



Lassen County Office of Education
Supporting Students for the Future

Lassen County Office of Education

2026-27 Budget 2025-26 Estimated Actuals

Presented to the:

Lassen County Board of Education



June 17, 2026
Public Hearing



June 24, 2026
Adoption Date



472-013 Johnstonville Rd. North
Susanville, CA 96130

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BUDGET SUMMARY

The 2026-27 Proposed Budget and 2025-26 Estimated Actuals are being presented for your review. The information provided for fiscal year 2026-27 and the two subsequent years includes the latest known proposals and projections from the Governor's May Revision. The budget was prepared using the LCFF assumptions based the Fiscal Crisis and Management Assistance Team (FCMAT), the School Services of California Dartboard, and the Business Administration Steering Committee (BASC) Common Message.

The May Revision includes a 2.87% statutory COLA for LCFF, county offices of education, and other specified statutory programs, which is an increase from the 2.41% proposed in the Governor's January Budget. In addition, the May Revision includes an additional 1.44% LCFF base grant adjustment, creating a combined 4.31% increase to LCFF. For LCOE, this change does provide an increase to since the Governor's Budget of approximately \$91,545. However, we still need to approach this cautiously until the final state budget is adopted. The additional base grant adjustment is intended to help LEAs manage rising costs, offset funding reductions related to declining enrollment, and fund new requirements such as paid pregnancy disability leave.

One important change for county offices is related to Differentiated Assistance and Universal/Targeted Assistance funding. The May Revision replaces the current Differentiated Assistance funding formula with \$132 million ongoing Proposition 98 formula for Universal and Targeted Assistance. For the 2026-27 school year, there is a hold-harmless provision based on 2025-26 funding levels. This means LCOE will receive no less that what we received in 2025-26 for the 2026-27, and if this budget is enacted, we will receive the \$733,333 in DA funding. However, in future years, DA or Universal/Targeted Assistance funding will move to a base rate of \$500,000. While that base rate is an increase from the prior base of \$300,000; based on LCOE's formula and ADA, our funding will be reduced from the \$733,333 amount until we are closer to the \$500,000 base rate. This has been included in the multiyear projections.

For Universal Services, the May Revision makes it clear that county offices will continue to play an important role in the statewide system of support. COEs will be required to provide universal and targeted support to school districts and charter schools, including those eligible for Differentiated Assistance, and they are also indicating that at the expiration of Community Schools funding COEs will need to provide community schools coordination services. County offices each year are seeing increased required services to districts, and sometimes those responsibilities come with additional funding and sometimes they do not. LCOE has already restructured staff and will continue to work through these changes, as this will be a requirement from the state to make sure COEs are involved in supporting districts prior to a district being selected for Differentiated Assistance. As a reminder, Differentiated Assistance, or DA, is targeted technical assistance provided through California's accountability and statewide system of support to help LEAs address areas of need and improve outcomes for student groups.

Overall, while the May Revision provides some positive adjustments for county offices, it also continues the trend of increased responsibility and expanded support expectations. LCOE will continue to monitor the final state budget, evaluate the impact to both the current year and multiyear projections, and remain focused on providing the required support to our districts in a way that is fiscally responsible and sustainable for the county office.

