



**LIVERMORE**  
VALLEY JOINT UNIFIED  
**SCHOOL DISTRICT**

**2025-2026**  
**First Interim**  
**Budget**

**Presented to the Board of Education**  
**December 9, 2025**



# Purpose

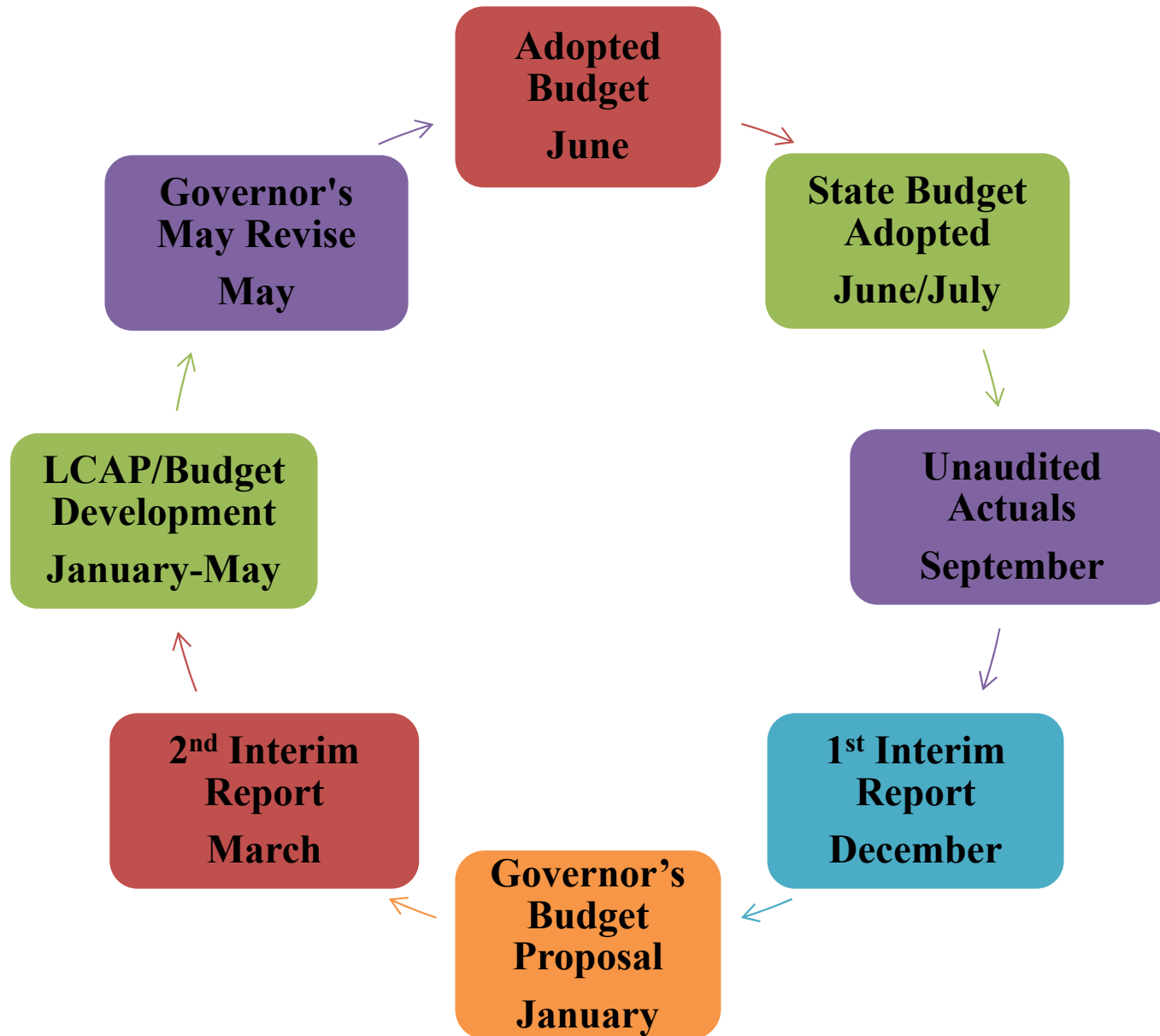
The First Interim Budget Report is one of three financial statements that school districts are required to report annually, in addition to the Adopted Budget. The report presents information so that the District, County Office of Education, and State can review the District's fiscal viability for the current and two subsequent fiscal years. The three reports and the fiscal period reported are as follows:

Report	Period Covered	Filing Date
First Interim	July 1 – October 31	December 15
Second Interim	July 1 – January 31	March 15
Unaudited Actuals	July 1 – June 30	September 15

The First Interim Budget Report is based on assumptions from the most recent available information at the point in time it is prepared and actual financial operations year-to-date. It serves as an important resource to staff and the board to guide financial decisions based on the information provided.



# Budget Cycle





# Executive Summary

- 2025/26 Projected Reserve is at 4.4% of total expenditures
- Second Interim Budget meets **Positive Certification** status meaning the required 3% reserve requirement is met for the current and two subsequent years
- The revenue from the increased TK Add-On, the new one-time Student Support and Professional Development Discretionary Block Grant, and the partially restored Learning Recovery Emergency Block Grant have all been incorporated into the budget
- Salaries and benefits were updated to reflect current staffing and vacancies
- Restricted categorical funds were updated based on planned 2025/26 expenditures

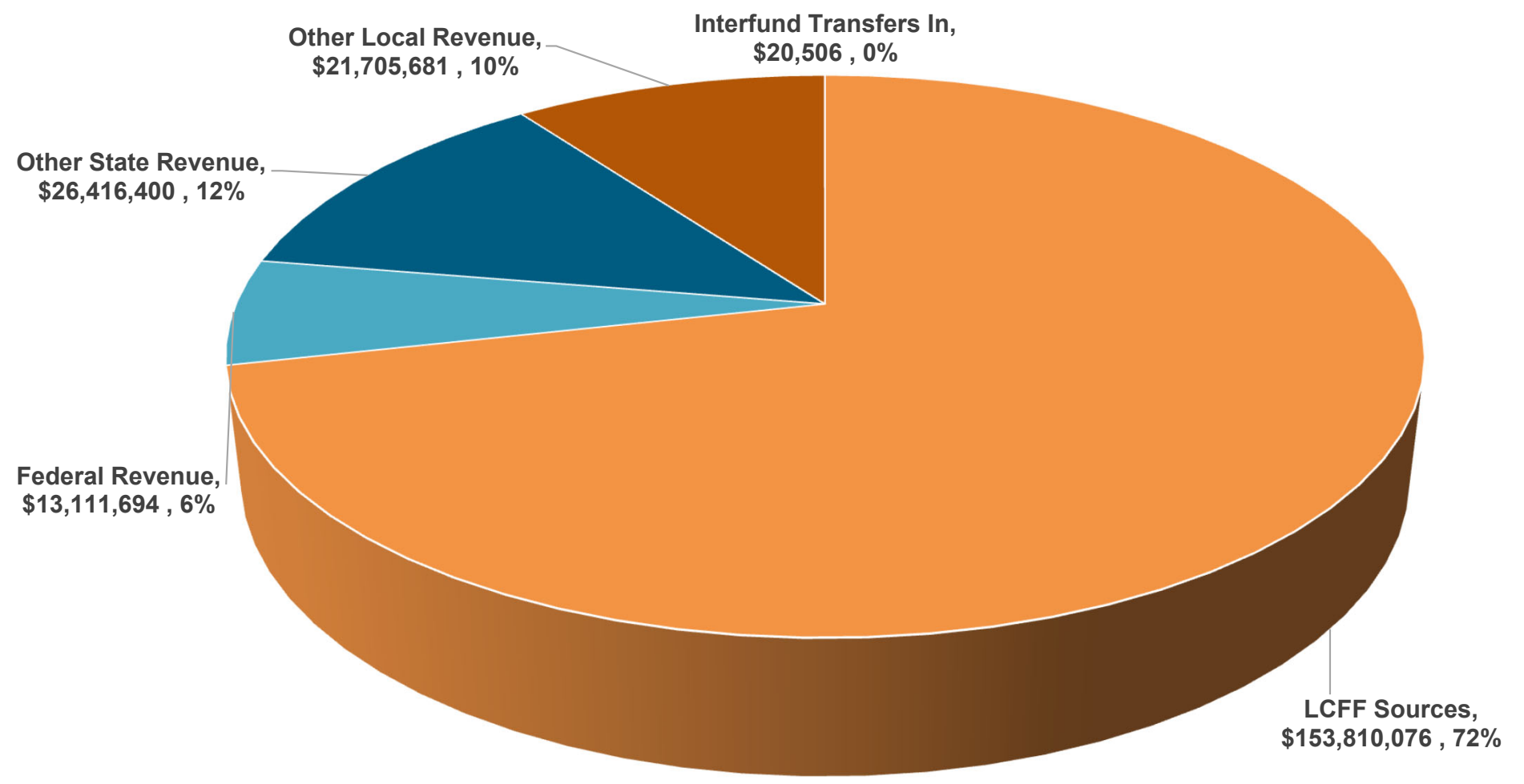


# Executive Summary

	Unrestricted	Restricted	Combined
Projected Revenues	\$159,533,610	\$55,510,241	\$215,043,851
Projected Expenditures	\$124,691,889	\$98,102,891	\$222,794,780
Transfers In/Out	(\$29,494)	\$0	(\$29,494)
Contributions to Restricted	(\$37,773,074)	\$37,773,074	\$0
Decrease in Fund Balance	(\$2,960,847)	(\$4,819,576)	(\$7,780,423)
Beginning Fund Balance	\$12,856,142	\$13,557,967	\$26,414,109
Ending Fund Balance	\$9,895,295	\$8,738,391	\$18,633,686



# Revenue





# Revenue Highlights

	Adopted Budget	1st Interim Budget	Difference
