

Perris Union High School District

Budget Advisory Committee (BAC)

2026-27

October 7, 2026

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Welcome and Purpose



Committee Goal

- The Budget Advisory Committee (BAC) is an important advisory group that provides input and recommendations to the District regarding the development of the annual budget. The committee serves as a bridge between the Board, staff, parents, community, and the District, ensuring transparency, accountability, and opportunities for stakeholder voices to be heard in the budget process.
- The BAC is representing a cross-section of our school community, including Board members, parents, labor partners, administrators, and community members. Members review budget information, provide feedback, and help the District prioritize resources in alignment with educational goals and student needs.
- This year, the committee will also play a critical role in providing input on identifying potential cost-saving reductions needed to address a structural deficit in the District's budget. The recommendations and perspectives shared by the committee will help inform the District's efforts to respond thoughtfully and responsibly to this financial challenge.
- The Budget Advisory Committee will hold a standing monthly meeting, (after school hours), during the budget development cycle. We also reserve the option to call additional special meetings should new fiscal developments arise or at the request of the superintendent.
- Serving on the BAC is a valuable opportunity to contribute to the financial planning of our district and ensure that your perspectives are included in the budget process.



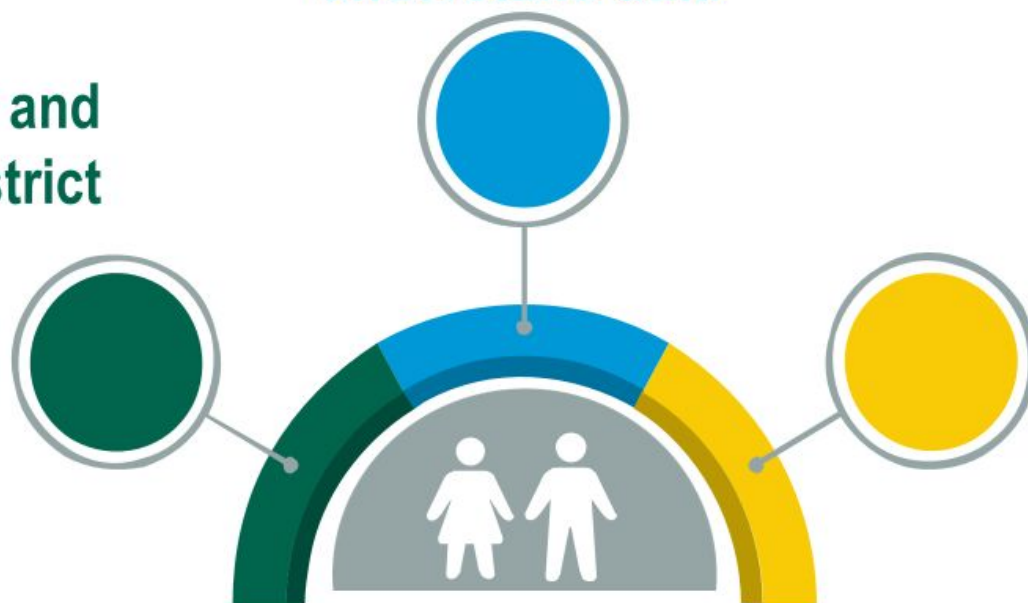
What Is Our Work?

We will use a collaborative inquiry-based process to:

