LAGUNA BEACH
UNIFIED SCHOOL DISTRICT

Budget Study Session

May 12, 2026

What is a School District Budget?

Financial plan that outlines how a district expects to **receive and spend money** for a specific fiscal year (July 1–June 30)

Includes **revenues** from sources like state funding, local property taxes, and federal programs.

Details **expenditures**, such as salaries and benefits for staff, instructional materials, facilities maintenance, transportation, and student services

The budget must follow **state rules and timelines**, including adoption by the school board and periodic updates (e.g., interim reports).

It reflects the district's **priorities and goals**, often aligned with its Local Control and Accountability Plan (LCAP), showing how funds support student outcomes

Budget Certification

Laguna Beach Unified
Orange County

Budget, July 1
FINANCIAL REPORTS
2025-26 Budget
School District Certification

30 66555 0000000
Form CB
G8B54W77H5(2025-26)

ANNUAL BUDGET REPORT:

July 1, 2025 Budget Adoption

Select applicable boxes:

X This budget was developed using the state-adopted Criteria and Standards. It includes the expenditures necessary to implement the Local Control and Accountability Plan (LCAP) or annual update to the LCAP that will be effective for the budget year. The budget was filed and adopted subsequent to a public hearing by the governing board of the school district pursuant to Education Code sections 33129, 42127, 52060, 52061, and 52062.

X If the budget includes a combined assigned and unassigned ending fund balance above the minimum recommended reserve for economic uncertainties, at its public hearing, the school district complied with the requirements of subparagraphs (B) and (C) of paragraph (2) of subdivision (a) of Education Code Section 42127.

Budget available for inspection at:

Place: LBUSD-550 Blumont St. Laguna Beach, CA 92651

Date: May 20, 2025-May 22, 2025

Public Hearing:

Place: TMS-2100 Park Ave. Laguna Beach, CA 92651

Date: May 22, 2025

Time: 6:00 p.m.

Adoption Date: June 9, 2025

Signed:

Clerk/Secretary of the Governing Board

(Original signature required)

Printed Name: [redacted] Title: Board Clerk

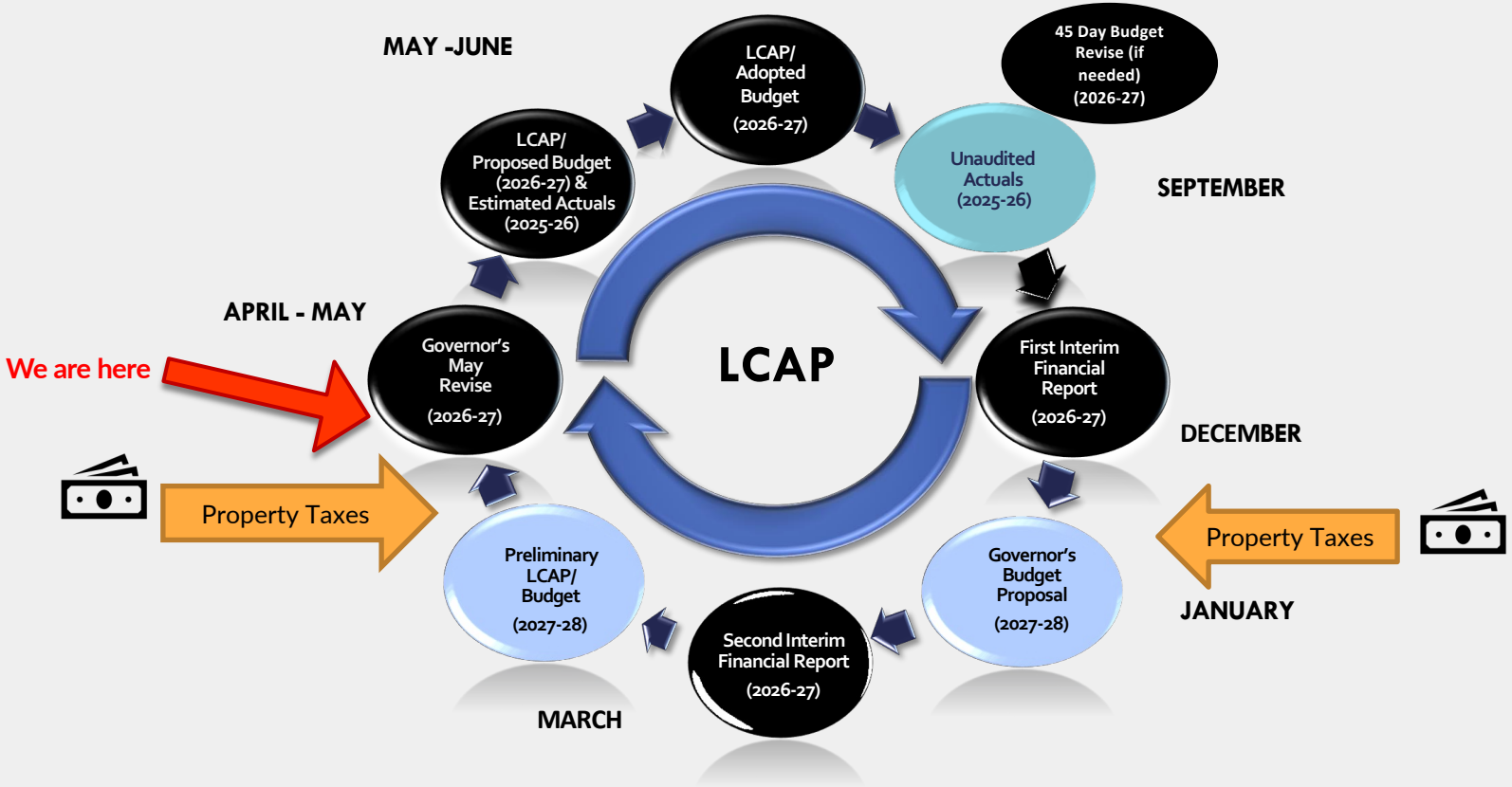
Budget Development Process

TRANSPARENCY & ACCOUNTABILITY

🏠 Community-Funded System
- Local property taxes exceeds LCFF entitlement
- District stewards community resources

⚖️ Legal Duty
- EC 35160: Board Authority
- EC 52060+: LCAP must show expenditures

Budget Monitoring Process

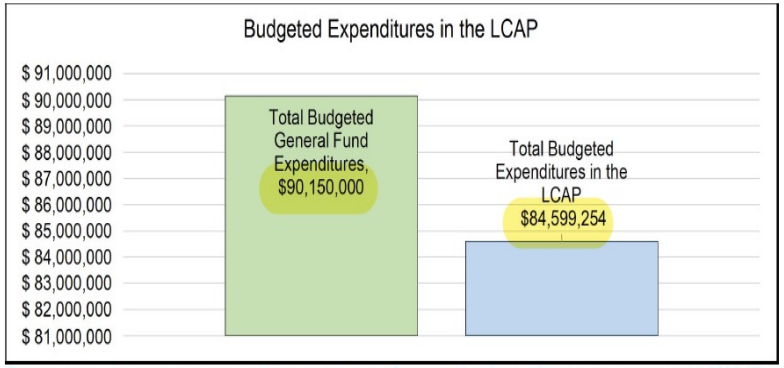


Budget – LCAP Alignment

TRANSPARENCY & ACCOUNTABILITY

LCFF Budget Overview for Parents

The LCFF gives school districts more flexibility in deciding how to use state funds. In exchange, school districts must work with parents, educators, students, and the community to develop a Local Control and Accountability Plan (LCAP) that shows how they will use these funds to serve students.



