

Pleasanton Unified School District

Fiscal Year 2026-27

Annual Budget
Presentation to Board of Trustees

June 25, 2026

Presentation Summary

- Executive Summary
- Budget Planning Process
- Structural Budget Development Improvements and Resilience
- 2026/27 Key Budget Assumptions
- 2026/27 Projected Revenues and Expenditures
- Reserves and Multi-year Projections
- Budget changes from 25/26 to 26/27
- Variance from Third Interim MYP
- Considerations for additional ongoing and one-time revenues
- Other Funds
- Next Steps

Executive Summary

- The District meets the States required 3% minimum reserve for 2026/27 and the following two fiscal years
- Significant improvement in our Unappropriated Ending Fund Balance from Negative \$2.46M in 2025/26 to a Positive \$489K in 2026/27
- The 2026/27 Budget projects a growing reserve balance with about \$2M of new ongoing funding
- Approximately \$5M of one-time monies replaced with ongoing revenues
- Rising expenditures across salaries, health benefits, and operational overhead have effectively neutralized revenue gains, limiting capacity for programmatic restoration and increased compensation
- The Budget incorporates significant structural improvements from prior years; making it more reliable, resilient and accurate
- Reminder - State Budget is not finalized; Most reliable assumptions from the May Revise are incorporated into the Budget

Considerations for Budget Development

Budget Planning Process

- 85% of costs is driven by staffing and benefit costs
- Our year to year cost increase by:
 - Increased salary with step and columns movements
 - Benefits and pension cost increases
 - Increased cost related to inflation of materials, supplies, utilities, insurance, etc
 - Special education costs
- Due to declining enrollment, PUSD LCFF revenues decrease
- State determines funding levels and budgets - Enacted State Budget information is determined by end of June
- Our ability to pay for these known/regular increases comes from additional ongoing revenues
- Main driver of additional ongoing revenues in Pleasanton USD is the LCFF formula
- One time funds and grants can only be used as short term solutions and should not be used for ongoing needs
- Staff works with each department to develop their budgets and with HR on reconciliation of staffing allocations and position control
- Solutions available to balance budget
 - Reduce expenditures
 - Reallocate expenditures
 - Find new revenue sources

Structural Budget Development Improvements and Resilience

- One-time revenue sources replaced with ongoing revenues
- Deep level of departmental budget analysis to ensure all needed cost are captured
- Position Control and staffing allocation reconciliation to capture any variances
- More effective use of Federal Title program funding and grants
- More realistic assumptions of vacancy and health plan contribution costs
- Significant analysis and more accurate budgeting of non-positional costs
- Clean up prior year books and more accurate estimated actuals

2026/27 Annual Budget

2026/27 Adopted Budget Summary

Description	2026/27 Adopted Budget		
	Unrestricted	Restricted	Total
Revenues	\$173,947,704	57,037,976\$	\$230,985,680
Expenditures	\$142,498,004	\$79,169,084	\$221,667,088
Transfers In/Out	\$2,805,000	\$0	\$2,805,000
Contribution to Restricted Programs	-\$34,210,507	\$34,210,507	\$0
Net Increase/Decrease	\$44,193	\$12,079,399	\$12,123,592
Beginning Balance	\$566,580	\$5,837,556	\$6,404,136
Ending Balance	\$610,773	\$17,916,955	\$18,527,728
Less Nonspendable	\$140,150	\$0	\$140,150
Adjusted Ending Balance / Unappropriated Fund Balance	\$470,623		

