



Budget Advisory Task Force

September 29, 2025

Dr. Chris J. Kim, Ed.D, MBA

Chief Business Official

ckim@reedschools.org

(415) 383-1116



Welcome & Thank You!

Dr. Kimberly McGrath
Superintendent





Task Force Meeting Agenda #2: September 29, 2025

- Welcome by Dr. Kimberly McGrath, Superintendent
- Strategic Plan Alignment & Year 2 Vertically Aligned Goal
- Norms and Expected Behavior
- Scope & Purpose
- Introductions
- Brief Recap (May BAC) & Feedback for Budget Fast Facts
- Strategic Plan, Pillar 6 (Budget and Reserves)
- Overview of 2025/26 Adopted Budget & Multi Year Projection
- Board Reserve Policy
- Budgetary Pressure Points



Norms & Expected Behaviors

- Share the Air
- Listen Actively
- Engage and Disagree Respectfully
- Assume Positive Intent
- One Voice at a Time
- Focus on Ideas, Not Individuals



Purpose of the Budget Advisory Task Force

- Provide input and recommendations
- Ensure transparency and accountability
- Identify areas for improvement
- Build community engagement
- Build long-term understanding of the District's budget
- Advisory
- Bring ideas in and out



Introductions

- Name
- Role or Professional Affiliation
- Connection to RUSD
- What brought you here today?

Landscape of Public Education (RUSD Lens)



FEDERAL

Department of Education: Title Programs, Special Ed. Funding

Department of Agriculture: National School Lunch Program

STATE:

Department of Education: Special Education, Transportation, After-school Programs, Prop 28

COUNTY

Marin County Office of Education: Fiscal Oversight, Solvency Monitoring, Intervention

Marin County Department of Finance: Property Tax Division

LOCAL

Foundation for Reed Schools

Parent Teacher Association

Town of Tiburon, City of Belvedere, Tiburon Peninsula Traffic Alliance

Sources of Public Education Funding

	Ongoing Revenue *	One Time Revenue	Contributions	Contributions
Unrestricted Revenue	Property Taxes (Local) Lottery (State)		Property Taxes (Local) 	<u>Operations</u> Educator Salaries and Benefits 
Restricted Revenue	Parcel Taxes (Local) Foundation (Local) Special Ed. Grants (State and Federal) Title Funding (Federal)	COVID Funding (Federal) Instructional Block Grant (State) Educator Eff. Grant (State)	<u>Operations</u> Special Education Maintenance & Operations	Parcel Taxes (Local)

Unrestricted Revenue: Revenue that a school district can generally use for any educational purpose at its discretion, without specific limitations or restrictions.

Restricted Revenue: Revenue with specific limitations or conditions imposed on how they can be used. Set by the source of the funding (e.g., grants).

Ongoing Funding: Recurring sources of revenue that are expected to continue over time under current assumptions.

One Time Funding: Funds received for a specific purpose or period, with no guarantee of future availability.

Expenditures & Key Variables



CERTIFICATED AND CLASSIFIED SALARIES

- Certificated Employees: Teachers, Counselors, Psychologists, Speech Therapists, etc.
- Classified Employees: Instructional Aides, Office Managers, Custodians, etc.

BENEFITS

- Statutory: Social Security (6.20%), SUI (0.50%), WC (1.06%), MCare (1.45%)
- Health: Employee Only (\$14,106), Employee +1 (\$18,099), Family (\$22,260)
- Retirement: CalSTRS (19.10%), CalPERS (27.05%)
- Post Retirement Benefits (OPEB): \$355 / Month to Age 65

BOOKS AND SUPPLIES

- Instructional Materials, Curriculum, Administrative Supplies, M&O Supplies, etc.

SERVICES AND OPERATING EXPENDITURES

- Vendor Contracts, NPS & NPA, Educational Consultants, Utilities, Insurance, Networks, Legal, Professional Development, etc.

CAPITAL OUTLAY

- Equipment (e.g. Playgrounds)

OTHER OUTGO

- MCOE (Special Ed. Tuition) and Apple Device Leases



Strategic Plan Alignment

[Link to Strategic Plan](#)

Pillar #6: Finance

RUSD will responsibly steward fiscal resources to create nurturing, educational, and innovative opportunities for all RUSD students.

