



Revised 5/26/26 at 8:40 AM



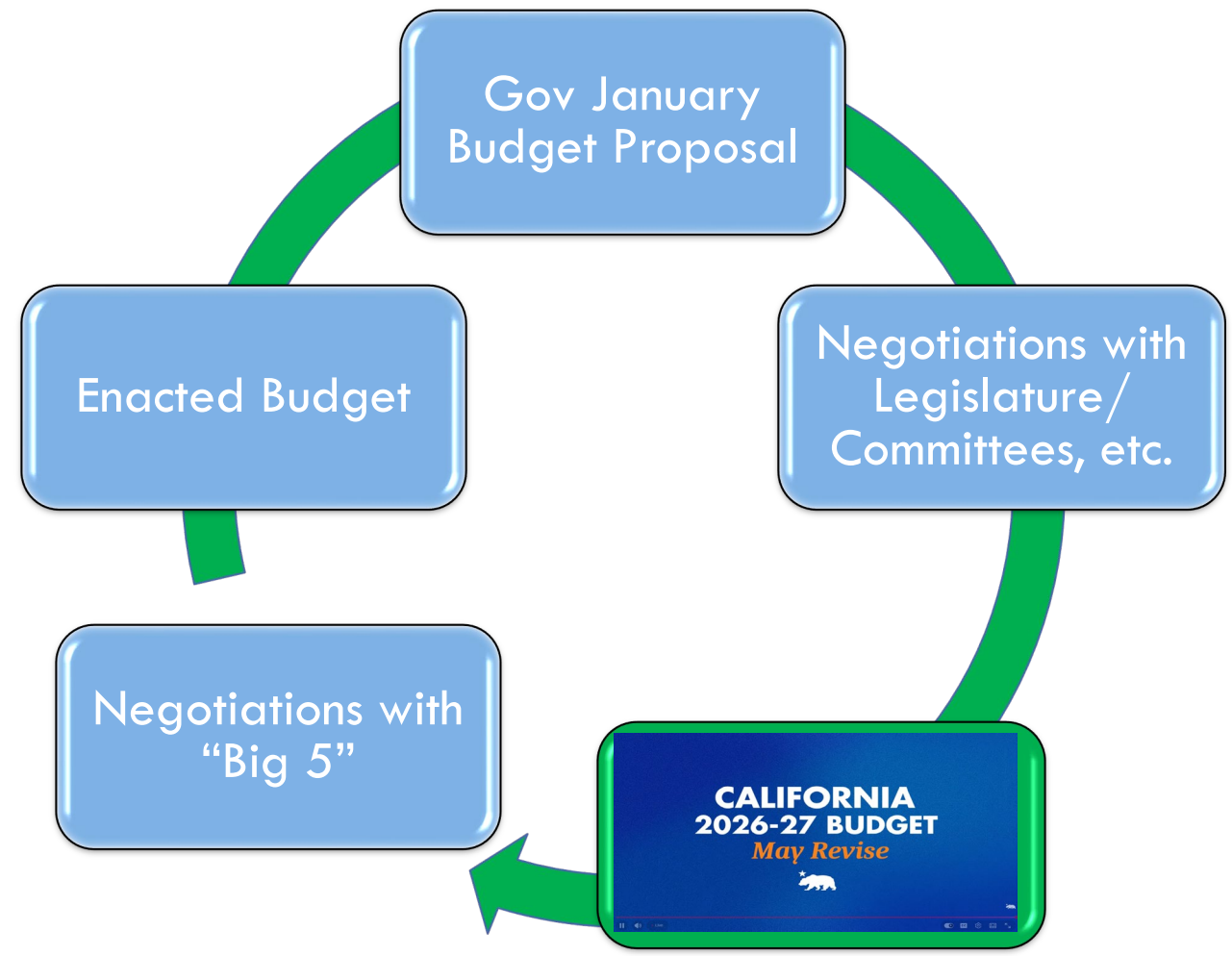
PUBLIC HEARING 2026-27 GUSD BUDGET

Tuesday, May 28, 2026

TOPICS

- Key elements of the Governor's May Revision
- Overview of Key Revenue & Expenditure Assumptions
- Multi-Year Projection
- Required Disclosures:
 - LCFF Budget Overview for Parents (BOP)
 - Statement of Reasons for Excess Reserves
- Next Steps

STATE BUDGET DEVELOPMENT PROCESS



HIGHLIGHTS OF THE MAY REVISE PROPOSAL



\$6.4 billion

The increase in Proposition 98 funding from the governor's January budget.



\$2.4 billion

Additional ongoing state funding for special education.

\$10.3 billion

A nearly full Proposition 98 rainy day fund, with an additional set-aside of \$6.2 billion.

4.31%



A discretionary increase, on top of the statutory 2.87% cost-of-living adjustment, will raise the COLA to nearly \$4 billion.



4.31% "Super COLA" to help pay for the 14 week Paid Pregnancy Disability Leave

\$5 billion (one-time)

Student Support and Discretionary Block Grant



**-\$3.9 billion!
Shortchanged from
Public Schools!**



-\$6 million for GUSD

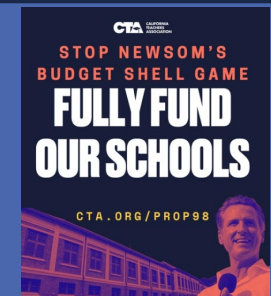
GOVERNOR'S MAY REVISE CHEATS PUBLIC SCHOOLS OF MINIMUM GUARANTEE!