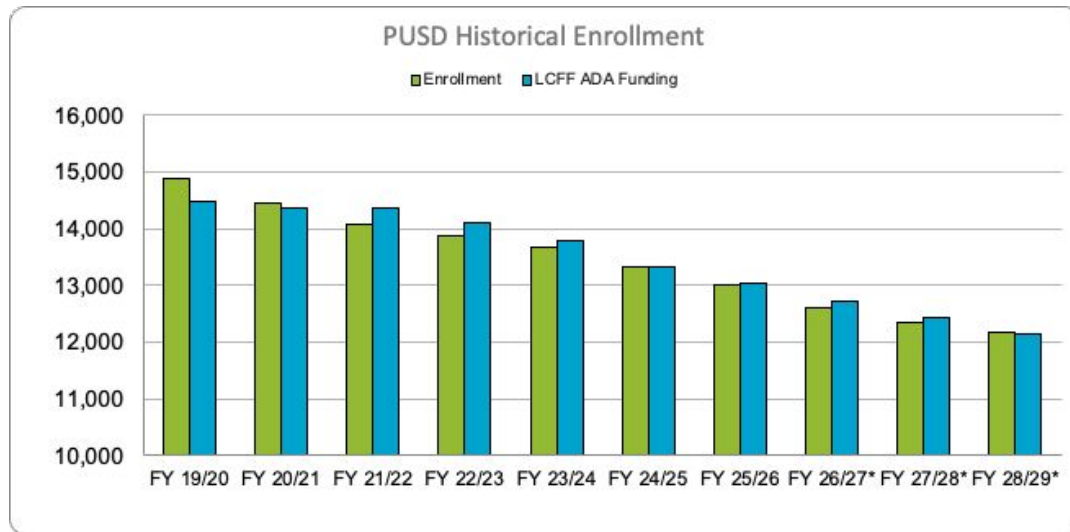
2026/27 Budget Assumptions

Local Control Funding Formula Assumptions 2026/27			
School Year	FY 26/27	FY 27/28	FY 28/29
Enrollment	12,600	12,344	12,180
LCFF ADA Funding	12,736	12,435	12,158
COLA	4.31%*	3.30%	3.09%
Unduplicated as % Enrollment	17.36%	17.90%	17.90%
Grades TK-3 \$/per Student	\$ 11,811	\$ 12,200	\$ 12,577
Grades 4-6 \$/per Student	\$ 10,860	\$ 11,218	\$ 11,565
Grades 7-8 \$/per Student	\$ 11,181	\$ 11,550	\$ 11,907
Grades 9-12 \$/per Student	\$ 13,295	\$ 13,734	\$ 14,159
K-3 Grade Span Adj \$/per Student	\$ 1,113	\$ 1,149	\$ 1,185
9-12 Grade Span Adj \$/per Student	\$ 337	\$ 348	\$ 359
TK Add on \$/Student	\$ 5,704	\$ 5,892	\$ 6,074
TOTAL EST LCFF Funding - unrestricted	\$ 167,297,638	\$ 169,053,880	\$ 170,531,885
Net Impact on LCFF Funding	1.87%	1.05%	0.87%

- 2.87% Statutory COLA + 1.44% Additional Investment to per student LCFF base funding
- Additional 1.44% investment in LCFF base funding to fund new 14 weeks of paid pregnancy leave and rising costs
- ADA calculation uses 3 year average
- Due to declining enrollment the effective new funding for PUSD is less than the COLA
- New funds are not enough to cover increased ongoing costs and will require ongoing staffing adjustments and reductions

* Statutory COLA is 2.87%+ 1.44% of Additional Investment (May Revise)

Attendance Drives Funding



PUSD Projected Enrollment and ADA							
	FY 22/23	FY 23/24	FY 24/25	FY 25/26	FY 26/27*	FY 27/28*	FY 28/29*
Total Enrollment	13,874	13,685	13,338	13,021	12,600	12,344	12,180
ADA (Funding)	14,119	13,799	13,340	13,043	12,736	12,435	12,158

- **Declining enrollment = lower revenues**
- PUSD like most other districts has been impacted by the on going declining enrollment
- PUSD uses a 3 year Average ADA formula
- Hold harmless years ADA from the pandemic have dropped off the average calculation resulting in decreased funding

