



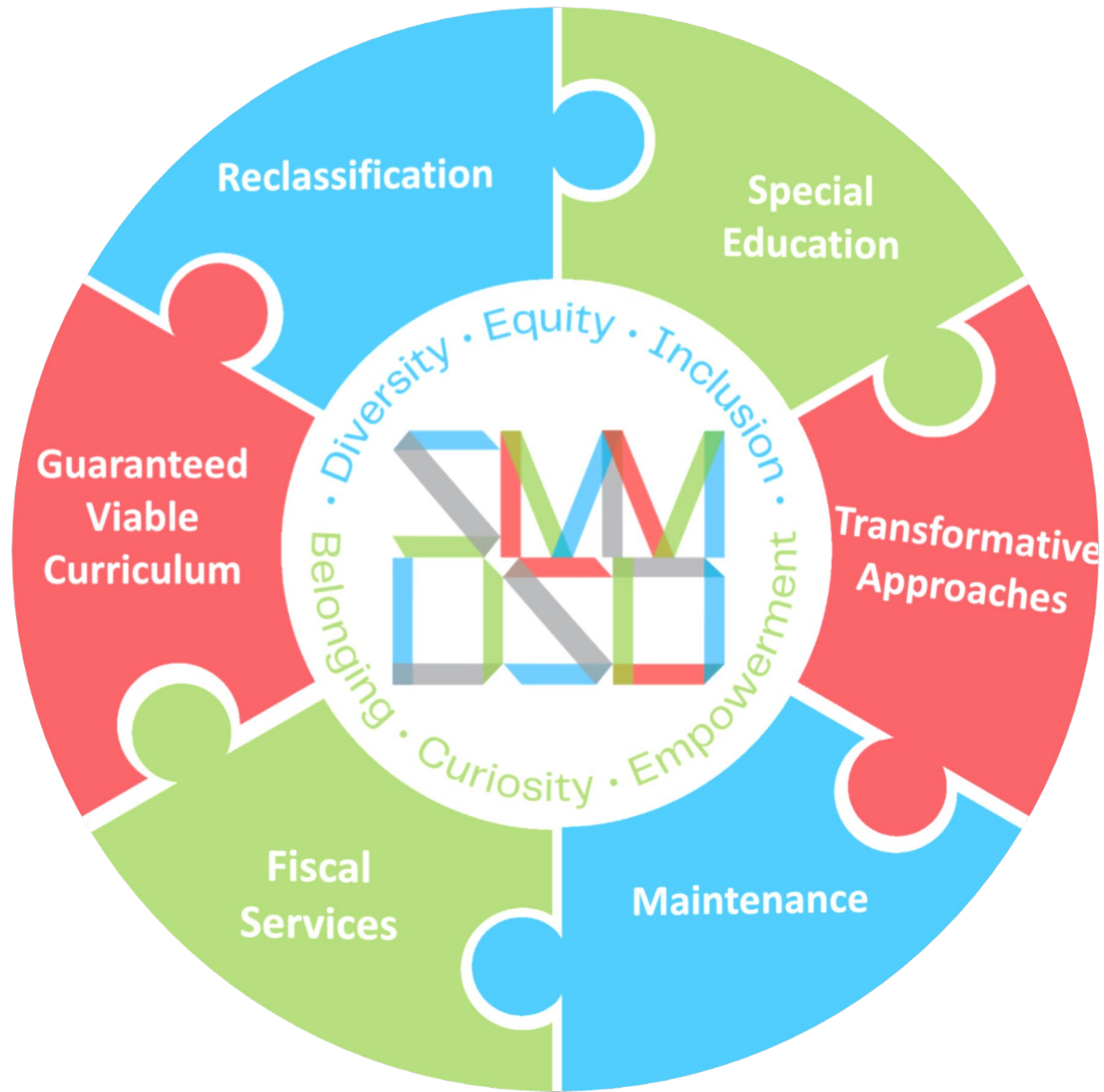
SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2025-26 Second Interim Report

Gerardo Cruz
Assistant Superintendent,
Business & Fiscal Services



March 11, 2026
Special Board Meeting
Major Action Item F.2





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 2nd Interim Report

- Shows the District's financial position as of January 31, 2026
- Displays the First Interim Budget and the Second 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 Second Interim Budget Report

2025-26 LOCAL CONTROL FUNDING FORMULA (LCFF) CALCULATION					1/31/2026
BASE GRANT:					
	TK-3	4-6	7-8	9-12	TOTAL
	2,224.74	1,808.12	1,288.35	2,821.00	8,142.21
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	
	22,816,022	18,824,466	13,809,780	35,046,205	90,496,473
AUGMENTATION GRANTS:					
CLASS SIZE REDUCTION (CSR) AUGMENTATION: BASE GRANT X 10.4%					2,372,866
CAREER TECHNICAL EDUCATION (CTE) AUGMENTATION 9-12 BASE GRANT X 2.6%					911,201
SUPPLEMENTAL AND CONCENTRATION GRANTS:					
TOTAL ENROLLMENT (3-YEAR AVERAGE)					8,605
TOTAL UNDUPLICATED PUPIL COUNT (3-YEAR AVERAGE)					2,695
					31.32%
SUPPLEMENT ADD-ON 20% OF BASE GRANT X % OF ELIGIBLE ENROLLMENT					5,873,727
TRANSPORTATION, TIIG GRANT, & ADD-ON:					
2012-13 LCFF IMPLEMENTATION & ADD-ON FOR TRANSPORTATION					\$897,197
2012-13 TARGETED INSTRUCTIONAL IMPROVEMENT BLOCK GRANT					\$429,757
TRANSITIONAL KINDERGARTEN ADD-ON					\$1,674,645
TOTAL 2025-26 LCFF ENTITLEMENT					\$102,655,866
MINIMUM STATE AID / 2012-13 CATEGORICAL PROGRAMS					\$8,585,843
TOTAL 2025-26 LCFF ENTITLEMENT					\$102,655,866
LOCAL REVENUE / PROPERTY TAXES					\$122,145,640
Amount of Property Tax Over LCFF Entitlement (Basic Aid when negative)					(\$19,489,774)
Note Outside of Calculation:					
EDUCATION PROTECTION ACCOUNT					\$1,600,000
TRANSFER TO CHARTER SCHOOL					-\$300,000