LCFF CALCULATOR SUMMARY

Lassen Co. Office of Education		7/1/2026		
		2026-27	2027-28	2028-29
SUMMARY OF FUNDING				
LCFF Entitlement				
County Operations Grant		\$5,091,704	\$5,251,512	\$5,405,464
Alternative Education Base Grant	\$ -	\$ -	\$ -	\$ -
Alternative Education Supplemental Grant	-	-	-	-
Alternative Education Concentration Grant	-	-	-	-
Total Alternative Education Grant	\$ -	\$ -	\$ -	\$ -
Add-ons: Targeted Instructional Improvement Block Grant	\$ -	\$ -	\$ -	\$ -
Add-ons: Home-to-School Transportation	63,004	65,083	67,094	
Add-ons: Small School District Bus Replacement Program	-	-	-	-
Add-ons: Juvenile Court School Grant	-	-	-	-
Add-ons: County Community School Grant	-	-	-	-
Total Add-ons	\$ 63,004	\$ 65,083	\$ 67,094	
TOTAL LCFF TARGET ENTITLEMENT		\$ 5,154,708	\$ 5,316,595	\$ 5,472,558
ADDITIONAL STATE AID				
Additional State Aid to Meet the Minimum Guarantee	\$ -	\$ -	\$ -	\$ -
State Aid for COE Funded on LCFF Target	\$ -	\$ -	\$ -	\$ -
State Aid for Differentiated Assistance	733,333	600,000	500,000	
Total Additional LCFF State Aid	\$ 733,333	\$ 600,000	\$ 500,000	
Total LCFF Entitlement		5,888,041	5,916,595	5,972,558
SUMMARY OF LCFF ENTITLEMENT BY OBJECT				
State Aid (Object Code 8011)	\$ 4,807,200	\$ 4,835,754	\$ 4,891,717	
EPA (for LCFF Calculation purposes) (Resource 1400 - Object Code 8012)	\$ 620,491	\$ 620,491	\$ 620,491	
Total Local Revenue Sources (Object Codes 8021-8089):	\$ 1,520,209	\$ 1,520,209	\$ 1,520,209	
Special Education Property Tax Revenue	1,059,859	1,059,859	1,059,859	
Total Property Tax Revenue Other than Special Education	\$ 460,350	\$ 460,350	\$ 460,350	
Excess Taxes - Liability Accrual (Obj Dbt. 9500 Cr. Obj. 7299)	\$ -	\$ -	\$ -	
Total LCFF Entitlement	5,888,041	5,916,595	5,972,558	
LCAP PERCENTAGE TO INCREASE OR IMPROVE SERVICES				
Alternative Education Base Grant (Excludes add-ons for TIIG and Transportation)	\$ -	\$ -	\$ -	
County Operations Grant	\$ 5,091,704	\$ 5,251,512	\$ 5,405,464	
Total LCFF Target Entitlement (Excluding Add-ons)	\$ 5,091,704	\$ 5,251,512	\$ 5,405,464	
Supplemental and Concentration Grant funding in the LCAP year	\$ -	\$ -	\$ -	
Percentage to Increase or Improve Services	0.00%	0.00%	0.00%	
SUMMARY OF EPA				
% of Adjusted Revenue Limit - Annual	36.06588113%	36.06588113%	36.06588113%	
% of Adjusted Revenue Limit - P-2	36.06588113%	36.06588113%	36.06588113%	
EPA (for LCFF Calculation purposes=P-2)	\$ 620,491	\$ 620,491	\$ 620,491	
EPA, Current Year (Object Code 8012)	\$ 620,491	\$ 620,491	\$ 620,491	
(P-2 plus Current Year Accrual)				
EPA, Prior Year Adjustment (Object Code 8019)	\$ -	\$ -	\$ -	
(P-A less Prior Year Accrual)				
Accrual (from Data Entry tab)	-	-	-	

FUND 01 RESOURCE SUMMARY

LASSEN COUNTY OFFICE OF EDUCATION 2026-27 SUMMARY									
Resource	Name	Income	Contributions	InterFund Transfers in	Total Income	Expenditures	Indirect Costs	Interfund Transfer Out	Total Expenditures
COUNTY SCHOOL SERVICE FUND - FUND 01									
0000	Unrestricted	6,298,177	(1,308,376)		4,989,801	4,000,240	(396,991)	200,000	3,803,249
0113	Developer Fees	3,000	-	-	3,000	3,000	-	-	3,000
0200	Technology Department	1,140,224	1,240,954		2,381,178	2,381,178			2,381,178
0724	SPED Transportation	63,004	181,849		244,853	227,368	17,485		244,853
1100	Lottery - NON PROP 20	1,400	-	-	1,400	1,400	-	-	1,400
1400	Education Protection Act	620,491	(251,121)		369,370	369,370			369,370
3310	SPED Basic Grant IDEA	942,444	-	-	942,444	875,064	67,380	-	942,444
3315	SPED Preschool-Non RIS	43,004	-	-	43,004	39,930	3,074	-	43,004
3345	SPED Preschool Staff Develop.	1,000	-	-	1,000	929	71	-	1,000
3385	SPED Early Interven. IDEA	31,736			31,736	29,467	2,269		31,736
5630	Homeless Children Ed Grant	43,087	-	-	43,087	40,007	3,080	-	43,087
6010	Afterschool Program	275,457	-	-	275,457	262,338	13,119	-	275,457
6300	Lottery Restricted - PROP 20	490	-	-	490	490	-	-	490
6333	CCSPP Implementation/Coord	200,000	-	-	200,000	185,701	14,299	-	200,000
6500	SPED - State AB602	2,751,071	(181,849)	-	2,569,222	2,444,162	125,060	-	2,569,222
6510	SPED - Early Ed Infant Funding	249,200			249,200	231,384	17,816		249,200
6546	Mental Health State (Gen/SpEd	499			499	499			499
6547	SPED - Early Inter. Preschool	157,196	-	-	157,196	145,958	11,238	-	157,196
6680	CIG/TBCO Tupe Admin	37,500	-	-	37,500	34,819	2,681	-	37,500
6685	COE Tech Assist Prop 56	37,500	-	-	37,500	35,714	1,786	-	37,500
6690	TUPE Cohort	24,000	-	-	24,000	22,284	1,716	-	24,000
6770	Art & Music PROP 28	9,451	-	-	9,451	9,451	-	-	9,451
7366	Foster Youth Services	192,724	-	-	192,724	178,945	13,779	-	192,724
7690	STRS on Behalf	179,481	-	-	179,481	179,481	-	-	179,481
9012	Youth Camp	6,000	40,422	-	46,422	46,422	-	-	46,422
9022	Elem. Athletic League	3,000	-	-	3,000	3,000	-	-	3,000
9024	Children's Fair	3,000	7,000	-	10,000	10,000	-	-	10,000
9040	Sober Graduation	7,500	20,000	-	27,500	27,500	-	-	27,500
9080	SPED - Medical Billing	200,000	-	-	200,000	185,701	14,299	-	200,000
9081	MAA Reimbursement	-	-	-	-	-	-	-	-
9083	SPED - Far Norther Regional	7,000	-	-	7,000	6,500	500	-	7,000
9121	MHSSA Grant	175,000			175,000	175,000			175,000
9126	ELOP	237,971			237,971	220,958	17,013		237,971
9127	TK Services	45,000			45,000	45,000			45,000
9133	MHSSA - Sustainability	222,000			222,000	206,128	15,872		222,000
9134	MHSSA - Universal Screening	343,000			343,000	318,477	24,523		343,000
9650	Retiree Health Benefits	-		112,339	112,339	112,339			112,339
Total, Fund 01		14,551,607	(251,121)	112,339	14,412,825	13,056,204	(29,931)	200,000	13,226,273

