

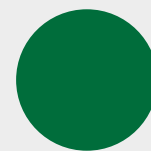
2025-26 Second Interim Budget Presentation

March 19, 2026

Presented by:

Dr. Howard Ho, Assistant Superintendent

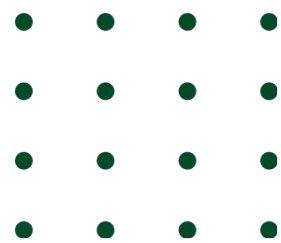
Luis Diaz, Director of Budgeting & Accounting

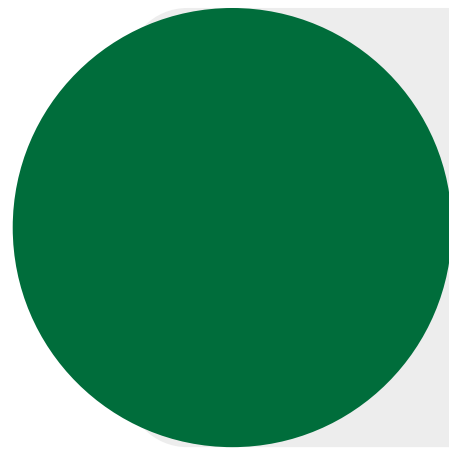


Acknowledgements

Accounting Department

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





Certification Process

Positive Certification

A school district that, based on current projection, **WILL MEET** its financial obligations for the current fiscal or subsequent fiscal years.

Qualified Certification

A school district that, based on current projection, **MAY NOT MEET** its financial obligations for the current fiscal or subsequent fiscal years.

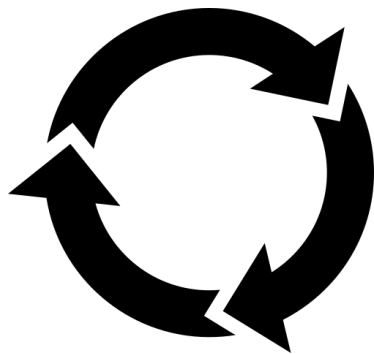
Negative Certification

A school district that, based on current projection, **WILL NOT MEET** its financial obligations for the current fiscal or subsequent fiscal years.

Tonight's Recommendation:

Approve LESD's Second Interim POSITIVE Certification

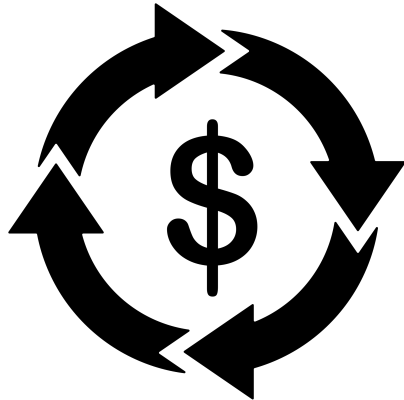
Presentation Overview



**BUDGET
CYCLE**



**KEY BUDGET
FACTORS IN
CALIFORNIA**



REVENUES

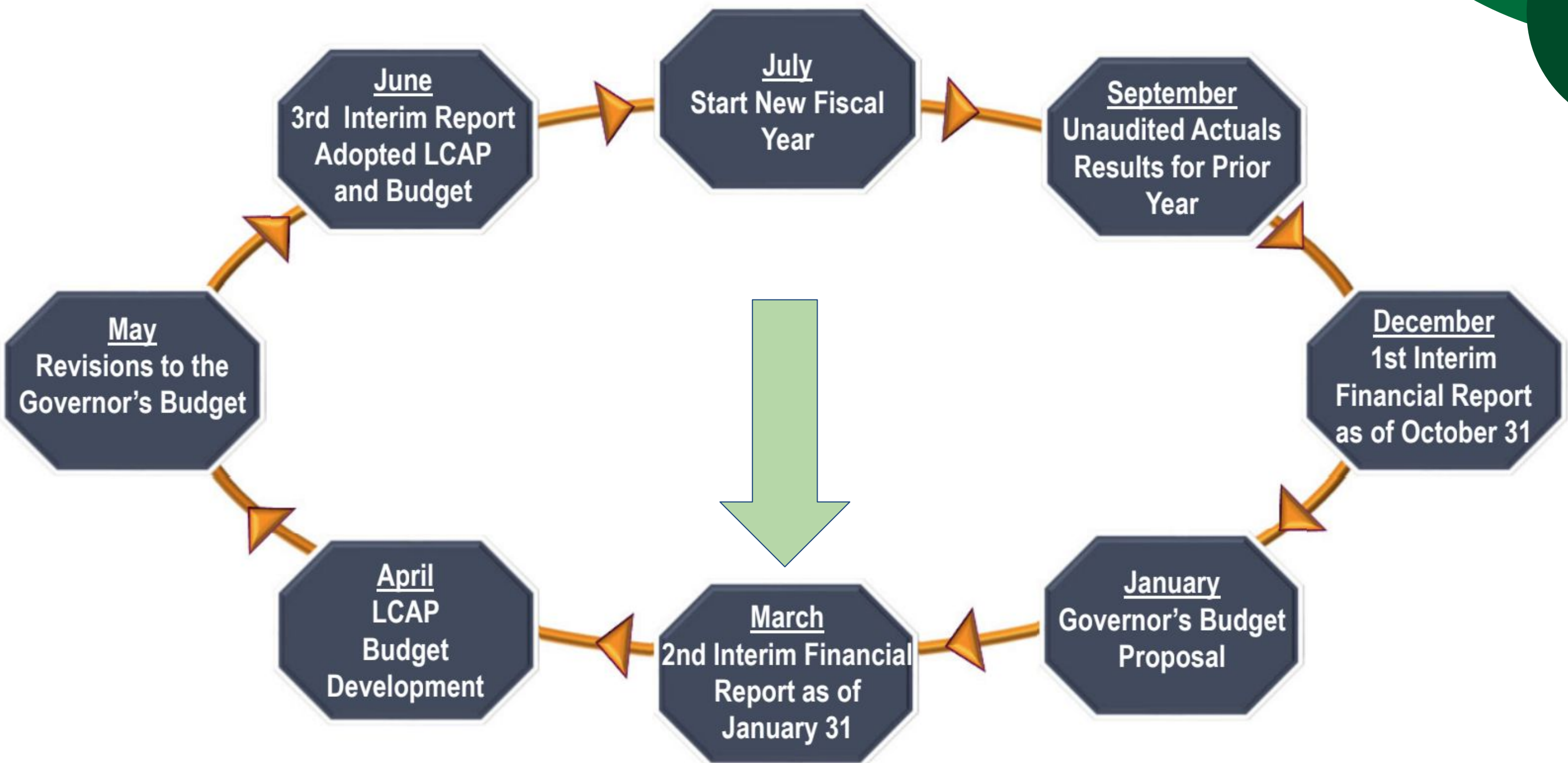


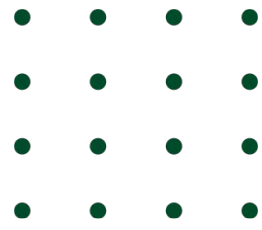
EXPENDITURES



**THE ROAD
AHEAD**

Budget Cycle Overview





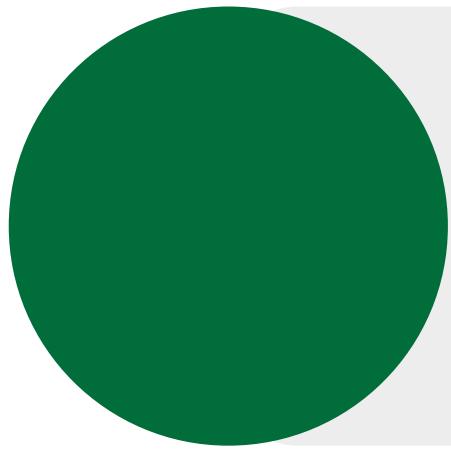
Key Budget Factors in California

COLA is landing at 2.41 % for 2026-27

LAO's projecting a deficit of \$18B but Governor projection is \$3B deficit

Restoring of Learning Recovery Block Grant Funding

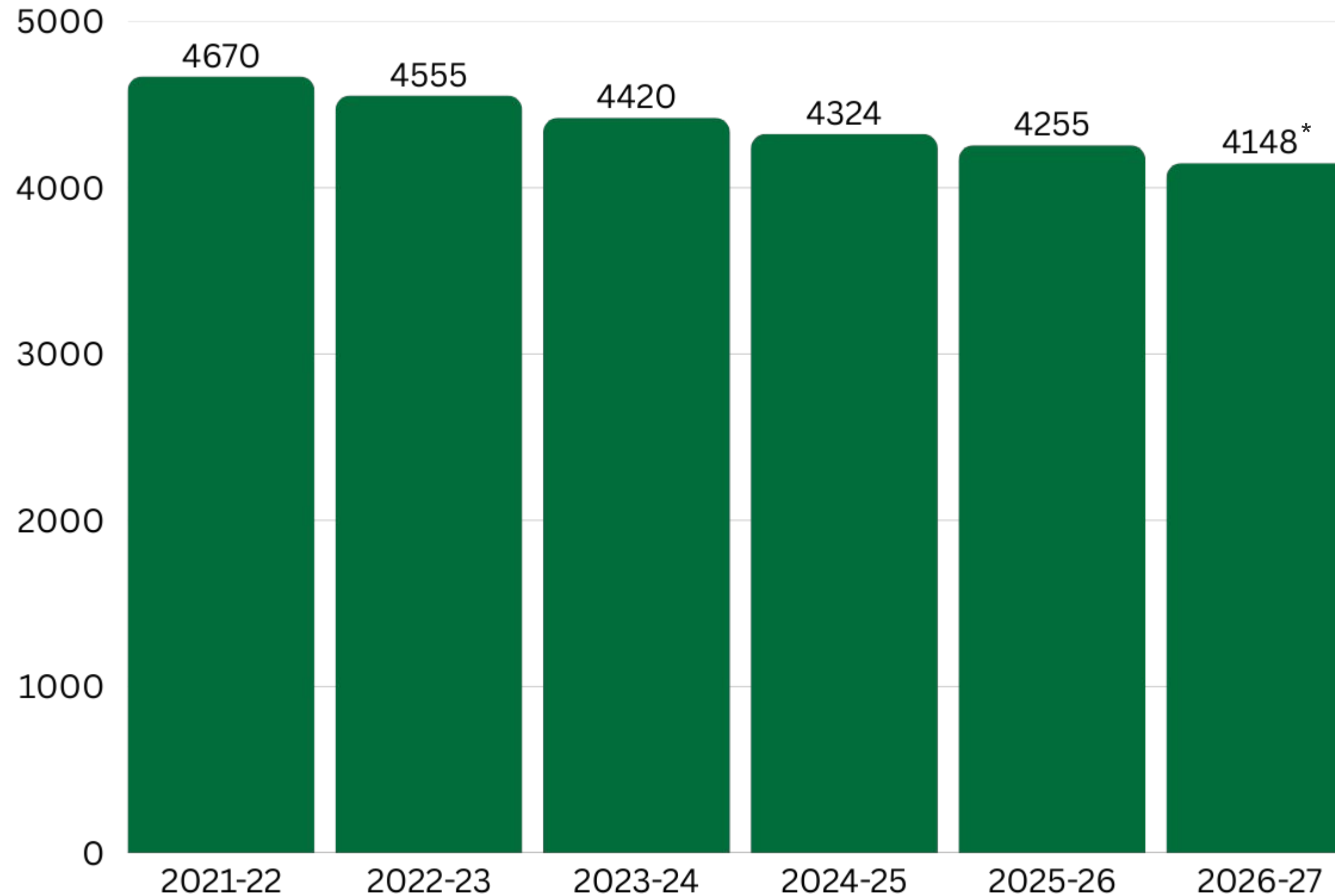
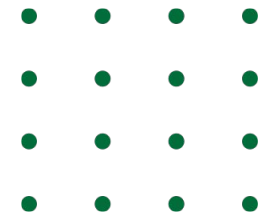
Upcoming May revise will provide additional information



Key Budget Factors (Local Level)

Fiscal Stabilization Plan as required by LACOE
Continue to monitor the district's deficit due to increased operating cost
Use of one-time funds to temporarily offset district's structural deficit
Continue to evaluate vacancies and monitor staffing to ensure alignment with student enrollment

Declining Enrollment



Enrollment information is based on census day data (Oct. 1)

