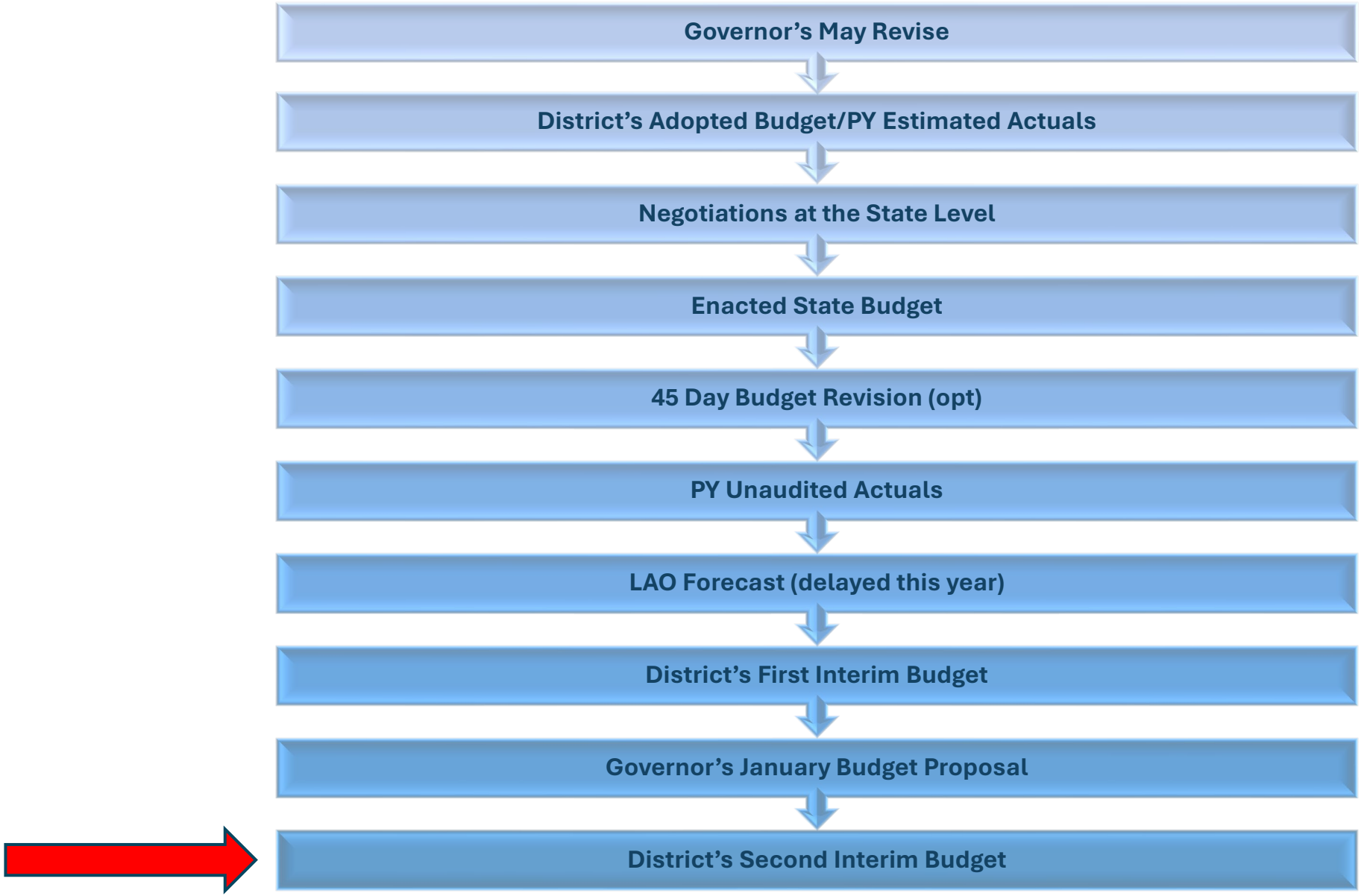
2025-26 Second Interim Budget Update

March 10, 2026

Budget Timeline in California



Significant Snapshot Data Points



UPDATED FINANCIAL PROJECTIONS FROM FIRST INTERIM



ACTUAL EXPENDITURES AND REVENUES THROUGH JANUARY 31ST

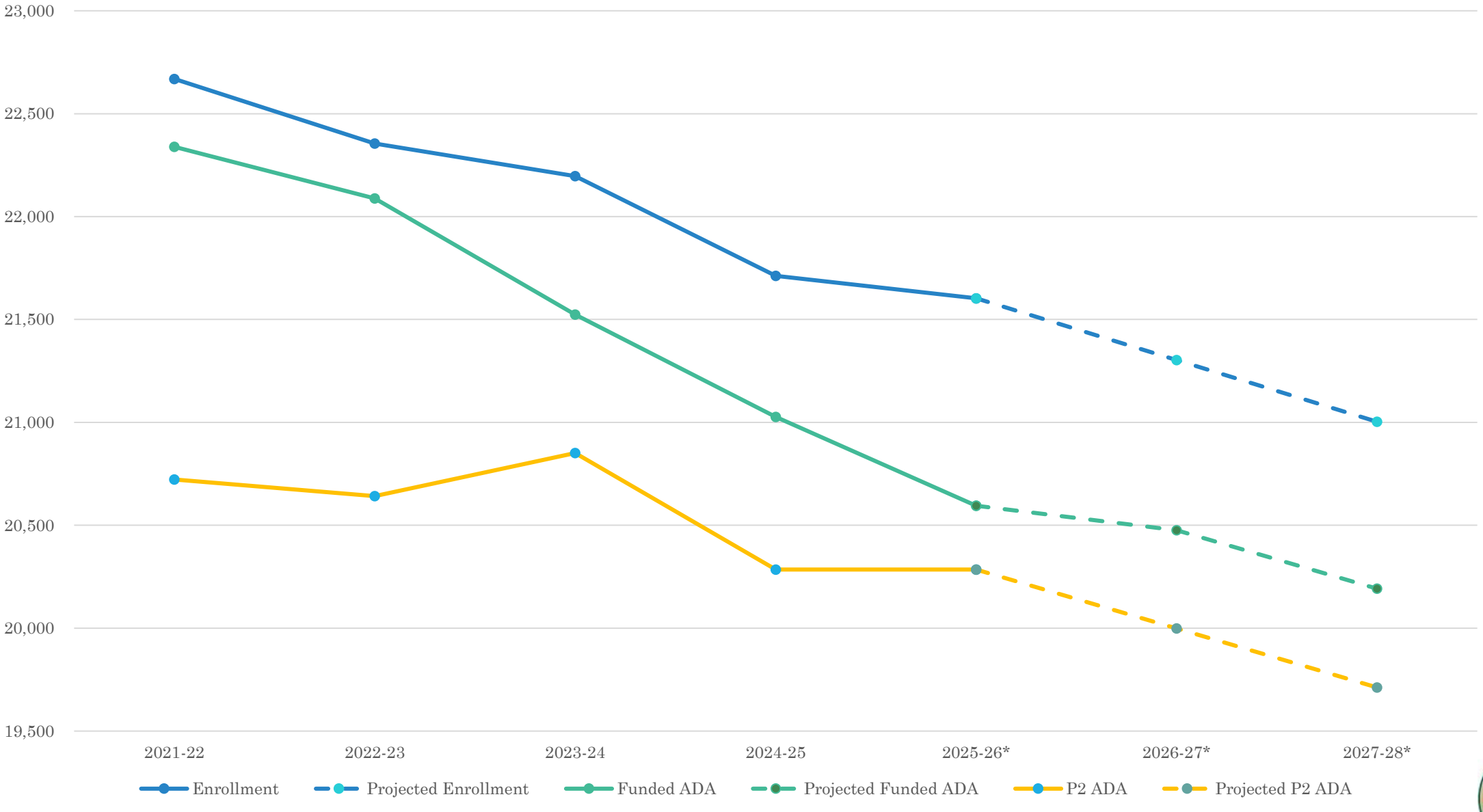


CALPADS ENROLLMENT AND UNDUPLICATED PUPIL PERCENTAGE



INCORPORATION OF GOVERNOR'S BUDGET PROPOSAL

2025-26 Second Interim Projected Enrollment and Funded ADA



2025-26 Second Interim Combined General Fund

	2025-26 Adopted Budget	2025-26 First Interim	Changes	2025-26 Second Interim
REVENUES				
LCFF Sources	$ 266,133,977	$ 267,872,115	$ (166,878)	$ 267,705,237
Federal Revenue	10,052,450	10,227,653	68,136	10,295,789
Other State Revenue	33,317,145	41,401,915	(216,543)	41,185,372
Local Revenues	32,260,864	34,436,126	136,959	34,573,085
Transfers from Other Funds	-	65,710	-	65,710
Total Revenues	341,764,436	354,003,519	(178,326)	353,825,193
EXPENDITURES				
Personnel Expenditures	305,718,246	301,616,558	3,193,206	304,809,764
Books and Supplies	9,594,564	10,441,730	(627,397)	9,814,333
Other Operating Services	35,589,021	36,487,770	(1,189,905)	35,297,865
Capital Outlay and Other Outgo	783,910	1,158,835	(343,775)	815,060
Transfers of Indirect Costs	(1,616,050)	(1,705,531)	23,238	(1,682,293)
