2026-27 Adopted Budget
Presented June 9, 2026

Pursuant to Education Code Section 42127, the Fremont Union High School District (FUHSD) must adopt a budget by July 1 of each fiscal year. The Adopted Budget serves as the District's financial plan for the 2026-27 fiscal year and includes projections for the current year plus two subsequent fiscal years. The budget incorporates assumptions available through the Governor's May Revision and reflects the District's commitment to maintaining fiscal stability while supporting high-quality educational programs and services. The Adopted Budget is built using State-required Criteria and Standards and includes the expenditures necessary to implement the Local Control and Accountability Plan (LCAP) which is also presented for Public Hearing and Adoption at the same June Board meetings.

General Fund Revenue
As a community-funded (Basic Aid) district, FUHSD continues to rely primarily on local property tax revenues rather than State Local Control Funding Formula (LCFF) aid. Approximately 90% of General Fund revenue is generated from property taxes and other LCFF sources. The budget assumes a 2% increase in secured property tax revenue.

Other key revenue assumptions include:

- One-time revenue is removed from the projection and carryover will be updated at First Interim in December
- Governor Newsom's May Revised Budget proposes raising Special Education base funding to $1,340 per ADA, representing an estimated $3 million increase for FUHSD.
- $5.1 million in parcel tax revenue
- Contributions to Special Education, Nutrition Services and Maintenance totaling $49.2 million

---

General Fund Expenditure
Salaries and benefits continue to represent the largest expenditure category, accounting for approximately 86% of General Fund expenditures. The budget includes staffing necessary to support instructional programs, student services, operations, and district administration and includes step-and-column changes and a slight decrease in the PERS contribution rate from 26.68% to 26.4%. An 8% increase to Health and Welfare costs is set aside in the ending balance as the rate increases and open enrollment changes are effective by calendar rather than fiscal year.

Other key expenditure assumptions include:

- VTA Youth Transit Pass Pilot expands student access and the costs are included
- Spending for one-time funding such as the Learning Recovery Emergency Block Grant,

Student Support and Professional Development Discretionary Block Grant, and a local grant with the Santa Clara County Office of Education

- One-time expenses in supplies and equipment are removed from the projection

---

Multiyear Projection

The multiyear projection covers fiscal years 2026-27 through 2028-29 and incorporates conservative assumptions for property tax growth, enrollment trends, staffing, and operating costs. Property tax is estimated to grow 2% to account for the slowing growth from the prior years. Other State revenue allocated on a dollar-per-ADA basis is increased by a conservative Cost of Living Adjustment (COLA) of 2% compared to the 3% estimated by the Department of Finance. Carryover and one-time revenues and expenses are also removed from future projections. Increased Special Education base funding for 2026-27 has been reduced in the future projections, as it is unknown whether this funding level will continue beyond the current year, resulting in an increased contribution to Special Education in the subsequent fiscal years. Salaries and benefits remain the largest cost driver. Future projections include step-and-column increases and do not include any other salary enhancements or increases. Although 2026-27 is showing a decline in enrollment compared to 2025-26, the enrollment projection report shows increases in the two outyears. Adjustments for enrollment-related staffing changes are not included at this time. Increases are projected to materials, supplies, other contracted services and contributions to Special Education, Deferred Maintenance and School Nutrition.

	2026-27	2027-28	2028-29
REVENUES			
LCFF & Property Taxes	219,696,848	223,681,001	227,777,962
Federal Revenue	3,126,588	3,037,499	3,076,953
State Revenue	17,406,044	17,519,578	17,571,216
Local Revenue	12,654,355	8,776,290	8,823,944
Total Revenues	***252,883,835***	***253,014,368***	***257,250,075***
Financing (Transfers In)	902,425	909,996	1,029,087
Financing (Contributions)	-	-	-
Total Revenue & Financing	***$ 253,786,260***	***$ 253,924,364***	***$ 258,279,162***
EXPENDITURES			
Salaries & Benefits	211,353,789	214,381,424	217,431,629
Books & Supplies	4,856,196	5,099,006	5,353,957
Contract Services & Operating	27,921,373	29,832,443	31,874,065
Capital Outlay & Other	64,060	64,060	64,060
Direct Support/Indirect Cost	(207,189)	(207,189)	(207,189)
Total Expenditures	***243,988,230***	***249,169,744***	***254,516,523***
Other Transfers & Uses	3,180,626	3,226,226	3,323,322
Total Expenditures & Uses	***$ 247,168,856***	***$ 252,395,970***	***$ 257,839,844***

School districts are required to keep a “reserve” balance for times of economic uncertainty based on district size (ADA). Reserves for other needs must also be specifically classified by type prescribed by the State. Restricted reserves are grant and other entitlements that are used for a specific purpose as determined by the grantor and include programs such as Learning Recovery Emergency Block Grant

and Student Support and Professional Development Discretionary Block Grant. The 7% added reserve for economic uncertainty is classified as Committed reserves which require Board action or resolution. Assigned reserves are unrestricted funds set aside by the Business Office which include Health & Welfare increases, Lottery, Prop 55, and site carryover.

Based on these assumptions, the District is projecting to meet both the State-required 3% and the Board's reserve policy of 7% with additional reserve amounts at a healthy level. Unassigned reserves are estimates for the Revenue Sharing Allocation Program (RSP).

Beginning Fund Balance		***$ 54,376,359***	***$ 60,993,763***	***$ 62,522,157***
Ending Fund Balance		***$ 60,993,763***	***$ 62,522,157***	***$ 62,961,475***
Nonspendable		336,000	336,000	336,000
Restricted		22,340,156	21,531,415	22,785,879
Board Reserve	**7%**	17,301,820	17,667,718	18,048,789
State Reserve	**3%**	7,415,066	7,571,882	7,735,196
Assigned		8,255,279	5,279,673	5,279,673
Unassigned - Revenue Sharing		5,345,442	10,135,469	8,775,938

Cash Flow

Cash flow projections are essential to prudent fiscal planning and are also required to be included with Budget Reports. We forecast the monthly timing of revenues and expenditures to ensure the District can meet its financial obligations and identify any potential cash-borrowing needs in advance. After developing the cash flow projection, the District does not anticipate negative cash balances in any month.

Conclusion and Recommendation for Adoption

The Adopted Budget Report reflects the Fremont Union High School District's projection for 2026-27. The multiyear projections incorporate conservative assumptions for property taxes due to slowing growth, enrollment and section changes, and cost adjustments, positioning the District to maintain State and Board required reserves. With a total unrestricted reserve of approximately $39 million and no projected cash flow shortages, the District is able to meet its financial obligations for the current year and the two subsequent fiscal years, supporting the ongoing delivery of high-quality educational programs and services for all FUHSD students.

While this report is prepared for the Public Hearing on June 9, 2026, the Business Office recommends the Board approve the 2026-27 Adopted Budget at the June 23, 2026 meeting.