

# FY 2025-26 Second Interim

Board of Education

March 25, 2026

# Annual Budget Cycle

## 1. Budget/LCAP Adoption

June: Public Hearing and Adoption

## 8. May Revision

May: Revisions to the Governor's Proposed Budget

## 7. Second Interim Report

March: Updated Revenue and Expenditures – July 1- January 31

## 6. Prior Year Audited Actuals

December: Due to CDE  
January: Presented to the BOT



## 2. Budget Revision (45 Day)

August: If Necessary

## 3. Unaudited Actuals

September

## 4. First Interim Report

December: Updated Revenue and Expenditures – July 1- October 31

## 5. Governor's Proposed Budget

January

# Overview: Reporting & Certification

## Reporting Requirements

Ed Code 42130

Districts must certify their ability to meet fiscal obligations for the **current fiscal year** plus the **two subsequent years**.


**1st First Interim**  
Covers actuals from **July 1 – Oct 31**.  
*Updates projections for remainder of year.*


**2nd Second Interim**  
Covers actuals from **July 1 – Jan 31**.  
*Updates projections for remainder of year.*


**3rd Third Interim (Conditional)**  
*Only if Qualified at 2nd Interim. Covers **July 1 – Apr 30**.*

*\*Reports must be approved by the Board within 45 days of period close.*

## Certification Types

 **Positive Certification**  
The District **will meet** its financial obligations for the current fiscal year and the subsequent two years.

 **Qualified Certification**  
The District **may not meet** its financial obligations for the current fiscal year or subsequent two years.

 **Negative Declaration**  
The District **will not meet** its financial obligations for the remainder of the fiscal year or subsequent years.

# Budget Assumptions

## Enrollment & ADA

	2025-26	2026-27	2027-28
Enrollment	6,310	6,239	6,212
ADA	94.70%	95.57%	95.33%

## LCFF COLA & CPI

	2025-26	2026-27	2027-28
COLA	2.30%	2.41%	3.06%
CPI	3.37%	3.08%	2.75%

## Pension Rates

	2025-26	2026-27	2027-28
STRS	19.10%	19.10%	19.10%
PERS	26.81%	26.40%	26.90%

## Unduplicated Count

**60.28%**

Projected UPP for 2025-26.

**Drives Supp/Conc Grants**

## Other Factors

**Step & Column**  
1.5% Annually

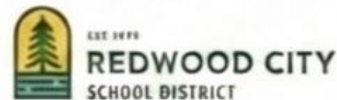
**Property Tax**  
5% Annually

# Fund 01 Revenue Comparison

REVENUE SOURCE	ADOPTED BUDGET	FIRST INTERIM	SECOND INTERIM	DIFFERENCE
 <b>LCFF Sources</b>	\$102,390,348	\$104,186,841	<b>\$103,980,205</b>	-\$206,636
 <b>Federal Revenues</b>	\$3,754,794	\$4,761,781	<b>\$4,808,647</b>	\$46,866
 <b>Other State Rev</b>	\$17,030,409	\$19,935,253	<b>\$19,872,854</b>	-\$62,399
 <b>Local Revenues</b>	\$10,557,501	\$17,875,543	<b>\$18,472,742</b>	\$597,199
<b>TOTAL REVENUES</b>	\$133,733,052	\$146,759,418	<b>\$147,134,448</b>	<b>\$375,030</b>

# GENERAL FUND 01 SOURCES OF REVENUE






## 25-26 Second Interim



		% of Total			% of Total
LCFF Base	\$87,127,120	55.10%	LCFF Base	\$87,127,120	55.10%
LCFF Base: Education Protection Account	\$1,198,220	0.76%	LCFF Base: Education Protection Account	\$1,198,220	0.76%
LCFF Supplemental and Concentration	\$10,106,685	6.39%	LCFF Supplemental and Concentration	\$10,106,665	6.39%
Special Education Property Taxes	\$5,548,180	3.51%	Special Education Property Taxes	\$5,548,180	3.51%
Federal Revenues	\$4,808,647	3.04%	Federal Revenues	\$4,808,647	3.04%
Other State Revenues	\$18,287,039	11.56%	Other State Revenues	\$18,287,039	11.56%
Lottery	\$1,585,815	1.00%	Lottery	\$1,585,815	1.00%
Local Revenues	\$16,850,820	10.66%	Local Revenues	\$16,850,820	10.66%
Measure U Parcel Taxes	\$1,621,922	1.03%	Measure U Parcel Taxes	\$1,621,922	1.03%
Transfers - RDA	\$11,000,000	6.96%	Transfers - RDA	\$11,000,000	6.96%
			<b>Total Revenue</b>	<b>\$158,134,448</b>	<b>100.0%</b>