REVENUES

Overall revenues for LCOE General Fund 01 are anticipated to be lower than the prior year. The unrestricted side does include an increase in LCFF sources due to the 4.31% COLA, increasing from \$5,673,081 to \$5,888,041. Other State Revenue remains relatively unchanged and consists of smaller funding sources, including the transportation add-on and mandated cost reimbursements. Other Local Revenue has increased overall; however, this area includes several adjustments, including the removal of prior one-time funds, increased interest earnings, and increases related to rental agreements.

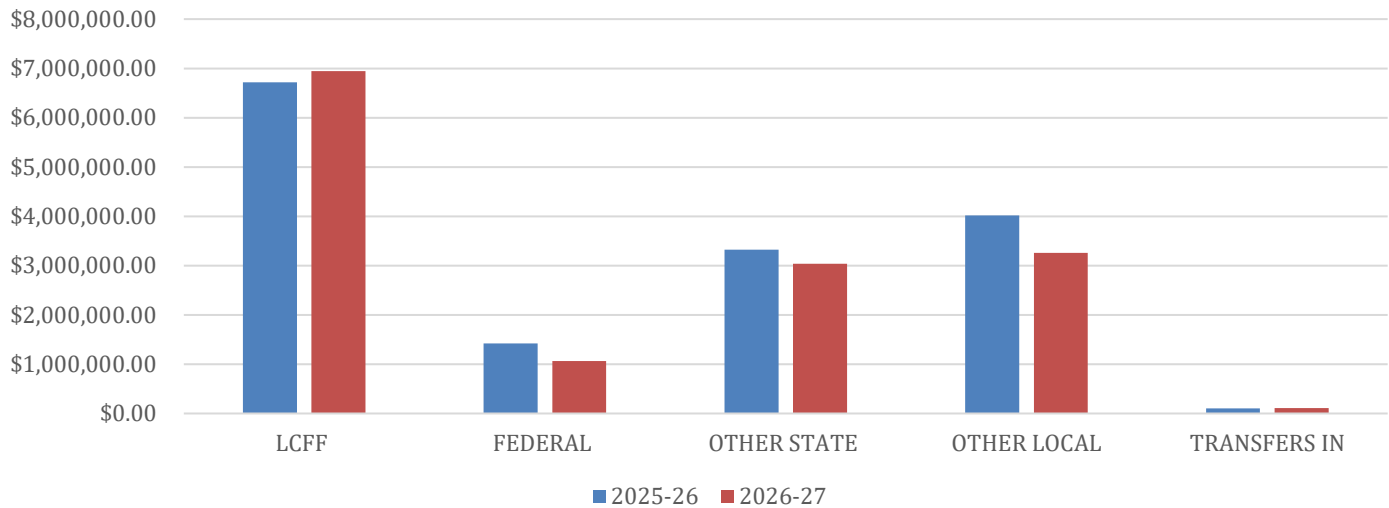
For restricted revenues, LCFF Sources primarily reflect the property tax transfer to Special Education. Federal Revenue has decreased significantly due to the elimination of the Transitional Partnership Program. This program was reduced at the federal level from an augmented amount back to the original funding level. Due to the level of services required to operate the program, which was SELPA-run, the cost to provide services exceeded the revenue received. As a result, the decision was made to eliminate the program.

Other State Revenue is also reduced due to the elimination of the WorkAbility program, which was also SELPA-run. In addition, reductions are reflected from the ASES program in Big Valley. This program has experienced historically low to no attendance, and staffing has been difficult to maintain. The program will now be operated by the district through ELOP. The remaining reduction in Other State Revenue is primarily related to deferred revenue that is being budgeted IN 2025-26 and is not anticipated as new revenue for 2026-27.

Other Local Revenue has also decreased due to several mental health grants coming to an end or entering their final year with lower revenue anticipated. Although many of these funding sources have supported important services, the reductions reflect the continued need to monitor programs, staffing, and sustainability as grant funding changes. Overall, LCOE will continue to evaluate revenue trends carefully and plan conservatively to ensure ongoing services are aligned with available resources.

