2025-26

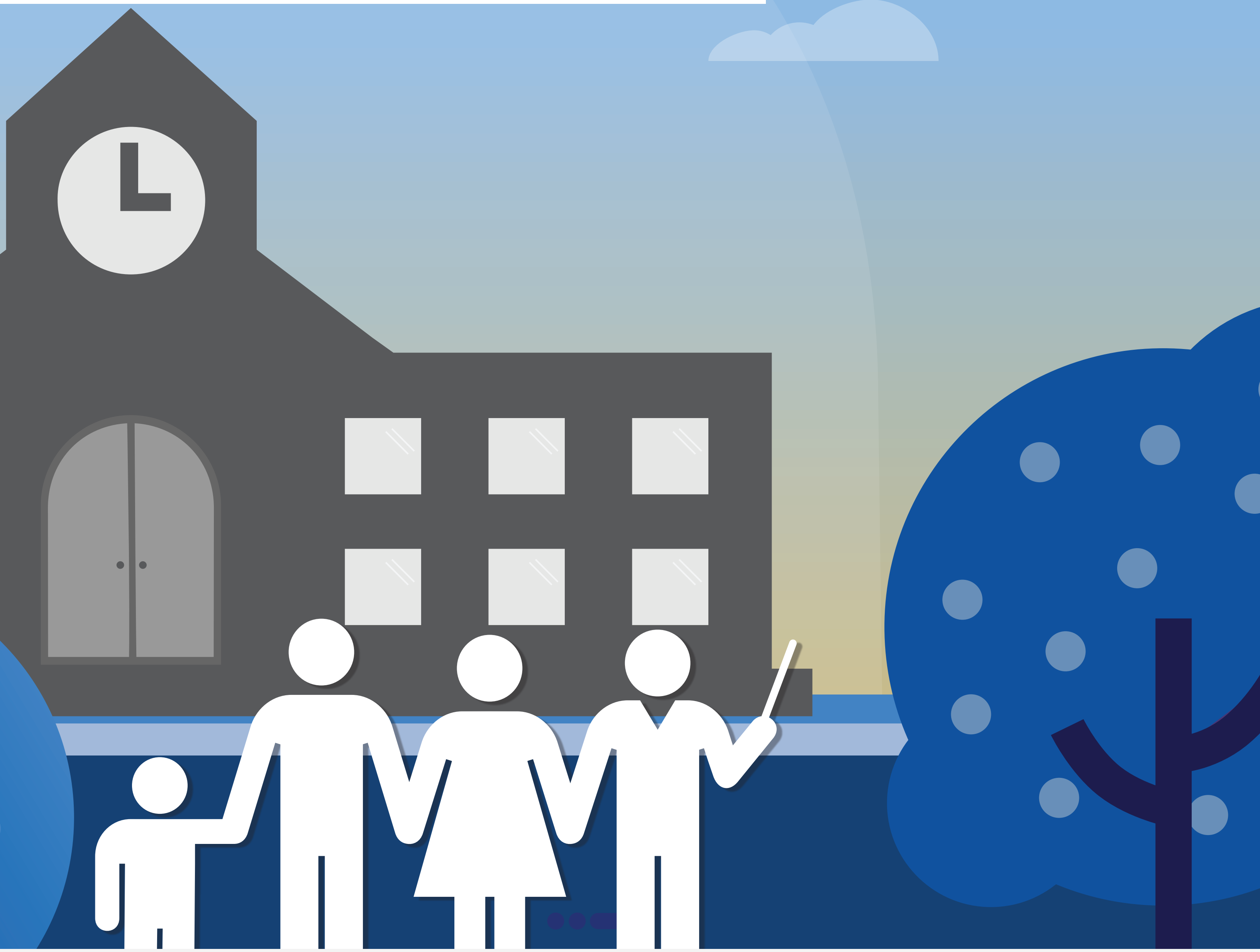
Pacific Grove USD

BUDGET

PACIFIC GROVE UNIFIED SCHOOL DISTRICT

A PARTNERSHIP IN EXCELLENCE

Annual Review



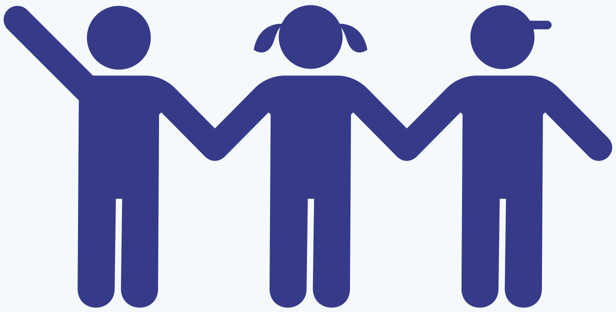
Pacific Grove Unified School District

PGUSD Mission

In partnership with the community and with a focus on equity, Pacific Grove will challenge every student by providing a quality instructional program in a positive, safe and stimulating environment.

DISTRICT OVERVIEW

Pacific Grove Unified School District

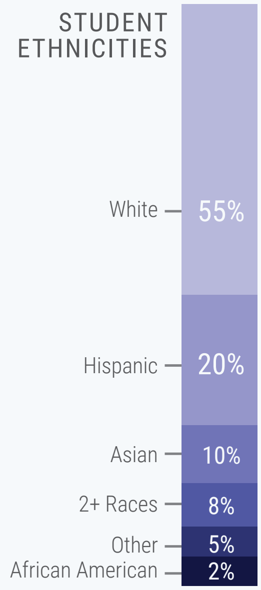


1,749 TK-12th grade **STUDENTS**

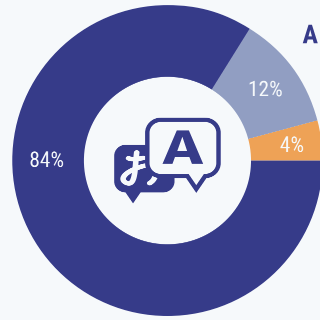
and over

1,800 Adult Education Students

