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2025-26

Enacted State Budget Update

August 11, 2025

Overview

For the 2025–26 fiscal year, Governor Newsom signed Assembly Bill 121 / Budget Act of 2025 on June 27, 2025. As a result of the state budget, the District anticipates receiving an **additional \$4.3 million** in restricted and unrestricted funding as a result of a one-time discretionary block grant and ongoing increases in Transitional Kindergarten and Expanded Learning Opportunities Program funding. The increase represents a **4% increase in revenue**.

Summary of the State Budget

The California economy is experiencing slowed growth, with unemployment steady at 5.3% and inflation projected to peak at 4.2% by the end of 2025. Tariffs, high interest rates, and declining housing affordability are expected to suppress economic expansion. The state anticipates structural budget deficits through 2028–29, increasing sensitivity to federal fiscal and trade policies.

Proposition 98 Education Funding

For the 2025–26 fiscal year, Proposition 98 funding is reduced by \$5.4 billion compared to 2024–25. Despite this decrease, the state budget maintains full funding for the Local Control Funding Formula (LCFF) base and includes new programmatic investments. To manage the funding shortfall, the state has implemented \$1.9 billion in payment deferrals, including the full June apportionment. However, this deferral will not impact Washington Unified School District's cash flow, as the District has sufficient reserves to meet all financial obligations.

Student Support and Professional Development Discretionary Block Grant

The block grant provides discretionary, one-time restricted funding to support the District in addressing rising operational costs. These funds may be used for a variety of purposes, including but not limited to professional development, staff recruitment, and the expansion of career pathways. Estimates indicate that the District will receive an **additional \$2,124,893 in one-time restricted funding, which must be expended by June 30, 2029**.

Universal Transitional Kindergarten Local Control Funding Formula (LCFF) Add-On

The purpose of additional Transitional Kindergarten (TK) funding is to support the implementation of the new 10:1 student-to-adult ratio requirement in TK classrooms. It is estimated that the District will receive an **additional \$380,116 in ongoing, unrestricted funding** to assist with meeting this mandate.

Expanded Learning Opportunities Program (ELO-P)

The increased ELO-P funding is designated to support after-school programs for students in TK through sixth grade. The additional funds are a result of the District's percentage of students identified as foster youth, English learners, and from low-income households (unduplicated pupils). It is anticipated that the District will receive an **increase of \$1,859,623 in ongoing, restricted funding** to enhance and sustain these extended learning opportunities for students. A condition of the additional funding is that the District must offer ELO-P to all students, not just unduplicated pupils.

**Washington Unified School District
2025-26 Enacted State Budget Update**

Budget revisions in accordance with the 2025-26 Enacted State Budget will be incorporated into the district's 2025-26 First Interim Budget.

**2025-26 BUDGET
UNRESTRICTED GENERAL FUND SUMMARY**

Description	Original Budget	Updated Budget	Change
General Purpose Revenue	\$97,781,596	\$98,161,712	\$380,116
Federal Revenue	\$0	\$0	\$0
State Revenue	\$2,855,136	\$2,855,136	\$0
Local Revenue	\$1,413,083	\$1,413,083	\$0
Total Revenues	\$102,049,815	\$102,429,931	\$380,116
Certificated Salaries	\$39,007,322	\$39,007,322	\$0
Classified Salaries	\$14,819,312	\$14,819,312	\$0
Benefits	\$19,832,002	\$19,832,002	\$0
Books and Supplies	\$3,522,728	\$3,522,728	\$0
Other Services & Operating Expenses	\$11,273,910	\$11,273,910	\$0
Capital Outlay	\$367,450	\$367,450	\$0
Other Outgo 7xxx	\$0	\$0	\$0
Transfer of Indirect 73xx	-\$2,896,514	-\$2,896,514	\$0
Total Expenditures	\$85,926,210	\$85,926,210	\$0
Transfers In (OPEB)	\$224,766	\$224,766	\$0
Transfers Out	\$0	\$0	\$0
Net Other Sources (Uses)	\$0	\$0	\$0
Contributions to Restricted	-\$19,461,172	-\$19,461,172	\$0
Total Financing Sources/Uses	-\$19,236,406	-\$19,236,406	\$0
Net Increase / (Decrease)	-\$3,112,801	-\$2,732,685	\$380,116
Beginning Fund Balance	\$18,102,553	\$18,102,553	\$0
Ending Fund Balance	\$14,989,752	\$15,369,868	\$380,116
<i>Components of the Ending Balance</i>			
<i>Nonspendable</i>	\$25,000	\$25,000	\$0
<i>Unassigned - Reserve for Economic Uncertainties</i>	\$8,008,281	\$8,008,281	\$0
<i>Unassigned - Other</i>	\$6,956,471	\$7,336,587	\$380,116

Explanation of Revisions:

- Increased Local Control Funding Formula (LCFF) Universal Transitional Kindergarten Add-on: \$380,116 (estimate)