Transfers In are also anticipated from Fund 20 for possible retirement incentives and retiree health care costs. There are currently three remaining retirees receiving retiree health care benefits, with one retiree aging out in December of this year. These transfers help offset costs in the General Fund and support LCOE's continued efforts to manage long-term obligations responsibly.

EST. ACTUALS TO BUDGET REVENUE



INFORMATION FROM FORM 01

Description	Object Codes	2025-26 Estimated Actuals			2026-27 Budget		
		Unrestricted(A)	Restricted(B)	Total Fundcol. A + B(C)	Unrestricted(D)	Restricted(E)	Total Fundcol. D + E(F)
A. REVENUES							
1) LCFF Sources	8010-8099	5,673,081.00	1,047,464.00	6,720,545.00	5,888,041.00	1,059,859.00	6,947,900.00
2) Federal Revenue	8100-8299	0.00	1,423,074.00	1,423,074.00	0.00	1,061,271.00	1,061,271.00
3) Other State Revenue	8300-8599	64,269.00	3,257,057.00	3,321,326.00	64,269.00	2,971,241.00	3,035,510.00
4) Other Local Revenue	8600-8799	1,939,851.00	2,075,533.00	4,015,384.00	1,946,365.00	1,309,440.00	3,255,805.00
5) TOTAL, REVENUES		7,677,201.00	7,803,128.00	15,480,329.00	7,898,675.00	6,401,811.00	14,300,486.00
D. OTHER FINANCING SOURCES/USES							
1) Interfund Transfers							
a) Transfers In	8900-8929	0.00	105,048.00	105,048.00	0.00	112,339.00	112,339.00

EXPENDITURES

UNRESTRICTED

Certificated salaries have decreased compared to the prior year. This is mostly attributed to one-time stipends paid in 2025-26 for certificated administrative support provided to Big Valley. COLA and step increases have been applied for the 2026-27 year.

Classified salaries have increased overall; however, there is still an offset when compared to 2025-26 because prior year salaries were inflated due to an additional staff member in the Business Department for cross-training in preparation for a retirement, as well as stipends for administrative support provided to Big Valley.

Employee benefits have increased overall. PERS rates decreased, STRS remained the same, and workers' compensation costs increased.

Books and supplies have also increased based on anticipated needs for the 2026-27 year.

Services and other operating expenditures have decreased. The 2025-26 budget included several large one-time costs that will not be required in 2026-27, including EdFiles and updates to the QCC print drivers. While there will continue to be smaller ongoing service fees related to these items, the major one-time expenses have been removed.

Capital outlay has also been reduced significantly in 2026-27 compared to 2025-26. The prior year included one-time capital purchases and improvements, including the purchase of a vehicle and updates to the Chestnut parking lot, such as cameras and fencing. Transfers Out have increased, as LCOE plans to transfer \$200,000 in the 2026-27 year to Fund 17.

RESTRICTED

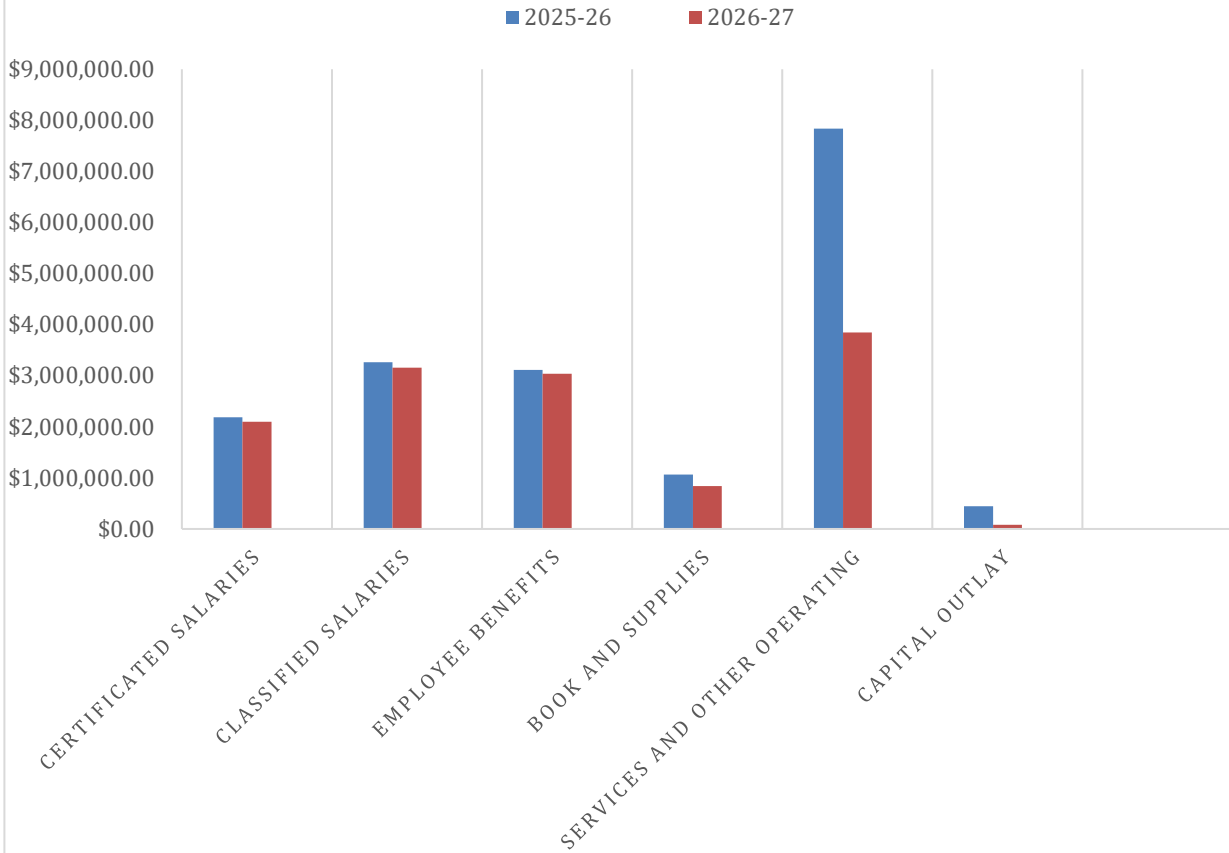
Restricted certificated salaries have decreased due to the reduction of the program at Johnstonville. These services, as decided by the SELPA, will be provided utilizing a behavior specialist who will work with trained district staff to serve these students.

