



Pleasanton

UNIFIED SCHOOL DISTRICT

2025/26 Second Interim Budget Report

March 12, 2026
Board of Trustees Meeting

Introduction

The 2025-26 Second Interim Budget Report is the second of three updates to the 2025/26 Annual Budget. It provides an updated and more accurate picture of Pleasanton Unified School District's finances based on actual revenues and expenditures through January 31, 2026. Since the First Interim, the District has three additional months of actual data, has made progress on its reduction plans, and has updated enrollment projections. The update also incorporates any accounting corrections noted by our Fiscal Expert, Kate Lane.

This report also incorporates Board-approved expenditure reductions for 2026-27. The pages that follow provide detailed financial tables, multi-year projections, explanations of major budget adjustments, and an overview of the enhanced oversight and support being provided by our Fiscal Expert. Together, these elements are intended to give the Board and community a transparent view of our fiscal condition and the work ahead to restore long-term solvency while continuing to support high-quality programs for students.

Executive Summary

The District's 2025/26 Second Interim adjusted ending fund balance is projected to be negative (\$3,342,827), a deterioration from the negative (\$2,530,517) reported at the First Interim. The current projections are based on actual data to date (January 31st) and forecasts for the remainder of the year. While the current projections show a deterioration, with continued vigilance in spending in the remainder of the year, the District can improve its final ending fund balance; there is potential to save in unrestricted Book and Supplies costs and other areas of the budget.

The Second Interim projects a negative unrestricted ending fund balance of about \$3.34M (excluding the Committed funds). Because of the projected negative ending fund balance, we must maintain our Negative Certification for the Second Interim Budget Report. Despite significant efforts over the past two years to reduce costs and align staffing with enrollment, Pleasanton Unified finds itself in "negative" status because ongoing expenses are outpacing ongoing revenues and our non-committed reserves have been depleted.

The \$11 million transfer from the sale of property is set aside in the Committed and Stabilization funds. In February 2026, the Board approved the transfer of \$8,118,000 in Stabilization and Committed funds from the General Fund 010 to the Special Reserve Fund 170. \$2,882,000 of the Committed funds remain in the General Fund because they will be spent on one-time expenditures over the next six months. While Stabilization funds are part of our total reserve, they have been restricted by State and Board actions and are not available to balance deficit spending.

Several factors contribute most to this negative status. First, our revenues are structurally constrained: we are a low-funded LCFF district, facing modest COLAs and declining enrollment, which means our State funding is growing more slowly than our costs or even shrinking in future years as ADA falls. Second, major one-time funding sources that propped up the budget in recent years, including pandemic relief, and State block

grants are either gone or restricted and cannot be used to support ongoing positions and programs permanently or to count toward the 3% reserve. Third, our cost structure is heavily driven by people with about 85% of our budget going to salaries and benefits. At the same time, pension contribution rates, healthcare costs, utilities, insurance, and Special Education expenses continue to rise faster than our revenue.

Negative Certification has brought additional oversight and support to the District. ACOE has appointed a Fiscal Expert to support the district fiscal team and report our progress to the ACOE. Additionally, the State's Fiscal Crisis and Management Assistance Team (FCMAT) is in the process of completing a Fiscal Health Risk Analysis and report to the Board. If ACOE does not observe significant progress towards stabilizing PUSD's fiscal health, further actions may be taken, limiting local control through the appointment of a Fiscal Advisor or State receivership.

The Negative Certification status does not mean we are immediately insolvent, but it is a clear warning that the District will need to fully implement the approved reductions, continue identifying additional savings, and pursue new or enhanced revenue sources. The District should consider using any future one-time State funds to rebuild reserves and restore long-term fiscal stability for PUSD students, staff, and community.

Major Key Second Interim adjustments:

- Adjustments to revenues and expenditures based on actuals to date and projections of the remaining year
- Transfer of \$8,118,000 in Stabilization and Committed funds from the General Fund 010 to the Special Reserve Fund 170
- Revision to the LCFF in 2026/27 and 2027/28 based on the following:
 - Adjusted Cost of Living Adjustment (COLA)
 - 2025/26 from 2.53% to 2.41%
 - 2026/27 revision from 3.02% to 3.06%
 - Adjustment of Enrollment and ADA in the LCFF calculation based on updated enrollment projections
- Expenditure reductions for 2026/27 based on Board actions
- Adjustments in the MYP based on declining enrollment

General Fund unrestricted deficit spending is projected at -\$5,471,456 (less committed funds) and the projected adjusted Ending Fund Balance of -\$ 3,342,827.

On the restricted side, the net deficit spending on restricted funds is projected at -\$3,844,843, with an ending fund balance of \$6,007,163.

Below is a recap of the Second Interim financials. Detailed information is available in the appendix and in the SACS Financial documents.

Description	2025/2026 - Second Interim		
	Unrestricted	Restricted	Total
Revenues	\$172,854,015	\$46,177,645	\$219,031,660
Expenditures	\$145,526,356	\$85,901,603	\$231,427,959
Transfers In/Out (includes Committed/Stabilization Fund)	\$5,962,000	\$0	\$5,962,000
Contribution to Restricted Programs	-\$35,879,115	\$35,879,115	\$0
Less Committed	\$2,882,000	\$0	\$2,882,000
Net Increase/Decrease (without Committed/Stabilization Fund)	-\$5,471,456	-\$3,844,843	-\$9,316,299
Beginning Balance	\$2,479,335	\$9,852,006	\$12,331,341
Ending Balance (includes Committed)	-\$110,121	\$6,007,163	\$5,897,042
Less Nonspendable	\$350,706	\$0	\$350,706
Adjusted Ending Balance (without Committed/Stabilization Funds)/Reserves	-\$3,342,827	\$6,007,163	\$3,015,042

Based on the Second Interim Report, the District **will need to maintain its Negative Certification**. When the District clears its negative ending fund balance, we will return to a Positive Certification.

Under AB 1200 fiscal oversight system, the Alameda County Office has an additional monitoring and oversight role, to date the following actions have been taken by ACOE:

- Assigned a Fiscal Expert to the district.
- Requested additional fiscal reporting with a Third Interim Report.
- Require submission and review of labor agreements prior to Board Action.
- The Fiscal Crisis Management Assistance Team (FCMAT) is conducting a Fiscal Health Risk Analysis.
- Require the District to follow through with its \$11.2M reduction plan for 2026/27.

PUSD staff have been meeting regularly with ACOE staff to review our Budget, cash flow, and financials. Staff will continue to collaborate with ACOE and meet our additional obligations under a Negative Certification.

