



HACIENDA LA PUENTE UNIFIED SCHOOL DISTRICT

2025-26 SECOND INTERIM FINANCIAL REPORT

Report to the Board of Education

March 12, 2026



PURPOSE OF SECOND INTERIM

Districts are required to certify twice a year the District's ability to meet its financial obligations for:

- the remainder of the fiscal year and
- the subsequent two fiscal years

Second Interim Financial Report is a projection of revenues and expenses based on the most current available information.

Second Interim Report is for the period ending January 31

Positive Certification: Able to meet financial obligations for the current fiscal year plus the two following fiscal years



JANUARY STATE BUDGET

2.41% COLA for LCFF base grants and some categorical programs

Student Support and Discretionary Block Grant - \$2.8 billion in one-time funds

Learning Recovery Emergency Block Grant - restores the remaining \$757.3 million that was deferred in 2023

Governor's Budget proposes \$1.0 billion new ongoing funds to expand the community schools model

Proposal to continue to fund the Universal Meals program, ELOP, and Universal TK

Special education annual expenditures continue to rise and general fund contribution is an intended part of funding special education



UPDATED MULTIYEAR ASSUMPTIONS

	2025-26 Adopted Budget	2025-26 Second Interim	2026-27 Projected	2027-28 Projected
District Enrollment	15,132	15,151	14,801	14,451
Average Daily Attendance (ADA) %	92.50%	92.90%	92.90%	92.90%
Funded Average Daily Attendance (ADA)	14,751	14,751	14,440	14,059
Cost of Living Adjustment (COLA)	2.30%	2.30%	2.41%	3.06%
Unduplicated Pupil %	76.97%	77.17%	75.89%	75.15%
State Teachers' Retirement (STRS)	19.10%	19.10%	19.10%	19.10%
Public Employees' Retirement (PERS)	26.81%	26.81%	26.40%	26.90%

PROJECTED REVENUES



Unrestricted (U)/ Restricted (R)	First Interim Budget	Second Interim Budget	First Interim vs Second Interim Variance	Changes to Revenue
LCFF	\$220,254,590	\$220,339,152	\$84,562	
Federal Revenue	\$13,510,825	\$13,568,124	\$57,299	
State Revenue	\$67,945,501	\$68,901,161	\$955,660	California Community Schools Partnership Program Budget increased
Local Revenue	\$10,040,824	\$10,040,824	\$0	
Total	\$311,751,740	\$312,849,261	\$1,097,521	



PROJECTED EXPENDITURES

Unrestricted (U)/ Restricted (R)	First Interim Budget	Second Interim Budget	First Interim vs Second Interim Variance	Changes to Expenditures
Certificated Salaries	\$132,132,893	\$134,958,764	(\$2,825,871)	2.5% Salary Increase
Classified Salaries	\$47,669,755	\$49,555,505	(\$1,885,750)	2.5% Salary Increase
Employee Benefits	\$73,864,724	\$73,411,471	\$453, 253	Health & Welfare adjusted to reflect actuals
Books and Supplies	\$25,212,149	\$23,345,176	\$1,866,973	After School Education and Safety (ASES) budget reallocation from supplies to services
Services & Other Operating	\$60,298,242	\$62,879,266	(\$2,581,024)	Attorney Fees and After School Programs
Capital Outlay	\$33,733,378	\$33,198,913	\$534,465	Decrease in budgeted equipment in Arts Music & Instructional Materials Block Grant
Transfers Out/ Other Outgo	\$5,297,735	\$5,297,735	0	
Indirect Costs	(\$2,711,354)	(\$2,668,562)	(\$42,792)	
Total	\$375,497,522	\$379,978,268	(\$4,480,746)	



MULTIYEAR PROJECTIONS (MYP)*

Unrestricted General Fund	2025-26 Second Interim	2026-27 Projected Budget	2027-28 Projected Budget
Beginning Fund Balance	\$68,144,709	\$47,720,774	\$34,147,031
Revenues	\$228,309,634	\$228,767,458	\$230,308,495
Expenditures (including transfers and contributions)	(\$248,733,568)	(\$242,341,202)	(\$242,291,070)
Net Increase (Decrease) in Fund Balance	(\$20,423,934)	(\$13,573,744)	(\$11,982,575)
Ending Fund Balance	\$47,720,775	\$34,147,031	\$22,164,456
Minimum Reserve for Economic Uncertainties	\$11,264,926	\$9,753,109	\$9,666,187

*The Fiscal Stabilization Plan savings are included in the Multi-Year Projections (MYP).

