

# Second Interim Budget 2025-26 Fiscal Year

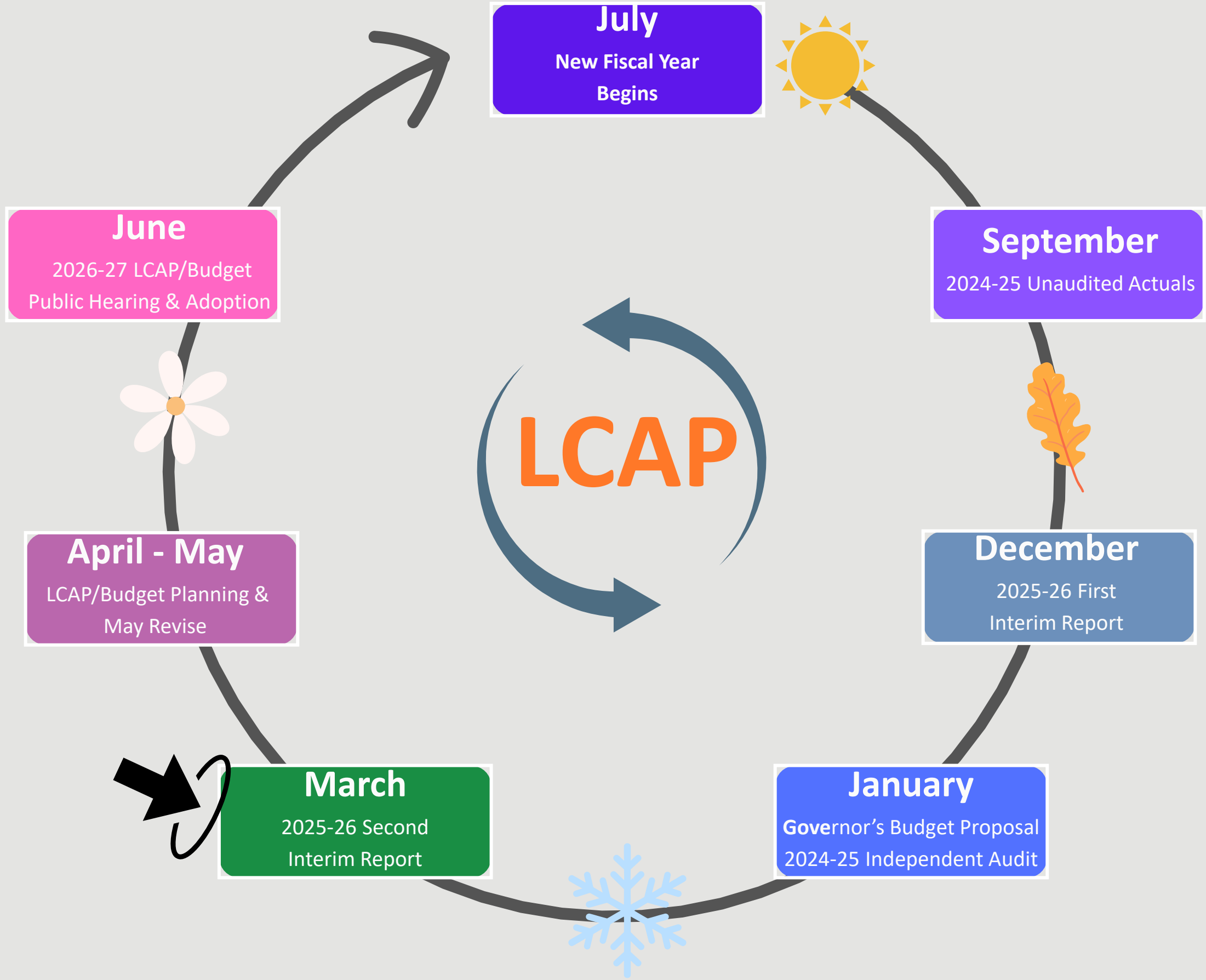
Kristen Pifko, Assistant Superintendent of Business Services &

Patty Núñez, Director of Fiscal Services

March 11, 2026



# Budget Cycle:



## Purpose of Interim Budget Reports:

- Required by Ed Code (Section 42130).
- Provide an expenditure plan for the governing board's consideration and approval.
- Provide certification of Financial Status to VCOE.
- Provide evidence of LCAP and Strategic alignment to Budget.