2025-26 Second Interim Budget Report

FUND 01: UNRESTRICTED GENERAL FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$62,550,053	\$62,550,053	\$0
8011-8099	LCFF Revenue	\$132,031,483	\$132,031,483	\$0
8100-8299	Federal Revenue	\$0	\$0	\$0
8300-8590	State Revenue	\$2,365,000	\$2,365,000	\$0
8600-8799	Local Revenue	\$61,889,638	\$61,891,726	\$2,088
8980-8999	Local General Fund Contributions	(\$43,737,355)	(\$42,956,201)	\$781,154
	Total Revenue	\$152,548,766	\$153,332,008	\$783,242
1000-1999	Certificated Salaries	\$63,749,536	\$63,877,748	\$128,212
2000-2999	Classified Salaries	\$26,928,751	\$26,772,287	(\$156,464)
3000-3999	Employee Benefits	\$38,680,244	\$38,053,658	(\$626,586)
4000-4999	Books and Supplies	\$4,797,442	\$5,048,199	\$250,757
5000-5999	Services and Other Operating Costs	\$24,985,036	\$25,655,467	\$670,431
6000-6999	Capital Outlay	\$283,990	\$493,213	\$209,223
7100-7299	Other Outgo	\$120,000	\$120,000	\$0
7300-7399	Indirect Costs	(\$63,521)	(\$64,820)	(\$1,299)
7400-7499	Debt Services	\$0	\$0	
7600-7629	Transfer Out/ Fund 12, 13, 14	\$3,925,000	\$3,925,000	\$0
	Total Expenditures	\$163,406,478	\$163,880,752	\$474,274
	Increase /(Decrease) Fund Balance	(\$10,857,712)	(\$10,548,744)	\$308,968
	Projected Fund Balance	\$51,692,341	\$52,001,309	



2025-26 Second Interim Budget Report

Major Variances (+/-)

Revenues:

- \$2,088 Malibu Middle School Sports Supplies
- \$781,154 Decrease in Local General Fund Contributions from Unrestricted Sources
\$781K Decrease to Special Education LGCF - Increase to Revenue

Expenditures:

- \$128,212 Increase in Certificated Monthly Salaries
- (\$156,464) Decrease in Custodians Monthly Salaries
- (\$626,586) Decrease in Employee Health Benefits \$527,121 & Decrease in Statutory Benefits \$99,465
- \$250,757 Decrease in Books and Supplies - General Supplies and Materials
- \$670,431 Increase in Services & Operating Costs (legal costs, independent contractors, & conf/travel)
 - \$259K Increase in Maintenance Agreements*
 - \$150K Increase in Legal Costs*
 - \$94K Increase in Late Interest Charges/Penalties (CalSTRS Payment)*
 - \$94K Increase in Other Operating Expenses*
 - \$65K Increase in Program Management*
 - \$59K Increase in Other Insurance-Fire/Liability*
 - \$26K Increase in Independent Contractors*
 - \$12K Increase in Repair by Vendor*
 - \$6K Increase in Lease/Rental Without Purchase Option*
 - \$5K Increase in Dues & Memberships*
 - \$1K Increase in Mileage Reimbursement & Bus Transportation*
 - (\$45K) Decrease in Conference/Travel*
 - (\$56K) Decrease in Intra-Fund Cost Transfers*
- \$209,223 Increase in Capital Outlay of \$188,223 in Equipment Replacement and \$21,000 in Equipment
 - \$91K in lighting upgrades to Barnum Hall; \$83K in Office Furniture; \$14K Canon Office Printer - SAMOHI*
 - \$21K in building upkeep, security monitoring costs*
- (\$1,299) Decrease in Intrafund - Dir/Indirect Cost

2025-26 Second Interim Budget Report

\$25K Increase in Consultants

Site	Amount	Description
Samohi	\$1,650	American Sign Language contractor
Santa Monica Alternative School House	\$9,002	Engineering Curriculum 4-6th Grades
Malibu High School	\$10,000	Special Project Consultant for Unification
Education Services	\$4,933	Math adoption curriculum planning
Total	\$25,585	



2025-26 Second Interim Budget Report

FUND 01: RESTRICTED GENERAL FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$21,371,385	\$21,371,385	\$0
8100-8299	Federal Revenue	\$5,369,746	\$5,427,711	\$57,965
8300-8590	State Revenue	\$10,750,604	\$10,246,414	(\$504,190)
8600-8799	Local Revenue	\$12,016,616	\$12,320,772	\$304,156
8980-8999	Local General Fund Contributions	\$43,737,355	\$42,956,201	(\$781,154)
	Total Revenue	\$71,874,321	\$70,951,098	(\$923,223)
1000-1999	Certificated Salaries	\$19,568,568	\$19,582,670	\$14,102
2000-2999	Classified Salaries	\$16,771,655	\$16,206,390	(\$565,265)
3000-3999	Employee Benefits	\$22,210,328	\$21,468,300	(\$742,028)
4000-4999	Books and Supplies	\$6,663,164	\$6,906,621	\$243,457
5000-5999	Services and Other Operating Cos	\$13,465,033	\$14,429,870	\$964,837
6000-6999	Capital Outlay	\$330,989	\$285,628	(\$45,361)
7300-7399	Indirect Costs	\$42,021	\$43,785	\$1,764
	Total Expenditures	\$79,051,758	\$78,923,264	(\$128,494)
	Increase /(Decrease) Fund Balance	(\$7,177,437)	(\$7,972,166)	(\$794,729)
	Projected Fund Balance	\$14,193,948	\$13,399,219	



