

2025-26

# FIRST INTERIM BUDGET UPDATE

Board Presentation

December 18, 2025

Presented by: Howard Ho, Asst. Superintendent

Luis Diaz, Director of Budgeting & Accounting

# Acknowledgements

## Accounting Department

Luis Diaz	Director of Budgeting & Accounting
Mary Pun	Senior Budget/Accounting Coordinator
Gracie Frias	Accounting Coordinator
Abraham Lopez	Accounting Coordinator
Mariela Vasquez	Senior Accounting Tech / Classified Payroll
Tanya Brooks	Senior Accounting Tech / Certificated Payroll
Ivan Johnson	Senior Accounting Technician
Errol Gray	Accounting Technician
Gaby Hernandez	Accounting Technician

2025- 2026

FIRST INTERIM

## Certification Process

**Positive Certification:** A school district that, based on current projections, will meet its financial obligations for the current fiscal year and subsequent two fiscal years.

**Qualified Certification:** A school district, based on current projection, may not meet its financial obligations for the current fiscal year and subsequent two fiscal years.

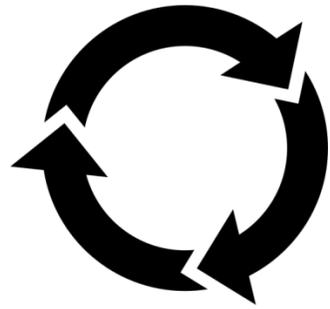
**Negative Certification:** A school district that, based on current projection, will not meet its financial obligations for the current fiscal year or subsequent fiscal years.