STUDENT ETHNICITIES



LANGUAGE ACQUISITION STATUS



Proficient in English since entering school

Reclassified from English Learner to proficient

English Learner not proficient in English

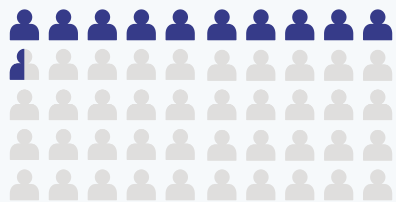
STUDENT GROUPS

Supplemental & Concentration Grant funding is based on enrollment of "High Needs" students:

Low Income **19%**

English Learner **4%**

Foster Youth **<1%**



21% of students classified as **High Needs**

299 EMPLOYEES

6 SCHOOLS

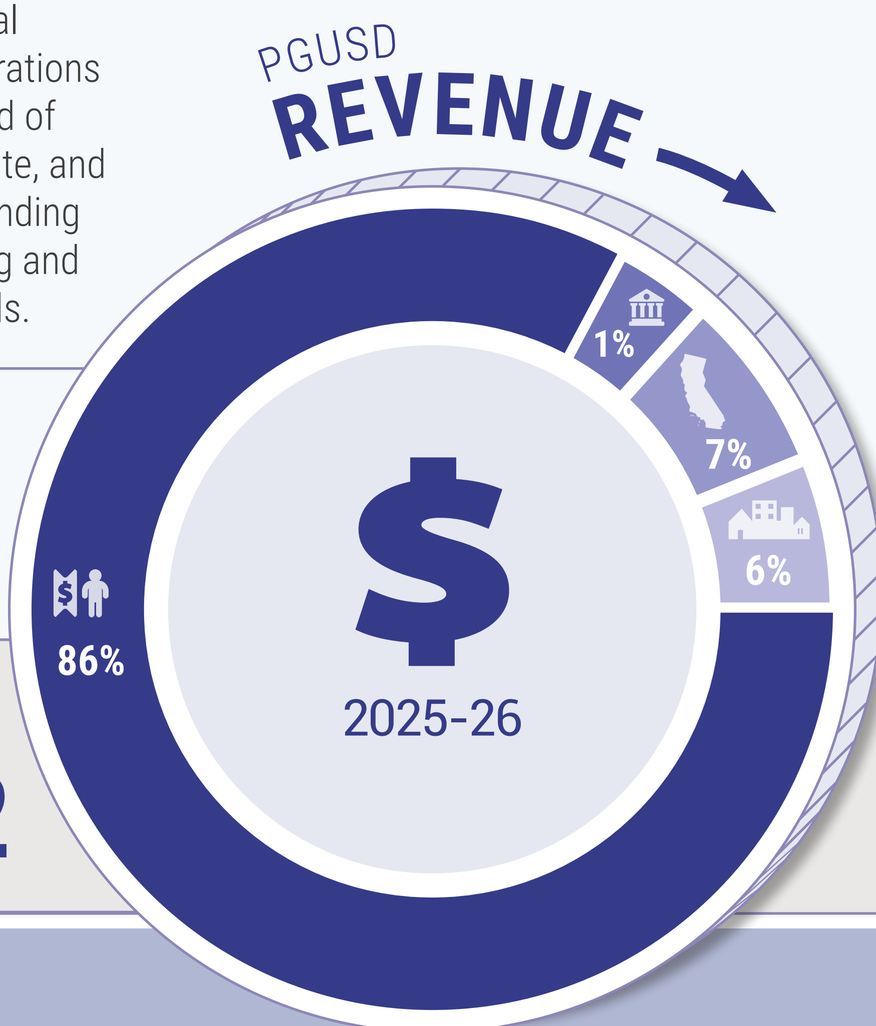
- **2** Elementary Schools
- **1** Middle School
- **1** High School
- **1** Continuation High School
- **1** Adult Education School