Transfers to Other Funds	5,035,625	4,092,828	-	4,092,828
Total Expenditures	355,105,316	352,092,190	1,055,367	353,147,557
INCREASE (DECREASE)	(13,340,880)	1,911,329	(1,233,693)	677,636
BEGINNING FUND BALANCE	116,241,964	124,137,042	-	124,137,042
ENDING FUND BALANCE	$ 102,901,084	$ 126,048,371	$ (1,233,693)	$ 124,814,678

2025-26 Second Interim Unrestricted General Fund

- Major Changes Include:
  - Reduced TK add-on due to lower attendance ($117K), lower lottery receipts ($144K)
  - Shifted personnel expenditures to restricted one-time grants ($5.3M), negotiated agreements (+$4.8M), ELOP admin shift ($0.7M), vacancy savings and other reductions ($0.9M)
  - Reduction in expected expenditures ($1.2M) and decline in utility projection ($0.8M).
  - Shift COP payment to Fund 40 ($0.4M)
  - Increased restricted expenditures creates offset in indirect cost charges ($0.3M).

	2025-26 Adopted Budget	2025-26 First Interim	Changes	2025-26 Second Interim
REVENUES				
LCFF Sources	$ 266,133,977	$ 267,872,115	$ (166,878)	$ 267,705,237
Federal Revenue	17,586	20,652	-	20,652
Other State Revenue	9,705,822	9,562,240	(140,505)	9,421,735
Local Revenues	9,575,572	11,264,065	(3,041)	11,261,024
Transfers from Other Funds	-	65,710	-	65,710
Total Revenues	285,432,957	288,784,782	(310,424)	288,474,358
EXPENDITURES				
