2026–27 Budget Adoption

Mount Pleasant Elementary School District

June 9, 2026 - Budget Study Session
June 24, 2026 – Budget Adoption

Board of Trustees
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Presented by
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Acronym Reference Table

AB	Assembly Bill
ADA	Average Daily Attendance
COLA	Cost of Living Adjustment
CalPERS	CA Public Employees' Retirement System
CalSTRS	CA State Teacher Retirement System
CDE	California Department of Education
COE	County Office of Education
ELO-P	Expanded Learning Opportunity Program
FTE	Full-time Equivalent
LCAP	Local Control Accountability Plan

LCFF	Local Control Funding Formula
LEA	Local Educational Agency
MYP	Multi-Year Projection
RIF	Reduction in Force
SCCOE	Santa Clara County Office of Education
SELPA	Special Education Local Plan Areas
SpEd	Special Education
TK	Transitional Kindergarten
UPC	Unduplicated Pupil Counts

Executive Summary

In accordance with AB1200 and AB2756, all funds projections cover the budget year and two subsequent fiscal years. All three years must demonstrate:

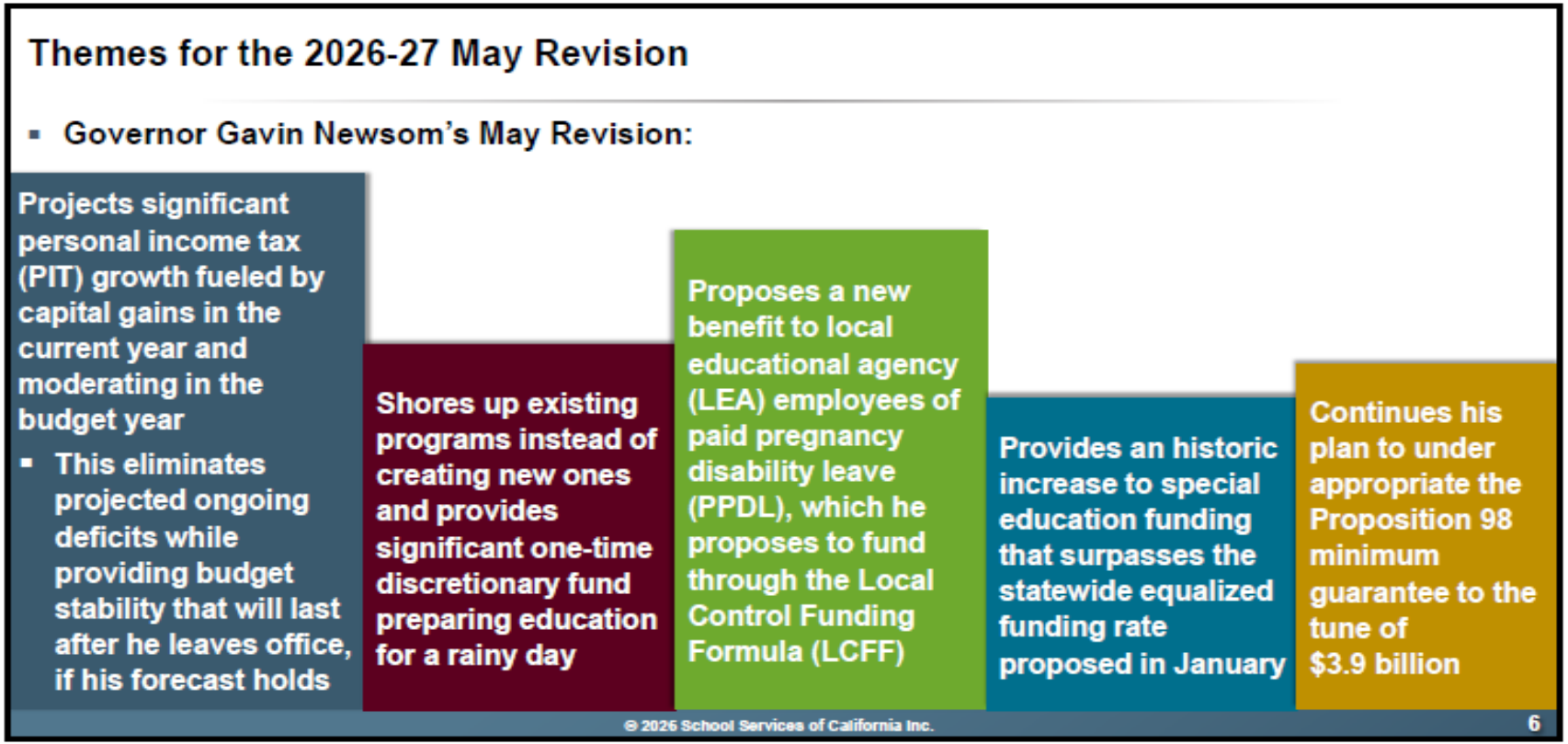
✓ **Positive Cash Flow**

✓ **Positive Fund Balances**

Budget Certifications

POSITIVE	QUALIFIED	NEGATIVE
District meets financial obligations for the current and two subsequent fiscal years.	District may not meet its financial obligations for the current or two subsequent fiscal years.	District is unable to meet its financial obligations for the remainder of the current or two subsequent years.

Economic Overview



Economic Overview

Risks to the Economy and the State Budget

Uncertainty remains regarding future economic conditions and the potential impact of proposed tax initiatives on taxpayer behavior and revenue stability