Enhanced Oversight and Support

During the 2025/26 fiscal year, the District has also taken critical steps to improve internal controls and oversight. Staff has implemented enhanced purchase order and

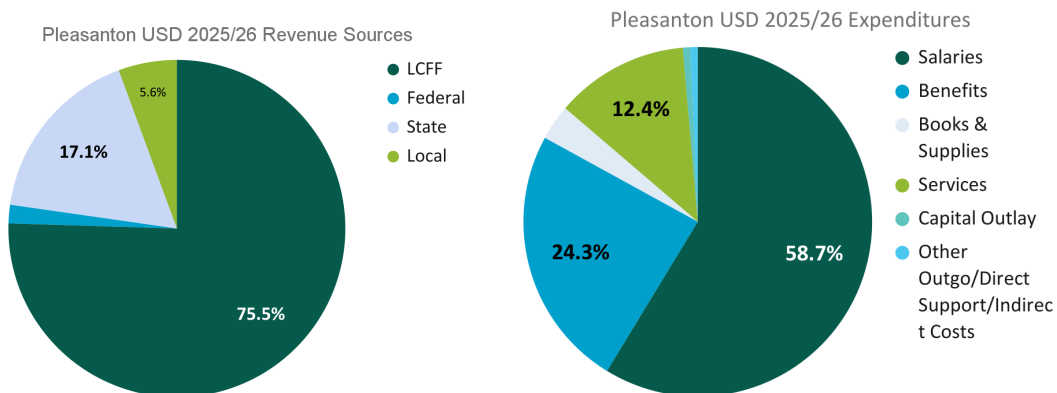
contract approval processes, rigorous budget monitoring, regular department and site budget reviews, weekly cash flow updates and analysis, and strengthened position control. For the Second Interim update, staff conducted a thorough line-by-line review of the budget and expenditures to date to estimate the remaining fiscal-year needs.

Additionally, our Fiscal Expert Kate Lane supported the review and preparation of the Second Interim report. She thoroughly reviewed all funds and accounts, including a deep dive into all balance sheet accounts. She reviewed all resources, ensuring that the District was utilizing all available funding for its intended purposes, and made recommendations where she noted balances that could relieve the general fund. She reconciled all fiscal data and performed checks for reasonability in the projected budget.

Second Interim Revenues and Expenditures

The District's total Second Interim General Fund revenue is \$219,031,660 of which \$46,177,645 or about 21.1% is from restricted sources. The District heavily depends on State funding, with the Local Control Funding Formula (LCFF)/Property Tax making up 75.5% of the total funding. Local Property taxes make up about 60% of the total LCFF apportionment.

The District's total projected General Fund expenditures are \$231,427,959 of which \$85,901,603 are Restricted. About 83% of District expenditures are allocated to District personnel (salaries and benefits). When only looking at the unrestricted General Fund the personnel (salaries and benefits) cost is **91.2%**.



Summary of Second Interim Budget Adjustments

The Second Interim Budget includes the following changes from the First Interim Budget for 2025/26. Key changes are highlighted below (amounts are rounded and see attached variance report for details):

Revenue Adjustments:

- \$3.70M net increase in revenue (major changes listed below)
 - \$454K Increase in unrestricted revenues
 - \$129.6K increase in LCFF funding
 - Higher enrollment/ADA
 - \$149K increase in other State funding
 - Increase in mandated costs, unrestricted lottery and prior year revenue adjustments
 - \$176K increase other Local funding
 - Increased CYBHI Implementation Grant
 - \$3.25M increase in restricted revenues
 - \$565K increase in Federal revenues
 - Prior year carryover from Title programs and Sped (CEIS)
 - Updated Special Education allocation/carry over
 - \$43K reduction in State funding
 - \$2.73M increase Local funding (major items listed below)
 - \$1.2M Sped Mental Health - reclassification/pass-through funds
 - 1.2M in Site donations
 - \$103K in local grants (SBHIP et al)
 - \$342K Outside billing

Expenditure Adjustments:

- \$4.18M net increase in expenditures (major changes listed below)
 - \$1.09M increase in unrestricted expenditures
 - \$748K increase in salary and benefits costs
 - Increase in teacher substitute and custodial sub/hourly costs
 - Increased health care costs from increased usage by staff
 - Increased benefit costs for retirees
 - \$13K decrease in Books & Supplies
 - \$66.9K increase in Services/Other Operating
 - Increased legal expenses
 - \$32K decrease in Capital Outlay
 - \$318K decrease in indirect fund charges to restricted funds (increasing expenses)
 - \$3.09M increase in restricted expenditures
 - \$1.24M net increase in salaries and benefits
 - Sped - mental health
 - Local grants
 - Outside billing

- Prop 28
- \$18.4K decrease in Books and Supplies
 - Prop 28
 - Site donations
- \$1.73M increase in Services and Operations
 - Site donations
 - Sped - Non-public school tuition
 - Local grants
 - Outside billing
 - Prop 28
- \$261K increase in Capital Outlay
 - Site donation projects
- Increased Contribution to Restricted programs: \$179,611
 - Increase to Special Education
 - Decrease to Routine Restricted Maintenance

Budget Model and Multi-Year Projection

While the annual budget and updates provide essential information for current-year planning, it is also extremely important to evaluate the District's multi-year budget planning to assess its fiscal health. The multi-year budgets are also part of the State budget submission requirement. The budget model includes the following key assumptions:

- **Enrollment and Average Daily Attendance (ADA)**

The LCFF formula is based on average daily attendance (ADA). As part of the 2022/23 Enacted Budget, the State implemented an option to use the higher of a three-year rolling average ADA (prior three fiscal-year ADA) or the prior or current-year ADA. The use of the three-year rolling average is beneficial in estimating the revenue impact of declining enrollment in school districts like PUSD.

The 2025/26 enrollment is about 13,021. The enrollment is in line with our projections used during the 2025/26 Adopted Budget. For the Second Interim MYP projections, we have adjusted our ADA assumption to align with the updated 2026 demographers' enrollment projections.

PUSD, similar to many school districts in California, has seen enrollment declines due to the pandemic, lower birth rates, immigration, housing costs, and availability of new housing. With lower enrollment/ADA, PUSD will see lower LCFF revenues. The rolling average will help soften the landing over several years; however, revenues will decline, and adjustments to staffing and programs will need to be made.

PUSD Projected Enrollment and ADA (* Actual ** Projections)							
	FY 21/22*	FY 22/23*	FY 23/24*	FY 24/25*	FY 25/26*	FY 26/27**	FY 27/28**
Total Enrollment	14,077	13,874	13,685	13,300	13,021	12,642	12,385
ADA (Funding)	14,376	14,119	13,799	13,340	13,039	12,723	12,373

- Local Control Funding Formula Factors (LCFF)**

The chart below shows the key LCFF assumptions that drive funding. The 2025/26 Enacted State Budget includes the statutory 2.30% Cost of Living Adjustment (COLA) to the LCFF and other major programs outside of the LCFF. It's important to note that the total LCFF funding does not grow by the COLA rate because the funded ADA also determines the LCFF. Additionally, the COLA does not apply to the approximately \$5.6M in Economic Recovery Grant funding in our LCFF. As a result of the modest COLA and declining enrollment, the net LCFF increase in 2024/25 is 0.85%, insufficient to keep up with rising costs. In the First Interim the LCFF COLA for 2026/27 was projected at 2.53%. Based on the Governor's January Budget and Common Message, the LCFF COLA for 2026/27 is estimated at 2.41%. The net change in LCFF revenue from the prior fiscal year is 0.06% in 2026/27 and 0.60% in 2027/28.

