

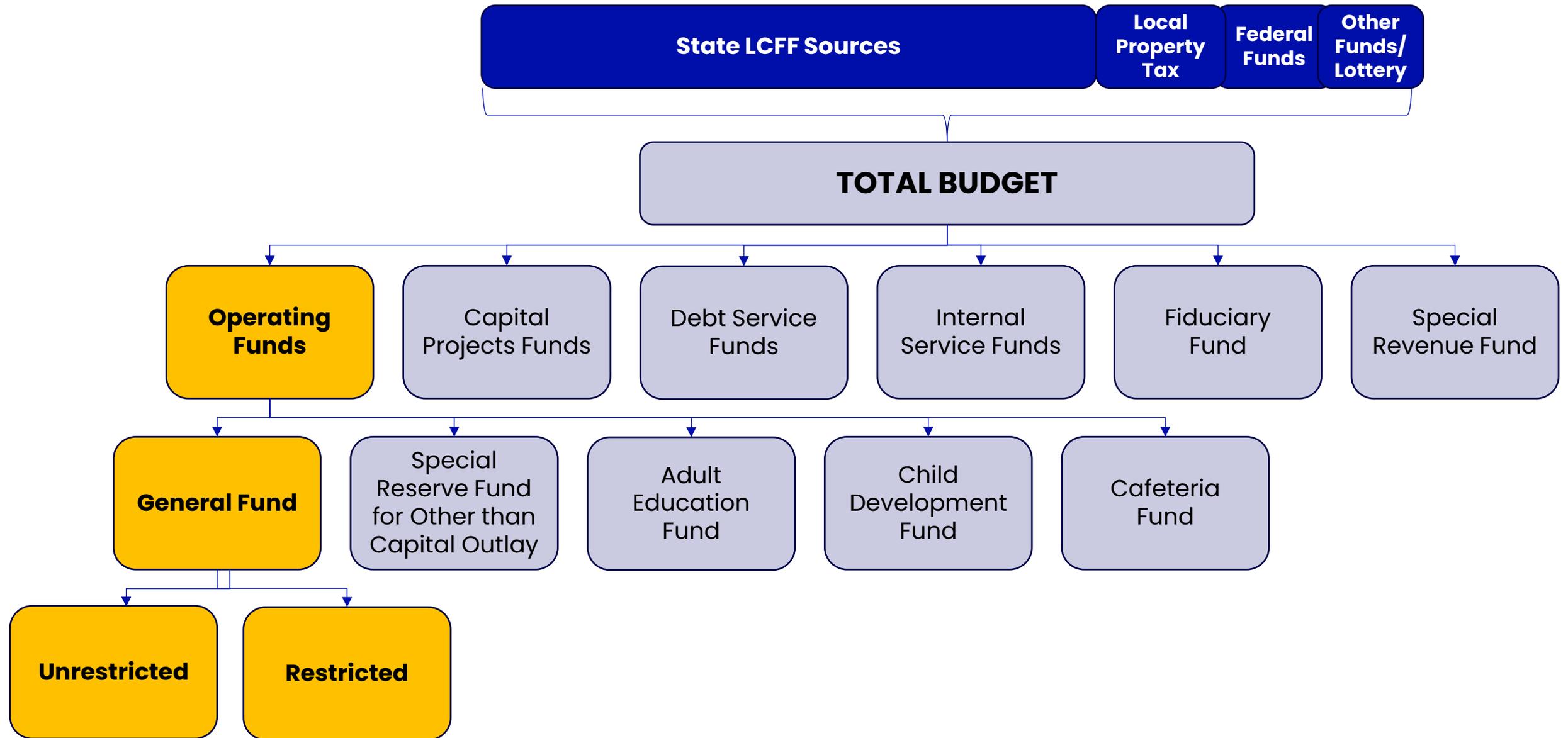
Fiscal Update

Community of the Whole Meeting
January 20, 2026

Agenda

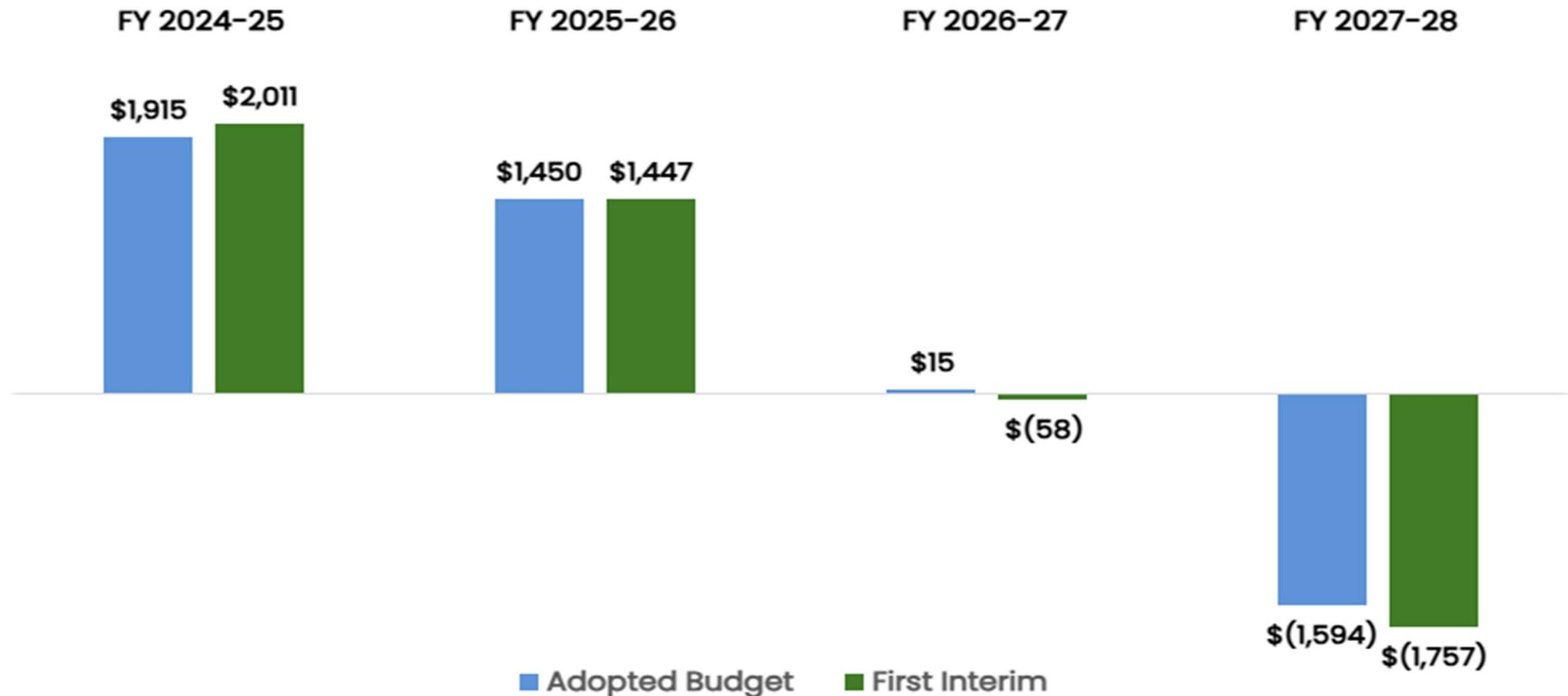
- ❑ Review the District's Multi-Year Funding Projection (MYP) as of FY 2025-26 1st Interim Report
- ❑ Summarize LAUSD-specific revenue updates based on the Governor's FY 2026-27 Budget Proposal
- ❑ Preview expected and potential MYP updates due to the Governor's FY 2026-27 Budget Proposal
- ❑ Discuss upcoming milestones in District's budget and financial management process

LAUSD's Overall Budget



Multi-Year Projection at 1st Interim

General Fund Unrestricted/Unassigned – Adopted Budget vs. First Interim
w/o Budget Solutions
(Dollars in Millions)



Multi-Year Projection at 1st Interim

General Fund Unrestricted/Unassigned – Budget Solutions

- The District certified **Positive** at 1st interim by:
 - **\$634 Million** – Released OPEB funds currently held in assigned balances
 - **\$496 Million** – Transferred the remaining Fund 17 balance to the General Fund
 - **\$796 Million** – Assigned the remaining balance for Workforce Stabilization
 - **\$1.4 Billion** – Incorporated an updated Fiscal Stabilization Plan

