

2025-26 First Interim Budget

December 11, 2025

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Themes for the 2025-26 First Interim Budget

- Revenue

- Increasing LCFF and state revenue as a result of the final state budget act

- Expenditures

- Savings from vacant positions
- Typical increases due to prior-year carry-over

- Net Activity

- Modest improvement in ending balance

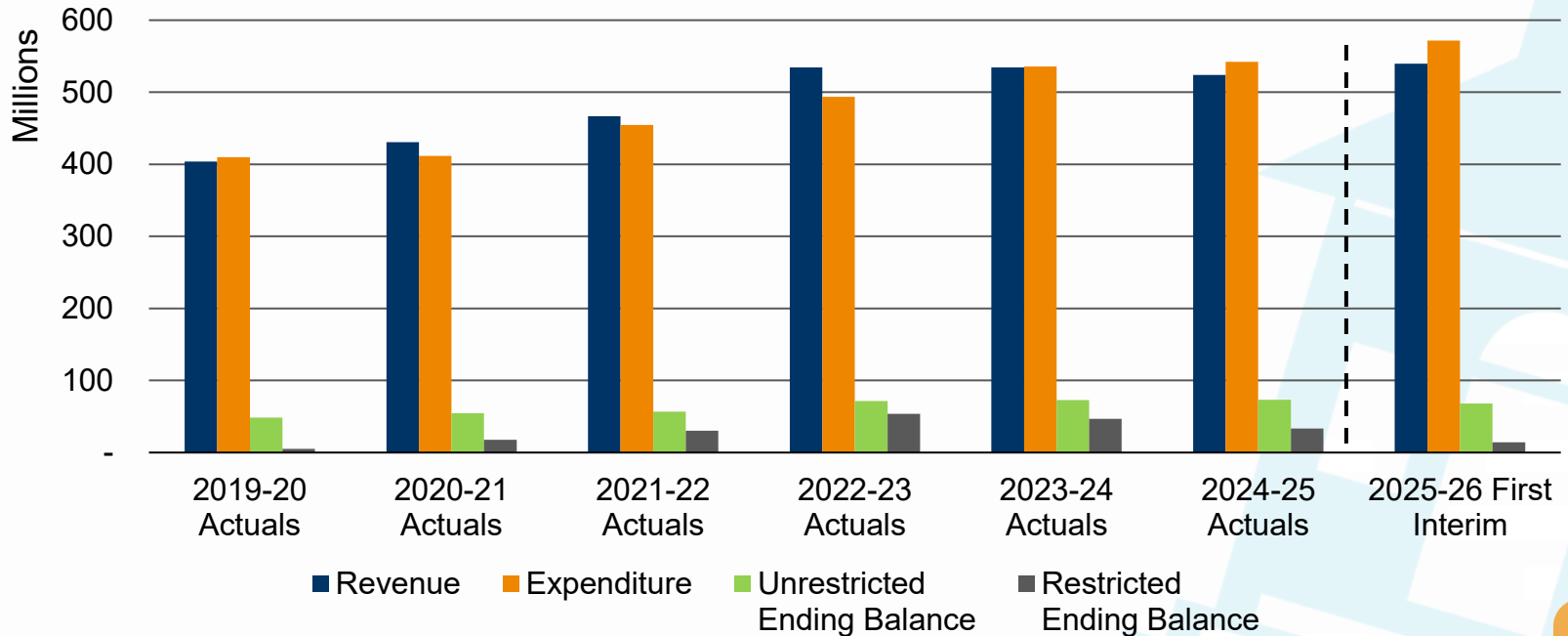
- The Work Ahead

- Update budget assumptions in January
- Revise revenue & expenditure budgets
- Set new reduction targets
- Maintain commitment to balance the Unrestricted General Fund by 2027-28