Proposition 98 Minimum Guarantee (In Billions)

2024-25			2025-26			2026-27		
Governor's Budget	May Revision	Difference	Governor's Budget	May Revision	Difference	Governor's Budget	May Revision	Difference
\$123.8	\$124.9	\$1.1	\$121.4	\$125.1	\$3.7	\$125.5	\$127.1	\$1.6

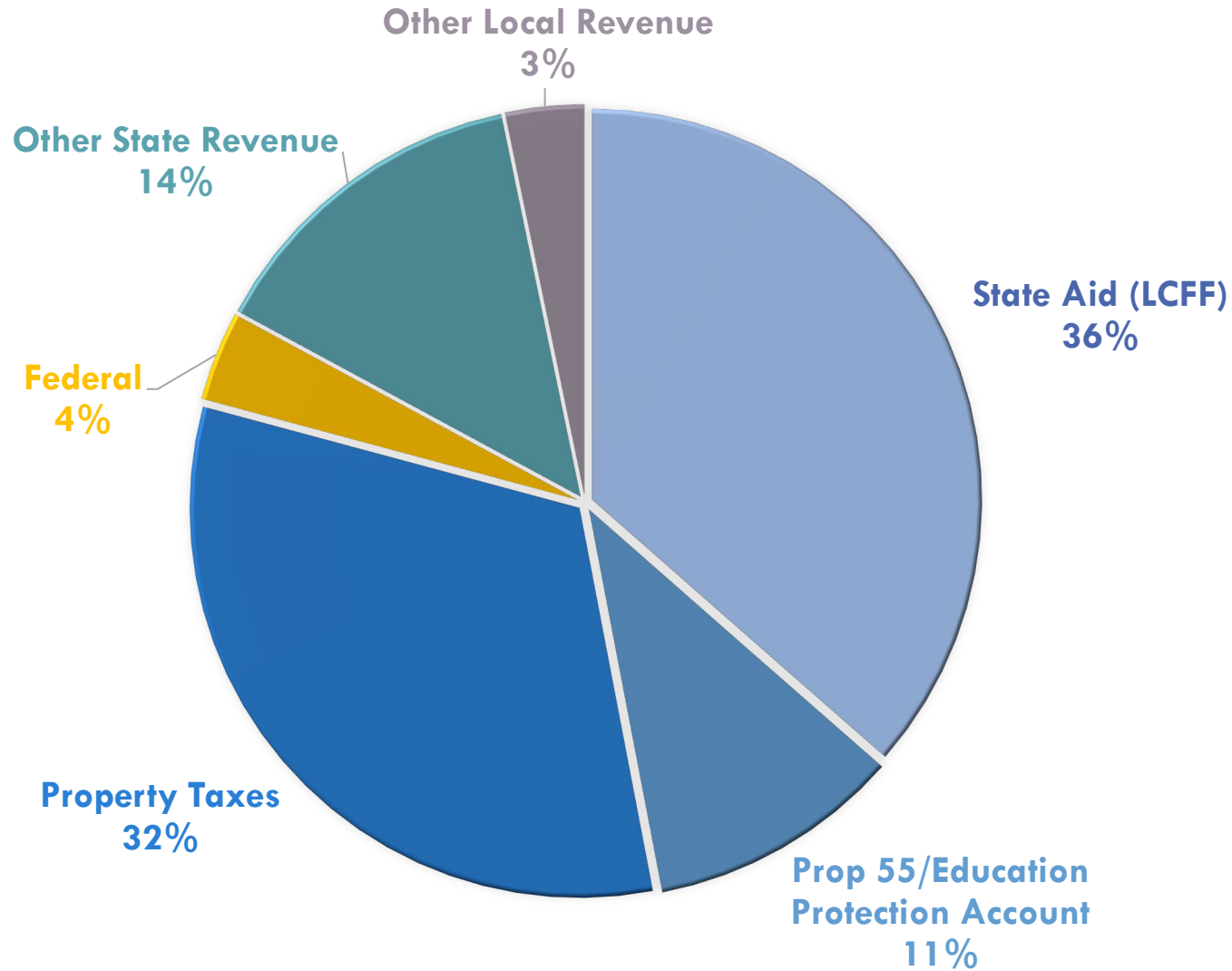
-\$3.9 billion withheld illegally

=\$121.2





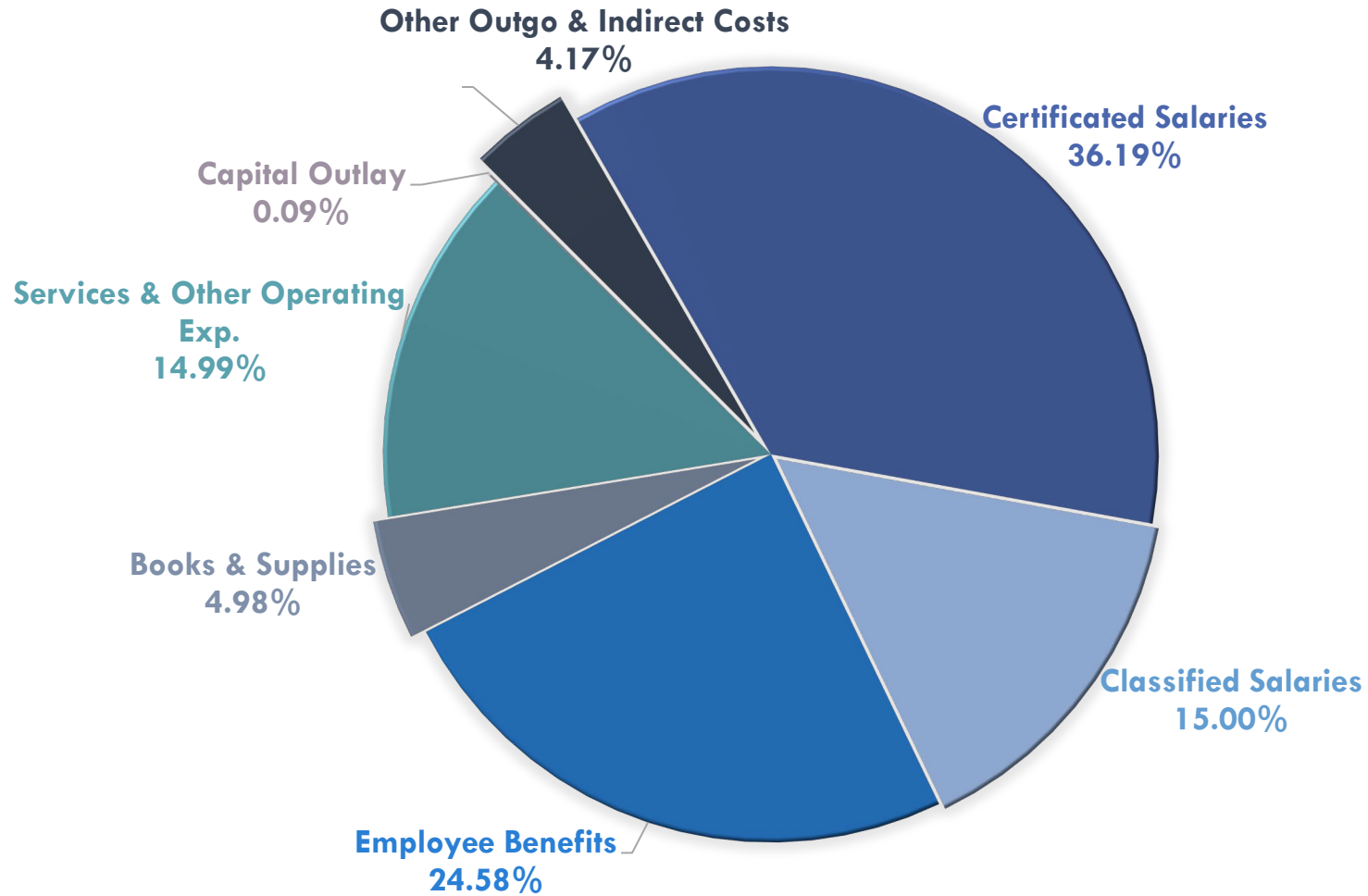
GUSD 2026-27 TOTAL GENERAL FUND REVENUES



\$179,998,780

At 2.87% COLA

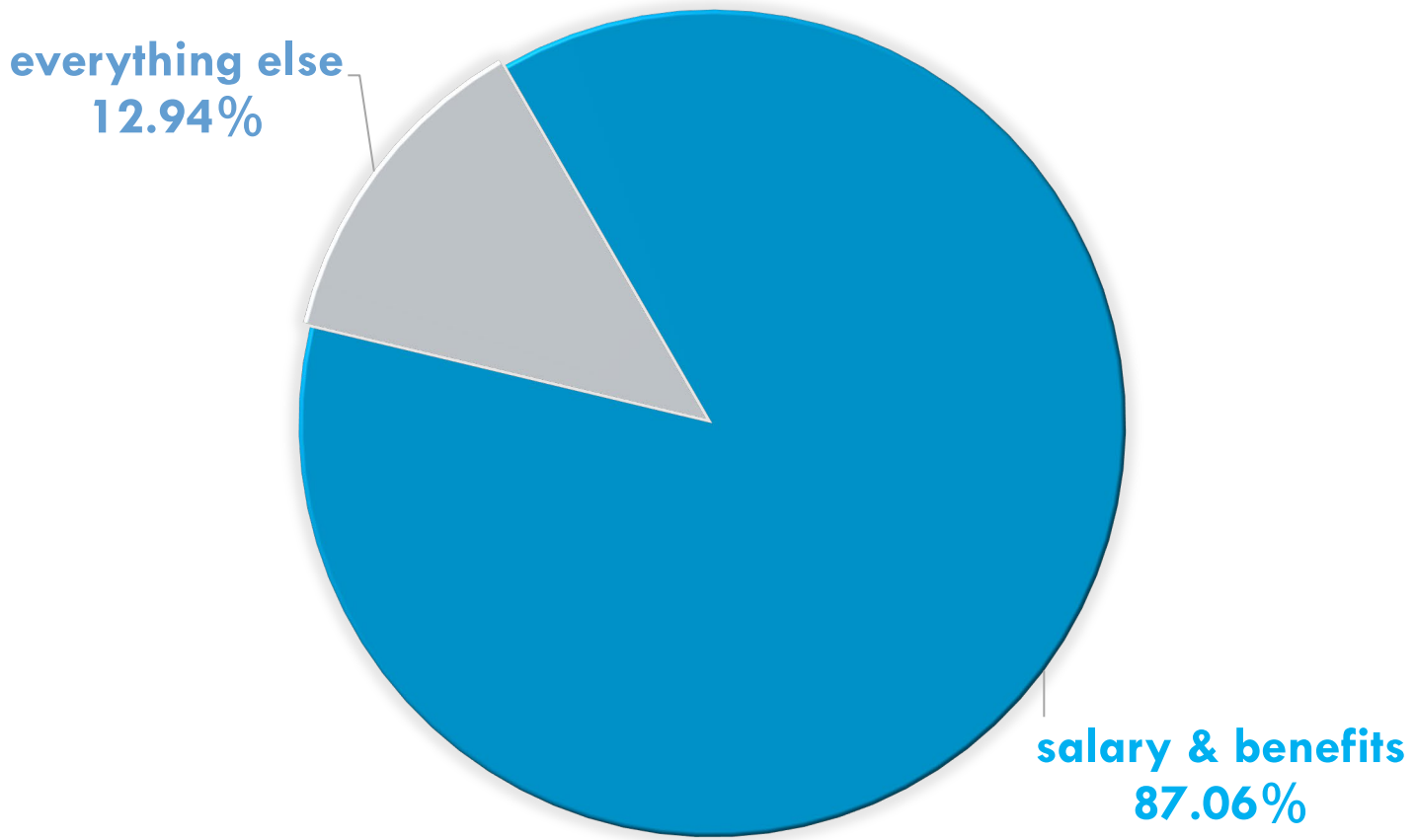
GUSD 2026-27 TOTAL GENERAL FUND EXPENDITURES