Classified salaries are also lower due to the elimination of the Transitional Partnership Program and WorkAbility program. This represents a reduction of three staff positions. Employee benefits have decreased accordingly due to the reduction in staffing.

Books and supplies have also taken a significant reduction due to the elimination of these programs, along with the removal of prior year carryover that was budgeted in 2025-26. Services and other operating expenditures have also decreased significantly, primarily due to the large amount of carryover currently budgeted in 2025-26 that is not anticipated in the 2026-27 year.

Overall, the expenditure budget reflects the removal of several one-time costs from the prior year, reductions related to program eliminations, continued salary and benefit obligations, and planned transfers to support long-term fiscal planning.

EST. ACTUALS TO BUDGET EXPENDITURES



INFORMATION FROM FORM 01

Description	Object Codes	2025-26 Estimated Actuals			2026-27 Budget		
		Unrestricted(A)	Restricted(B)	Total Fundcol. A + B(C)	Unrestricted(D)	Restricted(E)	Total Fundcol. D + E(F)
B. EXPENDITURES							
1) Certificated Salaries	1000-1999	839,002.00	1,344,661.00	2,183,663.00	816,989.00	1,280,387.00	2,097,376.00
2) Classified Salaries	2000-2999	1,796,367.00	1,468,901.00	3,265,268.00	1,803,481.00	1,353,700.00	3,157,181.00
3) Employee Benefits	3000-3999	1,533,380.00	1,577,686.00	3,111,066.00	1,568,316.00	1,467,537.00	3,035,853.00
4) Books and Supplies	4000-4999	581,156.00	485,353.07	1,066,509.07	637,728.00	201,969.00	839,697.00
5) Services and Other Operat	5000-5999	2,279,815.52	5,557,102.45	7,836,917.97	2,167,964.00	1,679,633.00	3,847,597.00
6) Capital Outlay	6000-6999	388,670.00	54,756.00	443,426.00	78,500.00	0.00	78,500.00
7) Other Outgo (excluding Tr	7100-7299 7400-7499	0.00	0.00	0.00	0.00	0.00	0.00
8) Other Outgo - Transfers of	7300-7399	(434,307.00)	405,030.00	(29,277.00)	(379,006.00)	349,075.00	(29,931.00)
9) TOTAL, EXPENDITURES		6,984,083.52	10,893,489.52	17,877,573.04	6,693,972.00	6,332,301.00	13,026,273.00
D. OTHER FINANCING SOURCES/USES							
b) Transfers Out	7600-7629	150,000.00	0.00	150,000.00	200,000.00	0.00	200,000.00

CONTRIBUTIONS

LCOE continues to support several programs and services through General Fund contributions, all of the contributions listed below. The only contribution reflected on Form 01 is the contribution from Special Education Resource 6500 to Special Education Transportation in the amount of \$181,849.

General Fund support includes:

Program/Service

Technology Department	\$1,240,954
Youth Camp	\$40,422
Children's Fair	\$7,000
Sober Graduation	\$20,000
Special Education to Sp. Ed. Transportation	\$181,849

COMPONENTS OF ENDING FUND BALANCE

LCOE anticipates beginning the 2026-27 year with an ending fund balance of \$14,514,377. At the end of the 2026-27 fiscal year, LCOE is projecting an anticipated carryover of \$1,186,552, resulting in a projected unrestricted ending fund balance of \$15,700,929.

