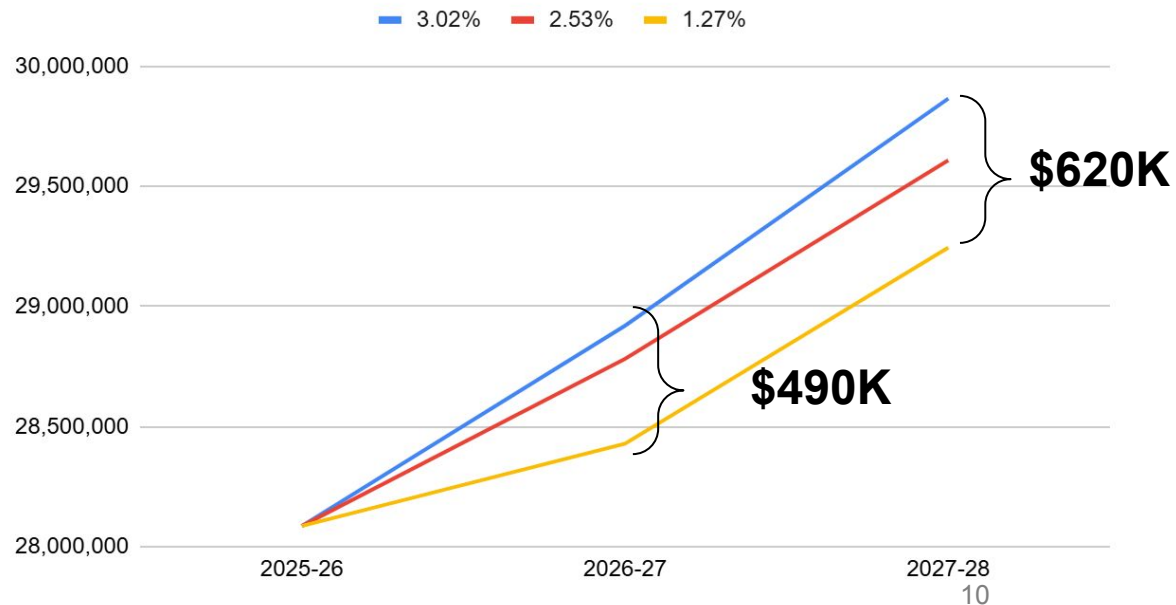
# LCFF COLA

The Cost of Living Adjustment (COLA) is applied to the base LCFF formula to determine how much more we will have in future years.

**Each increase/decrease of 0.5% = +/- \$142,000 for Piedmont.**

- **3.02%** - assumed by the State in the 2025-26 State budget for 2026-27. This is what's used in the 1st Interim.
- **2.53%** - Mid-range projection
- **1.27%** - Low-end projection

COLAs Scenarios



# Enrollment Assumptions

|      | TK | K   | 1   | 2   | 3   | 4   | 5   | 6   | 7   | 8   | 9   | 10  | 11  | 12  | Total | % Change | # change |
|------|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------|----------|----------|
| 2022 | 46 | 153 | 147 | 163 | 142 | 167 | 176 | 183 | 161 | 169 | 191 | 224 | 207 | 215 | 2,344 | -0.17%   | (4)      |
| 2023 | 48 | 135 | 156 | 152 | 169 | 144 | 174 | 177 | 186 | 170 | 166 | 193 | 226 | 212 | 2,308 | -1.54%   | (36)     |
| 2024 | 79 | 160 | 156 | 170 | 161 | 187 | 167 | 193 | 189 | 194 | 201 | 173 | 198 | 227 | 2,455 | 6.37%    | 147      |
| 2025 | 72 | 172 | 168 | 162 | 188 | 166 | 192 | 185 | 190 | 190 | 220 | 198 | 173 | 200 | 2,476 | 0.86%    | 21       |
| 2026 | 72 | 154 | 172 | 168 | 162 | 188 | 179 | 192 | 191 | 190 | 210 | 220 | 198 | 174 | 2,470 | -0.24%   | (6)      |
| 2027 | 72 | 154 | 154 | 172 | 168 | 162 | 188 | 179 | 192 | 191 | 209 | 210 | 220 | 199 | 2,470 | 0.00%    | -        |
| 2028 | 72 | 154 | 154 | 154 | 172 | 168 | 175 | 188 | 196 | 192 | 206 | 209 | 210 | 220 | 2,470 | 0.00%    | -        |

Green boxes are grades that may need to add students to existing cohorts.

TK (4 classes)  
and K (7 classes)  
at capacity

Maintain 7  
"sections" per  
grade at PMS

Maintain 200  
per grade at  
PHS + 75 at  
MHS

# Cost of Enrollment Fluctuation

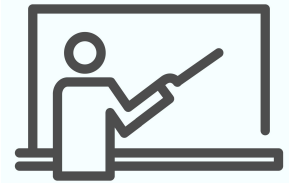
Enrollment is declining throughout California. In Piedmont, we have been able to maintain overall enrollment and anticipate being able to keep enrollment steady at 2,470 students. The table below demonstrates the amount of state funding tied to each student.