* Actual ** Projections

2026/27 Budget Assumptions - Revenues

- 2.87% Statutory COLA + 1.44% Additional Investment to per student LCFF base funding
- Includes May Revise increased Special Education funding from \$917 to \$1340 per ADA which result in about \$5M of new ongoing funding
- Removed \$4M of one time funding used for Special Education in 2025/26
- Increase in Restricted Early Learning Opportunities Grant of \$225K based on increased the per TK-6 UPP per student funding to \$1,800 from \$1,550
- Includes funding the remaining Learning Recovery Block Grant in the amount of \$514K
- Includes the \$11.7M in new Student Support and Professional Development Discretionary Block Grant on the Restricted revenue side; Because this funding is part of the May Revise and may change as part of the Enacted Budget no expenditures/allocations have been included in the budget

2026/27 Budget Assumptions - Revenues

- Includes Restricted \$1.63M in California Apprenticeship Initiative Grant (new)
- Federal Funds remain flat for 2026/27 at \$3.145M; represent about 1.5% of our total funding
- Removed one-time OPEB (Trust Fund) monies from the local revenue of about \$2M that was part of 2025/26 budget
- Includes increased revenue from PPIE of \$860K total
- Includes any new mental health grants and prior year carryovers/adjustments in local funding
- Transfers in from Kids Club, Property Lease, Sycamore Fund, and Administrative Developer fees adjusted to \$2,805,000 a reduction of \$200,000 from prior year

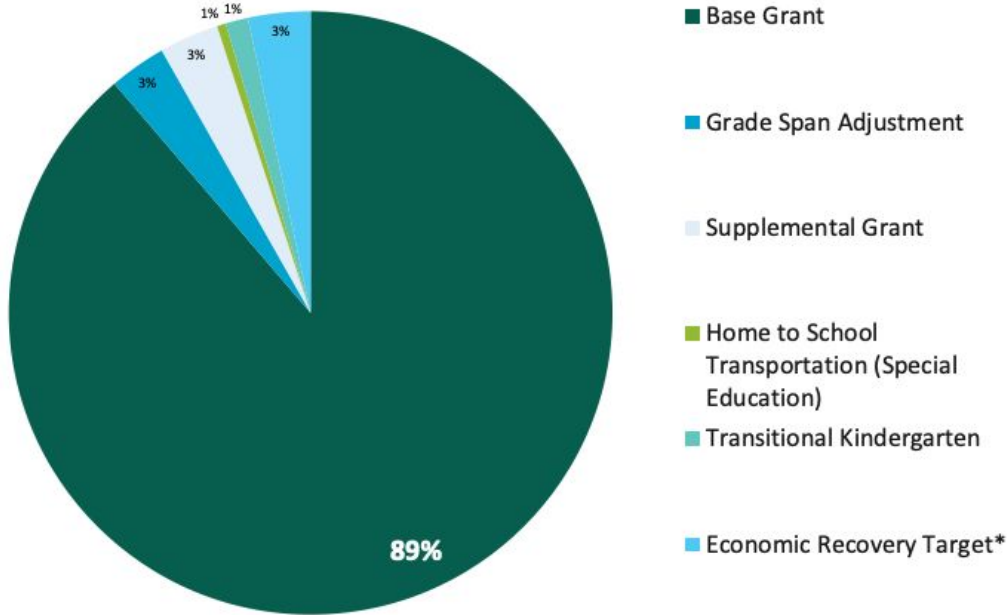
2026/27 Budget Assumptions - Expenditures

- Includes staffing reductions as approved and adjusted by the School Board
- Includes enrollment based staffing adjustments
- Includes on average a 1.46% increase in salary cost from step and column movements
- Includes increased substitute cost related to 14 weeks of paid pregnancy leave (May Revise)
- Includes vacancy assumptions that incoming employees come in at mid career level and will participate in District provided medical options
- Includes increased cost in Other Post Employment Benefits as a result of increased retirements and return of APT Retirement Incentive
- Books and supplies cost remain flat; increase of about \$2M to be paid from committed funds
- 10% increased Property and Liability Insurance (AB 218- Sexual Molestation, increased recent claims)
- 6.6% increase in Utilities budget to cover increased water, sewer, garbage, electricity, and gas costs

Multi-Year Planning Assumptions

- 3.0% growth in unrestricted Services & Operating Costs
- 3.0% growth in Books and Supplies
- 2.5% growth in contribution to special education
- Revenues and expenditures from restricted one-time grants and funds are removed in out years
- Salary cost increases based on Step and Column movement of staff on the salary schedule
- Staffing reductions related to reduced enrollment in 27/28 and 28/29