Fiscal Stabilization Plan

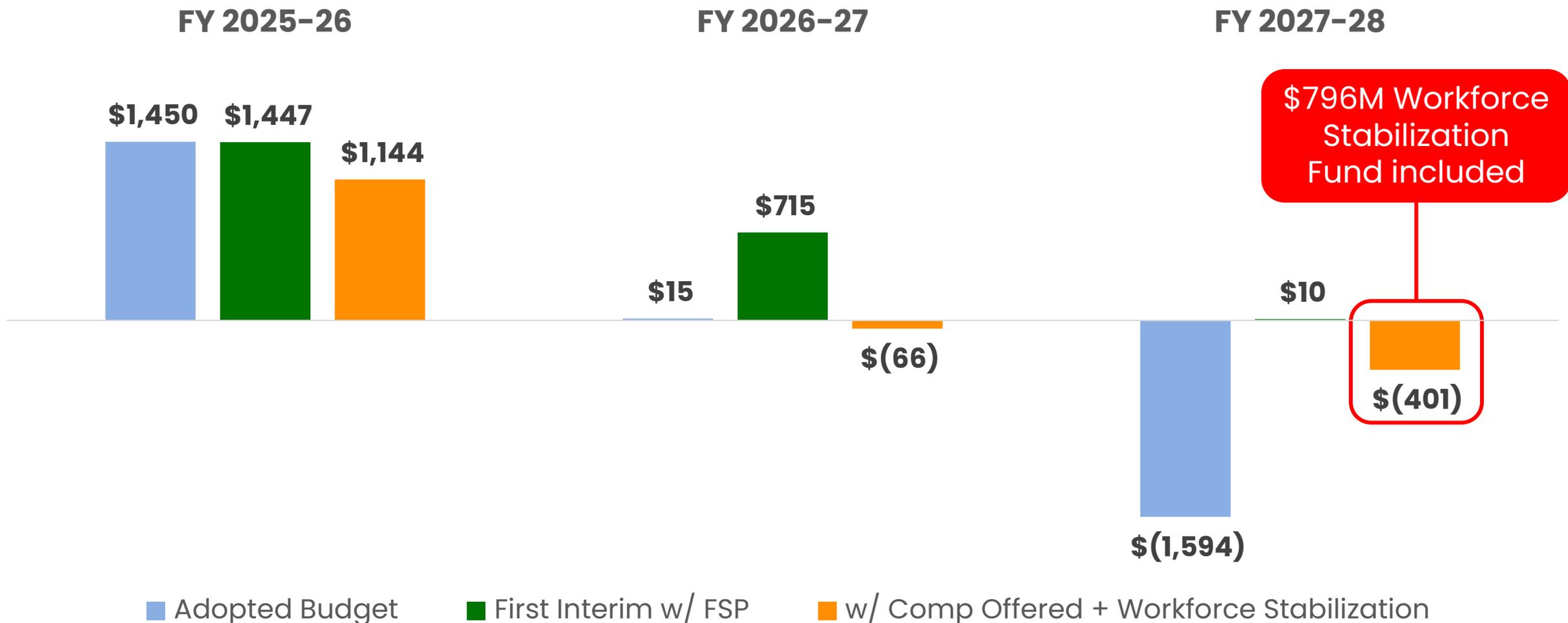
(Dollars in Millions)

Action	Adopted FSP FY 2026-27	Adopted FSP FY 2027-28	Updated FSP FY 2026-27	Updated FSP FY 2027-28
1) 10% of Fund 17	\$50	-	\$50	-
2) SENI & General Fund School Program Carryover at 0% (<i>RIF Assumed</i>)	\$360	\$65	\$360	\$65
3) SENI Allocation Reduction (<i>RIF Assumed</i>)	\$75	\$200	\$99	\$200
4) Unfunded Positions (<i>RIF Assumed</i>)	\$60	\$60	\$60	\$60
5) Consolidate District Footprint	\$30	\$30	-	\$30
6) Reassess Earmarked/Assigned Balances	\$115	\$0	\$53	\$140
7) Strategic Closure of School Positions	\$100	\$100	-	-
8) Bring Students Closer to School of Residence	\$15	\$15	\$1	\$15
9) Central Office Reductions (<i>RIF Assumed</i>)	\$200	\$125	\$150	\$150
TOTAL			\$773	\$660
	\$1.6 billion		\$1.4 billion	

Multi-Year Projection at 1st Interim

General Fund Unrestricted/Unassigned – w/ Budget Solutions and Cost of Current Labor Offers

(Dollars in Millions)



Multi-Year Projection at 1st Interim:

General Fund Unrestricted/Unassigned

Factors Not Reflected:

