2026-27 PROPOSED BUDGET

Report to the Board of Education
June 11, 2026

The district's proposed annual budget is our financial plan for the upcoming year.

It shows how much money we expect to receive and
how we plan to spend it to support student learning and district operations.

Timeline

January–May: Budget Development

Built budget based on:

- Governor's January Proposal & May Revision
- Enrollment projections
- Staffing and program needs
- Aligns with LCAP goals and actions

1st Board Meeting in June: Public Hearing

Governing Board must:

- Hold a public hearing on the proposed budget
- Allow for Community Input

Important:

- Budget hearing and adoption must be separate meetings
- LCAP hearing/adoption must occur before the budget

2nd Board Meeting in June: Budget Adoption

Required by law:

- Board must:
  - Adopt the budget on or before July 1
  - Ensure budget includes funding for the LCAP
- Cannot adopt budget before adopting the LCAP

Within 5 Days of Adoption (or by July 1): Submission

District must:

- Submit adopted budget to Los Angeles County Office of Education (LACOE)

Governor's May Revision

SUPER COLA FOR LCFF 4.31%

- Cost of Living Adjustment increased to 2.87%.
- Plus additional discretionary investment of 1.44% to help cover the new requirement to provide 14 weeks of paid pregnancy disability leave

SPECIAL EDUCATION $1,340

- This funding will equalize rates across the state
- Increasing the per-student funding rate from $999 to help offset the general fund contribution to the program

STUDENT SUPPORT AND PROFESSIONAL DEVELOPMENT DISCRETIONARY BLOCK GRANT $5 BILLION

- Nearly doubles the proposed one-time funding, increasing it from $2.8 billion
- Excluded from the 2026-27 Budget Adoption pending enactment in the final State Budget Act, consistent with the District's standard practice of recognizing one-time block grants only upon legislative enactment

Updated Multi-Year Assumptions

	2025-26	2026-27	2027-28	2028-29
District Enrollment	15,148	14,798	14,448	14,098
Average Daily Attendance (ADA) %	94.02%	93.82%	93.82%	93.82%
Funded Average Daily Attendance (3-Prior -Year Average)	14,799	14,544	14,227	13,916
Cost of Living Adjustment (COLA)	2.30%	2.87%	3.06%	3.34%
Consumer Price Index (CPI)	3.25%	3.76%	3.18%	2.76%
Unduplicated Pupil %	77.16%	76.07%	75.53%	75.53%
State Teachers' Retirement (STRS)	19.10%	19.10%	19.10%	19.10%
Public Employees' Retirement (PERS)	26.81%	26.40%	26.80%	25.90%