2 $ REVENUE BREAKDOWN

Where do our District's resources come from?

Our District's educational initiatives and daily operations are supported by a blend of local property taxes, state, and federal sources. This funding ensures the high standards of teaching and learning we strive for across all schools.

Federal State Local



Total Revenue for 2025-26:

$48,064,072

Funding Sources:

$41,347,699
LCFF Sources

PGUSD's LCFF Sources are funded primarily by local property taxes, . The District receives only a small Minimum State Aid (MSA) allocation.

$665,399
Federal Funds

Federal funding comes from the U.S. Department of Education and other federal agencies and is typically earmarked for specific purposes.

$3,321,893
Other State Funds

Consists of non-LCFF funds allocated by the California Department of Education, to support general education and state-specific programs.

$2,729,081
Other Local Funds

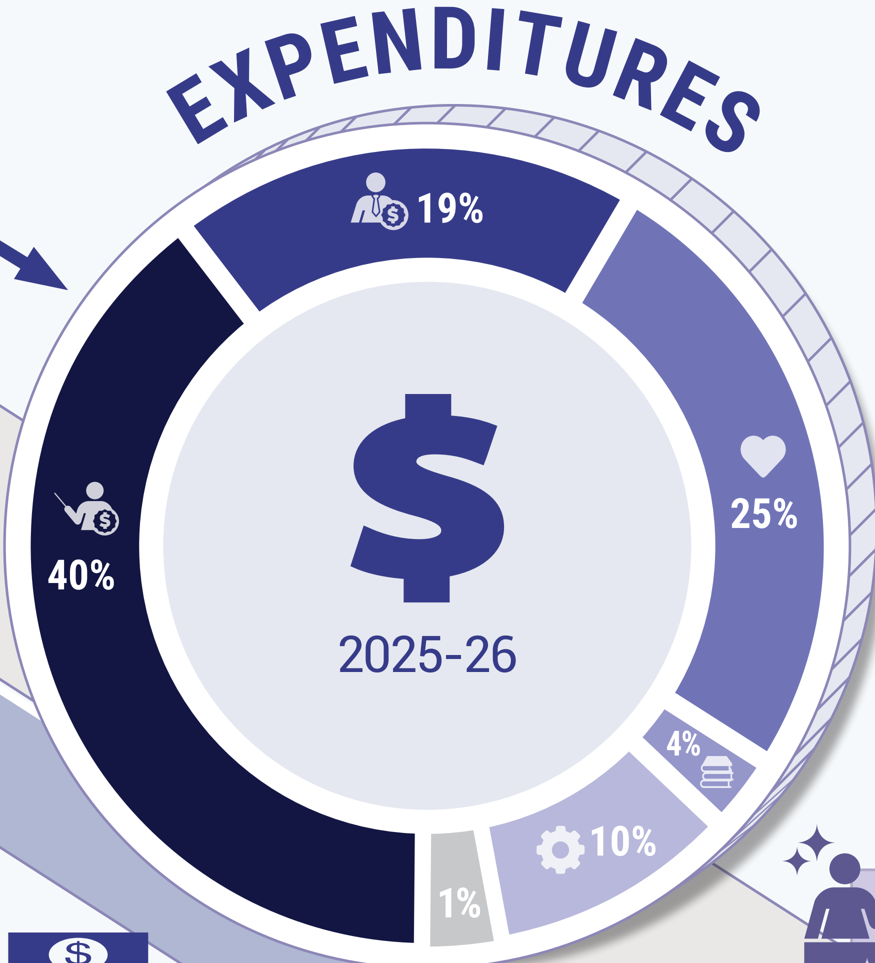
Derived from SELPA funding, local tuition, investment gains or losses, and special education donations, these funds supplement the LCFF Sources and state programs to meet local priorities.

