



2025-26

# Proposed Annual Budget

June 5, 2025

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**Presented to the Board of Education By**

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*Joy Ramiro, Executive Director of Finance, Budget & Accounting*

*Justine Galura, Director of Finance*

# Themes for the 2025-26 Proposed Annual Budget



- **2025-26 Proposed Annual Budget**
  - Changes to revenue & expenditures
  - Updated ending estimated balances
- **Multi-Year Projection**
  - Major assumption updates
  - Budget reduction targets increased in 2026-27 and 2027-28 based on revised revenue estimates
  - District will be able to meet its financial obligations over the next three years and bring the budget into balance

# General Fund Summary

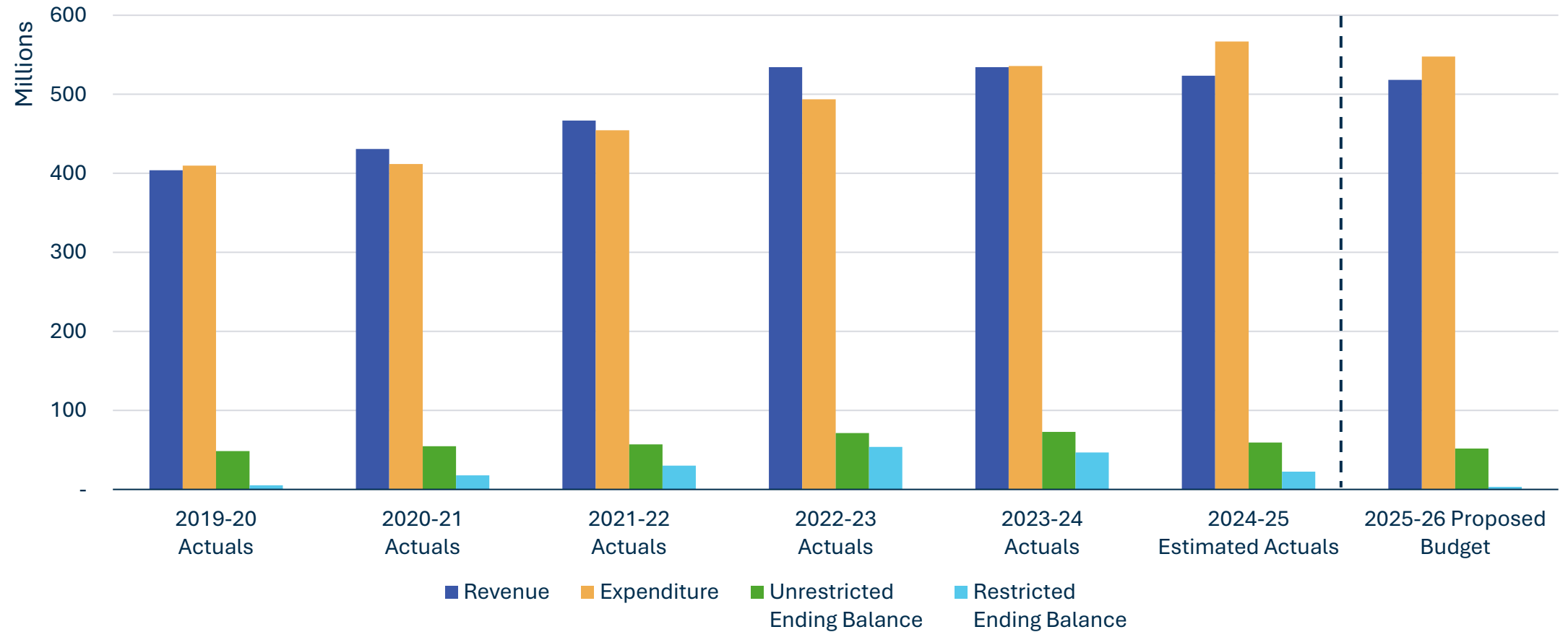


# General Fund Summary



	2024-25 Estimated Actuals			2025-26 Proposed Budget			Variance
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Total Revenue	424,318,333	99,101,589	523,419,922	427,127,664	91,236,231	518,363,895	(5,056,028)
Total Expenditures	359,975,175	206,714,920	566,690,095	352,863,285	195,044,484	547,907,769	(18,782,326)
Surplus (Deficit)	64,343,158	(107,613,331)	43,270,173	74,264,376	(103,808,253)	29,543,874	(13,726,299)
Other Sources	(77,725,879)	83,187,892	5,462,855	(81,918,585)	84,474,655	2,556,070	(2,906,785)
Net Change	(13,381,879)	(24,425,489)	(37,807,318)	(7,654,206)	(19,333,598)	(26,967,804)	10,839,514
Beginning Balance	72,720,645	46,825,507	119,546,152	59,338,766	22,400,068	81,738,834	(37,807,318)
Ending Balance	59,338,766	22,400,068	81,738,834	51,684,560	3,066,470	54,751,030	(26,987,804)