Increase transparency and
input regarding the district
finances

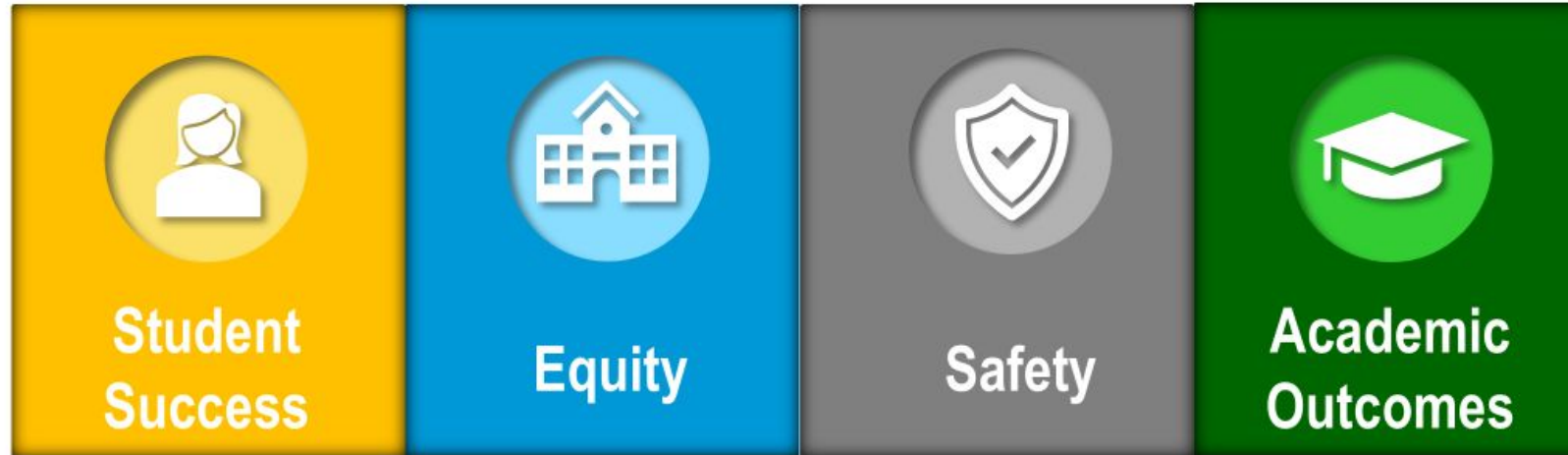
Identify, collect, and
understand data

Recommend priorities to
district leadership and
the Board of Education





Guiding Values



Recommendations will be focused on protecting classroom instruction and student services to the greatest extent possible

Recommendations will be made based on data, establishing measurable benchmarks



Outcomes

Provide recommendations regarding a Multi Year Fiscal Stabilization Plan including a clearly defined reserve level for the current and 2 subsequent years



