



Budget Forum Committee

September 18th, 2025 @ 5:30pm

Welcome to our comprehensive budget forum where we'll explore the complex landscape of California school district funding, examine our revenue sources, and discuss the operational challenges facing our district.

Meeting Agenda

01

Appointment of Chairperson

Select committee leadership for effective governance

03

Revenue Update and Insights

Comprehensive review of funding sources and mechanisms

02

Establish Meeting Calendar

Set regular meeting schedule for ongoing oversight

04

Expenditure Review & Forecast

Analysis of operational pressures and budget challenges



California School Funding Overview

California's school funding system is a complex mechanism that has evolved significantly over time. The primary revenue sources combine state, local, and federal funds, with the majority coming from the state through an equity-based approach.

This system prioritizes equity by directing more resources to districts serving students with greater educational challenges, ensuring all students receive adequate support regardless of local property wealth.

Local Control Funding Formula (LCFF)

Since 2013, the LCFF has been the primary mechanism for distributing state funding to school districts. This equity-based formula provides base funding for all students with additional support for high-need populations.

Base Grant

\$35.7M for 25-26 Budget

Foundational funding for every student, varying by grade level

Supplemental Grant

\$5.02M for 25-26 Budget

Additional 20% of the base grant for low-income, English learners, and foster youth

Concentration Grant

\$3.48M for 25-26 Budget

Extra 65% of base grant when high-need students exceed 55% of enrollment

Total LCFF Funding: \$45.5M - includes TK, Transportation & Targeted Instruction Block Grant

How State Funding Balance Works

California balances revenue through a systematic approach ensuring all districts receive guaranteed per-student funding regardless of local property wealth.



1

Step 1: Local Property Taxes

Local property tax revenue designated for education is applied first to district's LCFF entitlement



2

Step 2: State Aid (General Fund)

State provides the difference using General Fund money from income and sales taxes



3

Step 3: Education Protection Account

EPA funds from Proposition 30 sales tax revenue fulfill part of LCFF obligation

Federal Funding Sources

Federal funding represents the smallest portion of district revenue at less than 7%, with a projected \$4.88M in the 25-26 Budget, that but provides crucial support for targeted programs and special populations.

Title Funding Programs

\$2.087M

Title I, II, III, IV, V programs supporting various educational initiatives

Mental Health Services

\$1.026M

DN Mental Health Service
Professional Demonstration funding

Special Education IDEA

\$1.036M

Basic Local Assistance Entitlement for students with disabilities



State Funding Programs

State funding totals **\$9.809M** and represents the largest source of revenue beyond LCFF, supporting specialized programs and educational enhancements.

\$1.89M

Expanded Learning

Opportunities Program funding

\$1.8M

Community Schools

CA Community School
Partnership Program

\$601K

State Lottery

Supplemental education funding

\$572K

Arts & Music

Proposition 28 funding

Local Funding Sources

Local funding streams, that includes up to \$10.6M within the 25-26 Budget, provide additional support through grants, partnerships, and specialized programs, enhancing our district's capacity to serve students comprehensively.



Klamath Promise Neighborhood

\$1.01M main grant plus **\$718K** True
North component supporting
comprehensive community
partnerships



Special Education SELPA

\$3.19M transfer funding for
specialized educational services and
support



Interagency Partnerships

\$993K from USA and Castle Rock
interagency fee arrangements

Restricted vs. Unrestricted Funds

Understanding the distinction between restricted and unrestricted funds is crucial for effective budget management and compliance with funding requirements.

Unrestricted Funds

Maximum flexibility for general operations including:

- Teacher and staff salaries and benefits
- Utilities and building maintenance
- General classroom supplies
- Administrative and operational costs

Primary Source: LCFF funding and local property taxes

Restricted Funds

Must be used for specific purposes defined by funding source:

- Title I for low-income student support
- Special Education (IDEA) services
- After-school programs
- Supplemental/Concentration grants for high-need students

Key Requirement: Separate tracking and compliance

School Site Budgets

School site budgeting empowers individual schools to manage their finances, fostering greater accountability and responsiveness to local educational needs. This approach allows principals and school communities to allocate resources directly where they can have the most impact on student learning and achievement.