\$193,216,651

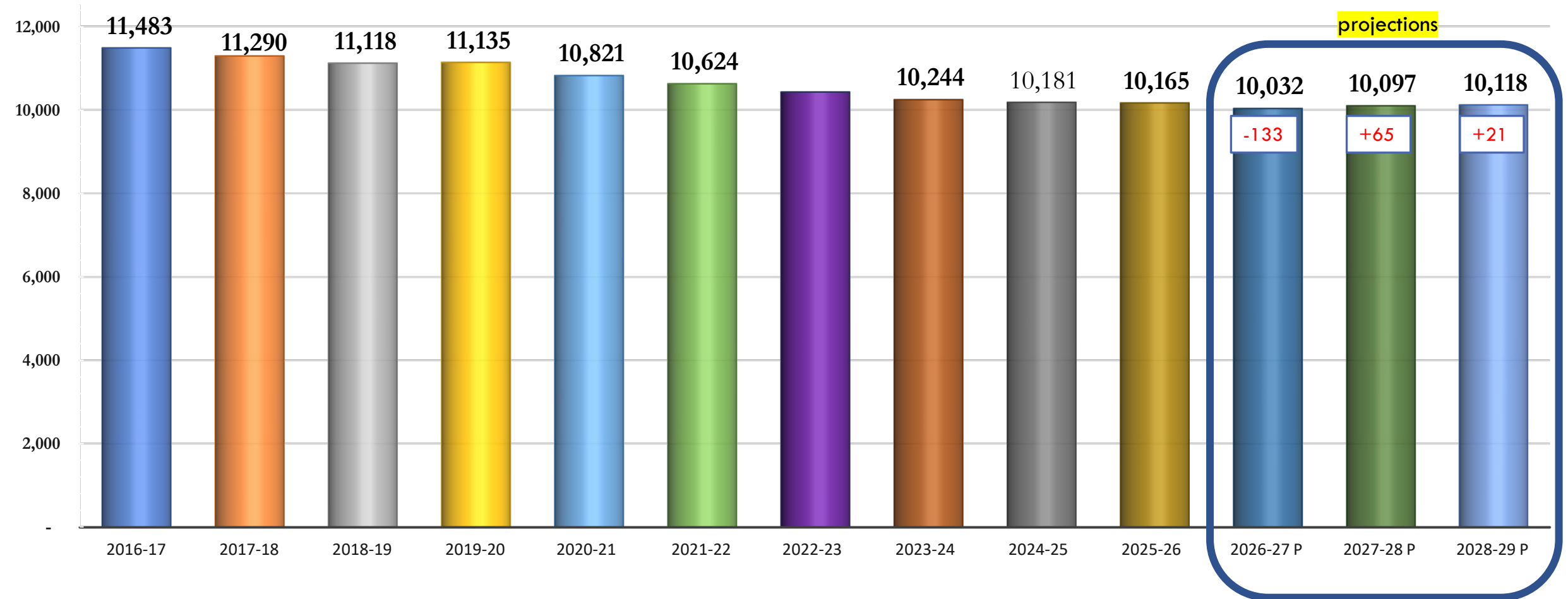


GUSD 2026-27 UNRESTRICTED GENERAL FUND EXPENDITURES



\$117,605,148

GUSD ENROLLMENT HISTORY AND PROJECTED ENROLLMENT FOR 2026-27



MULTI-YEAR PROJECTION (MYP)



REVENUE ASSUMPTIONS				
	2025-26	2026-27	2027-28	2028-29
Enrollment	10,165	10,032	10,097	10,118
Annual Decline	-16	-133	+65	+21
Funded ADA	9,468	9,447	9434	9455
Statutory COLA <i>May Revise</i>	2.3%	2.87%	3.06%	3.34%
		4.31%	*	*
COLA in our MYP	2.3%	2.87%	3.06%	3.34%
Supplemental & Concentration Funds	\$18 M	\$18.4 M	\$18.1 M	\$18.4 M
Unduplicated Pupil Percentage (UPP)	61.3%	61.2%	60.4%	60%