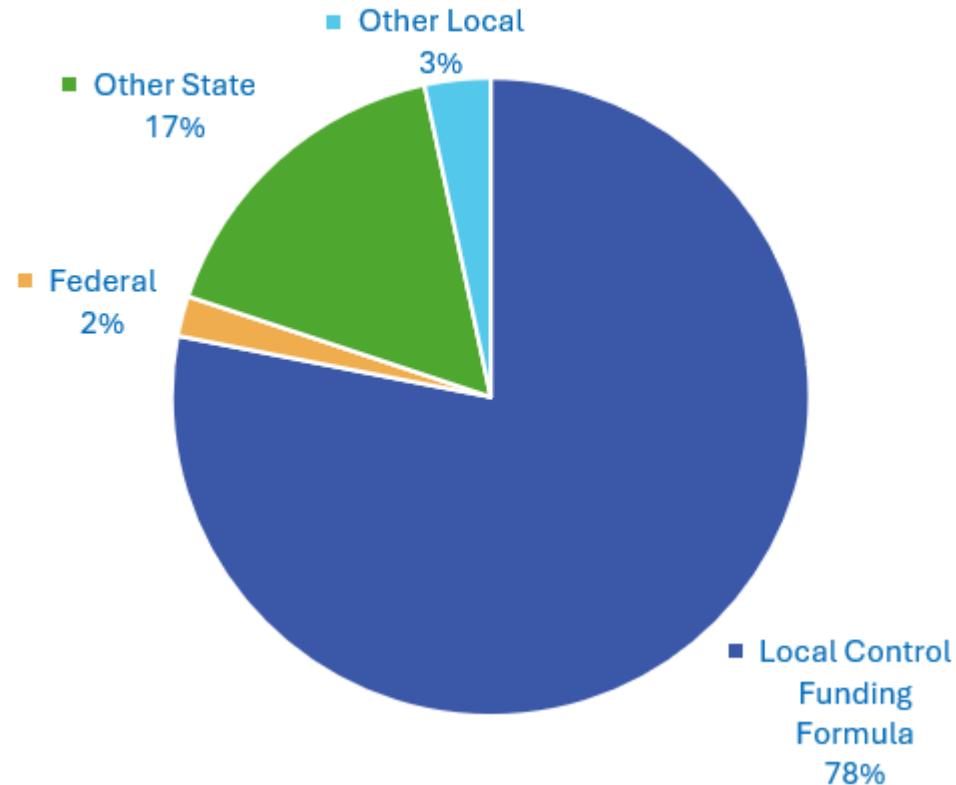
# General Fund Summary



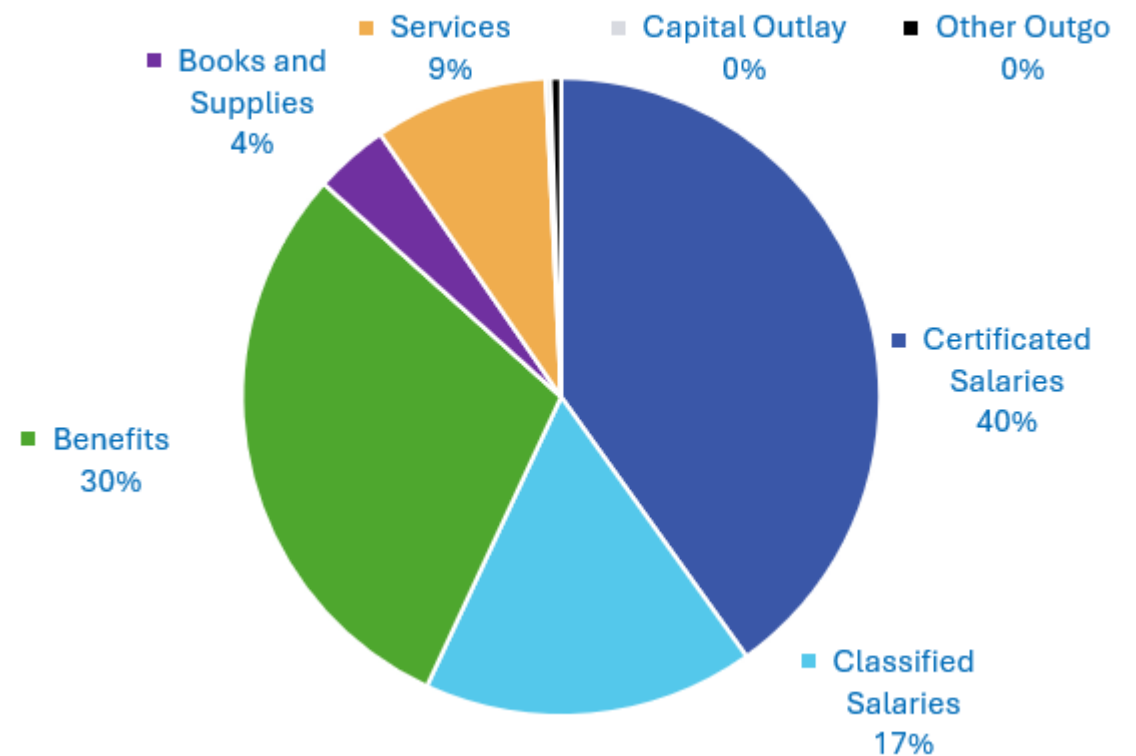


# General Fund Summary

## Where the Money Comes From



## Where the Money Goes To



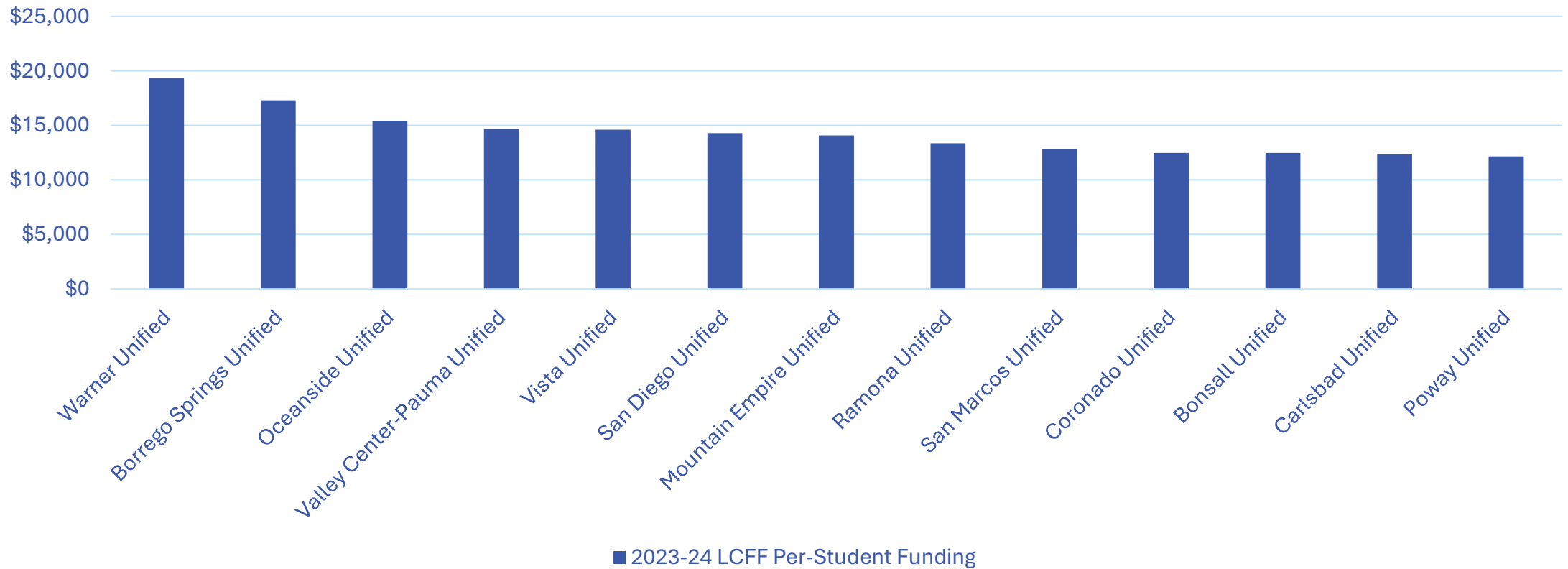
# General Fund Revenue Summary



# How Does PUSD Compare?



Poway Unified is the Lowest Funded Unified District in San Diego County



# General Fund Revenue Summary



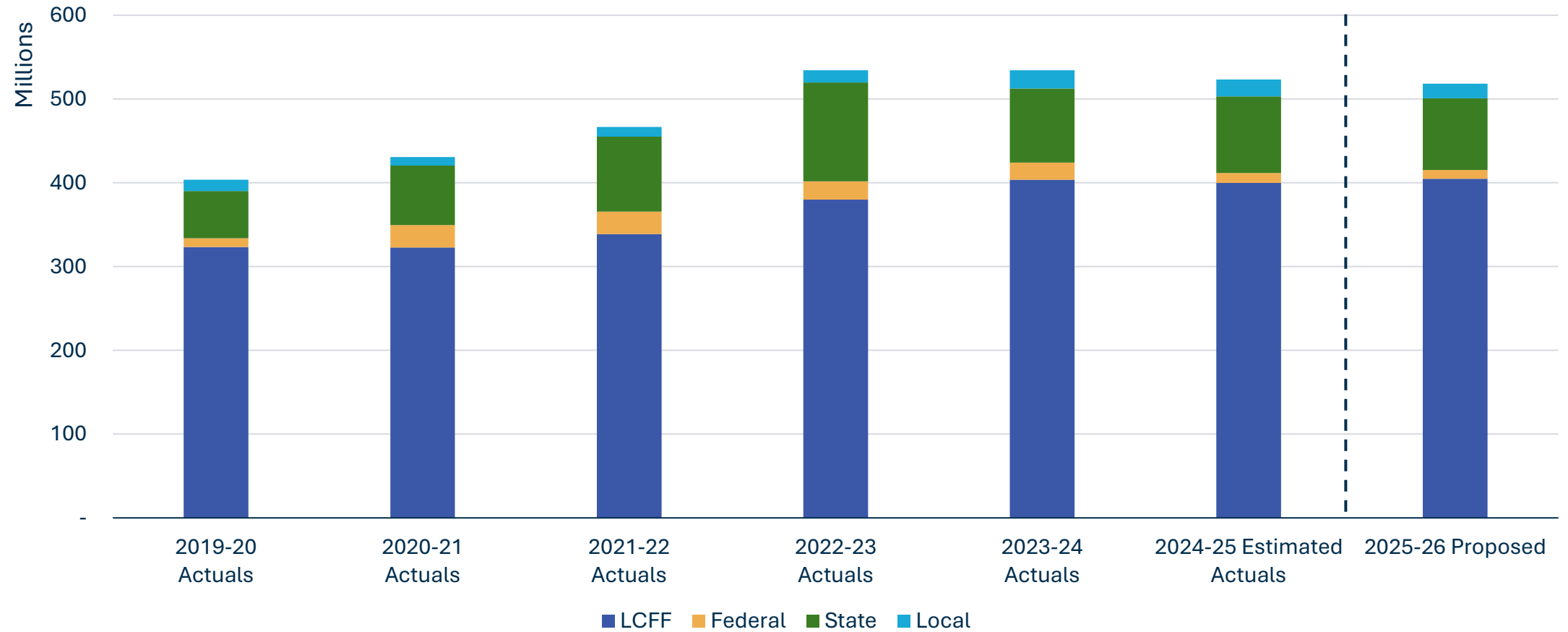
	2024-25 Estimated Actuals	2025-26 Proposed Budget	Variance
Local Control Funding Formula (LCFF)	399,905,506	404,687,708	4,782,202
Federal	11,727,400	10,548,067	(1,179,333)
Other State	91,418,005	85,815,973	(5,602,032)
Other Local	20,369,012	17,312,147	(3,056,865)
<b>Total</b>	<b>523,419,923</b>	<b>518,363,895</b>	<b>(5,056,028)</b>

# General Fund Revenue Changes



Description	Amount
<b>LCFF</b>	