# Fund 01 Expenditure Comparison

25-26 Second Interim | Revenue, Expenditures & Changes in Fund Balance

Expenditure Category	Adopted Budget 25-26	First Interim 25-26	Second Interim 25-26	Difference
 Certificated Salaries	\$53,049,671	\$54,017,947	\$53,745,487	\$272,460 ▲
 Classified Salaries	\$29,253,308	\$29,996,559	\$28,741,030	\$1,255,529 ▲
 Employee Benefits	\$40,120,555	\$40,091,839	\$39,578,283	\$513,556 ▲
 Books and Supplies	\$2,917,960	\$5,621,063	\$5,772,632	-\$151,569 ▼
 Services and Operating Expenses	\$26,245,834	\$29,628,400	\$31,271,358	-\$1,642,958 ▼
 Capital Outlay	\$115,423	\$916,048	\$921,767	-\$5,719 ▼
 Other Outgo	\$429,425	\$429,425	\$429,425	0
 Direct Support/Indirect Costs	(\$664,331)	(\$600,788)	(\$618,387)	17,599 ▲
<b>TOTAL EXPENDITURES</b>	<b>\$151,467,845</b>	<b>\$160,100,493</b>	<b>\$159,841,595</b>	<b>\$258,898 ▲</b>

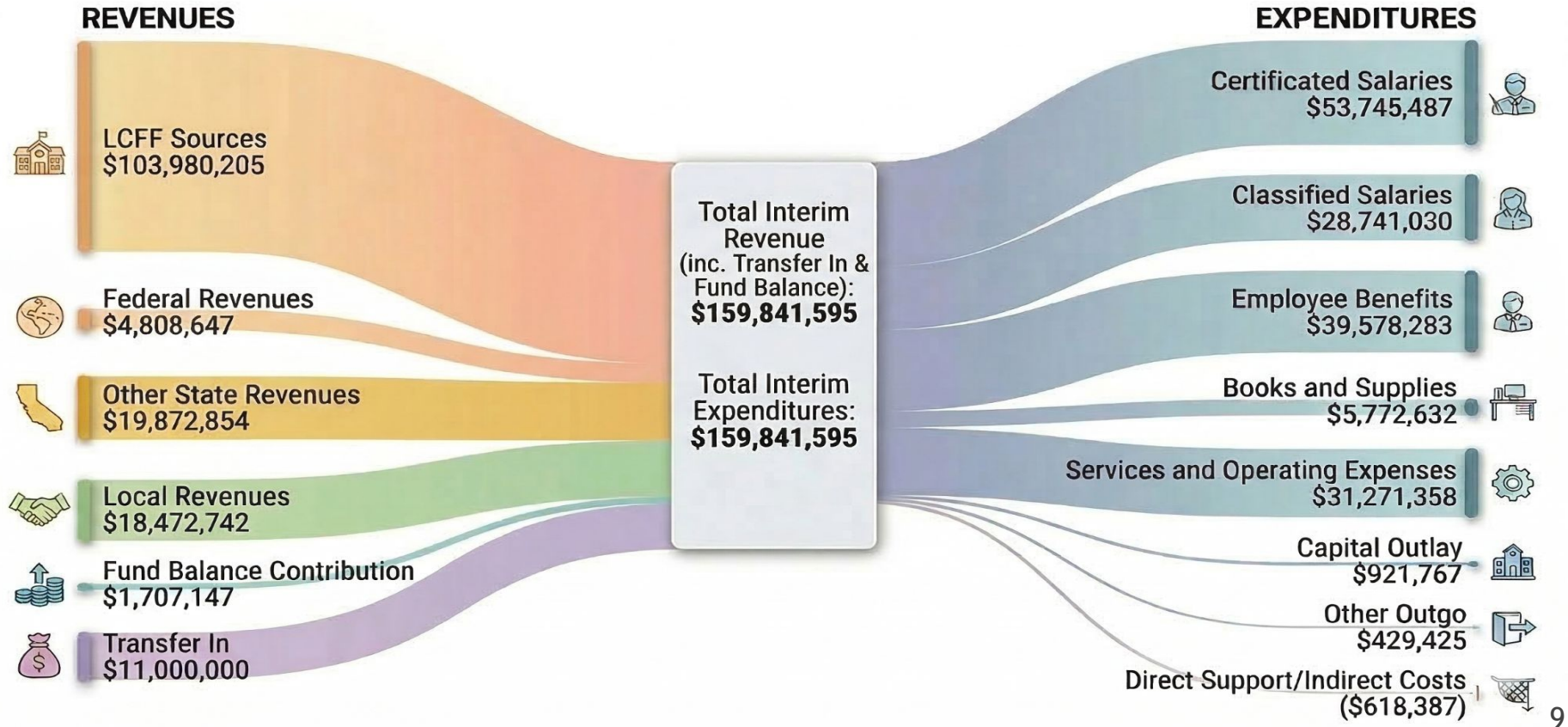
# General Fund 01 Expenditures

Expenditures Category	EXPENDITURE	AMOUNT	% of Total
Certificated Salaries	Certificated Salaries	\$53,745,487	33.62%
Classified Salaries	Classified Salaries	\$28,741,030	17.98%
Employee Benefits	Employee Benefits	\$39,578,283	24.76%