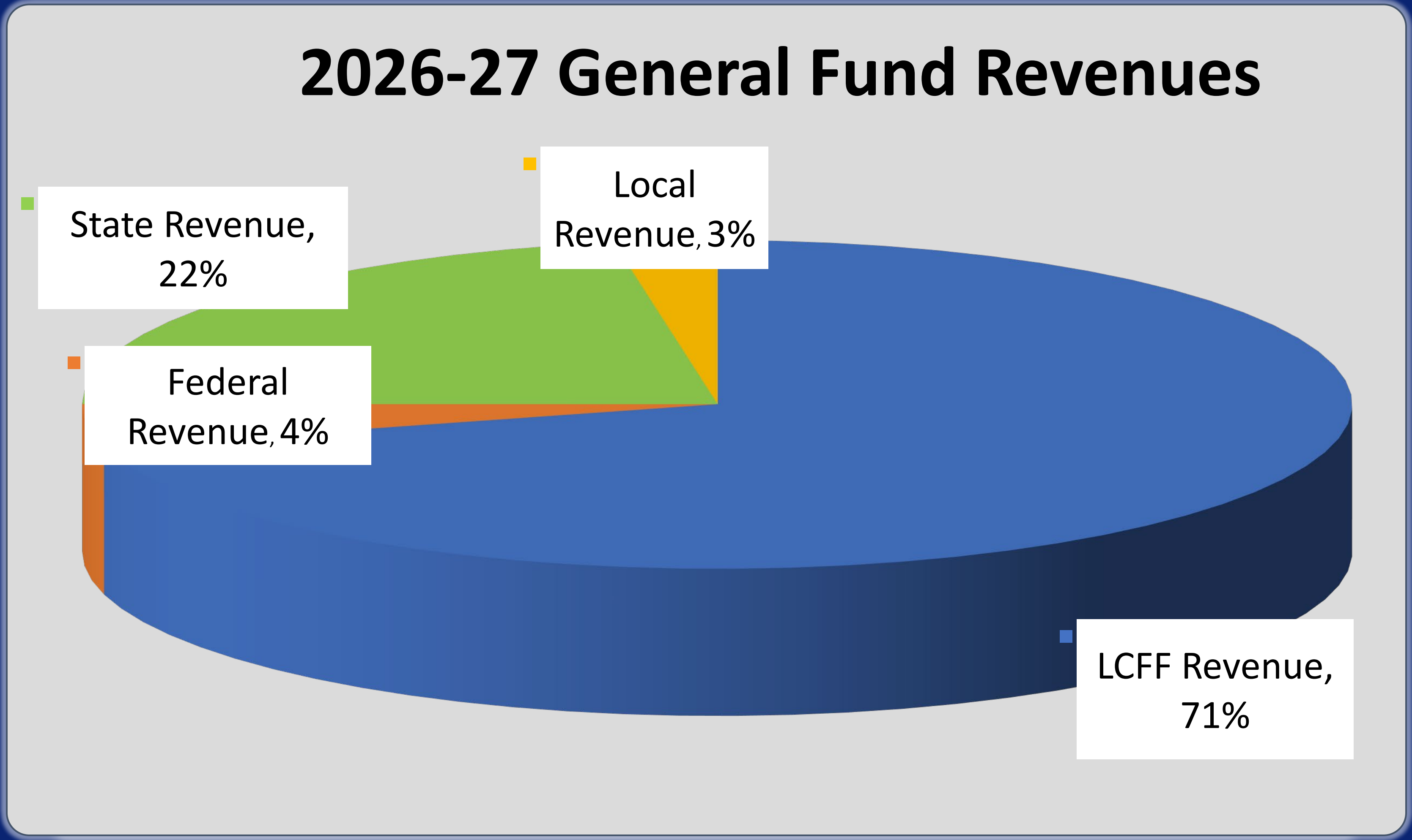
Estimated Actuals to Budget

The starting point for the new fiscal year.

	2025-26 Estimated Actuals		2026-27 Proposed Budget	
	Unrestricted	Restricted	Unrestricted	Restricted
Revenues	$230,995,148	$84,175,733	$231,381,923	$81,790,429
Expenditures + Transfers + Contributions	$184,349,501	$133,769,193	$195,766,562	$155,396,354
Beginning Fund Balance	$68,144,709	$107,726,891	$69,666,604	$116,729,546
Ending Fund Balance	$69,666,604	$116,729,546	$54,625,280	$89,780,306