FY 2025/26 Vertically Aligned Goal (Budget and Reserves)

The District's operating budget for fiscal year 2025–26 is \$33.15 million, with a projected year-end unrestricted reserve of 33.5%. Based on current projections, operating expenditures are expected to rise to \$34.46 million in FY 2026–27 (with reserves declining to 27%), and to \$35.22 million in FY 2027–28 (with reserves further decreasing to 21.5%). The District will collaborate with its Budget Advisory Committee to develop a three-year plan for achieving a balanced budget to be presented to the board.

School Budget Cycle

Subsequent Year Budget & LCAP

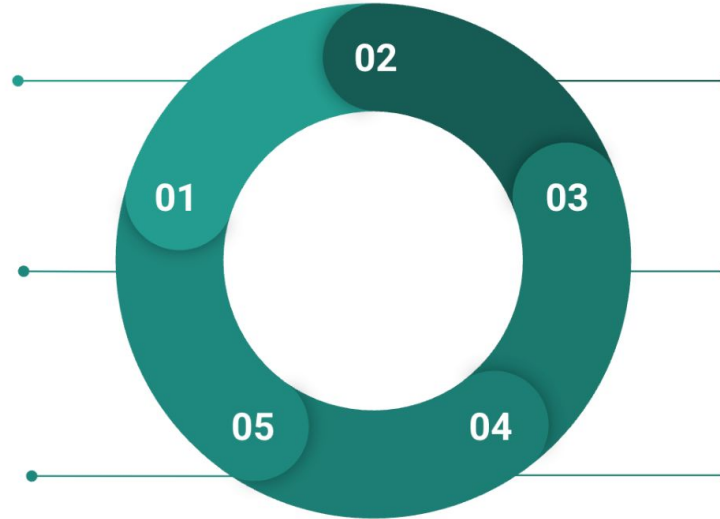
In June of the Prior Fiscal Year Districts Develop and Present the Budget for the Following Fiscal Year.

2nd Interim

In March of the Current Fiscal Year, Districts update Budget Assumptions (revenue and expenditures) and present those updates to the Board.

Audit

By January of the Current Fiscal Year, Districts will have completed its audit of the prior fiscal year. The audit report is presented to the Board by January.



45 Day Budget Revision

In August of the Current Fiscal Year, Districts have the option to update the Budget based on State Revenue Adjustments.

Prior Year Unaudited Actuals

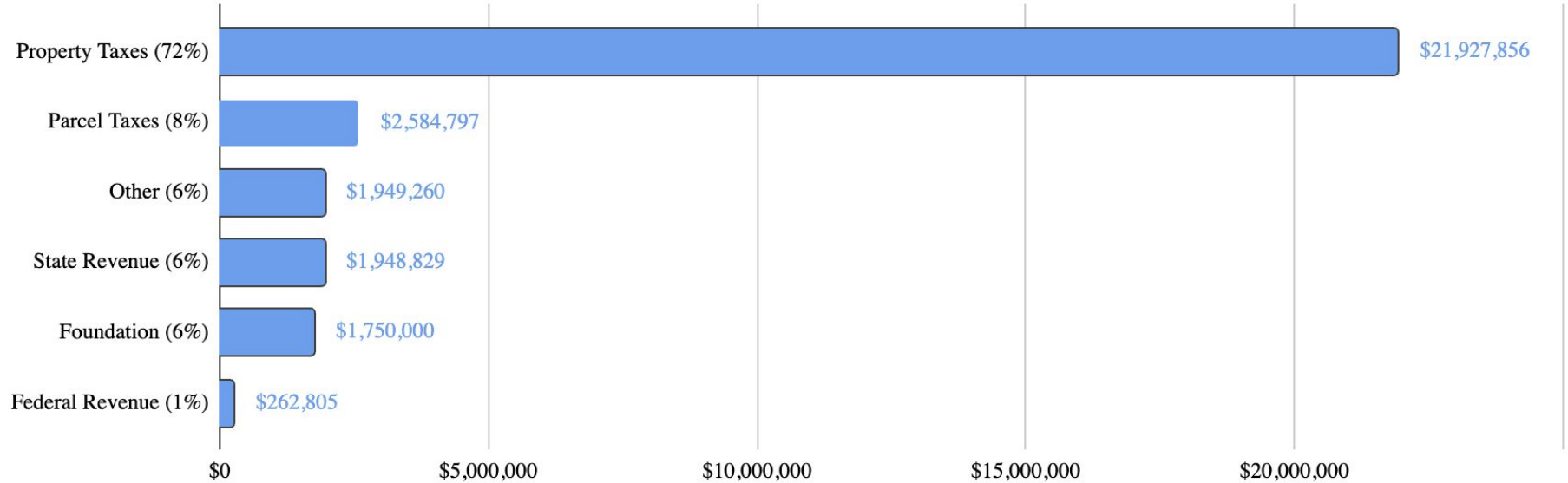
In September of the Current Fiscal Year, Districts complete year end accounting for the Prior Fiscal Year.