This chart provides a quick summary of how much Laguna Beach Unified School District plans to spend for 2026-27. It shows how much of the total is tied to planned actions and services in the LCAP.

The text description of the above chart is as follows: Laguna Beach Unified School District plans to spend $90,150,000 for the 2026-27 school year. Of that amount, $84,599,254 is tied to actions/services in the LCAP and $5,550,746 is not included in the LCAP. The budgeted expenditures that are not included in the LCAP will be used for the following:

In addition to the actions and services outlined in the LCAP, the district incurs a variety of essential General Fund expenditures that are not included in the LCAP. These include, but are not limited to, property and liability insurance, legal services, retiree benefits, administrative costs, and STRS on-behalf contributions. These expenditures support overall district operations and are not directly tied to specific LCAP goals or actions.

Laguna Beach Unified School District plans to spend $90,150,000 for the 2026-27 school year. Of that amount, $84,599,254 is tied to actions/services in the LCAP and $5,550,746 is not included in the LCAP. The budgeted expenditures that are not included in the LCAP will be used for the following:

...These include, but are not limited to, property and liability insurance, legal services, retiree benefits, administrative costs, and STRS on-behalf contributions. These expenditures support overall district operations and are not directly tied to specific LCAP goals or actions.

Budget – LCAP Alignment

TRANSPARENCY & ACCOUNTABILITY

https://resources.finalsite.net/images/v1754367350/lagunabeach/fuvswxrydmpdqzeqcobk/25LCAP.pdf

2026-27 Total Planned Expenditures Table

LCAP Year	1. Projected LCFF Base Grant (Input Dollar Amount)	2. Projected LCFF Supplemental and/or Concentration Grants (Input Dollar Amount)	3. Projected Percentage to Increase or Improve Services for the Coming School Year (2 divided by 1)	LCFF Carryover — Percentage (Input Percentage from Prior Year)	Total Percentage to Increase or Improve Services for the Coming School Year (3 + Carryover %)
Totals	$27,184,169	1,045,605	3.846%	0.000%	3.846%

District is Community Funded (Property Tax) that exceeds LCFF Funding

Totals	LCFF Funds	Other State Funds	Local Funds	Federal Funds	Total Funds	Total Personnel	Total Non-personnel
Totals	$76,251,603.00	$3,429,756.00	$3,941,584.00	$976,311.00	$84,599,254.00	$66,425,107.00	$18,174,147.00

Goal #	Action #	Action Title	Student Group(s)	Contributing to Increased or Improved Services?	Scope	Unduplicated Student Group(s)	Location	Time Span	Total Personnel	Total Non-personnel	LCFF Funds	Other State Funds	Local Funds	Federal Funds	Total Funds
1	1.1	Teaching and Learning	All	No			All Schools	July 2026-June 2027	$38,577,560.00	$2,088,025.00	$39,464,821.00	$953,606.00	$247,158.00	$0.00	$40,665,585.00
1	1.2	1.2: Learning Programs and Systems	All	No			All Schools	July 2026-June 2027	$1,709,560.00	$184,120.00	$1,740,410.00	$153,270.00	$0.00	$0.00	$1,893,680.00
1	1.3	1.3 Comprehensive Assessment/Learning Management Systems and Student Information Technology Program	All	No			All Schools	July 2026-June 2027	$2,235,848.00	$1,895,500.00	$4,116,348.00	$0.00	$15,000.00	$0.00	$4,131,348.00
1	1.4	College-Based Programs, Services, and Counseling	All	No			All Schools	July 2026-June 2027	$93,804.00	$181,597.00	$0.00	$175,000.00	$100,401.00	$0.00	$275,401.00
1	1.5	Career Readiness Programs	All	No			All Schools	July 2026-June 2027	$1,148,975.00	$139,000.00	$1,045,725.00	$242,250.00	$0.00	$0.00	$1,287,975.00
1	1.6	Professional Learning	All	No			All Schools	July 2026-June 2027	$227,956.00	$147,578.00	$317,219.00	$0.00	$0.00	$58,315.00	$375,534.00

Budget Assumptions

- Budget is based on Conservative Revenue Assumptions
  - One-Time Student Support and Professional Development Discretionary Grant ($1.2 M) anticipated after June 30
  - Property Tax increases assumed at 4% for 2026-27
  - Statutory funded COLA assumed at 2.87%
  - Donations and Gifts recognized on a cash basis

- No changes in Expenditure and Staffing including Program funding and Site and Department* Funding
  - Positions vacated through separations will be reviewed prior to replacement during FY 2026-27

- New Positions / Programs recommended through LCAP have been budgeted
  - Coordinator of Arts, adjust professional expert compensation rates
  - Board Certified Behavior Analyst (BCBA) – temporary funding for 2 years
  - Bus Monitors (AM and PM)
  - CTE Transportation on a pilot basis

* Anticipating additional expenditure needs due to the LBHS pool construction, District is proposing temporarily onetime reduction of the Routine Restricted Maintenance Account (RRMA) contribution for 2026-27 from 4% to 3% (will need a Board Action during Budget Adoption to temporarily suspend the Board Policy 3100 Budget A.3). State regulations require a 3% contribution that will be met. The District proposes to restore the funding when/ if additional funds and/or savings materialize during FY 2026-27.