$ EXPENDITURE OVERVIEW

How are funds allocated across various needs?

PGUSD directs every dollar from our varied revenue streams towards achieving educational excellence. Here, we showcase the distribution of funds across key expenditure categories, reflecting our strategic financial management.

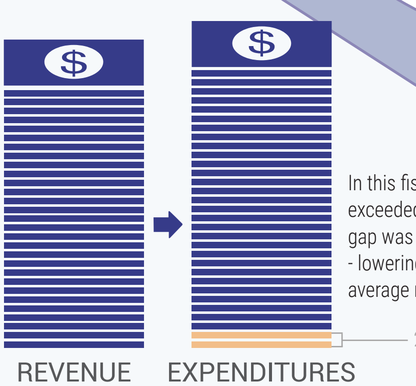
BREAKDOWN OF BUDGETED EXPENDITURES



EXPENDITURE CATEGORIES

- **Certificated Salaries** $20,478,632
- **Classified Salaries** $9,725,959
- **Employee Benefits** $12,734,414
- **Books and Supplies** $1,993,007
- **Services & Other Operating Expenses** $5,232,183
- **Capital Outlay/Other** $640,847

85% of expenditures are tied to PGUSD's highly qualified staff (salary and benefits) - the average for CA is 80%.



In this fiscal year, budgeted expenditures exceeded projected revenue by **$2.7M**. This gap was bridged by the district's reserve funds - lowering the reserve to a projected **7.6%** - the average reserve for a Basic Aid district is 20%.

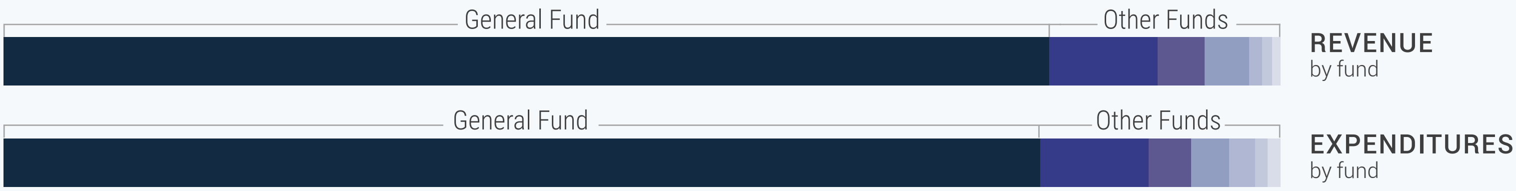
Total Budgeted Expenditures:

$50,805,042

4 THE GENERAL FUND

How Is the General Fund allocated for District operations?

Funds are the financial pillars of our district, each established for a specific purpose. They are the categorized buckets into which our revenues are allocated and from which expenditures are drawn. This system ensures that each dollar is spent wisely and in accordance with both our educational objectives and regulatory requirements.



GENERAL FUND

The General Fund serves as the cornerstone of our district's finances, supporting the essential day-to-day operations. This primary operating fund captures the majority of our transactions, with a clear distinction between unrestricted and restricted resources to ensure transparency and accountability.