LCFF Sources	\$153,992,011	\$153,810,076	(\$181,935)

LCFF funding decreased due to the following:

- Funded ADA declined by 135, from 12,396 at adopted budget to 12,261 at first interim due to lower-than-expected enrollment.
- The average LCFF value per ADA is \$12,454.
- TK/K early registrations did not materialize, and several grade levels enrolled below projections based on historical cohort-survival trends.
- Unduplicated pupil percentage decreased slightly (24.97% → 24.88%), reducing supplemental/concentration funding.
- LCFF TK add-on funding increased due to the lower required staffing ratio, helping offset part of the loss.
- Net impact: LCFF funding decreased by \$181,935.



# LCFF COLA Analysis

- While the statutory COLA for 2025-26 is 2.3%, the funding districts actually receives is affected by changes in enrollment, ADA, and student demographics.
- Due to a decline in funded ADA and a reduction in our unduplicated pupil percentage, LVJUSD's LCFF Base Funding increased by only 1.11%, instead of the statutory COLA of 2.3%.

A	2024/25 LCFF Revenue (without Add-Ons)	\$146,173,641
B	2.3% COLA	\$3,361,994
C	Potential 2025/26 LCFF Revenue based on 2.3% COLA	\$149,535,635
D	Actual 2025/26 Projected LCFF Revenue (without Add-Ons)	\$147,800,305
E	Actual Percentage Funding Increase (C ÷ A)	1.11%



# Revenue Highlights

	Adopted Budget	1st Interim Budget	Difference
Federal Revenue	\$11,931,401	\$13,111,694	\$1,180,293

Federal revenue adjustments were made in the following funding sources:

## Increased Funding

- Title I: \$75,114 from 2024/25 carryover.
- Title IV: \$23,500 from 2024/25 carryover, helping offset the lower 2025/26 preliminary allocation from CDE.
- Magnet Grant: \$1,133,244 from unspent 2024/25 funds.