General Fund – Unrestricted and Restricted

Unrestricted Funds (Flexible Use)

- ❑ Supports overall district operations
- ❑ High flexibility
- ❑ Uses: Salaries, Utilities, Supplies
- ❑ Sources: Property Taxes, Local Revenues

⚖️ **Key Takeaway**

Keeps district running

Restricted Funds (Targeted Use)

- ❑ Must be used for specific programs
- ❑ Limited flexibility
- ❑ Uses: Special Ed, Title I, Nutrition, After-school
- ❑ Sources: State & Federal grants

⚖️ **Key Takeaway**

Supports targeted programs

Comparison – 2025-26 vs. 2026-27

Laguna Beach Unified
Orange County

Budget, July 1
General Fund
Unrestricted and Restricted
Expenditures by Object

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Form 01
H8BJP197FC(2026-27)

Description	Resource Codes	Object Codes	2025-26 Estimated Actuals Unrestricted (A)	2025-26 Estimated Actuals Restricted (B)	2025-26 Estimated Actuals Total Fund col. A + B (C)	2026-27 Budget Unrestricted (D)	2026-27 Budget Restricted (E)	2026-27 Budget Total Fund col. D + E (F)	% Diff Column C & F
A. REVENUES									
1) LCFF Sources		8010-8099	80,135,488.00	0.00	80,135,488.00	83,373,272.00	0.00	83,373,272.00	4.0%
2) Federal Revenue		8100-8299	0.00	975,051.00	975,051.00	0.00	976,311.00	976,311.00	0.1%
3) Other State Revenue		8300-8599	1,730,855.00	6,483,923.00	8,214,778.00	1,704,362.00	4,590,780.00	6,295,142.00	-23.4%
4) Other Local Revenue		8600-8799	2,893,071.00	2,354,662.00	5,247,733.00	1,877,941.00	2,084,334.00	3,962,275.00	-24.5%
5) TOTAL, REVENUES			84,759,414.00	9,813,636.00	94,573,050.00	86,955,575.00	7,651,425.00	94,607,000.00	0.0%
B. EXPENDITURES									
1) Certificated Salaries		1000-1999	30,253,795.00	5,103,037.00	35,356,832.00	31,157,979.00	4,941,208.00	36,099,187.00	2.1%
2) Classified Salaries		2000-2999	9,951,943.00	3,270,716.00	13,222,659.00	10,006,454.00	3,577,755.00	13,584,209.00	2.7%
3) Employee Benefits		3000-3999	15,283,119.00	6,314,396.00	21,597,515.00	15,134,193.00	6,318,031.00	21,452,224.00	-0.7%
4) Books and Supplies		4000-4999	3,298,653.00	912,571.00	4,211,224.00	1,873,512.00	718,464.00	2,591,976.00	-38.5%
5) Services and Other Operating Expenditures		5000-5999	10,552,003.00	5,462,901.00	16,014,904.00	10,084,526.00	4,700,773.00	14,785,299.00	-7.7%
6) Capital Outlay		6000-6999	774,022.00	761,556.00	1,535,578.00	60,160.00	654,820.00	714,980.00	-53.4%
7) Other Outgo (excluding Transfers of Indirect Costs)		7100-7299 7400-7499	100,328.00	1,458,290.00	1,558,618.00	86,613.00	1,019,807.00	1,106,420.00	-29.0%
8) Other Outgo - Transfers of Indirect Costs		7300-7399	(10,235.00)	5,235.00	(5,000.00)	(185,250.00)	955.00	(184,295.00)	3,585.9%
9) TOTAL, EXPENDITURES			70,203,628.00	23,288,702.00	93,492,330.00	68,218,187.00	21,931,813.00	90,150,000.00	-3.6%
C. EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES BEFORE OTHER FINANCING SOURCES AND USES (A5 - B9)			14,555,786.00	(13,475,066.00)	1,080,720.00	18,737,388.00	(14,280,388.00)	4,457,000.00	312.4%
D. OTHER FINANCING SOURCES/USES									
1) Interfund Transfers									
a) Transfers In		8900-8929	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Transfers Out		7600-7629	13,300,000.00	0.00	13,300,000.00	6,320,000.00	0.00	6,320,000.00	-52.5%
2) Other Sources/Uses									
a) Sources		8930-8979	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
b) Uses		7630-7699	0.00	0.00	0.00	0.00	0.00	0.00	0.0%
3) Contributions		8980-8999	(13,218,111.00)	13,218,111.00	0.00	(13,388,029.00)	13,388,029.00	0.00	0.0%
4) TOTAL, OTHER FINANCING SOURCES/USES			(26,518,111.00)	13,218,111.00	(13,300,000.00)	(19,708,029.00)	13,388,029.00	(6,320,000.00)	-52.5%
E. NET INCREASE (DECREASE) IN FUND BALANCE (C + D4)			(11,962,325.00)	(256,955.00)	(12,219,280.00)	(970,641.00)	(892,359.00)	(1,863,000.00)	-84.8%