Local Control Funding Formula Assumptions 2025/26 - Second Interim			
School Year	FY 25/26	FY 26/27	FY 27/28
Enrollment	13,021	12,642	12,385
LCFF ADA Funding	13,039	12,723	12,373
COLA	2.30%	2.41%	3.06%
Unduplicated as % Enrollment	17.02%	17.36%	17.90%
Grades TK-3 \$/per Student	\$ 11,323	\$ 11,595	\$ 11,950
Grades 4-6 \$/per Student	\$ 10,411	\$ 10,662	\$ 10,988
Grades 7-8 \$/per Student	\$ 10,719	\$ 10,997	\$ 11,313
Grades 9-12 \$/per Student	\$ 12,746	\$ 13,053	\$ 13,452
K-3 Grade Span Adj \$/per Student	\$ 1,067	\$ 1,092	\$ 1,126
9-12 Grade Span Adj \$/per Student	\$ 323	\$ 331	\$ 341
TK Add on \$/Student	\$ 5,545	\$ 5,679	\$ 5,853
TOTAL EST LCFF Funding - unrestricted	\$ 164,143,928	\$ 164,235,138	\$ 165,217,698
Net Change on LCFF Funding	0.85%	0.06%	0.60%
Net Difference from First Interim	+129,612	+399,197	+730,456

PUSD LCFF for 2025/26	
Base Grant	\$145,614,450
Grade Span Adjustment	\$5,050,269
Supplemental Grant	\$5,128,627
Home to School Transportation (Special Education)	\$776,447
Transitional Kindergarten	\$1,995,091
Economic Recovery Target*	\$5,579,044
Total	\$164,143,928

* No COLA Adjustment

- **Ongoing State Funding**

The District receives additional State funding outside of the LCFF. The two main funding sources are the Lottery and the Mandated Block Grant. For the Lottery, the estimated revenue is \$272 per ADA (\$190 unrestricted and \$82 restricted). The current rate for the Mandated Block Grant is \$39.09 per ADA for grades TK-8 and \$76.48 per ADA for grades 9-12.

Special Education Funding

The District projects receiving \$16.03M in funding for our students in Special Education from the State and Federal governments. Total projected Special Education expenditures is \$48.8M. For 2025/26 Second Interim, the contribution included an unrestricted general fund contribution of \$29,542,820 and the entire \$3,972,692 of the Block Grant, for a total of \$33,515,512 to cover Special Education costs. In 2026/27, without the Block Grant, all the full contribution amount will come from the unrestricted General Fund.

In the Second Interim, staff conducted a detailed review of expenditures to date and projections for the remaining school years. Based on actual needs and potential expenses, the budget was increased by \$447.5K from the Adopted Budget.

The Enacted State 2025/26 Budget included an increase to the base SELPA from \$896.89 per ADA to \$917.52 per ADA, including the 2.30% COLA.

The Governor's January 2026/27 Budget proposal includes an increase to the statewide base rate to \$999 per ADA that is now equal for all Special Education Local Plan Areas. This increase will add about \$743K in the ongoing restricted revenue for PUSD which will allow us to reduce our contribution. This additional funding is currently not included in the MYP budget. If this proposal is included in the May Revise, we can include it in the 2026/27 Adopted Budget.

Expanded Learning Opportunities Program (ELOP)

In 2021/22 the State initiated the ELOP to support TK-6 grade unduplicated students (English learners, unhoused, foster youth, and low socio-economic students) with extended after-school academic support. These funds are

restricted in nature and must be spent on allowable ELOP expenditures. The estimated funding per TK-6 unduplicated student is at \$1,575. The estimated funding for 2025/26 is \$1.5M. This funding has gone down from prior years.

The Governor's January 2026/27 Budget proposal includes increasing the per pupil allocation for Tier 2 schools to \$1,800. This would increase our ELOP allocation by about \$238K annually. At this time, this additional funding is not included in the MYP.

Proposition 28 Art and Music Funding

On November 8, 2023, voters also approved Proposition 28, which provides ongoing funds to schools for art and music. 2023/24 was the initial year of funding. Detailed information and audit guidelines were not developed until Spring 2024. The District has three years to spend the funding received in each year. PUSD's allocation to all schools is estimated at \$1.78M for 2025/26. These funds are restricted and will be audited annually. Staff will provide an annual spending report to the School Board.

State's on Behalf STRS Contribution

The Other State revenues also include the State's share of contributions to the employee pension (STRS). These contributions are only an accounting function as the revenue and expenditures are included in our books with no actual revenues being received or expended. This artificially inflates both our revenues and expenditures by about \$9.7M.

Tri-Valley Regional Occupational Program (TVROP)

PUSD, Dublin USD, and Livermore Valley JUSD participate in the TVROP. PUSD's annual financial contribution is \$1.6M to TVROP. The District receives about \$800-900K in CTEIG grants that support our programs in CTE. PUSD students can take career-technical classes as high school juniors and seniors (some sophomores) at various Tri-Valley locations. TVROP provides elective courses that satisfy A-G requirements for UC and CSU, college credit through partnerships with local community colleges, preparation for college and careers through rigorous, relevant instruction, hands-on learning, and internships, and instruction by industry professionals. TVROP also manages the Middle College, where PUSD students can attend Los Positas College beginning in their junior year.

- **One-time State Funding**

- **Student Support and Professional Development Discretionary Block Grant**

- The block grant gives districts discretionary fiscal support to address rising costs, including, but not limited to, the following:

- Professional development for teachers on the ELA/ELD framework and Literacy Roadmap, with a focus on strategies to support literacy for English learners
 - Professional development for teachers on the Mathematics Framework
 - Teacher recruitment and retention strategies

- Career pathways and dual enrollment expansion programs aligned with the Master Plan for Career Education.

The amount the district will receive is approximately \$313 per ADA, as reported in the 2024-25 second principal apportionment. Due to its uncertainty, the district did not include the full amount in its adopted budget, but it was incorporated in the First Interim report as a restricted other State revenue source. PUSD is using the full amount of the Grant, about \$4M, to cover rising Special Education costs.

The Governor's January 2026/27 Budget proposal includes a new round of one-time funding (\$2.8 billion) for the Student Support and Professional Development Discretionary Block Grant. For PUSD this is estimated to be about \$6.4M. At this time, this additional funding is not included in the MYP. These funds are one-time in nature and can help stabilize the district's finances but should not be used for ongoing expenditures.

Learning Recovery Block Grant

One-time funding to support the Learning Recovery Emergency Block Grant (LREBG) through the 2027-28 school year. The PUSD grant amount in 2025/26 is \$257,190. These funds will support credit recovery and Saturday school programs at PUSD. This grant is planned to continue through 2027/28.

○ **Other State Grants**

The State funds a variety of programs through one-time/limited-time time/ongoing grants. Below is a listing of the programs:

- CA UTK Planning Grant
- Early Teacher Education Grant
- Inclusive Preschool Grant
- Golden State Pathways Program Grant
- Career Technical Education Initiative
- K-12 Strong Workforce Program
- Special Education Early Intervention Preschool
- Dual Enrollment Opportunities
- A-G Success Grant
- A-G Learning Loss Grant

● **Federal**

Projected revenues for 2025/26 from all Federal programs is about \$3.89M. The Special Education portion is approximately \$2.95M, and revenues from Title I, II, III and other programs is about \$940K. For the Second Interim, the Federal revenues realized a positive adjustment of \$566K due to prior year carryover and accounting clean-ups.

● **Local Revenues**

Local revenue consists of donations from PPIE, donations from parents to schools,

PTA donations, local grants, Career Technical Education Incentive Grant (CTEIG), Graphics Services, local grants, leases, and rentals.

The District anticipates receiving about \$12.2M in local revenues as of the Second Interim. Below is a breakdown of some of the larger revenue sources:

- \$771.7K from PPIE
- \$700K Facility rental and Leases
- \$277.7K Implementation grants and initial Medical Billing receipts (CYBHI)
- \$125K Medi-Cal Administrative Activities (MAA)
- \$152K LEA Medi-Cal (Billing Options Program)
- \$668K Other local grants
 - \$569.4K Wellness Coach Support Grant
- \$900K Interest earnings
- \$850K From CTEIG
- \$2.3M donations to the schools
- \$392K PTAs
- \$236K Outdoor Education
- \$2M CERBT Transfer

Additional donations will be received throughout the year and will be recorded once they are earned. This will also increase the corresponding expenditures associated with the donations.