## Decreased Funding

- Title II: \$16,665 based on the 2025/26 preliminary CDE allocation.
- Special Education (AB 602): \$41,366 based on the updated allocation.



# Revenue Highlights

	Adopted Budget	1st Interim Budget	Difference
Other State Revenue	\$22,521,212	\$26,416,400	\$3,895,188

Other State revenue adjustments were made in the following funding sources:

- **Major new funding:** \$3.83M from the Student Support & PD Block Grant
- **Restored funding:** \$364K to the Learning Recovery Block Grant
- **Additional increases:** Prop 28 (\$206K), Classified Summer Assistance (\$96K), Restorative Practices Grant (\$99K), and other smaller grants and reimbursements
- **Carryover funding:** UPK Planning Grant (\$46K) **Decreased funding:** Lower ELOP (\$586K), Transportation (\$188K), and Lottery revenues (\$38K)



# Revenue Highlights

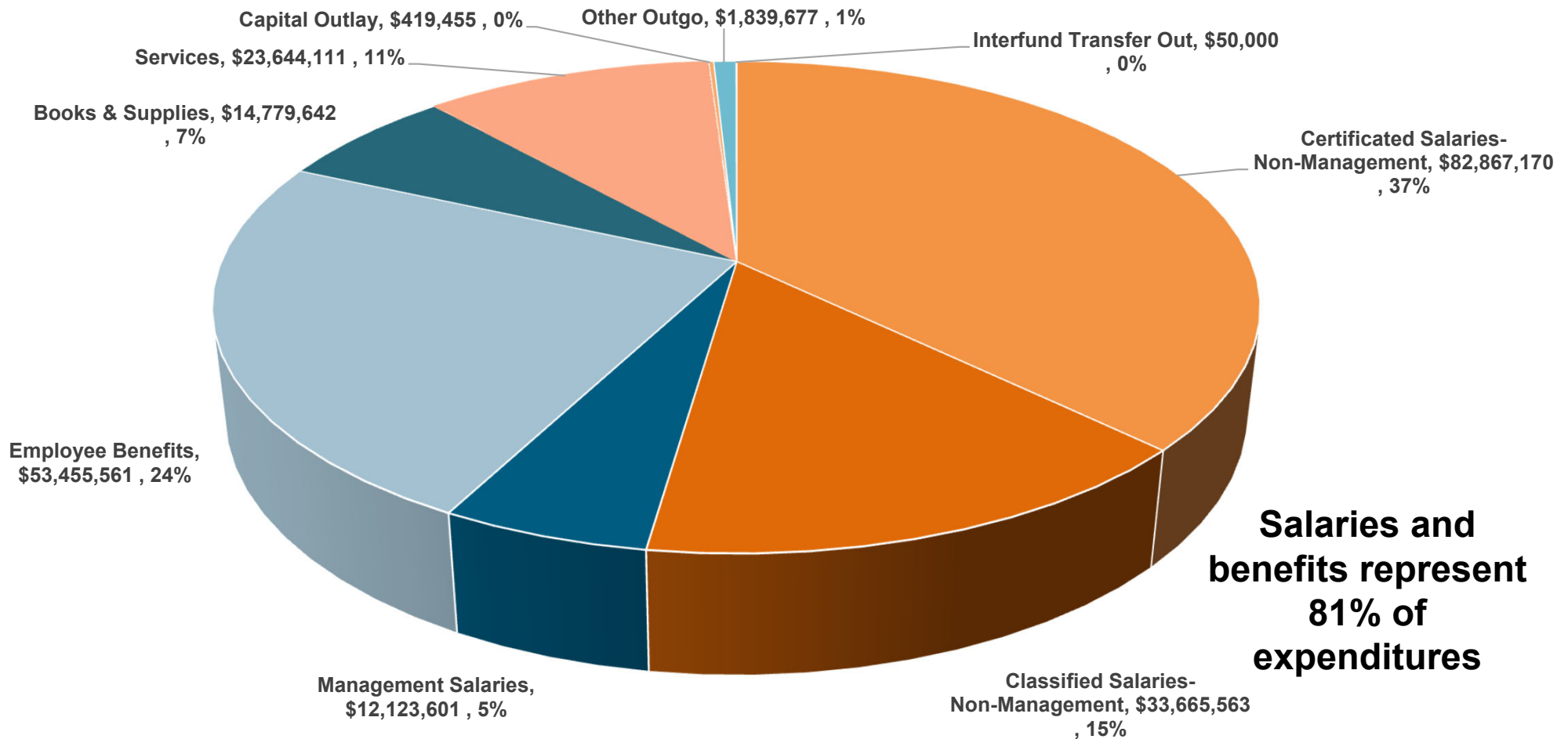
	Adopted Budget	1st Interim Budget	Difference
Other Local Revenue	\$18,195,872	\$21,705,681	\$3,509,809

