



LONG BEACH

UNIFIED • SCHOOL • DISTRICT

2025–26 First Interim Report

Budget Certification

- Board must certify its financial standing twice a year for the current and next two fiscal years.
- Districts operate on a July 1 – June 30 fiscal year.
- First Interim is due December 15 and Second Interim is due March 15 each year.



Positive – District will complete the year with a positive fund and cash balance; the district is solvent and can meet its obligations.



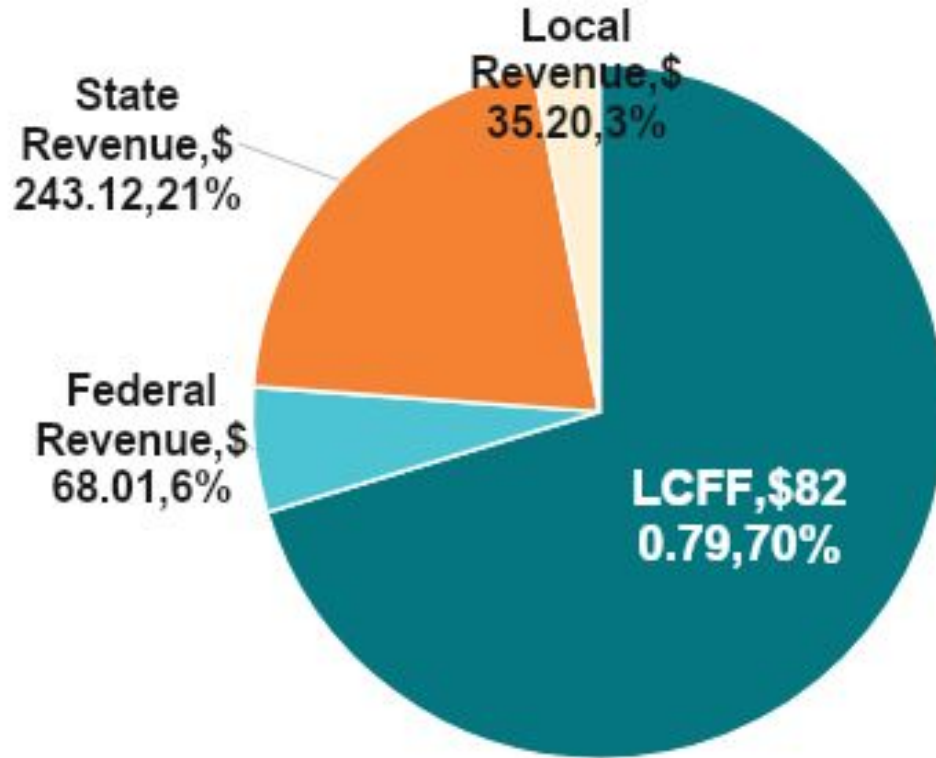
Qualified – District may not complete the year with a positive fund or cash balance; financial indicators require scrutiny/modest intervention.



Negative – District will not complete the year with a positive fund or cash balance; aggressive corrective action is required.

First Interim Financial Report is being submitted to the Board with a positive certification.

