



# BUDGET UPDATE

## SUPERINTENDENT'S FORUM

March 24, 2026

# OVERVIEW



I. Budget/Fiscal Calendar

II. Fund Balances & Reserves

III. Revenues, COLA & Enrollment

IV. Expenditures, Salaries/Benefits & Class-Size

V. AB1200 & Multi-Year Projections



# 2025-26 BUDGET CALENDAR

~~2025-26 Adopted Budget~~ — ~~June 12~~

~~2024-25 Unaudited Actuals~~ —  
~~September 11~~

~~2025-26 First Interim Budget~~ (data as of 10/31) —  
~~December 11~~

~~2024-25 Audited Financial Statements~~ —  
~~January 22~~

2025-26 Second Interim Budget (data as of 1/31)  
— **March 19**



## Westminster School District 2025-2026 Annual Budget

### 2025-2026 BUDGET DEVELOPMENT CALENDAR

Due Date	Action	Responsibility
July 2025	Begin Year-End Closing process and revenue and expenditure account reconciliation	Business Services
August 2025 or 45 Days After Governor Signs Budget	Submit for public review any revisions in revenues and expenditures to reflect recently signed Budget Act	Board of Education & Business Services
August 2025 – September 2025	Complete Year-End Closing and roll-over ending fund balances. Submit Unaudited Actuals to Board of Education and OCDE for approval	Business Services
October 2025 – November 2025	Review initial Enrollment and Staffing projections	Business Services & Human Resources
December 2025	Provide Budget updates for revenues and expenditures to Site and District Administrators for review	Business Services & Educational Services
January 2026	Present First Interim Report to the Board of Education and Submit Approval to the OCDE	Board of Education & Business Services
February 2026	Review and Approve Second Semester Staffing / CALPADS Projections	Business Services, Human Resources, & Executive Staff
March 2026	Governor's January 2025-26 Proposal	Business Services & Educational Services
April 2026 - May 2026	Provide Budget updates for revenues and expenditures to Site and District Administrators for review	Business Services & Educational Services
May 2026 – June 2026	Present Second Interim Report and possible LCAP Revision to the Board of Education and Submit Approval to the OCDE	Board of Education, Business Services & Educational Services
	Review Final Budget revisions with Site and District Administrators and determine carryover amounts	Business Services & Educational Services
	Governor's May Revision Update	
	Public Hearing on Local Control Accountability Plan (LCAP), Proposed Budget, SB 858 Reserve Requirement and Education Protection Account (EPA) Expenditures	Board of Education, Business Services & Educational Services
	Submit LCAP and Proposed Budget to the Board of Education for Adoption and submit to the Orange County Department of Education (OCDE)	



# FUND BALANCES & RESERVES



# 2024-25 UNAUDITED ACTUALS

## GENERAL FUND BALANCES (JUNE 30, 2025)

Description	Amount
Beginning Fund Balance/Audit Adjustment	\$ 86,855,919.29
Total Revenues	\$ 166,520,271.18
Total Expenditures	<u>\$ 179,712,920.79</u>
<b>Projected Ending Fund Balance</b>	<b>\$ 73,663,269.68</b>

Ending Fund Balance Classification	Amount
Unrestricted	\$ 51,538,677.24
Restricted	<u>\$ 22,124,592.44</u>
<b>Total</b>	<b>\$ 73,663,269.68</b>



# 2024-25 GENERAL FUND UNRESTRICTED ENDING FUND BALANCE DETAIL



<u>Components of Unrestricted Ending Fund Balance</u>	<u>Amounts</u>
Reserve for Economic Uncertainties (7%)	\$ 12,579,904.46
Non-spendable (Revolving Cash, Stores Inventory, Prepaid Items)	\$ 239,636.27
Committed Balances:	
Uninsured Litigation	\$ 11,000,000.00
Attract/Retain/Marketing	\$ 1,571,348.00
Assigned Balances:	
Federal Funding Uncertainty	\$ 6,300,000.00
Technology Device Refresh	\$ 750,000.00
Textbook Adoption	\$ 500,000.00
Safety Programs & Marketing	\$ 700,000.00
Vacation Liability	\$ 1,300,000.00
Declining Enrollment Contingency	\$ 1,061,775.00
Bus Replacement & Deferred Maintenance	\$ 1,250,000.00
Curriculum Alignment/Elevate	\$ 1,000,000.00
CAPE Interests	\$ 1,000,000.00
Unassigned/Unappropriated Balance	\$ <u>12,286,013.51</u>
<b>Total:</b>	<b>\$ 51,538,677.24</b>



# 2024-25 GENERAL FUND RESTRICTED ENDING FUND BALANCE DETAIL

Program Description	Amounts
Expanded Learning Opportunities Program	\$ 4,923,535.26
Literacy Coaches & Reading Specialists One-time Grant	\$ 357,291.04
Lottery: Instructional Materials	\$ 2,941,276.13
CA Community School Partnership Act	\$ 1,423,351.68
Special Ed: Early Ed Individuals with Exceptional Needs (Infant Program)	\$ 459,305.54
Mental Health-Related Services	\$ 62,737.83
Special Education Early Intervention Preschool Grant	\$ 423,872.82
Arts, Music & Instructional Materials Discretionary One-time Block Grant	\$ 1,612,130.21
Arts & Music in Schools (Prop 28)	\$ 666,476.03
Child Nutrition: Kitchen Infrastructure Upgrade & Training One-time Funds	\$ 8,173.82
SB117 COVID-19 LEA Response One-time Funds	\$ 46,854.76
Classified School Employee Summer Assistance Program	\$ 322,222.35
Learning Recovery Emergency One-time Block Grant	\$ 2,413,921.53
Other Restricted State	\$ 40,443.75
Ongoing & Major Maintenance Account (Routine Restricted Maintenance)	\$ 2,895,785.69
Restricted Local Reserves (Local RDA, Medi-Cal & Other Local Grants)	\$ 3,527,214.00
<b>Total:</b>	<b>\$ 22,124,592.44</b>



# WHY DISTRICTS MAINTAIN RESERVES

- Manage **declining enrollment**, which reduces state funding
- Cover **unexpected costs** (facilities, safety, special education)
- Maintain **cash flow when state payments are delayed**
- Avoid sudden **layoffs, program cuts, or school closures**
- Support **long-term fiscal planning**

# UNDERSTANDING DISTRICT RESERVES

- Reserves represent the **unrestricted ending fund balance of the General Fund**, expressed as a percentage % of total annual expenditures.

Description	Amount
2024-25 Unrestricted Ending Fund Balance	\$51,538,677.24
2024-25 Total Expenditures	<u>\$179,712,920.79</u>
<b>Total One-time Reserve for 2024-25</b>	<b>28.68%</b>

Represents approximately 3.5 months of expenditures

- Reserves help districts manage **financial risk, economic downturns, and unexpected costs**.
- Maintaining adequate reserves is a **best practice in public finance** and supports long-term fiscal stability.

# STATEWIDE AVERAGE RESERVE LEVELS



- The averages for all school districts are as follows:

Average Unrestricted General Fund, Plus Fund 17—Fund Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses			Change from Prior Year
	2023-24	2024-25	
All School Districts	24.59%	22.79%	-1.80%

- The percentages below break down the districts by type:

2024-25 Average Unrestricted General Fund, Plus Fund 17—Fund Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change from Prior Year
Unified School Districts	21.89%	-2.47%
Elementary School Districts	24.52%	-0.02%
High School Districts	26.13%	1.73%

- Data from School Services of California: *SSC notes...“An adequate reserve allows school districts governance teams the ability to be more strategic in reducing expenditures when faced with a fiscal crisis. An adequate reserve protects students, employees, and the public.”*

# RESERVES VS ONGOING COSTS



- Reserves are **one-time funds**.
- Salary and benefit increases are **ongoing costs that occur every year**.
- Using reserves for ongoing commitments:
  - Create **structural deficits**
  - Reduce the District's ability to respond to financial challenges
  - Lead to **future layoffs or program reductions**
- Responsible fiscal planning requires balancing **employee compensation, student needs, and long-term financial stability**.