2025-26 Second Interim Budget Report

Major Variances (+/-)

Revenues:

\$57,965 Increase in All Other Federal Revenue

\$20K Increase in ESEA, TITLE III LEP

\$4K Increase in ESSA TITLE IN, PART A

\$34K Increase IASA: Title I Basic-Lw Inc/Neg

(\$504,190) Decrease in All Other State Revenue

\$295K Increase in Career Technical Education Incentive Grant

\$800K Decrease in Educator Effectiveness

\$304,156 Increase in Local Revenue (All Other Local Revenue / PTA, Booster Club & Gift Carryover Balance)

(\$781,154) Decrease in Local General Fund Contribution (LGFC) to Special Education (Increase to Revenue)

\$261K Increase to Special Education

\$593K Increase to Spec Ed: Idea Basic Grant

\$73K Decrease to Special Ed IDEA Preschool



2025-26 Second Interim Budget Report

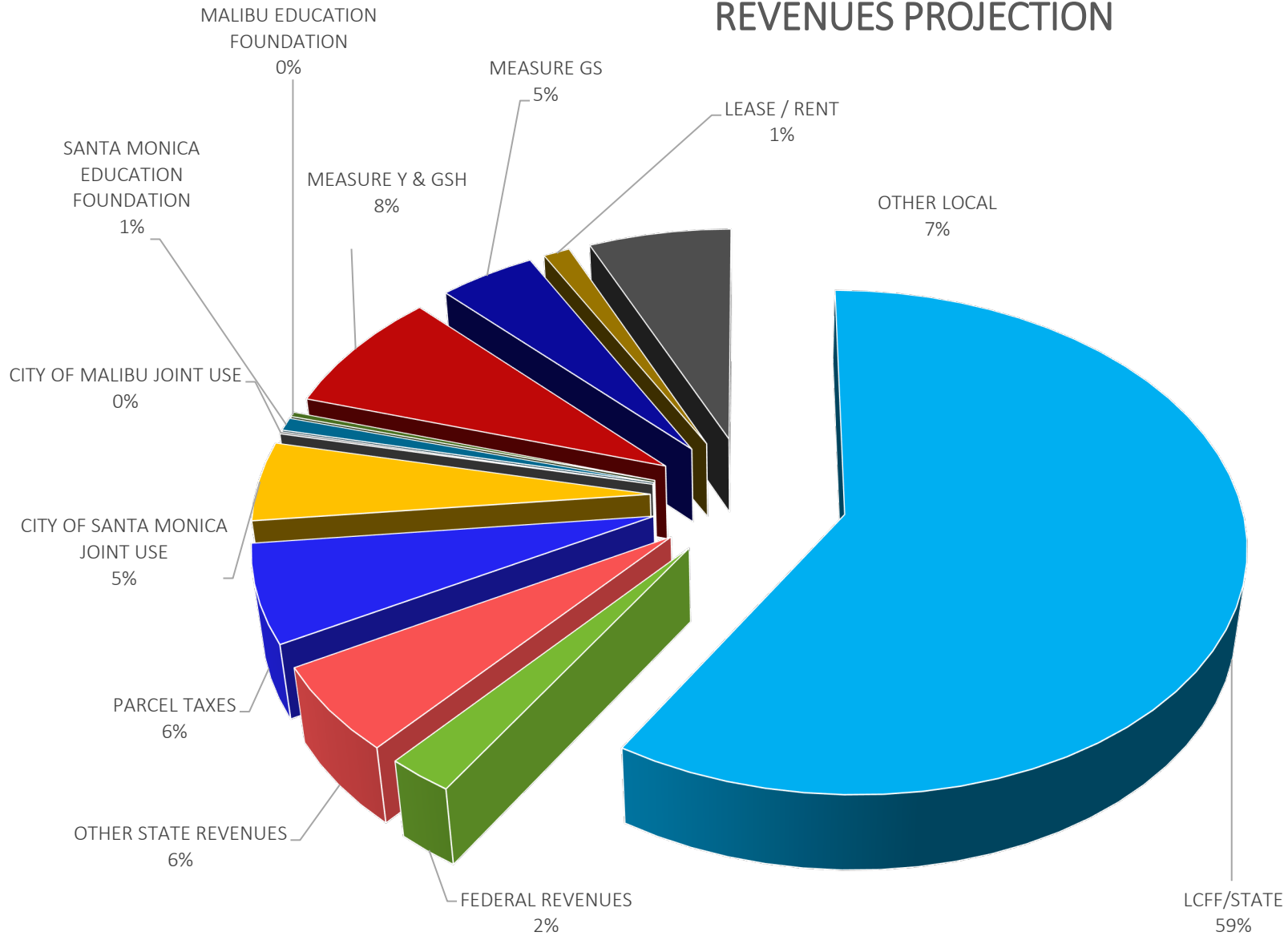
Major Variances (+/-)

Expenditures:

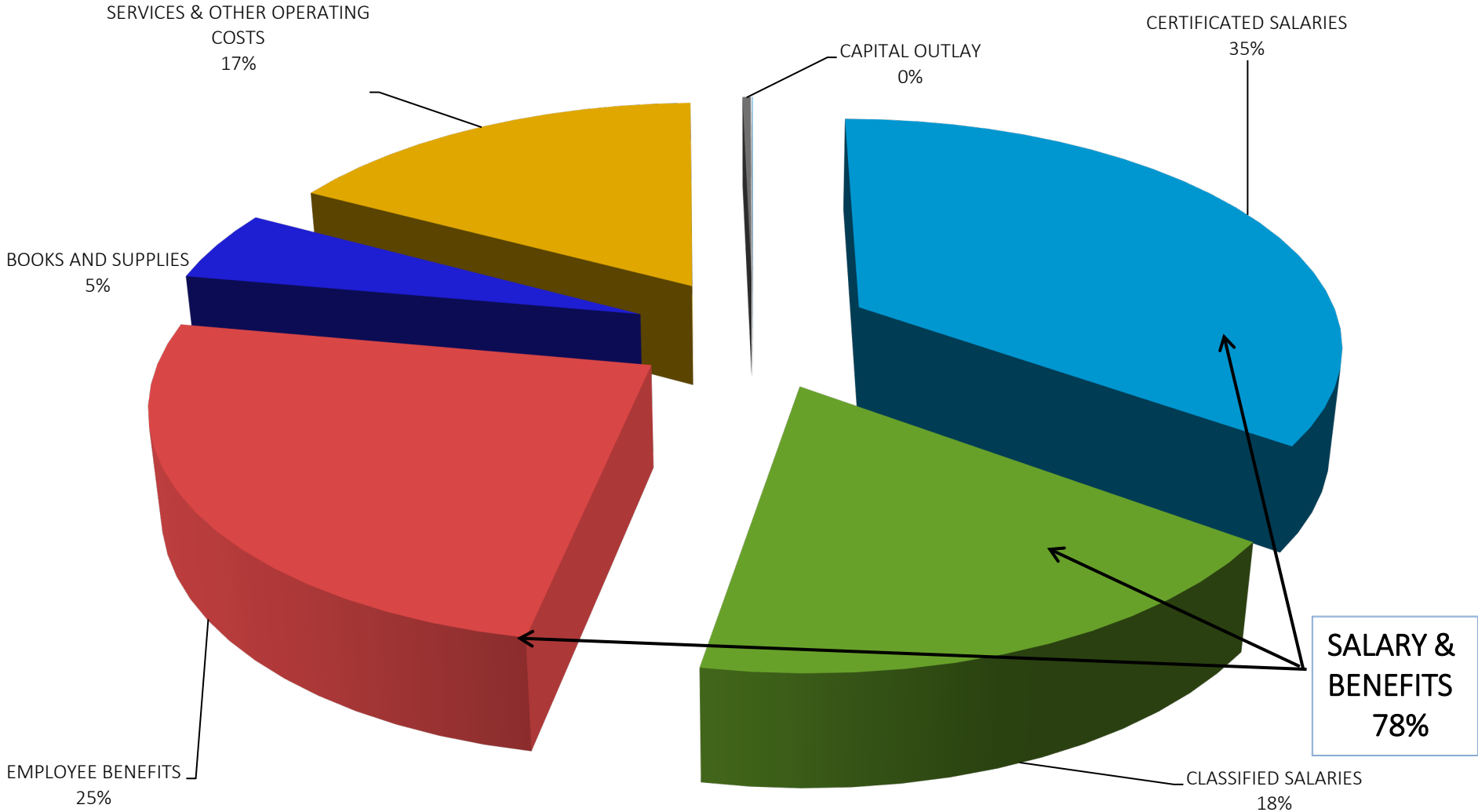
- \$14,102 Increase in Teachers Monthly, Hourly, Counselors, and Substitute Salaries
- (\$565,265) Decrease in Classified Monthly, Hourly, Overtime, and Substitute Salaries
- (\$742,028) Decrease in Employee Health Benefits (\$423K) Decrease in Statutory Benefits (\$319K)
- \$243,457 Increase in Books & Supplies
 - \$143K Increase in General Supplies & Materials*
 - \$94K Increase in Non-Capitalized Equipment*
 - \$10K Increase in Electronic Devices Under \$500*
 - \$5K Decrease in Textbooks*
- \$964,837 Increase in Services & Operating Costs (legal costs, independent contractors, conf/travel)
 - \$1.675M Increase in Subagreements — Non Public Agency*
 - \$209K Increase in Independent Contractors/Consultants*
 - \$151K Increase in Conference & Travel*
 - \$68K Increase in Bus Transportation/Field Trips*
 - \$56K Increase in Intrafund Direct Cost Transfers*
 - \$38K Increase in Other Operating Expenses*
 - \$6K Increase in Repair by Vendor*
 - \$2K Increase in Maintenance Agreements*
 - \$1.23M Decrease in Other Services*
 - \$7K Decrease in Lease/Rental*
 - \$3K Net Decrease in Advertising & Communications*
- (\$45,361) Increase in Capital Outlay
 - \$45K Decrease in Equipment Replacement*
- \$1,764 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



2025-26 Second Interim Budget Report

As of 1/31/2026

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	(\$10,548,744)
Ending Fund Balance that Requires Explanation	\$52,001,309
Reasons for Assigned and Unassigned Ending Fund Balances	
*State Recommended 17% Minimum Level for Unified Districts	
	\$52,001,309
Less: 3% Reserve for Economic Uncertainties	(\$7,284,120)
Reserve for Revolving Cash & Prepaid	(\$20,025)
Reserve for 26-27 Deficit Spending	(\$9,560,237)
Reserve for 27-28 Deficit Spending	(\$10,614,771)
^Reserve for up to 2 months General Fund Expenditures	\$24,522,156
Unappropriated Balance	\$0

*current reserve is at 21.41% (up 0.10% from 21.31% @ 25-26 First Interim)