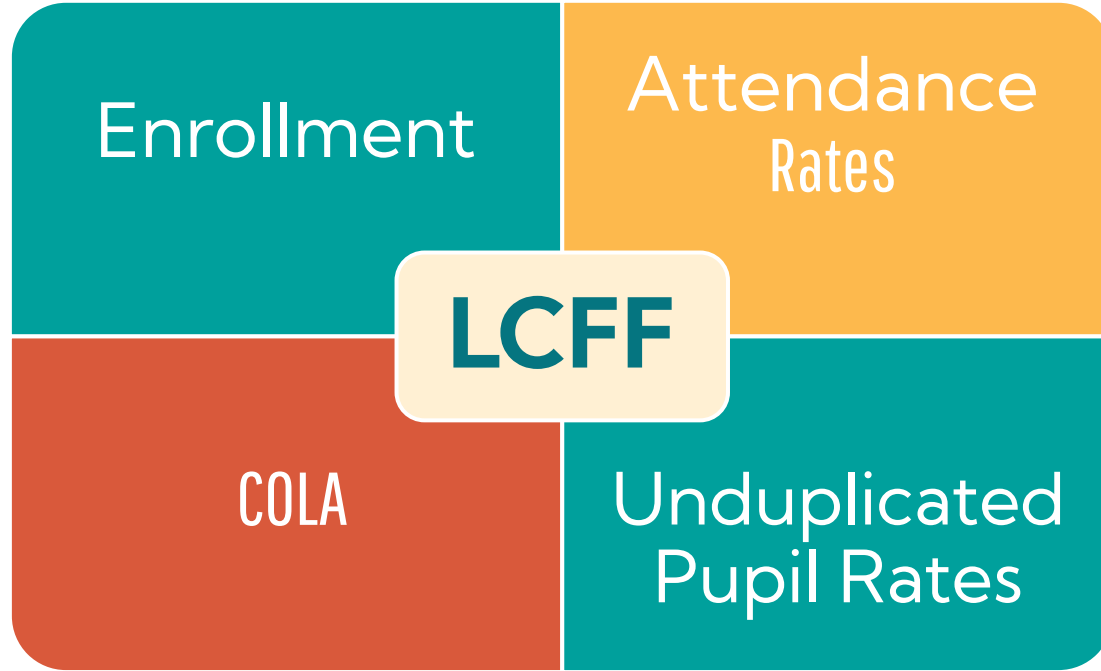
Total General Fund Revenue (in millions)