# Summary of Changes- Revenues

Object	First Interim	Second Interim	Difference	Explanation
<b>8010-8099</b> <b>LCFF Sources</b>	194,864,607	194,494,354	(-370,253)	The adjustment is primarily due to updated Transitional Kindergarten projected ADA.
<b>8100-8299</b> <b>Federal Revenue</b>	17,567,655	17,578,627	10,972	Adjustment is due to slight increases in projected allocations
<b>8300-8599</b> <b>Other State Revenue</b>	47,157,475	47,388,885	231,410	Adjustment is due to slight increases in projected allocations
<b>8600-8799</b> <b>Other Local Revenue</b>	23,936,779	25,321,143	1,384,364	Increase primarily driven by projected Medi-Cal revenue (+1,000,000), donations (+95,910), and new VCOE Elementary Wellness Grant (+244,414)
			<b>1,256,493</b>	<b>Total Increase/(Decrease) in Revenue</b>



# Summary of Changes Expenditures

Object	First Interim	Second Interim	Difference	Explanation
<b>1000-1999</b>				
<b>Certificated Salaries</b>	115,564,097	116,525,809	961,712	The increase in certificated and classified salaries is due to higher projected expenditures in Medi-Cal funding and Special Education, partially offset by a decrease in Materials and Supplies.
<b>2000-2999</b>				
<b>Classified Salaries</b>	51,900,751	52,036,288	135,537	
<b>3000-3999</b>				
<b>Employee Benefits</b>	69,742,625	69,915,111	172,486	
<b>4000-4999</b>				The decrease partially offsets updated projections that reclassify originally budgeted costs from Materials and Supplies to Salaries and Capital Outlay
<b>Materials &amp; Supplies</b>	15,032,154	14,741,669	(290,485)	
<b>5000-5999</b>				The increase primarily reflects higher projected service expenditures under the ELOP and LCSSP grant.
<b>Services &amp; Other Operating</b>	69,042,522	69,699,974	657,452	
<b>6000-6999</b>				The increase primarily reflects higher projected Technology expenditures that were previously budgeted under Materials and Supplies.
<b>Capital Outlay</b>	7,950,309	8,050,700	100,391	
<b>7100-7499</b>				The increase reflects updated Special Education excess cost estimates provided by VCOE after First Interim.
<b>Outgo</b>	2,326,546	2,557,186	230,640	
			<b>1,967,733</b>	<b>Total Increase/(Decrease) in Expenses</b>