Breakdown of the PUSD LCFF Revenues



PUSD LCFF for 2026/27

Base Grant [^]	\$148,454,365
Grade Span Adjustment [^]	\$5,112,667
Supplemental Grant [^]	\$5,331,847
Home to School Transportation (Special Education)	\$798,731
Transitional Kindergarten	\$2,020,984
Economic Recovery Target*	\$5,579,044
Total	\$167,297,638

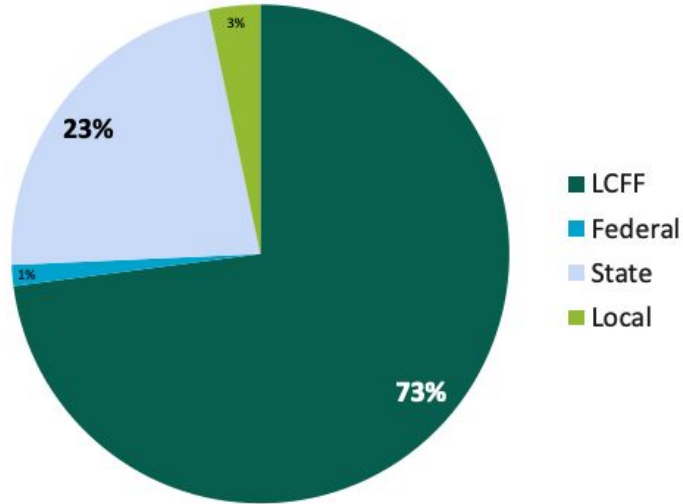
* No COLA Adjustment

[^] Receives statutory and additional COLA investment

* The Economic Recovery Target is a fixed amount that receives no COLA. PUSD receives this funding as part of the transition to the LCFF in 2012/13.

2026/27 Adopted Budget Revenues

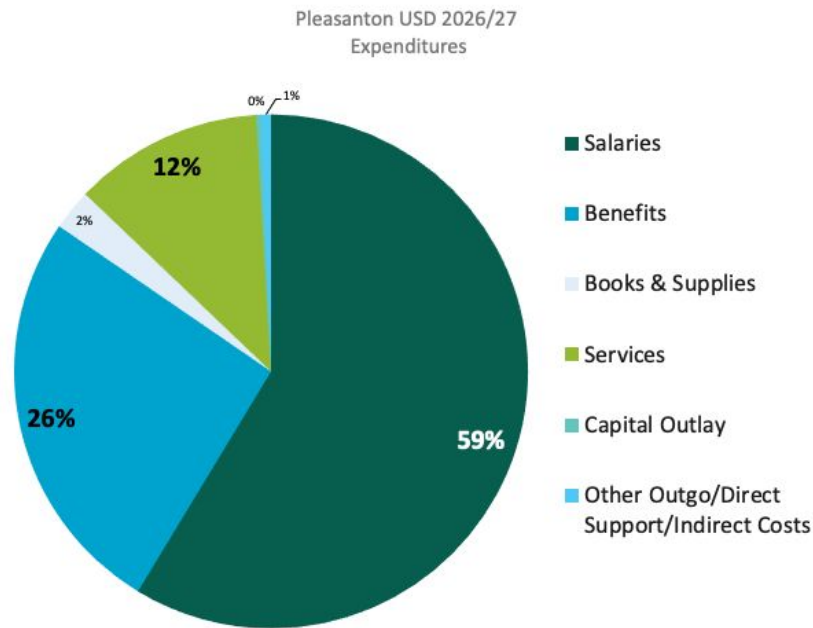
Pleasanton USD 2026/27 Revenue Sources



- Total Revenue: \$230,985,680
- Net increase in LCFF is 1.87%
- Restricted Revenue: \$57M
 - \$11.7M New Discretionary Block Grant*
- District is heavily dependent on LCFF/State Funding: 96%
- Federal funding is flat
- Local revenues will grow as actual donations are made in the fiscal year