Base and Supplemental at 32,997 funded ADA and 2.30% COLA	3,671,276
TK add-ons at 1,452.56 funded ADA	1,110,926
<b>Federal</b>	
Reversal of 2024-25 Deferred and PY Revenues - ESSER III, Title I, Title II, Title III, SPED - IDEA Mental Health	(855,243)
Reversal of one-time grants and adjustments to 2025-26 Federal funding	(324,090)
<b>State</b>	
Projected increase in Special Ed funding - COLA at 2.30%	700,704
Update 2025-26 STRS-On-Behalf	1,104,612
Reversal of 2024-25 Deferred and PY Revenues - CA CTE Incentive Grant, Strong Workforce Program, Universal Prekindergarten Planning & Implementation Grant	(3,151,365)
Reversal of one-time grants and adjustments to 2025-26 State funding	(4,255,983)
<b>Local</b>	
Reversal of 2024-25 Deferred and PY Revenues	(537,997)
Reversal of one-time grants and adjustments to 2025-26 Local funding	(2,518,868)
<b>Total Change in Revenues</b>	<b>(5,056,028)</b>

# Revenue History



# 2025-26 General Fund Revenue Assumptions



- Several major revenue proposals are not included in the Proposed Budget

Proposal	SSC Advice	Risk Level	Risk of Including in Your Adopted Budget
2.30% COLA	Yes	Very Little	Statutory COLA is a known number as of April 2025
LREBG Additional Funding	No	Lower	Lower than others, but still subject to negotiation
TK Ratio LCFF Add-On	No	High	Amount decreased from January
Discretionary Block Grant	No	High	Amount decreased and the allocation method, allowable uses, and amount may change again before the budget is enacted
Teacher Preparation and Professional Development	No	High	Amounts have been reduced and repurposed since January
Universal ELO-P 55% Threshold	No	Lower	Lower than others, but still subject to negotiation

