

Budget Subcommittee Meeting 2

A comprehensive review of restricted program funding challenges, proposed budget reductions, and enrollment projections for the 2026-27 fiscal year.



Multi-Year Projection Fund 01

PGUSD has been deficit spending for over 6 years with no leveling of the reserves. If we continue down this path we are staring at low single digit reserves within this plus 4 subsequent years.

Note: the state requires a 3% reserve for economic uncertainty

Metric	2026-27 Projection <i>w/ 2% increase to salary & 0.5% increase to health and welfare</i>	2027-28 Projection <i>w/ step in column only</i>
Beginning Balance (combined)	\$5,171,212	\$3,469,938
Revenue	\$49,706,432	\$51,491,996
Expenditures	\$51,407,806	\$51,887,692
Deficit	(\$1,701,373) Unrestricted: (\$978,654) Restricted: (\$722,719)	(\$695,697) Unrestricted: (\$684,742) Restricted: (\$10,955)
Ending Fund Balance	\$3,469,838	\$3,074,141
Reserve Levels	6.2%	5.6%

 ***This multi-year projection highlights a continued declining trend in reserve levels***

Restricted Program Encroachment on Unrestricted General Fund

Several restricted programs require substantial UGF support to maintain operations. Understanding these funding dependencies is critical for long-term budget planning.

Adult Education (Fund 11)

\$200,000 revenue limit transfer required annually due to changes in tuition revenue structure.

Early Childhood Education (Fund 12)

\$117,912 projected for 2025-26, increasing to \$125,892 for 2026-27. Increased BASRP tuition and ELOP apportionment may help reduce this amount.

Deferred Maintenance (Fund 14)

\$200,000 board-directed unrestricted contribution. Historically, no dedicated funding source has existed for this critical infrastructure fund.

Program-Specific UGF Contributions

GATE Program

Once solely grant-supported, now requires \$6,192 UGF contribution to maintain operations.

AVID Program

Previously funded through Chapman and Yellow Brick Road grants, now requires:

- \$59,000 for conferences, field trip buses, and membership
- \$133,681 for permanent positions, benefits, and substitute costs

Outdoor Science Camp

\$28,000 UGF contribution needed after donations and tuition are fully expensed.

District Athletics

\$141,070 projected UGF contribution for travel, materials, league dues, and referee fees. Revenue increase options needed: PCAL cards, increased gate fees.

Discretionary Block Grant (Resource 6762) has supported \$120,000 annually for two years—this funding must be addressed.

Dual Enrollment

Ongoing discussion required. Must negotiate stipend with PGTA as UGF has supported materials and supplies for DE courses due to Instructional Services Agreement covering stipend plus statutory.



Beginning Teacher Induction Program

Current Funding Challenge

\$22,484 UGF contribution currently supporting the Beginning Teacher Induction Program.

Proposed Solution

Shift funding to new resource 6019, a block grant specifically designed to support curriculum and instruction initiatives.

2026-27 Budget Reductions Discussion

To address budget constraints, the following reductions are under consideration and maintain staffing to enrollment

01

Personnel Reductions

1. 1.0 FTE Digital Learning Teacher - \$152,174
2. 1.0 FTE Elementary Spanish Teacher - \$146,398
3. 1.0 FTE Elementary Teacher - \$146,398
4. 1.0 FTE MHT Itinerant (No Fund 01 Relief) - \$174,268
5. 1.625 FTE Adult Transition Program Paraprofessionals - \$78,006
6. Community High School Staffing to Enrollment

Ongoing Unrestricted Fund 01 Relief: **\$522,976** (Items 1,2,3,5,6)

One Time Reduction of Expiring Restricted Revenue: **\$174,268** (Item 4)

03

Operational Reductions

1. 20% reduction to all travel and conference - \$23,271 ongoing
2. 5% reduction to materials and supplies - \$55,897 ongoing
3. Freeze on Fund 14 transfer - \$200,000

Ongoing Fund 01 Relief: \$79,168 (Items 1 and 2)

Measured Relief: \$200,000 (Fund 14 UGF Transfer) (Item 3)

02

Salary Freeze Options

- Option A: Management freeze to step in column - \$34,879
- Option B: District-wide freeze to step in column - \$385,000

Ongoing Fund 01 Relief: \$TBD

04

Revenue & Program Adjustments

- Possible revenue increases (BASRP, Athletics) - TBD all sites
- GATE contribution from UGF - \$6,192
- AVID contribution from UGF - \$59,000 (Travel/Materials and Supplies)+ \$133,681 (staff)

Ongoing Fund 01 Relief: \$65,196

Fund 01 will maintain transfer for staffing of \$133,681



2026-27 Enrollment Projections Overview

Enrollment projections using the Cohort Survival Method show varying trends. Understanding these patterns is essential for resource allocation and staffing decisions.

