



DEL NORTE UNIFIED SCHOOL DISTRICT

2025-26 First Interim Budget Report

A comprehensive review of our district's financial position, budget assumptions, and strategic planning for sustainable operations for current fiscal year 2025-26 and the next two fiscal years.

BUDGET ASSUMPTIONS & COLA PROJECTIONS

COST OF LIVING ADJUSTMENTS

- 2025-26: **2.30%** COLA increase
- 2026-27: **3.02%** COLA increase
- 2027-28: **3.42%** COLA increase

These projections align with our adopted budget and reflect anticipated state funding adjustments over the three-year period.

PAYROLL EMPLOYER RATES

- Certificated: **25.78%**
- Classified: **40.78%**
- Certificated Management: **25.78%**
- Classified Management: **39.69%**

Health and welfare rates remain consistent with previous budget assumptions



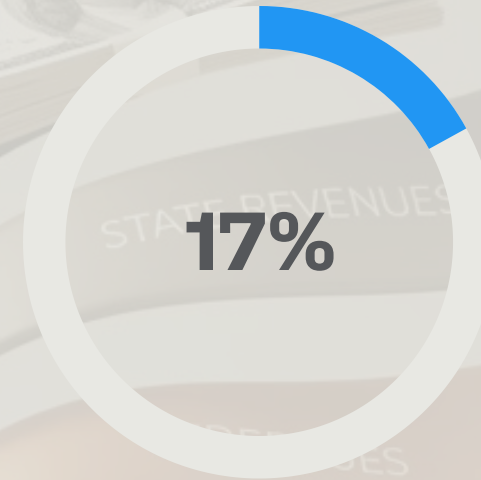
REVENUE OVERVIEW: \$73.7M TOTAL

Our revenue projections show a **4% increase** from the adopted budget, reflecting improved funding across multiple sources and strategic resource development.



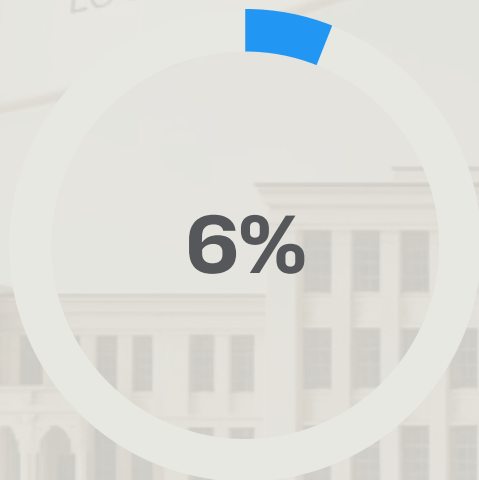
LCFF REVENUE

\$46.6M - Local Control Funding Formula, our primary funding source



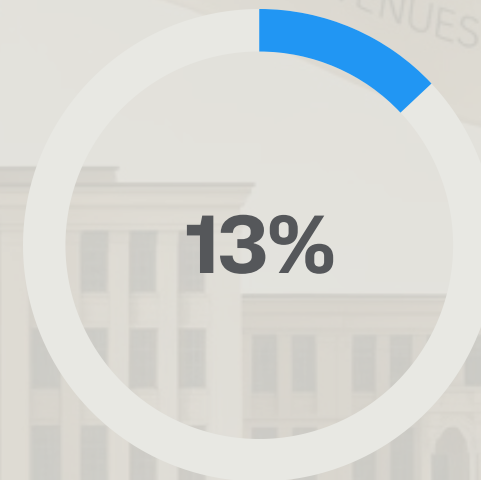
STATE REVENUES

\$12.8M - Additional state categorical programs and grants



FEDERAL REVENUES

\$4.7M - Federal programs supporting student services



LOCAL REVENUES

\$9.58M - Community partnerships and local funding sources

EXPENDITURE BREAKDOWN: \$77.1M

Our investments in people and programs reflect our commitment to educational excellence.



CERTIFICATED SALARIES

\$22.6M

Investing in our exceptional teaching professionals



CLASSIFIED SALARIES

\$16.6M

Supporting our dedicated classified team



BENEFITS

\$22.1M

Comprehensive health and wellness benefits



BOOKS & SUPPLIES

\$4.03M



SERVICES & OTHER OPERATING EXPENSES

\$9.5M



CAPITAL OUTLAY

\$640k



OTHER OUTGO & DIRECT SUPPORT SERVICES

\$1.6M

BUDGET POSITION & FUND BALANCE

26.2%

SHORTFALL REDUCTION

Improvement from Adopted Budget

\$3.4M

BUDGET SHORTFALL

Current year deficit to address

BEGINNING BALANCE

\$31,346,720

Strong starting position provides cushion for strategic planning and operational stability.

ENDING BALANCE

\$27,943,718

Projected balance maintains adequate reserves while addressing immediate needs.

COMPONENTS OF ENDING FUND BALANCE



RESTRICTED RESOURCES

\$14,596,702

Designated for specific programs and purposes



RESERVE CASHFLOW

\$2,635,308

HR 2389 Federal Facilities reserve



LEGAL LIABILITY RESERVE

\$5,000,000

Contingent legal liability protection



PROPOSED INCREASES

\$1,018,444

Reserve for 25-26 salary increases for General Fund - all employees



DEFICIT RESERVE

\$2,376,188

Additional reserve for projected deficit



ECONOMIC UNCERTAINTIES

\$2,265,593

3% reserve for unexpected challenges

Unassigned/Unappropriated Amount: **\$51,483** - minimal unallocated funds demonstrate tight fiscal management.