# REVENUES, COLA & ENROLLMENT



# 2025-26 LCFF REVENUES

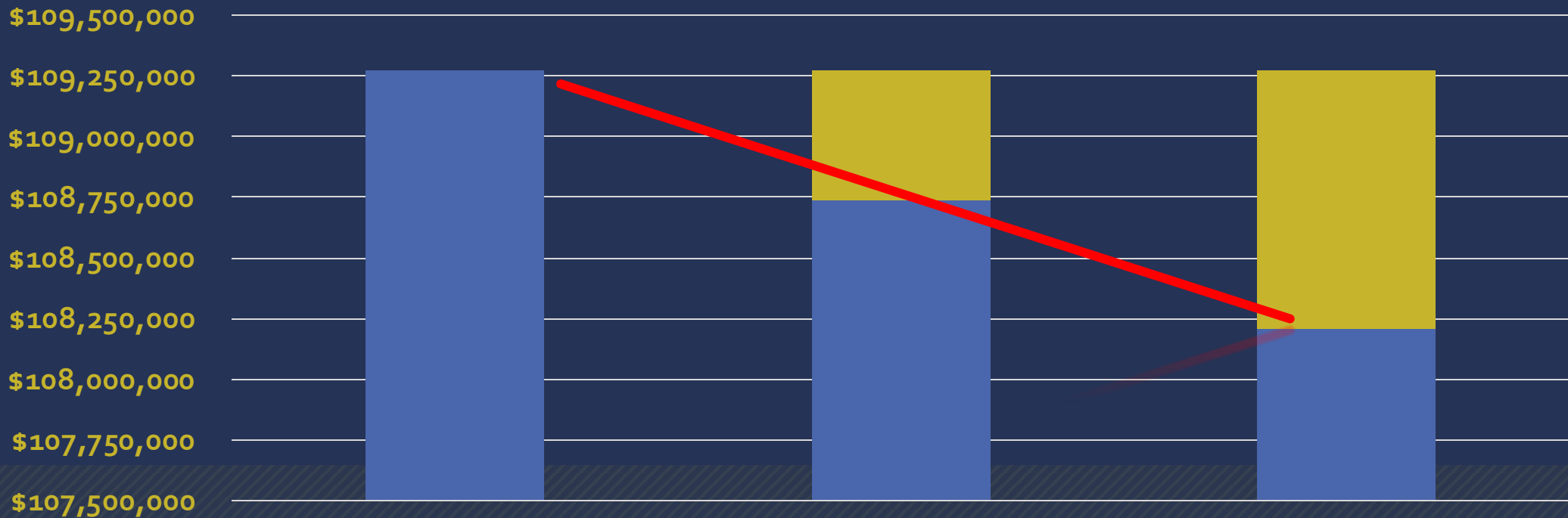
Fiscal Year	First Interim Components	LCFF	*ADA
2024-25	Prior Year Total LCFF	\$ 108,585,385	7,666.54
2025-26	COLA: (2.30%)	<u>\$ 2,497,464</u>	
2025-26	Prior Year LCFF X 24/25 COLA=	\$ 111,082,849	7,499.75
2025-26	(NEW) TK Add-on	\$ 908,438	
2025-26	Declining Enrollment/ADA*/UPP Changes (167)	<u>\$ (2,720,726)</u>	(166.79)
2025-26	Estimated Current Year Total LCFF	\$ 109,270,561	
	<b>Difference from Prior Year</b>	\$ 685,176	
	<b>Difference from Prior Year</b>	0.63%	-2.18%

- *\*LCFF funded ADA is based on three (3) prior year average ADA (2022-23, 2023-24 & 2024-25)*
- Lower COLAs create budget challenges and declining enrollment directly impacts ADA-based funding (LCFF)



# COLA & LCFF

	Current DOF COLA	-0.50% Change	-1.0% Change
2025-26 COLA	2.30%	1.80%	1.30%
<b>COLA IMPACT ON LCFF</b>			
2025-26 LCFF	\$109,270,561	\$108,736,283	\$108,208,573



# COVID-19 FUNDS RECEIVED SINCE 2020

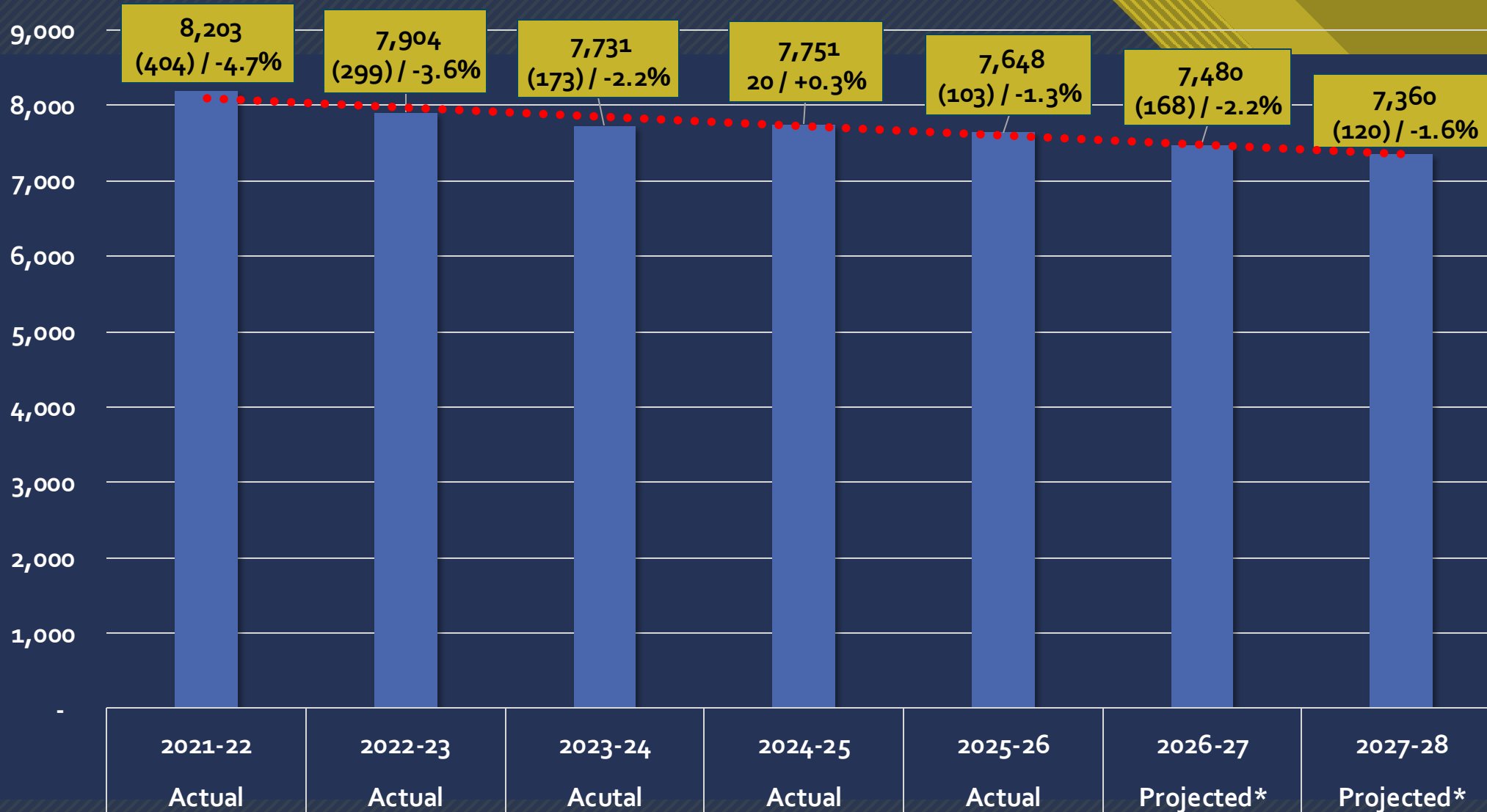


- The District has received a combined total of \$48.9 million in COVID-19 related funding
- As of 6/30/25, the District has expended all COVID-19 funding.

Westminster School District COVID-19 Funding	
State Funding	\$7,389,302
Federal Funding	\$41,561,906
<i>Total COVID-19 Funding</i>	\$48,951,208



# ENROLLMENT DATA

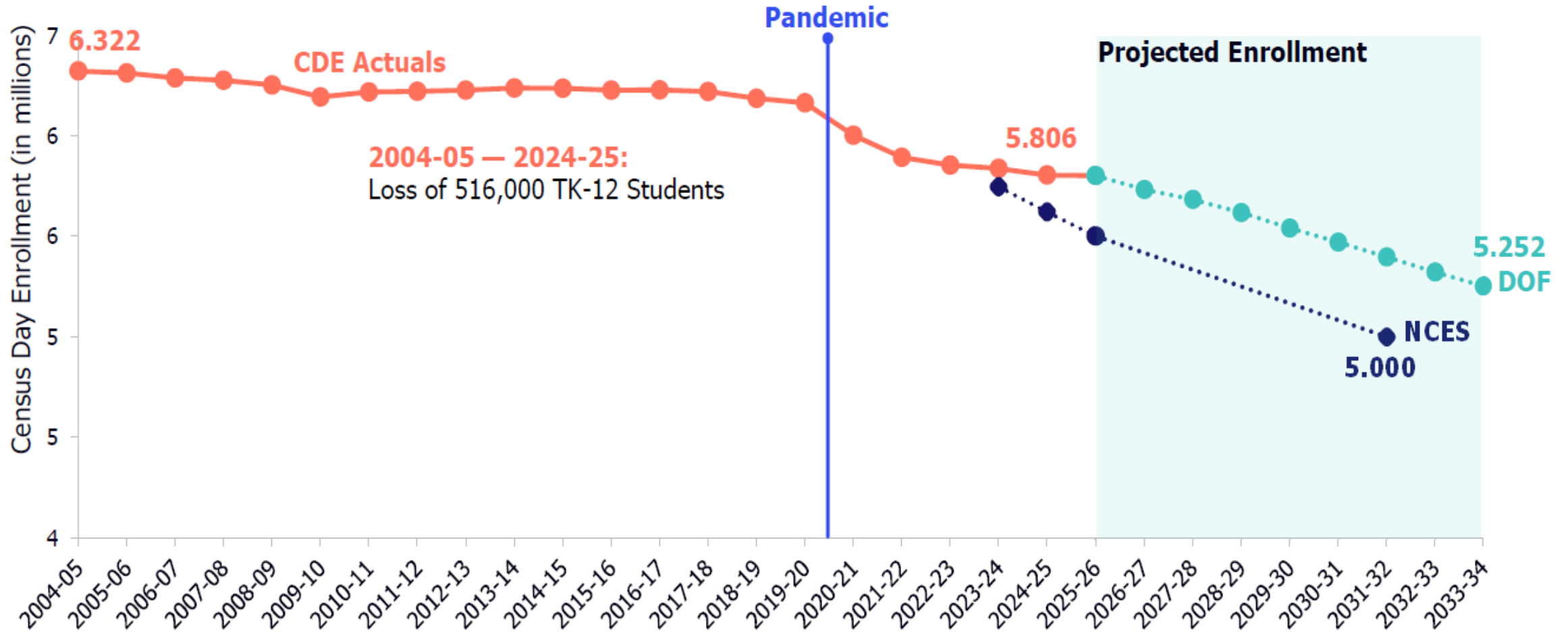


- 2021/22 - 2025/26:
  - Average annual decline = -2.7%
  - Loss of 959 students
  - Caused by lower birth rate, demographics & housing costs
- In 2024/25, the rate of declining enrollment has slowed compared to previous years.
- Demographer data projects -1.3% average annual decline through 2035