**Tonight's Recommendation:** APPROVE LESD's First Interim **Positive** Certification

2025- 2026

FIRST INTERIM

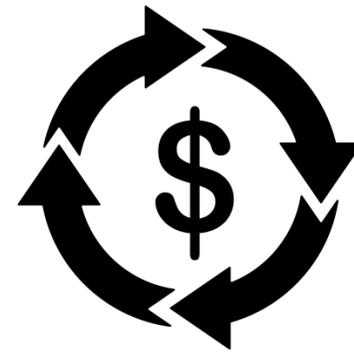
**PRESENTATION  
OVERVIEW**



**BUDGET  
CYCLE**



**KEY BUDGET  
FACTORS IN  
CALIFORNIA**



**REVENUES**



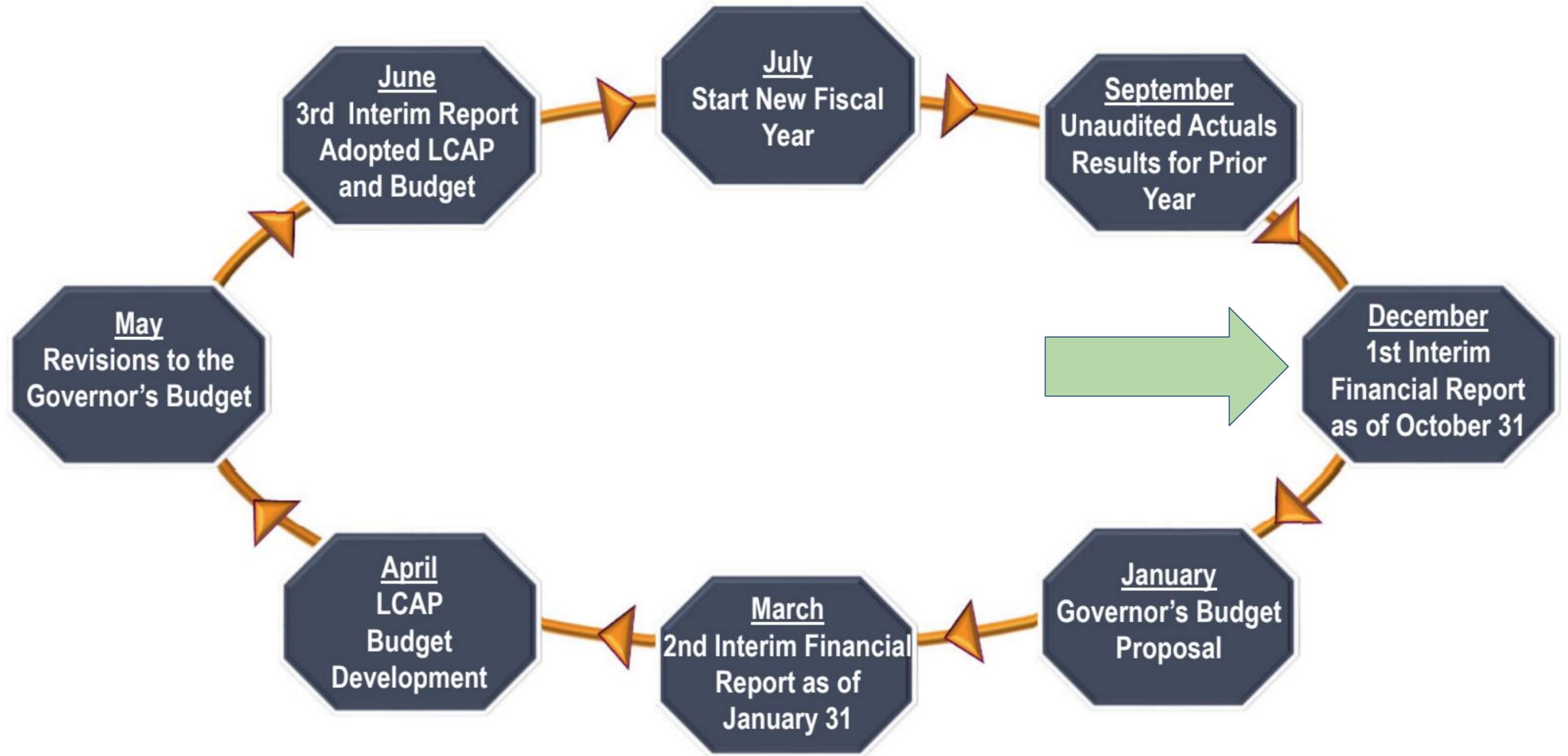
**EXPENDITURES**



**THE ROAD  
AHEAD**

2025-2026

# BUDGET CYCLE



# KEY BUDGET FACTORS IN CALIFORNIA

**01. Modest COLA in 2025-26 (2.3%)**

**02. Rising Employer Pension Contributions (CalPERS)**

**03. Declining Enrollment and ADA**

**04. Cost Escalation Outpacing Funding**



# KEY BUDGET FACTORS (LOCAL LEVEL)

2025-2026

**Funded COLA: 2.30%**

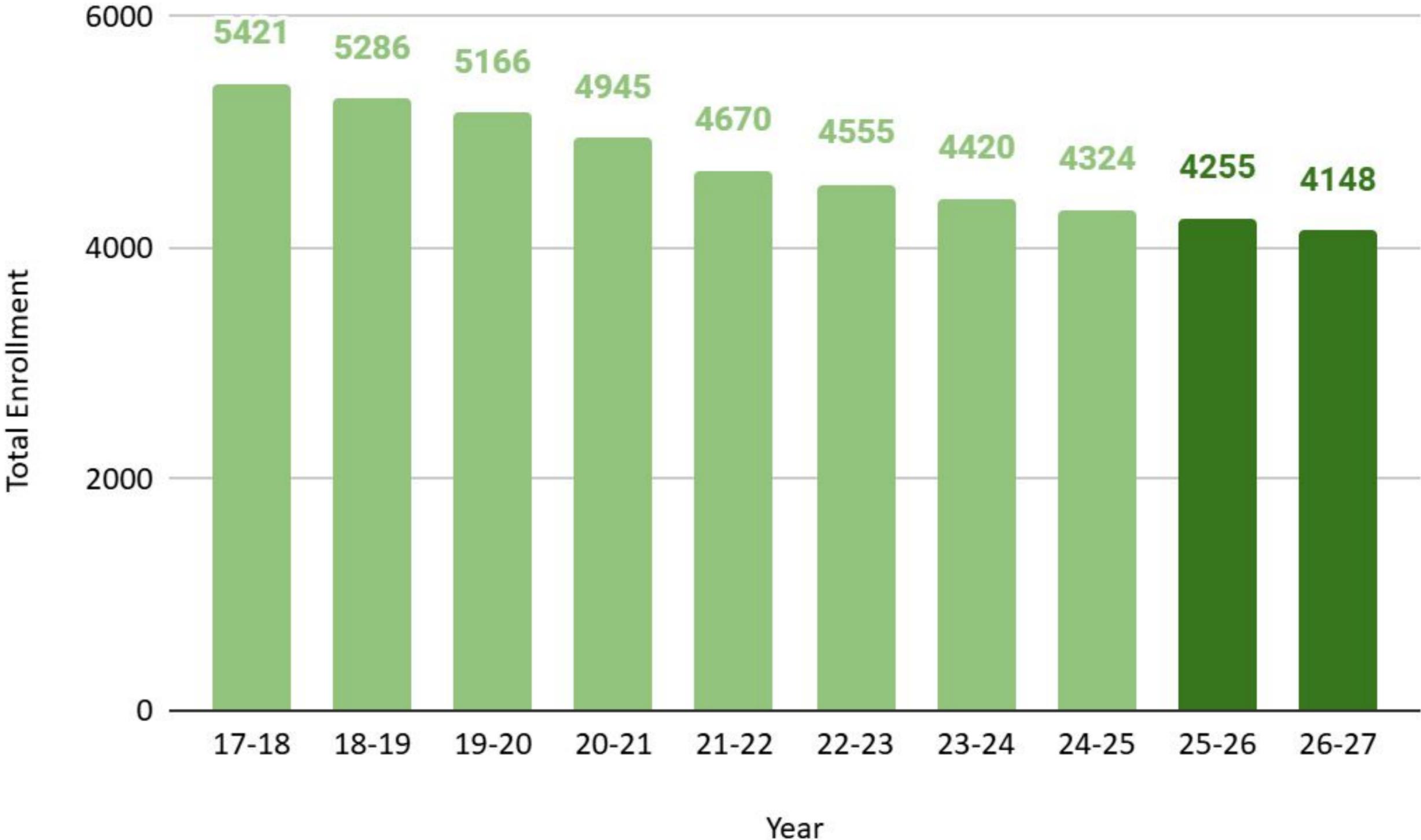
**Ongoing Declining Enrollment and ADA**

**Structural Deficit**

**Rising Salary & Benefits Costs**

# DECLINING ENROLLMENT

## LESD Total Enrollment Data



## LOWER FUNDING

Cost of Living Adjustments				
	2024-25	2025-26	2026-27	2027-28
Planning COLA	1.07%	2.30%	3.02%	3.42%

<b>24-25 LCFF Revenue</b>	\$62,747,818
<b>25-26 LCFF Revenue</b>	\$62,716,533
