Governor’s Proposed Budget Update

January 2026

Presented by
Keith Farrow, Assistant Superintendent, Administrative Services
Christopher Beltz, Director, Fiscal Services
Jose Velazquez, Accountant

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Overview

- Cost of Living Adjustment (COLA) Projections
- Unrestricted Multi-Year Projection Projection
- Discretionary Block Grant
- After School Childcare: Expanded Learning Opportunities Program (ELOP)
- Governor’s Budget Roadmap

COLA Projections

LCFF COLA Planning Factors				
	Current Year 2025-26	2026-27	2027-28	2028-29
Projected COLA July 22, 2025	2.30%	3.02%	3.42%	3.31%
Projected COLA January 20, 2026	2.30%	2.41%	3.06%	3.34%
Difference		**-0.61%**	**-0.36%**	+0.03%

Unrestricted Multi-Year Projection

1st Interim 2025-26		3.02% COLA ***Projected***	3.42% COLA ***Projected***
Unrestricted General Fund (in millions)	**2025-26**	**2026-27**	**2027-28**
Revenues	$88.0 M	$88.3 M	$89.6 M
Contributions	$(21.2) M	$(21.5) M	$(21.5) M
Net Revenues	$66.8 M	$66.8 M	$68.1 M
Expenditures	$73.0 M	$71.3 M	$72.9 M
Surplus/Deficit	$(6.2) M	$(4.5) M	$(4.8) M
Beginning Fund Balance	$25.0 M	$18.8 M	$14.3 M
Ending Fund Balance	$18.8 M	$14.3 M	$9.5 M

Unrestricted Multi-Year Projection

1st Interim 2025-26 **with Updated COLA**		2.41% COLA ***Projected***	3.06% COLA ***Projected***
Unrestricted General Fund (in millions)	**2025-26**	**2026-27**	**2027-28**
Revenues	$88.0 M	$87.8 M	$88.8 M
Contributions	$(21.2) M	$(21.5) M	$(21.5) M
Net Revenues	$66.8 M	$66.3 M	$67.3 M
Expenditures	$73.0 M	$71.3 M	$72.9 M
Surplus/Deficit	$(6.2) M	$(5.0) M	$(5.6) M
Beginning Fund Balance	$25.0 M	$18.8 M	$13.8 M
Ending Fund Balance	$18.8 M	$13.8 M	$8.2M

Discretionary Block Grant

- The Governor proposes $2.8 billion in one-time funds for new discretionary block grant

- School Services of California estimates $512.48 per ADA, *if* distributed by ADA it would equal roughly $3,164,564 for OVSD

After School Childcare:
Expanded Learning Opportunities Program (ELOP)

2026-27 retains 2025-26 “Tier 1” funding
$2,750 per UPP

Approximately $7 million for OVSD
(similar to 2025-26)



Governor's Budget Roadmap

January
Governor releases the proposed State Budget

1

Winter/Spring
Legislature reviews the proposal in budget hearings

2

March
Districts report updated finances at Second Interim

3

May
Governor issues the May Revision with updated revenues

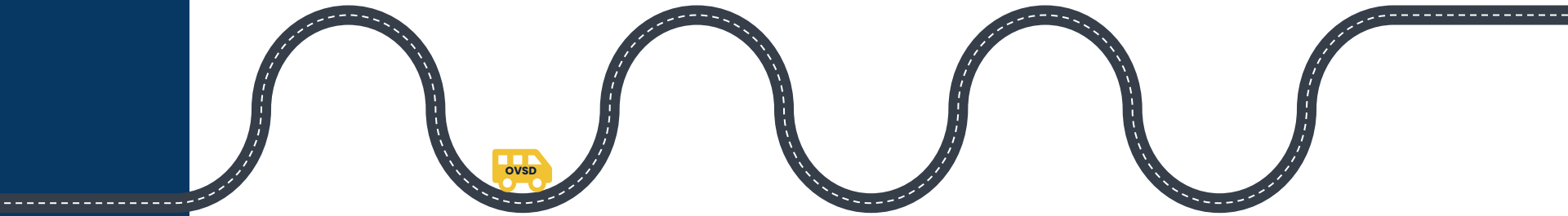
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June (Early)
Legislature negotiates and adopts the State Budget

5

June 30
Final State Budget is enacted and districts finalize budgets

6





Thank you!