Purpose of Site-Based Budgeting

Local Needs Focus

Enables schools to tailor spending to the specific demographics, challenges, and priorities of their student population.

Resource Alignment

Ensures that financial resources are directly aligned with school improvement plans and educational goals.

Operational Efficiency

Promotes efficient use of funds by those most familiar with the day-to-day operations and needs of the school.

Key Benefits



Increased Accountability

Empowers school leaders to make financial decisions and holds them directly responsible for outcomes.



Enhanced Local Decision-Making

Allows for more agile and relevant responses to student needs, rather than a top-down approach.



Greater Community Engagement

Involves parents, teachers, and staff in budget discussions, building trust and shared ownership.



Budgetary Flexibility

Provides the ability to reallocate funds quickly to address emergent needs or seize new opportunities.

Stakeholder Involvement

Effective site-based budgeting relies on robust participation from various stakeholders, including:

- **School Site Council:** A state-mandated body comprising parents, teachers, and administrators, responsible for developing and reviewing the school's budget and improvement plans.
- **Principals:** The primary decision-makers who manage the allocation of funds based on school priorities.
- **Teachers and Staff:** Provide crucial insights into classroom needs, curriculum development, and support services.
- **Parents and Community Members:** Offer valuable perspectives on student welfare and school-community relationships.

Examples of Discretionary Expenses

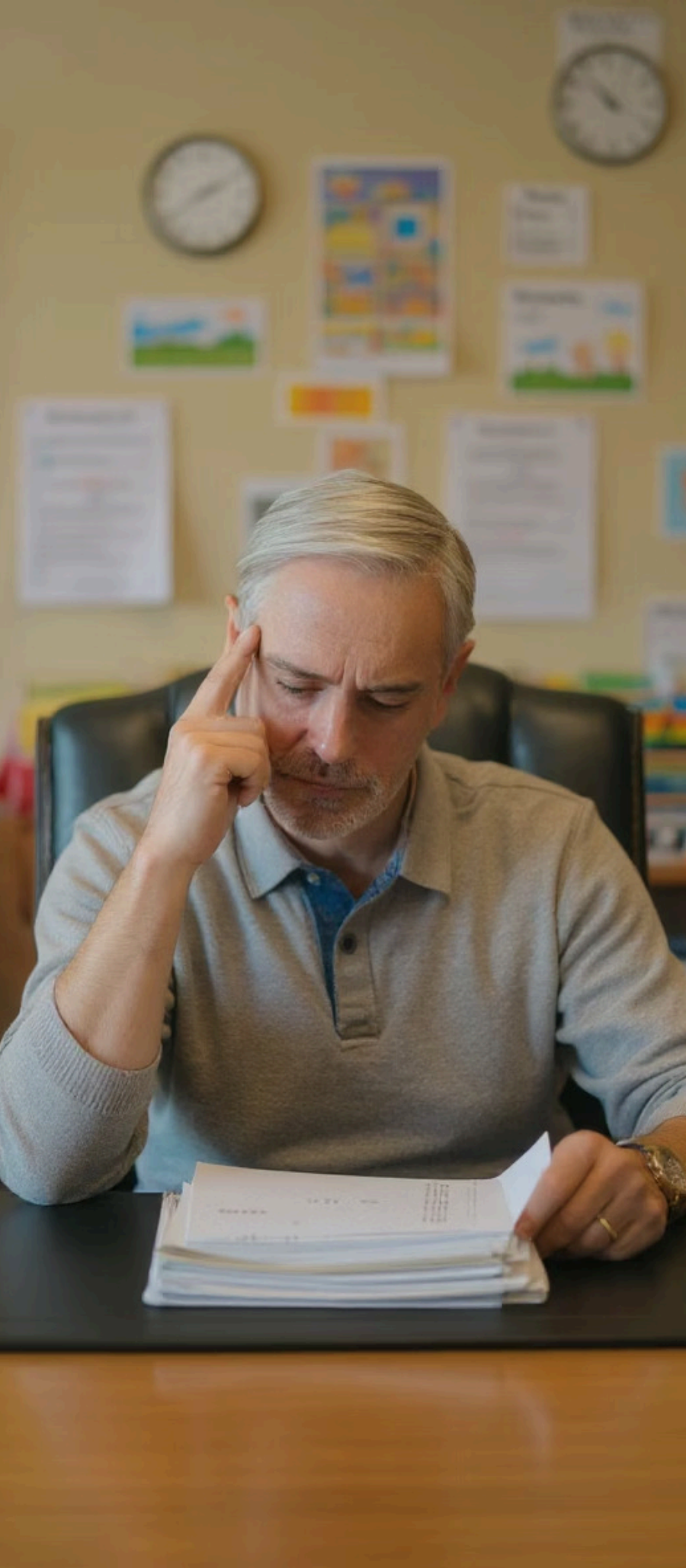
With site-based budgets, schools have the flexibility to allocate funds for a variety of discretionary expenses, such as:

- Professional development for teachers and staff (e.g., workshops, conferences)
- Supplemental instructional materials and technology (e.g., educational software, library books)
- Student support services (e.g., counseling, tutoring programs, after-school clubs)
- Field trips and extracurricular activities
- Minor facility improvements or classroom enhancements
- Engagement initiatives for families and community partners.

Del Norte County Unified School District School Allocations Fiscal Year 2025/26

[HOME](#)

School	Est Enroll 1st Month	Unrestricted Allocation 0000/1100	Unrestricted Supplemental Instruction 0302	Attendance Incentives LCAP 0304	Parent Involvement LCAP 0305	Title I 3010	Prop 28 6770	Lottery Inst Materials 6300	Total	
District									2,824,520	
Bess Maxwell	220	209	122,945	8,995	1,576	1,427	47,591	38,725	3,854	225,113
Joe Hamilton	240	279	138,845	11,714	2,104	1,916	63,899	49,358	5,293	273,129
Mary Peacock	260	227	144,554	7,148	1,712	1,093	36,459	39,464	4,458	234,888
Pine Grove	280	247	125,000	10,371	1,863	1,708	56,947	43,126	4,707	243,722
O Me-Nok	320	83	52,854	3,790	1,000	547	18,230	15,194	1,528	93,143
Mountain	340	43	40,795	1,083	500	138	4,595	7,234	782	55,127
Redwood	360	443	184,254	13,486	3,341	1,917	63,924	68,637	8,028	343,587
Smith River	380	243	141,491	8,417	1,833	1,355	45,184	36,691	4,583	239,554
Crescent Elk	420	489	182,341	18,992	3,689	2,998	99,994	85,525	9,005	402,544
Del Norte High	520	846	340,206	25,309	6,382	2,296	76,562	139,081	16,306	606,142
Sunset	540	70	65,202	3,196	1,000	569	18,983	17,165	1,456	107,571
										-
	3,179	1,538,487	112,500	25,000	15,964	532,368	540,200	60,000		2,824,520
County										
DN Community School	640	25	3,375			1,118	11,731	5,387	2,350	23,961
										-
	25	3,375	-	-	1,118	11,731	5,387	2,350		23,961
County/District Total	3,204	1,541,862	112,500	25,000	17,082	544,099	545,587	62,350		2,848,481



Major Operational Pressures

California school districts face significant challenges that create financial and logistical stress, requiring strategic management and difficult prioritization decisions.

Declining Enrollment

Funding based on Average Daily Attendance creates "silent recession" as overall revenue decreases while fixed costs remain

Rising Personnel Costs

Personnel costs increasing faster than funding growth, crowding out other investments

State Budget Volatility

Reliance on state income/sales taxes creates boom-bust cycles affecting district stability. Over reliance on one-time restricted funds.