Other Local revenue adjustments were made in the following funding sources:

- **Medi-Cal Reimbursement:** \$2.12M received to date
- **Donations:** \$829K from school and community contributions
- **Interest Earnings:** \$250K based on year-to-date activity
- **Parcel Tax:** \$67K based on tax projections
- **Special Education:** \$15K due to updated allocation
- **Miscellaneous Unrestricted Increases:** \$65K from equipment sales, MAA reimbursements and solar renewable energy credit sales
- **Miscellaneous Restricted Increases:** \$164K from ELOP tuition, Go Green Initiative, Early Education Teacher Development, and



# Expenditures





# Expenditure Highlights

Description	Adopted Budget	1st Interim Budget	Difference
Certificated Salaries- Non-Management	\$82,758,298	\$82,867,170	(\$108,872)
Classified Salaries- Non-Management	\$32,011,882	\$33,665,563	(\$1,653,681)
Management Salaries	\$12,059,243	\$12,123,601	(\$64,358)
Employee Benefits	\$53,422,440	\$53,455,561	(\$33,121)

- **Certificated Non-Management Salaries:** Increased due to position/vacancy adjustments, higher substitute costs, and updates to grant-funded stipends/hourly budgets. Total staffing decreased by 3.4 FTE due to HS bell schedule staffing changes and one less TK class
- **Classified Non-Management Salaries:** Increased due to additional TK instructional assistants, ELOP assistants, and Special Education paraeducators; includes 2024/25 CSEA/SEIU settlements and 2025/26 CSEA settlements
- **Management Salaries:** Increased based on adjustments to filled positions
- **Benefits:** Increased from staffing and enrollment changes; the increase was offset by an OPEB cost decrease of \$380,577



# Expenditure Highlights

The below chart is a summary of full-time equivalent (FTE) positions included in the 1<sup>st</sup> Interim budget as compared to the Adopted Budget.

<b>Bargaining Unit</b>	<b>Adopted Budget FTE</b>	<b>1<sup>st</sup> Interim Budget FTE</b>
<b>Livermore Education Association (LEA)</b>	713.96	710.54
<b>Livermore Chapter #334 California School Employees Association (CSEA)</b>	386.03	414.30
<b>Service Employees International Union (SEIU)</b>	84.88	83.88
<b>Classified Management/Confidential</b>	31.81	30.81
<b>Livermore Management Association</b>	45.50	46.50
<b>Non-Represented</b>	23.38	23.71
<b>Total</b>	1,285.56	1,309.74