General Fund Summary

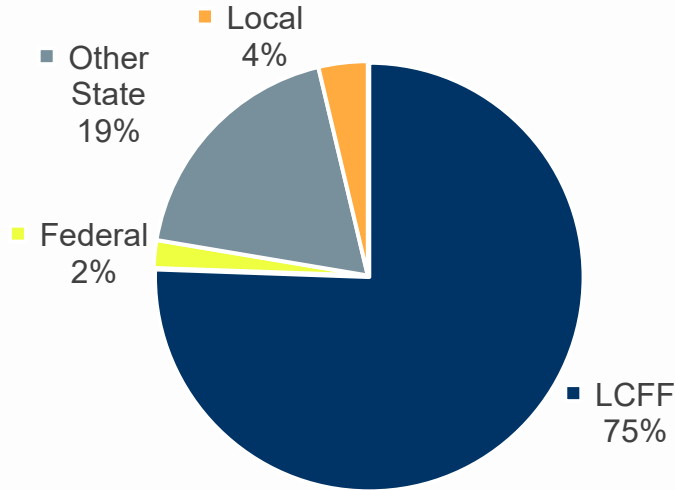
	2025-26 Adopted Budget			2025-26 First Interim			Variance
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Total Revenue	427,127,664	91,236,231	518,363,895	429,504,009	110,300,457	539,804,466	21,440,571
Total Expenditures	352,863,285	195,044,484	547,907,769	357,607,814	214,146,076	571,753,890	23,846,121
Surplus (Deficit)	74,264,379	(103,808,253)	(29,543,874)	71,896,194	(103,845,619)	(31,949,424)	(2,405,551)
Other Sources	(81,918,585)	84,474,655	2,556,070	(77,494,407)	84,495,154	7,000,747	4,444,677
Net Change	(7,654,206)	(19,333,598)	(26,987,804)	(5,598,212)	(19,350,465)	(24,948,677)	2,039,127
Beginning Balance - Adj	73,411,832	33,397,702	106,809,534	73,411,832	33,397,702	106,809,534	0
Ending Balance - Adj	65,757,626	14,064,104	79,821,730	67,813,620	14,047,237	81,860,857	2,039,127