1st Interim

In December of the Current Fiscal Year, Districts update Budget Assumptions (revenue and expenditures) and present those updates to the Board.

REED UNION SCHOOL DISTRICT

Total FY 2024/25 Revenue: \$30,423,547



Revenue

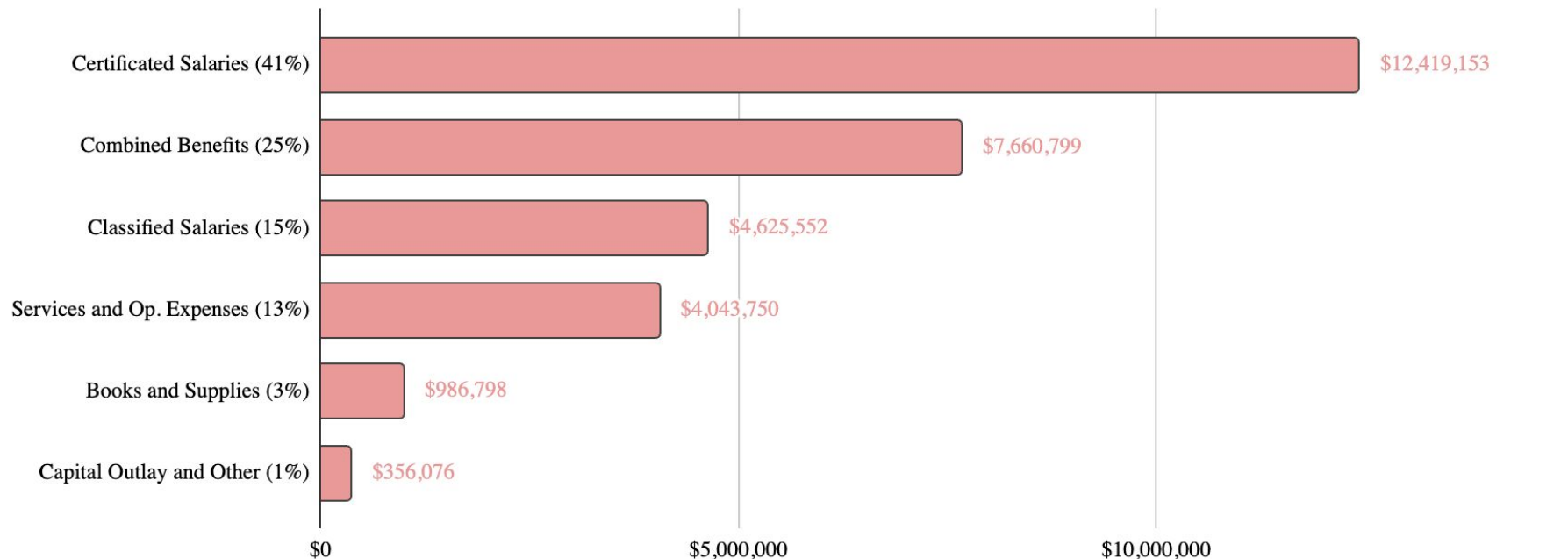
REED UNION SCHOOL DISTRICT

	FY2025/26 (Proposed Budget) Jun. 3, 2025	FY2026/27 (Forecast) Jun. 3, 2025	FY2027/28 (Forecast) Jun. 3, 2025	
A. Revenue				NOTES on Forecast Assumptions
1. LCFF Sources	\$201,970	\$201,970	\$201,970	\$200 x ADA (Average Daily Attendance)
2. Property Taxes	\$22,638,714	\$23,523,372	\$24,408,915	FY25/26 Budget (4.13%); FY26/27 (4.00%); FY27/28 (3.85%)
3. Federal Sources	\$234,603	\$234,603	\$234,603	Title Funds + Individuals with Disabilities Education Act (IDEA)
4. State Sources	\$909,035	\$921,536	\$932,248	State COLA: FY25/26 (2.3%); FY26/27 (3.02%); FY27/28 (3.42%)
a. CalSTRS on Behalf	\$1,066,125	\$1,066,125	\$1,066,125	Based on proportionate share percentage of total employer contributions
5. Parcel Taxes (Local)	\$2,670,603	\$2,750,721	\$2,833,243	3% Growth Rate
6. Foundation for Reed Schools (Local)	\$1,750,000	\$1,750,000	\$1,750,000	May 2025 Budget Update
7. Other Local Sources	\$80,000	\$80,000	\$80,000	Facilities Use Permits and Cash Clearing Accounts
a. Interest Revenue	\$450,000	\$451,974	\$444,079	10 Year Treasury Forecast: FY25/26 (4.56%); FY26/27 (4.58%); FY27/28 (4.5%)
b. Local Transportation on Behalf	\$350,383	\$350,383	\$350,383	Measure AA; Ross SD
c. Special Education Apportionment	\$677,939	\$698,413	\$722,298	State COLA: FY25/26 (2.3%); FY26/27 (3.02%); FY27/28 (3.42%)
Total Revenue	\$31,029,372	\$32,029,097	\$33,023,865	

Current Year → 2 Year Forecast (Revenue)

REED UNION SCHOOL DISTRICT

Total FY 2024/25 Expenditures: \$30,092,128



Expenditures

REED UNION SCHOOL DISTRICT

	FY2025/26 (Proposed Budget) Jun. 3, 2025	FY2026/27 (Forecast) Jun. 3, 2025	FY2027/28 (Forecast) Jun. 3, 2025	
B. Expenditures				NOTES on Forecast Assumptions
1. Certificated Salaries	\$13,572,486	\$14,231,544	\$14,503,991	Step and Column (3%) + Increases to Salary Schedules (3% // 2.5%)
2. Classified Salaries	\$5,274,880	\$5,592,765	\$5,760,548	Step and Column (3%) + Increases to Salary Schedules (3% // 2.5%)
3. Employee Benefits	---			
a. CalSTRS	\$2,515,192	\$2,637,682	\$2,688,514	19.1% (FY25/26 --> FY27/28)