**Student
Impact**



**Strategic
alignment**



**Mandate
Requirements**



**Equity
Impact**



**Cost
effectiveness**



Introductions and Norms



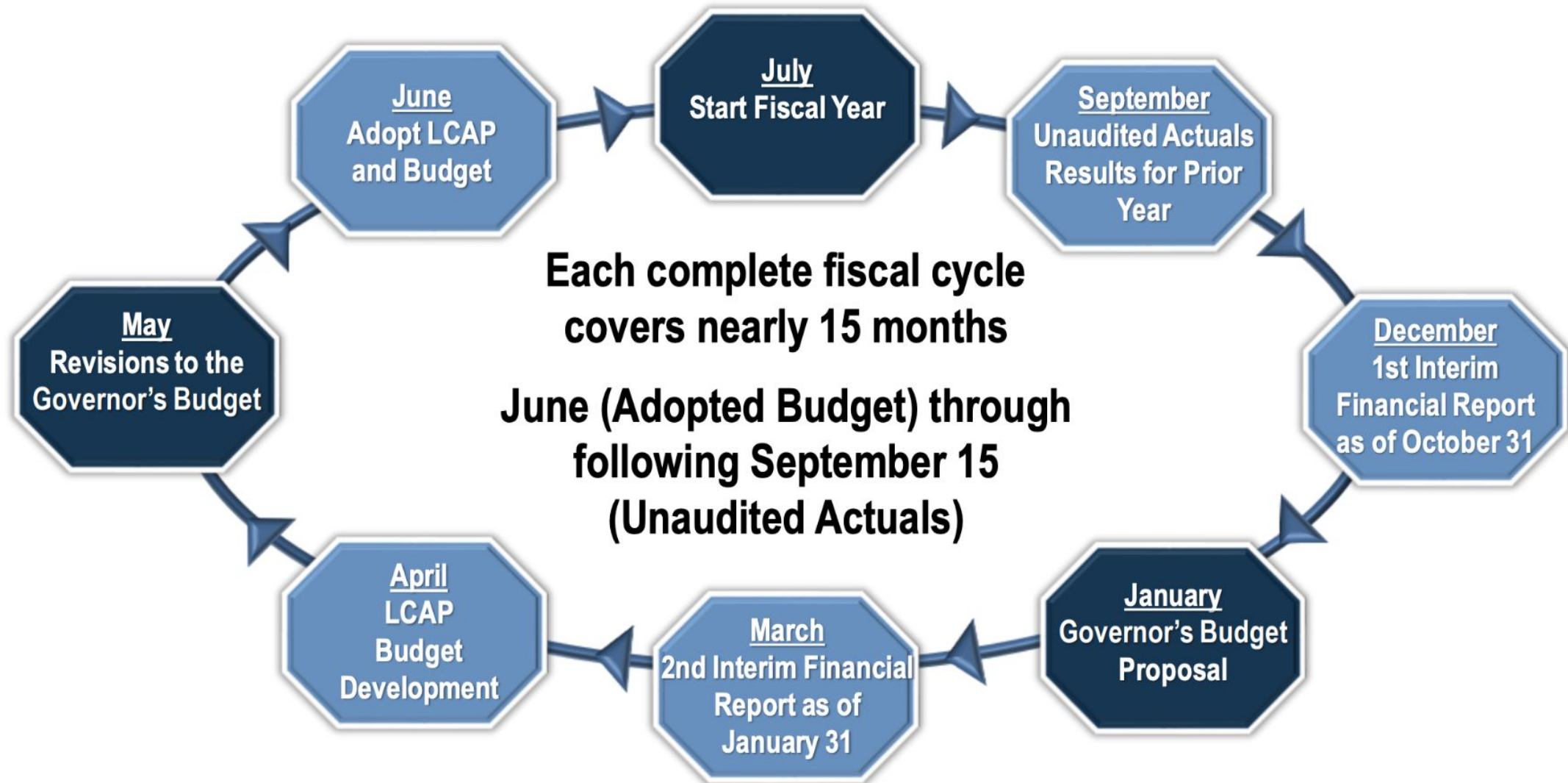
Group Norms

- Respect the opinions of others
- Actively participate
- Assume positive intentions
- Be honest
- Ask clarifying questions
- Be an active listener
- Honor start and end times
- Focus on the work of the group
- Respect the individuals
- Be open to other opinions
- Check your bias





Budget/Financial Cycle



PPT: How Close Were Our Estimates?

Unrestricted General Fund: Estimated vs. Unaudited Actuals, 2021-22 through 2025-26

Table Talk

What are key takeaways and key questions?

Understanding the Structural Deficit

Budget Pressure Analysis & Pathways to Fiscal Sustainability

The Budget Story

Revenue → Ongoing Costs → Structural Gap → Fund Balance → Action Required

The objective: show that the structural deficit is driven by multiple ongoing pressures — not one area or one decision.

The Budget Story

Five questions guide the conversation.

REVENUE

What is coming in?

ONGOING EXPENDITURES

What are we obligated to spend?

STRUCTURAL GAP

What remains after ongoing revenues are applied?

FUND BALANCE

How long can reserves absorb the gap?

ACTION REQUIRED

What must change to restore structural balance?