General Fund Summary

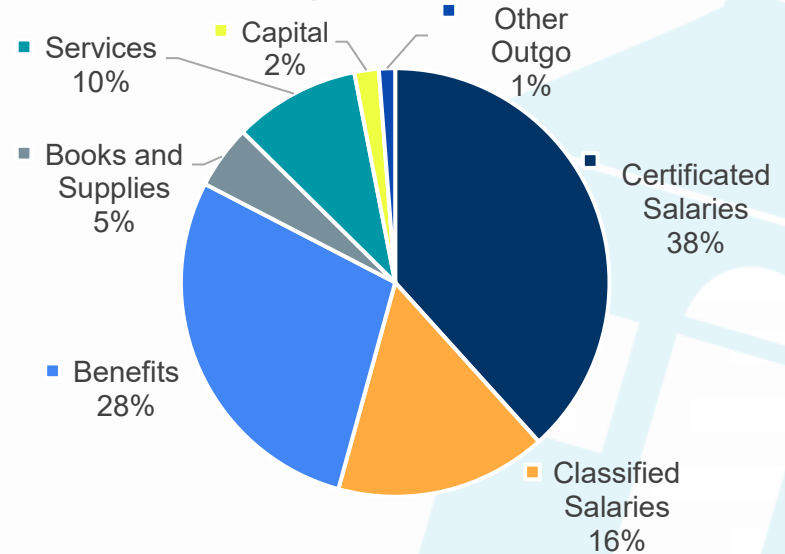


General Fund Summary

Revenue



Expenditures



Revenue Highlights

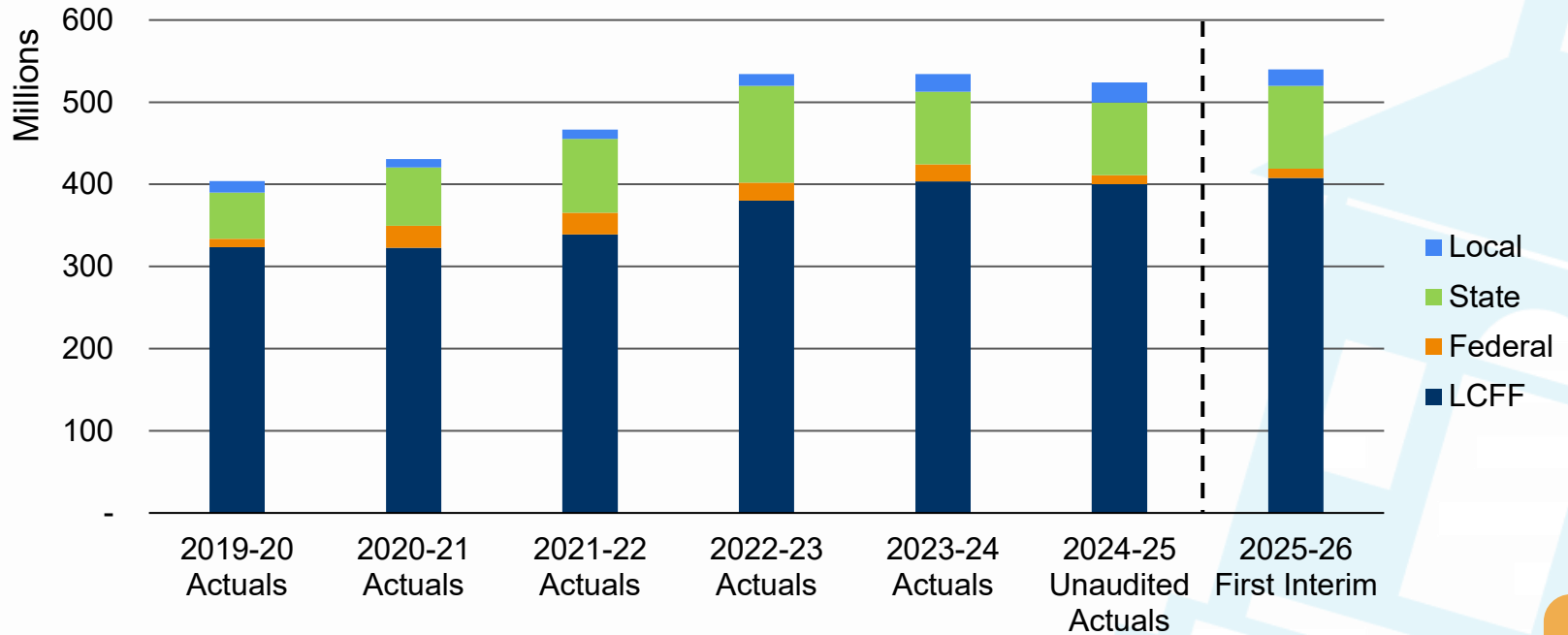
2025-26 First Interim

- Local Control Funding Formula
 - TK Add-on rate increased
 - Enrollment & attendance adjustments
- Federal Revenue
 - Deferred revenue adjustments
 - Entitlements maintained for current year
- Local Revenue
 - Deferred revenue adjustments (CalSHAPE)
- State Revenue
 - Discretionary Block Grant - \$10,263,260
 - Learning Recovery Emergency Block Grant - \$796,492
 - Prop 28 - \$567,837
 - Transportation AB181 – (495,174)
 - Deferred and prior-year revenue adjustments (CTE, Pre-K)

2025-26 Revenue

Sources	2025-26 Adopted	2025-26 First	Difference
Local Control Funding Formula (LCFF)	404,687,708	407,888,066	3,200,358
Federal	10,548,067	11,256,489	708,422
Other State	85,815,973	100,628,999	14,813,026
Other Local	17,312,147	20,030,912	2,718,765
Total	518,363,895	539,804,466	21,440,571