Budget solutions rely on continued economic growth and moderation in stock market growth over the forecast period

Insurance market instability, wildfire recovery costs, and potential climate-related disasters

Federal policymaking uncertainty related to immigration, foreign trade, and geopolitical conflict



Structural deficits persist despite strong revenue growth and improved tax collections

Greater dependence on technology and financial markets increases volatility risk for state revenue

Inflation volatility due to tariffs, rising energy costs, and the Fed's leadership transition

Medi-Cal costs and caseload pressures, along with reduced federal Medicaid spending

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Economic Overview

California Education Ranking Progress

The Governor's May Revised has delivered positive revenue increases for LEAs. California's education funding ranking has significantly improved in recent years:

Pre-2018	2018	2023	Recent Years
High 40s	Low 30s	13th	15th–20th
Nationwide	Nationwide	Nationwide	Nationwide

Note: Adjusted rank (accounting for high labor & housing costs) remains approximately 15th–20th in recent years.

State May Revised — Key Revenue Impacts

COLA Increase

+$453,559

Additional LCFF Revenue

2026–27 COLA set at 2.87% + 1.44% augmentation = 4.31% total (+1.90percentage point above January Budget projection of 2.41%)

Special Education Funding

+$484,561

Reduced General Fund Contribution

Rate increased to $1,340/ADA (up from $999/ADA at Second Interim)

One-Time Discretionary Block Grant

$946/ADA

45-Day Revision in August if approved

Proposed one-time grant — cannot support ongoing expenditures. Pending final State Budget enactment in July.

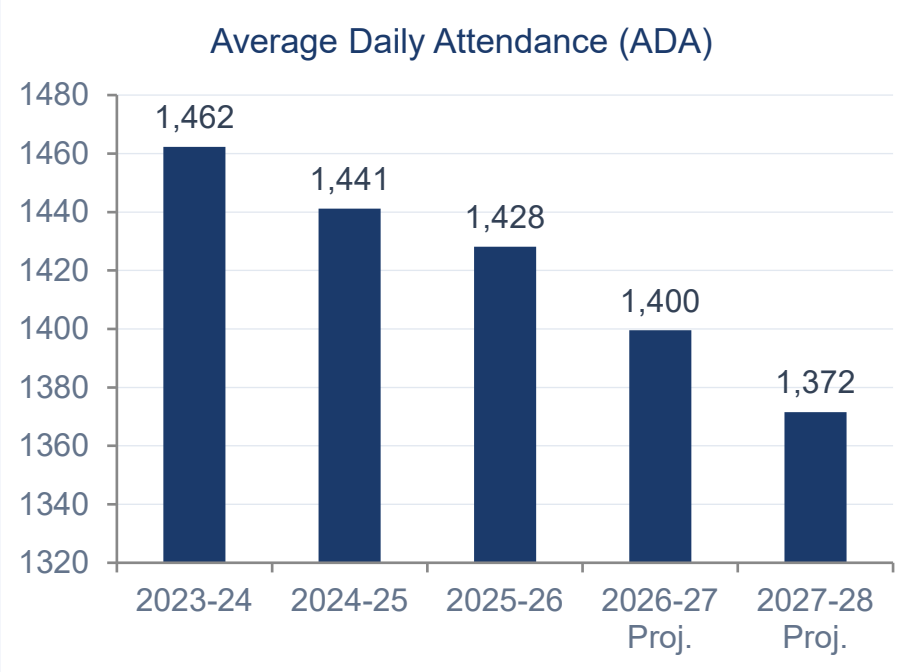
Combined COLA + SpEd revenue increases directly offset the projected $1.69M deficit identified at Second Interim.

