

SANTA MONICA-MALIBU UNIFIED SCHOOL DISTRICT

2026-27 45-Day Budget Revision | Executive Summary of Enacted State Budget Funding Changes

Prepared by Gerardo Cruz, Assistant Superintendent of Business Services & Chief Financial Officer, on behalf of Superintendent of Schools Dr. Antonio Shelton | August 2026

Bottom line: The enacted 2026-27 budget creates several new or increased funding streams. Based on the SMMUSD Adopted Budget baseline, the District can identify approximately **\$11.23 million of quantifiable 45-day planning increases** from specified programs, before the final SMMUSD LCFF Equity Multiplier allocations are published.

1. SMMUSD Starting Point

The 2026-27 Adopted Budget reflects approximately 8,548 projected enrollment, 8,142.21 ADA for the adopted-budget presentation, 8,052 P-2 ADA projection and 8,633 funding ADA in the MYP. The adopted MYP projects \$142.434 million in LCFF funding, \$161.697 million of total General Fund revenue and \$173.763 million of expenditures, producing approximately \$12.066 million of planned deficit spending before one-time state-budget revisions.

2. Revenue Changes for the 45-Day Revision

Funding source	Treatment	SMMUSD 2026-27 Impact	Calculation	Key Criteria / Action
Student Support Block Grant	One-time; restricted/discretionary	~ \$7.49M	~\$930 × 8,052 ADA proxy; final California Department of Education (CDE) P-2 for 2025-26.	Declining-enrollment hearing as required; no employee fees through 6/30/2032; report by 9/30/2032.
Special Education AB 602 Special Education Local Plan Area (SELPA)	Ongoing; restricted to Special Education	\$1,340/funded ADA; ~ +\$2.97M	School Services of California's (SSC) 43% increase applied to SMMUSD \$6.913M AB602 budget line. CDE rate delta is +\$422.47/funded Average Daily Attendance (ADA).	Final CDE/SELPA allocation; not unrestricted cash.
ELO-P Rate 2 - SMMUSD	Ongoing; not one-time	+\$222.28/unit; ~ +\$0.28M (\$280K)	Rate 2 = \$1,577.72 → minimum \$1,800; 14% increase	Annual P-2; spend/report by 6/30/2028 or 9/30/2028; final CDE allocation.
Learning Recovery Block Grant	One-time final installment	\$228 × 8,475 ADA × 25.39% (UPP) ~ +\$0.49M (\$490K)	Statewide final restoration \$757.3M; 2021-22 P2 ADA of 8,475 multiplied by 2021-22 Unduplicated Pupil Percentage (UPP).	Student needs assessment + LCAP; may support learning recovery through 2027-28.
LCFF Equity Multiplier	Ongoing school-level LCFF	Per student Rate is TBD; \$53,181 minimum per eligible school	Eligibility is school-specific; CDE list/rate expected Feb. 2027.	Evidence-based services + LCAP. Not included in district totals as of now.
Additional LCFF Investment (1.44%)	Ongoing LCFF; already in adopted budget	\$0 incremental at 45 days	The enacted budget confirms 2.87% statutory COLA + 1.44% additional LCFF investment. SMMUSD adopted budget already reflects the 4.31% total LCFF increase.	No double count in 45-day revision.

3. What This Means for the 45-Day Budget Revision

- New restricted revenue budgets for the Student Support Block Grant, LREBG final installment, ELO-P increase, and Special Education AB 602 increase; the District will replace planning estimates with CDE/P-2 amounts when certified and published.
- Special Education increase to reduce the Local General Fund Contribution to Special Education to the extent permitted by final SELPA/CDE funding and maintenance-of-effort requirements; the District will not treat the state rate increase as unrestricted new funds.
- Develop a multi-year expenditure plan for one-time resources. Priority should be one-time or time-limited investments that address current instructional/support needs and reduce pressure on ongoing General Fund deficit spending.
- Not recognizing the LCFF Equity Multiplier amount at 45 days because District and CDE have not confirmed eligible school-level allocation. The statutory minimum is \$53,181 per eligible school, but the 2026-27 rate and eligible-school list remain pending from CDE.
- Reserve confidence and compliance: SSC notes that 45-day budgets are subject to the 10% local reserve cap when the state trigger is operative; However, the reserve cap does not apply to Basic Aid School Districts like SMMUSD. Restricted one-time funding should not be used to create permanent costs that outlive the funding source.

4. Executive Fiscal Conclusion

For Board budget planning, the most defensible quantifiable increase from the specified programs is approximately **\$11.23 million**:

~**\$7.49M** Student Support Block Grant, ~**\$2.97M** Special Education AB 602 planning estimate, ~**\$0.28M** ELO-P Rate 2 increase, and ~**\$0.49M** LREBG estimate of \$228 × SMMUSD 2021-22 ADA. *The LCFF Equity Multiplier remains unquantified until CDE publishes the 2026-27 eligible-school list and per-pupil rate. These amounts are not all unrestricted General Fund revenue; most are restricted or program-specific and should be budgeted in the appropriate resource/fund and tied to allowable-use plans.*

Source basis: (1) School Services of California, 2026 School Finance Conference, July 16, 2026; (2) Los Angeles/Orange County Department of Education, 2026-27 Adopted Budget / 45-Day Budget Advisory; (3) SMMUSD 2026-27 Adopted Budget, MYP and Budget Attachment, as of 6/23/2026; (4) California Department of Education 2025-26 P-2 and 2026-27 advance apportionment materials. Planning estimates are clearly identified where final CDE data is pending.