EXPENDITURE ASSUMPTIONS				
	2025-26	2026-27	2027-28	2028-29
Cert. & Classified Step & Column Adjustments	1.5%	1.5%	1.5%	1.5%
Health & Welfare	Based on negotiated caps			
General Fund Contributions	-\$30.6 M	-\$32.1 M	-\$32.3 M	-\$32.3 M
Deferred Maint. General Fund share	Total \$712K (\$333k from state)			
CalSTRS Employer Contribution	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Contribution	26.81%	26.40%	26.90%	26.10%
Routine Restricted Maintenance (RRM)	3% of total expenditures (required for state match on Modernization/New Construction)			

**MYP COLAs will be updated with FCMAT's LCFF calculator becomes available*

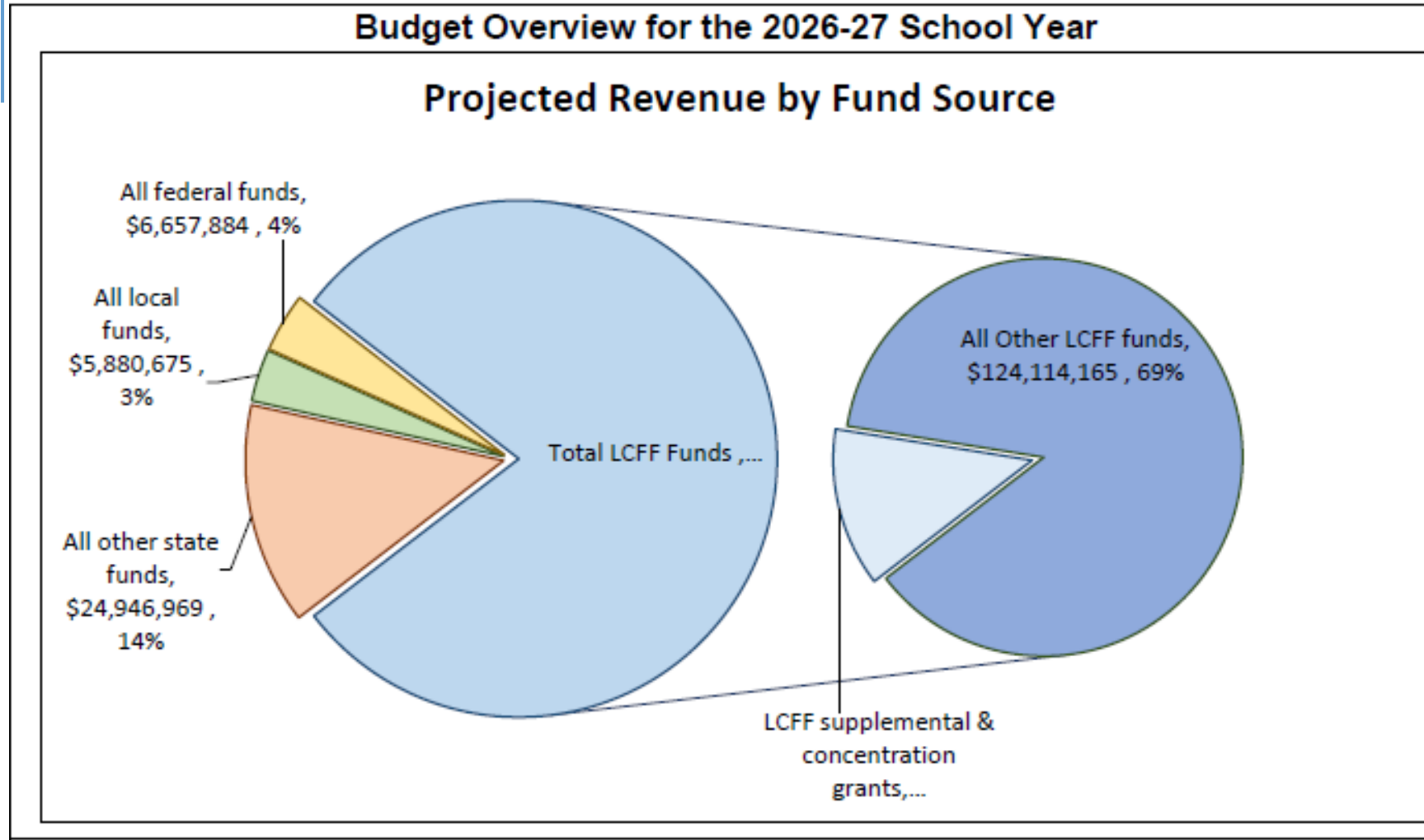
MULTI-YEAR PROJECTION (MYP)