Multiyear Projections

**MYPs are
required by
Assembly Bill
(AB) 1200 and
AB 2756**

**Projections
anchored in
reliable
information as of
the date of the
projection—
They are NOT
forecasts**

**Will change any
time the
underlying
factors change**



Multi-Year Assumptions

Assumption	2026-27	2027-28	2028-29
Enrollment	10,782	10,782	10,782
ADA Capture Rate*	93%	93%	93%
Projected ADA	10,027.26	10,027.26	10,027.26
Statutory COLA	2.87%	3.30%	3.09%
Additional LCFF Investment	1.44%	—	—
Total 2026-27 LCFF Adjustment	4.31%	—	—
Unduplicated Pupil %	74.53%	74.46%	74.48%
LCFF Revenue	\$169.99M	\$174.99M	\$180.60M
Step & Column	1.21%	1.21%	1.21%
STRS	19.10%	19.10%	19.10%

2025-26 Actual ADA was 93.22%. The budget is conservatively created based on 93%. Updates will be made as we have additional information.

1. Unrestricted Revenue — What is coming in?

Ongoing unrestricted revenue is growing across the three-year projection.

2026-27	2027-28	2028-29
\$179.2M	\$183.9M	\$189.3M

Revenue increases from \$179.2M to \$189.3M — approximately \$10.1M over the period.

The issue is not declining revenue. The issue is that ongoing cost pressures are growing faster than ongoing revenues.

- This reflects an **updated version of the Adopted Budget**, incorporating all revenue and financial information known at this time, including **increased ADA**.
- These projections are **subject to change** as additional information becomes available and updated assumptions are incorporated during the **First Interim** reporting process.
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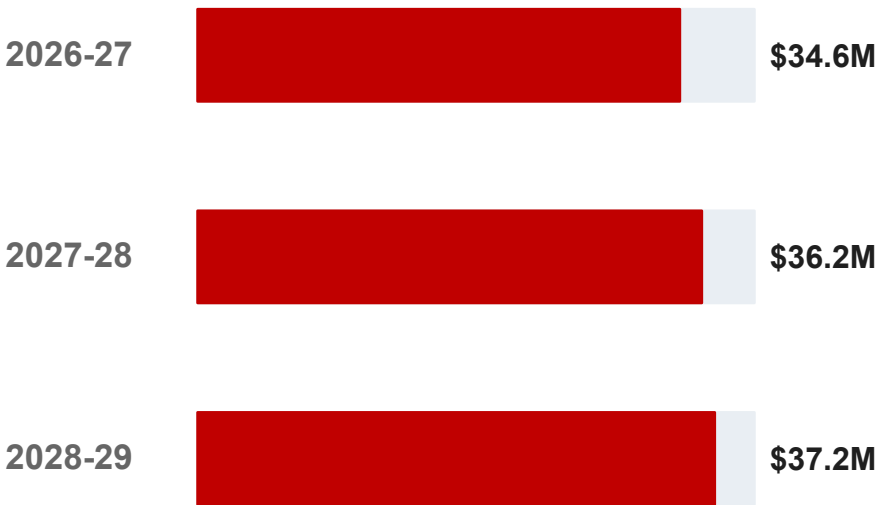
2. Ongoing Costs — What are we obligated to spend?

The unrestricted General Fund supports both operating expenditures and contributions to restricted programs.

Operating Expenditures



Contributions to Restricted Programs



Together, these ongoing obligations exceed ongoing unrestricted revenues.

- This is an updated version of the Adopted Budget including all expenditures known at this time, e.g. salary increase.
- This is subject to change based on new information known when completing First Interim.

3. Structural Deficit – What remains?

When ongoing costs exceed ongoing revenues, the District must use fund balance to cover the difference.