Total: \$1.17 Billion

Factors Impacting LCFF Revenues

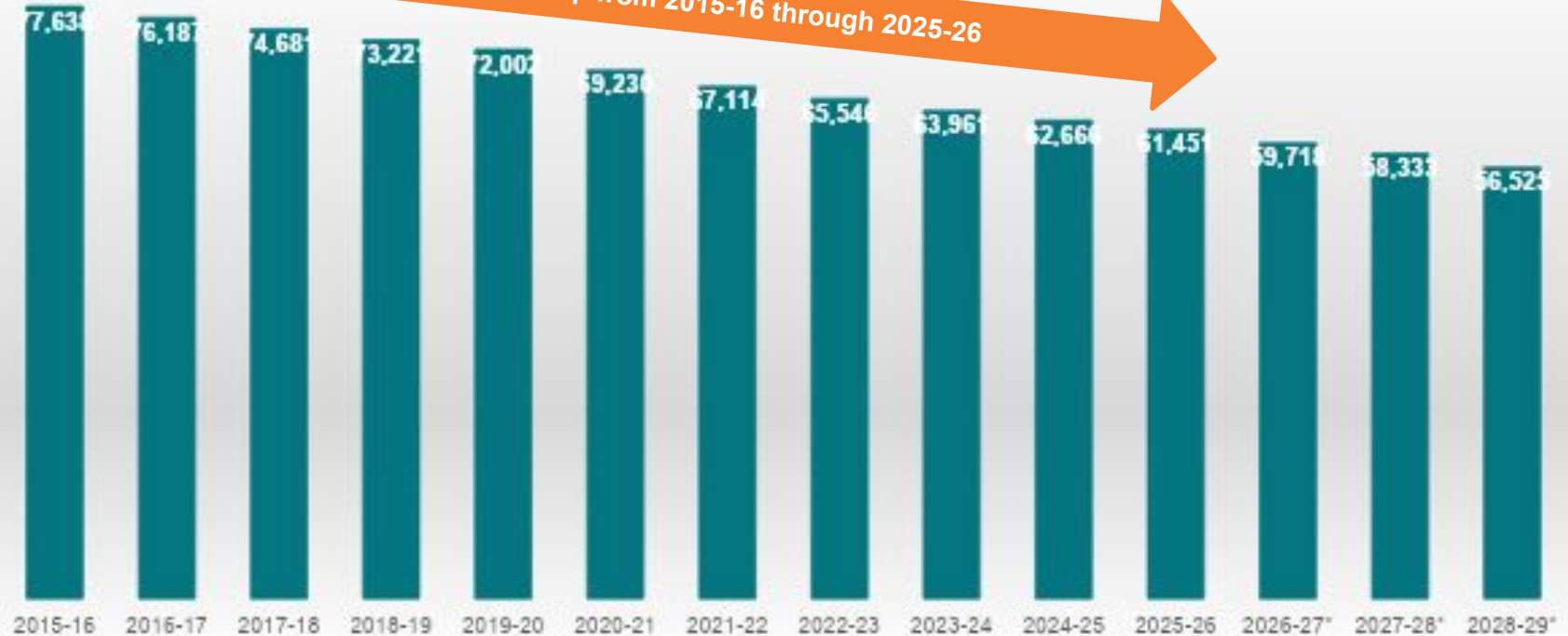
ECONOMY



Proposition 98

Enrollment

Over 16,000 enrollment drop from 2015-16 through 2025-26



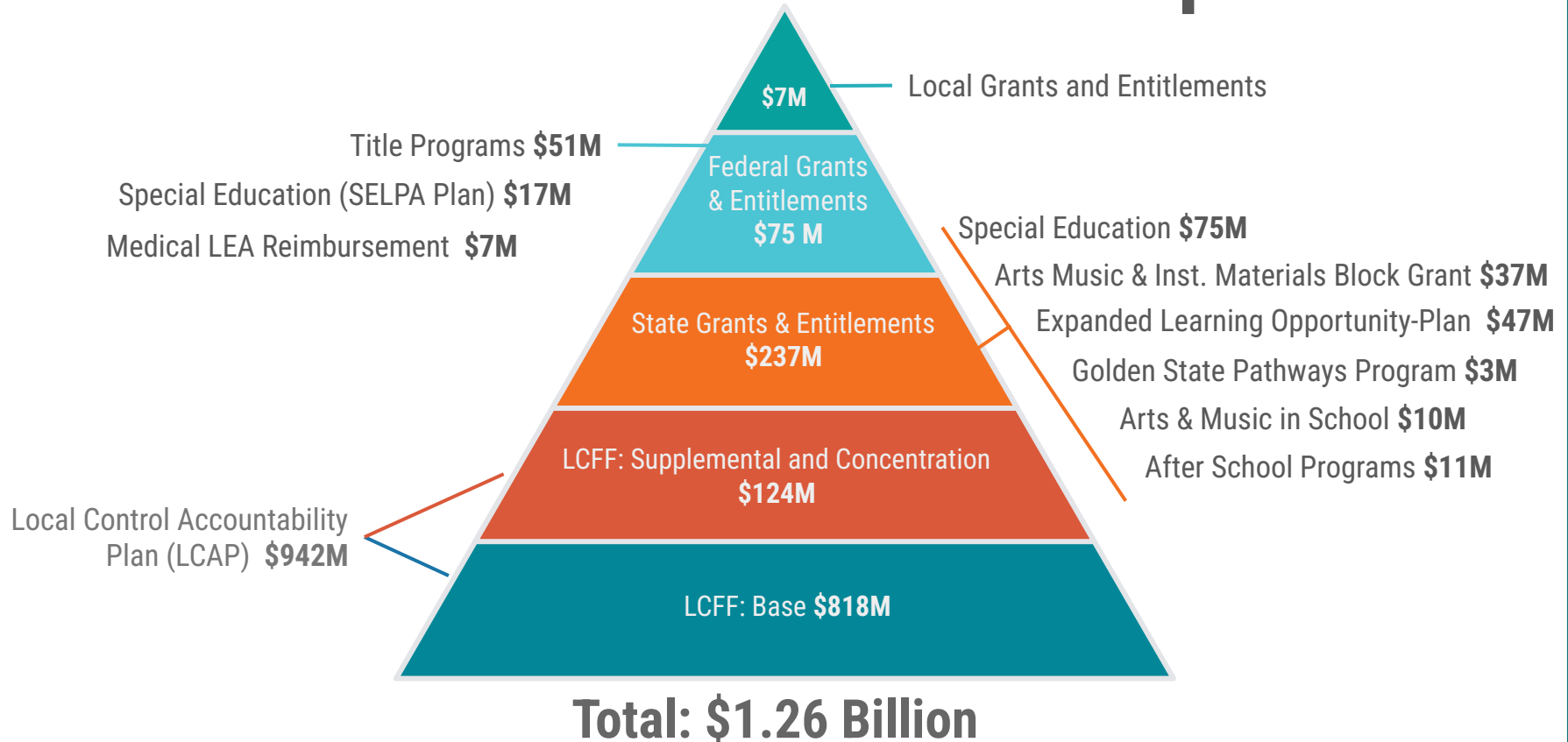
State Funding Growth $\neq$ LCFF Growth



Other Revenue Factors

- Attendance Rates have not rebounded.
 - From a pre-pandemic attendance rate of 95%, attendance rate for 2025–26 and the outyears is assumed to be at 91.89%.