2026-27 PUBLIC HEARING



PUBLIC HEARING BUDGET	2025-26 ESTIMATED ACTUALS			2026-27 PUBLIC HEARING BUDGET			2027-28 PROJECTION			2028-29 PROJECTION		
	2.3% COLA, CBEDS 10,165. Funded on 3PY average ADA, NO settle up funds.			2.87% COLA, CBEDS 10,032, 93.5% ADA, 60% UPP, No Prop 98 Settle Up funds.			3.06% COLA, 93.5% ADA, CBEDS 10,097, 60% UPP, No Prop 98 Settle Up Funds			3.34% COLA, 93.5% ADA, CBEDS 10,118, 60% UPP, No Prop 98 Settle Up Funds		
REVENUES	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	Restricted	Total	Unrestricted	-	-
LCFF	\$131,861,891	\$ 7,405,181	\$ 139,267,072	\$135,108,071	\$ 7,405,181	\$ 142,513,252	\$138,376,326	\$ 7,635,482	\$ 146,011,808	\$143,083,519	\$ 7,872,946	\$ 150,956,465
Federal Revenues	-	7,900,570	7,900,570	-	6,657,884	6,657,884	-	6,657,884	6,657,884	-	6,657,884	6,657,884
Other State Revenues	3,465,499	25,090,029	28,555,528	3,523,715	21,423,254	24,946,969	3,523,715	21,423,254	24,946,969	3,523,715	21,423,254	24,946,969
Other Local Revenues	3,598,497	6,101,795	9,700,292	3,583,500	2,297,175	5,880,675	3,628,631	2,297,175	5,925,806	3,673,762	2,297,175	5,970,937
TOTAL, REVENUES	138,925,887	46,497,576	185,423,463	142,215,286	37,783,494	179,998,780	145,528,672	38,013,795	183,542,467	150,280,996	38,251,259	188,532,255
EXPENDITURES												
Placeholder cut 2027-28						-	(687,000)		(687,000)	(687,000)		(687,000)
Placeholder cut 2028-29										-		-
Certificated	54,778,305	14,812,703	69,591,009	54,564,383	15,370,107	69,934,489	55,382,848	15,600,658	70,983,507	56,213,591	13,699,253	69,912,844
Classified	18,479,832	10,816,972	29,296,804	18,394,318	10,587,932	28,982,251	18,670,233	10,746,751	29,416,984	18,950,287	10,700,762	29,651,049
Employee Benefits	29,381,214	17,451,966	46,833,180	29,430,476	18,053,636	47,484,112	29,621,233	14,458,508	44,079,741	30,065,551	13,776,278	43,841,829
Books & Supplies	4,266,545	15,299,700	19,566,245	3,102,608	6,521,528	9,624,136	3,570,196	6,598,482	10,168,678	3,570,196	7,181,788	10,751,984
Services & Operating Expenses	15,306,551	21,366,438	36,672,988	13,056,231	15,914,763	28,970,994	12,839,231	20,245,064	33,084,295	12,839,231	18,518,282	31,357,514
Capital Outlay	307,239	1,328,152	1,635,391	136,729	33,400	170,129	138,096	852,470	990,566	139,477	852,464	991,941
Other Outgo	544,596	7,634,004	8,178,600	542,311	8,191,023	8,733,333	554,784	4,154,959	4,709,743	567,544	4,154,958	4,722,502
Transfers of Indirect Costs	(2,397,912)	1,436,202	(961,710)	(1,621,907)	939,115	(682,792)	(2,245,605)	1,692,575	(553,030)	(2,418,824)	1,692,575	(726,249)
TOTAL, EXPENDITURES	120,666,369	90,146,138	210,812,507	117,605,148	75,611,503	193,216,651	117,844,016	74,349,468	192,193,484	119,240,053	70,576,361	189,816,414
Transfers Out	-	-	-	-	-	-	-	-	-	-	-	-
Contributions	(30,670,133)	30,670,133	-	(32,055,130)	32,055,130	-	(32,325,103)	32,325,103	-	(32,325,103)	32,325,103	-
TOTAL, OTHER SOURCES/USES	(30,670,133)	30,670,133	-	(32,055,130)	32,055,130	-	(32,325,103)	32,325,103	-	(32,325,103)	32,325,103	-
NET INCREASE (DECREASE)	(12,410,615)	(12,978,429)	(25,389,044)	(7,444,992)	(5,772,879)	(13,217,871)	(4,640,447)	(4,010,570)	(8,651,017)	(1,284,159)	0	(1,284,159)
FUND BALANCE												
Beginning Fund Balance	44,898,342	22,761,878	67,660,220	32,487,727	9,783,449	42,271,176	25,042,735	4,010,570	29,053,305	20,402,288	(0)	20,402,288
Proj. Ending Fund Balance	\$ 32,487,727	\$ 9,783,449	\$ 42,271,176	\$ 25,042,735	\$ 4,010,570	\$ 29,053,305	\$ 20,402,288	\$ (0)	\$ 20,402,288	\$ 19,118,129	\$ 0.00	\$ 19,118,129
Nonspendable Revolving Cash	100,000		100,000	100,000		100,000	100,000		100,000	100,000		100,000
Mimumum RESERVE	\$21,081,251			\$19,321,665			\$19,219,348			\$18,981,641		
UNRESTRICTED RESERVE (after excluding Committed Balances)	15.36%			12.91%			10.56%			10.02%		
Unassigned/Unappropriated	11,306,476			5,621,070			1,082,940			36,487		