Official CalPADs Data

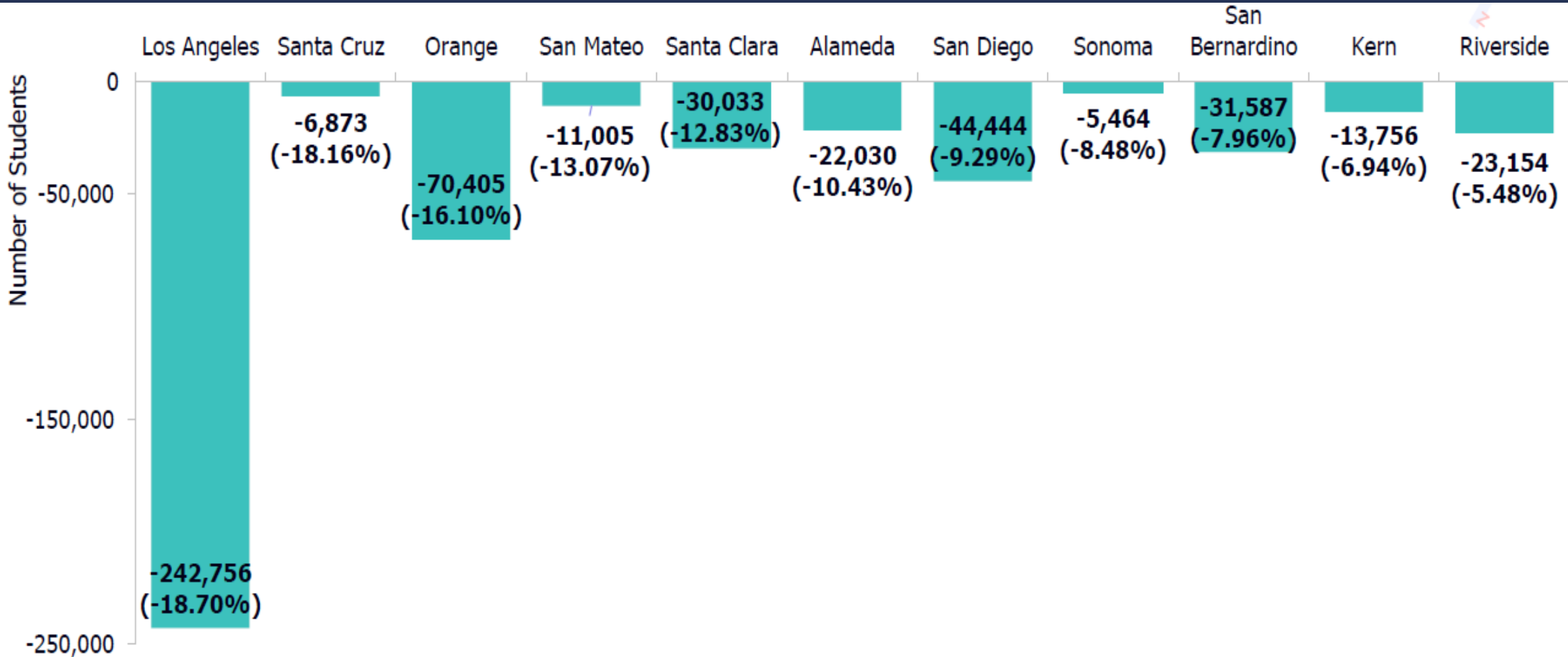
\*Reflects updated projections from demographer data

# STATEWIDE TK-12 ENROLLMENT



Sources: California Department of Education (CDE), California DOF, and National Center for Education Statistics

# PROJECTED TK-12 ENROLLMENT DECLINE (2023/24 – 2033/34 (SELECTED COUNTIES))



Source: Adapted from [California DOF](#).



# KEY SCHOOL DISTRICT FINANCIAL/COST PRESSURES

- LCFF COLA not keeping pace with inflation
- Enrollment decline reducing ongoing revenue
- Contractual step/column increases
- One-time funds ending
- Rising insurance and legal exposure (AB 218 / SAM)
- Special Education: rising service costs and insufficient funding

From 23/24 to 24/25 WSD SpEd contribution increased \$2.7 million

DISTRICTS	2023-24					2024-25					Special Education Expenditure Change	% Change Spec Ed Expenditure Change	Local Contribution Change	% Local Contribution Change	
	1	2	3 (1 / 2)	4	5 (4 / 2)	6	7	8 (6 / 7)	9	10 (9 / 7)					
<b>ELEMENTARY SCHOOL DISTRICTS</b>															
1 Anaheim Elementary	\$ 76,908,313	\$ 331,492,206	23.2%	\$ 65,049,001	19.6%	\$ 76,620,839	\$ 322,427,673	23.8%	\$ 64,443,622	20.0%	\$ (287,474)	-0.4%	(605,379)	-0.9%	
2 Buena Park Elementary	\$ 14,986,342	\$ 82,776,452	18.1%	\$ 7,634,269	9.2%	17,524,035	83,545,963	21.0%	6,126,531	7.3%	\$2,537,692	1.9%	(1,507,739)	-19.7%	
3 Centralia Elementary	\$ 12,706,626	\$ 75,692,919	16.8%	\$ 1,253,876	1.7%	12,992,094	74,758,624	17.4%	8,072,207	10.8%	285,468	2.2%	6,818,331	543.8%	
4 Cypress Elementary	\$ 13,539,210	\$ 55,950,144	24.2%	\$ 2,781,680	5.0%	14,419,981	58,395,997	24.7%	2,742,920	4.7%	\$880,771	6.5%	(38,760)	-1.4%	
5 Fountain Valley Elementary	\$ 21,934,436	\$ 94,427,739	23.2%	\$ 11,317,834	12.0%	22,882,762	96,364,379	23.7%	12,024,237	12.5%	\$948,326	4.3%	706,402	6.2%	
6 Fullerton Elementary	\$ 46,573,397	\$ 204,306,162	22.8%	\$ 27,334,336	13.4%	45,533,857	200,002,527	22.8%	26,493,721	13.2%	(\$1,039,540)	-2.2%	(840,616)	-3.1%	
7 Huntington Beach City Elementary	\$ 18,138,918	\$ 80,122,695	22.6%	\$ 11,525,697	14.4%	18,789,609	81,133,450	23.2%	12,105,263	14.9%	\$650,691	3.6%	579,567	5.0%	
8 La Habra City Elementary	\$ 20,885,133	\$ 87,288,268	23.9%	\$ 14,253,623	16.3%	20,599,757	88,485,201	23.3%	13,885,296	15.7%	(\$285,375)	-1.4%	(368,326)	-2.6%	
9 Lowell Joint Elementary	\$ 8,906,937	\$ 45,123,098	19.7%	\$ 4,622,350	10.2%	9,824,342	46,765,845	21.0%	4,601,130	9.8%	\$917,405	10.3%	(21,220)	-0.5%	
10 Magnolia Elementary	\$ 20,877,328	\$ 123,189,271	16.9%	\$ 8,975,566	7.3%	22,714,585	124,504,058	18.2%	9,875,725	7.9%	\$1,837,257	8.8%	900,158	10.0%	
11 Ocean View Elementary	\$ 30,834,071	\$ 120,452,993	25.6%	\$ 17,717,723	14.7%	33,734,638	119,772,035	28.2%	20,120,867	16.8%	\$2,900,567	9.4%	2,403,144	13.6%	
12 Savanna Elementary	\$ 7,741,179	\$ 35,316,506	21.9%	\$ 4,061,553	11.5%	8,691,725	40,135,825	21.7%	4,894,532	12.2%	\$950,546	12.3%	832,980	20.5%	
13 Westminster Elementary	\$ 34,603,743	\$ 169,430,359	20.4%	\$ 18,857,954	11.1%	36,252,807	179,219,049	20.2%	21,594,626	12.0%	\$1,649,063	4.8%	2,736,672	14.5%	
<b>TOTAL ELEMENTARY</b>	<b>\$ 328,635,634</b>	<b>\$ 1,505,568,813</b>	<b>21.8%</b>	<b>\$ 195,385,464</b>	<b>13.0%</b>	<b>\$ 340,581,031</b>	<b>\$ 1,515,510,626</b>	<b>22.5%</b>	<b>\$ 206,980,677</b>	<b>13.7%</b>	<b>\$ 11,945,397</b>		<b>\$ 11,595,213</b>		



# EXPENDITURES, SALARIES/BENEFITS & CLASS-SIZES

# STATE FISCAL STANDARD FOR SALARY & BENEFIT COMPARISONS



- All CA school districts are required to report financial data using the California Department of Education's Standardized Account Code Structure (SACS)
  - [\*Criteria and Standards for Fiscal Solvency - Criteria and Standards for Fiscal Solvency \(CA Dept of Education\)\*](#)
- Criteria and Standards Review (Section 5)** as follows:
  - Unrestricted Salaries & Benefits ÷ Total Unrestricted General Fund Expenditures

Westminster Elementary Orange County	First Interim General Fund School District Criteria and Standards Review	30 66746 0000000 Form 01CSI G81FESX5GK(2025-26)
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5. **CRITERION: Salaries and Benefits**

STANDARD: Projected ratio of total unrestricted salaries and benefits to total unrestricted general fund expenditures for any of the current fiscal year or two subsequent fiscal years has not changed from the historical average ratio from the three prior fiscal years by more than the greater of three percent or the district's required reserves percentage.