Personnel Expenditures	196,927,708	195,483,053	(2,115,987)	193,367,066
Books and Supplies	5,664,634	6,195,191	(688,699)	5,506,492
Other Operating Services	25,244,149	26,041,125	(1,342,892)	24,698,233
Capital Outlay and Other Outgo	560,910	640,920	(364,610)	276,310
Transfers of Indirect Costs	(3,419,556)	(3,519,040)	(299,587)	(3,818,627)
Transfers to Other Funds	5,035,625	4,092,828	-	4,092,828
Total Expenditures	230,013,470	228,934,077	(4,811,775)	224,122,302
OTHER				
Contributions	(57,895,482)	(54,579,229)	(129,098)	(54,708,327)
Total Other	(57,895,482)	(54,579,229)	(129,098)	(54,708,327)
INCREASE (DECREASE)	(2,475,995)	5,271,476	4,372,253	9,643,729
BEGINNING FUND BALANCE	75,277,099	82,609,762	-	82,609,762
ENDING FUND BALANCE	$ 72,801,104	$ 87,881,238	$ 4,372,253	$ 92,253,491

2025-26 Second Interim Restricted General Fund

- Major Changes Include:
  - Title Programs Increase (+$0.1M), reduction in lottery ($0.2M), and reduced literacy screening grant ($0.1M)
  - Increased Medi-Cal LEA (+$0.1)
  - Shifted personnel expenditures to restricted one-time grants (+$5.3M),shift intervention costs to ELOP ($0.4M) negotiated agreements (+$1.9M), vacancy savings and other reductions ($1.5M)
  - Miscellaneous program shifts(+$0.2M)
  - Increased restricted expenditures increases indirect cost charges (+$0.3M).