*2024-25 Statewide Average Reserve for Unified State-Aid Districts is 21.89%

*Basic Aid Districts should be 33%

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



2024-25

Statewide Average Reserves

2024-25 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	24.52%	-1.02%
2. High School Districts	26.13%	1.73%
3. Unified School Districts	21.89%	-2.47%
4. †SMMUSD Reserve (as of 2024-25 Actuals)	28.70%	†-0.34%
5. ^SMMUSD Reserve (as of 2025-26 Second Interim)	21.41%	*2.01%

† Compared to 2023-24

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

* Compared to 2024-25 Second Interim

Source: Statewide Certified Data (School Services of California)

~Compared to reserve levels of 2023-24





SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

OTHER FUNDS

FUNDS

11, 12, 13, 14, 21, 25, 35, 40, 51, 71

2025-26 Second Interim Budget Report

FUND 11: ADULT EDUCATION FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$1,306,475	\$1,306,475	\$0
8100-8299	Federal Revenue	\$65,771	\$62,910	(\$2,861)
8300-8590	Other State Revenue	\$980,896	\$1,000,896	\$20,000
8600-8799	Local Revenue	\$0	\$0	\$0
	Total Revenues	\$1,046,667	\$1,063,806	\$17,139
1000-1999	Certificated Salaries	\$378,491	\$361,395	(\$17,096)
2000-2999	Classified Salaries	\$273,334	\$275,429	\$2,095
3000-3999	Employee Benefits	\$309,825	\$310,484	\$659
4000-4999	Books and Supplies	\$16,450	\$35,472	\$19,022
5000-5999	Services and Other Operating Costs	\$66,643	\$79,000	\$12,357
7300-7399	Indirect Costs	\$1,958	\$1,998	\$40
	Total Expenditures	\$1,046,701	\$1,063,778	\$17,077
	Increase /(Decrease) Fund Balance	(\$34)	\$28	\$62
	Projected Fund Balance	\$1,306,441	\$1,306,503	

Revenue:

(\$2,861) Decrease in Federal Revenue
\$20,000 Increase in Other State Revenue

Expenditures:

(\$17,096) Decrease in Certificated Salaries
\$2,095 Increase in Classified Salaries
\$659 Increase in Employee Benefits
\$19,022 Increase in Books & Supplies
\$12,357 Increase in Other Operating Costs
\$40 Increase in Indirect Costs

2025-26 Second Interim Budget Report

FUND 12: CHILD DEVELOPMENT FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$7,066,396	\$7,066,396	\$0
8100-8299	Federal Revenue	\$60,636	\$60,636	\$0
8300-8590	State Revenue	\$2,367,476	\$2,295,838	(\$71,638)
8600-8799	Local Revenue	\$3,101,145	\$3,114,145	\$13,000
8900-8929	Interfund Transfer from Fund 01	\$475,000	\$475,000	\$0
	Total Revenues	\$6,004,257	\$5,945,619	(\$58,638)
1000-1999	Certificated Salaries	\$2,426,716	\$2,371,479	(\$55,237)
2000-2999	Classified Salaries	\$1,598,094	\$1,585,467	(\$12,627)
3000-3999	Employee Benefits	\$1,771,709	\$1,725,861	(\$45,848)
4000-4999	Books and Supplies	\$125,735	\$125,349	(\$386)
5000-5999	Services and Other Operating Costs	\$574,264	\$608,664	\$34,400
6000-6999	Capital Outlay	\$0	\$0	\$0
7300-7399	Indirect Costs	\$12,861	\$12,703	(\$158)
	Total Expenditures	\$6,509,379	\$6,429,523	(\$79,856)
	Increase /(Decrease) Fund Balance	(\$505,122)	(\$483,904)	\$21,218
	Projected Fund Balance	\$6,561,274	\$6,582,492	

Revenue:

\$13,000 Increase in Local Revenue - Child Development Parent Fees

(\$71,638) Decrease in State Revenue

Expenditures:

(\$55,237) Decrease in Certificated Monthly Substitute Salaries

(\$12,627) Decrease in Classified Hourly, Overtime

(\$45,848) Decrease in Employee Health Benefits

(\$386) Decrease in Books & Supplies

\$34,400 Increase in Services & Other Operating Costs

2025-26 Second Interim Budget Report

FUND 13: CAFETERIA SPECIAL FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$880,885	\$880,885	\$0
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	\$2,217,445	\$2,087,808	(\$129,637)
3000-3999	Employee Benefits	\$1,249,610	\$1,053,020	(\$196,590)
4000-4999	Books and Supplies	\$2,786,400	\$2,786,400	\$0
5000-5999	Services and Other Operating Costs	(\$48,850)	(\$48,850)	\$0
6000-6999	Capital Outlay	\$24,100	\$24,100	\$0
7300-7399	Indirect Costs	\$6,681	\$6,334	(\$347)
	Total Expenditures	\$6,235,386	\$5,908,812	(\$326,574)
	Increase /(Decrease) Fund Balance	(\$785,386)	(\$458,812)	\$326,574
	Projected Fund Balance	\$95,499	\$422,073	

Revenue: No Change Since First Interim

Expenditures:

(\$129,637) Decrease in Classified Hourly, Overtime

(\$196,590) Increase in Health Benefits

2025-26 Second Interim Budget Report

FUND 14: DEFERRED MAINTENANCE FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$1,531,681	\$1,531,681	\$0
8010-8099	LCFF transfer to Fund 14	\$0	\$0	\$0
8600-8799	Local Revenue	\$0	\$0	\$0
8919	Transfer form General Fund	\$2,700,000	\$2,700,000	\$0
	Total Revenues	\$2,700,000	\$2,700,000	\$0
4000-4999	Books and Supplies	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$2,450,200	\$3,150,200	\$700,000
6000-6999	Capital Outlay	\$50,000	\$50,000	\$0
	Total Expenditures	\$2,500,200	\$3,200,200	\$700,000
	Increase /(Decrease) Fund Balance	\$199,800	(\$500,200)	(\$700,000)
	Projected Fund Balance	\$1,731,481	\$1,031,481	