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**5A. Calculating the District's Historical Average Ratio of Unrestricted Salaries and Benefits to Total Unrestricted General Fund Expenditures**

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DATA ENTRY: Unaudited Actuals data that exist for the First Prior Year will be extracted; otherwise, enter data for the First Prior Year. Unaudited Actuals data for the second and third prior years are preloaded.



# OC ELEMENTARY DISTRICTS: SALARY & BENEFIT EXPENDITURE RATIO (6-YEAR VIEW)

- 12 OC Elementary Districts,
  - High= Fullerton
  - Low= Savanna
  - Average= 88.02%
  - WSD= 89.90%  
Ranked 3<sup>rd</sup>

Ranking	School District	Historical Average
1	Fullerton School District	91.10%
2	La Habra City School District	91.00%
<b>3</b>	<b>Westminster School District</b>	<b>89.90%</b>
4	Cypress School District	89.30%
5	Anaheim Elementary School District	89.00%
6	Centralia Elementary School District	88.90%
7	Ocean View School District	88.40%
8	Fountain Valley School District	87.60%
9	Huntington Beach City	87.20%
10	Buena Park School District	85.10%
11	Magnolia School District	84.40%
12	Savanna School District	83.90%
<b>Average</b>		<b>88.02%</b>

- Data from 2025-2026 First Interim Reports
- As of fiscal years 2022/23, thru 2027/28 (unrestricted sources only)



# ON-GOING SALARY INCREASES & "COST OF 1%"

District	2022-23	2023-24	2024-25	Total
WSD on-going salary increases	7.50%	4.00%	1.00%	12.50%

Ranks WSD 4<sup>th</sup> among OC's 12 elementary school districts in cumulative ongoing salary increases over last three years

Unit	Cost of 1% Salary Increase
WTA	\$723,861
CSEA	\$344,413
MGMT	\$119,459
<b>Totals:</b>	<b>\$1,187,733</b>

Unit	Unrestricted Amount
WTA	\$501,837
CSEA	\$143,023
MGMT	\$90,473
<b>Totals:</b>	<b>\$735,333</b>

Unit	Restricted Amount
WTA	\$222,024
CSEA	\$201,390
MGMT	\$28,986
<b>Totals:</b>	<b>\$452,400</b>

# TK-6 CLASS-SIZE AVERAGES (2023-24 TO 2025-26) SUMMARY\*



<u>Class size</u>	<u>TK</u>	<u>K</u>	<u>1</u>	<u>K/1</u>	<u>2</u>	<u>1/2</u>	<u>3</u>	<u>2/3</u>	<u>4</u>	<u>3/4</u>	<u>5</u>	<u>4/5</u>	<u>6</u>	<u>5/6</u>	<u>Total</u>
2025-26 Avg. Class Size	17.04	21.45	23.25	-	24.96	23.00	26.64	25.20	27.22	26.75	26.57	29.00	27.92	28.00	<b>24.07</b>
24/25 Avg. Class Size	18.54	23.36	24.50	22.33	26.00	25.20	25.24	26.00	26.81	28.67	27.31	30.00	26.00	30.00	<b>24.74</b>
23/24 Avg. Class Size	19.18	23.15	23.88	24.20	25.48	26.50	25.27	26.00	26.00	28.00	28.33	27.60	26.64	28.00	<b>24.78</b>
Staffing Ratio	20.00	26.00	26.00	26.00	26.00	26.00	28.00	28.00	30.00	30.00	30.00	30.00	30.00	30.00	
25/26 Difference	<b>(2.96)</b>	<b>(4.55)</b>	<b>(2.75)</b>	<b>N/A</b>	<b>(1.04)</b>	<b>(3.00)</b>	<b>(1.36)</b>	<b>(2.80)</b>	<b>(2.78)</b>	<b>(3.25)</b>	<b>(3.43)</b>	<b>(1.00)</b>	<b>(2.08)</b>	<b>(2.00)</b>	

- 210 total classes, including 17 Combo classes (8.1%)
- 2025-26 districtwide average class-size decreased from 24.74 to 24.07 (+0.67)
- All average class-sizes are below contracted staffing ratios

\*General Education classrooms

# TK-6 CLASS-SIZE SUMMARY\*



Item	2022-2023	2023-2024	2024-2025	2025-2026
<b>Total Classes</b>	<b>216</b>	<b>220</b>	<b>216</b>	<b>210</b>
<b>Combination Classes</b>	<b>12 / (5.6%)</b>	<b>22 / (10.0%)</b>	<b>18 / (8.3%)</b>	<b>17 / (8.1%)</b>
<b>Grades K/1=</b>	<b>3</b>	<b>5</b>	<b>3</b>	<b>0</b>
<b>Grades 1/2=</b>	<b>2</b>	<b>2</b>	<b>5</b>	<b>4</b>
<b>Grades 2/3=</b>	<b>1</b>	<b>6</b>	<b>4</b>	<b>5</b>
<b>Grades 3/4=</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Grades 4/5=</b>	<b>4</b>	<b>5</b>	<b>2</b>	<b>3</b>
<b>Grades 5/6=</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Districtwide Average Class Size</b>	<b>23.52</b>	<b>24.78</b>	<b>24.74</b>	<b>24.07</b>

*\*General Education classrooms only*

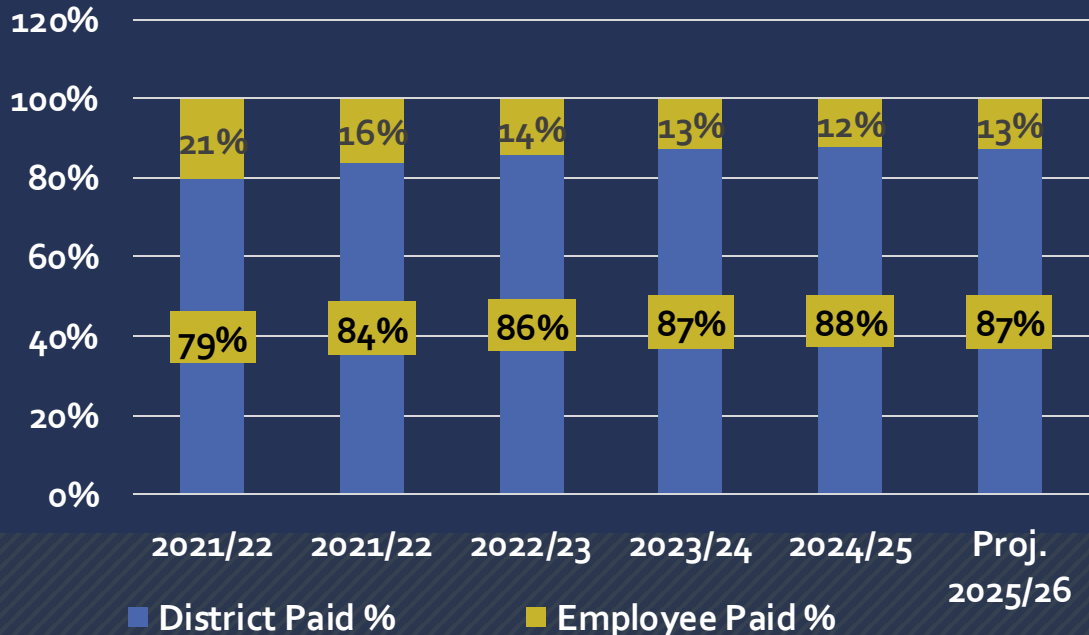
As a reminder, the WSD Board of Education prioritized CSR in an agreement with WTA for Grades K-2 to reduce class size from 28:1 to 26:1 in **2025-26, 2026-27 and 2027-28.**

# WSD HEALTH BENEFITS



**+26.4%**

Health Plan Tier	2021/22 District Contribution	2022/23 District Contribution	Change from Prior Year	2023/24 District Contribution	Change from Prior Year	2024/25 District Contribution	Change from Prior Year	2025/26 District Contribution	Change from Prior Year
Employee	\$ 9,616.00	\$ 10,514.00	9.34%	\$ 11,832.48	12.5%	\$ 12,546.12	6.0%	\$ 13,285.56	5.9%
Employee + 1 (spouse)	\$ 12,679.00	\$ 15,692.00	23.76%	\$ 17,659.80	12.5%	\$ 18,724.80	6.0%	\$ 19,828.44	5.9%
Employee + child/children		\$ 10,661.00		\$ 11,997.84	12.5%	\$ 12,721.44	6.0%	\$ 13,471.20	5.9%
Employee + family	\$ 15,916.00	\$ 18,879.00	18.62%	\$ 21,246.36	12.5%	\$ 22,527.72	6.0%	\$ 23,855.40	5.9%
<b>Negotiated District Contribution Changes:</b>		<b>\$1,090,050</b>		<b>\$1,090,050</b>		<b>\$585,000</b>		<b>\$620,000</b>	