<b>Difference</b>	<span style="color: red;"><b>-\$31,285</b></span> (25-26 revenue decreased by .05% after factoring COLA due to declining enrollment)

## LESD REVENUES KEY ASSUMPTIONS

Description	2025-26	2026-27 Estimated	2027-28 Estimated
Enrollment	4255	4170	4087
Average Daily Attendance (ADA)*	3994.50	3914.61	3836.32
Estimated <u>Funded ADA</u> 3 year average	4125.50	4070.13	3993.13
COLA	2.30%	3.02%	3.42%

# 25-26 UNRESTRICTED GENERAL FUND REVENUES

FIRST INTERIM

Revenue Projections	2025-2026 Adopted/ Current Budget	2025-2026 First Interim	Increase/Decrease
Total LCFF - Local Control Funding Formula	\$62,716,533	\$62,812,380	\$95,847
<i>State Aid</i>	<i>\$44,956,230</i>	<i>\$42,927,860</i>	<i>(\$2,028,370)</i>
<i>Property Taxes</i>	<i>\$9,563,413</i>	<i>\$9,775,487</i>	<i>\$212,074</i>
<i>Education Protection Account</i>	<i>\$8,196,890</i>	<i>\$10,109,033</i>	<i>\$1,912,143</i>
State	\$1,261,534	\$ 1,204,171	(\$57,363)
Local & Other	\$3,830,997	\$3,860,294	\$29,297
<b>Total Revenues</b>	<b>\$67,809,064</b>	<b>\$67,876,845</b>	\$67,781
Contribution <u>To</u> Restricted Programs	\$17,967,640	\$17,689,836	(\$277,804)