b. CalSTRS on Behalf	\$1,066,125	\$1,066,125	\$1,066,125	Based on proportionate share percentage of total employer contributions
c. CalPERS	\$1,453,165	\$1,544,134	\$1,641,907	26.81% (FY25/26); 26.90% (FY26/27); 27.80% (FY27/28)
d. Health & Welfare	\$2,519,071	\$2,582,048	\$2,646,599	Projected Increase to Employee Only; Emp. +1 (\$18,100 Cap); Family (\$22,260 Cap)
e. Statutory	\$938,684	\$989,628	\$1,013,852	SS (6.20%), SUI (0.50%), WC (1.33%), MCare (1.45%)
f. OPEB	\$170,000	\$170,000	\$170,000	\$75k Certificated; \$95k Classified; CERBT Trust Investment to Section D.
4. Books and Supplies	\$939,200	\$827,905	\$800,811	Reduction associated with Curriculum Adoption (completion) in CY+1, CY+2
5. Services and Operating Expenditures	\$4,388,988	\$4,510,598	\$4,627,007	CPI: FY25/26 (3.42%); FY26/27 (2.98%); FY27/28 (2.77%)
6. Capital Outlay	\$0	\$0	\$0	Utilize Fund 14 (Deferred Maintenance or Fund 25 (Developer Fees)
7. Other Outgo	\$310,000	\$310,000	\$310,000	Updated AB602 Excess Cost Estimate from SELPA + Reconciliation of Apple Leases
Total Expenditures	\$33,147,791	\$34,462,430	\$35,229,353	

Current Year → 2 Year Forecast (Expenditures)

Board Adopted Reserve Policy

Reserve Guidelines

The District maintains a minimum committed fund balance of not less than 27 percent (inclusive of the percentage required by 5 CCR 15450) of budgeted general fund expenditures and other financing uses as a Reserve for Economic Uncertainties. Because amounts in the non-spendable, restricted, committed, and assigned categories are subject to varying constraints on their use, the Reserve for Economic Uncertainties consists of balances that are otherwise unassigned and unrestricted. The Governing Board believes a reserve of this level is prudent to maintain a high bond rating and to protect the service level provided by the District from financial uncertainty.

In determining the minimum committed fund balance amount, the Governing Board considered the California Department of Education's recommendations for minimum fund balances for community funded districts plus risks specific to the District including potential catastrophic losses due to natural disasters based on historical data from similar districts, uncertainty around future state and federal funding, historical data around economic fluctuations, and uncertainty around unknown legal liabilities.