Fiscal Year	Premium Costs	District CAP	Employee Portion	District Paid %	Employee Paid %
2021/22	\$ 10,138,332	\$ 8,054,067	\$ 2,084,265	79%	21%
2021/22	\$ 10,085,928	\$ 8,450,678	\$ 1,635,250	84%	16%
2022/23	\$ 11,043,600	\$ 9,450,840	\$ 1,592,760	86%	14%
2023/24	\$ 11,683,716	\$ 10,216,382	\$ 1,467,334	87%	13%
2024/25	\$ 12,666,060	\$ 11,101,984	\$ 1,564,076	88%	12%
Proj. 2025/26	\$ 14,101,032	\$ 12,324,517	\$ 1,776,515	87%	13%

# PARS RETIREE INCENTIVE



Group	# of PARS Retirements	Retirement Percentage	Average Retiree Age	Average Retiree Service	Average Retiree Salary
Certificated					
Certificated Non-Management	69	47.92%	61.11	27.66	\$132,285
Certificated Management	3	50.00%	59.01	23.32	\$173,980
Classified					
Classified Non-Management	40	34.48%	64.02	22.39	\$58,193
Classified Mgmt. & Confidential	0	0.00%	---	---	---
Total					
All Employees	112	41.48%	62.09	25.66	\$106,940



# AB1200 & MULTI-YEAR PROJECTIONS

# MULTI-YEAR PROJECTION ASSUMPTIONS



Proposed Budget Planning Factors	2025-26	2026-27	2027-28
<b>Cost of Living Adjustment (COLA)</b>			
Department of Finance Statutory COLA	2.30%	2.41%	3.06%
LCFF Planning COLA	2.30%	2.41%	3.06%
<b>LCFF Grade Span Adjustment:</b>			
TK-3	10.40%		
9-12 (n/a)	2.60%		
LCFF Add-on: Universal Transitional Kindergarten/ADA	\$5,545	\$5,679	\$5,853
Unduplicated Pupil Ratio (3-yr. rolling average)	77.11%	76.17%	75.22%
Special Education COLA	2.30%	New Base Rate	3.06%
<b>Lottery</b>			
Unrestricted per ADA	\$190	\$190	\$190
Restricted Prop. 20 per ADA	\$82	\$82	\$82
<b>Mandated Block Grant (Districts)</b>			
K-8 per ADA	\$39.09	\$40.03	\$41.25
Salaries: Step/Column	As Budgeted	1.05%	0.99%
Minimum Wage (effective Jan 1)	\$16.90	\$17.40	\$17.80
<b>Employer Benefit Rates:</b>			
CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	26.81%	26.40%	26.90%
Health & Welfare (ACA & Retiree Benefits)	As Budgeted	3.08%	2.75%
Unemployment Insurance Rate	0.05%	0.05%	0.05%

# AB 1200 REQUIREMENTS



- Enacted in 1992 - Created FCMAT
  - Provides Fiscal Oversight to Counties (OCDE)
- Established Budget Certification & Multi-Year Planning
- Requires to publicly disclose all provisions of all collectively-bargained agreements

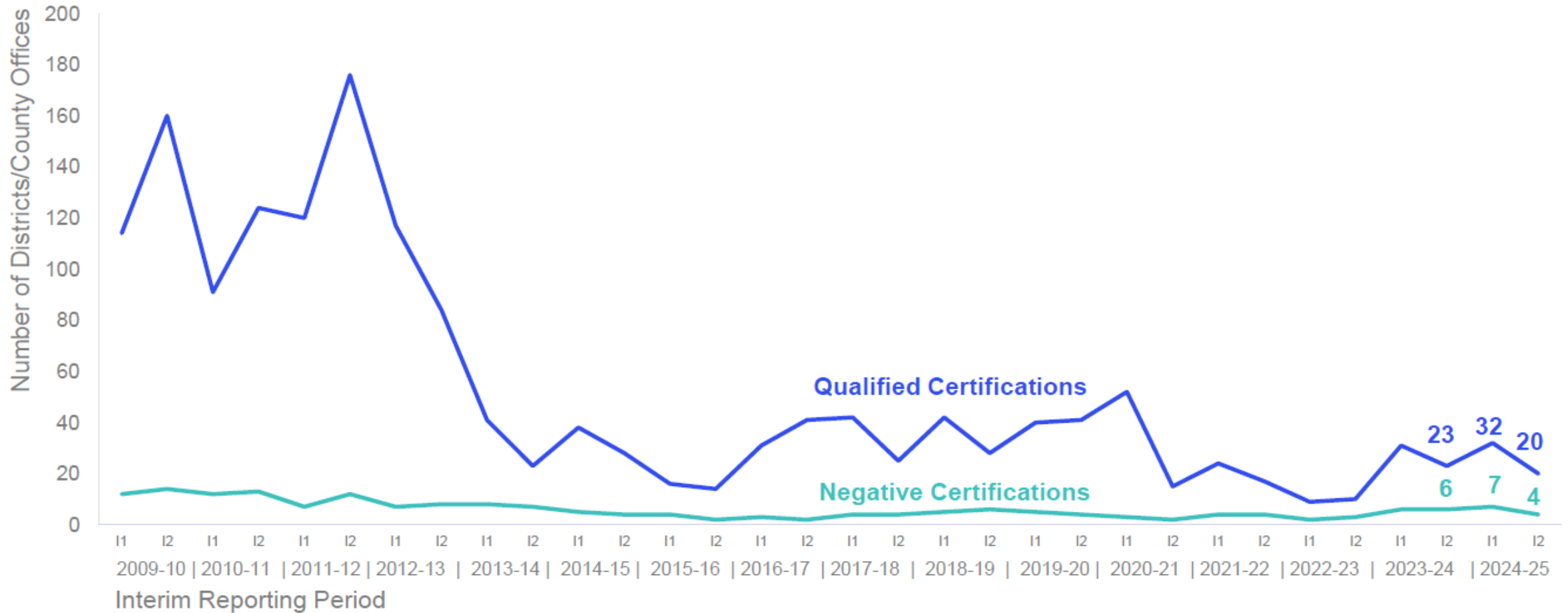


# BUDGET CERTIFICATION



- **Negative** = A school district that, based on current projections, WILL BE UNABLE TO MEET its financial obligations for the CURRENT FISCAL YEAR OR SUBSEQUENT FISCAL YEARS.
- **Qualified** = A school district that, based on current projections, MAY NOT MEET its financial obligations for the CURRENT FISCAL YEAR OR SUBSEQUENT TWO FISCAL YEARS.
- **Positive** = A school district that, based on current projections, WILL MEET its financial obligations for the CURRENT FISCAL YEAR AND SUBSEQUENT TWO FISCAL YEARS.

# HISTORICAL QUALIFIED & NEGATIVE CERTIFICATIONS



Source: 2009-10 – 2024-25 first and second interim reports.

# OCDE ADVISORY & OVERSIGHT



## Key Fiscal Considerations for School Districts

- **Deficit Spending Pressures** - many districts are experiencing deficit spending due to declining enrollment, expiration of one-time federal funds, and rising costs.
- **Importance of Structural Balance** - districts must distinguish between temporary budget shortfalls and ongoing structural deficits, which pose greater long-term fiscal risk.
- **Reserves & Fiscal Stability** - continued deficit spending erodes reserves and increases fiscal vulnerability.
- **Long-Term Fiscal Planning** - districts are encouraged to develop **fiscal stabilization strategies**

## Budget Advisory

### 2025-26 Second Interim Report Table of Contents



Stefan Bean, Ed.D.  
County Superintendent of Schools

*Key Guidance Based on the Governor's Budget Proposal  
Planning Factors for 2025-26 and Multiyear Projections*

*Federal Funding*

***Deficit Spending and Fiscal Stabilization***

*Reserve Cap*

*Learning Recovery Emergency Block Grant*

*LCAP and the LCFF Equity Multiplier*

*Summary*

## Deficit Spending and Fiscal Stabilization

Many school districts are experiencing significant fiscal pressure due to declining enrollment, expiration of federal one-time funds, and constrained state revenue growth. As a result, many districts are projecting deficit spending during the multiyear projection period, increasing the importance of prudent fiscal planning and long-term sustainability.

Districts must clearly distinguish between one-time budget shortfalls and ongoing structural deficits, because any structural imbalance presents a significantly greater risk to fiscal solvency. Deficit spending that is driven by the loss of one-time federal funding or declining enrollment...

# MULTI-YEAR PROJECTIONS



General Fund - Unrestricted/Restricted (millions)	2025-26	2026-27	2027-28
	Second Interim	Projected	Projected
Total Revenues	\$ 159.72	\$ 157.95	\$ 159.28
Total Expenditures	\$ 178.60	\$ 165.03	\$ 166.45
Change in Fund Balance	\$ (18.87)	\$ (7.09)	\$ (7.18)
<b>Beginning Fund Balance/Audit Adjustment</b>	<b>\$ 73.66</b>	<b>\$ 54.79</b>	<b>\$ 47.71</b>
<b>Projected Ending Fund Balance</b>	<b>\$ 54.79</b>	<b>\$ 47.71</b>	<b>\$ 40.53</b>
<u>Components of Ending Fund Balance</u>			
Reserve: Economic Uncertainties/REU-7%	\$ 12.50	\$ 11.55	\$ 11.65
Restricted Program Balances	\$ 11.84	\$ 11.20	\$ 9.66
Revolving Cash & Stores	\$ 0.12	\$ 0.12	\$ 0.12
Committed Balances: AB218 Uninsured Litigation, Strategic Planning, & Attract/Retain	\$ 9.40	\$ 7.84	\$ 6.07
Assigned Balances: Federal Uncertainty, Technology Refresh, Textbook Adoption, LCFF/COLA Decline, Safety, Marketing, Compensated Absences, CAPE Interests, Curriculum Alignment-Elevate, Enrollment Contingency, Bus Replacement & Capital Improvements	\$ 12.11	\$ 9.49	\$ 8.13
Unappropriated Balance (UB)	\$ 8.83	\$ 7.51	\$ 4.90
<b>Total Projected Ending Balance</b>	<b>\$ 54.79</b>	<b>\$ 47.71</b>	<b>\$ 40.53</b>
<b>Total Reserve (REU + UB)</b>	<b>11.9%</b>	<b>11.6%</b>	<b>9.9%</b>

- Revenues reflect proposed DOF LCFF COLAs & projected declining enrollment
- Expenditures reflect step/column increases and changes for attrition.
- Change in fund balance reflects planned use of Restricted program balances for one-time grants/projects, and projects an unrestricted deficit spending (avg.-4.0%). Fiscal stabilization strategies include estimated PARS retiree savings (\$4.0 - \$4.7 million).