# General Fund Expenditures Summary





# General Fund Expenditures Summary

	2024-25 Estimated Actuals	2025-26 Proposed Budget	Variance
Certificated Salaries	220,896,801	219,834,854	(1,061,947)
Classified Salaries	89,938,169	92,026,214	2,088,045
Benefits	157,172,926	162,875,964	5,703,038
Books & Supplies	29,308,260	20,604,054	(8,704,206)
Services	51,277,999	48,297,775	(2,980,224)
Capital Outlay	14,890,857	1,347,180	(13,543,677)
Other Outgo	4,068,499	3,944,992	(123,507)
Direct/Indirect Costs	(863,414)	(1,023,264)	(159,850)
<b>Total Expenditures</b>	<b>566,690,096</b>	<b>547,907,769</b>	<b>(18,782,327)</b>

# General Fund Expenditure Changes

Detail of expenditure adjustments,  
including 2025-26 budget  
reductions and increases



Description	Amount
<b>Certificated and Classified Salaries</b>	
Budget Solutions - positions eliminated	(8,539,595)
New positions added in 2025-26	1,277,262
Budget Solutions - district level reductions and other adjustments	(574,096)
Teacher Core and IA FTE adjustment based on enrollment and UTK implementation	780,938
Step, Column and Longevity (net of projected attrition)	5,231,888
Projected H&W increase - Plan Year 2026	3,599,766
Workers Comp rate increase at 2.25% (was 2.05%)	634,701
PERS rate adjustment at 26.81% (was 27.05%)	(215,897)
Adjustment to 2025-26 STRS-on-Behalf	1,104,612
Reversal of vacancy savings recognized in 2024-25	2,784,050
Categorical programs budget adjustments	645,507
<b>Materials and Services</b>	
Reversal of carryover included in the 2024-25 Unrestricted General Fund Budget	(6,808,579)
Budget Standard, technology subscriptions and other budget adjustments	765,137
Budget Solutions - district level reductions and other adjustments	(1,292,796)
Reversal of prior year and one-time expenditures, and other categorical programs budget adjustments	(4,348,192)
<b>Capital Outlay and Other Outgo</b>	
Reversal of chromebook lease	(3,385,000)
Adjustment to Indirect Cost	(159,850)
Update lease payments	(123,507)
Reversal of prior year and one-time expenditures, and other categorical programs budget adjustments	(10,158,676)
<b>TOTAL</b>	<b>(18,782,327)</b>

