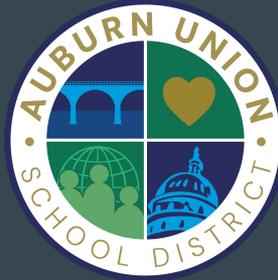


AUSD 2025-2026 Second Interim Budget Report



AUSD Board of Trustees
March 12, 2026

The Second Interim Budget

Interim budget reports provide a dynamic picture of a district's financial condition by capturing actual data from July 1st through January 31st and using it to project financial activity through the end of the fiscal year on June 30th.

Because these reports are based on shifting state budget guidelines and evolving local expenditures, they are "living" documents intended as projections to help the Governing Board certify the district's ability to meet its financial obligations both now and in the coming years.



State Budget

- Proposition 98 Guarantee: Funding for K-14 education is projected at \$121.4 billion for 2025-26 and \$125.5 billion for 2026-27 LCFF & COLA
- The budget proposes fully funding a 2.41% statutory COLA for the Local Control Funding Formula, an approximately \$2 billion increase. Special Education
- Proposes a new equalized statewide base rate of \$999 per ADA for all Special Education Local Plan Areas.
- One-Time Block Grants: Includes a new \$2.8 billion round of discretionary funding for Student Support and Professional Development, estimated at \$500 per ADA.



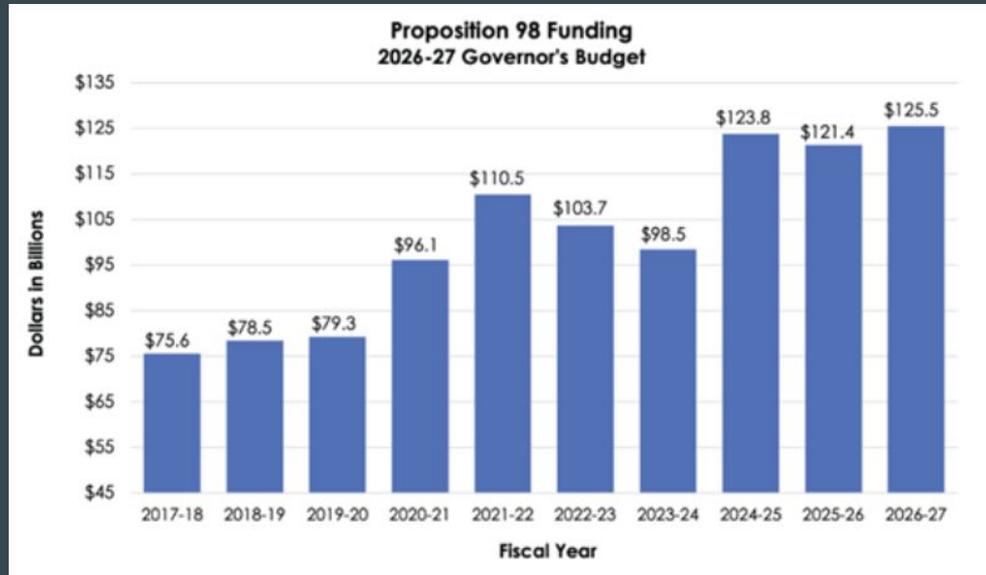
State Budget

- Categorical Programs: Provides a 2.41% COLA for programs such as Adult Education, Foster Youth, and Child Nutrition State Reserve
- 10% local reserve cap for 2026-27, AUSD is exempt due to having fewer than 2,501 ADA Funding
- Deferral: The planned \$1.9 billion deferral from June 2026 to July 2026 remains in effect, impacting approximately 2.9% of state aid.



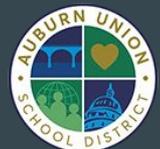
Prop 98 Funding

- Cost-of-Living-Adjustment (COLA): The Governor's 2026-27 proposal includes a 2.41% statutory COLA for the Local Control Funding Formula (LCFF).