Books/Supplies	Books/Supplies	\$5,772,632	3.61%
Services & Other Operating Expenses	Services & Other Operating Expenses	\$31,271,358	19.56%
Capital Outlay	Capital Outlay	\$921,767	0.58%
Other Outgo/Direct & Indirect Costs/Transfer-out	Other Outgo/Direct & Indirect Costs/Transfer-out	(\$188,962)	-0.12%

<b>Total Expenditures</b>	<b>\$159,841,595</b>	<b>100.00%</b>
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**76.4% on Salaries and Benefits**

# FISCAL YEAR 2025-26 SECOND INTERIM BUDGET FLOW



# Fund 01 Expenditure Snapshot (Next Slide)



## Classroom Salaries

- Teachers
- Substitutes
- Instructional Aids / Paraprofessionals
- Resource Specialists



## Admin & Supervisors

- Superintendent
- Directors
- Managers
- Asst. Supts.
- Principals
- Supervisors



## Books & Supplies

- Textbooks & Core Materials
- Materials & Supplies
- Equipment



## Classified Support

- Tech Support
- Crossing Guards
- HR / Business
- Bus Drivers
- Secretaries
- OTs / LVNs
- M&O / Custodial
- Translation
- Library Specs



## Retirement & Benefits

- STRS (Certificated)
- OASDI / Medicare
- Workers' Comp
- PERS (Classified)
- Unemployment
- Health & Welfare