Use of the Reserve for Economic Uncertainties must be approved by Board action, and any shortfall shall be replenished as soon as reasonably possible.

Policy 3105.1: Reserve Policy

ADOPTED: FEBRUARY 11, 2025

REED UNION SCHOOL DISTRICT

	FY2025/26 (Proposed Budget) Jun. 3, 2025	FY2026/27 (Forecast) Jun. 3, 2025	FY2027/28 (Forecast) Jun. 3, 2025	
C. Net (Before Transfers In)	-\$2,118,419	-\$2,433,333	-\$2,205,488	
D. Other Financing Sources / Uses				NOTES on Forecast Assumptions
1. Transfers In	\$485,000	\$510,000	\$535,000	Increase informed by Increased Lease Revenue from Fund 42
2. Transfers Out	\$0	\$0	\$0	
3. Net Contributions	\$200,000	\$200,000	\$200,000	Shift of CERBT Trust Investment Outgo from Section B
Total Other Financing Sources / Uses	\$685,000	\$710,000	\$735,000	
E. Change in Fund Balance	-\$1,833,419	-\$2,123,333	-\$1,870,488	
F. Beginning Balance	\$13,787,329	\$11,953,910	\$9,830,577	
G. Ending Balance	\$11,953,910	\$9,830,577	\$7,960,089	
H. Components of Ending Balance	---	---	---	NOTES on Forecast Assumptions
1. Revolving Cash & Prepaid	\$0	\$0	\$0	NOTE: Board Reserve Policy: FY25/26 (24%), FY26/27 (23%), FY27/28 (23%) NOTE: Statutory Reserve: FY25/26 (3%), FY26/27 (4%), FY27/28 (4%)
2. Restricted Balances	\$797,053	\$469,174.88	\$354,286.07	
3. Board Policy Designated	\$8,003,470	\$7,972,358.99	\$6,188,628.67	
4. State Required Reserves	\$1,000,434	\$1,386,497.22	\$1,417,174.12	
5. Unassigned / Unappropriated	\$2,152,953	\$2,545.65	\$0.00	
Unrestricted Reserve %	33.5%	27.0%	21.5%	

Current Year → 2 Year Forecast (Forecasted Fund Balance)

REED UNION SCHOOL DISTRICT

	FY2024/25 (Unaudited Actuals) Sept. 9, 2025	FY 2025/26 (Adopted Budget) Jun. 3, 2025	FY 2026/27 (Forecast) Jun. 3, 2025	FY 2027/28 (Forecast) Jun. 3, 2025
F. Beginning Balance	\$14,184,528	\$14,315,946	\$12,482,527	\$10,359,194
G. Ending Balance	\$14,315,946	\$12,482,527	\$10,359,194	\$8,488,706
H. Components of Ending Balance	---	---	---	---
1. Revolving Cash & Prepaid	\$2,000	\$0	\$0	\$0
2. Restricted Balances	\$1,753,381	\$1,147,511	\$792,358.99	\$677,496.86
3. Board Policy Designated	\$6,967,189	\$8,003,470	\$7,972,358.99	\$6,394,035.01
4. State Required Reserves	\$1,211,685	\$1,000,434	\$1,386,497.22	\$1,417,174.12
5. Unassigned / Unappropriated	\$4,383,691	\$2,331,112	\$207,978.67	\$0.00
Unaudited Unrestricted Reserve % Forecast	41.5%	34.0%	27.5%	22.0%

The FY 2024/25 unaudited ending fund balance updates the FY 2025/26 beginning balance. The FY 2025/26 budget and three-year forecast remain as approved on June 3, 2025, and will be updated with revised assumptions at First Interim in December 2025.