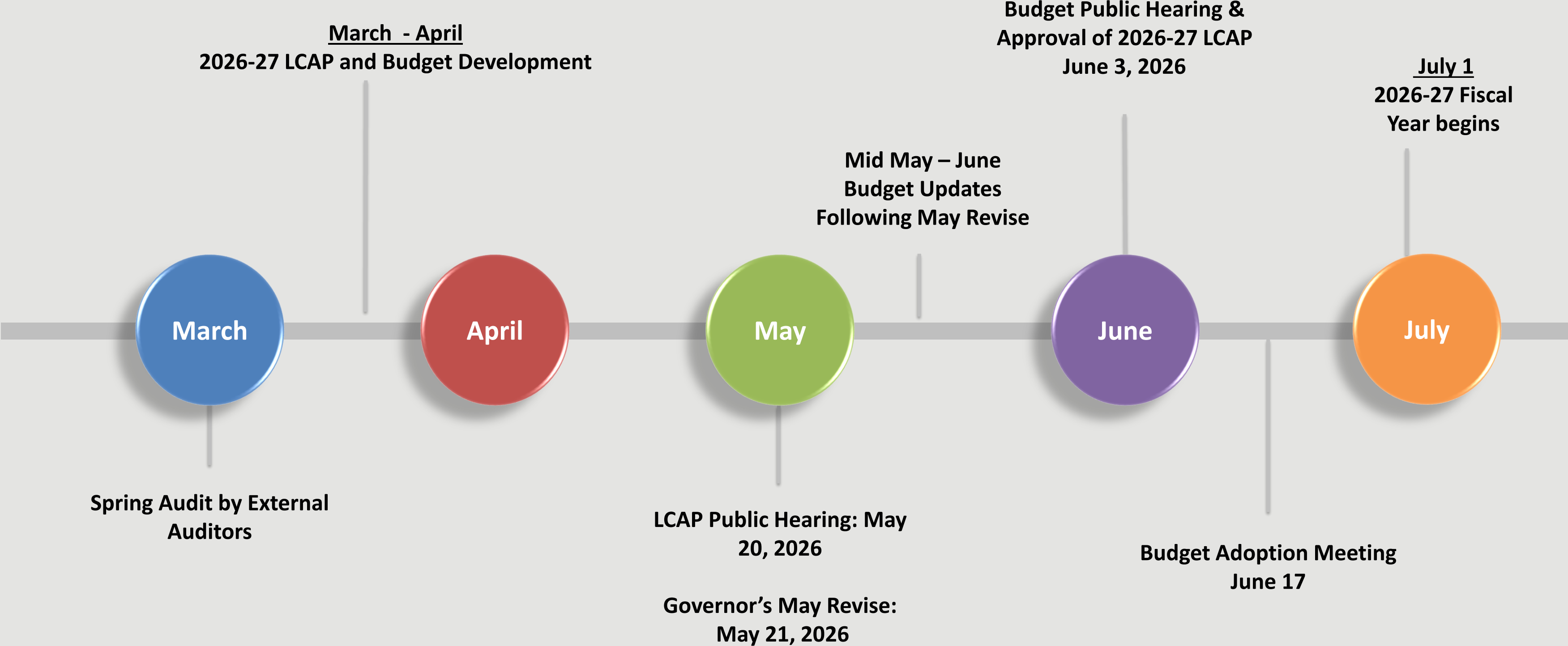
# Assumptions/Planning Factors

<b>Factor</b>		<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
<b>Statutory COLA</b>		2.30%	2.41%	3.06%
<b>California Lottery</b>	Unrestricted per ADA	\$190	\$190	\$190
	Restricted per ADA	\$82	\$82	\$82
<b>Mandated Block Grant</b>	Per ADA	\$39.09	\$40.03	\$41.25
<b>Enrollment</b>		12,481	11,941	11,481
<b>Estimated ADA</b>		11,971.07	11,383.42	10,966.66
<b>Estimated Funded ADA</b>		12,564.80	12,219.71	11,822.28
<b>Unduplicated Pupil Percentage</b>		91.08%	91.08%	91.06%
<b>STRS</b>		19.10%	19.10%	19.10%
<b>PERS</b>		26.81%	26.40%	26.90%
<b>Step &amp; Column Costs</b>		1.3%	1.3%	1.3%
<b>Salary Negotiations (OEA)</b>		Not yet settled	Not yet settled	Not yet settled
<b>Salary Negotiations (CSEA)</b>		Not yet settled	Not yet settled	Not yet settled
<b>Salary Negotiations (OSSA)</b>		Not yet settled	Not yet settled	Not yet settled

# Multi-Year Financial Projections

Components	2025-26	2026-27	2027-28
	Second Interim	Projections	Projections
<b>Beginning Fund Balance</b>	114,736,423	65,992,695	49,719,455
<b>+ Revenues</b>	284,783,009	271,895,198	271,328,019
<b>- Expenditures</b>	333,526,737	288,168,438	284,226,257
<b>(Reductions Needed)</b>		(15,000,000)	(8,000,000)
<b>Net Increase/(Decrease) in Fund Balance</b>	(48,743,728)	(16,273,240)	(12,898,238)
<b>= Ending Fund Balance</b>	65,992,695	49,719,455	36,821,217
<b>Components of Ending Fund Balance</b>			
<b>Reserve for Economic Uncertainty %</b>	<b>10%</b>	<b>10%</b>	<b>7.5%</b>
<b>Reserve for Economic Uncertainty</b>	33,352,674	28,816,844	21,316,969
<b>Non-Spendable</b>	120,000	120,000	120,000
<b>Financial Stability Reserve</b>	7,872,138	2,037,038	2,032,165
<b>Legally Restricted</b>	24,647,883	18,745,574	13,352,083
<b>Unappropriated</b>	0	0	0

# Next Steps



## Summary:

- The District is projecting deficit spending in the current year and in the two subsequent fiscal years.
  - Future deficits will need to be addressed through planned expenditure reductions.
- Our budget exceeds the state-mandated 3% reserve level, with a reserve at 10% for current year and 2026-27 fiscal year and 7.5% in the 2027-28 fiscal year.
- Based on the revisions to the budget, the District is certifying a **Positive Certification**, which affirms the district's ability to meet its financial obligations for the current and two subsequent years.
- Staff recommends that the Board of Trustees approve the Second Interim Report as presented.





**Thank you**