**THANK YOU!**

**QUESTIONS?**

2025-2026

# Interest Based Bargaining

*A Model of Collaboration*



# Foundational Principles

**TRUST**



**COLLABORATION**



**RESULTS**



**WSD's  
Commitment  
to Shared  
Problem  
Solving**



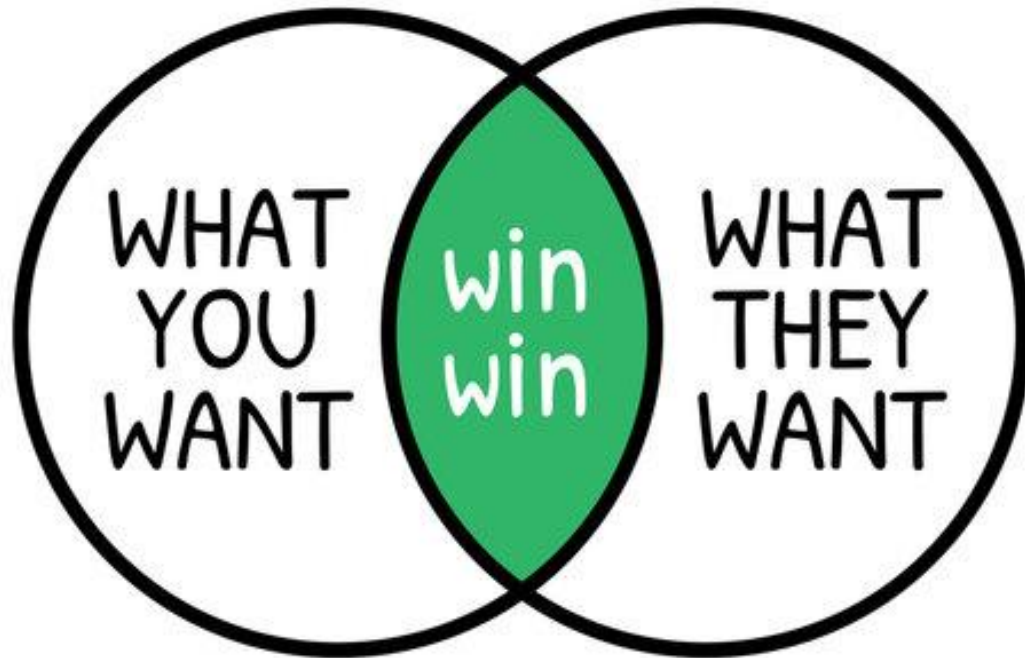
# THE INTEREST BASED APPROACH

**What  
Why**

**IBB  
Principles**

**Elements  
Of IBA**

# What is the Interest Based Approach?



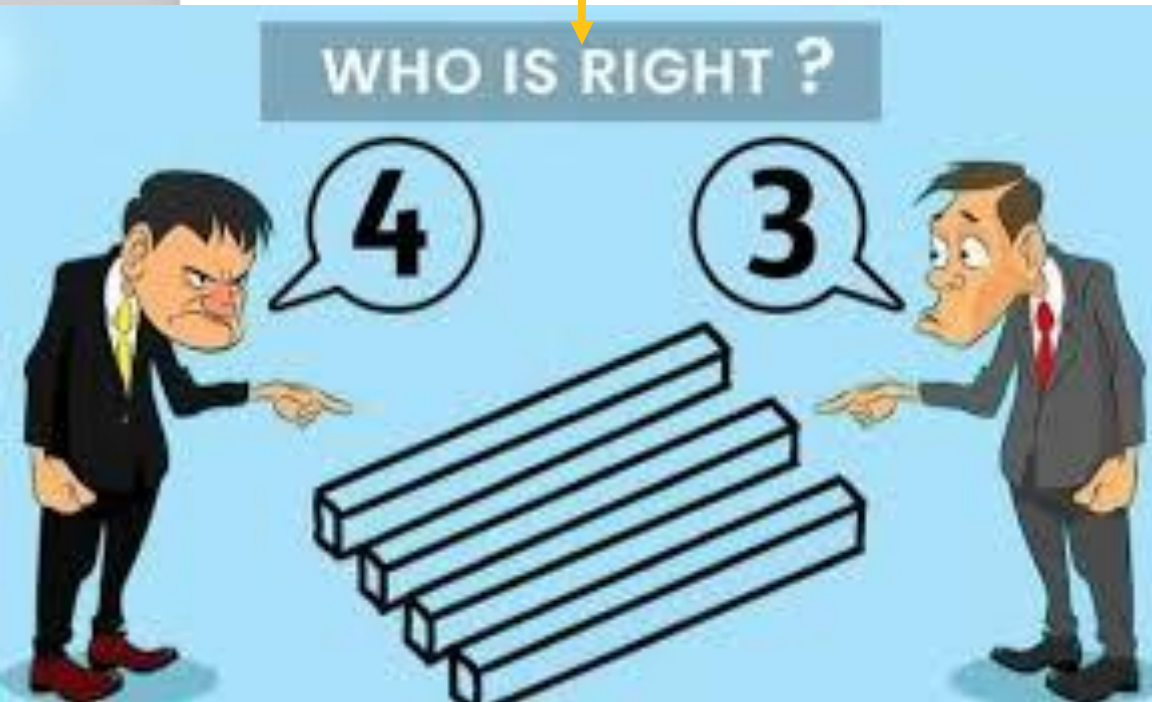
The Interest Based Approach is a non-adversarial means of collaboratively working together in an effort to achieve mutually beneficial outcomes in any given situation.



# Traditional Bargaining



WHO IS RIGHT ?