FY 2024/25 Unaudited Actuals Carryforward Impact on 2025/26 Adopted Budget

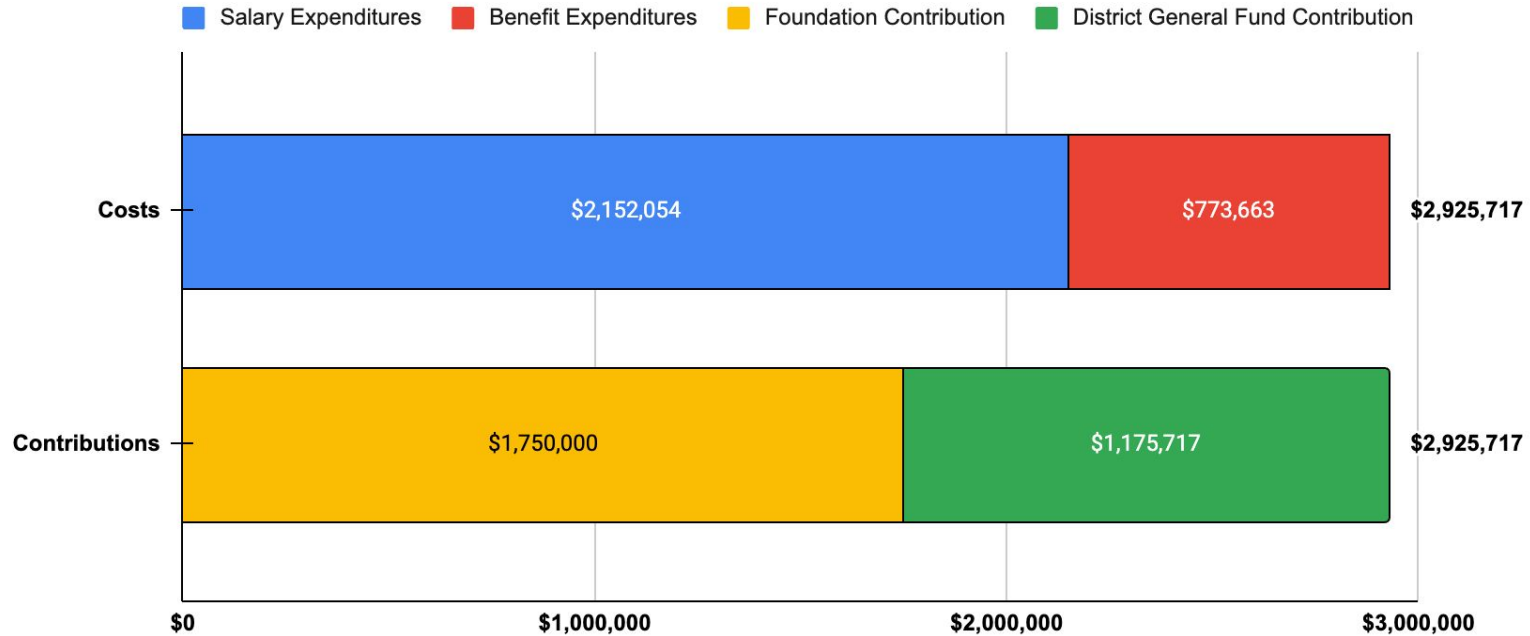
REED UNION SCHOOL DISTRICT

	FY 2024/25 Fund 08 Student Activity	FY 2024/25 Fund 13 Child Nutrition	FY 2024/25 Fund 14 Deferred Maintenance	FY 2024/25 Fund 25 Developer Fees	FY 2024/25 Fund 40 Capital Outlay Reserve
A. Revenue	\$22,316	\$619,931	\$941	-\$28,595	\$1,076,340
B. Expenditures	\$28,501	\$559,286	\$0	\$38,091	\$664,055
C. Net (Before Transfers In)	-\$6,185	\$60,645	\$941	-\$66,686	\$412,285
D. Other Financing Sources / Uses					
1. Transfers In	\$0	\$0	\$0	\$0	\$0
2. Transfers Out	\$0	\$0	\$0	\$0	\$0
3. Net Contributions	\$0	\$0	\$0	\$0	\$0
Total Other Financing Sources / Uses	\$0	\$0	\$0	\$0	\$0
E. Change in Fund Balance	-\$6,185	\$60,645	\$941	-\$66,686	\$412,285
F. Audited Beginning Balance as of July 1, 2024	\$35,437	\$137,225	\$19,727	\$113,656	\$3,130,007
G. Unaudited Ending Balance as of June 30, 2025	\$29,253	\$197,870	\$20,669	\$46,970	\$3,542,291

** Developer Fee revenue owed to the Tamalpais School District from a prior-year reconciliation was recorded in FY 2024/25 as an abatement to revenue rather than as an expenditure. This accounting treatment results in the item appearing as a negative balance within local revenue.*