Additionally, the District transfers about \$2.3M annually from its Enterprise Fund 630 (Kids Club) into the General Fund. The Kids Club program includes both fee-based students and students who meet the ELOP program eligibility. Revenues from the fee-based portion are transferred to the General Fund. In recent years, the District has expanded the program to meet the needs of our families, with the added benefit of generating revenue. The District will closely monitor this program to ensure it can sustain the revenue assumption; any necessary adjustments or revisions will be made in budget development for 2026/27.

Additionally, we transfer in \$700K from the Gatan lease to the General Fund. The remainder of the revenue from the lease pays the financing cost of the remaining \$5M COP loan, and for maintenance of the facility.

- **Early Retirement Incentive (PARS)**

At the end of 2021/22, the District offered an early retirement incentive to its employees through PARS. Savings realized in salaries should offset the PARS costs that are paid over a five-year period starting in 2022. The District's annual payment to PARS, which is reflected in benefit costs, is about \$882,000. The District allocated as part of the AMIM Block Grant to use those funds to offset 3 of the 5 payments. The 2025/26 payment was made from the General Fund. The 2026/27 will be made from one-time funds from the sale of property, thereby reducing pressure on the General Fund.

- **Salaries**

Salaries and benefits typically make up approximately 85% of operating expenses. Compensation increases include several components. The first component is employee movement on the salary schedule. When hired, staff are placed on a salary schedule depending on their experience and education.

Certificated staff (primarily teachers) can move on this schedule both in experience (steps) and increased education (columns). There are 20 steps and 5 columns. Column movements are based on earned education credits.

Classified staff and managers also advance in annual steps outlined in their respective salary schedules. This typically occurs for up to 5 or 10 years (until they hit the highest step). Once they reach the end of the salary schedule, Classified staff are limited to longevity increases and negotiated increases, and Management staff are limited strictly to negotiated increases.

The District has budgeted an average of 1.86% for salary increases as a result of step/column movement. This is slightly higher than previous years to reflect increased retirements and the hiring of new staff who will be moving on the salary schedule.

The second component is negotiated compensation increases. In 2024/25, the District provided a salary schedule increase, additional stipends, and a benefit increase. For the certificated bargaining group (APT), the 2024/25 salary included a 1% salary schedule increase, additional funds towards health benefits, and other stipend increases. A "me too" clause was negotiated with CSEA that included a 1% salary schedule increase effective July 1, 2024, and an additional 0.54% starting on July 1, 2025. Management received a 1% salary schedule increase and additional health benefits comparable to certificated staff.

The District is committed to maintaining compensation levels that support the retention and attraction of new employees while remaining fiscally responsible. Due to the current budget challenges, no additional compensation has been included in 2025/26 and the following years.

Compensation is a mandatory subject of bargaining, and any compensation changes negotiated with the bargaining units require Board approval to become effective. Approved compensation increases generally reflect the District's consideration of the factors identified in Government Code Section 3548.2, including the interests and welfare of the public and the District's financial ability to pay, total compensation comparability with similar districts, and the Consumer Price Index.

Employee Benefits

- **Pension**

The District participates in two State pensions: the State Teachers' Retirement System (STRS) for credentialed personnel and the Public Employees' Retirement

System (PERS) for non-credentialed personnel. Certificated salaries, which are subject to STRS, make up approximately half of total District expenditures and almost 85% of total salaries. Since 2014/15, employer contribution rates have increased under Assembly Bill 1469 from 8% to 19.1% over a seven-year period. PERS has also been increasing to ensure the long-term stability of that pension program. PERS rates can be adjusted annually and are currently at 26.81%. The impacts of the current market volatility and potential economic downturn have not been factored into these projections.

Pension Program	2024/25	2025/26	2026/27*	2027/28*
STRS Employer Rates (Approx)	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates (Approx)	27.05%	26.81%	26.40%	26.90%

Actual and Projected* Employer Contribution Rates

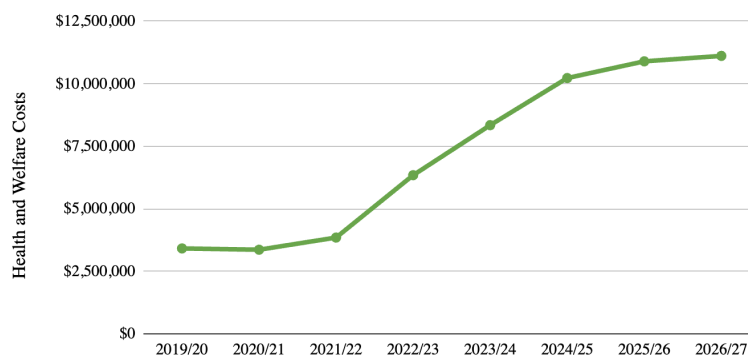
In 2024/25 the District used about \$2.5M in one-time funds to pay down our pension costs from the AMIM Block Grant. With those funds depleted all pension costs are budgeted with ongoing revenues.

- Healthcare**

The District pays up to \$13,357 annually toward medical costs for all full-time unit members, including management, certificated, and classified staff. Staff can access cash-in-lieu options if they choose not to accept the District's program. The cash-in-lieu amount for full-time employees is \$2,000 for management and certificated staff and \$7,745 for classified staff. The District also contributes to the dental programs for classified and management employees.

At the First Interim, our contribution to employee health benefits is estimated at about \$10.74M, up by \$183,454 from the Adopted Budget. During open enrollment, we observed about 32 FTE move to the District-provided healthcare options. This shift may be attributed to uncertainty in the healthcare market and rising costs. For the Second Interim, the District contribution for Health and Welfare was increased by \$151K to reflect higher usage.

Health and Welfare Costs



- **Other Post Employment Benefits (OPEB)**

The District will continue to support its pay-as-you-go OPEB liabilities, which are about \$1M annually and include retiree medical benefits and a “golden handshake” for retirees. As part of the PARS incentive, the “golden handshake” for APT members was suspended for five years through 2026.

- In February 2021, the Board took action to move funds into the CalPERS CERBT trust fund to help manage the long-term OPEB obligations.
- In 2023/24, the District drew on the CERBT fund in the amount of \$1.24 million to offset the 2023/24 retiree costs.
- In 2024/25, the District drew on the CERBT fund in the amount of \$1.89M to offset the 2023/24 retiree costs.
- The current asset in the CERBT fund as of October 2025 was about \$5.04M.
- The 2025/26 Budget includes another drawdown of about \$2M.
- The 2026/27 and 2027/28 Budget include an annual drawdown of \$1M.
- The funds are one-time and these drawdowns can not continue much further without depleting all the funds.

- **General Fund Transfer In and Out**

The First Interim includes a transfer into the general fund of \$3,080,000.

- \$2,300,000 from Fund 63, Enterprise fund (Kids Club and STEAM)
- \$50,000 for technology from Fund 40 (Sycamore Capital Fund interest earnings)
- \$700,000 from Fund 40 from the lease of the District Property
- \$30,000 (3% administrative costs from Fund 25 Developer Fees)

- **Other Multi-Year Budget Assumptions:**

- 4% growth in unrestricted Services & Operating Costs in 26/27 and 27/28
- 3% growth growth in Books and Supplies in 26/27 and 27/28
- 2% growth in contribution to special education
- Revenues and expenditures from restricted one-time grants and funds are removed in the 2026/27 budget.