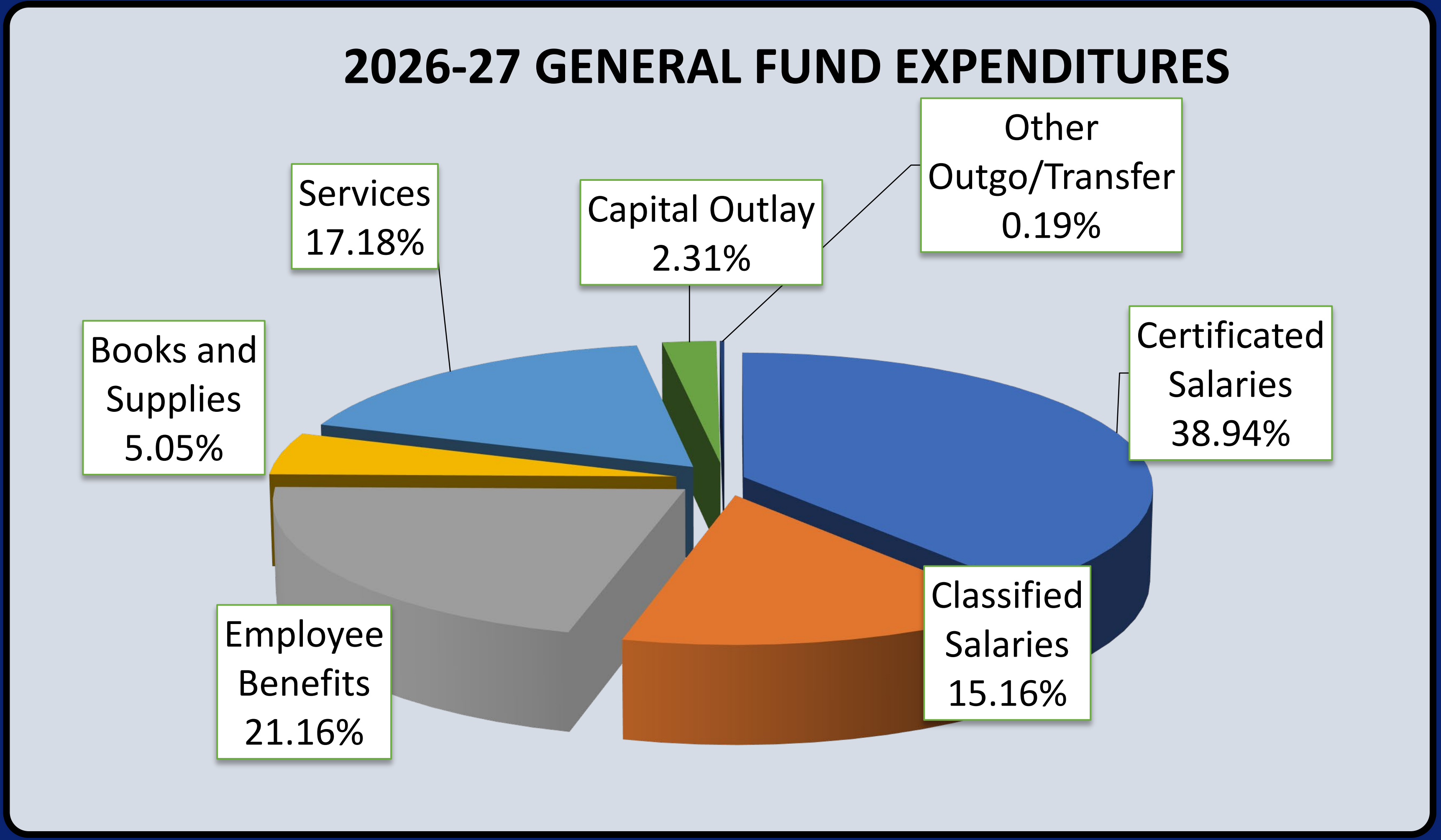
Projected Revenues

Unrestricted & Restricted	2025-26 Estimated Actuals	2026-27 Proposed Budget
LCFF	$220,880,956	$221,665,106
Federal Revenue	$11,678,160	$13,263,026
State Revenue	$69,551,533	$70,047,567
Local Revenue	$13,030,232	$8,206,653
TOTAL	$315,140,881	$313,172,352



Projected Expenditures

Unrestricted & Restricted	2025-26 Estimated Actuals	2026-27 Proposed Budget
Certificated Salaries	$130,467,338	$137,830,323
Classified Salaries	$46,422,234	$53,651,361
Employee Benefits	$71,035,865	$74,903,954
Books and Supplies	$14,770,898	$17,891,004
Services & Other Operating	$48,788,236	$60,799,814
Capital Outlay	$8,293,263	$8,181,464
Indirect Costs	($2,956,875)	($2,770,003)
Transfers Out/Other Outgo	$1,297,735	$675,000
TOTAL	$318,118,694	$351,162,917



Multi-Year Projections (MYP)

Unrestricted General Fund	2026-27 Proposed Budget	2027-28 Projected Budget	2028-29 Projected Budget
Beginning Fund Balance	$69,666,604	$54,625,280	$40,954,166
Revenues	$231,381,923	$234,078,530	$236,562,898
Expenditures (Including Transfers & Contributions)	$246,423,247	$247,749,644	$251,796,475
Net Increase (Decrease) in Fund Balance	($15,041,324)	($13,671,114)	($15,233,577)
Ending Fund Balance	$54,625,280	$40,954,166	$25,720,589
3% Reserve for Economic Uncertainties	$10,654,888	$10,251,828	$10,452,077

Components of the Ending Fund Balance

	2026-27 Proposed Budget
Restricted	$89,780,306
Non-spendable (revolving cash)	$50,000
Committed	$41,000,000
Assigned (Cash Flow)	$2,920,391
3% Required Reserve for Economic Uncertainties	$10,654,888
Total Ending Fund Balance	$144,405,585

Proposed Commitments:

- Local Protection (3%)
- Student & Staff Devices: Technology Refresh
- Facilities Maintenance
- ADA and Enrollment Mitigation
- Textbook Adoptions
- Vacation Liability

The Local Reserve Cap will be in effect for fiscal year 2026–27. The District is not projected to exceed this reserve threshold in its combined assigned and unassigned ending fund balances.

The Ending Fund Balance is not entirely available for new spending; significant portions are restricted, committed, or reserved for economic uncertainties.

2026-27 Proposed Budget

Other Funds Summary

Fund	Description	Beginning Balance	Revenues + Transfer In	Expenditures + Transfer Out	Ending Fund Balance
11	Adult Education Fund	$57,467,842	$33,222,372	$38,871,548	$51,818,666
12	Child Development Fund	$9,040,373	$16,076,401	$15,974,577	$9,142,197
13	Food Services Fund	$19,258,363	$18,667,285	$20,895,302	$17,030,346
14	Deferred Maintenance Fund	$14,378,518	$5,096,709	$5,100,000	$14,375,227
21	Building Fund	$10,036,223	$300,001	$10,336,225	-
40	Special Reserve Fund	$51,779,356	$1,559,688	$1,727,375	$51,611,669
56	Debt Services Fund	$21,902,665	$4,842,297	$4,970,378	$21,774,584
67	Self Insurance Fund	$47,804,608	$36,930,001	$32,382,390	$52,352,219

Next Steps

Today: Public Hearing on the Proposed Budget → June 15: Legislature Passes State Budget → June 25: Board of Education votes to adopt the Budget → June 30: Governor Signs the Budget → 45 Day: HLPUSD Budget Revision (if necessary) → Sept 10: 2025-26 Unaudited Actuals

Thank you

Every dollar that we save is a dollar that goes back to our students.