Revenue History



Expenditure Highlights

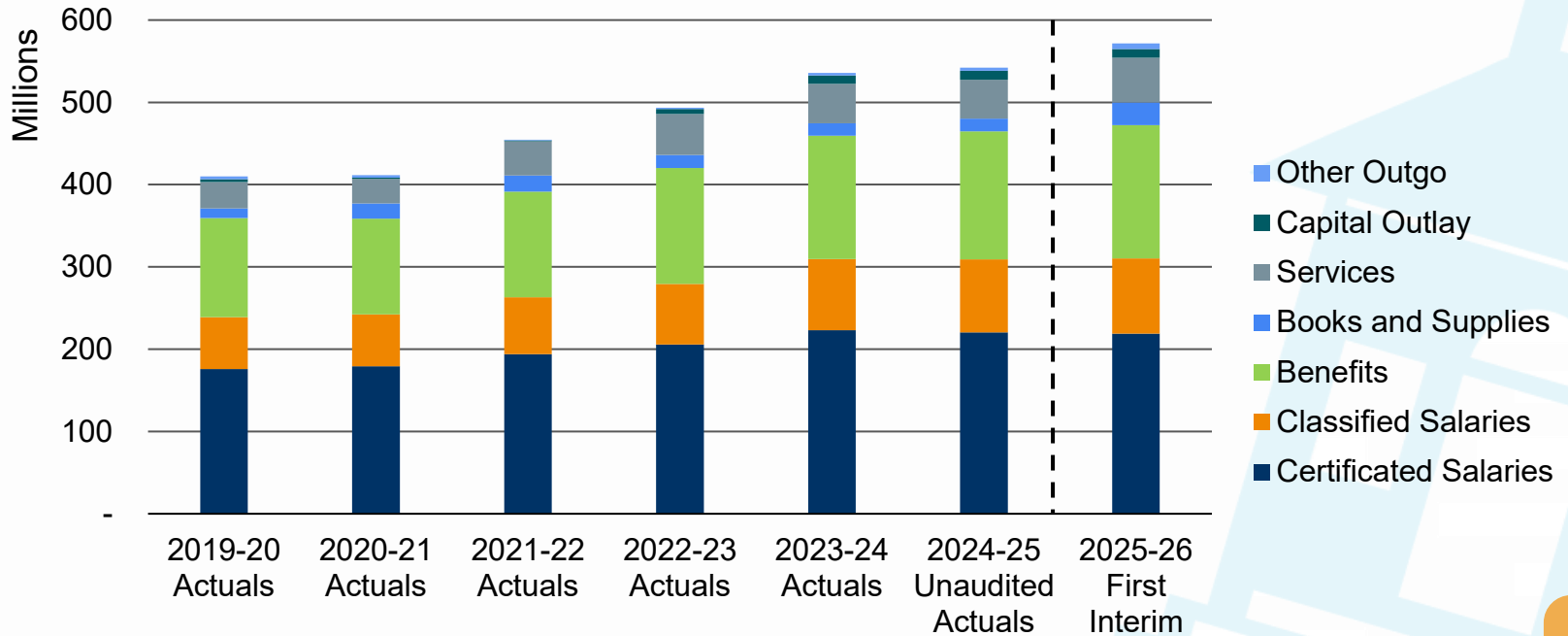
2025-26 First Interim

- Salaries & Benefits
 - Vacancy & retirement savings
 - Enrollment-based staffing adjustments
- Materials & Supplies
 - Donation / Site carry-over
 - Increased Budget Standard
- Services & Capital Outlay
 - CalSHAPE
 - Chromebooks
 - Lease financing budget shifts

2025-26 Expenditures

	2025-26 Adopted	2025-26 First	Difference
Certificated Salaries	219,834,854	219,083,761	(751,093)
Classified Salaries	92,026,214	91,230,000	(796,214)
Benefits	162,875,964	161,969,671	(906,293)
Books & Supplies	20,604,054	27,437,328	6,833,274
Services	48,297,775	54,514,495	6,216,720
Capital Outlay	1,347,180	10,524,121	9,176,941
Other Outgo	3,944,992	8,129,703	4,184,711
Direct/Indirect Costs	(1,023,264)	(1,135,189)	(111,925)
Total Expenditures	547,907,769	571,753,890	23,846,121

Expenditure History



Ending Balance Highlights

2025-26 First Interim

- Unrestricted

- Ending balance improves by \$2,039,127
- 2023-24 Audit Finding assignment of \$466,413
- Carry-over released
- Reserve percentage increases slightly from 10.9% to 11.5%

- Restricted

- Discretionary Block Grant retained for one-time uses - \$9,413,568
- Prop 28 projected unspent - \$2,250,000
- Learning Recovery Emergency Block Grant - \$1,383,668
- Lottery Instructional Materials - \$500,000
- Restricted Maintenance - \$500,000
- Arts/Music/Instructional Materials Block Grant - \$0

General Fund Reserves

	2025-26 Adopted Budget (Adjusted)			2025-26 First Interim			Variance
	Unrestricted	Restricted	Combined	Unrestricted	Restricted	Combined	
Beginning Balance	73,411,832	33,397,702	106,809,534	73,411,832	33,397,702	106,809,534	
Net Activity	(7,654,206)	(19,333,598)	(26,987,804)	(5,598,212)	(19,350,465)	(24,948,677)	2,039,127
Ending Balance	65,757,626	14,064,104	79,064,104	67,813,620	14,047,237	81,860,857	27,109,827
<u>Components</u>							
Nonspendable	575,000		575,000	575,000		575,000	
Restricted		14,064,104	14,064,104		14,047,237	14,047,237	(53,975)
Assigned	5,280,056		518,056	1,314,505		1,314,505	(3,965,551)
Economic Uncertainties	11,018,619		11,018,619	11,495,542		11,495,542	476,923
Unassigned	48,883,951		48,883,951	54,428,573		54,428,573	5,5581,730
Reserve Reserve %	59,902,570 10.9%		59,902,570 10.9%	65,924,115 11.5%		65,924,115 11.5%	6,021,545