Reductions

Over the past two fiscal years 2024/25 and 2025/26, the District has made significant reductions to staffing through reductions and alignment of staffing to enrollment. These reductions have resulted in about 105 FTE reductions or about \$16.74M. These reductions have been made in all classifications, including management, certificated and classified. While these reductions have reduced expenditures, they have not been sufficient to offset revenue losses from declining enrollment and ongoing increases in salaries, benefits, and operational costs.

In the Adopted Budget, it became apparent that the District would need to make further significant reductions to ensure fiscal solvency. Starting in August 2025, the staff worked with the Budget Advisory Committee, Board, and Community to develop over \$15M in detailed reduction options. [Click here to access the dedicated website for this work.](#) The Board met seven times to review the options and determine a final initial list of reductions at the two November Board meetings. A corresponding Reduction in Force

Resolution was passed in January 2026 related to these reductions. [Click here for the final list of cuts.](#) The Board identified reductions totaling about \$11.16 for 2026/27.

Because about half of the reductions required negotiations, the Board met and approved the remaining reductions identified as the "3s" with corresponding Reduction in Force Resolutions on February 26, 2026. The adjusted reductions with modifications and corrections for items that were duplicated for tiered reductions will result in \$10.74M in reductions for 2026/27. The Second Interim Report shows this level of reductions will still achieve a small net fund balance increase for 2027/28.

The Board also approved a rescinding list of the reduction items. As funding becomes available through negotiations, grants, or other revenue sources positions will be restored. Additionally, because some of the reductions are proposed as one-time, the cost associated with those items returns in 2027/28. These reductions have been broken down and incorporated into the multi-year projections. Refer to the detailed MYP in the appendix.

These reductions are designed to achieve at a minimum a balanced budget (revenues equal expenditures). Further work will be required to rebuild the required minimum 3% REU. The funds in the Committed and Stabilization Arrangement can not be used to balance our budget. Any deficit spending using the set-aside funds must be restored.

Reduction Components	2026/27 - Reductions			2026/27 - Adjustments for One-Time Reduction		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Certificated Salaries	-\$3,781,012	-\$353,387	-\$4,134,399	\$122,585	\$30,016	\$152,601
Classified Salaries	-\$2,293,922	-\$108,358	-\$2,402,281	\$20,639	\$6,070	\$26,709
Benefits	-\$3,117,183	-\$144,591	-\$3,261,774	\$34,800	\$8,890	\$43,690
Books & Supplies	-\$151,000	\$0	-\$151,000	\$0	\$0	\$0
Services, Other Operating Expenses	-\$97,000	-\$295,000	-\$392,000	\$0	\$0	\$0
Other Outgo	-\$400,000	\$0	-\$400,000	\$0	\$0	\$0
TOTAL	-\$9,840,117	-\$901,336	-\$10,741,453	\$178,024	\$44,976	\$223,000

Multi-Year Projection Reserves

The Second Interim Report projects an ending fund balance of \$5,897,042 of which \$6,007,163 is restricted. This ending fund balance also includes the \$2,882,000 in Committed Funds. Removing that and the nonspendable funds will leave the district with a projected unrestricted ending fund balance of negative (\$3,342,827). While the transfer of Sale of Property funds into the General Fund provides a committed fund balance reserve that meets the minimum state-required reserve for economic uncertainties, the ending fund balance falls short of the reserve which is reflected as a negative unappropriated fund balance. The District is not able to meet the required reserve of \$6.8M (3% of total general fund expenditures). A 3% reserve represents about 10 days of our operating expenses.

Fiscal Year	2025/26	2026/27	2027/28
Required 3% Reserve for Economic Uncertainty (REU)	\$6,817,398	\$6,372,347	\$6,452,090
PUSD REU	0	0	0
Unrestricted Ending Fund Balance with Committed Funds	-\$110,121	\$61,406	\$554,985
Unrestricted Ending Fund Balance without Committed Funds	-\$2,992,121	-\$1,938,594	-\$1,445,015
Total Unrestricted Reserve	-\$3,342,827	-\$2,078,744	-\$1,585,165

Summary of Restricted Ending Fund Balance

Below is a summary of restricted programs with projected ending fund balance in the 2025/26 fiscal year.

Restricted Programs Total	\$6,007,162
Other Restricted Federal	\$3,063
Lottery: Instructional Materials	\$5,000
Golden State Pathways Program	\$1,509,132
Strong Workforce Program	\$45,384
Special Education (SELPA Administrative Unit)	\$303,941
Mental Health Related Services	\$256,791
Arts and Music in Schools (Proposition 28)	\$1,518,088
Dual Enrollment Opportunities (CCAP)	\$89,670
Other Restricted State	\$48,227
Ongoing & Major Maintenance Account (RMA)	\$700,765
Other Restricted Local	\$1,527,101

Cash Flow

With a low beginning fund balance and low reserves, cash flow is critical for PUSD to ensure it can meet its monthly financial obligations. Staff regularly monitors and updates its cash flow projections. Staff have been meeting regularly with ACOE to review the cash flow and determine if internal or external borrowing is needed. PUSD receives about 60% of its LCFF funding from local Property Taxes, distributed in December and April, further exacerbating cash flow. For the 2025/26 fiscal year the District has internally borrowed \$10M which has been repaid to the other funds and \$10M from the County Treasury, which will be repaid in April 2026. Due to the low reserves and how revenues flow to PUSD, internal and County Treasury borrowing will be required in 2026/27. Staff is projecting short term borrowing between \$10-15M will be required as early as July 2026.

Other Funds

In the attachments is a report detailing out all of the district's other funds that cover specific programs and restricted funds. The district has nine other restricted funds for specific programs or functions, such as Child Nutritional Services, Kids Club/Steam, Adult

Education, Facilities, Developer Fees, Bond Program, and Other Post-Employment Benefits. The funds are in good standing, and the details are attached in the appendix.

State Funding Considerations

The Governor issued his initial State Budget for 2026/27 in January 2026. The Governor will submit an updated budget by May 15, 2026. The State Budget will be finalized by the end of June with the approval of both the legislature and the Governor. As a result of economic changes and changes to the initial program the district can only include in the budget the most reliable information and take a conservative approach in budget planning. The Governor's January budget includes the following key provision:

- Increases special education base rates by first applying the COLA and then distributing \$509 million resulting in a new statewide base rate of \$999 per ADA that is now equal for all Special Education Local Plan Areas. This increase will add about \$743K in the ongoing restricted revenue for PUSD which will allow us to reduce our contribution. This additional funding is currently not included in the MYP budget. If this proposal is included in the May Revise we can include it in the 2026/27 Adopted Budget.
- Includes a 2.41% funded COLA for categorical programs that include Adult Education Block Grant, California State Preschool Program, Child Nutrition, Foster Youth Programs, Mandate Block Grant, and other state special education revenue components (e.g. mental health services).
- Provides increased funding for the Expanded Learning Opportunities Program (ELOP) by \$62.4 million, which sets Tier 2 rates no less than \$1,800 per pupil. The proposal also increases ongoing ELOP funding to \$4.7 billion. Please note that the proposal does not include COLA for ELOP, which has been the case in past years. PUSD is a Tier 2 district that will generate \$243K in ongoing restricted funding. At this time this has not been included in our MYP.
- Provides a new round of one-time funding (\$2.8 billion) for the Student Support and Professional Development Discretionary Block Grant to augment funds that were included in the 2025-26 enacted state budget. The block grant gives LEAs discretionary fiscal support to address rising costs, including, but not limited to, the following:
 - o Professional development and teacher recruitment / retention strategies
 - o Career pathways and dual enrollment
 - o Address rising costs

The estimated amount the district will receive is approximately \$500 per ADA reported as of the 2025-26 second principal apportionment. The new round of funds would have to be expended by June 30, 2030. Please note that the 2025-26 round has to be expended by June 30, 2029. Due to its uncertainty, the district did not include the proposed block grant in its multi-year projection.