OTHER FUNDS SUMMARY



Second Interim Budget: Fund (#)	Beginning Fund Balance	Revenues +/-	Expenditures +/-	Ending Fund Balance
Adult Education Fund (11)	\$52,661,722	\$38,207,582	\$43,078,158	\$47,791,146
Child Development Fund (12)	\$8,835,896	\$16,231,225	\$16,245,705	\$8,821,416
Food Services Fund (13)	\$18,819,190	\$18,719,892	\$21,600,674	\$15,938,408
Def Maintenance Fund (14)	\$3,579,165	\$5,062,459	\$6,100,000	\$2,541,624
Building Fund (21)	\$83,209,597	\$1,620,802	\$54,877,181	\$28,332,416
Special Reserve Fund (40)	\$57,134,445	\$1,119,541	\$20,273,353	\$37,960,633
Debt Services Fund (56)	\$25,479,581	\$4,727,209	\$4,970,378	\$25,236,412
Self Insurance Fund (67)	\$49,734,876	\$30,650,294	\$33,948,934	\$46,436,236

FUTURE OUTLOOKS

Reduction in Projected COLA (Cost of Living Adjustment)

Long term trend of declining enrollment

Lower Average Daily Attendance (ADA)
1% decline in attendance results in a \$900,000 decrease in revenue

Significant increase in Special Education costs

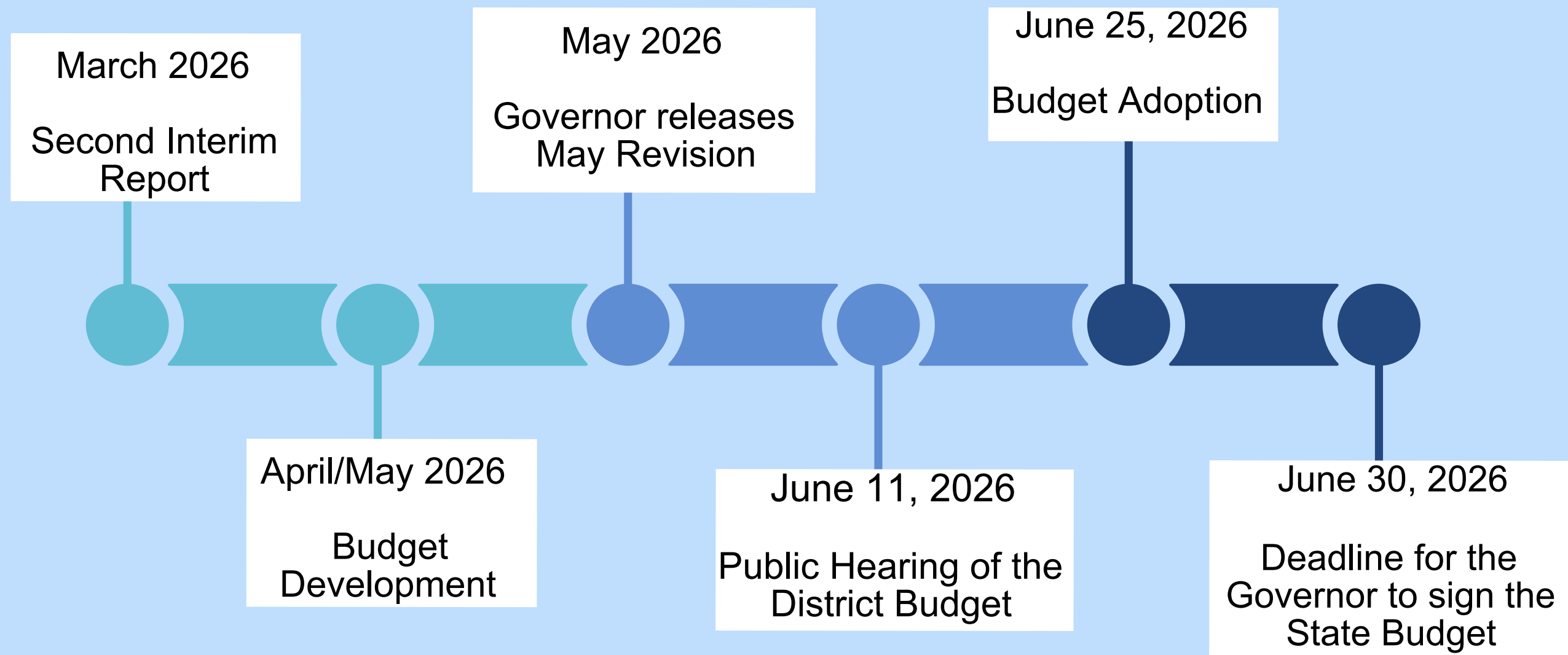
AB218 claims (significant financial impact that cannot be calculated)

Continue implementation of Fiscal Stabilization Plan (staff alignment to student enrollment)

The District is currently operating in a deficit, and with the expiration of one-time funds, substantial expenditure reductions will be required to sustain the ongoing core operations that school districts are obligated to provide.



NEXT STEPS





THANK YOU