1,687

1-Year Projection

Baseline enrollment using one-year cohort survival data

1,674

2-Year Projection

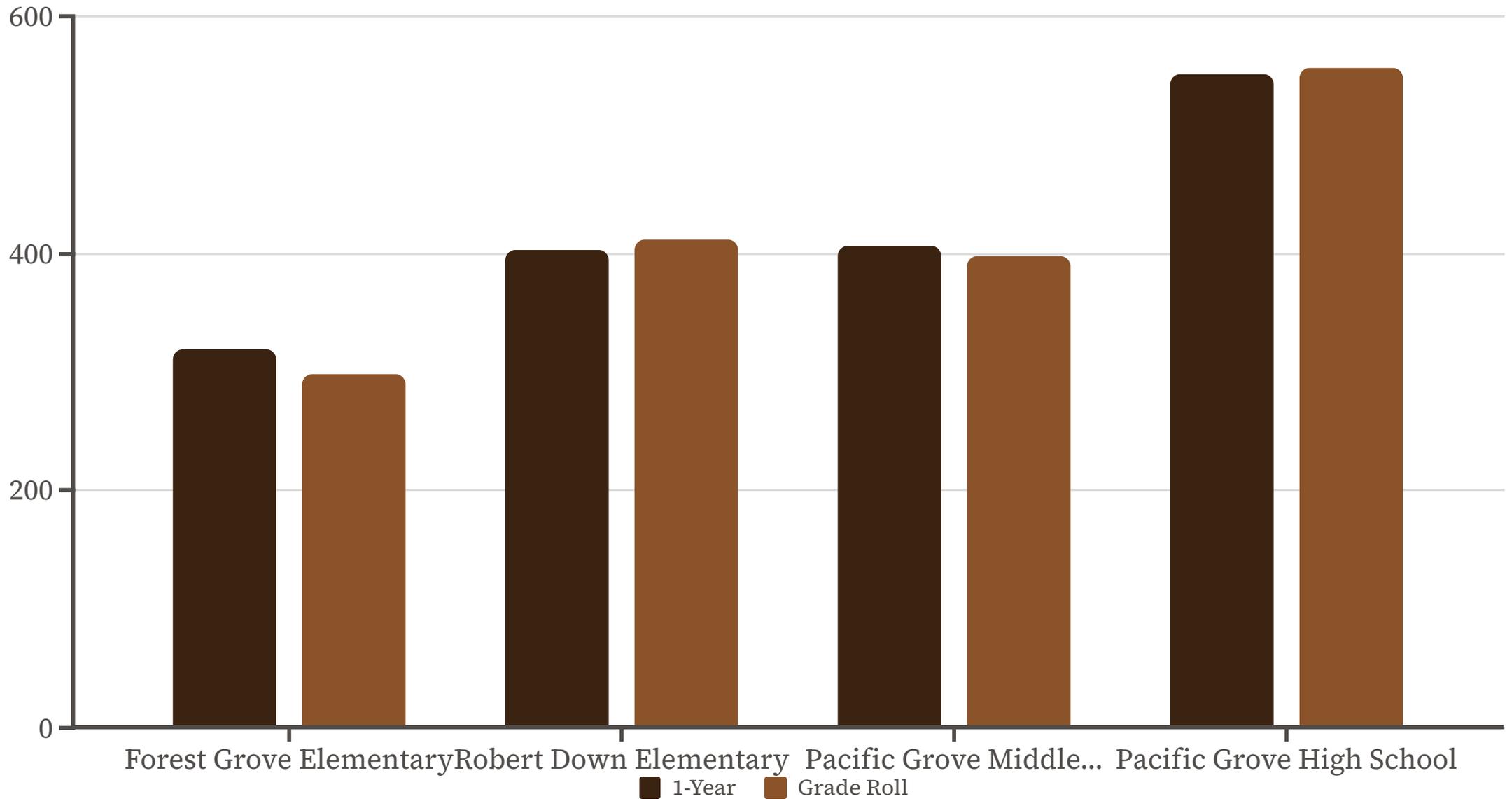
Slight decline of 13 students from baseline

1,671

Grade Roll Projection

Recovery to near-baseline levels

Enrollment by School Site



- **Forest Grove Elementary** shows declining enrollment from the 1-year to the Grade Roll projection.
- **Robert Down Elementary** maintains stable enrollment with slight growth in the Grade Roll projection.
- **Pacific Grove Middle School** remains relatively steady, with a slight decrease in the Grade Roll projection.
- **Pacific Grove High School** shows slight growth from the 1-year projection to the Grade Roll projection.



Key Takeaways & Next Steps



Address UGF Encroachment

Develop sustainable funding strategies for restricted programs currently dependent on unrestricted general fund support.



Implement Budget Reductions

Carefully consider proposed reductions, and make further recommendations, while minimizing impact on educational quality and student services.



Monitor Enrollment Trends

Track enrollment projections closely and adjust staffing and resource allocation accordingly to maintain fiscal stability.