GATEWAY UNIFIED SCHOOL DISTRICT

2025-26 First Interim Budget Update

December 17, 2025

GUSD

LET'S CONNECT!

District Net Worth

	Est. June 30, 2026 Balance
Fund 01	$ 22,216,323
Fund 08 – Student Body	172,621
Fund 13 – Cafeteria	978,263
Fund 20 – Post Emp Benefits	456,363
Fund 21 – Capital Building (Balance of Bond)	17,248,644
Fund 25 – Developer Fees	4,012,308
Fund 40 – Capital Outlay Projects	1,043,488
	$ 46,128,010
Fund 51/52/53 – Bond Financing (Not included in Net Worth)	3,939,883

REVENUES – Fund 01

	Adopted Budget	1st Interim	Difference	Notes
LCFF	31,534,553	31,406,780	(127,773)	An increase in funded ADA of 1.95 but a decrease to our UPP of 1.61% result in a change to overall LCFF funding.
Federal	3,260,650	3,466,458	205,808	Received update on the award for CSI funds, and budgeted carryover for Title IV.
State	6,447,096	7,426,948	979,852	Budgeted awards being received through the Learning Recovery BG, Student Support PD Disc BG, Prop 28, ASES, ELOP & CTIEG.
Local	3,060,577	3,690,565	629,988	Additional funds received through MediCal reimbursements from prior years, Adj to Special Education transfers and reimbursement for E*Rate Category 2 funding.
Interfund Transfers In	121,722	121,722	-0-	
Total Revenue	$ 44,424,598	$ 46,112,473	$ 1,687,875	
Estimated Funded ADA	2,003.09	2,005.04	1.95	

EXPENSES

	Adopted Budget	1st Interim	Difference	Notes
Certificated Salaries	15,944,875	15,807,104	(137,771)	Reduction in budgeted vacancies and filling vacancies at a lower cost. Reduced the budget for 3 speech pathologists and increased the contract for those services. An increase in paraprofessional support necessary at the Tk/K level.
Classified Salaries	9,063,250	9,238,581	175,331	
Benefits	11,213,630	11,183,847	(29,783)	
Books/Supplies	4,085,913	4,190,314	104,401	Budgeted carry-over funds from E*Rate tech upgrades.
Services/Operations	7,596,732	8,967,615	1,370,883	Increased contracted services due to the District reconfiguration and increase contract for speech services.
Capital Outlay	80,000	1,558,852	1,478,852	Budgeted expenses related to the District reconfiguration and the replacement of the drive-in freezer.
Other Outgo	455,391	483,599	28,208	Increase from SCOE transportation charges.
Direct/Indirect Support Costs	(73,767)	(80,592)	(6,825)	Adj to Indirect costs from Cafeteria Fund.
Interfund Transfers Out	105,000	105,000	-0-	
Total Expenses	$48,471,024	$51,454,320	2,983,296	

ENDING BALANCE – Fund 01

	Adopted Budget	1st Interim	Difference
Beginning Balance	23,811,122	27,558,170	3,747,048
Increase/(Deficit)	(4,046,426)	(5,341,847)	(1,295,421)
Ending Balance	$ 19,764,696	$ 22,216,323	$ 2,451,627

RESERVES

	1st Interim Projection	
Ending Balance	22,216,323	
Revolving Cash/Prepaids	12,100	
Restricted Reserves	9,825,709	12.69%
Assigned Reserves	5,049,265	9.82%
Economic Uncertainty	7,329,249	14.24%
Total Unrestricted Reserves		35.30%

Reserves

ASSIGNED/BOARD DESIGNATED	
Unrestricted Lottery	$ 1,253,450
Deferred Maintenance	-0-
Additional Concentration Funds	356,299
Mandated Costs	1,397,923
Forest Reserves	1,037,241
MAA	954,478
Site Donations/Fundraising	23,869
TK Add-on Carryover	26,005
Board Designated Economic Uncertainty	5,785,619
3% State Economic Uncertainty	1,543,630
TOTAL ASSIGNED/DESIGNATED	$ 12,378,514