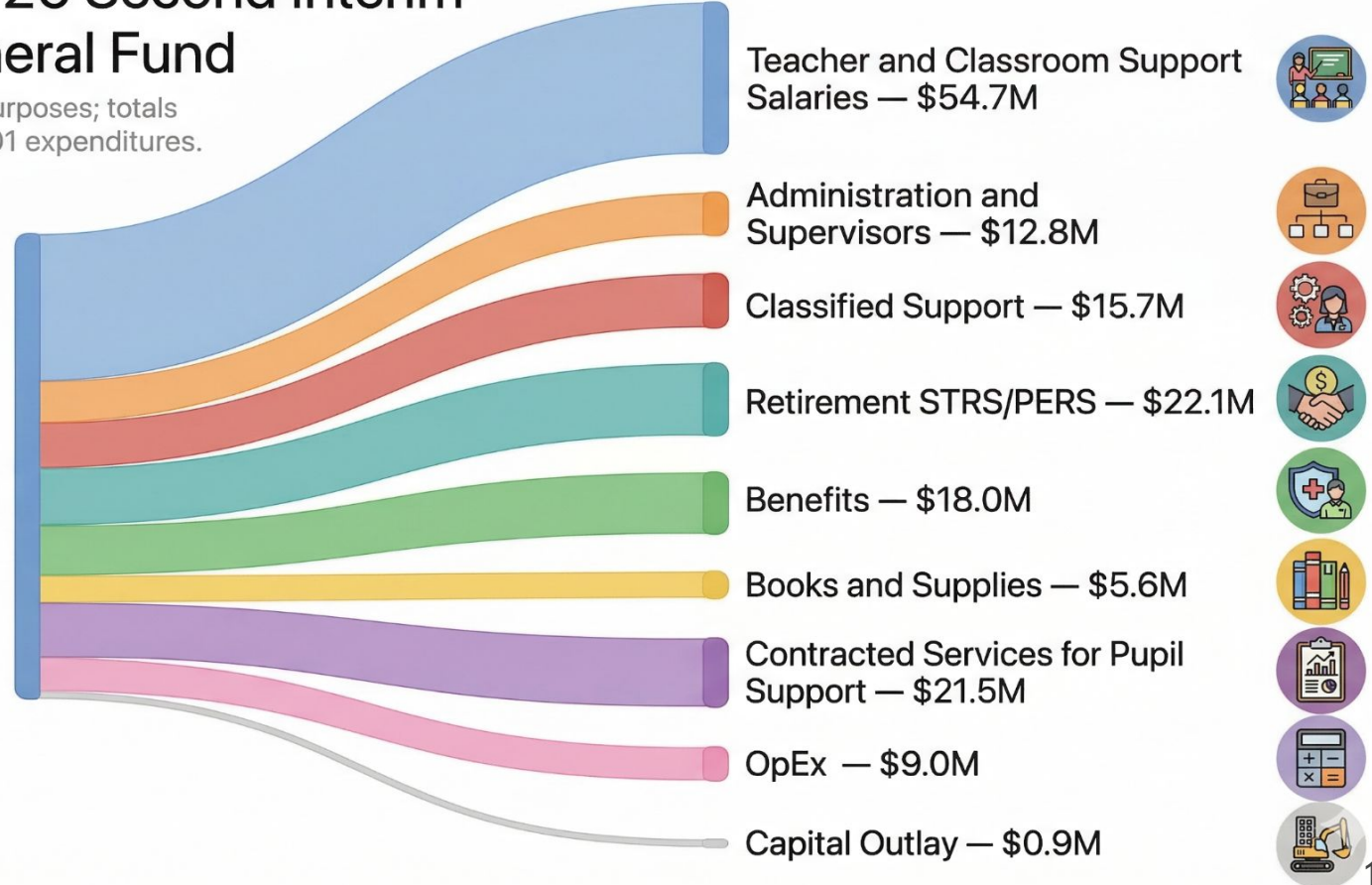
## Services & Operations

- SPED Services
- Insurance
- Utilities
- Enrichment
- Legal / Consulting
- Waste Disposal

# RCSD 2025–26 Second Interim Fund 01: General Fund

Grouped for discussion purposes; totals  
reconcile to SACS Fund 01 expenditures.