Poway Unified School District
Arts, Music, IM Discretionary Block Grant (AMIMDBG - 6762) As of September 2025
Expiring June 30, 2026

One-Time Grants Expenditures									TOTAL	Program Supporting
	2022-23		2023-24		2024-25		2025-26			
	FTE	Actuals	FTE	Actuals	FTE	Expense	FTE	Projected		
Arts, Music, IM Block Grant (AMIMBG)										
Elementary Music Teachers	5.00	\$ 592,553	5.00	\$ 665,608	5.00	\$ 695,056	5.00	\$ 696,136	\$ 2,649,353	Music Program
VAPA Specialist	1.00	\$ 134,472	1.00	\$ 156,015	1.00	\$ 91,132	1.00	\$ 173,526	\$ 555,145	VAPA
VAPA expenses - instruments, materials for VAPA curriculum, upgrade lighting, projection, sound system and equipment, etc.		\$ 80,968		\$ 1,264,307		\$ 977,795		\$ 2,710,745	\$ 5,033,815	VAPA
Safety, security, ventilation upgrades, and other related projects		\$ 1,895,971		\$ 2,570,040		\$ 1,061,670		\$ 625,518	\$ 6,153,199	Site safety
Textbooks								\$ 900,000	\$ 900,000	Curriculum
Chromebooks								\$ 3,385,000	\$ 3,385,000	IT Computer Refresh
Cost sharing of Operational Costs for PCPA (Joint Use Agreement)		\$ 395,005		\$ 362,861		\$ 350,000		\$ 362,109	\$ 1,469,975	VAPA
Cost sharing of Capital Improvements for PCPA		\$ -		\$ 23,563		\$ 560,523			\$ 584,086	VAPA
Others - I/C		\$ 61,251		\$ 95,528		\$ 67,616		\$ 400,153	\$ 624,548	Others
Total for AMIMBG	6.00	\$ 3,160,221	6.00	\$ 5,137,922	6.00	\$ 3,803,792	6.00	\$ 9,253,187	\$ 21,355,122	

Proposition 28 Balance

	2023-24 Expense	2024-25 Expense	2025-26 Budget	2025-26 Expense	2025-26 Encumbrance	2025-26 Balance
Elementary	257,396	2,085,251	3,882,060	995,322	1,972,065	914,673
Middle	487,300	955,058	1,323,502	290,108	587,691	445,653
High	372,358	1,001,694	2,903,885	556,406	566,420	1,768,195
Grand Total	1,117,054	4,042,003	8,109,448	1,841,837	3,126,177	3,128,521

2025-26: Music instrument repair budget has been added to secondary school Budget Standards from Unrestricted General Fund

Multi-Year Projection (MYP)

- Multi-Year Projection assumptions are updated for each budget report with the most current information
 - Revenue assumptions will change with release of the Governor's January budget proposal and May revision leading to the final budget act in June
 - Statutory Cost of Living Adjustment (COLA) on LCFF and state programs will not be set until April
 - Enrollment projections are in progress for revenue and staffing purposes
 - Federal decisions may result in loss of state and District funding

Poway Unified School District General Fund Combined MULTI-YEAR PROJECTIONS

DESCRIPTION	2025-26 Adopted Budget	2025-26 First Interim Budget	2026-27 Projected	2027-28 Projected
Enrollment	34,192	34,087	34,027	34,027
Attendance Rate	95.50%	95.50%	96.00%	96.00%
Average Daily Attendance (ADA) - Funded	32,997	33,025	32,884	32,704
Statutory COLA (per SSC)	2.30%	2.30%	3.02%	3.42%
Unduplicated Pupil Percentage (%)	19.87%	19.54%	18.89%	18.57%
STRS	19.10%	19.10%	19.10%	19.10%
PERS	26.81%	26.81%	26.40%	26.90%
<i>Budget Solutions implemented</i>	\$10.8 mil	\$10.8 mil	n/a	n/a