Revenues and Expenditures – General Fund

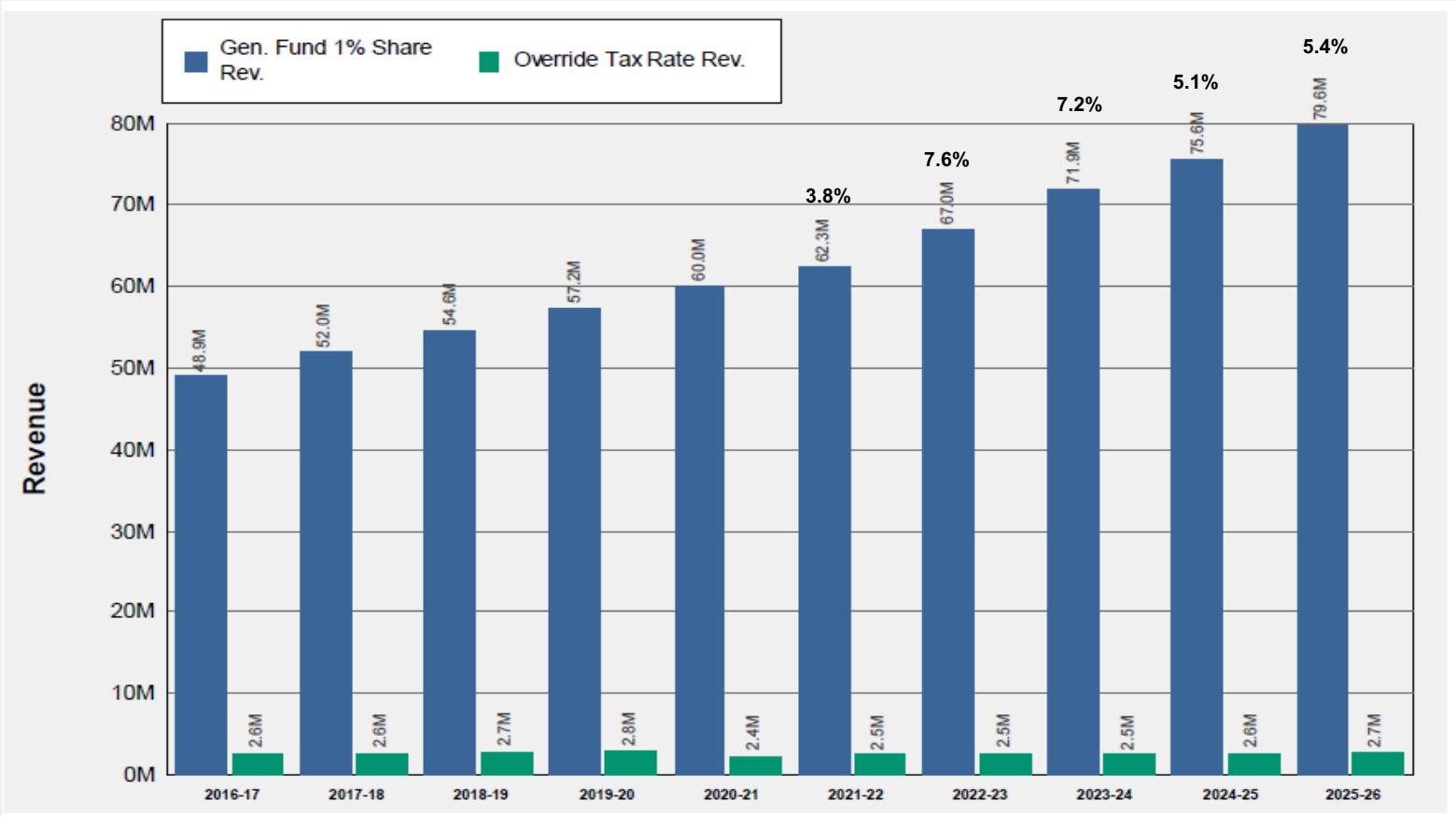
$ in Millions

REVENUES **$94.61**			
LCFF Sources	Federal	Other State	Other Local
$83.37	**$0.98**	**$6.30**	**$3.96**
Property Taxes $82.38	Special Education $0.49	Mandated Costs & Lottery $0.62	Interest $0.49
Principal Apportionment $0.99	Title I, II & Other $0.49	ELOP $0.29	Transportation Fees $0.33
		CTE $0.18	Other $3.14
		Arts & Music Prop 28 $0.28	
		Other $4.93	

EXPENDITURES* **$96.47**			
Personnel / Staffing	Books and Supplies	Services and Capital	Other Outgo and Transfers
$71.14	**$2.59**	**$15.50**	**$7.24**
Certificated $36.10	Books $0.41	Subagreements $4.15	Payments to other LEAs $1.10
Classified $13.59	Materials & Supplies $1.95	Travel, Conferences & Membership $0.39	Transfers & Others $6.14
Benefits $21.45	Equipment $0.23	Insurance, Operations & Maintenance $3.26	
		Consulting Services & Others $6.98	
		Capital Outlay $0.71	

* Including Transfers

Revenues – Property Tax Historical Growth Trends



Gen. Fund 1% Share Rev: This is the District's base share of property taxes from the standard 1% property tax collected in California.

Override Tax Rate Rev: These are additional property taxes above the 1%, approved by voters (CFD)

Revenues – Assessed Value Projections

HdL Coren & Cone

LAGUNA BEACH USD
REVENUE ESTIMATE - NO PROP 8, TOS Y2-5=17-YR HIST AVG
2026-27 Through 2030-31 Special District Revenue Estimate Based on 2025-26 Values and Estimated Changes

Dist Wide Value Change	2026-27	2027-28	2028-29	2029-30	2030-31
District Net Taxable Value (Prior Year)	*$30,301,928,298*	*$31,449,144,129*	*$32,948,786,154*	*$34,520,135,063*	*$36,166,619,591*
Real Property Value (Incl. Prop 8 parcels)	**$30,175,911,391**	**$31,362,766,138**	**$32,862,408,163**	**$34,433,757,072**	**$36,080,241,600**
CPI Adjustment to Real Property Value	$603,518,228	$627,255,323	$657,248,163	$688,675,141	$721,604,832
Transfer of Ownership Assessed Val. Change	$598,226,347	$872,386,703	$914,100,745	$957,809,387	$1,003,608,000
Resolved Appeals Unappraised Val. Chg.	($14,889,828)				
Estimated Real Property Value	**$31,362,766,138**	**$32,862,408,163**	**$34,433,757,072**	**$36,080,241,600**	**$37,805,454,433**
Base Year Values	$0	$0	$0	$0	$0
Personal Property Value (see notes)	$86,377,991	$86,377,991	$86,377,991	$86,377,991	$86,377,991
Nonunitary Utility Value (0.0% growth)	$0	$0	$0	$0	$0
Enter Completed New Construction					
Estimated Net Taxable Value	**$31,449,144,129**	**$32,948,786,154**	**$34,520,135,063**	**$36,166,619,591**	**$37,891,832,424**
Estimated Total Percent Change	**3.79%**	**4.77%**	**4.77%**	**4.77%**	**4.77%**

Federal, Other State and Other Local Revenues

Federal Funds Total	$ 976,311
Department of Rehab: Workability II, Transition Partnership	$ 114,050
ESSA: Title II, Part A, Supporting Effective Instruction	$ 58,315
ESSA: Title IV, Part A, Student Support and Academic Enrichment	$ 18,812
Every Student Succeeds Act (ESSA): Title I, Part A, Basic Grants Low Income and Neglected	$ 297,841
Special Ed: Alternative Dispute Resolution	$ 1,111
Special Ed: IDEA Mental Health Allocation Plan, Part B, Sec 611	$ 29,330
Special Ed: IDEA Preschool Grants, Part B, Sec 619	$ 11,166
Special Ed: IDEA Preschool Staff Development, Part B, Sec 619	$ 129
Special Ed: Individuals with Disabilities Act (IDEA) Basic Local Assistance Entitlement, Part B, Sec 611	$ 445,557

Other State Funds Total	$ 4,590,780
Career Technical Education Incentive Grant Program	$ 175,000
Expanded Learning Opportunities Program	$ 287,561
K–12 Strong Workforce Program	$ 242,250
Lottery: Instructional Materials	$ 153,270
Mental Health-Related Services	$ 186,394
On-Behalf Pension Contributions	$ 3,217,505
Proposition 28: Arts and Music in Schools	$ 281,550
Special Ed: Project Workability I LEA	$ 47,250

Local Funds Total	$ 2,084,334
Special Education	$ 2,072,218
Tobacco-Use Prevention Education (TUPE)	$ 12,116