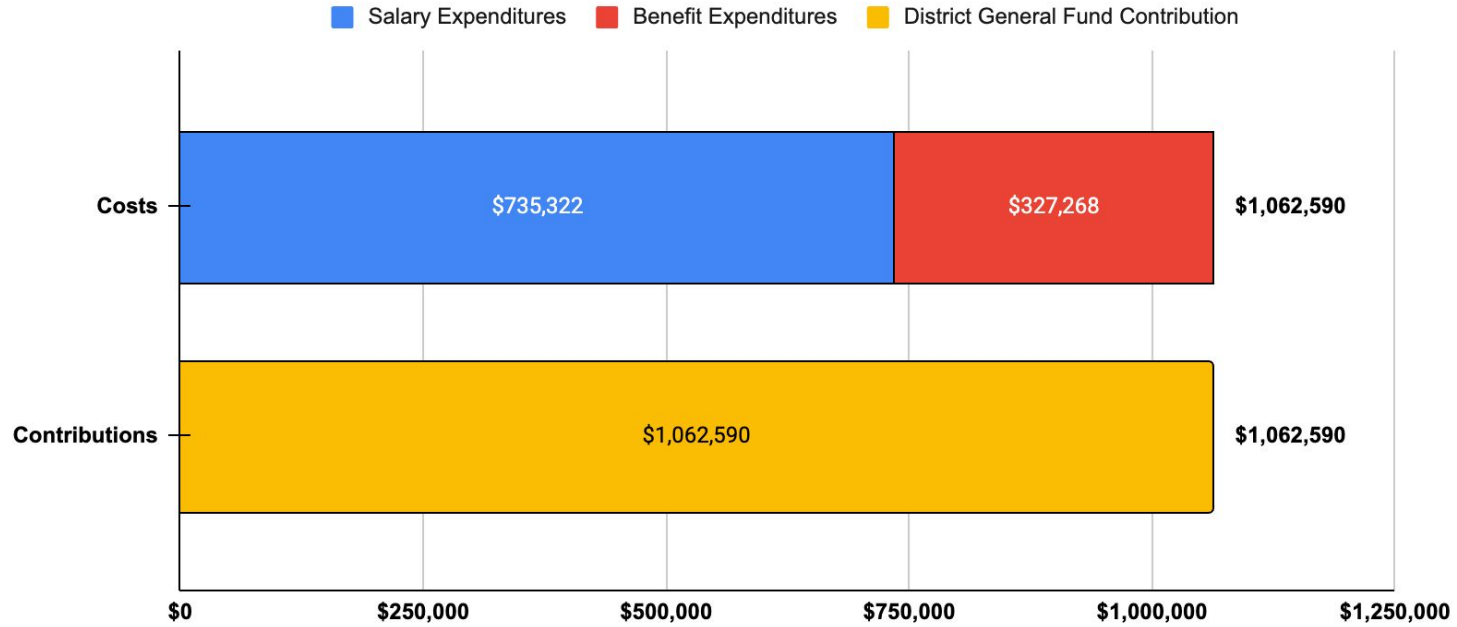
OTHER FUNDS

Foundation Sponsored Programs



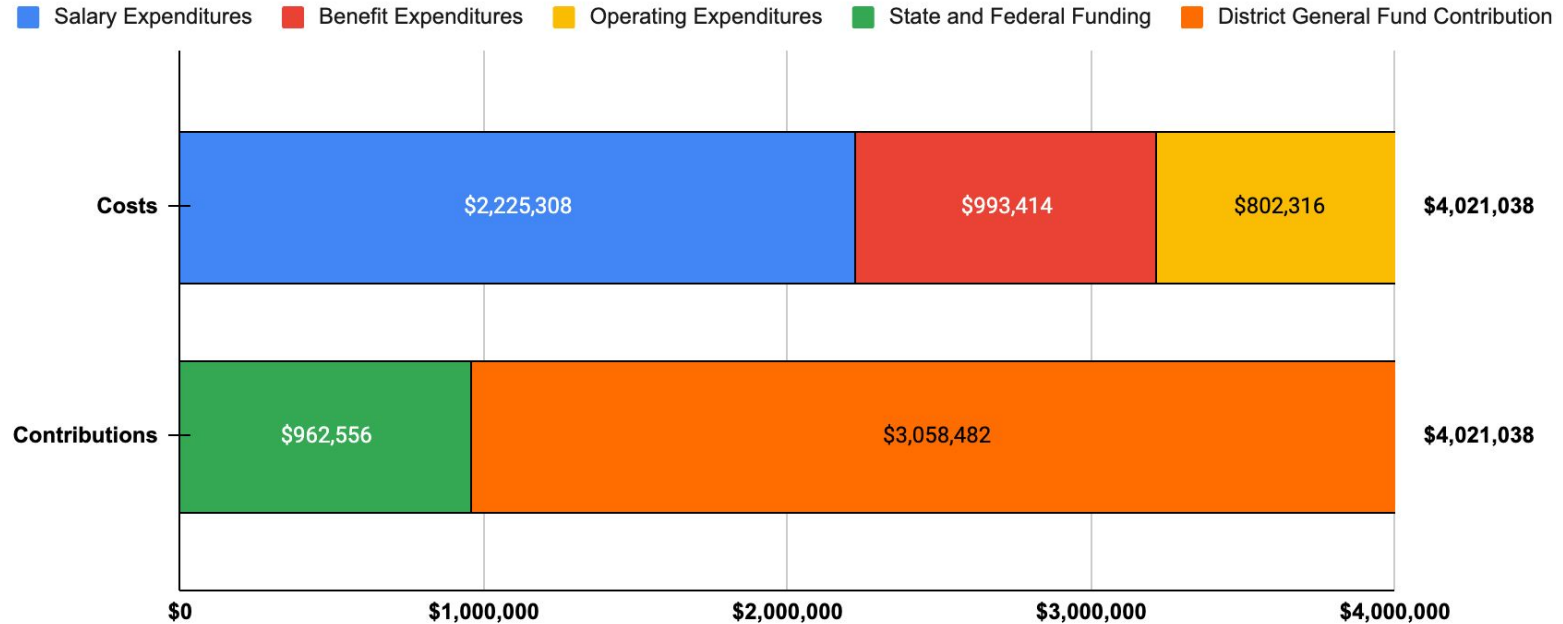
The Foundation is budgeted to contribute \$1.75 million in FY 2025/26 to support elective programs. However, the total cost of salaries and benefits for these programs is projected at \$2.95 million. As a result, the District's General Fund must provide an additional \$1.175 million to cover the shortfall. This does not include supplies and other associated operating expenditures.

Pre-K Programs



The District launched a Pre-K program in FY 2022/23, ahead of the State's required full implementation in FY 2025/26. As a community-funded district, RUSD does not receive additional per-ADA funding to operate this program. By FY 2025/26, the District will be running five Pre-K classrooms staffed by five teachers and five instructional aides, serving students at an average ratio of 19.4:1.

Special Education Programs



The District's Special Education Program is budgeted at \$4,021,038 in FY 2025/26; however, the District's total revenue from all Federal and State sources is \$962,556, requiring a contribution from the General Fund of **\$3,058,482**. As of the most recent Census (Fall 1) RUSD has around 100 students enrolled under an IEP – Individualized Education Program.



Small Group Breakout Activity

- 3 Groups of 2 or 3 Committee Members
- Generate Ideas (Revenue, Expenditures, Priorities)
- Share Out