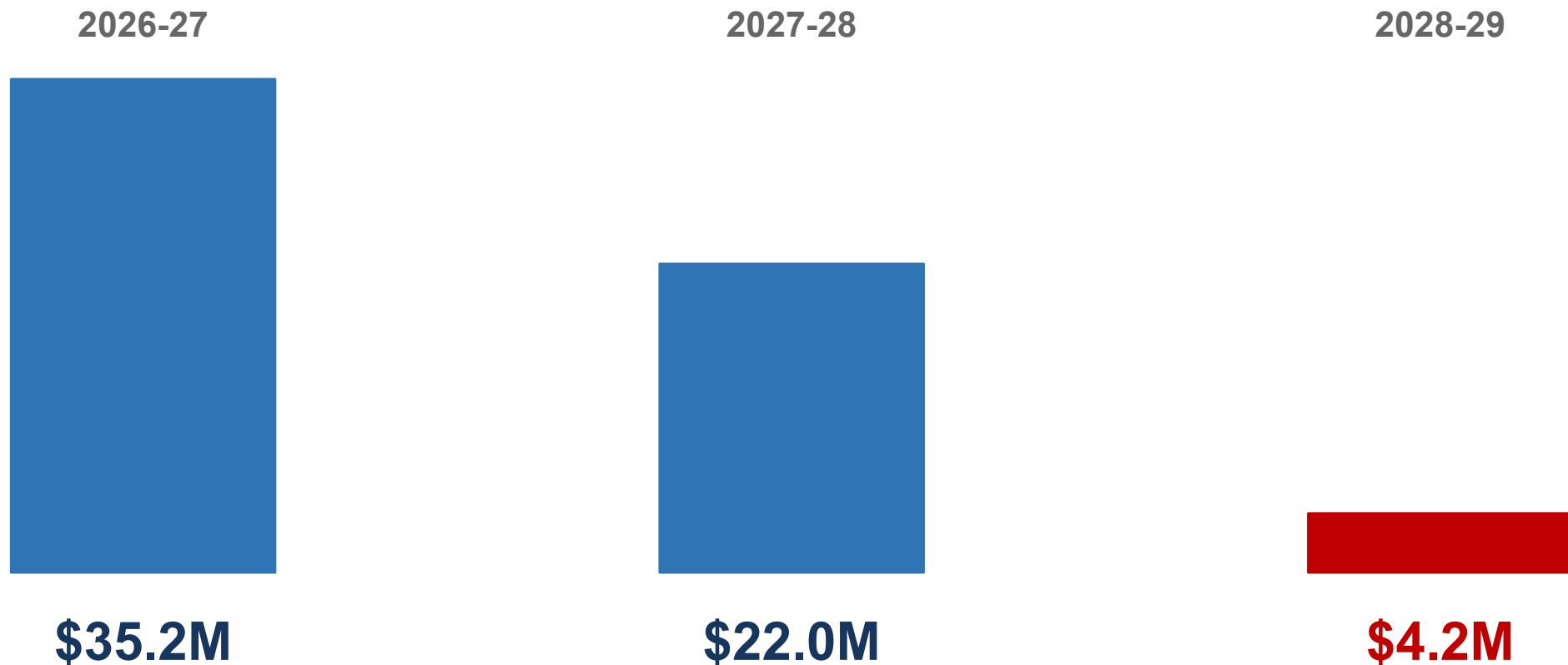
2026-27	2027-28	2028-29
(\$12.7M)	(\$13.2M)	(\$17.8M)

The annual deficit grows to nearly \$17.8 million by 2028-29.

KEY MESSAGE The deficit is the result of several ongoing cost pressures growing faster than ongoing revenues, e.g. personnel cost, retirement cost, H&W, utilities, contracted services.

4. Ending Fund Balance — How long can reserves absorb the gap?

Fund balance can temporarily absorb a deficit, but it cannot permanently finance an ongoing imbalance.



\$35.2M → \$22.0M → \$4.2M

Fund balance buys time. It does not solve the structural problem.

The Reserve Picture

The projected ending fund balance falls below the identified reserve level in 2028-29.

Fiscal Year	Ending Fund Balance	Required Reserve for Economic Uncertainties (REU)	% of REU
2026-27	\$35.2M	\$14.0M	15.08%
2027-28	\$22.0M	\$14.3M	9.24%
2028-29	\$4.2M	\$7.3M	1.72%

2028-29 Projected Fund Balance: \$4.2M Reserve: \$7.3M

The required Reserve for Economic Uncertainties (REU) for 2028–29 is \$7.3 million. The projected ending fund balance is \$4.2 million, resulting in a \$3.1 million shortfall below the required REU.