Revenue: No Change Since First Interim

Expenditures:

\$ 700,000 Increase in Other Operating Costs



2025-26 Second Interim Budget Report

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

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Fair Market Value Adjustment (FMV)	(\$9,064,892)	(\$9,064,892)	\$0
	Beginning Fund Balance	\$304,602,351	\$304,602,351	\$0
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	
8800-8951	Bond Proceeds - QS Series A	\$198,955,000	\$198,955,000	\$0
8952-8979	Other Financing	\$0	\$0	\$0
	Total Revenues	\$198,955,000	\$198,955,000	\$0
2000-2999	Classified Salaries	\$1,066,318	\$1,056,749	(\$9,569)
3000-3999	Employee Benefits	\$603,174	\$597,761	(\$5,413)
4000-4999	Books and Supplies	\$180,638	\$180,957	\$319
5000-5999	Services and Other Operating Costs	\$86,394,731	\$96,075,659	\$9,680,928
6000-6999	Capital Outlay	\$306,769,532	\$342,035,000	\$35,265,468
	Total Expenditure	\$395,014,393	\$439,946,126	\$44,931,733
	Increase /(Decrease) Fund Balance	(\$196,059,393)	(\$240,991,126)	(\$44,931,733)
	Projected Fund Balance	\$108,542,958	\$63,611,225	

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



2025-26 Second Interim Budget Report

FUND 25: CAPITAL FACILITIES FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$6,016,591	\$6,016,591	\$0
8681	Developer Fees	\$500,000	\$500,000	\$0
8660	Local Revenue	\$200,000	\$200,000	\$0
	Total Revenues	\$700,000	\$700,000	\$0
4000-4999	Supplies	\$80,000	\$80,000	\$0
5000-5999	Services and Other Operating Costs	\$690,000	\$690,000	\$0
6000-6999	Capital Outlay	\$230,000	\$230,000	\$0
	Total Expenditures	\$1,000,000	\$1,000,000	\$0
	Increase /(Decrease) Fund Balance	(\$300,000)	(\$300,000)	\$0
	Projected Fund Balance	\$5,716,591	\$5,716,591	

Revenue: No Change Since First Interim

Expenditure: No Change Since First Interim



2025-26 Second Interim Budget Report

FUND 35: COUNTY SCHOOL FACILITIES FUND

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$256,489	\$256,489	\$0
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	\$256,489	\$256,489	

Revenue: No Change Since First Interim

Expenditure: No Change Since First Interim

2025-26 Second Interim Budget Report

FUND 40: SPECIAL RESERVE FUND FOR CAPITAL OUTLAY

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$13,774,638	\$13,774,638	\$0
8590-8599	State Revenue	\$0	\$0	\$0
8600-8625	Local Revenue	\$5,000,000	\$5,000,000	\$0
8626-8660	Local Revenue (Interest Earned)	\$500,000	\$500,000	\$0
8661-8699	Local Revenue	\$0	\$0	\$0
8971-8971	Other Sources - Proceeds from COP	\$0	\$0	\$0
	Total Revenues	\$5,500,000	\$5,500,000	\$0
4000-4999	Supplies	\$0	\$0	\$0
5000-5999	Services and Other Operating Costs	\$1,948,315	\$2,078,315	\$130,000
6000-6999	Capital Outlay	\$441,064	\$311,064	(\$130,000)
7400-7499	COPS Payments	\$4,000,000	\$4,000,000	\$0
	Total Expenditures	\$6,389,379	\$6,389,379	\$0
	Increase /(Decrease) Fund Balance	(\$889,379)	(\$889,379)	\$0
	Projected Fund Balance	\$12,885,259	\$12,885,259	

Revenue: No Change Since First Interim

Expenditure:

\$130,000 Increase in Services & Other Operating Costs

(\$130,000) Decrease in Capital Outlay

2025-26 Second Interim Budget Report

FUND 51: BOND INTEREST & REDEMPTION FUND*

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$51,294,473	\$51,294,473	\$0
8611-8614	Local Revenue	\$88,993,801	\$88,993,801	\$0
8661-8799	Local Revenue Interest	\$327,551	\$327,551	\$0
	Total Revenues	\$89,321,352	\$89,321,352	\$0
7433	Debt Service - Bond Redemptions	\$26,535,000	\$26,535,000	\$0
7434	Debt Service - Bond Interest & Other Services	\$44,370,170	\$44,370,170	\$0
	Total Expenditures	\$70,905,170	\$70,905,170	\$0
	Increase /(Decrease) Fund Balance	\$18,416,182	\$18,416,182	\$0
	Projected Fund Balance	\$69,710,655	\$69,710,655	\$0

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

Revenue:

Updated per LACOE Projected Totals

Expenditure:

Updated per LACOE Projected Totals



2025-26 Second Interim Budget Report

FUND 71: RETIREE BENEFIT FUND FOR OPEB

Object	Description	First Interim Budget 10/31/2025	Second Interim Budget 1/31/2026	Variance (+/-)
	Beginning Fund Balance	\$11,471,149	\$11,471,149	\$0
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	\$5,628,790	\$5,628,790	\$0
	Total Expenditures	\$5,628,790	\$5,628,790	\$0
	Increase /(Decrease) Fund Balance	(\$5,628,790)	(\$5,628,790)	\$0
	Projected Fund Balance	\$5,842,359	\$5,842,359	\$0