- \$757.3 million final appropriation to the LREBG, to be allocated to LEAs under the same method as the original LREBG. If adopted, this means LEAs will have additional funds that are subject to the LCAP incorporation requirements. For PUSD is about a total of \$514K for the next two fiscal years. PUSD has included this funding in its MYP.

- Proposes \$1 billion in ongoing funding to expand on prior investments in Community Schools and to expand the model to more school sites with large concentrations of low-income, English learner and foster youth. PUSD is not eligible for this funding.
- Continues to allocate \$1.5 billion in Proposition 2 bond funds for school construction projects.
- Appropriates \$100 million (one-time) to the Kitchen Infrastructure and Training program that will be awarded on a competitive basis and continued implementation of universal school meals.
- Provides \$40 million (one-time) funds for allocation to LEAs that administer literacy screening to pupils in kindergarten and grades 1 and 2 for risk of reading difficulties.
- Builds on the Master Plan for Career Education by proposing \$100 million (one time) to expand dual enrollment and dual credit opportunities for high school students.

Conclusion

While the Second Interim shows a deterioration in our unrestricted ending fund balance we do see improvements in our MYP budget with improved fiscal health as we align revenues with expenditures. The ability to achieve this positive budget in 2026/27 is a result of the adjusted Board approved reduction of about \$10.7M. While the proposed State Budget includes a stable outlook with some encouraging news on additional ongoing and one-time funds, PUSD must continue its course of action with reductions in expenditures. Any new monies should go to restoring our negative ending fund balance and creating fiscal resilience.

Staff will move into detailed budget development for 2026/27 in the next few months as we await for the May Revise. In coordination with the LCAP process and final reduction plans, the proposed Budget for 2026/27 will be developed and submitted for review and approval in June 2026. A third Interim report will also be prepared in May for expenditures through April 30, 2026.

Attachments

Multi Year Budget - Attachment A
 General Fund Variance Report - Attachment B
 All Funds Report - Attachment C

Description	2025/2026			2026/2027			2027/2028		
	Second Interim			Projection Year 1			Projection Year 2		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
Description	2025/2026			2026/2027			2027/2028		
	Second Interim			Projection Year 1			Projection Year 2		
	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total
REVENUE									
LCFF	164,143,928	1,186,723	165,330,651	164,235,138	1,186,723	165,421,861	165,217,698	1,186,723	166,404,421
Federal	0	3,885,347	3,885,347	0	3,885,347	3,885,347	0	3,885,347	3,885,347
State	3,499,938	34,017,986	37,517,924	3,499,938	27,125,447	30,625,385	3,499,938	27,125,447	30,625,385
Local	5,210,149	7,087,589	12,297,738	4,261,863	7,087,589	11,349,452	4,361,863	7,087,589	11,449,452
TOTAL REVENUE	172,854,015	46,177,645	219,031,660	171,996,939	39,285,106	211,282,045	173,079,499	39,285,106	212,364,605
EXPENDITURES									
Certificated Salaries	83,074,711	20,936,263	104,010,974	81,778,239	20,494,050	102,272,289	77,977,110	20,366,238	98,343,348
Budget Reductions 2026/27				-3,781,012	-353,387	-4,134,399	122,585	30,016	152,601
Classified Salaries	16,354,979	15,508,956	31,863,935	17,072,462	15,903,932	32,976,394	15,161,304	16,204,679	31,365,983
Budget Reductions 2026/27				-2,293,922	-108,358	-2,402,281	20,639	6,070	26,709
Benefits	32,973,694	23,171,408	56,145,102	32,396,753	22,900,289	55,297,042	28,172,558	23,221,938	51,394,496
Budget Reductions 2026/27				-3,117,183	-144,591	-3,261,774	34,800	8,890	43,690
Books & Supplies	2,230,736	5,352,492	7,583,228	2,297,658	3,029,268	5,326,926	2,211,057	3,120,146	5,331,204
Budget Reductions 2026/27				-151,000		-151,000			0
Services, Other Operating Expenses	12,074,299	16,544,116	28,618,415	12,445,271	15,594,068	28,039,339	12,842,202	15,299,068	28,141,270
Budget Reductions 2026/27				-97,000	-295,000	-392,000			0
Capital Outlay	10,470	1,601,836	1,612,306	10,470	736,522	746,992	10,470	736,522	746,992
Other Outgo	1,773,914	250,000	2,023,914	1,844,871	250,000	2,094,871	1,502,665	250,000	1,752,665
Budget Reductions 2026/27				-400,000		-400,000			0
Direct Support/Indirect Costs	-2,966,447	2,536,532	-429,915	-2,882,901	2,452,986	-429,915	-2,882,901	2,452,986	-429,915
TOTAL EXPENDITURES	145,526,356	85,901,603	231,427,959	135,122,706	80,459,778	215,582,484	135,172,490	81,696,553	216,869,042
EXCESS OF REVENUES OVER EXPENDITURES	27,327,659	-39,723,958	-12,396,299	36,874,233	-41,174,672	-4,300,439	37,907,009	-42,411,447	-4,504,437
OTHER FINANCING SOURCES/USES									
Transfers In	14,080,000	0	14,080,000	3,080,000	0	3,080,000	3,080,000	0	3,080,000
Transfers Out	8,118,000	0	8,118,000	0	0	0	0	0	0
Sources									
Uses									
Contributions to Restricted Programs	-35,879,115	35,879,115	0	-39,782,707	39,782,707	0	-40,493,431	40,493,431	0
Special Education	-29,542,820	29,542,820	0	-33,606,368	33,606,368	0	-34,278,496	34,278,496	0
Restricted Routine Repair	-6,336,289	6,336,289	0	-6,176,338	6,176,338	0	-6,214,935	6,214,935	0
Other Restricted	-6	6	0						
TOTAL OTHER FIN. SOURCE/USES	-29,917,115	35,879,115	5,962,000	-36,702,707	39,782,707	3,080,000	-37,413,431	40,493,431	3,080,000
NET INCREASE (DECREASE) IN FUND BALANCE	-2,589,456	-3,844,843	-6,434,299	171,527	-1,391,965	-1,220,439	493,578	-1,918,016	-1,424,437
Beginning Fund Balance	2,479,335	9,852,006	12,331,341	-110,121	6,007,163	5,897,042	61,406	4,615,197	4,676,603
Other Adjustment									
Audit Adjustments									
Other Restatements									
ENDING BALANCE, JUNE 30	-110,121	6,007,163	5,897,042	61,406	4,615,197	4,676,603	554,985	2,697,182	3,252,166
COMPONENTS OF ENDING FUND BALANCE									
Nonspendable									
Revolving Cash	40,150		40,150	40,150		40,150	40,150		40,150
Stores	310,556		310,556	100,000		100,000	100,000		100,000
Prepaid Expenditures	0		0	0		0	0		0
Legally Restricted Balances		6,007,163	6,007,163		4,615,197	4,615,197		2,697,182	2,697,182
Committed									
Stabilization Arrangement									
Board Designated Reserve per AR 3100									
Other Commitments									
Other Commitments - Textbooks	2,000,000		2,000,000	2,000,000		2,000,000	2,000,000		2,000,000
Other Commitments - Technology									
Other Commitments - Bus/Vans									
Other Commitments - PARS	882,000		882,000						
Assigned									
Other Assignments									
Unassigned/Unappropriated									
Reserve for Economic Uncertainties	0		0	0		0	0		0
Unassigned/Unappropriated									
Undesignated / Unappropriated	-3,342,827		-3,342,827	-2,078,744		-2,078,744	-1,585,165		-1,585,165
TOTAL EXPENDITURES	239,545,959			215,582,484			216,869,042		
Adjusted Total Expenditures	239,545,959			215,582,484			216,869,042		
3.00% Minimum Reserve	7,186,379			6,467,475			6,506,071		
Over (Under) reserves	-3,342,827			-2,078,744			-1,585,165		
	-1.40%			-0.96%			-0.73%		
Total Reserve (Economic Uncertainty and Undesignated/Unappropriated)	(3,342,827)			(2,078,744)			(1,585,165)		
Reserves as a Percentage of Expenditures	-1.40%			-0.96%			-0.73%		