| 2025-26 State Funding Per Pupil (ADA)                                 |          |              |        |                 |
|-----------------------------------------------------------------------|----------|--------------|--------|-----------------|
|                                                                       | LCFF     | Other State* | SPED** | Total Per Pupil |
| Grade TK                                                              | \$16,868 | \$311        | \$918  | \$18,097        |
| Grades 1-3                                                            | \$11,323 | \$311        | \$918  | \$12,552        |
| Grades 4-6                                                            | \$10,411 | \$311        | \$918  | \$11,640        |
| Grades 7-8                                                            | \$10,719 | \$311        | \$918  | \$11,948        |
| Grades 9-12                                                           | \$12,746 | \$348        | \$918  | \$14,012        |
|                                                                       |          | Average:     |        | \$13,650        |
| * Other State Funds include Lottery and Mandated Costs Reimbursements |          |              |        |                 |
| ** SPED funding is based on prior year enrollment, not ADA.           |          |              |        |                 |

# People-Related Costs

The following assumptions are in the MYP:

- Step & Column increases based on salary schedules
  - 1.15% for Certificated
  - 1% for Classified
- Additional FTE for Board Approved Classes
  - Elem Latin
  - High School honors, APs.
- No assumptions are included related to the Supplementary Retirement Plan (SRP).
- A 1% salary increase will cost \$380 K *ongoing*.



# General Fund - Multiyear

- This MYP assumes 3.02% COLA in 2026-27. If COLA is less than that, the Net Surplus can change to a Net Deficit..
- District is able to meet all commitments for this year and next two.

| MULTIYEAR PROJECTIONS - 2025-26 First Interim |                     |                     |                     |
|-----------------------------------------------|---------------------|---------------------|---------------------|
|                                               | 2025-26             | 2026-27             | 2027-28             |
| Beginning Balance                             | \$ 5,989,928        | \$ 6,962,016        | \$ 7,564,876        |
| Total Revenues                                | \$ 58,483,410       | \$ 58,819,805       | \$ 60,140,005       |
| Total Expenditures                            | 57,511,322          | 58,216,945          | 58,994,306          |
| Net Surplus (Deficit)                         | 972,088             | 602,860             | 1,145,699           |
| Ending Fund Balance                           | <b>\$ 6,962,016</b> | <b>\$ 7,564,876</b> | <b>\$ 8,710,575</b> |
| <b>Components of Ending Balance:</b>          |                     |                     |                     |
| Restricted / Committed                        | \$ 2,684,988        | \$ 2,834,988        | \$ 2,984,988        |
| Required Reserve                              | <b>1,730,000</b>    | <b>1,746,508</b>    | <b>1,769,829</b>    |
| Add'l Unassigned                              | 2,547,028           | 2,983,380           | 3,955,758           |
| Ending Fund Balance                           | <b>\$ 6,962,016</b> | <b>\$ 7,564,876</b> | <b>\$ 8,710,575</b> |

# General Fund MYP Assumptions

The following assumptions were used in the MYP:

| Assumption                                               | 2025-26                   | 2026-27                   | 2027-28                   |
|----------------------------------------------------------|---------------------------|---------------------------|---------------------------|
| Enrollment                                               | 2,476                     | 2,470                     | 2,470                     |
| ADA used for LCFF calculations                           | 2,389.76                  | 2,388.73                  | 2,380.37                  |
| COLA for LCFF per pupil funding                          | 2.30%                     | 3.02%                     | 3.42%                     |
| COLA for Measure G Funds                                 | 2.00%                     | 2.00%                     | 2.00%                     |
| CPI increase for other expenses                          |                           | 2.82%                     | 2.72%                     |
| Natural progression (Step & Column) in Employee Salaries | APT: 1.15%<br>CSEA: 1.00% | APT: 1.15%<br>CSEA: 1.00% | APT: 1.15%<br>CSEA: 1.00% |
| STRS Rate                                                | 19.10%                    | 19.10%                    | 19.10%                    |
| PERS Rate (as of 11/13/25)                               | 26.81%                    | 26.40%                    | 26.90%                    |

# Next Steps

|          |                                                                                                                                                                                                                                                                           |
|----------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| December | <ul style="list-style-type: none"> <li>• 12/3 BAC Meeting to review 1st Interim</li> <li>• 12/10 1st Interim Report presented with MYP Projections</li> </ul>                                                                                                             |
| January  | <ul style="list-style-type: none"> <li>• 1/10 Governor's Budget Proposal released</li> <li>• 1/21 Board review of how Gov's Budget will affect PUSD</li> <li>• 1/23 Board Budget Workshop</li> <li>• 1/29 BAC Meeting to review Governor's Budget Proposal</li> </ul>     |
| February | <ul style="list-style-type: none"> <li>• 2/11 Board action on Supplementary Retirement Plan &amp; Public Hearing on any proposed reductions</li> </ul>                                                                                                                    |
| March    | <ul style="list-style-type: none"> <li>• 3/4 BAC Meeting to review 2nd Interim</li> <li>• 3/4 Board action on any proposed reductions for 2026-27 &amp; 2nd Interim Report presented with MYP Projections</li> <li>• 3/15 If required, March 15 notices mailed</li> </ul> |
| May      | <ul style="list-style-type: none"> <li>• Governor releases May Revisions to budget proposal for 2026-27</li> </ul>                                                                                                                                                        |
| June     | <ul style="list-style-type: none"> <li>• Board holds public hearing on draft budget</li> <li>• Final budget adopted by Board</li> </ul>                                                                                                                                   |

# Acknowledgments

Thank you to the Business Services Team!

**Payroll:** Jennifer Lee, Cindy Brown

**Accounting / Accounts Receivable:** Julie Kim

**Accounts Payable:** Upexa Captan

**Recordkeeping Technician:** Shamaree Worley

**Operations Coordinator:** Jennifer Stahl

**Fiscal Services Manager:** Denise Mandap