## Interest Based Bargaining



# THE INTEREST BASED APPROACH

What  
Why

**IBB**  
**Principles**

Elements  
Of IBA

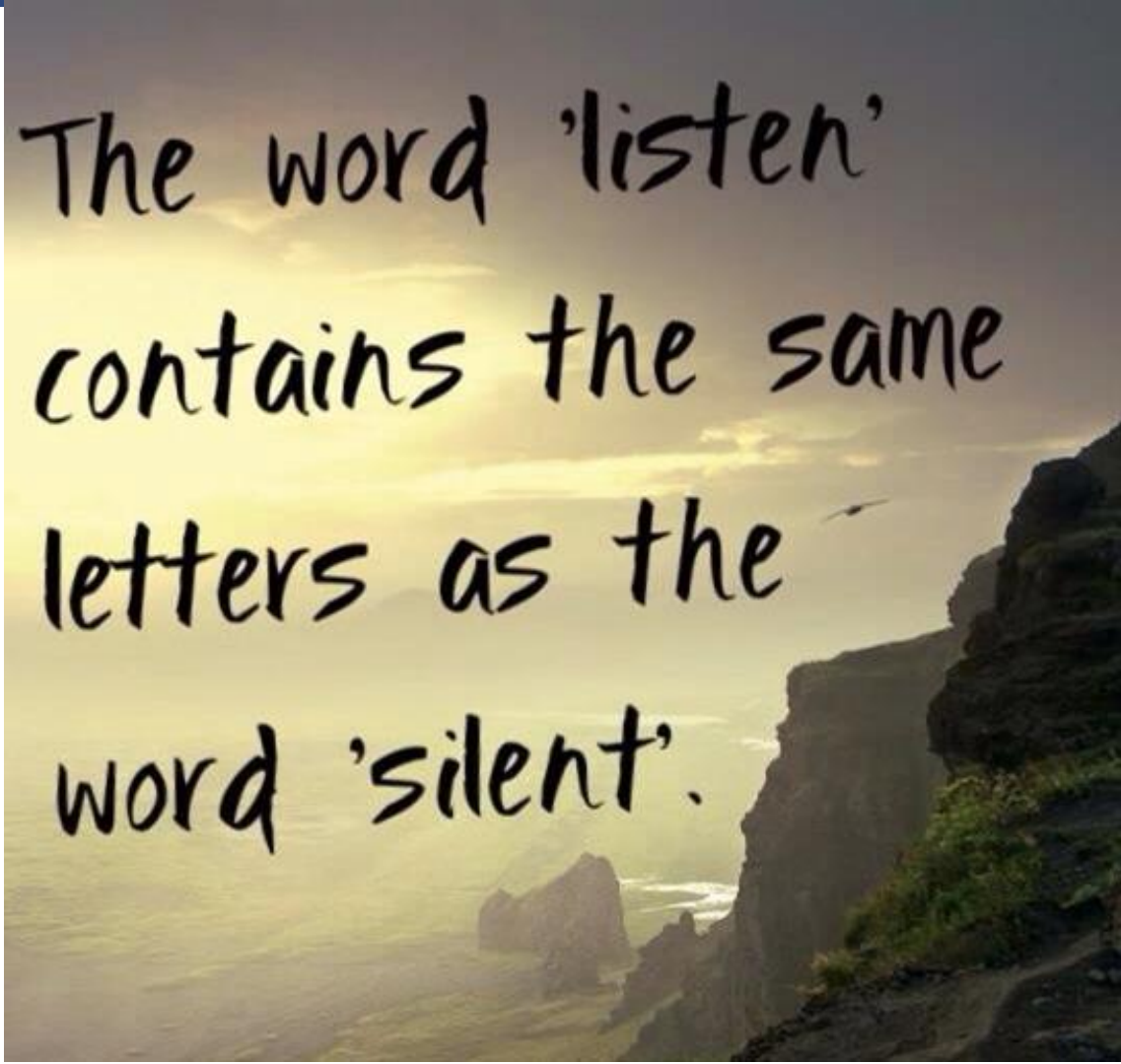
# Focus on Issues, Not Personalities

Identify and focus on the “real” problem or the issue at hand, not on the people



# Listen to Understand, Not to Judge

**Don't simply hear the words spoken to you, actually listen with the intent to comprehend**

A photograph of a coastal landscape with a sunset or sunrise sky, featuring a cliffside on the right and the ocean below. Handwritten text in black ink is overlaid on the image.

The word 'listen'  
contains the same  
letters as the  
word 'silent'.

# See the Issues from Another's Perspective

**Put yourself in the shoes of another person and truly attempt to see the issue from their perspective**



# THE INTEREST BASED APPROACH

**What  
Why**

**IBB  
Principles**

**Elements  
Of IBA**

# The Elements of IBA

## 1) STORY

- Everyone contributes
- Share first hand data
- Clarify misunderstandings
- Chart so everyone is clear

**WHAT'S  
THE  
STORY**



# The Elements of IBA

## 2) INTERESTS

- Listen and record what each party is hoping for as an outcome
- Seek to identify mutual interests and mutually beneficial outcomes



# The Elements of IBA

## 3) OPTIONS

- List any possible solution
- Jointly invent as many as possible
- Try to address the interests of each party
- Don't judge... just record options



# The Elements of IBA

## 4) EVALUATE

- Collaboratively select the most viable options from all those listed
- Eliminate “less-than-best” options



# The Elements of IBA

## 5) COMMIT

- Move forward with agreed upon options
- Memorialize commitments in writing with a Tentative Agreement



# WSD Problem Solving Teams

**C**ertificated,  
lassified &

**A**dministration

**P**artnering for

**E**xcellence



# The Purpose of CAPE

- Engage in regularly scheduled problem solving sessions to address any site based challenges
- Commit to, and model, a culture of collaboration amongst Classified, Certificated and Administrative staff





**“Nothing of significance was ever achieved by an individual acting alone.”**

**- John Maxwell**

# NEGOTIATIONS UPDATE



# 1) Class Size Reduction - Shared Prioritization

## Current Agreement:

- K-2 (reduce class size from 28:1 to 26:1)
  - 2025/2026 | 2026/2027 | 2027/2028
- Current offers reflect our shared commitment to students, staff and families, including a meaningful provision to extend CSR through 2028-2029



# 2) Staff Compensation - A District Priority

## Salary (Wages)

- WSD currently ranks 3rd out of 12 Orange County elementary districts in salary and benefits expenditures, dedicating 89.9% of our total unrestricted budget to staff compensation.
- This reflects a strong, ongoing commitment to investing in our employees.



# 3) Staff Compensation - Ongoing Commitment

## Salary (Wages)

- If the District's current offer is accepted, WSD would **rise from 4th to 2nd** among OC's 12 elementary districts in cumulative ongoing salary increases over the past four years.
- This demonstrates our consistent commitment to providing top tier salaries and benefits for our teachers.



# 4) Staff Compensation - Ongoing Commitment

## Benefits (Wages)

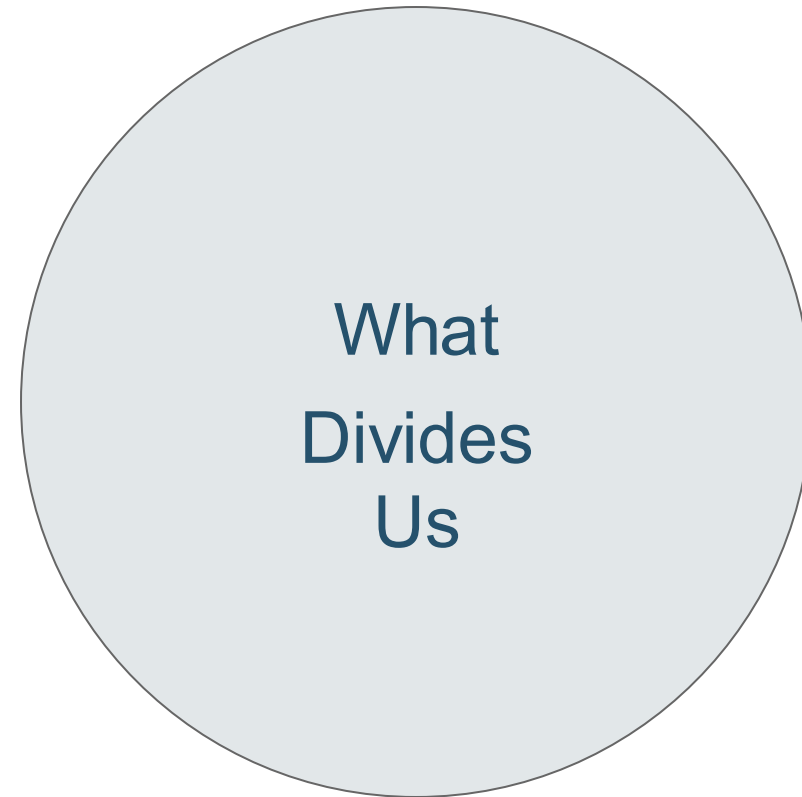
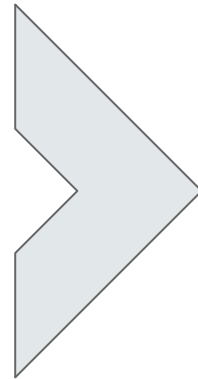
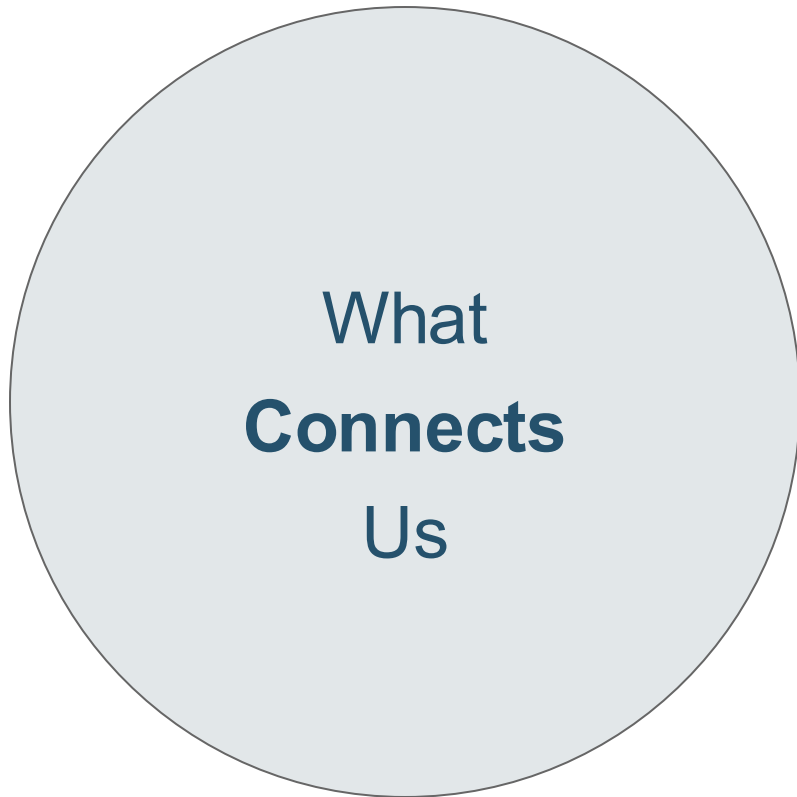
- If the District's current offer is accepted, WSD would **increase the District contribution for Health and Welfare Benefits at least \$740,000.**
- This demonstrates our commitment to supporting our staff with the rising increase in health care plan costs.



# 5 ) Respect and Responsibility

- We deeply value our teachers and the positive impact they have with our students.
- At the same time, the District has a responsibility to protect critical student supports, preserve educational programs, and ensure the long-term financial health of the District.