COMMITTED / LEGALLY RESTRICTED	
ELO-P	852,664
Scholarships/Donations	435,295
LCFF Equity Multiplier	1,951,061
SPED PreK Intervention	85,229
Learning Recovery – District Restricted	2,152,984
Mental Health (Educationally Related)	119,903
Golden State Pathway Grant	256,322
Lit Coach Reading Specialist Grant (GEO)	285,259
RDA Funds	904,738
MediCal BOP	1,528,018
COVID Supplies	33,995
Restricted Lottery	493,366
Student Support, PD, Discretionary BG	616,711
Prop 28 – Arts & Music	110,164
TOTAL COMMITTED	$ 9,825,709

MULTI-YEAR PROJECTIONS

2026-27 & 2027-28

Multi-Year Assumptions

- **COLA:**
  - **2026-27 = 2.50%**
  - **2027-28 = 2.50%**
- **ADA:**
  - **2026-27 = 1994.32 (41.31) - Funded ADA 2004.44 (0.60)**
  - **2027-28 = 1995.67 1.35 - Funded ADA 1998.98 (5.46)**
- **Revenues:**
  - **Adjusted in both years to reflect new LCFF calculations.**
    - **2026-27 – Increased by $692,262 (actual COLA of 2.16%)**
    - **2027-28 – Increased by $212,135 (actual COLA of 0.66%)**
  - **Reduction in estimates for Federal funding due to declining enrollment from allocations based on ADA.**
  - **State revenues to decrease in 2026-27 due to not having revenues in from one-time sources received in 2025-26. Minimal reduction in 2027-28 due to completion of SWP Grant.**
  - **Local revenues projected to decline in 2026-27 due to local grants and donations not being budgeted until received. An additional reduction due to estimated interest received 2027-28.**

Multi-Year Assumptions

- Staffing:
  - 2026-27 – Step & Column is budgeted. Savings from attrition due to retirement is budgeted. No changes to STRS rate and an increase to the PERS rate of 0.09% to 26.9%. Reduction in salary expenses due to extra-duty related to one-time funding, district reconfiguration and continued rightsizing through attrition.
  - 2027-28 – Step & Column is budgeted. No reduction to staffing levels. Estimate savings from retirement attrition. No change to STRS rate and an increase to the PERS rate of 0.90% to 27.80%.
- Expenses: Reduced expenses for all one-time purchases and contracts as they were related to the District reconfiguration and expiring Block Grant funds in both subsequent years. Also reduced all capital purchases in both subsequent years.
- Deficit Spending: The District is working to reduce the deficit spending as we are exhausting one time funds. There is still a substantial amount of funds received as block grants that we will reflect as deficit spending through 2028-29 when the funds expire.

MYP …

	2025-26	2026-27	2027-28
Revenues	46,112,473	42,907,765	42,961,414
Expenses	51,454,320	45,541,221	45,628,386
Increase/(Deficit)	(5,341,847)	(2,633,456)	(2,666,972)
Ending Balance	$ 22,216,323	$ 19,582,867	$ 16,915,895
Economic Uncertainty Reserve	7,329,249 14.24%	5,584,154 12.26%	3,402,535 7.46%
Total Unrestricted Reserve	24.06%	23.62%	19.11%
TOTAL RESERVES	43.15%	42.97%	37.05%

Future Indicators to watch....

- Staffing shortages
- Deadlines for spending one-time funds
- Inflation / Recession – CA outlook
- Deficit Spending
- ADA decline

Board Action Requested:

It is recommended that the Board approve the 2025-26 First Interim Budget report with a POSITIVE certification. The Gateway Unified School District is capable of meeting our financial obligations for the current year and two subsequent year.

THANK YOU