Employee Salaries – Certificated & Classified

Employee Salaries	Amount (in million)
Regular Teacher	$25.30
Counselor	$2.18
Principal / Assistant Principal	$1.63
Other Certificated (Subs, Psychologist, Management etc.)	$6.99
Instructional Aide – General & SPED	$3.31
Coaches	$0.60
Custodians	$1.02
Other Classified (Management, Confidential etc.)	$8.65
Total	**$21.45**

Employee Benefits

Employee Benefits	Amount (in million)
State Teachers' Retirement System (STRS)	$10.03
Public Employees' Retirement System (PERS)	$3.15
OASDI & Medicare	$1.53
Health and Welfare Benefits	$5.50
State Unemployment Insurance	$0.03
Workers' Compensation Insurance	$0.45
Other Post Employment Benefits	$0.27
Retiree Benefits	$0.49
Total	**$21.45**

Books and Supplies

Books and Supplies	Amount (in million)
Textbooks including Library and Digital Textbooks	$0.41
Instructional Materials and Supplies	$1.11
Refreshments	$0.15
Testing	$0.15
Custodial and Maintenance Supplies	$0.54
Non-Capitalized Equipment (IT etc.)	$0.23
Total	**$2.59**

Services and Other Operating Expenditures & Capital Outlay

Services and Other Operating Expenditures	Amount (in million)
Subagreements for Services (HTS Transportation, Non Public Schools, Boys and Girls Club, ELOP etc.)	$4.15
Travel and Conferences	$0.31
Dues and Memberships	$0.08
Insurance (Property & Liability)	$0.56
Operations and Housekeeping Services (Utilities, Alarm services etc.)	$1.11
Rentals, Leases, Repairs, and Noncapitalized Improvements (Landscaping, Painting, Modular/ Portable rentals etc.)	$1.59
Professional/Consulting Services and Operating Expenditures* (Software, Consultants, Legal, Settlements, Non-HTS Transportation etc.)	$6.71
Communications (Telecommunications)	$0.28
Capital Outlay	$0.71
Total	**$15.50**

School Resource Officer (SRO) cost projected same for 2026-27 as in 2025-26. District is in discussion with the Laguna Beach Police Department LBPD as of the day of this presentation.

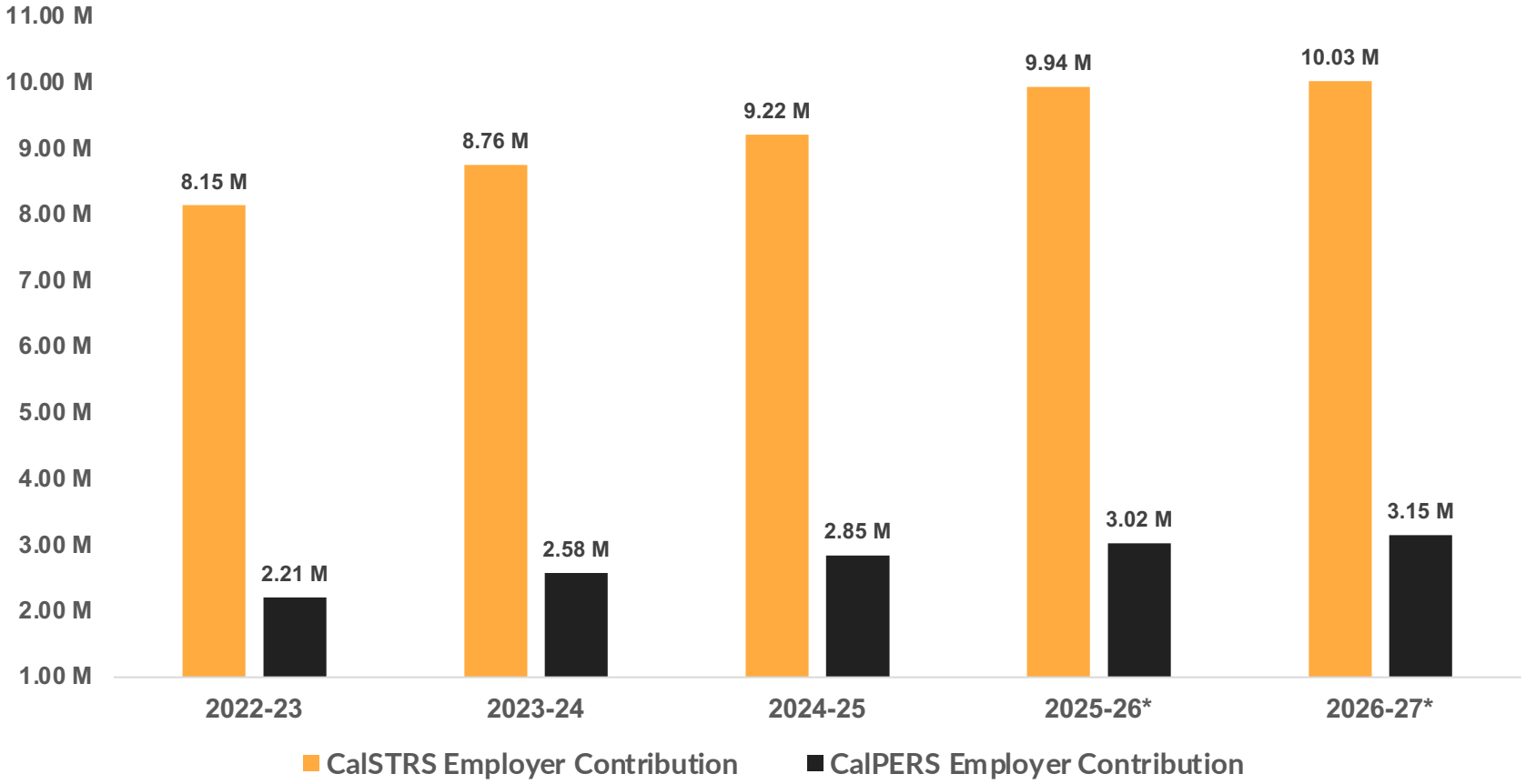
Other Outgo and Transfers

Other Outgo and Transfers	Amount (in million)
Other Outgo (Payments to Other LEAs)	$1.10
Transfers of Indirect Costs including Interfund	($0.18)
Transfers Out – Child Development Fund	$0.12
Transfers Out – Nutrition Services Fund	$0.40
Transfers Out – Special Reserve for Capital Outlay	$5.80
Total	**$7.24**

School Site Allocations (2026-27)