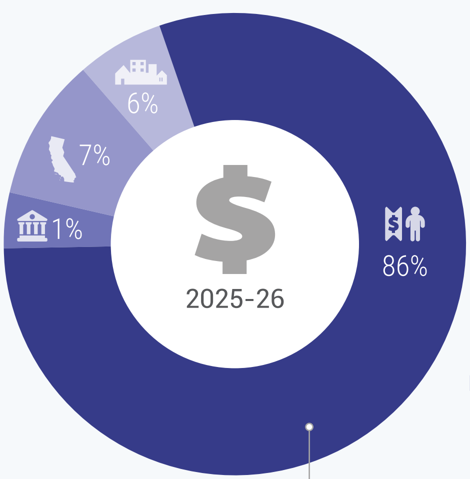
FUND BALANCE

$7,201,682
as of July 1, **2024**

$4,460,712
as of June 30, **2025**

Revenue

$48,064,072



LCFF Sources
$41,347,699

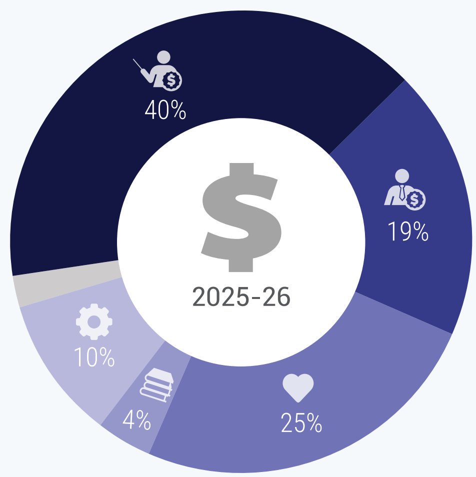
Federal Funds
$665,399

Other State Funds
$3,321,893

Local Funds
$2,729,081

Expenditures

$50,805,042



Certificated Salaries
$20,478,632

Classified Salaries
$9,725,959

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Services & Other Operating Expenses
$5,232,183

Capital Outlay/Other
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LCFF SOURCES

COMMUNITY-FUNDED MODEL

PGUSD is a community-funded (basic-aid) district, meaning local property taxes fully fund its LCFF entitlement, and more. The District receives only a small guaranteed state amount and does not receive LCFF Supplemental or Concentration grants.

Where do Our LCFF Funds Come?

Total LCFF:
$41.3M

$0.3M
EPA (Education Protection Account)
State-distributed portion of local tax revenue

$2.5M
Base Grant (Minimum State Aid)
Small guaranteed state contribution

$38.5M
Local Property Tax Revenue
Local property taxes that fill most of PGUSD's LCFF entitlement

OVERVIEW OF OTHER DISTRICT FUNDS

What specific purposes do these additional funds serve?

FUND		REVENUE	LCFF	Federal	Other State	Local	EXPENDITURES	Salaries	Benefits	Supplies	Services	Other	BALANCE July '25	BALANCE July '26
Adult Education	Supports adult education including ESL and vocational training programs.	$2,735,777	$200,000	$48,000	$1,907,777	$580,000	$3,544,205	$2,214,675	$939,271	$110,350	$253,910	$26,000	$1,932,526	$1,124,097
Child Development	Funds child development services, including preschool and nutrition programs.	$403,801	$0	$0	$133,801	$270,000	$543,852	$341,288	$185,669	$6,000	$2,200	$0	$0	$0
Cafeteria	Manages meal services across schools, ensuring healthy food standards.	$1,603,000	$0	$350,000	$1,250,000	$3,000	$1,656,689	$544,535	$234,374	$782,000	$40,780	$15,000	$1,252,332	$1,198,643
Building Fund	Utilizes bond proceeds for authorized construction and property deals, ensuring facilities meet educational standards.	No Revenue $0	$0	$0	$0	$0	$6,262,798	$316,233	$167,474	$550,000	$625,000	$4,604,091	$4,321,330	$8,958,532
Capital Facilities	Accounts for developer fees for school infrastructure development.	$102,000	$0	$0	$0	$102,000	No Expenditures $0	$0	$0	$0	$0	$0	$224,515	$326,514
Self-Insurance	Manages self-insurance activities including workers' comp and health benefits, funded by premiums and contributions.	No Revenue $0	$0	$0	$0	$0	No Expenditures $0	$0	$0	$0	$0	$0	$6,792	$6,792

OTHER FUNDS

Fund	Revenue	Expenditures	Balance
Deferred Maintenance	$8,000	$80,000	$596,349
Capital Outlay	$285,000	$400,000	$530,419
Student Activity	$0	$0	$415,462

Revenue Sources: LCFF | Federal | Other State | Local

Expenditure Categories: Salaries | Benefits | Supplies | Services | Other

MULTI-YEAR FINANCIAL FORECAST

What does our financial future look like?