Prop 98 Funding COLA Amounts and Assumptions

<i>Planning Factor</i>	2024-25	2025-26	2026-27	2027-28
Dept of Finance Statutory COLA	1.07%	2.30%	2.41%	3.06%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	27.05%	26.81%	26.40%	26.90%
SUI Employer Rates	0.05%	0.05%	0.05%	0.05%
Lottery – Unrestricted per ADA	\$195	\$190	\$190	\$190
Lottery – Prop. 20 per ADA	\$88	\$82	\$82	\$82
Universal TK/ADA w/o 10:1 Ratio Add-On	\$3,077	N/A	N/A	N/A
Universal TK/ADA w/ 10:1 Ratio Add-On	N/A	\$5,545	\$5,679	\$5,853
Mandate Block Grant for Districts: K-8 per ADA	\$38.21	\$39.09	\$40.03	\$41.25
Mandate Block Grant for Districts: 9-12 per ADA	\$73.62	\$76.48	\$78.32	\$80.72
Mandate Block Grant for Charters: K-8 per ADA	\$20.06	\$20.52	\$21.01	\$21.65
Mandate Block Grant for Charters: 9-12 per ADA	\$55.76	\$58.21	\$59.61	\$61.43
Routine Restricted Maintenance Account (refer to the provisions discussed above)	3% of total GF expend & outgo			



AUSD District Budget Revenue Calculation LCFF

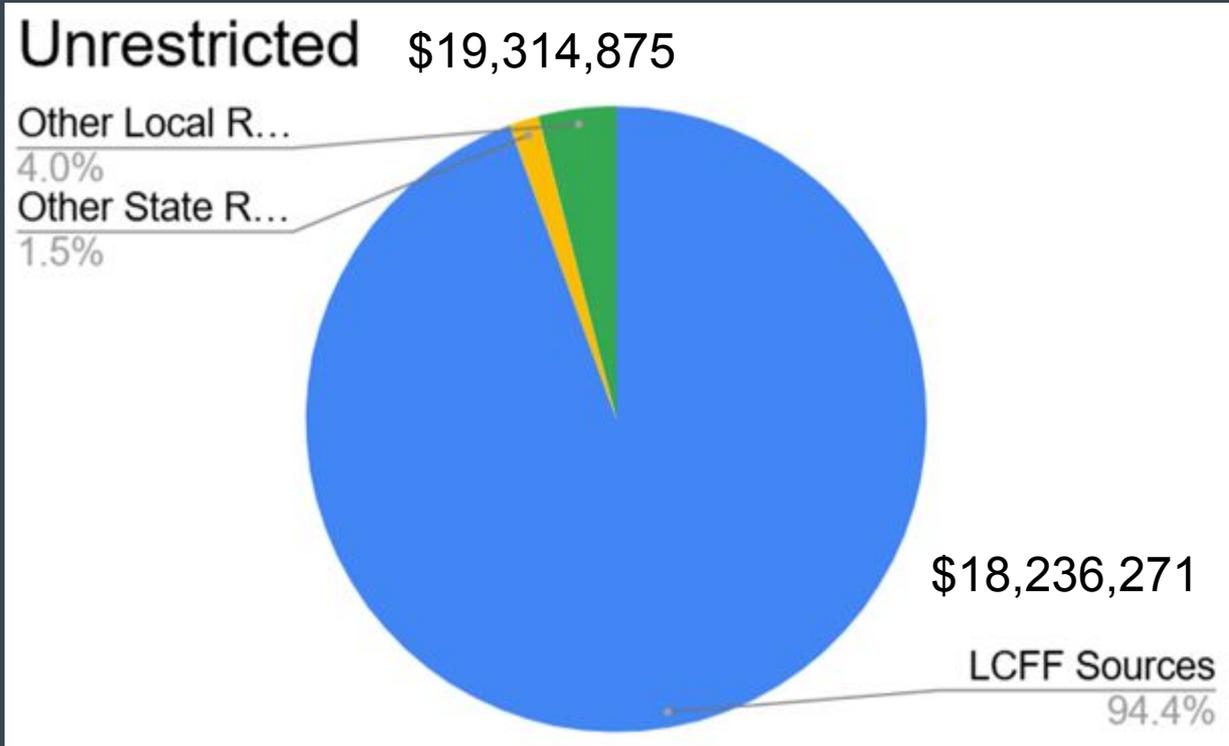
District Budget Summary

- Funded Average Daily Attendance (ADA): 1,304 actual (
- Unduplicated Pupil Percentage (UPP): 67%
Low Income, English Learners, Homeless and Foster Youth
- Lottery Revenue: \$190 per ADA (unrestricted), \$82 per ADA (restricted)