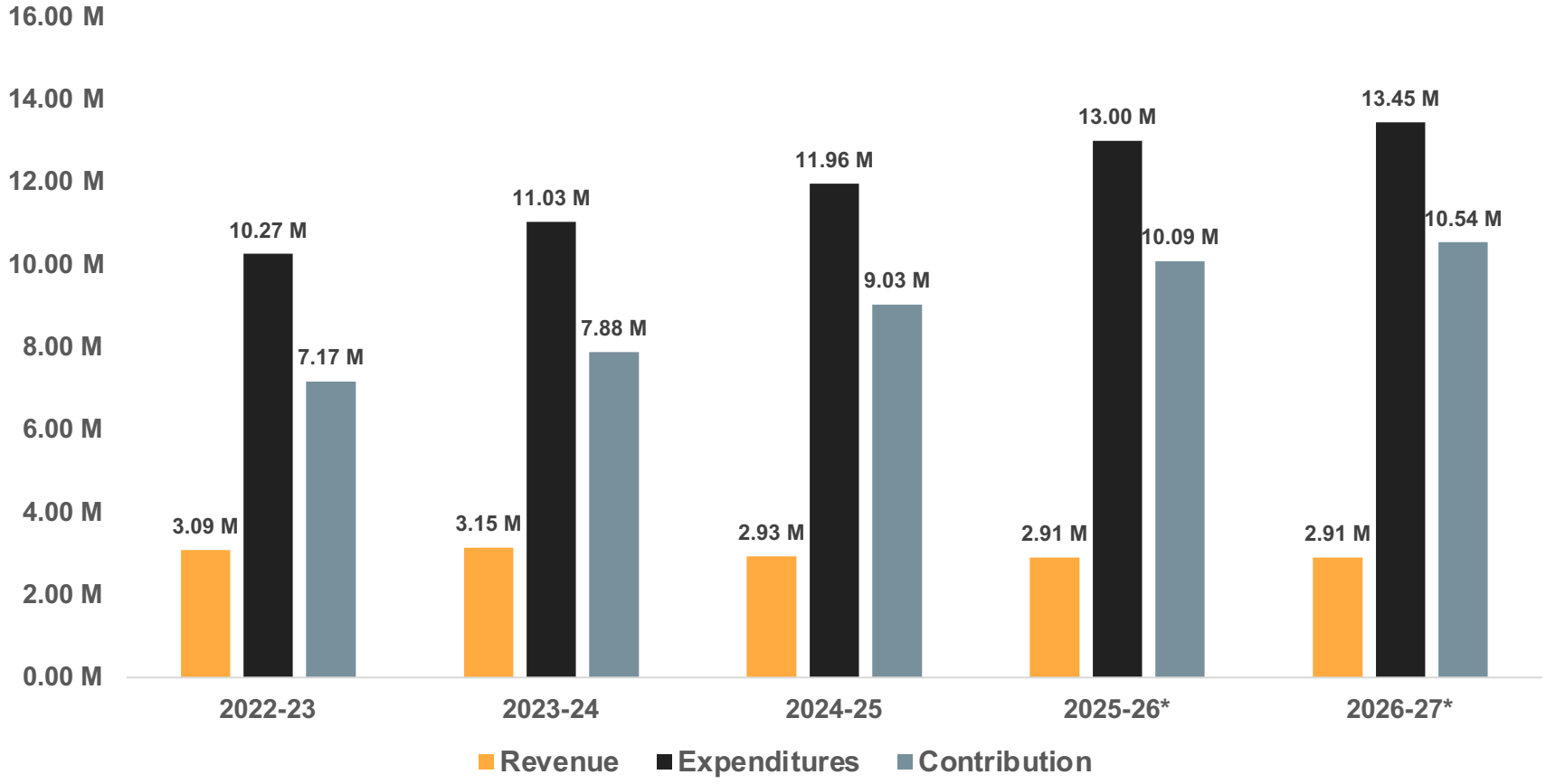
General Education Student Enrollment	367	478	492	734
Special Education Student Enrollment	49	57	39	86
	EL MORRO ELEMENTARY	TOP OF THE WORLD ELEMENTARY	THURSTON MIDDLE SCHOOL	LAGUNA BEACH HIGH SCHOOL
Basic Allocation	$130,630	$155,305	$183,035	$328,125
Visual and Media Arts	$5,102	$5,263		
Athletics			$71,452	$430,000
Theatre				$28,263
Drama			$9,720	$47,168
Band				$16,972
Dance				$23,000
Principal's Discretionary	$15,000	$15,000	$15,000	$15,000
Total Allocation	**$150,732**	**$175,568**	**$279,207**	**$888,528**