Our multi-year budget projections provide a forward-looking financial snapshot, anticipating changes and planning for sustainability. These projections reflect anticipated trends in funding, expenditures, and reserves, setting a roadmap for the district's fiscal management.

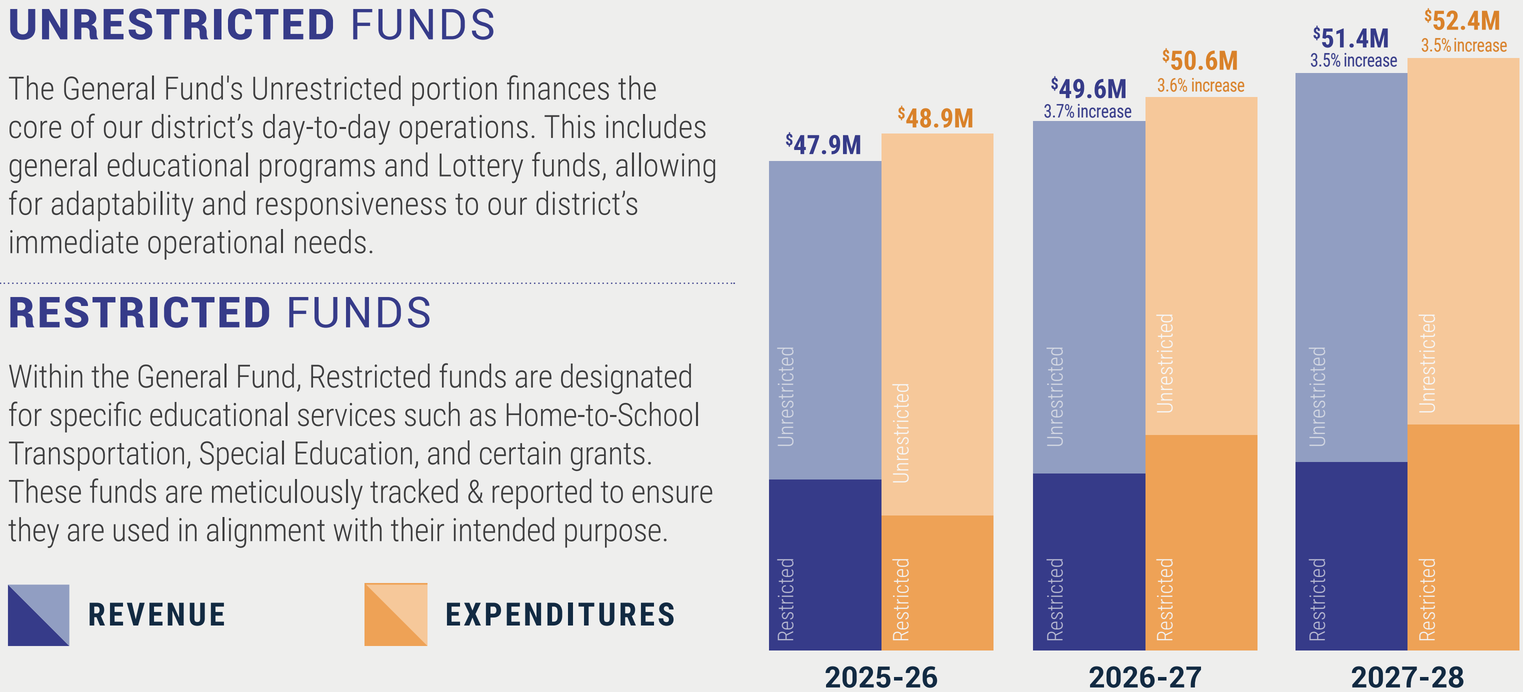
2025 GENERAL FUND **3-YEAR PROJECTIONS** 2028

UNRESTRICTED FUNDS

The General Fund's Unrestricted portion finances the core of our district's day-to-day operations. This includes general educational programs and Lottery funds, allowing for adaptability and responsiveness to our district's immediate operational needs.

