

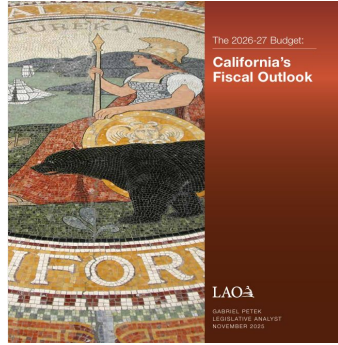
***2025-26 Laguna Beach
Unified School District
First Interim Report***

December 11, 2025

The Budget Financial Reporting Cycle



Economic Outlook 2026-27



- Legislative Analyst's Office (LAO) annual Fiscal Outlook
- UCLA winter-2025-economic-outlook



- 2.51% LCFF Projected COLA
 - Structural Out Years deficit increasing
- Significant one-time Fund \$7.4 billion
 - Artificial Intelligence (AI) Fueled Exuberance
- Federal Funding Impacts
 - Fluctuating Trade Relations / Tariffs
 - Federal Reserve's (Fed) Policy
- Local Property Tax Revenue projected to increase 4.80% - 6.00% from 2027-28 to 2029-30

Revenue

\$2.2 Million Increase

- **\$623K Property Tax/LCFF**
 - Local property tax growth estimates increased
- **\$90K Federal Revenue**
 - Based on actual grant awards received through October
- **\$1.1M Other State Revenue**
 - Student Support and Professional Development Discretionary Block Grant
 - K-12 Strong Workforce Program
- **\$394K Other Local Revenue**
 - Higher projected interest earnings
 - Community contributions

Expenditures

\$3.5 Million Increase

- **\$1.8M Salaries**
 - Certificated and Classified adjusted to reflect collective bargaining agreements and staffing changes
- **\$323K Benefits**
 - Increases due to the salary adjustments
- **\$765K Books & Supplies**
 - Increase due to prior-year carryover and new needs for TK classrooms, CTE equipment, and operational supplies
- **\$1.2M Services & Operating**
 - The increase reflects reclassifications between services and capital outlay, as well as program needs of special education, field trips, PD, legal and consulting services
- **(\$592K) Capital Outlay**
 - Reduction reflects cost reclassifications while remaining funds continue to support major facility improvements.

Ending Fund Balance

Adopted Budget

Nonspendable:	\$50,000
Restricted:	\$4,695,058
Committed:	\$593,593
Assigned:	\$2,219,499
REU:	\$5,050,000

\$12,608,150

First Interim

Nonspendable:	\$50,000
Restricted:	\$5,307,714
Committed:	\$593,593
Assigned:	\$1,680,021
REU:	\$5,225,000

\$12,856,328

Multi Year Projections - Fund Balance

2025-26

Nonspendable: \$50,000
Restricted: \$5,307,714
Committed: \$593,593
Assigned: \$1,680,021
REU: \$5,225,000

\$12,856,328

2026-27

Nonspendable: \$50,000
Restricted: \$4,552,767
Committed: \$177,037
Assigned: \$788,524
REU: \$4,805,000

\$10,373,328

2027-28

Nonspendable: \$50,000
Restricted: \$4,435,767
Committed: \$88,518
Assigned: \$4,053,043
REU: \$4,730,000

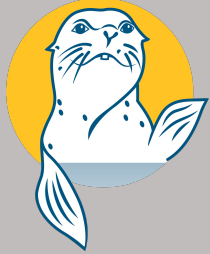
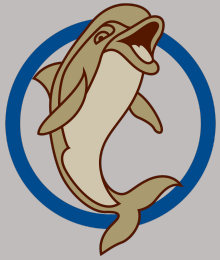
\$13,357,328

Other District Funds

FUND	Beginning Fund Balance	+ Revenues	- Expenditures	= Ending Fund Balance
11 Adult Education	\$29,439	\$140,530	\$169,969	-
12 Child Development	\$161,500	\$771,726	\$794,726	\$138,500
13 Cafeteria	\$274,405	\$1,472,291	\$1,570,273	\$176,423
17 Special Reserve (Non-Capital)	\$22,990,454	\$924,430	-	\$23,914,884
25 Capital Facilities	\$249,268	\$167,280	\$50,260	\$366,288
40 Special Reserve (Capital Outlay)	\$9,880,007	\$13,587,470	\$18,393,040	\$5,074,437
Total Other District Funds	\$33,585,073	\$17,063,727	\$20,978,268	\$29,670,532

Next Steps

- Board Approval of First Interim
- Governor's Budget Proposal
January 2026
- Second Interim Report
March 2026
- Governor's May Revise
May 2026
- Budget Adoption for 2026-27
June 2026



***Thank you
Questions?***