# General Fund Budget Solutions

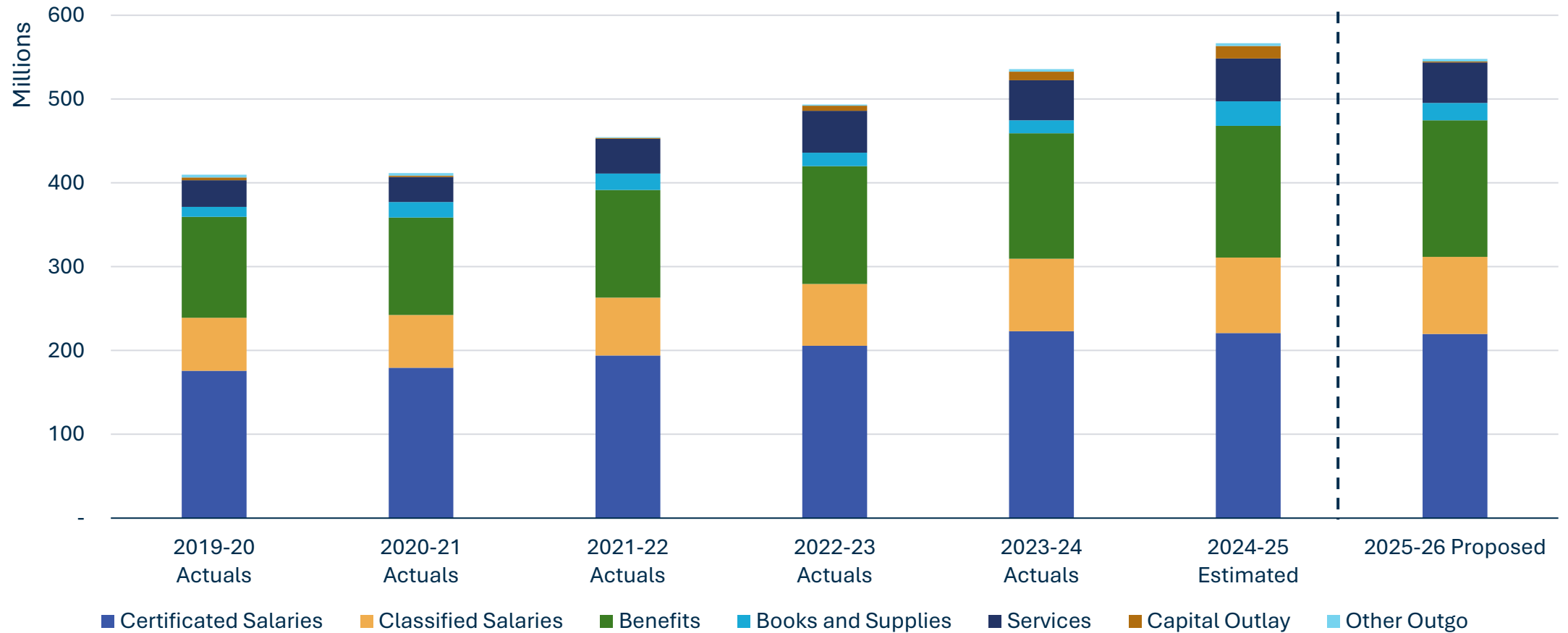
Budget reduction target reached

Budget solutions included additional one-time cost shifts to restricted funds which will need to be addressed upon expiration of funds



2025-26 BUDGET SOLUTIONS		
<b>Positions eliminated (net of new positions added)</b>		
APSM	Ongoing	3,516,554
PFT	Ongoing	2,577,832
PSEA	Ongoing	1,167,947
<b>Total cost of positions eliminated</b>		<b>7,262,333</b>
<b>Distirct-Level Budget Reductions</b>		
BOE, Superintendent & Communication	Ongoing	64,322
Learning Support Services	Ongoing/one-time	793,907
Business Support Services	Ongoing	633,897
Personnel Support Services	Ongoing	145,964
Student Support and Special Ed	Ongoing	83,862
Tech & Innovation and IT	Ongoing	172,130
Extended Support Services (ESS)	Ongoing	285,000
<b>Total district-level budget reductions</b>		<b>2,179,082</b>
<b>Other Budget Solutions</b>		
Music Teacher - funded using AMIMDBG	One-time	689,607
PCPA cost sharing - funded using AMIMDBG	One-time	350,000
Reduction in RRMA Contribution	Ongoing	250,000
Positions moved to RRMA	Ongoing	130,375
<b>Total other budget solutions</b>		<b>1,419,982</b>
<b>Total Projected Budget Solutions</b>		<b>\$ 10,861,397</b>

# Expenditure History



# General Fund Reserves Summary



# General Fund Reserves Summary



	2024-25 Estimated Actuals			2025-26 Proposed Budget			Variance
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Beginning Balance	72,720,645	46,825,507	119,546,152	59,338,766	22,400,068	81,738,834	(37,807,318)
Net Activity	(13,381,879)	(24,425,439)	(37,807,318)	(7,654,206)	(19,333,598)	(26,987,804)	10,819,514
Ending Balance	59,338,766	22,400,068	81,738,834	51,684,560	3,066,470	54,751,030	(26,987,804)
<u>Components</u>							
Nonspendable	575,000		575,000	575,000		575,000	
Restricted		22,400,068	22,400,068		3,066,470	3,066,470	(19,333,598)
Assigned	518,056		518,056	518,056		518,056	
Economic Uncertainties	11,404,437		11,404,437	11,018,619		11,018,619	(385,818)
Unassigned	46,841,273		46,841,273	36,572,885		36,572,885	(10,268,388)
<b>Reserve</b>	<b>58,245,710</b>		<b>58,245,710</b>	<b>50,591,504</b>		<b>50,591,504</b>	<b>(7,654,206)</b>
<b>Reserve %</b>	<b>10.2%</b>		<b>10.2%</b>	<b>9.2%</b>		<b>9.2%</b>	<b>(1%)</b>

# Restricted Ending Balances



Program	2024-25 Estimated Ending Balance	2025-26 Proposed Ending Balance
Learning Recovery Emergency Block Grant	4,056,651	
Arts, Music & Instructional Discretionary Block Grant	6,516,959	
Educator Effectiveness Block Grant	3,255,958	
Restricted Lottery	2,000,000	
A-G Learning Loss Mitigation Grant	320,500	
Routine Restricted Maintenance Account	500,000	500,000
Arts and Music for Schools	2,750,000	2,066,470
ELOP	2,000,000	
Dual Enrollment Opportunities	1,000,000	500,000
<b>Total</b>	<b>\$ 22,400,068</b>	<b>3,066,470</b>

# General Fund Statement of Excess Reserves

PUSD meets the requirement to maintain a 2% minimum reserve for economic uncertainties

Additional unassigned reserves are held above the minimum for budget stabilization while the structural deficit is addressed



Poway Unified School District  
2025-26 Budget Attachment  
Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties.