Revenue: No Change Since First Interim

Expenditure: No Change Since First Interim





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)
 - 2.41% (2026-27)
 - 3.06% (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
- Reserve for Up To 2 Months of General Fund Expenditures
- Projected Property Tax Increases of 3.5% to 5%
- Does include salary schedule changes because of negotiations with SMMCTA, SEIU, or SMMASA

MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

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



MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

A	B	C	D	E	F	G	H
	2025-26	2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
Description	ADOPTED BUDGET	FIRST INTERIM	SECOND INTERIM	FIRST vs SECOND 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	1,600,000	-	0.0%	1,600,000	1,600,000
10 Mandated Reimbursement Block Grant	410,000	410,000	410,000	-	0.0%	410,000	410,000
11 Other State Revenue	355,000	355,000	355,000	-	0.0%	355,000	355,000
12 Measure 'R' - Parcel Tax	14,301,621	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	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	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	11,529,263	-	0.0%	11,759,848	11,995,045
16 Joint Use Agreement - City of Malibu	299,378	299,378	299,378	-	0.0%	299,378	299,379
17 Santa Monica Ed Foundation Donation	1,800,000	1,875,000	1,875,000	-	0.0%	1,800,000	1,800,000
18 Malibu Education Foundation	592,508	675,377	677,465	2,088	0.3%	592,508	592,508
19 Lease & Rental	2,750,000	2,750,000	2,750,000	-	0.0%	2,750,000	2,750,000
20 Interest Earned	1,250,000	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	1,209,000	-	0.0%	1,209,000	1,209,000
22 Local General Fund Contributions	(44,636,667)	(43,737,355)	(42,956,201)	781,154	-1.8%	(45,529,400)	(46,439,988)
23 TOTAL REVENUE	151,191,585	152,548,766	153,332,008	783,242	0.5%	154,351,297	159,149,232



	A	B	C	D	E	F	G	H
		2025-26	2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
	Description	ADOPTED BUDGET	FIRST INTERIM	SECOND INTERIM	FIRST vs SECOND INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
24	Expenditure:					0%		
25	Certificated Salary	63,168,211	63,749,536	63,877,748	128,212	0.2%	66,132,633	68,467,114
26	Classified	27,095,364	26,928,751	26,772,287	(156,464)	-0.6%	27,879,336	28,863,476
27	Benefits	38,213,703	38,680,244	38,053,658	(626,586)	-1.6%	45,818,039	48,304,252
28	STRS	11,987,033	12,012,517	12,065,253	52,736	0.4%	12,631,333	13,077,219
29	PERS	7,006,964	7,024,991	6,799,373	(225,618)	-3.3%	7,499,541	8,024,046
30	SOCIAL SECURITY & MEDICARE	3,096,466	2,994,610	3,019,554	24,944	0%	3,091,692	3,200,829
31	HEALTH AND WELFARE	11,265,726	11,931,044	11,408,291	(522,753)	0.2%	17,582,838	18,813,637
32	SUI	46,365	45,023	45,407	384	0.8%	47,006	48,665
33	WORKERS COMP	3,625,465	3,522,762	3,557,832	35,070	1.0%	3,760,479	3,893,224
34	OPEB	1,157,461	1,118,724	1,127,600	8,876	0.8%	1,175,150	1,216,632
35	CASH IN-LIEU	28,223	30,573	30,348	(225)	-0.7%	30,000	30,000
36	Supplies/Books/Textbooks	4,589,592	4,797,442	5,048,199	250,757	5.0%	2,000,000	2,000,000
37	Other Operational Costs	24,454,409	24,985,036	25,655,467	670,431	2.6%	19,386,527	20,189,617
38	504 PLAN ACCOMODATION (STUDENT SERVICES)	200	200	200	-	0.0%	-	-
39	TRAVEL & CONFERENCE	699,268	685,471	640,940	(44,531)	-6.9%	500,000	500,000
40	DUES & MEMBERSHIPS	81,719	141,484	146,016	4,532	3.1%	80,000	80,000
41	INSURANCE	3,257,221	3,257,221	3,315,895	58,674	1.8%	3,203,538	2,973,838
42	UTILITIES	4,602,779	4,602,779	4,602,779	-	0.0%	4,602,779	4,602,779
43	RENTALS, LEASES, REPAIRS	3,064,724	3,279,133	3,556,968	277,835	7.8%	2,500,000	2,500,000
44	INTRA-FUND TRANSFERS FOR SERVICES	(91,037)	(93,881)	(149,429)	(55,548)	37.2%	(65,000)	(65,000)
45	INTER-FUND TRANSFERS FOR SERVICES	(113,660)	(133,363)	(133,363)	-	0.0%	(175,000)	(175,000)
46	CONSULTANTS & OTHER OPERATING	12,663,785	12,953,582	13,383,051	429,469	3.2%	8,450,000	9,500,000
47	Other Operational Costs	5,322,068	5,790,362	6,044,246	253,884	4.2%	3,000,000	3,000,000
48	Consultants	3,537,717	3,369,220	3,394,805	25,585	0.8%	2,250,000	3,000,000
49	Legal	2,204,000	2,194,000	2,344,000	150,000	6.4%	1,600,000	1,900,000
50	Cost of Early Retirement Incentive (SERP)	1,600,000	1,600,000	1,600,000	-	0.0%	1,600,000	1,600,000
51	COMMUNICATIONS (LAND & MOBILE)	289,410	292,410	292,410	-	0.0%	290,210	273,000
52	Capital Outlay	71,000	283,990	493,213	209,223	42.4%	100,000	100,000
53	Transfer to County Specialized Schools & Debt Service	120,000	120,000	120,000	-	0.0%	120,000	120,000
54	Indirect Costs from Restricted General Fund Categoricals	(110,738)	(63,521)	(64,820)	(1,299)	2.0%	(1,250,000)	(2,005,458)
55	Interfund Transfer Out to Fund 12 Child Development	375,000	375,000	375,000	-	0.0%	375,000	375,000
56	LCAP Transfer Out to Fund 12 Child Development	100,000	100,000	100,000	-	0.0%	100,000	100,000
57	Interfund Transfer Out to Fund 13 Food Services	750,000	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	2,700,000	-	0.0%	2,500,000	2,500,000
59	TOTAL EXPENDITURE	160,826,541	163,406,478	163,880,752	474,274	0.3%	163,911,535	169,764,001