Unrestricted & Restricted General Fund	Original Budget	First Interim	Second Interim	Increase/Decrease (2nd Interim - 1st Interim)	Percent Diff (2nd Interim - 1st Interim)
BEGINNING FUND BALANCE	\$ 10,567,115	\$ 12,331,341	\$ 12,331,341		
REVENUE					
LCFF Sources/Property Taxes	\$ 165,125,548	\$ 165,204,105	\$ 165,330,651	\$ 126,546	0.1%
Federal Revenues (1)	\$ 3,342,848	\$ 3,319,469	\$ 3,885,347	\$ 565,878	17.0%
Other State Revenue (2)	\$ 33,811,636	\$ 37,411,848	\$ 37,517,924	\$ 106,076	0.3%
Other Local Revenue (3)	\$ 6,873,678	\$ 9,395,192	\$ 12,297,738	\$ 2,902,546	30.9%
TOTAL REVENUE	\$ 209,153,710	\$ 215,330,614	\$ 219,031,660	\$ 3,701,046	1.7%
EXPENDITURES					
Certificated Salaries (4)	\$ 101,749,770	\$ 103,370,129	\$ 104,010,974	\$ 640,845	0.6%
Classified Salaries (5)	\$ 30,371,296	\$ 31,011,527	\$ 31,863,935	\$ 852,408	2.7%
Employee Benefits (6)	\$ 55,704,291	\$ 55,663,870	\$ 56,145,102	\$ 481,232	0.9%
Books and Supplies (7)	\$ 4,565,228	\$ 7,614,535	\$ 7,583,228	\$ (31,307)	-0.4%
Services, Operating Expenses (8)	\$ 25,619,089	\$ 26,825,225	\$ 28,618,415	\$ 1,793,190	6.7%
Capital Outlay (9)	\$ 1,354,595	\$ 1,383,714	\$ 1,612,306	\$ 228,592	16.5%
Other Outgo	\$ 2,023,840	\$ 2,023,840	\$ 2,023,914	\$ 74	0.0%
Direct Support/Indirect Costs (10)	\$ (473,937)	\$ (646,230)	\$ (429,915)	\$ 216,315	-33.5%
TOTAL EXPENDITURES	\$ 220,914,172	\$ 227,246,610	\$ 231,427,959	\$ 4,181,349	1.8%
OTHER FINANCING SOURCES					
Transfers In	\$ 3,230,000	\$ 14,080,000	\$ 14,080,000	\$ -	
Contributions	\$ -	\$ -	\$ -	\$ -	
Transfers Out and Other Uses	\$ -	\$ -	\$ 8,118,000	\$ 8,118,000	
INCOME minus EXPENSES & TRANSFERS	\$ (8,530,462)	\$ 2,164,004	\$ (6,434,299)	\$ (8,598,303)	
ENDING FUND BALANCE	\$ 2,036,653	\$ 14,495,345	\$ 5,897,042	\$ (480,303)	

1 Prior year carryover added in Title Funds; Updated Special Education (SpEd) allocations and carryover

Increased mandated costs, unrestricted Lottery, and added prior year state adjustments; decrease in Restricted due to entire Mental Health funds to SELPA

2 Clinical Services

3 CYBHI Implementation Grant (Medical Billing), decreased in employer STRS Excess, updated Medi-Cal MAA, and CTEI; Restricted - Local site and PTA donation

4 Unrestricted & Restricted - Hourly and substitute costs increased; Unrestricted - decreased Certificated Admin, reductions from vacancies

5 Unrestricted - Hourly, overtime and substitute costs increased, reductions from vacancies; Restricted - SpEd, Prop 28

6 Unrestricted & Restricted health benefit increases, Unrestricted OPEB increase

7 Unrestricted - reduced supplies; Restricted - library books and supplies from donations, PTA, Prop 28, moved unrestricted eligible MOT to Rout

8 Unrestricted - Legal; Restricted - increased contracted services & fees from SpEd, SELPA, CCEIS, donation accounts, decreases SpEd NPA, NPS

9 Unrestricted - Moved MOT to Routine Restricted, decreased new equipment; Restricted - ELOP, Routine Restricted, and site donations

10 With expenditure decreases, indirect costs decrease

Unrestricted General Fund	Original Budget	First Interim	Second Interim	Increase/Decrease (2nd Interim - 1st Interim)	Percent Diff (2nd Interim - 1st Interim)
BEGINNING FUND BALANCE	\$ 1,951,522	\$ 2,479,335	\$ 2,479,335		
REVENUE					
LCFF Sources/Property Taxes	\$ 163,935,771	\$ 164,014,316	\$ 164,143,928	\$ 129,612	0.1%
Federal Revenues	\$ -	\$ -	\$ -	\$ -	
Other State Revenue	\$ 4,429,580	\$ 3,351,015	\$ 3,499,938	\$ 148,923	4.4%
Other Local Revenue	\$ 4,673,569	\$ 5,034,024	\$ 5,210,149	\$ 176,125	3.5%
TOTAL REVENUE	\$ 173,038,920	\$ 172,399,355	\$ 172,854,015	\$ 454,660	0.3%
EXPENDITURES					
Certificated Salaries	\$ 82,424,668	\$ 82,839,682	\$ 83,074,711	\$ 235,029	0.3%
Classified Salaries	\$ 16,212,745	\$ 16,085,489	\$ 16,354,979	\$ 269,490	1.7%
Employee Benefits	\$ 33,151,696	\$ 32,730,343	\$ 32,973,694	\$ 243,351	0.7%
Books and Supplies	\$ 2,350,695	\$ 2,243,668	\$ 2,230,736	\$ (12,932)	-0.6%
Services, Operating Expenses	\$ 11,509,017	\$ 12,007,476	\$ 12,074,299	\$ 66,823	0.6%
Capital Outlay	\$ 44,000	\$ 43,000	\$ 10,470	\$ (32,530)	-75.7%
Other Outgo	\$ 1,773,840	\$ 1,773,840	\$ 1,773,914	\$ 74	0.0%
Transfers of Indirect Costs	\$ (2,159,620)	\$ (3,284,501)	\$ (2,966,447)	\$ 318,054	-9.7%
TOTAL EXPENDITURES	\$ 145,307,041	\$ 144,438,997	\$ 145,526,356	\$ 1,087,359	0.8%
OTHER FINANCING SOURCES					
Transfers In/Out	\$ 3,230,000	\$ 14,080,000	\$ 14,080,000	\$ -	
Other Sources/Uses	\$ -	\$ -	\$ -	\$ -	
Contributions	\$ (38,683,972)	\$ (35,699,504)	\$ (35,879,115)	\$ (179,611)	
Categorical Programs	\$ -	\$ -	\$ (6)	\$ (6)	
Special Education	\$ (32,347,682)	\$ (29,173,241)	\$ (29,542,820)	\$ (369,579)	
Restricted Routine Repair	\$ (6,336,290)	\$ (6,526,263)	\$ (6,336,289)	\$ 189,974	
Transfers Out and Other Uses	\$ -	\$ -	\$ 8,118,000	\$ 8,118,000	
TOTAL - OTHER FINANCING	\$ (35,453,972)	\$ (21,619,504)	\$ (29,917,115)	\$ 7,938,389	
INCOME <i>minus</i> EXPENSES & TRANSFERS	\$ (7,722,093)	\$ 6,340,854	\$ (2,589,456)	\$ (8,930,310)	
ENDING FUND BALANCE	\$ (5,770,571)	\$ 8,820,189	\$ (110,121)	\$ (8,930,310)	