2025-26 Enacted State Budget Update
RESTRICTED GENERAL FUND SUMMARY

Description	Original Budget	Updated Budget	Change
General Purpose Revenue	\$0	\$0	\$0
Federal Revenue	\$6,516,039	\$6,516,039	\$0
State Revenue	\$13,726,098	\$17,710,614	\$3,984,516
Local Revenue	\$3,953,794	\$3,953,794	\$0
Total Revenues	\$24,195,931	\$28,180,447	\$3,984,516
Certificated Salaries	\$10,900,865	\$10,900,865	\$0
Classified Salaries	\$6,415,148	\$6,415,148	\$0
Benefits	\$10,557,372	\$10,557,372	\$0
Books and Supplies	\$3,294,456	\$3,294,456	\$0
Other Services & Operating Expenses	\$10,422,365	\$10,422,365	\$0
Capital Outlay	\$1,855,891	\$1,855,891	\$0
Other Outgo 7xxx	\$1,931,589	\$1,931,589	\$0
Transfer of Indirect 73xx	\$2,392,216	\$2,392,216	\$0
Total Expenditures	\$47,769,902	\$47,769,902	\$0
Transfers In (OPEB)	\$0	\$0	\$0
Transfers Out	\$0	\$0	\$0
Net Other Sources (Uses)	\$0	\$0	\$0
Contributions to Restricted	\$19,461,172	\$19,461,172	\$0
Total Financing Sources/Uses	\$19,461,172	\$19,461,172	\$0
Net Increase (Decrease)	-\$4,112,799	-\$128,283	\$3,984,516
Beginning Fund Balance	\$13,616,327	\$13,616,327	\$0
Ending Fund Balance	\$9,503,528	\$13,488,044	\$3,984,516
<i>Components of the Ending Balance</i>			
<i>Nonspendable</i>	\$0	\$0	\$0
<i>Assigned - Restricted</i>	\$9,503,528	\$13,488,044	\$3,984,516
<i>Unassigned - Other</i>	\$0	\$0	\$0

Explanation of Revisions:

- New Student Support and Professional Development Discretionary Block Grant: \$2,124,893 (estimate)
- Increased Expanded Learning Opportunities Program (ELO-P) allocation: \$1,859,623 (estimate)

2025-26 Enacted State Budget Update
UNRESTRICTED AND RESTRICTED GENERAL FUND SUMMARY

Description	Original Budget	Updated Budget	Change
General Purpose Revenue	\$97,781,596	\$98,161,712	\$380,116
Federal Revenue	\$6,516,039	\$6,516,039	\$0
State Revenue	\$16,581,234	\$20,565,750	\$3,984,516
Local Revenue	\$5,366,877	\$5,366,877	\$0
Total Revenues	\$126,245,746	\$130,610,378	\$4,364,632
Certificated Salaries	\$49,908,187	\$49,908,187	\$0
Classified Salaries	\$21,234,460	\$21,234,460	\$0
Benefits	\$30,389,374	\$30,389,374	\$0
Books and Supplies	\$6,817,184	\$6,817,184	\$0
Other Services & Operating Expenses	\$21,696,275	\$21,696,275	\$0
Capital Outlay	\$2,223,341	\$2,223,341	\$0
Other Outgo 7xxx	\$1,931,589	\$1,931,589	\$0
Transfer of Indirect 73xx	-\$504,298	-\$504,298	\$0
Total Expenditures	\$133,696,112	\$133,696,112	\$0
Transfers In (OPEB)	\$224,766	\$224,766	\$0
Transfers Out	\$0	\$0	\$0
Net Other Sources (Uses)	\$0	\$0	\$0
Contributions to Restricted	\$0	\$0	\$0
Total Financing Sources/Uses	\$224,766	\$224,766	\$0
Net Increase / Decrease to the Fund Balance	-\$7,225,600	-\$2,860,968	\$4,364,632
Beginning Fund Balance	\$31,718,880	\$31,718,880	\$0
Ending Fund Balance	\$24,493,280	\$28,857,912	\$4,364,632
<i>Components of the Ending Balance</i>			
<i>Nonspendable</i>	\$25,000	\$25,000	\$0
<i>Assigned - Restricted</i>	\$9,503,528	\$13,488,044	\$3,984,516
<i>Assigned - Unrestricted</i>	\$0	\$0	\$0
<i>Unassigned - Reserve for Economic Uncertainties</i>	\$8,008,281	\$8,008,281	\$0
<i>Unassigned - Other</i>	\$6,956,471	\$7,336,587	\$380,116

Explanation of Revisions:

- Increased Local Control Funding Formula (LCFF) Universal Transitional Kindergarten Add-on: \$380,116 (estimate)
- New Student Support and Professional Development Discretionary Block Grant: \$2,124,893 (estimate)
- Increased Expanded Learning Opportunities Program (ELO-P) allocation: \$1,859,623 (estimate)