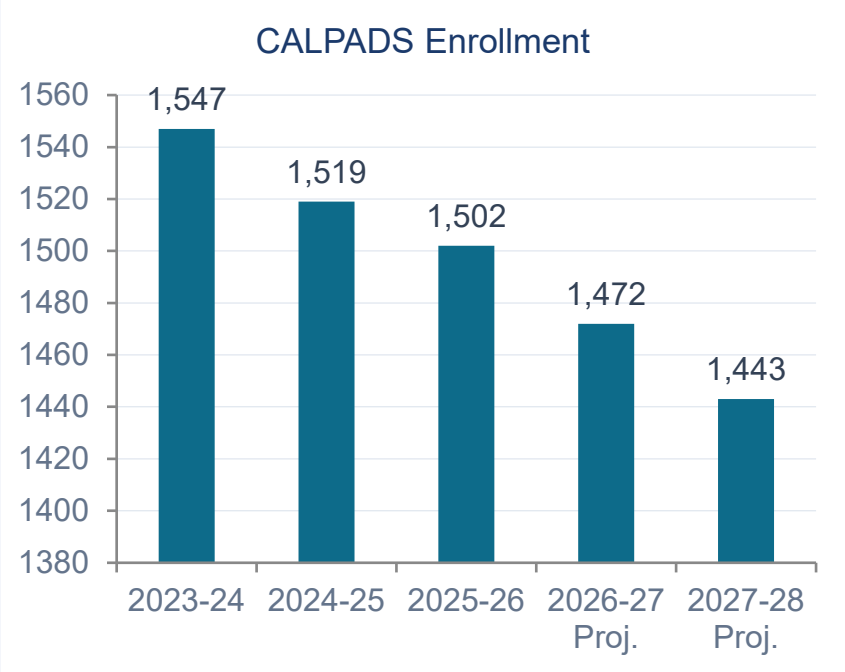
Budget Planning Factors

Description	2025-26	2026-27	2027-28	2028-29
COLA	2.30%	2.87%	3.30%	3.09%
Augmentation	—	1.44%	—	—
Mandated Block Grant (District)	$39.09	$40.41	$41.74	$43.03
Mandated Block Grant (Charter)	$20.52	$21.31	$22.01	$22.69
Lottery (Unrestricted)	$190.00	$190.00	$190.00	$190.00
Lottery (Restricted)	$82.00	$82.00	$82.00	$82.00
Parcel Tax	$95.00	$95.00	$95.00	$95.00
Transitional Kinder Add-on	$5,045	$5,704	$5,892	$6,074
Special Ed State Funding per ADA	$999	$1,340	TBD	TBD
STRS Rate	19.10%	19.10%	19.10%	19.10%
PERS Rate	26.81%	26.40%	26.80%	25.90%
Unemployment Insurance	0.05%	0.05%	0.05%	0.05%
Worker's Comp Rate	2.07%	2.07%	2.07%	2.07%

ADA & Enrollment Trends

The District is applying a 2% declining enrollment rate in budget planning. A key challenge: revenue is received based on ADA while expenditures must be projected based on enrollment.