- Future changes in compensation
- Potential reductions in federal funding
- Potential new major programmatic investments
- Unrecognized claims
- Lower enrollment than previously projected in 2026-27 and beyond
- Governor's Proposed Budget for 2026-27 (Available as of January 9, 2026)***

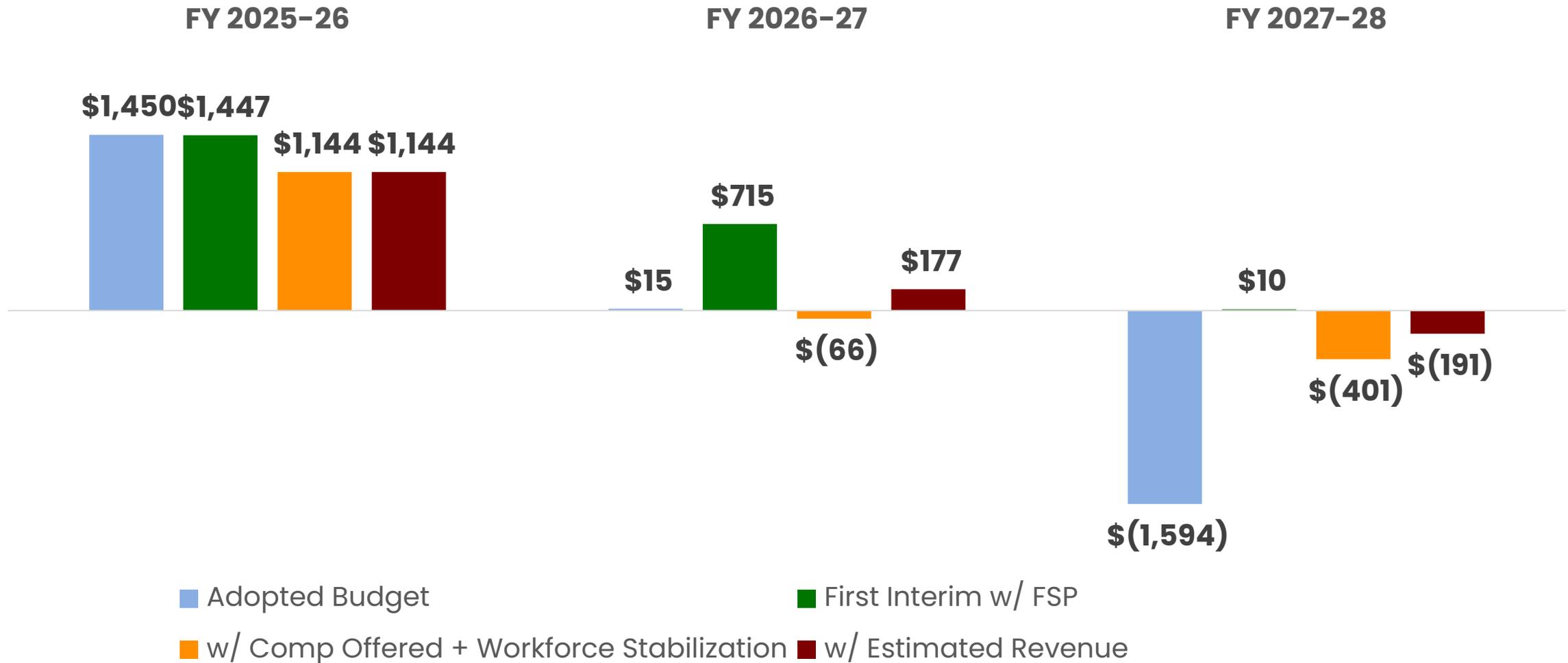
Governor's FY 2026-27 Budget Proposal: Estimated Impact on LAUSD Revenue

(Dollars in Millions)