Expenditure Trends – Pension Rate Increases



*projections

Expenditure Trends - Special Education



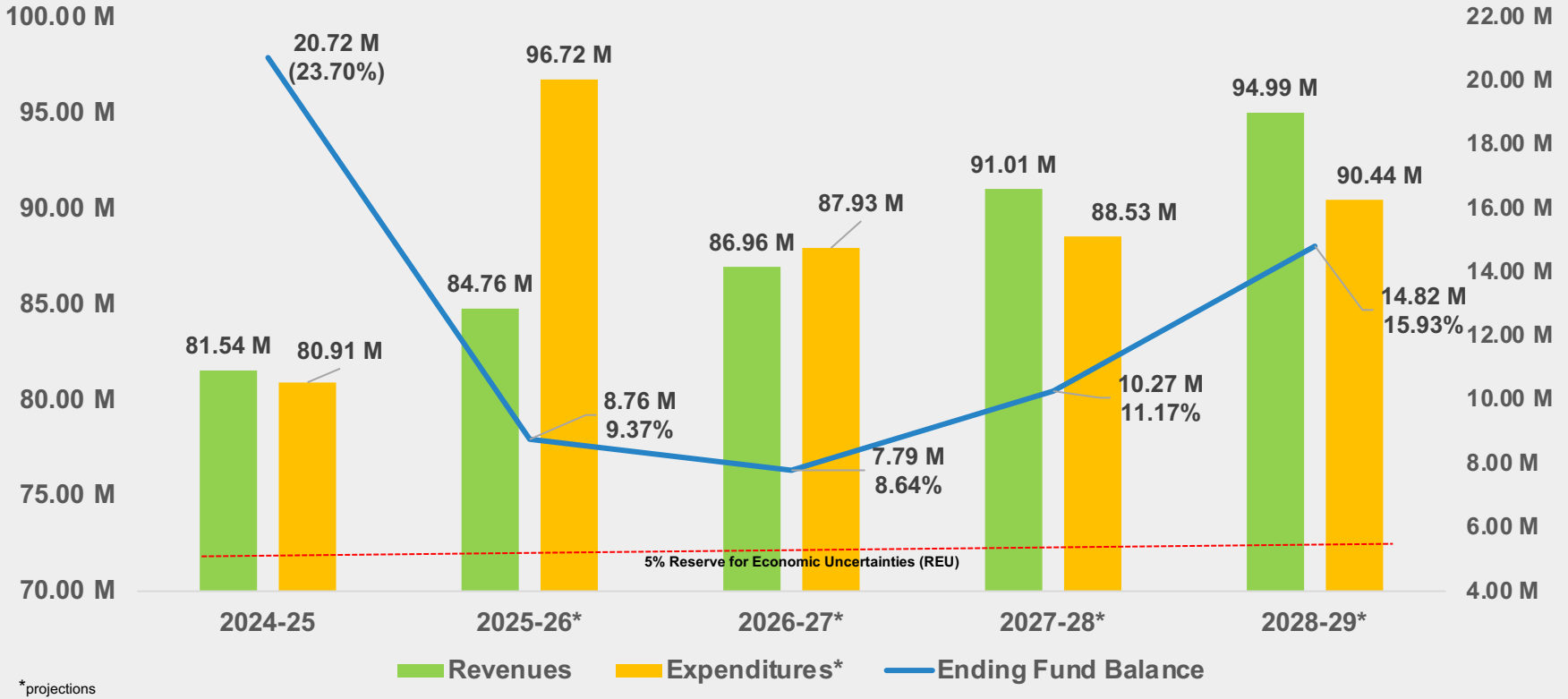
*projections

Expenditure Trends – Legal Costs and Settlements

*projections

Multi Year Projections

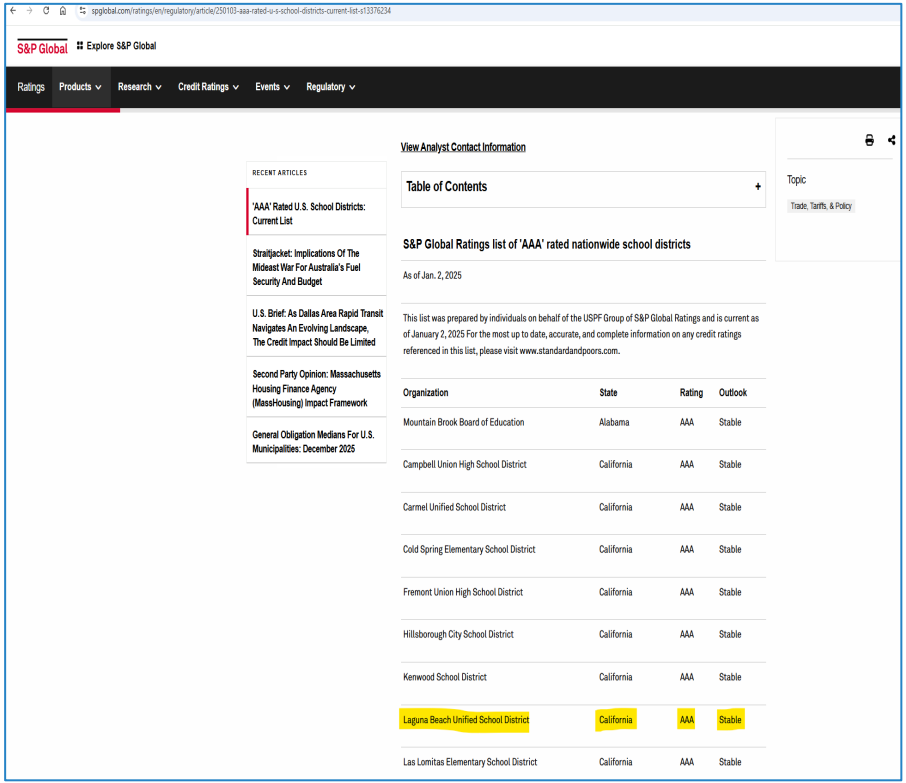
- Planned drawdown of $16.8 M of Ending Fund Balance in 2025-26 and 2026-27 for the capital construction of the LBHS Swimming Pool
- Onetime expenditure increase of $1.04 M in 2025-26 for the prior overpayments of employee Health Care insurance payments
- Planned out-year onetime payments continue through 2027-28 for the prior two (2021-22 and 2023-24) Supplemental Retirement Plans



*projections

* includes transfers and Other Outgo

Summary



spglobal.com/ratings/en/regulatory/article/250103-aaa-rated-u-s-school-districts-current-list-s13376234

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Trade, Tariffs, & Policy

S&P Global Ratings list of 'AAA' rated nationwide school districts

As of Jan. 2, 2025

This list was prepared by individuals on behalf of the USPF Group of S&P Global Ratings and is current as of January 2, 2025 For the most up to date, accurate, and complete information on any credit ratings referenced in this list, please visit www.standardandpoors.com.

Organization	State	Rating	Outlook
Mountain Brook Board of Education	Alabama	AAA	Stable
Campbell Union High School District	California	AAA	Stable
Carmel Unified School District	California	AAA	Stable
Cold Spring Elementary School District	California	AAA	Stable
Fremont Union High School District	California	AAA	Stable
Hillsborough City School District	California	AAA	Stable
Kenwood School District	California	AAA	Stable
Laguna Beach Unified School District	California	AAA	Stable
Las Lomitas Elementary School District	California	AAA	Stable

- District maintains the coveted S&P Global AAA Stable Rating
- Strong financials going into FY 2026-27
- LCAP Goals are fully funded
- Healthy reserves in other funds to withstand economic uncertainties and contingencies
- LBHS swimming pool budget gap ($2 M; Contingency Budget: $1.8 M) will be addressed along with other Board priorities with the anticipated additional funding expected after State Budget approval
- District is strongly positioned to leverage additional State Matching Funds for facilities construction and modernization
- District facilities are aging, with some no longer fully supporting current educational needs, and will require significant investment in the near future.

https://www.spglobal.com/ratings/en/regulatory/article/250103-aaa-rated-u-s-school-districts-current-list-s13376234