	2025-26 Adopted Budget	2025-26 First Interim	Changes	2025-26 Second Interim
REVENUES				
LCFF Sources	$ -	$ -	$ -	$ -
Federal Revenue	10,034,864	10,207,001	68,136	10,275,137
Other State Revenue	23,611,323	31,839,675	(76,038)	31,763,637
Local Revenues	22,685,292	23,172,061	140,000	23,312,061
Total Revenues	56,331,479	65,218,737	132,098	65,350,835
EXPENDITURES				
Personnel Expenditures	108,790,538	106,133,505	5,309,193	111,442,698
Books and Supplies	3,929,930	4,246,539	61,302	4,307,841
Other Operating Services	10,344,872	10,446,645	152,987	10,599,632
Capital Outlay and Other Outgo	223,000	517,915	20,835	538,750
Transfers of Indirect Costs	1,803,506	1,813,509	322,825	2,136,334
Transfers to Other Funds	-	-	-	-
Total Expenditures	125,091,846	123,158,113	5,867,142	129,025,255
OTHER				
Contributions	57,895,482	54,579,229	129,098	54,708,327
Total Other	57,895,482	54,579,229	129,098	54,708,327
INCREASE (DECREASE)	(10,864,885)	(3,360,147)	(5,605,946)	(8,966,093)
BEGINNING FUND BALANCE	40,964,865	41,527,280	-	41,527,280
ENDING FUND BALANCE	$ 30,099,980	$ 38,167,133	$ (5,605,946)	$ 32,561,187

Factors Affecting Multi-Year Projections

- Enrollment changes
- State Budget and future funding levels
- Maintenance of level of services with smaller student population
- Inflationary pressures: labor, goods and services

Multi-Year Projection (in millions)

	2025-26	2026-27	2027-28
UNRESTRICTED			
Revenues and other sources	$ 233.77	$ 229.33	$ 229.85
Expenditures and uses	224.13	238.73	257.92
Increase/(Decrease) in Fund Balance	*9.64*	*(9.40)*	*(28.07)*
Beginning Fund Balance	82.61	92.25	82.85
Ending Fund Balance	$ 92.25	$ 82.85	$ 54.78
RESTRICTED			
Revenues and other sources	$ 120.06	$ 117.45	$ 117.35
Expenditures and uses	129.03	130.22	119.08
Increase/(Decrease) in Fund Balance	*(8.97)*	*(12.77)*	*(1.73)*
Beginning Fund Balance	41.53	32.56	19.79
Ending Fund Balance	$ 32.56	$ 19.79	$ 18.06
COMBINED			
Revenues and other sources	$ 353.83	$ 346.78	$ 347.20
Expenditures and uses	353.16	368.95	377.00
Increase/(Decrease) in Fund Balance	*0.67*	*(22.17)*	*(29.80)*
Beginning Fund Balance	124.14	124.81	102.64
Ending Fund Balance	$ 124.81	$ 102.64	$ 72.84