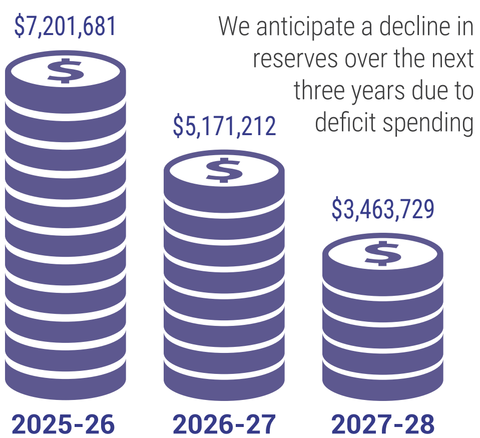
RESTRICTED FUNDS

Within the General Fund, Restricted funds are designated for specific educational services such as Home-to-School Transportation, Special Education, and certain grants. These funds are meticulously tracked & reported to ensure they are used in alignment with their intended purpose.



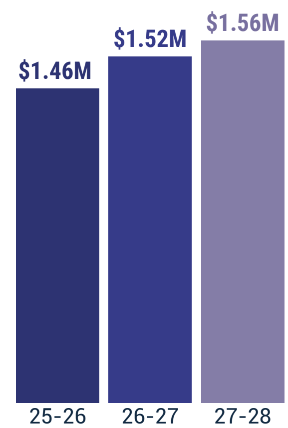
GENERAL FUND BALANCE

We anticipate a decline in reserves over the next three years due to deficit spending



RESERVE FOR ECONOMIC UNCERTAINTY

PGUSD meets the state's 3% Reserve for Economic Uncertainty (REU) based on our General Fund expenditures. School Services of California the Government Finance Officers Association (GFOA) suggest basic aid districts maintain reserve levels of 17%-20% of their annual expenditites.

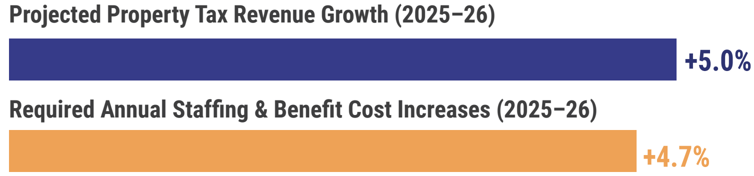


BALANCING LOCAL STRENGTHS & RISING COSTS

How PGUSD sustains stability through community-funded revenue and responsible cost management.

PGUSD's community-funded model provides a stable financial foundation, strengthened by steady growth in local property tax revenue. At the same time, annual increases in staffing and benefit costs continue to outpace the district's ongoing revenue growth, creating a small but persistent structural gap that requires careful long-term planning.

REVENUE GROWTH VS COST PRESSURES



Property tax revenue is rising by 5%, but nearly all of this is absorbed by required annual increases in staffing and benefit costs, leaving limited capacity to cover other rising expenses.

What's Driving PGUSD's 2025–26 Budget

Collective Bargaining

+3.5%

average salary schedule increase

Negotiated adjustments for certificated, classified, and management staff in 2025–26.

Health & Welfare Benefits

+12%

projected increase in health benefit costs

Reflects statewide premium growth and contractual benefit enhancements.

Local Property Taxes

≈80%

of General Fund revenue

Stable local tax base continues to drive PGUSD's community-funded model.

Pacific Grove Unified School District's

success is rooted in the strength of its community. Together, families, educators, and local partners help ensure that every dollar supports high-quality teaching and learning for Pacific Grove students, today and in the years ahead.

As a Basic Aid district, PGUSD benefits from a stable, community-funded revenue base that grows with local property values. This strong foundation allows the district to prioritize investments in its staff and programs while carefully managing rising costs through strategic staffing and long-term fiscal planning.

Questions?

For more information about PGUSD's 2025-26 Budget, visit pgusd.org or contact:

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PACIFIC GROVE UNIFIED SCHOOL DISTRICT
A PARTNERSHIP IN EXCELLENCE

2025-26

PGUSD Budget

Annual Review

Contact Us

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Website: www.pgusd.org

To learn more about PGUSD's budget and LCAP priorities, scan the QR code or visit www.pgusd.org.

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