The components of unrestricted ending fund balance are as follows:

Projected Ending Fund Balance	\$15,700,929
Reserved for Revolving Cash	\$2,500
Designated for Economic Uncertainties	\$529,090

ASSUMPTIONS

2026-27

LCFF COLA - 4.31%

DA Funding Change Hold Harmless \$733,333

Step Increases budgeted for all LCOE staff

LCSTA and CSEA Bargaining Units are settled

Forest Reserve Funds Eliminated

No MAA Funds Budgeted

Lottery budgeted at \$190 for unrestricted and \$82 for restricted

STRS Rate Budgeted at 19.10%

PERS Rate Budgeted at 26.40%

SUI Rate Budgeted at .05%

Worker's Comp Rate at 3.1628%

Minimum Wage \$17.40 & \$18.00

\$200,000 Transferred to Fund 17- Special Reserve Fund for Other Than Capital Outlay Projects

Reduction of ASES Services to Big Valley

County Wide ADA 3,453.74

2027-28

LCFF COLA - 3.30%

DA Funding Change Budgeted at \$600,000

Step Increases budgeted for all LCOE staff

LCSTA Bargaining Unit & CSEA are not settled.

Forest Reserve Funds Eliminated

No MAA Funds Budgeted

Lottery budgeted at \$190 for unrestricted and \$82 for restricted

STRS Rate Budgeted at 19.10%

PERS Rate Budgeted at 26.80%

SUI Rate Budgeted at .05%

Worker's Comp Rate at 3.1628%

Reduction of ASES Services to remaining districts including the reduction in direct service FTEs

\$200,000 Transferred to Fund 17- Special Reserve Fund for Other Than Capital Outlay Projects

County Wide ADA 3,386.13

ASSUMPTIONS (CONTINUED)

2028-29

LCFF COLA - 3.09%

DA Funding Change Budgeted at Base of \$500,000

Step Increases budgeted for all LCOE staff

LCSTA and CSEA Bargaining Units are not settled for this year.

Forest Reserve Funds Eliminated

No MAA Funds Budgeted

Lottery budgeted at \$190 for unrestricted and \$82 for restricted

STRS Rate Budgeted at 19.10%

PERS Rate Budgeted at 25.90%

SUI Rate Budgeted at .05%

Worker's Comp Rate at 3.1628%

Minimum Wage \$18.50 & \$19.30

\$200,000 Transferred to Fund 17- Special Reserve Fund for Other Than Capital Outlay Projects

County Wide ADA 3,319.86

MULTIYEAR PROJECTIONS

Multi Year Projections Summary 2026-27 BUDGET

Unrestricted

		26/27	27/28	28/29
LCFF/Tax Revenue	8010-8099	5,888,041	5,916,595	5,972,558
Federal Revenue	8100-8299	-	-	-
Other State Revenue	8300-8599	64,269	64,269	64,269
Other Local Revenues	8600-8799	1,946,365	1,766,724	1,766,724
Transfers In	8900-8929	-	-	-
Other Sources	8930-8979	-	-	-
Contributions	8980-8999	181,849	194,483	199,163
Total Revenue		8,080,524	7,942,071	8,002,714
Certificated Salaries	1000-1999	816,989	847,808	873,165
Classified Salaries	2000-2999	1,803,481	1,932,209	2,067,815
Employee Benefits	3000-3999	1,568,316	1,592,966	1,642,115
Books & Supplies	4000-4999	637,728	652,400	667,900
Services	5000-5999	2,167,964	2,188,530	2,150,896
Capital Outlay	6000-6999	78,500	45,000	45,000
Other Outgo	7100-7499	-	-	-
Direct/Indirect Costs	7300-7399	(379,006)	(350,041)	(351,474)
Transfers Out	7600-7629	200,000	200,000	200,000
Other Uses	7630-7699	-	-	-
Total Expenditures		6,893,972	7,108,872	7,295,417
Net Increase/Decrease		1,186,552	833,199	707,297

Multi Year Projections
Summary
2026-27 BUDGET

Restricted

		<u>26/27</u>	<u>27/28</u>	<u>28/29</u>
LCFF/Tax Revenue	8010-8099	1,059,859	1,059,859	1,059,859
Federal Revenue	8100-8299	1,061,271	1,061,271	1,061,271
Other State Revenue	8300-8599	2,971,241	2,881,307	3,043,754
Other Local Revenues	8600-8799	1,309,440	736,469	701,469
Transfers In	8900-8929	112,339	38,400	38,400
Other Sources	8930-8979	-	-	-
Contributions	8980-8999	(181,849)	(194,483)	(199,163)
Total Revenue		6,332,301	5,582,823	5,705,590
Certificated Salaries	1000-1999	1,280,387	1,334,211	1,402,910
Classified Salaries	2000-2999	1,353,700	990,045	1,024,834
Employee Benefits	3000-3999	1,467,537	1,305,756	1,324,753
Books & Supplies	4000-4999	201,969	129,088	127,258
Services	5000-5999	1,679,633	1,503,613	1,504,292
Capital Outlay	6000-6999	-	-	-
Other Outgo	7100-7499	-	-	-
Direct/Indirect Costs	7300-7399	349,075	320,110	321,543
Transfers Out	7600-7629	-	-	-
Other Uses	7630-7699	-	-	-
Total Expenditures		6,332,301	5,582,823	5,705,590
Net Increase/Decrease		-	-	-
Beginning Fund Balance		-	-	-
Ending Fund Balance		-	-	-