* Based on May Revise; included in Restricted Revenues but no expenditure or allocation have been made until State budget is enacted

2026/27 Adopted Budget Expenditures



- Total Expenditures: \$221,667,088
- 85% Expenditures on Salaries and Benefits
- Total Restricted Expenditures: \$79.2M
- Contributions to Restricted programs: \$34.2M
 - Special Education: \$27.83M
 - Routine Restricted Maintenance: \$6.3M
- Projected Unrestricted Net Increase: \$44.2K
- Projected Restricted Net Increase: \$12.08M
- Includes all reductions approved by the board and staffing to enrollment

Restricted Programs Total	\$17,974,895
Other Restricted Federal	\$3,063
Student Support and Professional Development Discretionary Block Grant	\$11,685,000
Lottery: Instructional Materials	\$0
Golden State Pathways Program	\$1,199,798
Strong Workforce Program	\$0
Special Education (SELPA Administrative Unit)	\$286,381
Mental Health Related Services	\$93,676
Arts and Music in Schools (Proposition 28)	\$1,488,212
Dual Enrollment Opportunities (CCAP)	\$93,429
Learning Recovery Emergency Block Grant	\$266,727
Other Restricted State	\$47,509
Ongoing & Major Maintenance Account (RMA)	\$623,327
Other Restricted Local	\$2,187,773

Restricted Ending Fund Balances 2026/27

Multi-Year Projections

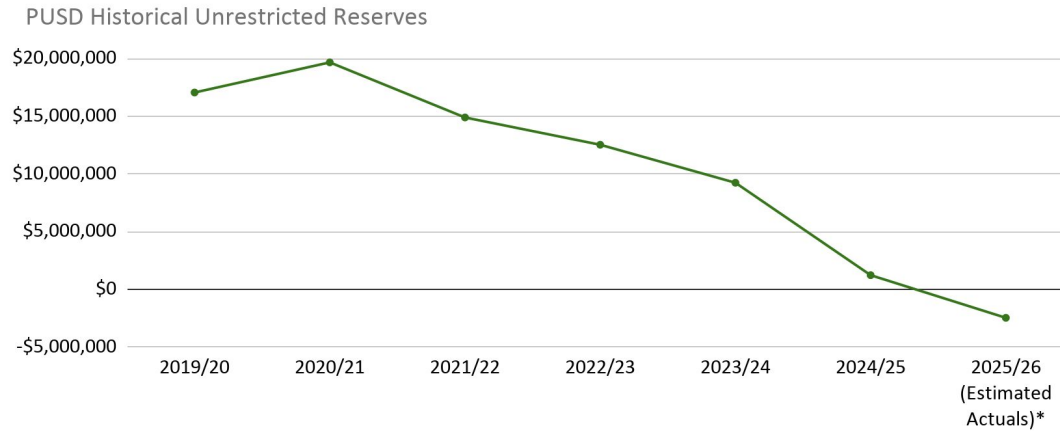
Pleasanton Unified School District

Fiscal Year	2025/26	2026/27	2027/28	2028/29
Required 3% Reserve for Economic Uncertainty (REU)	\$7,232,100	\$6,650,100	\$6,623,100	\$6,678,000
Unrestricted Net Deficit/Surplus	-\$4,794,756	\$44,193	\$2,567,209	\$1,838,910
Unrestricted Unappropriated Ending Fund Balance*	-\$2,455,570	\$470,623	\$3,037,831	\$4,876,742
Fund 17 Committed Stabilization Fund**	\$7,118,000	\$7,118,000	\$7,118,000	\$7,118,000
Net Total Reserves	\$4,662,430	\$7,588,623	\$10,155,831	\$11,994,742
PUSD Reserve %	2.00%	3.42%	4.60%	5.39%

* Does not include any committed funds

** Funds count toward the reserves but can not be used for ongoing expenses and require State approval before use

- District is required to maintain 3% reserve for for Positive Budget Certification
- Restricted funds are not part of the reserves
- Statewide Unified School District reserve average is 24%
- For best practice district reserve levels: 10% of GF
- Reserves allow the district to:
 - Weather downturns in the economy
 - Handle emergencies
 - Manage cash flow needs