# Expenditure Highlights

Description	Adopted Budget	1st Interim Budget	Difference
Books & Supplies	\$8,354,924	\$14,779,642	(\$6,424,718)
Services	\$22,538,391	\$23,644,111	(\$1,105,720)
Capital Outlay	\$121,046	\$419,455	(\$298,409)

## Books & Supplies

- Unrestricted supplies decreased by \$120K due to a shift from supplies to services
- Restricted supplies increased by \$6.5M due the carryover of unspent or new grant funds including \$1.1M for Magnet, \$1.9M for Medi-Cal, \$2.4M for donations, and \$481K for Prop 28

## Services

- Unrestricted services decreased by \$22K due to adjustments made to projected utility costs
- Special education expenses were reduced by \$500K based on current NPS and NPA contracts
- Restricted services increased by due to the carryover of unspent or new grants funds including \$678K for donations, \$154K for the SLPC Capacity Grant, and \$127K for Medi-Cal

## Capital Outlay

- Unrestricted capital outlay increased for the purchase of a warehouse vehicle replacement
- Restricted capital outlay increased for planned ELOP vehicle purchases and Kitchen Infrastructure Grant improvements



# Multi-Year Projection (MYP)

## Assumptions

Description	2025/26	2026/27	2027/28
Statutory Cost of Living Adjustment (COLA)	2.30%	2.30%	3.02%
Unduplicated Percentage	24.88%	23.68%	23.54%
Enrollment	12,988	12,847	12,765
P-2 Average Daily Attendance (ADA)	12,261	12,145	12,067
ADA %	94.4%	94.5%	94.5%
Funded ADA	12,261	12,258	12,211
ADA Basis	Current Year	Prior Year	3 PY Average
TK ADA	651.9	659.4	659.4
Unrestricted Lottery per ADA	\$190.00	\$190.00	\$190.00
Restricted Lottery per ADA	\$82.00	\$82.00	\$82.00
STRS Employer Contribution	19.10%	19.10%	19.10%
PERS Employer Contribution	26.81%	26.40%	26.90%
Step and Column (Certificated)	1.5%	1.5%	1.5%
Step and Column (Classified)	2.25%	2.25%	2.25%
California CPI (for cost increases)	3.09%	2.82%	2.72%



# Multi-Year Projection (MYP)

## Unrestricted Funds

	2024/2025 Unrestricted	2025/2026 Unrestricted	2026/2027 Unrestricted	2027/2028 Unrestricted
Revenues & Transfers In	\$156,575,692	\$159,554,116	\$162,676,937	\$166,744,259
Expenditures & Transfers Out	\$122,957,462	\$124,741,889	\$127,061,909	\$129,368,857
Contributions	\$36,336,609	\$37,773,074	\$37,839,567	\$37,864,644
Expenditures + Contributions	\$159,294,071	\$162,514,963	\$164,901,476	\$167,233,501
Net Change	(\$2,718,379)	(\$2,960,847)	(\$2,224,539)	(\$489,242)
Ending Balance	\$12,856,142	\$9,895,295	\$7,670,756	\$7,181,514
Ending Balance as a % of current year expenditures (Unrestricted)*	6.04%	4.37%	3.56%	3.35%

\* Unrestricted ending fund balance includes the required 3% minimum reserve of \$6.69 million.



# Multi-Year Projection (MYP)

## Combined Funds

	2024/2025 Combined	2025/2026 Combined	2026/2027 Combined	2027/2028 Combined
Revenues & Transfers In	\$207,441,280	\$215,064,357	\$204,021,580	\$206,736,417
Expenditures & Transfers Out	\$209,470,740	\$222,844,780	\$211,385,780	\$210,006,375
Net Change	(\$2,029,460)	(\$7,780,423)	(\$7,364,199)	(\$3,269,958)
Ending Balance	\$26,414,109	\$18,633,686	\$11,269,486	\$7,999,529
Ending Balance as a % of current year expenditures (Unrestricted)*	6.0%	4.4%	3.6%	3.3%
Ending Balance as a % of current year expenditures (Restricted)	6.47%	3.9%	1.7%	0.4%
Ending Balance as a % of current year expenditures (Restricted & Unrestricted)	12.5%	8.3%	5.3%	3.7%

\* Unrestricted ending fund balance includes the required 3% minimum reserve of \$6.69 million.