**Poway Unified School District
General Fund Combined
MULTI-YEAR PROJECTIONS**

Example MYP
without enacting
Budget Solutions
in future years

**PUSD would be
operating at an
ongoing
structural deficit**

DESCRIPTION	2025-26 Adopted Budget	2025-26 First Interim Budget	2026-27 Projected	2027-28 Projected
Total GF Revenues	\$ 518,363,895	\$ 539,804,466	\$ 526,616,221	\$ 538,646,885
Total GF Expenditures	\$ 547,907,769	\$ 571,753,890	\$ 547,791,879	\$ 550,844,257
Other Financing Sources/Uses	\$ 2,556,070	\$ 7,000,747	\$ 7,000,747	\$ 7,000,747
2026-27 Proposed Budget Solutions (ongoing)	n/a	n/a	TBD	TBD
2027-28 Proposed Budget Solutions (ongoing)	n/a	n/a	n/a	TBD
Net Activity - Combined	\$ (26,987,804)	\$ (24,948,677)	\$ (14,174,911)	\$ (5,196,626)
Net Activity - Restricted	\$ (19,333,598)	\$ (19,350,465)	\$ (7,749,998)	\$ (1,383,668)
Net Activity - Unrestricted	\$ (7,654,206)	\$ (5,598,212)	\$ (6,424,914)	\$ (3,812,958)
Beginning Fund Balance	\$ 106,809,534	\$ 106,809,534	\$ 81,860,857	\$ 67,685,945
Ending Fund Balance - Combined	\$ 79,821,730	\$ 81,860,857	\$ 67,685,945	\$ 62,489,319
Ending Fund Balance - Restricted	\$ 14,064,104	\$ 14,047,237	\$ -	\$ -
Ending Fund Balance - Unrestricted	\$ 65,757,628	\$ 67,813,620	\$ 67,685,945	\$ 62,489,319
Reserve Amount	\$ 65,757,627	\$ 67,813,622	\$ 60,347,296	\$ 56,534,337
Reserve %	10.2%	11.5%	11.0%	10.2%

**Poway Unified School District
General Fund Combined
MULTI-YEAR PROJECTIONS**

**First Interim MYP
with lowered
placeholder
Budget Solutions
than Adopted
Budget**

**Assumptions will
be updated in
January to
establish
reduction targets**

DESCRIPTION	2025-26 Adopted Budget	2025-26 First Interim Budget	2026-27 Projected	2027-28 Projected
Total GF Revenues	\$ 518,363,895	\$ 539,804,466	\$ 526,616,221	\$ 538,646,885
Total GF Expenditures	\$ 547,907,769	\$ 571,753,890	\$ 547,791,879	\$ 550,844,257
Other Financing Sources/Uses	\$ 2,556,070	\$ 7,000,747	\$ 7,000,747	\$ 7,000,747
2026-27 Proposed Budget Solutions (ongoing)	n/a	n/a	\$2.5M	\$2.5M
2027-28 Proposed Budget Solutions (ongoing)	n/a	n/a	n/a	\$1.5M
Net Activity - Combined	\$ (26,987,804)	\$ (24,948,677)	\$ (11,674,911)	\$ (1,196,626)
Net Activity - Restricted	\$ (19,333,598)	\$ (19,350,465)	\$ (7,749,998)	\$ (1,383,668)
Net Activity - Unrestricted	\$ (7,654,206)	\$ (5,598,212)	\$ (3,924,914)	\$ 187,042
Beginning Fund Balance	\$ 106,809,534	\$ 106,809,534	\$ 81,860,857	\$ 70,185,945
Ending Fund Balance - Combined	\$ 79,821,730	\$ 81,860,857	\$ 70,185,945	\$ 68,989,319
Ending Fund Balance - Restricted	\$ 14,064,104	\$ 14,047,237	\$ -	\$ -
Ending Fund Balance - Unrestricted	\$ 65,757,628	\$ 67,813,620	\$ 70,185,945	\$ 68,989,319
Reserve Amount	\$ 65,757,627	\$ 67,813,622	\$ 62,847,296	\$ 63,034,337
Reserve %	10.2%	11.5%	11.5%	11.5%

Next Steps

- Staff recommends adoption of the 2025-26 First Interim Budget Report
- January – Update revenue projections
- February – establish Budget Solutions targets for to balance the Unrestricted General Fund Budget by 2027-28
- May – Finalize budget assumptions and estimated actuals
- June – Adopt 2026-27 Annual Budget