- 2025–2026 Unduplicated Student Count = 61.89%
 - This reduces our LCFF by approximately \$4 million this year and \$36 million over the next four years

General Fund Estimated Expenses



Expenditure Highlights

- Salaries and Benefits account for 78% of the expenditures
 - Health benefits increases of 3.5%, average benefit cost of \$27,192 per employee
 - STRS Contribution Rate of 19.1%
 - PERS Contribution Rate of 26.8%
 - No salary increases assumed
- Special education annual cost increases of \$15 million
- 4% to 5% increase for utilities
- 10% increase in student transportation costs

Revenue & Expenditure Trends

\$1,050

\$1,000

\$950

\$900

\$850

\$800

\$750

\$700

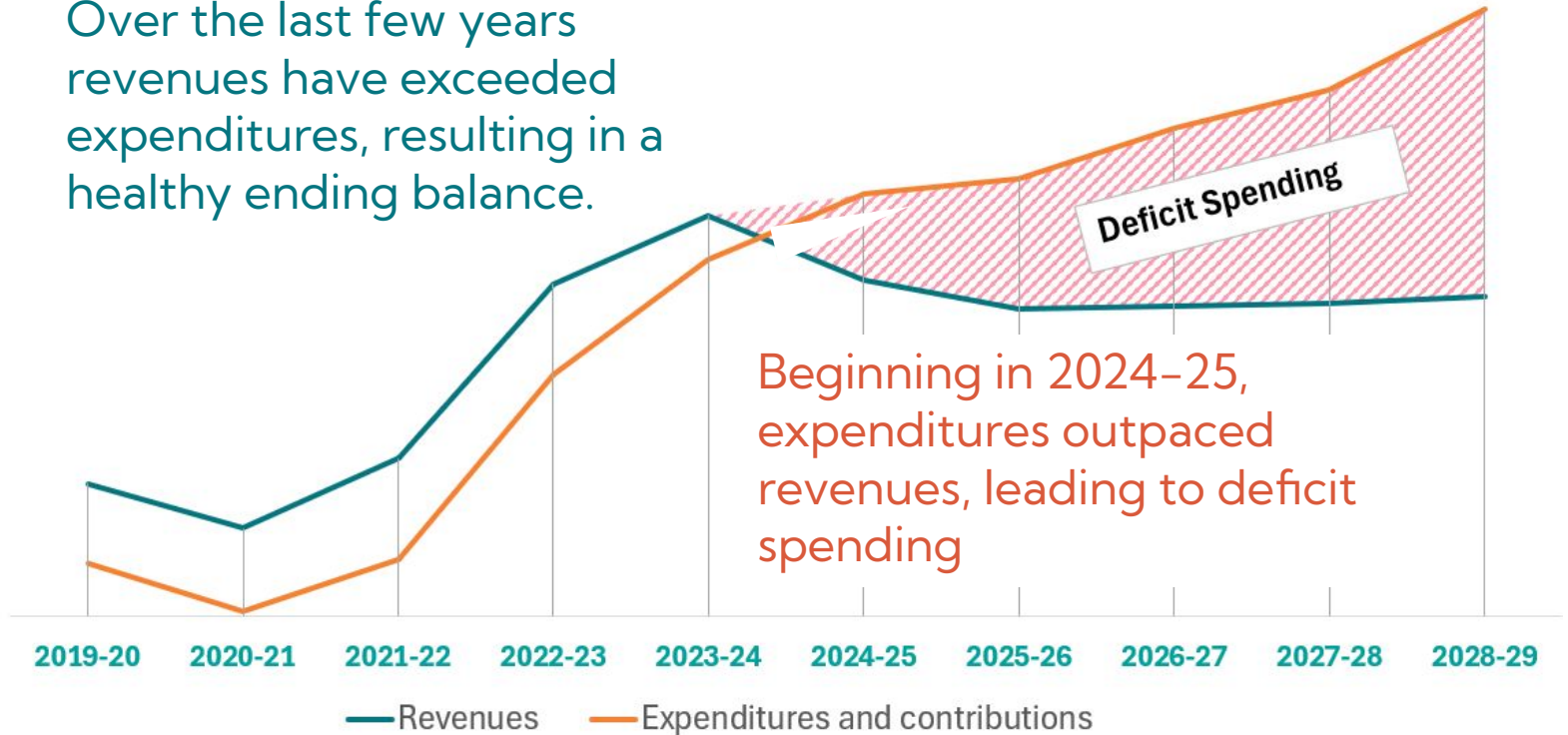
Over the last few years revenues have exceeded expenditures, resulting in a healthy ending balance.