Restricted General Fund	Original Budget	First Interim	Second Interim	Increase/Decrease (2nd Interim - 1st Interim)	Percent Diff (2nd Interim - 1st Interim)
BEGINNING FUND BALANCE	\$ 8,615,593	\$ 9,852,006	\$ 9,852,006		
REVENUE					
LCFF Sources/Property Taxes	\$ 1,189,777	\$ 1,189,789	\$ 1,186,723	\$ (3,066)	-0.3%
Federal Revenues	\$ 3,342,848	\$ 3,319,469	\$ 3,885,347	\$ 565,878	17.0%
Other State Revenue	\$ 29,382,056	\$ 34,060,833	\$ 34,017,986	\$ (42,847)	-0.1%
Other Local Revenue	\$ 2,200,109	\$ 4,361,168	\$ 7,087,589	\$ 2,726,421	62.5%
TOTAL REVENUE	\$ 36,114,790	\$ 42,931,259	\$ 46,177,645	\$ 3,246,386	7.6%
EXPENDITURES					
Certificated Salaries	\$ 19,325,102	\$ 20,530,447	\$ 20,936,263	\$ 405,816	2.0%
Classified Salaries	\$ 14,158,551	\$ 14,926,038	\$ 15,508,956	\$ 582,918	3.9%
Employee Benefits	\$ 22,552,595	\$ 22,933,527	\$ 23,171,408	\$ 237,881	1.0%
Books and Supplies	\$ 2,214,533	\$ 5,370,867	\$ 5,352,492	\$ (18,375)	-0.3%
Services, Operating Expenses	\$ 14,110,072	\$ 14,817,749	\$ 16,544,116	\$ 1,726,367	11.7%
Capital Outlay	\$ 1,310,595	\$ 1,340,714	\$ 1,601,836	\$ 261,122	19.5%
Other Outgo	\$ 250,000	\$ 250,000	\$ 250,000	\$ -	0.0%
Direct Support/Indirect Costs	\$ 1,685,683	\$ 2,638,271	\$ 2,536,532	\$ (101,739)	-3.9%
TOTAL EXPENDITURES	\$ 75,607,131	\$ 82,807,613	\$ 85,901,603	\$ 3,093,990	3.7%
OTHER FINANCING SOURCES					
Transfers In	\$ -	\$ -	\$ -	\$ -	
Contributions	\$ 38,683,972	\$ 35,699,504	\$ 35,879,115	\$ 179,611	
Categorical Programs	\$ -	\$ -	\$ 6	\$ 6	
Special Education	\$ 32,347,682	\$ 29,173,241	\$ 29,542,820	\$ 369,579	
Restricted Routine Repair	\$ 6,336,290	\$ 6,526,263	\$ 6,336,289	\$ (189,974)	
Transfers Out and Other Uses	\$ -	\$ -	\$ -	\$ -	
TOTAL - OTHER FINANCING	\$ (38,683,972)	\$ (35,699,504)	\$ (35,879,109)	\$ 369,579	
INCOME minus EXPENSES & TRANSFERS	\$ (808,369)	\$ (4,176,850)	\$ (3,844,843)	\$ 332,007	
ENDING FUND BALANCE	\$ 7,807,224	\$ 5,675,156	\$ 6,007,163	\$ 332,007	

Special Revenue Funds	Adult Education Fund 110	Child Development Fund 120	Cafeteria Fund 130	Child Dev Enterprise Fund 630
BEGINNING FUND BALANCE	\$ 887,702	\$ 317,804	\$ 6,670,850	\$ 3,549,597
Revenue	\$ 17,333,944	\$ 1,776,700	\$ 7,550,000	\$ 5,370,000
Expenditures	\$ 17,619,000	\$ 1,655,164	\$ 9,051,643	\$ 6,100,572
Revenue Over (under) Expenses	\$ (285,056)	\$ 121,536	\$ (1,501,643)	\$ (730,572)
Transfers In (Out)	\$ -	\$ -	\$ -	\$ (2,300,000)
ENDING FUND BALANCE	\$ 602,646	\$ 439,340	\$ 5,169,207	\$ 519,025

Special Reserve Funds	Special Reserve Other Fund 170	Capital Outlay Fund 400	Retiree Benefit (OPEB) Fund 710 *
BEGINNING FUND BALANCE	\$ -	\$ 4,548,752	\$ 6,228,933
Revenue	\$ -	\$ 1,697,428	\$ 250,000
Expenditures	\$ -	\$ 27,766,860	\$ 1,894,000
Revenue Over (under) Expenses	\$ -	\$ (26,069,432)	\$ (1,644,000)
Transfers In (Out)	\$ 8,118,000	\$ 24,297,271	\$ -
ENDING FUND BALANCE	\$ 8,118,000	\$ 2,776,591	\$ 4,584,933

Capital Outlay Funds	Capital Sycamore/ Property Sale Fund 410	Deferred Maintenance Fund 140	Measure I1 and I Fund 210	Capital Facilities Fund 250	County School Facilities Fund 350
BEGINNING FUND BALANCE	\$ 37,961,473	\$ 9,827	\$ 294,263,915	\$ 4,678,649	\$ 3,254,187
Revenue	\$ 100,000	\$ 500	\$ 6,223,098	\$ 2,182,591	\$ 1,290,335
Expenditures	\$ -	\$ -	\$ 288,260,947	\$ 197,000	\$ -
Revenue Over (under) Expenses	\$ 100,000	\$ 500	\$ (282,037,849)	\$ 1,985,591	\$ 1,290,335
Transfers In (Out)	\$ (36,047,271)	\$ -	\$ -	\$ (30,000)	\$ -
ENDING FUND BALANCE	\$ 2,014,202	\$ 10,327	\$ 12,226,066	\$ 6,634,240	\$ 4,544,522