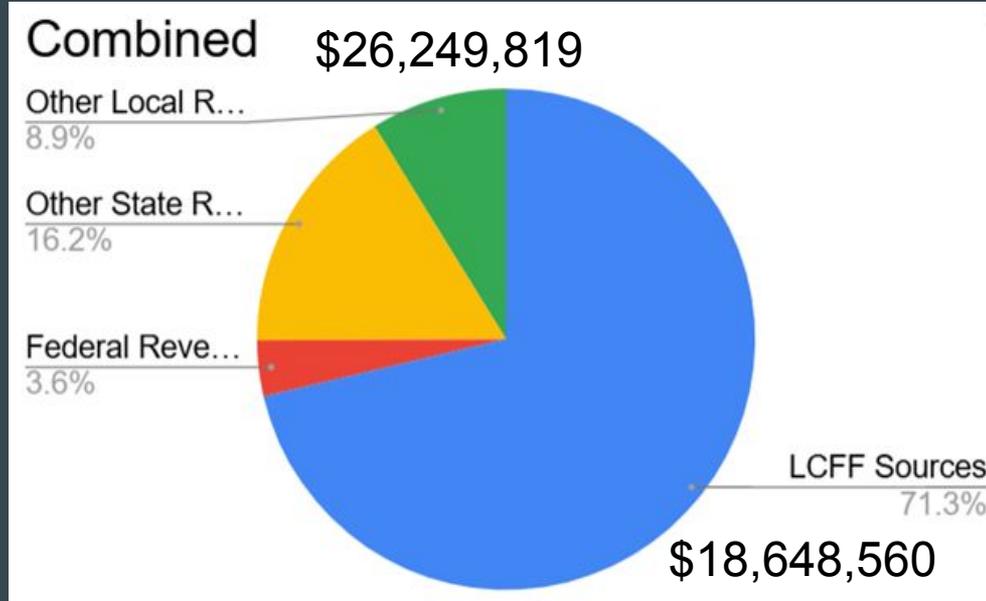
Revenues	Unrestricted	Combined
LCFF Sources	18,236,271.00	18,648,560.00
Federal Revenue	0	941,517.00
Other State Revenues	296,654.00	4,237,789.00
Other Local Revenues	781,950.00	2,315,417.00
Total, Revenue	19,314,875.00	26,143,283.00



Unrestricted Revenue



Combined Revenue



Note: Federal Revenues are 3.6% of our annual income.

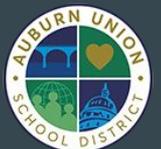
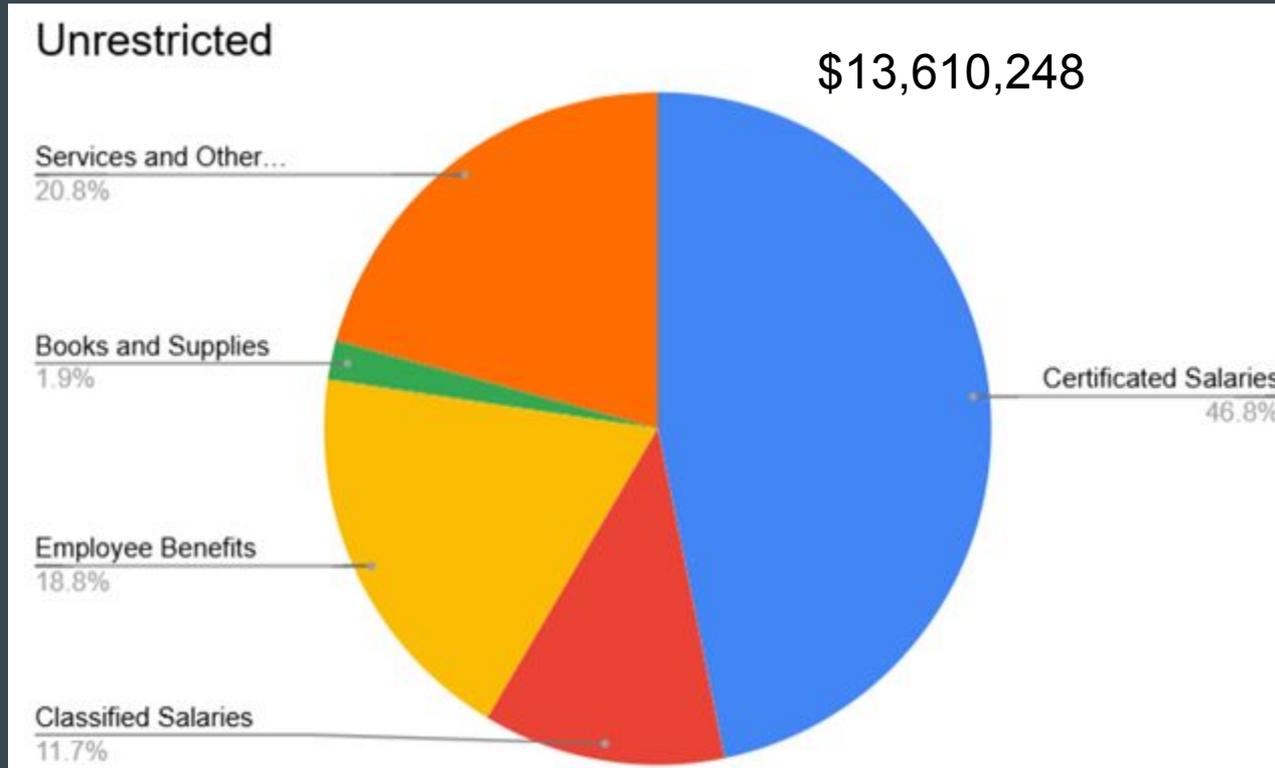