Beginning in 2024-25, expenditures outpaced revenues, leading to deficit spending

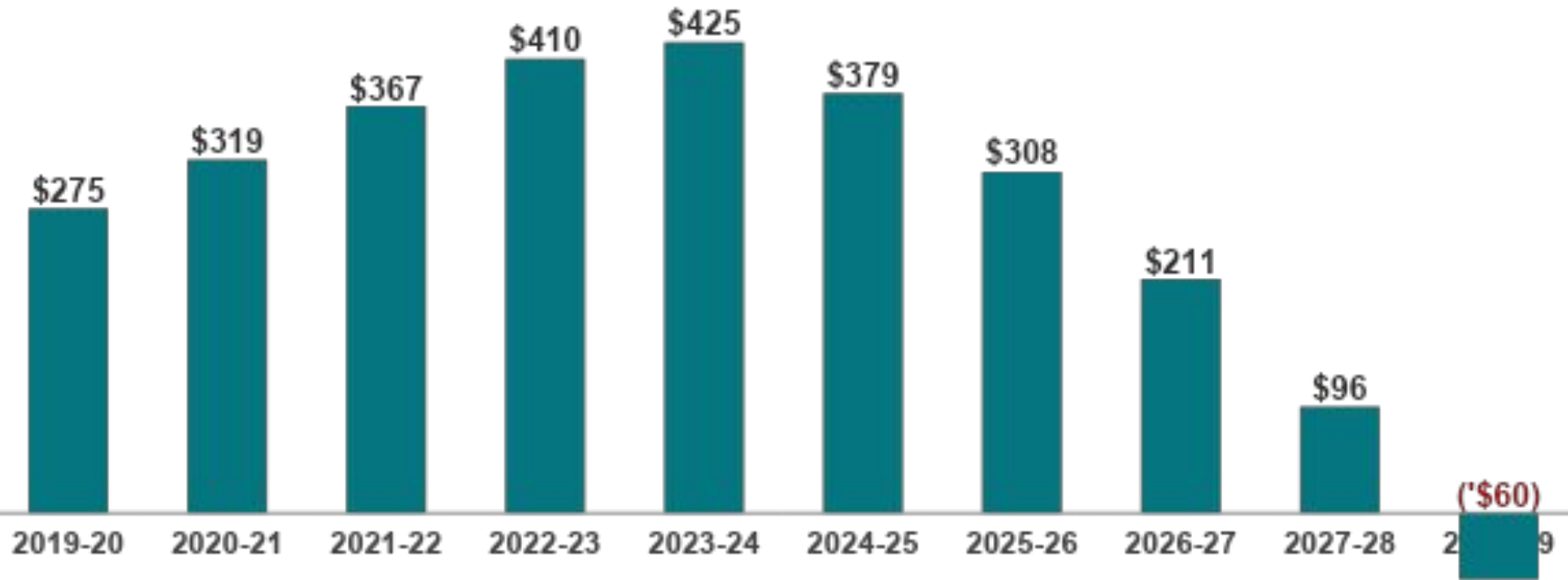
Deficit Spending

2019-20 2020-21 2021-22 2022-23 2023-24 2024-25 2025-26 2026-27 2027-28 2028-29

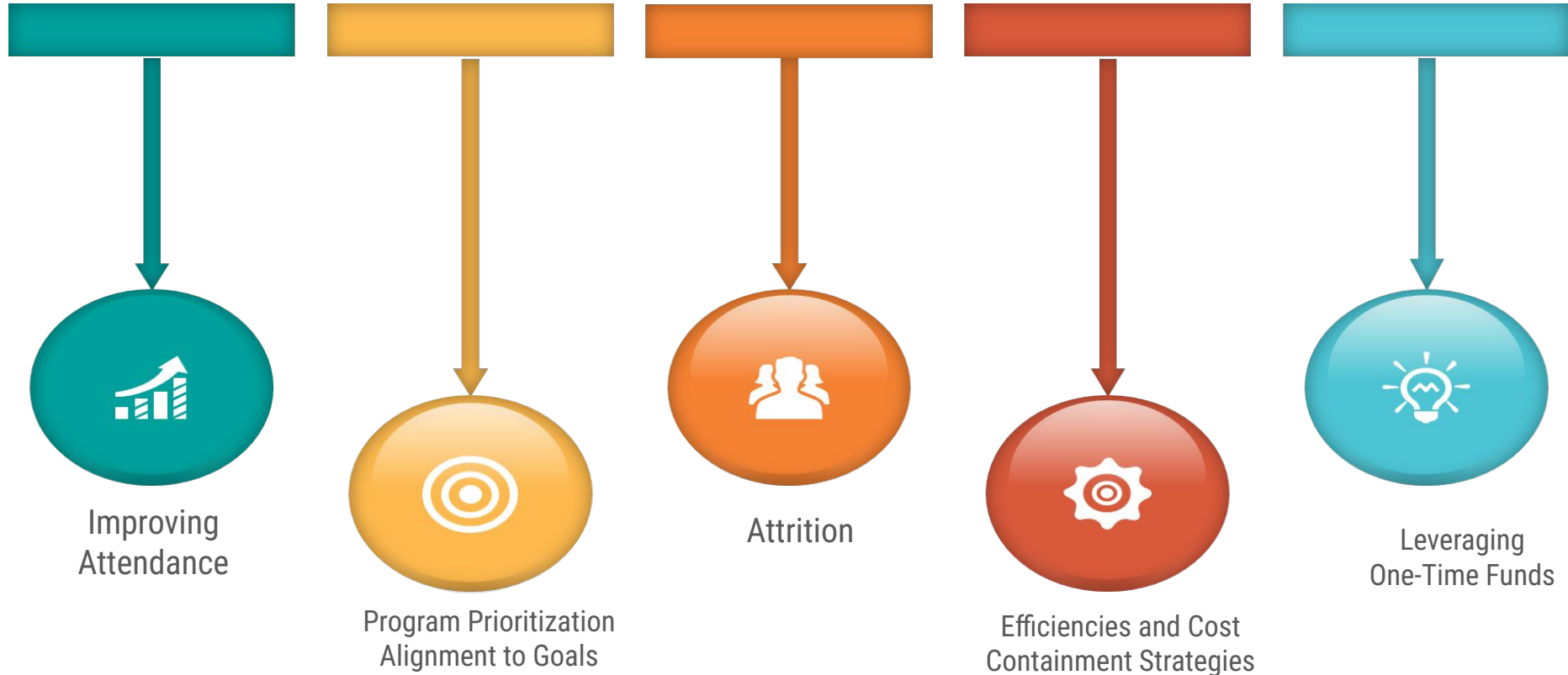
— Revenues — Expenditures and contributions