Multi Year Projections
Summary
2026-27 BUDGET
All Combined
(Restricted/Unrestricted)

		26/27	27/28	28/29
LCFF/Tax Revenue	8010-8099	6,947,900	6,976,454	7,032,417
Federal Revenue	8100-8299	1,061,271	1,061,271	1,061,271
Other State Revenue	8300-8599	3,035,510	2,945,576	3,108,023
Other Local Revenues	8600-8799	3,255,805	2,503,193	2,468,193
Transfers In	8900-8929	112,339	38,400	38,400
Other Sources	8930-8979	-	-	-
Other Financing (contributions)	8980-8999	-	-	-
Total Revenue		14,412,825	13,524,894	13,708,304
Certificated Salaries	1000-1999	2,097,376	2,182,019	2,276,075
Classified Salaries	2000-2999	3,157,181	2,922,254	3,092,649
Employee Benefits	3000-3999	3,035,853	2,898,722	2,966,868
Books & Supplies	4000-4999	839,697	781,488	795,158
Services	5000-5999	3,847,597	3,692,143	3,655,188
Capital Outlay	6000-6999	78,500	45,000	45,000
Other Outgo	7100-7499	-	-	-
Direct/Indirect Costs	7300-7399	(29,931)	(29,931)	(29,931)
Transfers Out	7600-7629	200,000	200,000	200,000
Other Uses	7630-7699	-	-	-
Total Expenditures		13,226,273	12,691,695	13,001,007
Net Increase/Decrease		1,186,552	833,199	707,297
Reserve		529,050.92	507,667.80	520,040.28
Beginning Balance		14,514,377	15,700,929	16,534,128
Ending Balance		15,700,929	16,534,128	17,241,425

OTHER FUNDS

Fund 10 – Special Education Pass-Through Fund:

Fund 10 was established in 2011-2012 by the California Department of Education to pass through Special Education Revenue. This fund has no beginning balance or ending balance, strictly a pass-through fund. One item to note that is in the May Revision is the large increase to Special Ed AB602 Funding. If this is enacted; these numbers will change drastically as there is a large increase proposed to have the Base rate be \$1,340. Projected pass-through funds at this point in time will be the following:

- 2026-27 - \$1,313,409
- 2027-28 - \$1,222,842
- 2028-29 - \$1,102,021

FUND 11 – Adult Education Fund:

Fund 11 is the Adult Education Fund that was established in the 2020-2021 fiscal year for LCOE. This fund is used to account separately for federal, state, and local revenues that are restricted or committed for adult education programs. For the 2026-27 fiscal year, the budget reflects an apportionment of \$270,182 and expenditures shown below and includes 1.625 Certificated FTEs.

Certificated Salaries (1000-1999)	\$ 152,770
Classified Salaries (2000-2999)	\$ --
Employee Benefits (3000-3999)	\$ 55,152
Books and Supplies (4000-4999)	\$ 7,000
Services and Other Operating Exp. (5000-5999)	\$ 42,395
Capital Outlay (6000-6999)	\$ --
Transfers of Indirect (7300-7399)	\$ 12,865

Fund 12 – Child Development Fund:

Child Development Fund is used to account separately for federal, state, and local revenues to operate child development programs. For the 2026-27 fiscal year, the anticipated revenue into Fund 12 is \$3,163,901. The expenditures for Fund 12 are listed below and includes 3.24 Certificated FTEs and 6.64 Classified FTEs.

Certificated Salaries (1000-1999)	\$ 186,266
Classified Salaries (2000-2999)	\$ 456,307
Employee Benefits (3000-3999)	\$ 337,495
Books and Supplies (4000-4999)	\$ 75,295
Services and Other Operating Exp. (5000-5999)	\$ 2,091,472
Transfers of Indirect (7300-7399)	\$ 17,066

Fund 14 – Deferred Maintenance:

The Deferred Maintenance Fund is used to account separately for revenues that are restricted or committed for deferred maintenance purposes (Ed Code 17582). The principal revenues are LCFF transfer, interest, or interfund transfers In. Money in this fund may be expended only for major repair or replacement of plumbing, heating, air conditioning, electrical, roofing, and floor systems. Exterior and interior painting of schools building, including a facility that a county office of education is authorized to use pursuant to Education Code section 17280-17317, is also acceptable. In the 2026-27 budget there is \$19,000 in anticipated interest to be received.

Fund 16 – Forest Reserve:

The Forest Reserve Fund is reported on Form 16 for State purposes. The Forest Reserve Fund exists primarily to account separately for federal forest reserve funds by county offices for distribution to school districts (Education Code 2300). There are not Forest Reserve Funds currently budgeted to be received.