Increasing Student Needs & Mandates

Schools are required to provide special education services, mental health support, and social services that often exceed funding that is scheduled to be received.

Infrastructure & Technology Demands

Aging facilities, technology needs, and ongoing maintenance costs place significant strain on district budgets.

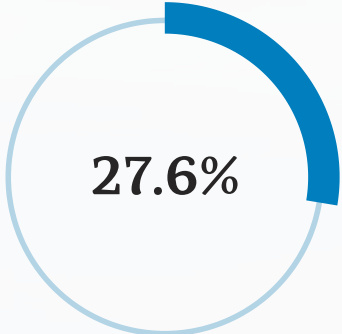
Legacy Costs and Fixed Obligations

Long-term financial obligations that are difficult to change, including:

- Rising pension and benefit liabilities
- Increasing uncontrollable costs like insurance, fuel, utilities and legal costs.

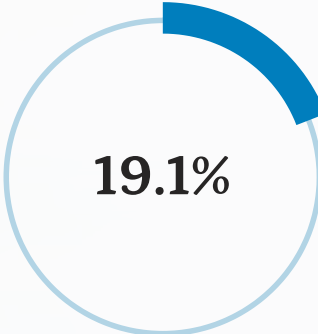
Breakdown of Budgeted Expenses 25-26

The following chart illustrates the allocation of the total budget of \$74,861,527 for the 2025-2026 fiscal year, highlighting the significant investment in personnel and benefits.



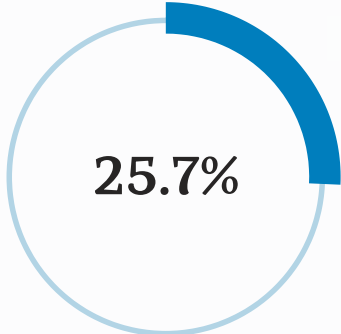
Certificated Salaries

\$20,688,467



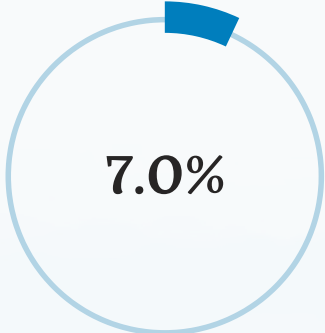
Classified Salaries

\$14,310,283



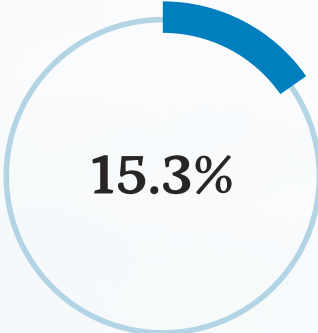
Benefits

\$19,238,461



Books & Supplies

\$5,236,054



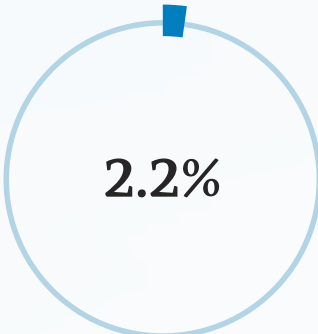
Services & Other Operations

\$11,450,584



Equipment & Construction

\$2,278,098



Interfund Transfers & Tech Training

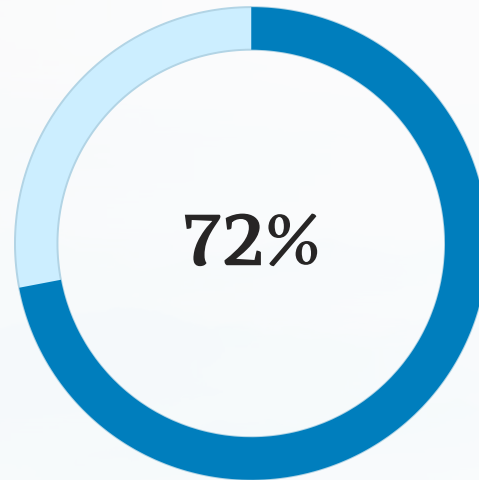
\$1,659,580

Personnel-related costs (Certificated Salaries, Classified Salaries, and Benefits) collectively account for over 70% of the total budget, underscoring the district's commitment to its staff.