Investment	FY 2026-27	FY 2027-28	Total	Reflect at 2 nd Interim
Lower LCFF COLA (ongoing)	-\$35.7	-\$56.7	-\$92.4	Yes
<i>Student Support & Professional Development Block Grant (One-time)</i>	\$185.5		\$185.5	No
<i>Learning Recovery Emergency Block Grant (One-time)</i>	\$68.2		\$68.2	No
<i>Special Ed. Rate Increase, Lower COLA (Ongoing)</i>	\$25.1	\$24.0	\$49.1	No
<i>Home to School Transportation (Ongoing)</i>	TBD	TBD	TBD	No
<i>Home to School Transportation (One-time)</i>	TBD		TBD	No
<i>Kitchen Infrastructure & Training (One-time)</i>	TBD		TBD	No
<i>Reading Difficulty Risk Screening (One-time)</i>	TBD		TBD	No
<i>Community Schools (One-time)</i>	TBD		TBD	No
<i>Educator Residency Program (One-time)</i>	TBD		TBD	No
<i>College and Career Pathway (One-time)</i>	TBD		TBD	No
<i>LA County Fire Recovery (One-time)</i>	TBD		TBD	No
Total	\$243.1	-\$32.7	\$210.4	

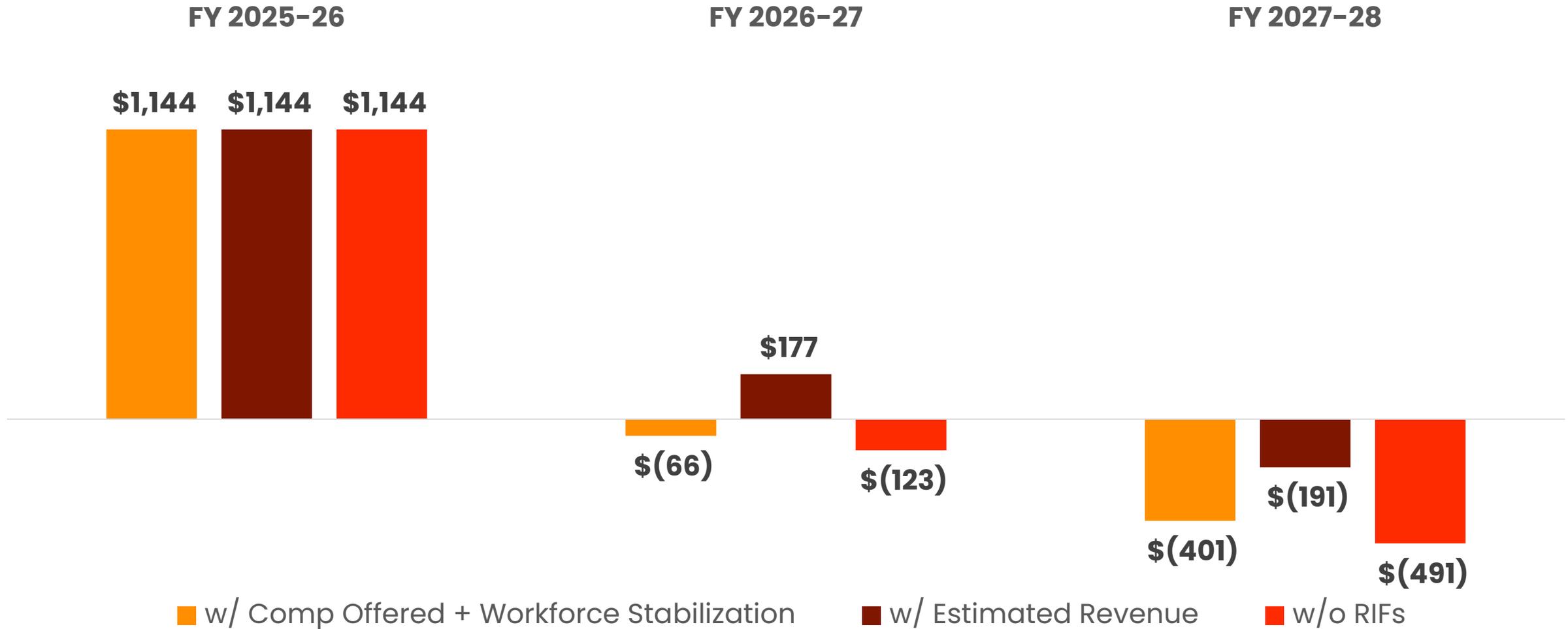
Updated Multi-Year Projection with Governor's 2026-27 Proposed Budget: General Fund Unrestricted/Unassigned

(Dollars in Millions)



Updated Multi-Year Projection with Governor's 2026-27 Proposed Budget: General Fund Unrestricted/Unassigned

(Dollars in Millions)



Next Steps

- ❑ Continued good-faith engagement with labor partners
- ❑ Finalize school-site Budget Development for FY 2026-27
- ❑ Board consider Reduction in Force proposal