Combined Assigned and Unassigned/Unappropriated Fund Balances		
Form	Fund	2025-26 Budget
01	General Fund	\$ 50,591,504
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$ 1,683,760
Total Assigned and Unassigned Ending Fund Balances		\$ 52,275,264
Less District Minimum Reserve for Economic Uncertainties (District Standard Reserve at 2%)		\$ 11,018,619
Remaining Balance to Substantiate Need		\$ 41,256,645

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2025-26 Budget	All One-Time Reserves
01	General Fund	\$ 39,572,885	Assigned for Budget Stabilization
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$ 1,683,760	Committed to Support Districtwide Technology & Infrastructure
Total of Substantiated Needs		\$ 41,256,645	

Remaining Unsubstantiated Balance \$ - Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

# Special Funds



# Special Funds



	Estimated Beginning Balance	Projected Revenues	Projected Expenditures	Other Financing Sources/Uses	Net Change in Fund Balance	Projected Ending Balance
Fund 8 - Child Development Fund	1,617,242	3,656,642	3,651,188	0	5,454	1,622,696
Fund 11 - Adult Education Fund	2,765	4,489,685	4,531,163	139,712	98,234	100,999
Fund 12 - Child Development Fund	365,148	1,306,651	1,277,488	(4,163)	25,000	390,148
Fund 13 - Cafeteria Special Revenue Fund	19,790,559	24,059,660	25,545,444	(26,438)	(1,512,222)	18,278,337
Fund 14 - Deferred Maintenance Fund	8,064,555	1,060,000	1,000,000	0	60,000	8,124,555
Fund 17 - Special Reserve Fund for Other Than Capital Outlay	1,401,136	0	0	282,624	282,624	1,683,760
Fund 25 - Capital Facilities Fund	8,222,764	755,000	3,692,782	0	(2,937,782)	5,284,982
Fund 40 - Special Reserve Fund for Capital Outlay Projects	7,713,462	896,468	670,207	(69,484)	156,777	7,870,239
Fund 49 - Capital Project Fund for Blended Component Units (CFD)	218,284,040	63,510,173	2,247,700	(67,067,744)	(5,805,271)	212,478,769
Fund 52 - Debt Service Fund for Blended Component Units	0	0	67,067,744	67,067,744	0	0
Fund 63 - Other Enterprise Fund (ESS/Preschool) *	(2,804,653)	23,425,661	23,043,945	(326,251)	55,465	(2,749,188)
Fund 67 - Self-Insurance Fund	10,101,304	13,051,000	14,873,601	(1,052,070) \$	(2,874,671)	7,226,633
Fund 71 - OPEB Trust Fund	21,062,111	2,654,875	2,200,000	0	454,875	21,516,986