# State Budget Update

- State revenue is up by \$11 billion from previous projections
- The state is projecting a \$18 billion deficit; however, the Proposition 98 Guarantee was revised upward from the 2025/26 State Enacted Budget
- Nearly \$7.4 billion in one-time funds are available for school purposes due to the revision to the Prop 98 guarantee for 2024/25 and 2025/26 as well as the settle-up obligation for the budget providing \$1.9 billion less than the estimated guarantee for 2024/25
- The LAO is estimating COLA at 2.51%, however that number is less certain than usual due to delays related to the federal shutdown
- Based on current projections, there is only enough ongoing Prop 98 funding to fund statutory COLA
- The LAO has recommended several options for the use of one-time funds to build budget resiliency including:
  - Eliminate existing payment deferrals
  - Provide an advance payment
  - Fully restore the Learning Recovery Emergency Block Grant



# Calculating the COLA

- There are a number of different indicators that might be used to measure economic performance from one period to the next. CPI, PCE, PPI, GDP, etc. The State of California uses the “Government consumption expenditures and gross investment: State and local (implicit price deflator)” California COLA for the upcoming year is determined in April. It is based on the average of Quarter 2 of prior calendar year through Quarter 1 of current calendar year, compared against the average of the four preceding quarters.
- The current COLA estimate is less certain than usual due to a delay in data from the U.S. Bureau of Economic Analysis due to the federal shutdown.



# Calculating the COLA

## Possible COLA Scenarios (First Interim)

**Last School Services Projection  
(State Enacted Budget): 3.02%**

2024 Q2	2024 Q3	2024 Q4	2025 Q1	Average	
129.920	130.493	130.927	132.141	130.870	
2025 Q2	2025 Q3	2025 Q4	2026Q1	Average	COLA

132.532	??	??	??	??	??
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**Flat**

2025 Q2	2025 Q3	2025 Q4	2026Q1	Average	COLA
132.532	132.532	132.532	132.532	132.532	1.27%

**Average Growth of prior 4 Qs**

2025 Q2	2025 Q3	2025 Q4	2026Q1	Average	COLA
132.532	133.194	133.859	134.527	133.528	2.03%

**1% Growth in each of the last 3 Qs**

2025 Q2	2025 Q3	2025 Q4	2026Q1	Average	COLA
132.532	133.857	135.196	136.548	134.533	2.80%



# Impact of Alternative COLA On LCFF Funding

Assumption	2026-27 COLA	2026-27	Impact	2027-28	Impact
As Presented	2.30%	\$155,844,350		\$159,880,885	
Flat	1.27%	\$154,281,428	(\$1,562,922)	\$158,278,294	(\$1,602,591)
Average Previous 4 Quarters	2.03%	\$155,435,121	(\$409,229)	\$159,460,506	(\$420,379)
1% Growth in Final 2 Quarters	2.80%	\$156,601,992	\$757,642	\$160,658,961	\$778,076



# Next Steps

- January 10: Governor's Budget proposal released by mid month
- March 10: Second Interim report presented
- May 15: Governor's "May Revise" released (updates to the January Budget proposal)
- June 9: Public Hearing of the 2026/27 budget and LCAP
- June 15: Legislature must pass a balanced budget
- June 16: Approval of the 2026/27 budget and LCAP
- June 30: Deadline for the Governor to sign the budget



**Thank you**

**Questions / Comments?**



**The Superintendent's  
recommendation is to approve the  
First Interim Budget with a Positive  
Certification as presented**