MULTI-YEAR PROJECTIONS

UNRESTRICTED GENERAL FUND

	A	B	C	D	E	F	G	H
		2025-26	2025-26	2025-26	2025-26	2025-26	2026-27	2027-28
Description		ADOPTED BUDGET	FIRST INTERIM	SECOND INTERIM	FIRST vs SECOND INTERIM CHANGE	% CHANGE	PROJECTED BUDGET	PROJECTED BUDGET
60 Increase (Decrease) Fund Balance		(9,634,956)	(10,857,712)	(10,548,744)	308,968	-2.9%	(9,560,238)	(10,614,769)
61 Beginning Fund Balance		46,857,928	62,550,054	62,550,054	-	0.0%	52,001,310	42,441,072
62 Ending Fund Balance (net of lines 60-61)		37,222,972	51,692,342	52,001,310	308,968	0.6%	42,441,072	31,826,304
63 Reserve - Revolving Cash, Prep-pays		20,025	20,025	20,025	-	0.0%	20,025	20,005
64 Reserve - Deficit Spending in 26-27		3,907,740	6,366,739	9,560,238	3,193,499	33.4%	-	-
65 Reserve - Deficit Spending in 27-28		3,481,414	7,330,023	10,614,769	3,284,746	30.9%	10,614,769	-
66 3% Contingency Reserve (unrestricted & restricted general fund)		6,930,535	7,273,748	7,284,120	10,372	0.1%	6,962,410	7,149,383
67 Reserve Up to 2-months of Expenses (\$35.7 million)		22,883,258	30,701,807	24,522,158	(6,179,649)	-25.2%	24,843,869	24,656,915
68 Unappropriated Balance		0	0	0			0	0





SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

THE OUT-YEARS

HISTORICAL CONTEXT



THE OUT-YEARS

■ 2018-19

- Retirement Incentive (1 window only)

■ 2019-20

- Superintendent Budget Advisory Committee
- Covid-19 Pandemic

■ 2023-24

- Retirement Incentive (1 of 2 windows)

■ 2024-25

- Retirement Incentive (2 of 2 windows)

■ 2025-26

- Recommendations to reduce staffing for 2026-27 & 2027-28

Description	2026-27 12/11/2025	2026-27 3/11/2026	2026-27 Change	2026-27 % Change
Certificated & Classified Salaries	\$64,499,895	\$66,132,633	(\$1,632,738)	-2.53%
Benefits	\$44,540,734	\$45,818,039	(\$1,277,305)	-2.87%
Health & Welfare (Medical/Dental/Vision/Life)	\$16,727,596	\$17,582,838	(\$855,242)	-5.11%
CalSTRS Pension	\$12,319,480	\$12,631,333	(\$311,853)	-2.53%
Property & Liability Insurance	\$2,920,082	\$3,203,538	(\$283,456)	-9.71%
TOTAL EXPENDITURE	\$160,718,036	\$163,911,535	(\$3,193,499)	-1.99%
Increase (Decrease) Fund Balance	(\$6,366,739)	(\$9,560,238)	(\$3,193,499)	50.16%
Ending Fund Balance (net of lines 60-61)	\$45,325,603	\$42,441,072	(\$2,884,531)	-6.36%
Reserve Up to 2-months of Expenses (\$35.7 million)	\$31,170,712	\$24,843,869	(\$6,326,843)	-20.30%



Description	2027-28 12/11/2026	2027-28 3/11/2026	2027-28 Change	2027-28 % Change
Certificated & Classified Salaries	\$66,776,741	\$68,467,114	(\$1,690,374)	-2.53%
Benefits	\$46,617,630	\$48,304,252	(\$1,686,622)	-3.62%
Health & Welfare (Medical/Dental/Vision/Life)	\$17,563,976	\$18,813,637	(\$1,249,661)	-7.11%
CalSTRS Pension	\$12,754,358	\$13,077,219	(\$322,861)	-2.53%
Property & Liability Insurance	\$3,066,086	\$2,973,838	\$92,248	3.01%
TOTAL EXPENDITURE	\$166,479,255	\$169,764,001	(\$3,284,746)	-1.97%
Increase (Decrease) Fund Balance	(\$7,330,023)	(\$10,614,769)	(\$3,284,745)	44.81%
Ending Fund Balance (net of lines 60-61)	\$37,995,580	\$31,826,304	(\$6,169,276)	-16.24%
Reserve Up to 2-months of Expenses (\$35.7 million)	\$30,989,663	\$24,656,915	(\$6,332,748)	-20.44%





Positive Certification of 2nd Interim Report

- The District is submitting the 2nd Interim Report with a **Positive Certification**.
- The District will be able to meet its financial obligations in the current and next two fiscal years.



Next Steps

- Receive Board Direction on District Budget Recommendations
- Board Approval of 2025-26 Second Interim
- Third Budget Revision Presentation
 - ✓ Wednesday, May 20, 2026



SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2025-26 Second Interim Report

Gerardo Cruz
Assistant Superintendent,
Business & Fiscal Services



March 11, 2026
Special Board Meeting
Major Action Item F.2