* Estimated projection for 2026-27



Cost of Living Adjustments

	2025-26	2026-27	2027-28
Planning Cola	2.30%	2.41%	3.06%

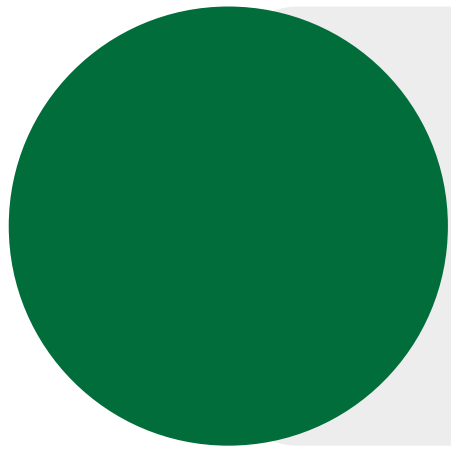


LESD Revenues Key Assumptions

Description	2025-26	2026-27 Estimated	2027-28 Estimated
Enrollment	4254	4169	4086
Avg. Daily Attendance	4009.85	3929.65	3851.06
Estimated Funded ADA 3-year Average	4125.50	4075.24	4003.25
COLA	2.30%	2.41%	3.06%

25-26 Unrestricted General Fund Revenues

Revenue Projections	2025-2026 First Interim	2025-2026 Second Interim	Increase/Decrease
Total LCFF - Local Control Funding Formula	\$62,812,380	\$63,262,391	\$450,011
<i>State Aid</i>	<i>\$42,927,860</i>	<i>\$43,425,088</i>	<i>\$497,228</i>
<i>Property Taxes</i>	<i>\$9,775,487</i>	<i>\$9,728,270</i>	<i>(\$47,217)</i>
<i>Education Protection Account</i>	<i>\$10,109,033</i>	<i>\$10,109,033</i>	<i>\$0</i>
State	\$ 1,204,171	1,204,171	\$0
Local & Other	\$3,860,294	\$4,433,009	\$572,715
Total Revenues	\$67,876,845	\$68,899,571	\$1,022,726
Contribution <u>To</u> Restricted Programs	\$17,689,836	\$17,818,110	\$128,274