Expenditures 25-26

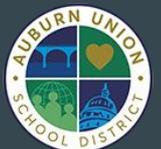
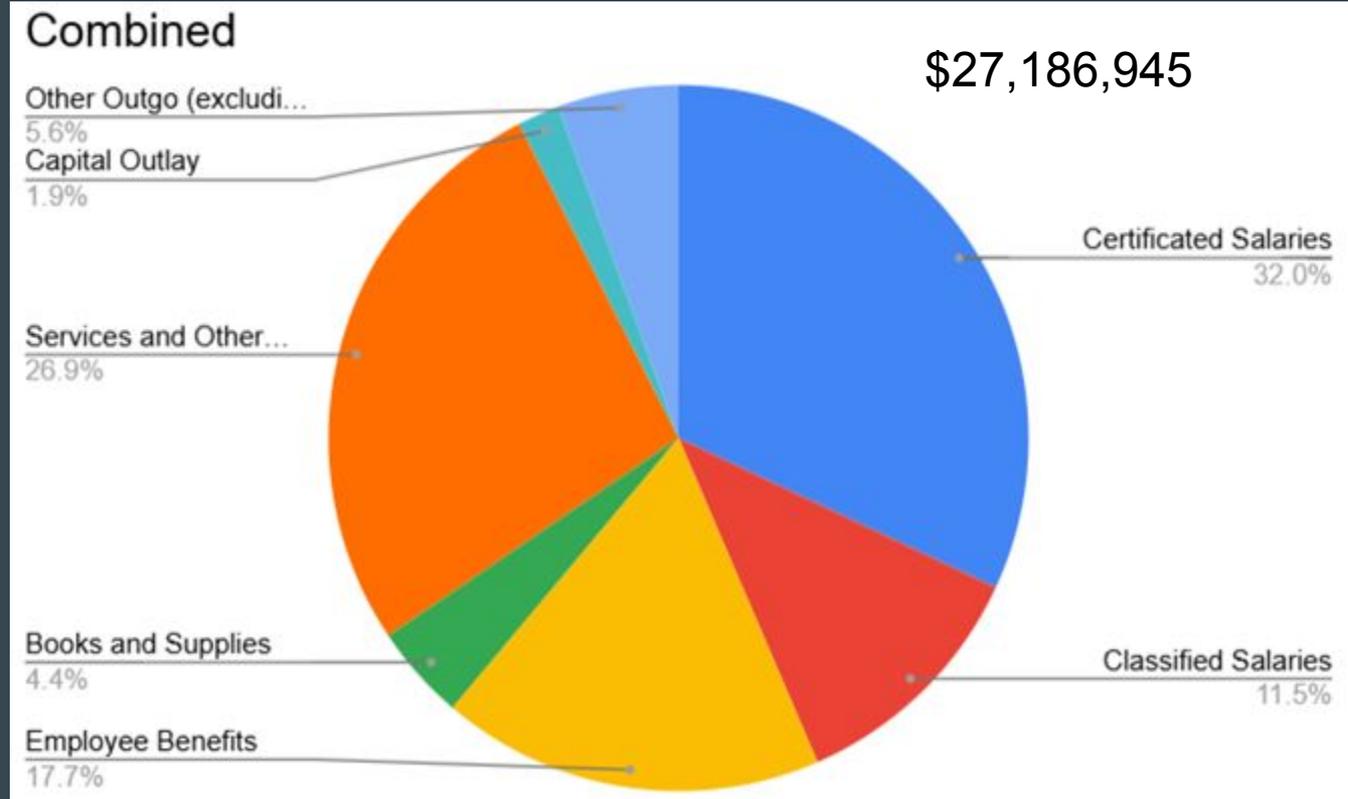
Expenses	Unrestricted	Combined
Certificated Salaries	6,618,953.00	8,697,899.00
Classified Salaries	1,661,518.00	3,143,829.00
Employee Benefits	2,659,812.00	4,806,728.00
Books and Supplies	265,593.00	1,190,233.00
Services and Other Operating Expenditures	2,941,072.00	7,329,655.00
Capital Outlay	0	529,823.00
Other Outgo (excluding Transfers of Indirect Costs)	0	1,521,278.00
Other Outgo - Transfers of Indirect Costs Contributions are shown as negative but are actually an increase in revenue.	-536,700.00	-32,500.00
Total, Expenditures	13,610,248.00	27,186,945.00