Other Funds

	Adult Education	Child Development	Cafeteria	Special Reserve Non-Capital	Building Developer Fees	Repair / Replacement (FRRP)	Aliso Property Reserve	Capital Improvement (CIP)
Revenue	**11**	**12**	**13**	**17**	**25**	**4040**	**4041**	**4042**
Property Taxes/LCFF/EPA	-	-	-	-	-	-	-	-
Federal Revenue	-	-	293,300	-	-	-	-	-
State Revenue	142,883	124,921	957,201	-	-	-	-	-
Local Revenue	1,415	648,925	22,150	759,490	173,265	42,810	178,340	199,674
Total Revenue	**144,298**	**773,846**	**1,272,651**	**759,490**	**173,265**	**42,810**	**178,340**	**199,674**
Expenditures								
Certificated Salaries	34,524	-	-	-	-	-	-	-
Classified Salaries	-	612,038	777,592	-	-	-	-	-
Employee Benefits	7,428	291,075	269,049	-	-	-	-	-
Books and Supplies	2,346	13,600	550,000	-	-	-	-	-
Contracted Services	95,000	11,641	29,153	-	-	-	-	-
Capital Outlay	-	-	-	-	241,755	-	-	21,049,010
Other Outgo	5,000	74,035	105,260	-	-	-	-	-
Total Expenditures	**144,298**	**1,002,389**	**1,731,054**	**-**	**241,755**	**-**	**-**	**21,049,010**
Revenue less Expenditures	-	(228,543)	(458,403)	759,490	(68,490)	42,810	178,340	(20,849,336)
Other Financing Sources								
Interfund Transfers IN	-	120,000	400,000	-	-	-	-	5,800,000
Interfund Transfers OUT	-	-	-	-	-	-	-	-
Total Net Transfers	-	120,000	400,000	-	-	-	-	5,800,000
Net Change in Fund Balance	-	(108,543)	(58,403)	759,490	(68,490)	42,810	178,340	(15,049,336)
Beginning Fund Balance	-	108,543	72,166	23,910,749	85,158	21,354	4,652,011	15,064,336
Ending Fund Balance	-	-	13,763	24,670,239	16,668	64,164	4,830,351	15,000

Special Reserve Non-Capital Fund (Fund 17)

Laguna Beach Unified School District

14.b. DISCUSSION/ACTION **February 8, 2005**

Approval: **Resolution #05-01: Establishment of Fund 17 – Special Reserve Fund for Other Than Capital Outlay Projects.**

Proposal

It is proposed that the Board of Education approve Resolution #05-01, which will establish Fund 17 – Special Reserve Fund for Other Than Capital Outlay Projects.

Background

Laguna Beach Unified School District is a basic aid school district. Basic aid districts have expenditure budgets that are built on local tax revenues. There is no safety net on basic aid revenues until they decline to the level of the revenue limit, and the district ceases to be basic aid. Basic aid districts, therefore, must create their own safety nets and must do it by maintaining higher-than-average reserves.

As a basic aid district the Governing Board has determined that it is fiscally prudent to establish a Fund 17 Special Reserve Fund to mitigate revenue volatility and to plan for future expenditures.

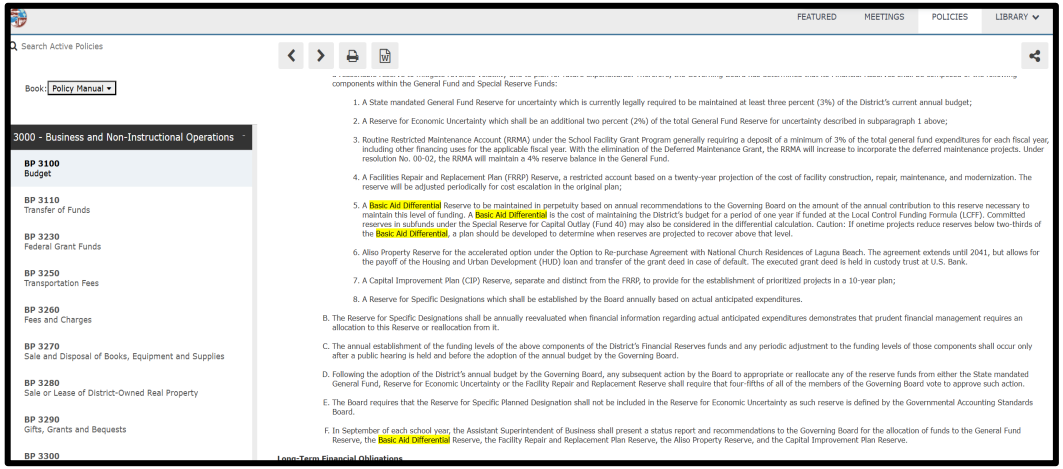
Pursuant to Education Code 42840, the Governing Board of a school district may provide for the accumulation over a period of school years of funds for other than capital outlay purposes, derived from the receipt of taxes levied for the district and from other sources including balances, and not required to be used for capital outlay purposes.

Pursuant to Education Code 42841, upon the filing of identical copies of a resolution of the governing board with the superintendent of schools, auditor, and treasurer of the county specifying the purpose or purposes of a special reserve fund, the fund shall be established for such purpose or purposes. From time to time thereafter, the governing board may file identical copies of resolutions specifying additional purposes of the fund or withdrawing any purpose previously designated. The auditor and treasurer shall transfer from the general fund to the special reserve fund of the district such amounts as may be specified by the governing board during the fiscal year.

Pursuant to Education Code 42842 (b), unless actually encumbered for ongoing expenses, the governing board may expend the money in the fund for the general operating purposes of the district. The governing board of a school district may expend the money in the special reserve fund that is maintained for purposes other than capital outlay in accordance with this section. Any moneys to be expended from this special reserve fund first shall be transferred into the general fund of the district.

Action by the Board to appropriate or reallocate any of the reserve funds shall require that a majority of all members of the governing board vote to approve such action.

Board Policy No. 3101 – Financial Reserves would be amended to reflect this action.



https://go.boarddocs.com/ca/laguna/Board.nsf/goto?open&id=CJQUHW7C33ED

District has regularly transferred funds from General Fund to Fund 17 from 2004-05 to 2019-20

The Basic Aid Differential grew exponentially over the last decade and currently estimated at $49 million - the target Fund 17 balance.

The projected ending Fund 17 Balance is $23.91 M

Pending Items for Consideration

	Items/ Asks	Comments	Costs (high level)
SRO Contract	• Revised Contract	School Resource Officer (SRO) contract under discussion with Laguna Beach Police Department	TBD
Transportation Ad Hoc Committee	• Provide Transportation Services for High School Students • Expand CTE transportation	Will need change to BP May need additional contracted Buses + parking spaces Will evaluate the ridership and usage from the pilot program and bring back the item to BOE	TBD
Arts Ad Hoc Committee	• Elementary Vocal Arts Teacher • Theater Technician • Integrate Laguna Beach art history into K-12 curriculum	Being evaluated	TBD
Facilities Master Planning Ad Hoc Committee	• Updated 2026 Facility Master Plan	Plan to be presented on June 2026. Funding to execute the plan will be discussed with BOE	TBD

Next Steps

- LCAP and budget hearing scheduled for May 14, 2026
- LCAP and budget approval scheduled for June (adoption deadline is June 30)
- A temporary reallocation of restricted RRMA contribution is proposed (will need Board action during budget approval) to preserve flexibility amid unresolved budget variables
- District will update the revenue projections after State Budget is approved, if needed
- District will provide the periodic budget updates (Interim Reports) as required under the Education Code

Questions