Key PUSD Historical Data Ending Fund Balances and Reserves

Key Indicators	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26 (Est. Actuals)*
Enrollment	14,812	14,308	13,979	13,849	13,668	13,277	13,021
Total Revenues	\$174,967,432	\$185,538,001	\$196,107,328	\$223,166,723	\$216,111,089	\$213,921,902	\$221,059,765
LCFF Revenues	\$136,570,436	\$135,866,825	\$141,965,796	\$157,919,426	\$167,299,695	\$163,940,153	\$165,476,906
Total Expenditures	\$178,821,063	\$177,916,163	\$199,001,285	\$216,716,200	\$230,437,967	\$225,988,848	\$232,948,970
Net Increase or Decrease in Unrestricted Ending Fund Balance	-\$4,103,897	\$3,189,850	-\$3,989,557	-\$2,338,934	-\$4,382,786	-\$7,218,455	-\$4,794,756
Unrestricted Ending Fund Balance	\$17,290,973	\$20,409,068	\$16,419,511	\$14,080,577	\$9,697,791	\$2,479,336	-\$2,315,421
Restricted Ending Fund Balance	\$5,368,029	\$10,036,378	\$11,466,236	\$20,993,672	\$12,606,113	\$9,852,004	\$5,837,556
Total Unrestricted Reserve	\$17,067,759	\$19,678,798	\$14,906,306	\$12,541,123	\$9,248,370	\$1,240,134	-\$2,455,570
Reserve %	9.54%	11.06%	7.49%	5.79%	4.01%	0.55%	-1.05%
* \$2.882M Committed Funds not included ; estimated reserves does not include the Fund 17 Stabilization monies							

Budget Adjustments between 2025/26 and 2026/27

Unrestricted Adjustment Review

Description	2025-26 Estimated Actuals Unrestricted	26-27 Prop Budget Adoption Unrestricted	Variance Unrestricted
Revenue			
LCFF	164,290,183	167,297,638	3,007,455
Federal Revenue	0	0	
State Revenue	3,499,961	3,294,943	-205,018
Local Revenue	6,108,541	3,355,123	-2,753,418
Total Revenue	173,898,685	173,947,704	49,019

Expenditures			
Certificated Salaries	83,172,409	79,629,559	-3,542,850
Classified Salaries	16,370,102	15,091,715	-1,278,387
Employee Benefits	33,410,976	32,744,066	-666,910
Books and Supplies	1,941,709	4,103,351	2,161,642
Other Services & Oper. Expenses	11,959,845	12,525,186	565,341
Capital Outlay	0	10,000	10,000
Other Outgo 7xxx	1,773,914	1,837,744	63,830
Transfer of Indirect 73xx	-2,880,483	-3,443,617	-563,134
Total Expenditures	145,748,472	142,498,004	-3,250,468

- Net increase LCFF revenue from COLA
- Reduction of local revenues from adjustments from one-time sources in 25/26
- Net reduction in salaries and benefit cost from staffing reductions and staffing to enrollment
- Increased cost associated with substitute costs for paid pregnancy leave, vacancy assumptions, and OPEB costs
- Increase Book and Supplies costs to be offset from \$2M in committed book adoptions
- 4% costs increase in Services related to insurance and utility costs increases

Restricted Adjustment Review

Description	2025-26 Estimated Actuals Restricted	26-27 Prop Budget Adoption Restricted	Variance Restricted
Revenue			
LCFF	1,186,723	1,186,723	0
Federal Revenue	3,906,712	3,145,326	
State Revenue	34,305,821	48,369,261	14,063,440
Local Revenue	7,761,824	4,336,666	-3,425,158
Total Revenue	47,161,080	57,037,976	9,876,896