BUDGET OVERVIEW FOR PARENTS

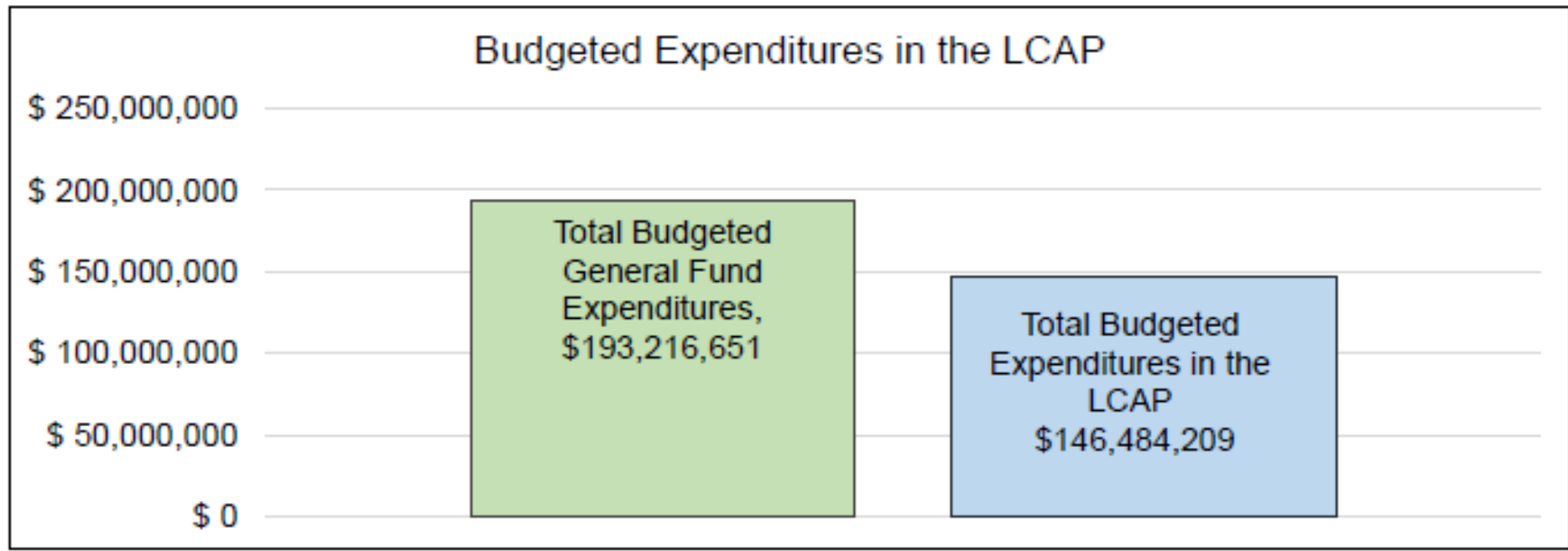


REQUIRED DISCLOSURE

This chart shows the total general purpose revenue Gilroy Unified School District expects to receive in the coming year from all sources.

BUDGET OVERVIEW FOR PARENTS

The LCFF gives school districts more flexibility in deciding how to use state funds. In exchange, school districts must work with parents, educators, students, and the community to develop a Local Control and Accountability Plan (LCAP) that shows how they will use these funds to serve students.

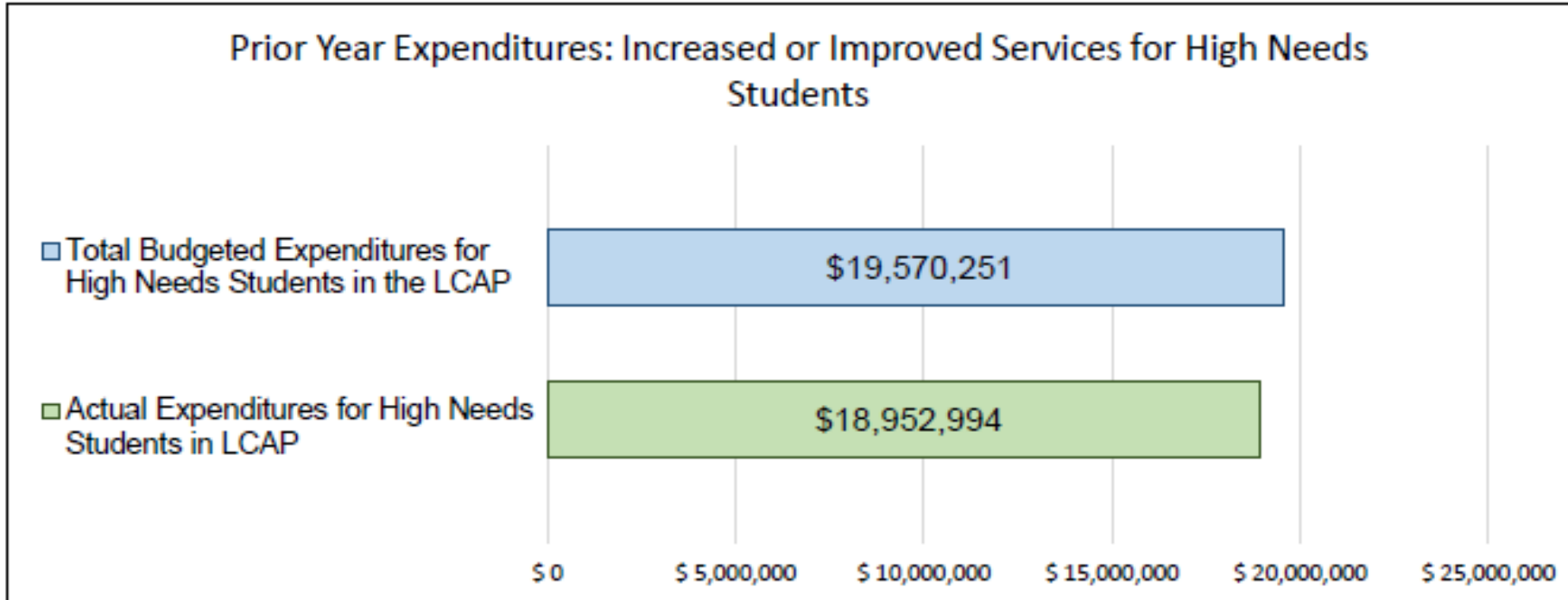


This chart provides a quick summary of how much Gilroy Unified School District plans to spend for 2026-27. It shows how much of the total is tied to planned actions and services in the LCAP.