General Fund Budget Summary

Description	Unrestricted	Restricted	2025-26 Total	Unrestricted	Restricted	2026-27 Total	Change in %
REVENUES	24,910,233	13,483,654	**38,393,887**	24,816,929	12,996,530	**37,813,459**	-1.5%
EXPENDITURES	(20,871,422)	(18,714,960)	**(39,586,382)**	(20,686,597)	(18,603,107)	**(39,289,704)**	-0.7%
REVENUES MINUS EXPENSES	4,038,811	(5,231,306)	**(1,192,495)**	4,130,332	(5,606,577)	**(1,476,245)**	23.8%
CONTRIBUTION TO SPECIAL ED	(5,179,266)	5,179,266	**0**	(3,967,613)	3,967,613	**0**	—
EXCESS / DEFICIENCY	**(1,140,455)**	**(52,040)**	**(1,192,495)**	**162,719**	**(1,638,964)**	**(1,476,245)**	**23.8%**
TRANSFER IN	2,300,000	0	**2,300,000**	0	0	**0**	100.0%
TRANSFER OUT	0	(600,000)	**(600,000)**	0	(500,000)	**(500,000)**	-16.7%
BEGINNING FUND BALANCE	42,481	6,014,229	**6,056,710**	1,202,026	5,362,189	**6,564,215**	8.4%
ENDING FUND BALANCE	1,202,026	5,362,189	**6,564,215**	1,364,745	3,223,225	**4,587,970**	-30.1%
RESERVE (3%)	1,202,026	—	**1,202,026**	1,202,026	0	**1,202,026**	0.0%
AVAILABLE BALANCE	0	0	**0**	162,719	0	**162,719**	—

Note: $2.3 million transferred in 2025-26 from Fund 17 ($2.2M) and SELPA Fund ($100K) to maintain 3% reserve. Fund 17 is now depleted.

Multi-Year Projections

Descriptions	2026-27 Budget	2027-28 Proj.	2028-29 Proj.
Revenues	37,813,459	37,758,982	37,790,132
Expenditures	(39,789,704)	(39,478,735)	(38,740,800)
Surplus / Deficit	(1,976,245)	(1,719,753)	(950,668)
Beginning Balance	6,564,216	4,587,971	2,868,218
Ending Fund Balance	4,587,971	2,868,218	1,917,550
Restricted Funds	3,223,226	1,327,375	168,151
Reserve for Economic Uncertainties	1,202,026	1,202,026	1,202,026
Unrestricted Fund Balance	162,719	338,817	408,295

Key Assumptions

- **LCFF** based on 2% enrollment decline
- **Step & Column Increases:** 1.5% per year, accounting for employees advancing steps automatically
- **Projected Expenditure Decreases:**
  Unrestricted: 1%*
  Restricted: 3% (2027–28), 4% (2028–29)
- **SELPA accounts for $1.3M of the $3.2M** in the restricted Ending Fund Balance

Goal: Restore fiscal balance within 3 years and develop a plan to repay Fund 17 borrowing

*At Second Interim, an 8% ($1.69 million) reduction was projected. However, the May Revision's increased COLA and Special Education per-ADA funding have helped soften the impact on the 2026–27 budget, reducing the projected cut significantly from 8% to 1%.

Next Steps & Timeline

1	2	3	4	5
June 10, 2026	**June 24, 2026**	**June 30, 2026**	**August 12, 2026**	**September 9, 2026**
1st Public Hearing (Budget & LCAP)	**2nd Public Hearing & Adoption**	**Submission Deadline**	**45-Day Budget Revision**	**Unaudited Actuals**
Public Hearing: Budget & LCAP Note: Budget Study Session held separately on 6/9/26	LCAP Report Adoption Budget Report Adoption	LCAP & District Budget due to SCCOE	If July Enacted State Budget has significant updates	2025-26 Unaudited Actuals Reports presented to Board

Questions & Comments

Thank you!

Mount Pleasant Elementary School District
2026-27 Budget