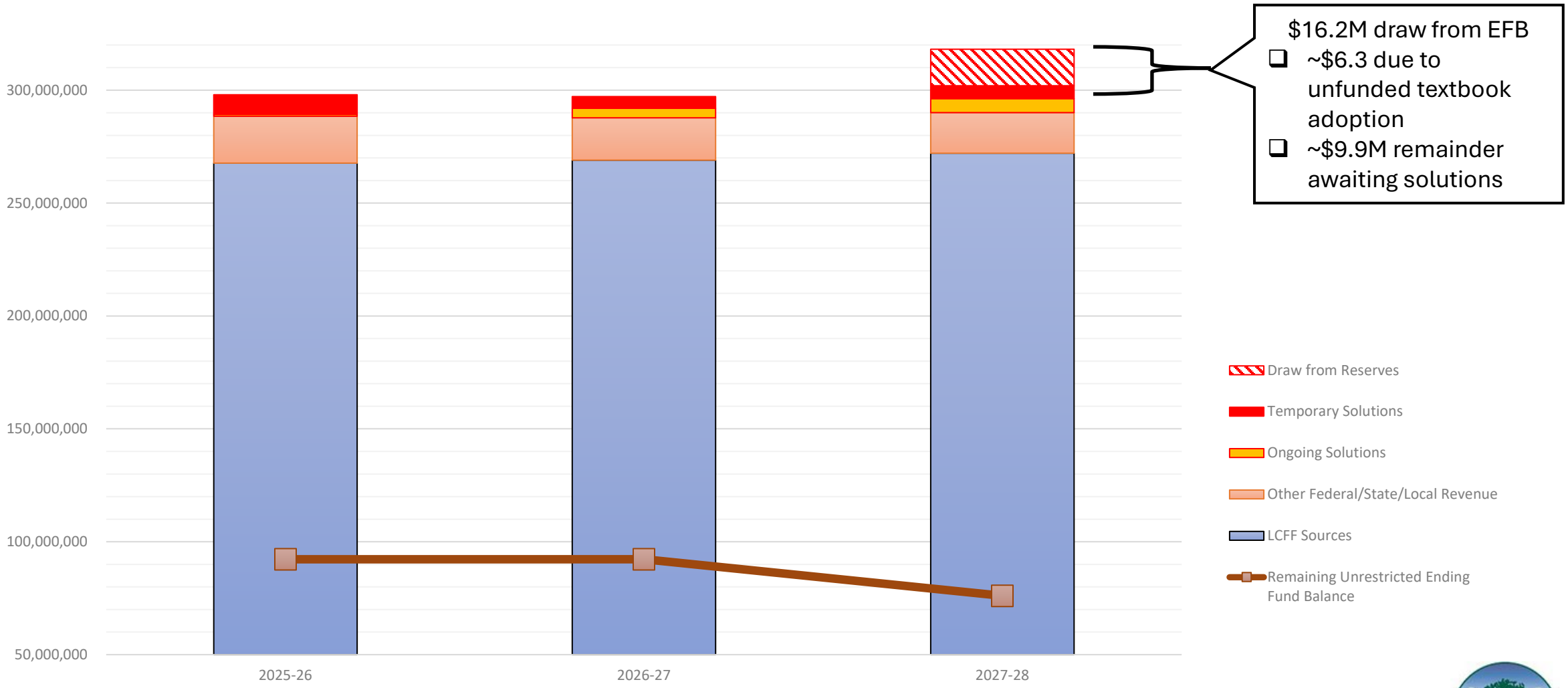
Projected Ending Fund Balance and Reserves (in millions)

	2025-26	2026-27	2027-28
COMPONENTS OF ENDING FUND BALANCE			
Required Reserve (3%)	$ 10.60	$ 11.07	$ 11.31
Restricted Funds	32.56	19.79	18.06
Assigned for Specified Purpose	13.68	8.42	4.05
Unassigned/Committed	67.97	63.36	39.42
Total Projected Ending Fund Balance	$ 124.81	$ 102.64	$ 72.84

Right-Sizing Actions (in millions)

	25-26	26-27	27-28
Ongoing Solutions			
Restructure and Eliminate DSC Positions	$ -	$ 0.9	$ 0.9
Attrition Savings	-	1.7	3.5
Cost allocate expenditures to ELOP	0.1	0.1	0.1
Shift portion of Admin to ELOP	0.7	0.7	0.7
Other Cost Saving Measures	-	0.8	1.0
Subtotal Ongoing Solutions	$ 0.8	$ 4.2	$ 6.2
Temporary/One-Time Solutions			
Pause Deferred Maintenance Contribution	$ 3.4	$ -	$ -
Reduce/Pause Ongoing Furniture Refresh	-	0.5	1.0
Shift personnel expenditures into restricted resources	5.3	4.7	4.7
Subtotal Temporary/One-Time Solutions	$ 8.7	$ 5.2	$ 5.7
Total Right Sizing Efforts	**$ 9.5**	**$ 9.4**	**$ 11.9**

Right-Sizing Impact on Unrestricted General Fund



Future Considerations and Next Steps

Implementation of right-sizing efforts and analysis of enrollment impacts.

Updated economic factors are expected to play a role in the Governor's May Revision (mid-May).

Possibility of new "one-time" dollars from the state may alter the financial strategy.

District staff will begin preparing the Estimated Actuals and 2026-27 Adopted Budget in conjunction with the development of the 2026-27 LCAP.

Positive Certification

Although there is a significant structural deficit that will need to be addressed in the coming years, the 2025-26 Second Interim Budget and Multi-Year Projections indicate that Murrieta Valley Unified School District will be able to meet its financial obligations for the current budget year and two successive fiscal years.