Unrestricted Expenditures



Combined Expenditures



Multi Year Planning and Projections

- After school sports programs moving from LCAP Supplemental Concentration to ELOP funding \$120,000.
- Addition of a 4th-5th grade PE Teacher paid for with Supplemental Concentration Funding approximately \$98,000.
- Onetime funding approximately \$950,000 for 26-27 not included in the budget
- Additional Costs for negotiations settlement are included in projections based on current year settlement. Reservations of \$400,000 a year 26-27 and 27-28.
- Additional use of Medi Cal restricted funding was budgeted for supplemental SPED supports for behavior intervention. \$300,000



Multi Year Planning and Projections

Multi Year Projections	25-26	26-27	27-28
Total, Revenue	\$ 26,143,283	\$ 25,895,929	\$ 26,002,360
Total, Expenditures	\$ 27,186,945	\$ 26,476,659	\$ 26,759,317
Difference	\$ (1,043,662)	\$ (580,730)	\$ (756,957)
Adjusted Beginning Balance	\$ 10,529,707	\$ 9,336,045	\$ 8,605,315
Ending Balance/Net Position, June 30	\$ 9,336,045	\$ 8,605,315	\$ 7,698,358
Reserve for Economic Uncertainties	\$ 5,467,676	\$ 5,668,226	\$ 5,210,235
Available Reserves - by Percent	20%	21%	19%



Cash Flow and Reserve Requirements

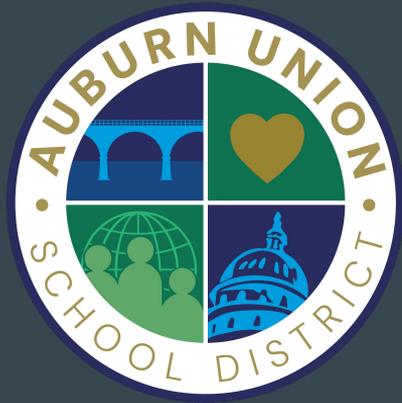
- Positive cash balances expected in 2025-26 and through 27-28
- 3% Reserve standard is met
- Assignments for \$700,000 were made for negotiations and increased SPED costs
- Additional reserves for economic uncertainty are designated beyond the 3% based on board approval and to minimize effects of unexpected costs and declining enrollment



Conclusion

- Deficit spending is driven by one-time or expiring funds i.e. Educator Effectiveness Block Grant, Learning Recovery Block Grant, Art and Music In Schools Prop 28, Discretionary Block Grant, and ELOP funds.
- Attendance Recovery: Improvements in attendance and reduction in chronic absenteeism are increasing revenue potential.
- The multi-year projection remains financially stable in current and subsequent years.
- The District has positive certification and is able to meet obligations through 2027-28.





Board Questions & Comments



AUBURN UNION
SCHOOL DISTRICT