Expenditures			
Certificated Salaries	21,224,139	20,453,611	-770,528
Classified Salaries	15,912,290	14,875,115	-1,037,175
Employee Benefits	23,324,716	24,644,246	1,319,530
Books and Supplies	5,405,599	1,588,945	-3,816,654
Other Services & Oper. Expenses	17,213,609	13,935,458	-3,278,151
Capital Outlay	1,464,577	611,398	-853,179
Other Outgo 7xxx	205,000	50,000	-155,000
Transfer of Indirect 73xx	2,450,568	3,010,311	559,743
Total Expenditures	87,200,498	79,169,084	-8,031,414

- Adjustment/Increase to State Revenues includes:
 - Loss of one-time funds and grants
 - New one-time funds including \$11.7M Student Support and Professional Development Discretionary Block Grant
 - Additional \$5M in Special Education funding
- Local funds in 26/27 does not include donations until they are earned
- Reduction is salaries based on staffing reductions
- Benefits increase from State on behalf STRS (in/out)
- Reduction in Book/Supplies and Services related to donations
- Special Education reduction in Services

Other Adjustments

- General Fund Contributions to Special Education
 - Reduction of \$1.86M
 - As a result of new revenues and reduction of expenditures
- Transfer in Adjustments
 - Reduction of \$200K from lease revenue
- Use of \$2.82M in committed funds to pay for the following:
 - Final PARS (Early Retirement) incentive: \$882K
 - Book Adoptions: \$2,000,000

Variance from Third Interim MYP

Description	Third Interim 2026-27 Projected Budget Unrestricted	26-27 Prop Budget Adoption Unrestricted	Variance Unrestricted
Revenue			
LCFF	165,104,127	167,297,638	2,193,511
Federal Revenue	0	0	0
State Revenue	3,293,185	3,294,943	1,758
Local Revenue	4,447,715	3,355,123	-1,092,592
Total Revenue	172,845,027	173,947,704	1,102,677

Expenditures			
Certificated Salaries	78,382,398	79,629,559	1,247,161
Classified Salaries	15,220,990	15,091,715	-129,275
Employee Benefits	30,406,828	32,744,066	2,337,238
Books and Supplies	2,161,326	4,103,351	1,942,025
Other Services & Oper. Expenses	12,223,703	12,525,186	301,483
Capital Outlay	0	10,000	10,000
Other Outgo 7xxx	1,444,871	1,837,744	392,873
Transfer of Indirect 73xx	-2,878,856	-3,443,617	-564,761
Total Expenditures	136,961,260	142,498,004	5,536,744

Transfers In	3,080,000	2,805,000	-275,000
Special Education	-32,890,950	-27,829,899	5,061,051
Restricted Routine Repair	-6,123,491	-6,323,499	-200,008
Other Restricted	0	-57,109	-57,109
Total Other Sources	-35,934,441	-31,405,507	4,528,934
Net increase (decrease)	-50,674	44,193	94,867
Beginning Balance	670,125	566,580	-103,545
Ending Balance	619,451	610,773	-8,678
Unappropriated Fund Balance	-1,520,699	470,623	1,991,322

- Increase in LCFF as a result of 1.44% increase in the LCFF COLA; Third Interim included the statutory 2.87% COLA
- Removed the use of one-time OPEB Trust Fund by \$1M from local revenues
- Net Revenue Increase of about \$1.1M
- Certificated salary increase related to increased cost for paid pregnancy leave and final staffing allocations
- Employee benefits increase related to increased staffing costs, more accurate non positional benefit assumptions, increased health and welfare costs for vacant positions, increased retirees, and return on APT retirement incentive.
- Books and Supplies cost includes \$2M for new adoptions to be paid from committed funds.
- Slight adjustments to other expenses
- Reduced transfer in as a result of adjustment to lease revenues
- Reduced contribution to Special Education as a result of new funding and reductions
- Improved fiscal position by about \$2M from Third Interim Assumptions.