Fund 17 & 07 – Special Reserve Fund for Other than Capital Outlay Projects Fund 17 & Special Education Reserve 07:

The Special Reserve Fund for Other Than Capital Outlay Projects is used primarily for the accumulation of General Fund money for general operating purposes (Ed Code 42842). Fund 17 is combined with Fund 07 for state reporting purposes on Form 17. Amounts from this special reserve fund must first be transferred into the General Fund or other appropriate fund of the LEA before expenditures can be made. The only revenue budgeted for either for the 2026-27 fiscal year is interest. For the 27-28 and 28-29 \$200,000 is budgeted to be transferred from the General Fund to Fund 17 for unanticipated future expenditures. There is also \$40,000 in interest budgeted to be received.

The Special Education Special Reserve Fund is reported on Form 17- Special Reserve Fund, Other than Capital Outlay, for state reporting purposes. These funds are under the control of the County SELPA Board. There is \$70,000 in interest budgeted to be received.

Fund 20 – Special Reserve Retiree Benefits:

This fund may be used to account for amounts earmarked for the future cost of post-employment benefits. Amounts accumulated in this fund must be transferred back to the General Fund for expenditure. The 2026-27 fiscal year reflects a transfer of \$112,339 back to Fund 01. Our final retiree that was eligible for benefits retired in March of 2025. The amount being transferred back to Fund 01 includes the cost of the Retiree's health benefits, there are a total of three retiree's remaining, one of which will age out this December 2026. Also included in this amount is an estimated amount for retirement incentives if those are selected to happen again.

Fund 35 - County School Facilities Fund:

Fund 35 is primarily used to account for new school facility construction, modernization projects, and facility hardship grants. Interest income is budgeted for the 2026-27 fiscal year in the amount of \$2,000.

Fund 44 – County Schools Equipment Replacement Fund:

Fund 44 County Schools Equipment Replacement Fund is reported on Form 40 for state purposes. The fund was established in October 2000 to set aside funds for equipment replacement. Interest income has also been budgeted for the 2026-27 fiscal year in the amount of \$6,000.

Fund 67 – Self Insurance Fund:

Fund 67 was established in 1999-2000 to pay for employee's prescription co-pays. Co-Pay reimbursement continues to be suspended. The fund is being held open with a small ending balance. There is \$12 of interest budgeted for the 2026-27 year.

FINAL REVIEW

Overall, the 2026-27 Proposed Budget and multiyear projections reflect LCOE's continued commitment to maintaining fiscal stability while also responding to the changing needs of our districts, students, and families.

The projected anticipated carryover is: \$1,186,552 for 2026-27, \$ 833,199 for 2027-28, & \$ 707,297 for 2028-29.

While the projections remain positive, the decrease in anticipated carryover over the multiyear period will continue to be monitored closely as costs increase, grant funding changes, and state requirements continue to expand.

As grants expire, some positions and services may need to be absorbed into the General Fund to ensure LCOE can continue offering the supports our districts and students. LCOE has become a hub for mental health services and resources for our schools, while continuing important work in foster youth, homeless services, community schools, professional development, and student supports.

LCOE also continues to invest in educators through professional development, coaching, and training opportunities that strengthen instruction and increase student engagement. These efforts include the Educator Summit, Professional Development Day, Power Play Early Learning, School of Engagement, and other targeted trainings designed to support both new and experienced educators. The Ed Gala has also become a meaningful way to showcase and acknowledge the hard-working educators and support staff throughout the county.

In addition to district and educator support, LCOE coordinates meaningful student activities and community events that benefit students, families, and schools across Lassen County. These include the You Matter Conference, grade-level student days, Children's Fair, Lassen County Fair Family Zone, Fatherhood Summit, Sober Graduation, Red Ribbon Week, and the Attendance Matters Initiative. LCOE also makes the Youth Camp available to districts for 6th Grade Camp and provides access to the Planetarium for all districts, creating opportunities for outdoor education and science-based learning outside the classroom. LCOE also provides support to important countywide programs such as the Career Fair, Spelling Bee, and Stuff the Bus.

Together, these programs reflect the positive work LCOE continues to do throughout Lassen County. LCOE remains focused on connecting students and families with resources, strengthening relationships, and supporting the whole child. As county offices continue to receive additional responsibilities from the state, sometimes with funding and sometimes without, LCOE will continue to evaluate staffing, programs, and fiscal impacts to ensure services are provided in a way that is meaningful, responsible, and sustainable.

In closing, the budget reflects our continued focus on supporting districts, expanding student-centered services, and maintaining fiscal responsibility while ensuring LCOE remains positioned to serve as a strong partner and resource for schools throughout Lassen County. Included following my summary are the required SACs forms including Criteria & Standards for your review.

It is recommended that the Board approve the 2026-27 Proposed Budget as presented.

Thank you,

Courtney Russell
Chief Business Official