Ending Balance Projections



Strategies to Address the Deficit



Closing the Gap Through Strategic Actions

\$1,050

FOR ILLUSTRATIVE PURPOSES ONLY

\$1,000

\$950

\$900

\$850

\$800

2022-23

2023-24

2024-25

2025-26

2026-27

2027-28

2028-29

Base
Difference

Revenue

Revenues with Increased Attendance

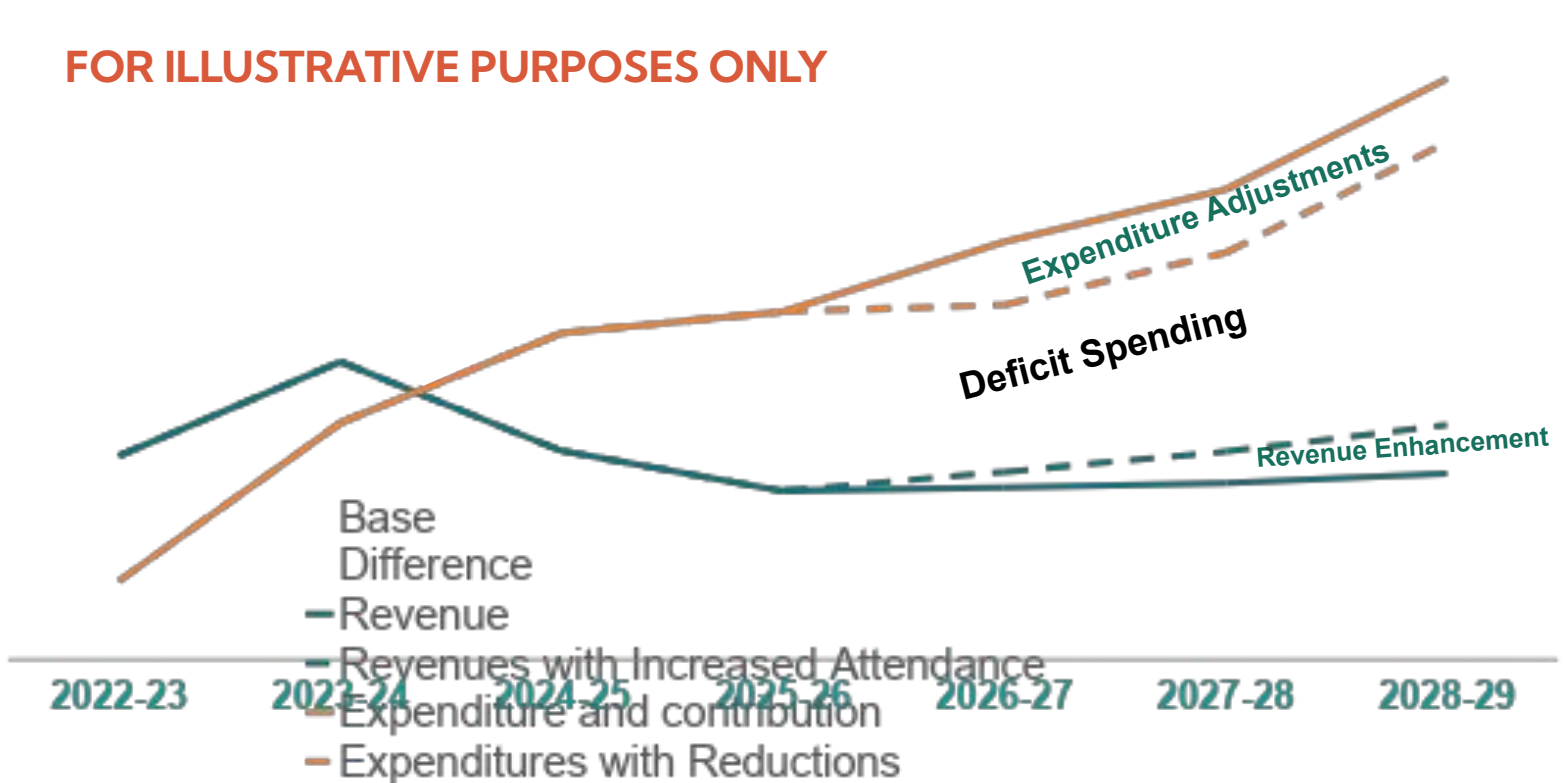
Expenditure and contribution

Expenditures with Reductions

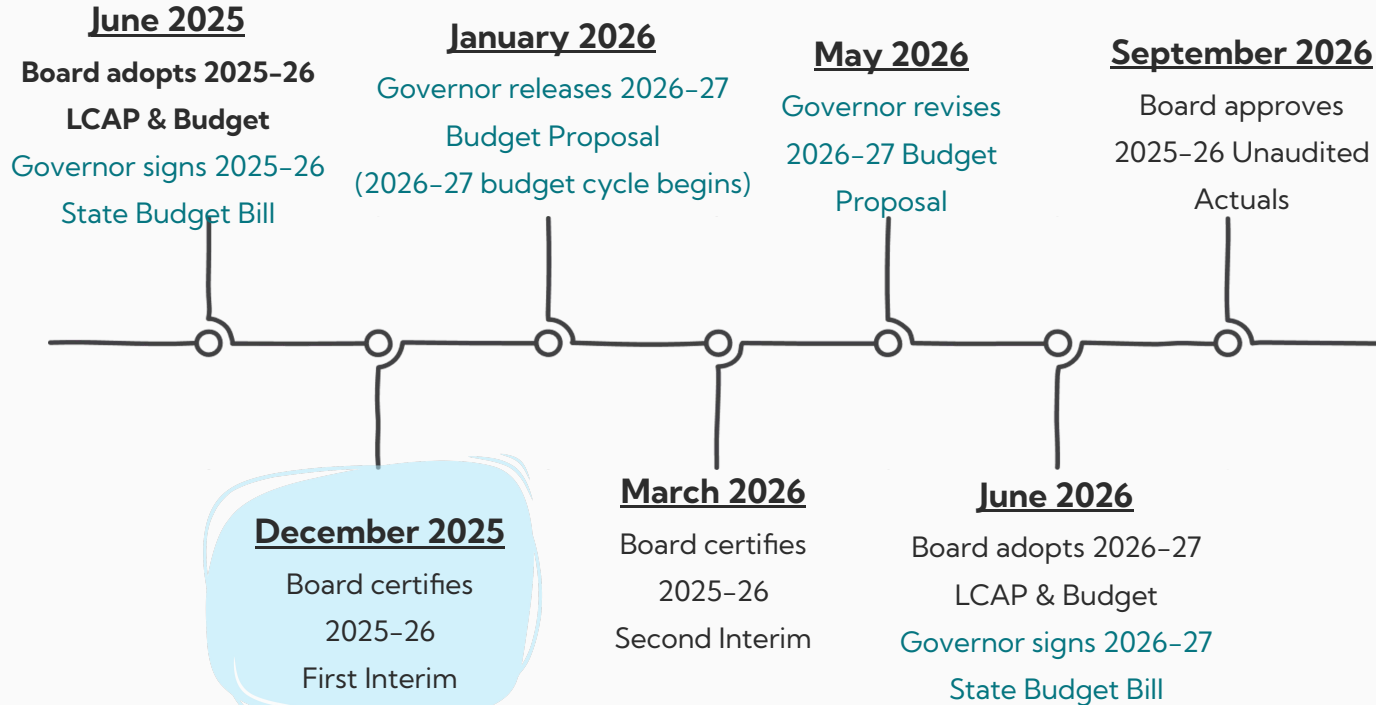
Expenditure Adjustments

Deficit Spending

Revenue Enhancement



BUDGET CYCLE



Thank You