REQUIRED DISCLOSURE

BUDGET OVERVIEW FOR PARENTS

Update on Increased or Improved Services for High Needs Students in 2025-26



This chart compares what Gilroy Unified School District budgeted last year in the LCAP for actions and services that contribute to increasing or improving services for high needs students with what Gilroy Unified School District estimates it has spent on actions and services that contribute to increasing or improving services for high needs students in the current year.

REQUIRED DISCLOSURE

STATEMENT OF REASONS FOR EXCESS RESERVES

Adopted Budget
 2026-27 Budget Attachment
 Balances in Excess of Minimum Reserve Requirements
 Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

Education Code Section 42127(a)(2)(B) requires a statement of the reasons that substantiates the need for assigned and unassigned ending fund balances in excess of the minimum reserve standard for economic uncertainties for each fiscal year identified in the budget.

Combined Assigned and Unassigned/unappropriated Fund Balances				
Form	Fund	2026-27 Budget	Objects 9780/9789/9790	
01	General Fund/County School Service Fund	\$29,053,305	Form 01	
17	Special Reserve Fund for Other Than Capital Outlay Projects	\$0	Form 17	
Total Assigned and Unassigned Ending Fund Balances		\$29,053,305		
	District Standard Reserve Level	10%	Form 01CS Line 10B-4	
	Less District Minimum Reserve for Economic Uncertainties	\$0	Form 01CS Line 10B-7	
Remaining Balance to Substantiate Need		\$29,053,305		

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties				
Form	Fund	2026-27 Budget	Description of Need	
01	General Fund/County School Service Fund	\$19,321,665	Minimum 10% reserve based on Board policy.	
01	General Fund/County School Service Fund	\$4,010,570	The District is committing Learning Recovery funds through 2027-28.	
01	General Fund/County School Service Fund	\$100,000	Revolving cash balance is for emergency purposes.	
	General Fund/County School Service Fund	\$5,621,070	Amount needed to maintain reserves over MYP forecast through 2028-29.	
Total of Substantiated Needs		\$29,053,305		

REQUIRED DISCLOSURE

FY 2026-27

Remaining Unsubstantiated Balance \$0 Balance should be Zero

Education Code Section 42127 (d)(1) requires a county superintendent to either conditionally approve or disapprove a school district budget if the district does not provide for EC 42127 (a)(2)(B) public review and discussion at its public budget hearing.

This is a separate attachment accompanying the board briefing.

STATEMENT OF REASONS FOR EXCESS RESERVES

Balances in Excess of Minimum Reserve Requirements

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

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Combined Assigned and Unassigned/unappropriated Fund Balances			
Form	Fund	2027-28 Budget	Objects 9780/9789/9790
01	General Fund/County School Service Fund	\$20,402,288	Form 01
17	Special Reserve Fund for Other Than Capital Outlay	\$0	Form 17
Total Assigned and Unassigned Ending Fund Balances		\$20,402,288	
District Standard Reserve Level		10%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties		\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need		\$20,402,288	

REQUIRED DISCLOSURE

FY 2027-28 projection

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties				
Form	Fund	2027-28 Budget	Description of Need	
01	General Fund/County School Service Fund	\$19,219,348	Minimum 10% reaserve based on Board policy.	
01	General Fund/County School Service Fund	\$100,000	Revolving cash balance is for emergency purposes.	
	General Fund/County School Service Fund	\$1,082,940	Amount needed to maintain reserves over MYP forecast through 2028-29.	
Total of Substantiated Needs		\$20,402,288		

Remaining Unsubstantiated Balance \$0 Balance should be Zero

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STATEMENT OF REASONS FOR EXCESS RESERVES

Reasons for Assigned and Unassigned Ending Fund Balances in Excess of Minimum Recommended Reserves

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Combined Assigned and Unassigned/unappropriated Fund Balances			2028-29 Budget	Objects 9780/9789/9790
Form	Fund			
01	General Fund/County School Service Fund		\$19,118,129	Form 01
17	Special Reserve Fund for Other Than Capital Outlay P		\$0.00	Form 17
Total Assigned and Unassigned Ending Fund Balances			\$19,118,129	
District Standard Reserve Level			10%	Form 01CS Line 10B-4
Less District Minimum Reserve for Economic Uncertainties			\$0	Form 01CS Line 10B-7
Remaining Balance to Substantiate Need			\$19,118,129	

REQUIRED DISCLOSURE

FY 2028-29 projection

Reasons for Fund Balances in Excess of Minimum Reserve for Economic Uncertainties			
Form	Fund	2028-29 Budget	Description of Need
01	General Fund/County School Service Fund	\$18,981,641	Minimum 10% reaserve based on Board policy.
01	General Fund/County School Service Fund	\$100,000	Revolving cash balance is for emergency purposes.
	General Fund/County School Service Fund	\$36,488	Maintain adequate reserves (no cuts projected in 2028-29)
	General Fund/County School Service Fund	\$19,118,129	

Remaining Unsubstantiated Balance	\$0	Balance should be Zero
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NEXT STEPS



- California's Enacted Budget for 2026-27
 - Trailer Bills, allocation of one-time funds? Details will be forthcoming.
- **Board Action on LCAP and Budget on Tuesday, June 18, 2026**
- Revised GUSD Budget in Sept. with Year-End Closing Report
 - Or... *Within 45 days if Enacted Budget varies significantly from our assumptions.*



"45-Day Budget Revision" in August 2026

1. *Settle-up funds or Fully Funding Prop 98?*
2. *Super COLA tied to new 14-week paid pregnancy leave?*
3. *One-time Student Support Discretionary Block Grant?*