Personnel Cost Reality

Personnel expenses represent the largest budget category, with costs continuing to outpace funding increases. Understanding these costs is essential for sustainable budget planning.

Employer costs consists of earnings (salaries) and statutory benefits (Retirement, employer taxes, workers comp (up to 40.83%). In addition, employer has H&W caps.



Budget Share

Personnel costs as percentage of total district budget

\$125K

Teacher Cost

Average employer cost including benefits

\$45K

Paraprofessional

Average cost for 6-hour Para 1 position

\$126K

Psychologist

Average employer costs for specialized staff

\$86K

Computer Support Tech

Average employer costs for Computer Support Tech position

Cost of Step & Column

Step and column salary schedules are a common compensation structure for teachers, designed to reward both experience and increased qualifications. Understanding how these automatic increases impact district budgets is crucial for long-term financial planning.


What is Step & Column?

In a typical step and column salary schedule:

- **Steps:** Represent years of service or experience. Teachers automatically advance one step each year, leading to an annual salary increase.
- **Columns:** Represent academic achievement and education levels (e.g., Bachelor's Degree (BA), Master's Degree (MA), Doctorate (PhD), or additional credits beyond a degree). Moving to a higher column also results in a salary increase.


Financial Impact on District Budgets

While designed to incentivize professional growth and retain experienced educators, step and column salary increases create predictable yet significant budget pressures for school districts. As teachers gain more experience and pursue higher education, their salaries automatically rise, requiring districts to plan for continuous salary growth year after year.




Automatic Annual Increases

Salaries automatically grow with each year of experience, creating a baseline of increasing personnel costs that must be factored into every annual budget.



Investment in Education

Teachers pursuing advanced degrees move to higher-paying columns, reflecting the district's investment in a highly qualified workforce, but also adding to salary expenditures.



Long-Term Budget Pressure

The cumulative effect of these increases, especially in a stable workforce, leads to substantial long-term budget commitments and necessitates strategic financial forecasting.

These structured increases ensure fair compensation but demand proactive budget management to sustain financial health without compromising educational quality.

Base Fiscal Year 2026				
Bargaining Unit	2026 Salary	2027 Salary	Cost	% Increase
ASCI	179,085.00	179,085.00		
CEMG	3,212,064.00	3,229,074.00	17,010.00	.53 %
CLMG	1,563,574.00	1,601,453.00	37,879.00	2.42 %
CONF	355,534.39	364,478.40	8,944.01	2.52 %
CSEA	14,998,516.01	15,356,702.53	358,186.52	2.39 %
DNTA	16,074,875.70	16,315,717.20	240,841.50	1.50 %
DNTC	1,434,480.00	1,434,480.00		
SUPT	216,540.00	216,540.00		
Total for Org 008			662,861.03	

Moving Forward Together

Despite complex funding mechanisms and operational pressures, our district remains committed to providing high-quality education for all students. Success requires strategic planning, community engagement, and careful resource management.

Strategic Priorities

Balance equity requirements with operational efficiency while maintaining educational excellence

Community Partnership

Leverage local funding sources and partnerships to enhance student opportunities

Sustainable Planning

Prepare for enrollment changes and economic volatility through prudent fiscal management

Together, we will navigate these challenges while ensuring every student receives the support they need to succeed.



Fostering Community Involvement in Budgeting

Transparent financial planning requires active community voice. Your input shapes resource allocation for student success.



Attend Public Meetings

Join board meetings and budget workshops to hear discussions and ask questions.



Share Your Feedback

Use surveys, online forums, or direct channels to submit your ideas.



Participate on Advisory Groups

Become a participatory of budget advisory committees to directly influence planning.

Your engagement ensures our budget reflects community values and student needs.