# Relationships Matter



# THANK YOU





# 1.0 Academic Achievement & Continuous Innovation

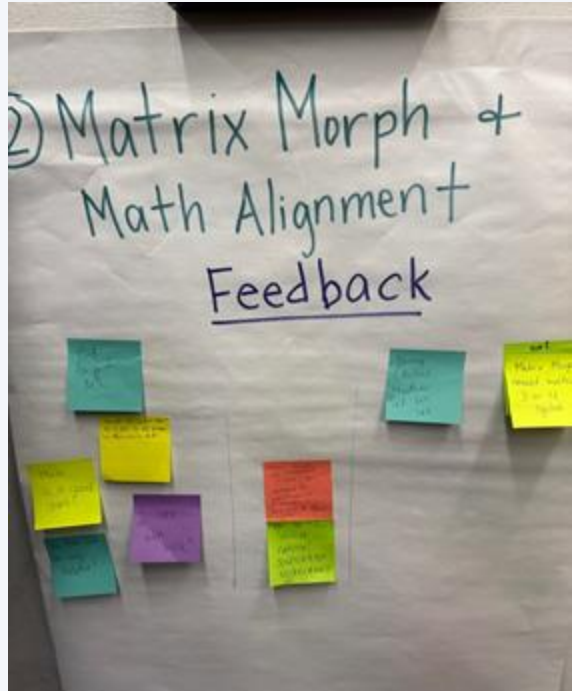
## 2025-2026 Strategic Objectives - Priorities

<u>Professional Learning Communities</u>	Continuous refinement of the PLC process for inquiry to implement rigorous grade level expectations
<u>Standard Alignment and Calibration</u>	Continuous refinement and implementation of district wide curriculum standards alignment and assessments
<u>Foundational Reading Grade TK-2</u>	Ensure students in grades TK-2 are meeting benchmarks for foundational literacy
<u>Strengthen First Best Instructional Practices</u>	Improve student achievement through consistent high quality instruction
<u>Scale DLI and Specialty Program</u>	Continuous refinement of district wide specialty programs with alignment to the CTE Pathways and DLI expansion
<u>Expanded Learning and VAPA</u>	Increase and strengthen student engagement in Expanded Learning and VAPA



# We've Been Listening

Teacher Input • 2025–26



Matrix Morph Feedback — Curriculum Council

*Through WTA, PLCs, DRS, and Curriculum Council, you shared valuable feedback about what is and is not working.*

## Assessment Quality

Items should reflect depth of standard or connect to daily instruction. Too many two-part questions.

## Pacing Pressure

Back-to-back cycles leave no room for reteaching or meaningful PLC analysis.

## Platform Usability

CASA made reporting slow. CFAs time-consuming; data difficult to act on.

## Standards Flow

Priority standards feel fragmented — sequencing and articulation need strengthening.

*These refinements are the result of thoughtful input from teachers — thank you for helping shape this work. We listened across all 5 cycles. These insights are driving adjustments in 2026–27.*



# What's Improving & What's Staying the Same

*Beginning 2026–2027 School Year*

## WHAT IS IMPROVING

### 4 required cycles, grades 3–8 (5th optional)

Deeper instruction, mastery, and intentional reteach

### 1–2 week protected window

Assessment should inform instruction, not interrupt it

### Matrix Morph: refined 25 standards sequence

Clearer sequencing, less fragmentation K–8

### Transition to Pear Assessment platform

Better usability, reporting, and alignment

### 2-part questions → two 1-point questions

Cleaner standard-level data for PLCs

## WHAT IS STAYING THE SAME

### ✓ Guaranteed & Viable Curriculum

Every student accesses rigorous, aligned grade-level learning.

### ✓ 25 High-Priority Standards

ELA and Math priority standards anchor all instruction.

### ✓ 5th Optional Cycle

3–8 retain option; K–2 continues 5 cycles.

### ✓ Data Reflection Sessions (DRS)

PLCs analyze data, plan reteach and acceleration.

### ✓ WIN/RTI Support

Tier 2–3 support continues, informed by cycle data.

### ✓ Your Voice in This Work

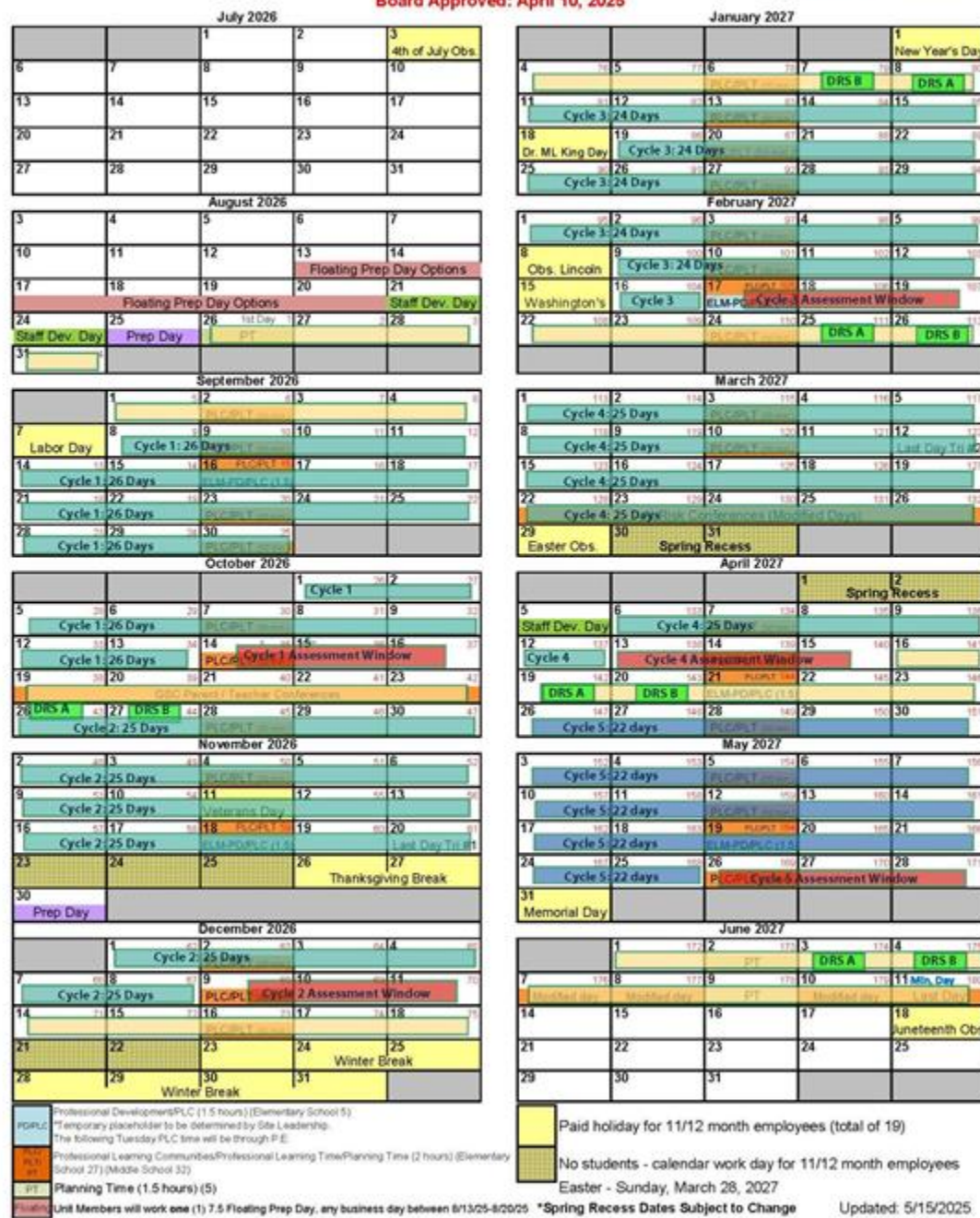
Teacher feedback continues to shape every refinement.



## Assessment Calendar DRAFT

# Grades 3-8 ELA

- 1-2 Weeks in between cycles
- 3 Day Assessment Window
- 24-26 Days of instruction per cycle
- Pattern for consistency
- DRS A and B alternate
- Time between assessment window and DRS





## Key Updates & Priorities

### 25–26 UPDATES



#### Matrix Morph & Math Matrix Process

- Transition from current matrix format to updated Matrix Morph structure
- Revised Math Matrix process aligned to Priority Standards framework
- Enhanced coherence across grade levels and instructional cycles
- Tools and guidance for site implementation

### 25–26 UPDATES



#### Assessment Improvements & Platform Updates

- Refinements to the 5x5 assessment model and DRS protocol
- Updated item count guidance grounded in reliability research
- Platform upgrades to support streamlined data collection
- Training and support for site teams on revised tools

### 26–27 PLANNING



#### ELEVATE Instructional Calendar & Updates

- 2026–27 ELEVATE Instructional Calendar finalization and rollout
- Alignment of instructional cycles to revised scope and sequence
- Updates to the ELEVATE framework for site and district coherence
- Communication plan for staff and leadership

# Staying the Course. Elevating Instruction.



✓ Guaranteed & Viable Curriculum	✓ Data Reflection Sessions (DRS)	✓ 25 High-Priority Standards	✓ MTSS/RTI Structures	✓ Four PLC Critical Questions	✓ Your Voice in This Work
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## Year 1 Foundation | Year 3 - Strategic Plan Alignment

### ELEVATE Year 1 — What We Built

- Launched 5x5 Priority Standards matrices across all 16 sites — ELA & Math, K–8
- Established 5-cycle common assessment system with CFAs in every classroom
- Data Reflection Sessions (DRS) as a district-wide instructional routine
- Built PLC culture around four critical questions — coherent across all schools

### Focus Area 1.0 — How ELEVATE Delivers

- 1.1 PLCs structured around DRS + 4 critical questions
- 1.2 5x5 Priority Standards matrices, K–8 vertical articulation
- 1.3 5-cycle system → Peer Assessment Year 2
- 1.4 Guaranteed & viable curriculum across all 16 sites

*“This work is not about adding more. It is about improving coherence in the work you do every day.”*

— Dr. Gunn Marie Hansen, Superintendent | Westminster School District