# General Fund Multi-Year Projection



# Multi-Year Projection

Major assumption detail

PUSD will be able to meet its financial obligations

Further reductions are necessary to eliminate the ongoing structural deficit

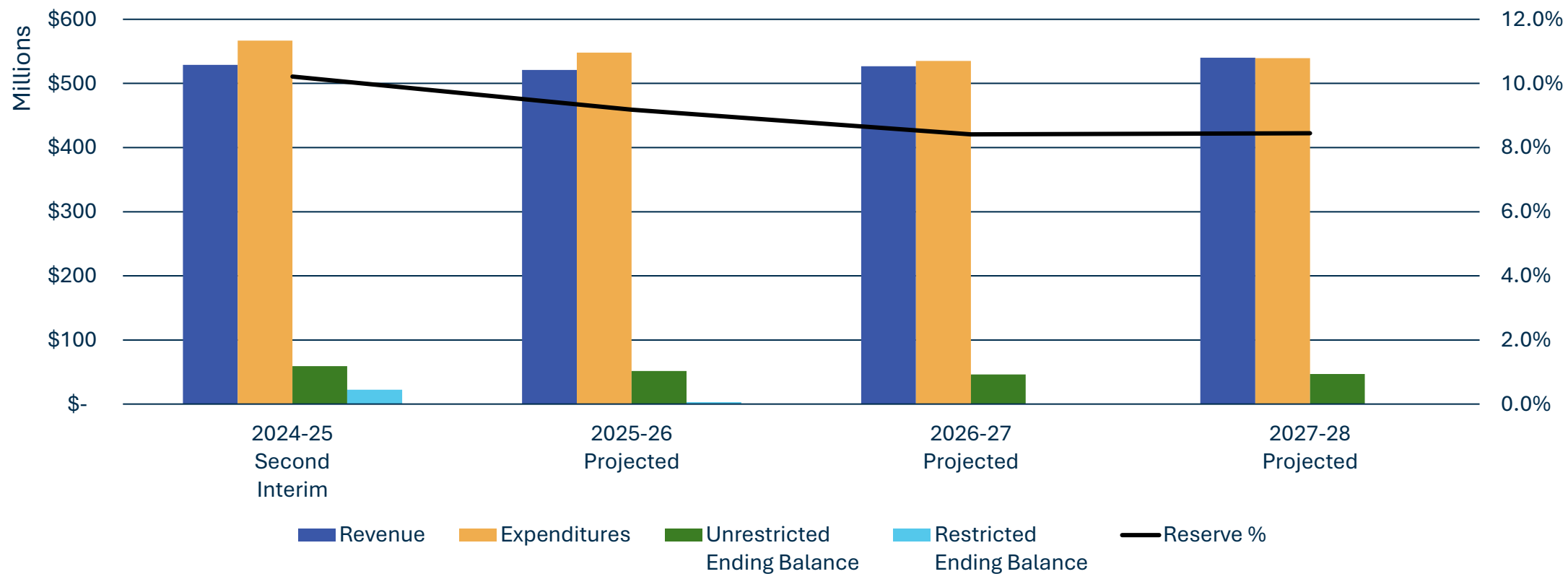


Poway Unified School District General Fund Combined MULTI-YEAR PROJECTIONS				
DESCRIPTION	2024-25 Estimated Actuals	2025-26 Proposed Budget	2026-27 Projected	2027-28 Projected
Enrollment	34,405	34,345	34,285	34,285
Attendance Rate	95.28%	95.5%	96.0%	96.0%
Average Daily Attendance (ADA) - Funded	33,405	32,997	32,887	32,771
Statutory COLA	1.07%	2.30%	3.52%	3.63%
Unduplicated Pupil Percentage (%)	20.17%	19.87%	19.55%	19.56%
STRS	19.10%	19.10%	19.10%	19.10%
PERS	27.05%	26.81%	26.90%	27.80%
<b>Budget Solutions implemented</b>	\$11.3 mil	\$10.8 mil	n/a	n/a
<b>Total GF Revenues</b>				
Total GF Revenues	\$ 523,419,923	\$ 518,363,895	\$ 524,080,960	\$ 537,560,413
<b>Total GF Expenditures</b>				
Total GF Expenditures	\$ 566,690,096	\$ 547,907,769	\$ 542,535,529	\$ 549,535,296
<b>Other Financing Sources/Uses</b>				
Other Financing Sources/Uses	\$ 5,462,855	\$ 2,556,070	\$ 2,556,070	\$ 2,556,070
<b>2026-27 Proposed Budget Solutions (ongoing)</b>				
	n/a	n/a	\$7.5 mil	\$7.5 mil
<b>2027-28 Proposed Budget Solutions (ongoing)</b>				
	n/a	n/a	n/a	\$2.5 mil
<b>Net Activity - Combined</b>				
Net Activity - Combined	\$ (37,807,318)	\$ (26,987,804)	\$ (8,398,499)	\$ 581,186
<b>Net Activity - Restricted</b>				
Net Activity - Restricted	\$ (24,425,439)	\$ (19,333,598)	\$ (3,066,470)	\$ -
<b>Net Activity - Unrestricted</b>				
Net Activity - Unrestricted	\$ (13,381,880)	\$ (7,654,206)	\$ (5,332,031)	\$ 581,186
<b>Beginning Fund Balance</b>				
Beginning Fund Balance	\$ 119,546,152	\$ 81,738,834	\$ 54,751,030	\$ 46,352,529
<b>Ending Fund Balance - Combined</b>				
Ending Fund Balance - Combined	\$ 81,738,834	\$ 54,751,030	\$ 46,352,529	\$ 46,933,715
<b>Ending Fund Balance - Restricted</b>				
Ending Fund Balance - Restricted	\$ 22,400,068	\$ 3,066,470	\$ -	\$ -
<b>Ending Fund Balance - Unrestricted</b>				
Ending Fund Balance - Unrestricted	\$ 59,338,766	\$ 51,684,560	\$ 46,352,529	\$ 46,933,715
<b>Reserve Amount</b>				
Reserve Amount	\$ 58,245,710	\$ 50,591,504	\$ 45,259,473	\$ 45,840,659
<b>Reserve %</b>				
Reserve %	10.2%	9.2%	8.4%	8.4%



# Multi-Year Projection Summary

## Balance Achieved in 2027-28 with Further Budget Reductions



# Next Steps





# BUDGET DEVELOPMENT TIMELINE

- February 6 - Budget Workshop
- February 25 - Budget Workshop
- March 13 - Regular Board meeting
- March 15 - Statutory deadline to notify impacted staff
- March through May - Refine plan through budget development process
- April 10 - Regular Board meeting
- May 15 - Regular Board meeting
- May TBD - Special Board meeting (if needed)
- **June 5 - Regular Board meeting / first review of 2025-26 budget**
- June 17 - Regular Board meeting / approval of 2025-26 budget
- June 30 - Statutory deadline for budget approval

# Discussion