Total Second Interim  
Budget — \$159.8M



# Multi-Year Projections

<i>RCSD Short MYP 25-26 SECOND INTERIM</i>	2025-26 Second Interim	2026-27 Projection	2027-28 Projection
<b>REVENUES</b>			
Local Control Funding Formula (LCFF including S/C)	\$103,980,205	\$108,434,279	\$113,929,992
Federal Revenues	4,808,647	4,920,920	5,066,911
Other State/Local Revenues	38,345,596	40,815,438	42,067,561
Transfers In/Other Sources & Transfers Out/Other Uses	11,000,000	0	0
<b>TOTAL REVENUES</b>	<b>\$158,134,448</b>	<b>\$154,170,637</b>	<b>\$161,064,464</b>
<b>EXPENDITURES</b>			
Salaries & Benefits	\$122,064,800	\$123,462,034	\$125,630,331
Books/Supplies & Outlay	5,772,632	5,542,052	5,339,593
Services & Operating Expenses	31,271,358	30,771,824	29,728,174
Capital Outlay	921,767	0	0
Other Outgo & Indirect Costs	(188,962)	(194,064)	(199,304)
<i>Identified Fiscal Stabilization Measures (Approved 2/4/26)</i>		(6,043,115)	(6,107,141)
<b>TOTAL EXPENDITURES</b>	<b>\$159,841,595</b>	<b>\$153,538,731</b>	<b>\$154,391,653</b>
Current Year Increase/Decrease In Fund Balance	(1,707,147)	631,906	6,672,812
Beginning Balance	\$17,108,863	\$15,401,716	\$16,033,621
Ending Balance	\$15,401,716	\$16,033,622	\$22,706,433

# Multi-Year Projections

	2025-26	2026-27	2027-28
<i><b>RCSD Short MYP 25-26 SECOND INTERIM</b></i>	<b>Second Interim</b>	<b>Projection</b>	<b>Projection</b>
Ending Balance	\$15,401,716	\$16,033,622	\$22,706,433
<b>Components of Ending Balance</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>
Revolving Cash/Stores/Prepaid	80,000	80,000	80,000
Restricted Ending Balance	8,813,931	9,316,055	12,759,561
Assigned	900,000	900,000	900,000
Reserve for Economic Uncertainty (3%)	4,795,248	4,606,162	4,631,750
Unassigned/Unappropriated Ending Balance	\$812,537	\$1,131,405	\$4,335,123
Ending Balance	\$15,401,716	\$16,033,622	\$22,706,433
Total Reserve as % of Total Expenditures	<b>3.51%</b>	<b>3.74%</b>	<b>5.81%</b>

# Other Funds Summary: Ending Fund Balances

**Fund 12** 

**Child Development**  
Preschool and after-school care programs.

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Adopted Budget **\$3,437,552**

First Interim **\$4,183,874**

Second Interim **\$3,437,552**

**Fund 13** 

**Cafeteria Fund**  
Food service operations and kitchen upgrades.

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Adopted Budget **\$5,027,339**

First Interim **\$5,004,024**

Second Interim **\$4,648,732**

**Fund 14** 


**Deferred Maintenance**  
Major repair and replacement of building components.

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Adopted Budget **\$102**

First Interim **\$102**

Second Interim **\$102**

**Fund 21** 

**Building (Bond)**  
Bond-funded modernization and construction.

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Adopted Budget **\$57,387,476**

First Interim **\$48,289,055**

Second Interim **\$46,799,865**

**Fund 25** 

**Capital Facilities**  
Developer fees collected for growth impacts.

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Adopted Budget **\$10,408,526**

First Interim **\$10,443,300**

Second Interim **\$10,443,300**

**Fund 35** 

**County Facilities Fund**  
State and County funding for new construction.

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Adopted Budget **\$10,896,171**

First Interim **\$11,271,171**

Second Interim **\$22,661,055**

**Fund 40** 

**Capital Outlay**  
District reserve for capital improvement projects.

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Adopted Budget **\$1,631,450**

First Interim **\$1,697,996**

Second Interim **\$2,062,437**

# Areas to Monitor

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## Local Revenue

Stability of property taxes, appeals, and economic concentration risks.



## Rising Costs

STRS/PERS increases, health & welfare, utilities, and insurance premiums.



## Enrollment

Impact of staffing and service levels independent of ADA funding.



## Facilities

Aging infrastructure, deferred maintenance, and operational costs.



## Staffing

Personnel cost growth relative to ongoing local revenues.



## Policy

State/Federal mandates and one-time funding cliffs.

# Next Steps



## March

- ★ Second Interim



## April - May

- ★ LCAP & Budget Development
- ★ May Revise



## June 2026

- ★ 26-27 LCAP & Budget Public Hearings
- ★ 26-27 LCAP & Budget Adoption



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**REDWOOD CITY**  
SCHOOL DISTRICT