- NOTES (7/28/25) Ideas Generated via the Small Group Activity and shared out in Discussion: :
 - **Seek Additional Contributions:** Identify those services that are “discretionary,” and consider asking families for contributions.
 - **Seek Additional Revenue:** Seek additional revenue Streams using District Assets (Leasable Spaces)
 - **Reduce Expenditures:** Look at bridging the gap in the Foundation Supported program, with an emphasis on evaluating positions that are already split (less than 1.0 FTE).
 - **Reduce Expenditures:** Review landscape for lower cost health plans.
 - **Reduce Expenditures:** What is the planned Impact of Attrition on Salary Schedules? Retirement Incentives?
 - **Reduce Expenditures:** Utilize AI to Increase productivity and create efficiencies? Consulting Contracts?



Questions?

- What are you interested in learning more about?
- NOTE (5/8/25)
 - General Obligations Bonds
 - School Insurance
 - FY 24/25 Audited Actuals (Variance)
 - Enrollment Projections?
- NOTE (9/28/25)
 - Interest in Historical Enrollment against Housing Turnover. Vacancy Rate?
 - IEP % of Services by Category



Next Steps

Advisory Committee Meeting Dates: (TBD Via Doodle Poll)

- May 2025 (Done)
- September 2025 (Done)
- January 2025 (To be Scheduled)
- May 2026 (To be Scheduled)

For the Next Meeting in January 2025:

- Extrapolate and Respond to Ideas Generated in September Meeting

For the Following Meeting in May 2025:

- Consolidate Ideas for Presentation to the Board of Trustees