Consideration for New Ongoing Revenues

Estimated ongoing new ongoing revenues is about \$2M. Below are some options for consideration:

- Restore positions that were in the recent reductions

Reduction List in Order of Restoration	FTE	Estimated Costs
Reduce 1.26 FTE Elementary Music Specialist	1.26	\$182,700
Reduce 4.0 FTE Elementary Science Specialist	4.0	\$580,000
Reduce 5.0 FTE Elementary Physical Education Specialist	5.0	\$725,000
Reduce 2.0 FTE High School Counselor closer to the CBA staffing level	2.0	\$290,000
Reduce 2.5 FTE Elementary Intervention Specialist	2.5	\$362,500
Totals	14.76	\$2,140,200.00

- **And/Or**, set funds aside to support increased compensation (2026/27)
 - Cost of 1% for all units is \$1.6-1.7M
- Ongoing funds are limited and careful consideration needs to be given to their use
 - Continue strengthening district finances

Consideration of New One-Time Monies

Student Support and Professional Development Discretionary Block Grant

Once the 2026/27 State Budget is Enacted and the amount and spending requirements are established the following allocations should be considered:

- Backfill the \$2.5M of negative ending fund balance from 2025/26
- Set aside additional 2% in additional reserves
- Set aside \$4M towards upcoming Curriculum Book Adoptions
- Other one-time or period defined set aside

Potential Allocation of New One-time Fund	\$11,685,000
Restoration of 25/26 Negative Ending Fund Balance	\$2,500,000
Increase Economic Uncertainty Reserve by 2%	\$4,400,000
Set Aside for Needed Curriculum and Book Adoptions	\$4,000,000
Other one-time or period defined set aside	\$785,000

Cashflow

With slim reserves and ending fund balances, cash flow will need to be monitored closely in 2026/27. To ensure we have adequate cash flow and ability to meet both payroll and monthly expenses the following measure will be taken:

- Close and regular monitoring of actual revenues and expenses
- Interfund borrowing as needed (requires the return monies to borrowed fund by the end of the fiscal year)
- Borrowing the County Treasurer with Board approval if needed; monies will be repaid through adjusted property tax disbursement in the same year

Other Funds

Fund	Program	Status	Estimated Ending Balance 2026/27
110	Adult Education	Good	\$ 4,549,373
120	Child Development (CSPP)	Good	\$ 554,340
130	Cafeteria (Child Nutritional Services)	Good	\$ 2,719,923
630	Other Enterprise Fund (Preschool, and child care)	Good	\$ 333,859
710	Retiree Benefits (OPEB)	Good	\$ 4,834,933
400	Capital Out Lay	Good	\$ 679,566
410	Property Sale	Good	\$ 2,064,202
210	Measure I1 and I (Bond Program) - does not include recent Bond sales	Good	\$ 7,468,839
250	Capital Facilities (Developer Fees)	Good	\$ 5,048,240
350	County Schools Facilities (State Facility Program)	Good	\$ 0

Next Steps/Conclusions

- District's deliberate and disciplined actions and new ongoing State Revenues have resulted in improved and stable fiscal outlook for 2026/27
- District must be mindful of new spending and fiscal pressures as enrollment is projected to decline and further inflationary pressures
- State Budget will be finalized by the end of June which will provide clarity to the full budget picture
- Additional expenditures and allocations are not advisable until the State Budget is Enacted
- Enacted State Budget - Status
- Incorporate Updates in either 45 Day Budget Update and First Interim
- Closing of the books for 2025/26 and Unaudited Actual 2025/26

Appendix: Budget Approval Process

Education Code Section 42130 requires that school districts certify to the State the fiscal stability of the District. Districts must demonstrate they can meet their fiscal obligations for the current year and two years out. The reports must be presented to and approved by the District's Governing Board no later than 45 days after the close of the report period.

- 1st Interim, covers actual expenditures and actual revenues from July 1 through October 31, and updates projections for the balance of the year
- 2nd Interim, covers actual expenditures and actual revenues from July 1 through January 31, and updates projections for the balance of the year

The Certification of the District's financial condition may take one of three forms:

Positive Certification: The District will meet its financial obligations for the current fiscal year and subsequent two years.

Qualified Certification: The District may not meet its financial obligations for the current fiscal year or subsequent two years.

Negative Declaration: The District will not meet its financial obligations for the remainder of the fiscal year or for the subsequent fiscal years.

Budget Cycle