This is why the structural imbalance must be addressed before reserves are exhausted.

Facilitating the Conversation

Use the budget story to move from understanding the problem to identifying sustainable solutions.

WHAT WE KNOW

Our ongoing revenues are not keeping pace with our ongoing expenditures.

What factors are contributing most to this structural gap?

WHY IT MATTERS

Without corrective action, ongoing deficits will continue to draw down the District’s fund balance.

What are the long-term risks if we do not address the imbalance now?

**WHAT WE ARE
DOING**

We are reviewing major expenditure categories and looking first for sustainable efficiencies and lower-impact opportunities.

Where should we look first for recurring savings?

OUR COMMITMENT

Students remain at the center of every budget decision.

How do we restore fiscal balance while protecting the programs, services, and supports that matter most to students?

Pathways to Fiscal Sustainability — Lower-Impact Opportunities

Evaluate recurring efficiencies first and consider both student and staff impact before moving to higher-impact reductions.

Note: This is only a sample and not all applies to PUHSD.

Reduction Area	Examples to Evaluate	Student Impact	Staff Impact	Priority
Vacancies & Attrition	Hold/review vacancies; eliminate unfilled positions; attrition; retirement incentives	Low	Low–Medium	1
Contracts & Consultants	Professional services, consultants, contracted staffing, outside services	Low	Low	1
Purchasing & Supplies	Discretionary supplies; centralized purchasing; purchasing standards	Low	Low	1
Travel & Conferences	Nonessential travel, conferences, memberships	Low	Low	1
Technology & Subscriptions	Duplicate platforms, unused licenses, software subscriptions	Low	Low	1
Central Office Efficiencies	Vacancies, restructuring, consolidation of functions	Low	Medium	1–2
Overtime / Extra Duty	Overtime, stipends, extra assignments	Low–Medium	Medium	2
Operational Efficiencies	Energy, utilities, printing, vehicles, leases, rentals	Low	Low	2
Department / Site Allocations	Discretionary budgets, allocations, spending controls	Low–Medium	Low–Medium	2

Pathways to Fiscal Sustainability — Structural Options

Evaluate recurring efficiencies first and consider both student and staff impact before moving to higher-impact reductions.

Note: This is only a sample and not all applies to PUHSD.

Reduction Area	Examples to Evaluate	Student Impact	Staff Impact	Priority
Position Control / Staffing Ratios	Align staffing with enrollment, workload, caseloads and established ratios	Medium	Medium–High	2
Restricted Program Contributions	Review programs requiring unrestricted General Fund support	Medium	Medium	2–3
Special Education Costs	Contracted services, placements, staffing/caseload and service-delivery models	Medium–High	Medium–High	3
Facilities / Operations Consolidation	Consolidate functions, facilities or underutilized space	Medium	Medium–High	3
Employee Benefits	Review plan structures and District contribution strategies	Medium	High	3
Staffing Allocations	Certificated, classified and management staffing based on enrollment/workload	Medium–High	High	3
Program Consolidation	Combine duplicative or underutilized programs/services	Medium–High	High	3
Program Reductions	Reduce or eliminate nonmandated programs	High	High	4
Direct Classroom Reductions	Instructional staffing/class-size changes within contractual/legal requirements	High	High	4 — Last Resort

Process to Guiding a Fiscal Stabilization Plan (3% Reserve)

First Interim Stabilization Plan 2026-27	MYP 2026-27	MYP 2027-28	MYP 2028-29
Reserves			
Increase/Decrease			
Total Reductions			
Current Deficit			

ACTIVITY



Planning & Strategic Questions



Guidance

Identity

Top priorities to protect

Areas for greater efficiency

Areas to reduce or redesign

Guiding Questions

What impacts students the most?

What aligns with our priorities?

What change will cause the least harm?

Where can redesign help?

ACTIVITY



Closing Reflection

- What additional data is needed for the next meeting?
- Next steps?