UNRESTRICTED EXPENDITURES BY OBJECT

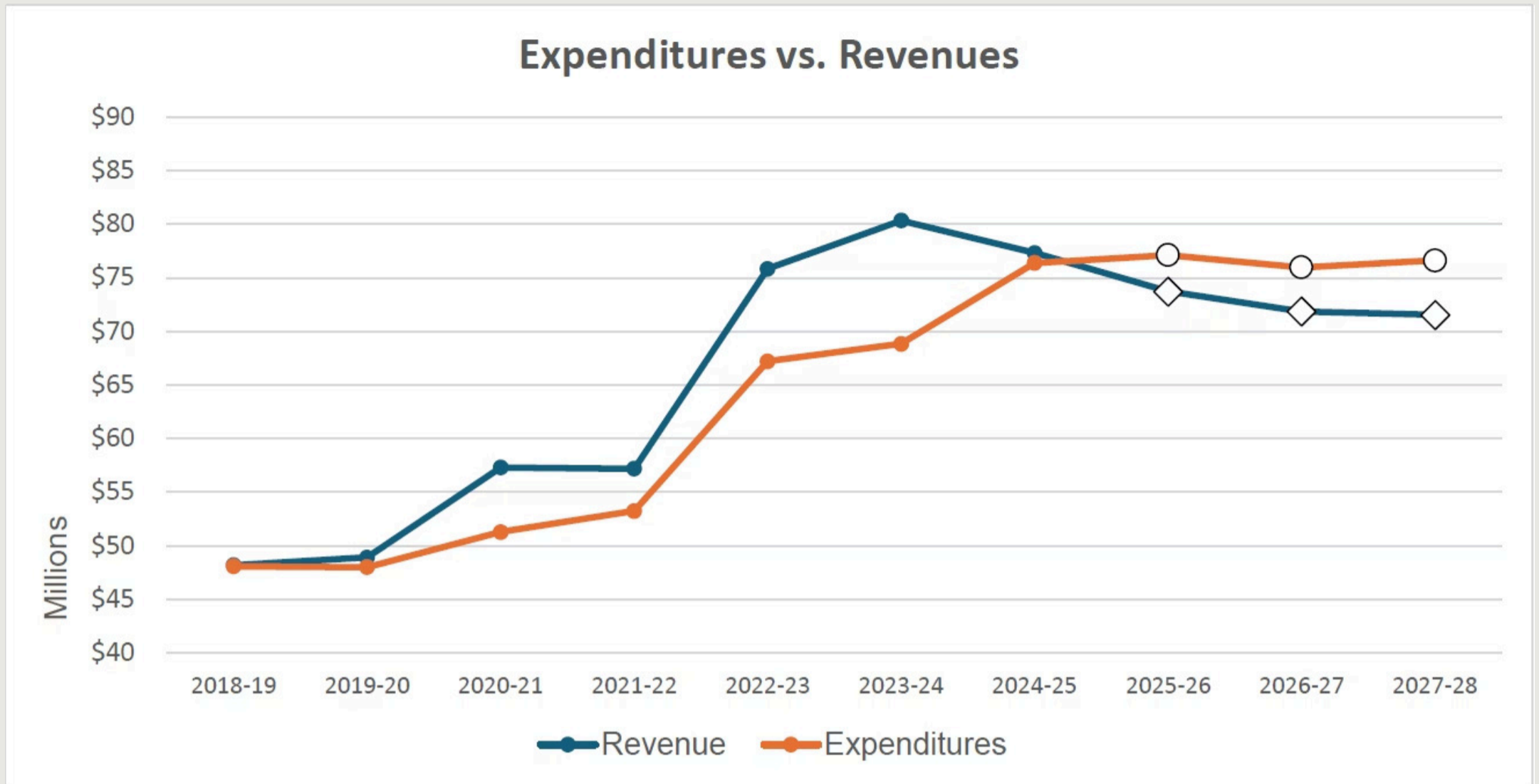
FUND 01 - DISTRICT

Revenue	\$	52,154,535
Expenditures	\$	55,383,463
Net Increase (Decrease) in Fund Balance	\$	(3,228,928.00)

This breakdown illustrates how unrestricted funds are allocated across major expenditure categories for the 2025-26 fiscal year.




Personnel costs represent the majority of expenditures, reflecting our commitment to maintaining quality staffing levels while managing operational efficiency.

MULTI-YEAR PROJECTIONS & STRATEGIC RESPONSE



Fiscal Year	Revenues	Expenses	Decrease in Fund Balance
2025-26	\$ 73,729,321.00	\$ 77,135,338.00	\$ (3,406,017.00) <i>First Interim</i>
2026-27	\$ 71,853,299.00	\$ 75,972,437.73	\$ (4,119,138.73) <i>Projection</i>
2027-28	\$ 71,540,318.00	\$ 76,616,423.37	\$ (5,076,105.37) <i>Projection</i>

ADDRESSING THE BUDGET SHORTFALL

- 
REDUCTION IN FORCE
 Strategic staffing adjustments where necessary
- 
HIRING FROST
 Cabinet-level review of all vacancies to ensure services are needed and funding is stable
- 
OPERATIONAL CONTROLS
 Tight monitoring of expenditures and resource allocation

Key Considerations: We are actively monitoring Federal and State Government changes, preparing for enrollment shifts and anticipating declining revenues in the future. Through proactive planning and strategic resource management, we're positioning the district for long-term sustainability and success.