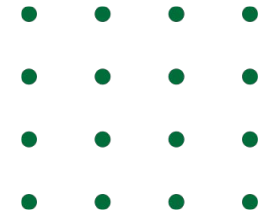
2025-26 Expenditures Key Assumptions

Description	2025-26	2026-27	2027-28
Step/Column	1.76%	1.76%	1.76%
CalSTRS	19.10%	19.10%	19.10%
CalPERS	26.81%	26.40%	26.90%
SELPA Admin Unit Fee	\$3,006,031	\$2,600,000	\$2,300,000

Unrestricted Expenditures Budget Projections

Description	2025-2026 First Interim	2025-2026 Second Interim	Difference
Certificated Salaries	\$30,052,185	\$30,057,321	\$5,136
Classified Salaries	\$8,822,876	\$7,427,519	(\$1,395,357)
Employee Benefits	\$14,089,363	\$13,715,918	(\$373,445)
Books/Supplies	\$2,333,430	\$2,342,135	\$8,705
Services/Other Oper.	\$6,326,395	\$6,596,271	\$269,876
Capital Outlay	\$0	\$0	\$0
Other Outgo/Sources	(\$4,019,869)	(\$4,000,950)	(\$18,919)
Contributions out	\$17,689,836	\$17,818,110	\$128,274
Total	\$75,294,216	\$73,956,324	(\$1,337,892)

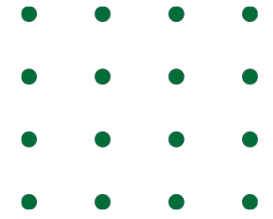
Multi-Year Projections - Unrestricted



<u>Unrestricted</u>	<u>2025-26</u>	<u>2026-27</u>	<u>2027-28</u>
Beginning Balance	\$41,702,122	\$36,869,415	\$34,529,079
Revenues	\$69,338,062	\$70,250,193	\$71,815,171
Less: Expenditures	(\$74,170,769)	(\$72,590,529)	(\$77,857,626)
Surplus/<u>Deficit</u>	(\$4,832,707)	(\$2,340,336)	(\$6,042,455)
Ending Fund Balance	\$36,869,415	\$34,529,079	\$28,486,624

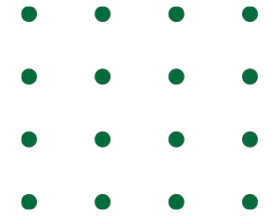


2025-26 Restricted General Fund Revenues



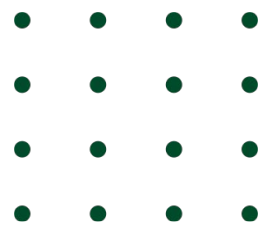
Revenue Estimates	2025-2026 First Interim	2025-2026 Second Interim	Difference
Federal	\$5,118,901	\$5,163,535	\$44,634
State	\$30,049,652	\$29,467,219	(\$582,433)
Local	\$4,014,371	\$4,764,547	\$750,176
Total	\$39,182,924	\$39,395,301	\$212,377
Contribution From Unrestricted Funds	\$17,689,836	\$17,818,110	\$128,274

Restricted Expenditures Budget Projections



Description	2025-2026 First Interim	2025-2026 Second Interim	Difference
Certificated Salaries	\$15,002,490	\$14,872,724	(\$129,766)
Classified Salaries	\$12,713,926	\$13,558,184	\$844,258
Employee Benefits	\$10,358,161	\$10,703,298	\$345,137
Books/Supplies	\$6,935,268	\$7,278,584	\$343,316
Services/Other Oper.	\$15,671,159	\$16,276,658	\$605,499
Capital Outlay	\$755,843	\$681,422	\$74,421
Other Outgo/Sources	\$5,433,825	\$5,414,906	(\$18,919)
Contributions in	(\$17,689,836)	(\$17,818,110)	(\$128,274)
Total	\$49,180,836	\$50,967,666	\$1,786,830





The Road Ahead

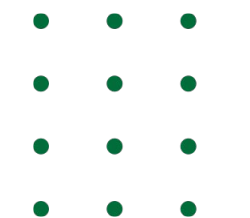
Governor's May Revise

Monitor student enrollment and staff accordingly

Use of one-time funds to temporarily offset deficit

Work closely with various departments to monitor budget

Implementation of fiscal stabilization plan



Thank You