# 2025-26 EXPENDITURES KEY ASSUMPTIONS

FIRST INTERIM

Description	2025-26	2026-27	2027-28
Step/Column	1.72%	1.72%	1.72%
CalSTRS	19.10%	19.10%	19.10%
CalPERS	26.81%	26.90%	27.80%
SELPA Admin Unit	A.U. Fee Included	A.U. Fee Included	A.U. Fee Included

# UNRESTRICTED EXPENDITURES BUDGET PROJECTIONS

FIRST INTERIM

Description	2025-2026 Adopted/ Current Budget	2025-2026 First Interim	Difference
<b>Certificated Salaries</b>	\$30,537,809	\$30,052,185	(\$485,624)
<b>Classified Salaries</b>	\$9,083,860	\$8,822,876	(\$260,984)
<b>Employee Benefits</b>	\$14,269,032	\$14,089,363	(\$179,669)
<b>Books/Supplies</b>	\$2,473,543	\$2,333,430	(\$140,113)
<b>Services/Other Oper.</b>	\$6,113,550	\$6,326,395	\$212,845
<b>Capital Outlay</b>	\$0	\$0	\$0
<b>Other Outgo/Sources</b>	(\$3,863,298)	(\$4,019,869)	(\$156,571)
<b>Contributions out</b>	\$17,967,640	\$17,689,836	(\$277,804)
<b>Total</b>	\$76,582,136	\$75,294,216	(\$1,287,920)

## MULTI-YEAR PROJECTIONS - UNRESTRICTED

<u>Unrestricted</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
<b>Beginning Balance</b>	\$41,702,122	\$34,404,186	\$30,258,472
<b>Revenues</b>	\$68,210,725	\$69,509,825	\$70,472,581
<b>Less: Expenditures</b>	(\$75,508,661)	(\$73,655,539)	(\$74,631,239)
<b>Surplus/<u>Deficit</u></b>	(\$7,297,936)	(\$4,145,714)	(\$4,158,658)
<b>Ending Fund Balance</b>	\$34,404,186	\$30,258,472	\$26,099,814

# 2025-26 RESTRICTED GENERAL FUND REVENUES

FIRST INTERIM

Revenue Estimates	2025-2026 Adopted/ Current Budget	2025-2026 First Interim	Difference
<b>Federal</b>	\$4,808,442	\$5,118,901	\$310,459
<b>State</b>	\$27,257,347	\$30,049,652	\$2,792,305
<b>Local</b>	\$4,044,257	\$4,014,371	(\$29,886)
<b>Total</b>	\$36,110,046	\$39,182,924	\$3,072,878
<b>Contribution From Unrestricted Funds</b>	\$17,967,640	\$17,689,836	(\$277,804)

# RESTRICTED EXPENDITURES BUDGET PROJECTIONS

FIRST INTERIM

Description	2025-2026 Adopted/ Current Budget	2025-2026 First Interim	Difference
<b>Certificated Salaries</b>	\$13,942,450	\$15,002,490	\$1,060,040
<b>Classified Salaries</b>	\$13,076,749	\$12,713,926	(\$362,823)
<b>Employee Benefits</b>	\$10,176,740	\$10,358,161	\$181,421
<b>Books/Supplies</b>	\$13,484,399	\$6,935,268	(\$6,549,131)
<b>Services/Other Oper.</b>	\$10,344,275	\$15,671,159	\$5,326,884
<b>Capital Outlay</b>	\$111,664	\$755,843	\$644,179
<b>Other Outgo/Sources</b>	\$5,278,154	\$5,433,825	\$155,671
<b>Contributions in</b>	(\$17,967,640)	(\$17,689,836)	\$277,804
<b>Total</b>	\$48,446,791	\$49,180,836	\$734,045

# THE ROAD AHEAD

- 01. Governor's 2026-27 Budget Proposal in January**
- 02. State and Federal Economic Uncertainty**
- 03. Continuation of Declining Enrollment**
- 04. Multi-Year Financial Stability Plan**
- 05. Second Interim Budget Report in March**



**QUESTIONS**