

K. 6. ADOPT 2025-2026 Adopted Budget

Quick Summary / Abstract

Prior to July 1st of each fiscal year, the Board of Trustees must approve an operating budget. The public hearing was held at the June 17, 2025 Board Meeting.

Attached is the 2025-2026 Adopted Budget utilizing the State required forms. The District's internal budget documents are also included. The 2025-2026 Adopted Budget includes the following forms and documents:

1. District Certification
2. Worker's Compensation Certification
3. Executive Summary and Internal Budget Documents for all Funds
4. Budget Reserves
5. Budget, July 1 - by Fund
6. Cash Flow Projection
7. Average Daily Attendance
8. Multiyear Projection - General Fund
9. Summary of Interfund Activities
10. Criteria and Standards Review - General Fund

The Superintendent recommends the adoption of the 2025-2026 Adopted Budget. Contact persons: Kate Ingersoll, Executive Director Fiscal Services, kate.ingersoll@trusd.net, (916) 566-1600 ext. 31112 or Ryan DiGiulio, Chief Business Official, ryan.digiulio@trusd.net, (916) 566-1600 ext. 31203.

Rationale

Prior to July 1st of each fiscal year, the Board of Trustees must approve an operating budget. The public hearing was held at the June 17, 2025, Board Meeting. Attached is the 2025-2026 Adopted Budget utilizing the State required forms. The District's internal budget documents are also included.

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Supporting Documents

 [TRUSD 2025-26 Adopted Budget SACS Document](#)

**2025-26
Adopted Budget
EXECUTIVE SUMMARY**

The District is required to adopt a budget prior to July 1 of each year in order to authorize the expenditure of funds. Since the preparation of this budget occurs before the State's final action, and before actual expenditures are known for the current year, estimates of proposed revenues and expenditures are based on the most current assumptions and information available at the time of the preparation. The budget is a dynamic document which will change as the assumptions and estimates used to develop it change.

On May 14, 2025, the Governor presented the May Revision of the proposed state budget for 2025-26. The proposal includes 2.30% statutory cost-of-living adjustment (COLA) to the Local Control Funding Formula (LCFF), as well as to Special Education, Child Nutrition, State Preschool, Mandate Block Grant and Foster Youth programs. The final State budget should be approved by the end of June. Any changes from the May Revision will be included in our First Interim Budget revision (any material changes will require a 45-day budget revision).

The General Fund expenditures are greater than revenues by \$28.8 million. \$28.1 million of the deficit spending is restricted programs spending down one-time carryover funds. \$800 thousand is unrestricted and is also related to one-time spending for facility projects. The District has enough of an ending fund balance to meet Board Policy intent to maintain a minimum reserve of economic uncertainties equal to at least two months of the general fund payroll expenditures (\$44 million) or 10% of the general fund expenditures and other financing sources (\$56.4).

The District does not have a structural deficit in either of the projection years. The 2026-27 and 2027-28 deficits are from the use of one-time carryover funds and facility projects. Please see multiyear projections for additional information on subsequent budget years.

Local Control and Accountability Plan (LCAP)

The 2013 Budget Act established the Local Control Funding Formula (LCFF) which expands local control and ensures that student needs drive the allocation of resources. The funding also includes increased transparency and accountability by the use of the Local Control Accountability Plan (LCAP). School districts are required to develop, adopt, and annually update a three-year LCAP, using the California State Board of Education's adopted template. 2024-25 was the first year of the three-year LCAP. The LCAP is required to identify goals and measure progress for student subgroups across multiple performance indicators. Additionally, the regulations require school districts "to increase and improve" services for targeted students (by way of supplemental and concentration grant funding within the LCFF). With the District's high percentage of targeted students, the regulations provide authority for school districts to spend funds "school-wide" when significant populations of those students attend a school. The budget is aligned with the District's LCAP.

One-Time Savings

One-time savings along with additional positions continue with the use of Block Grant funds. Loss of savings for positions and services shifting to unrestricted general funds equates to \$5.6 million in 2026-27, \$0 in 2027-28, \$5.2 million in 2028-29. In addition, there is \$2 million in services being provided via one-time funds that are not in the budget for 2027-28.

General Fund – Budget Assumptions

BEGINNING FUND BALANCE

The beginning fund balance is estimated to be \$174,388,378 with \$71.2 million unrestricted and \$103.2 million restricted. The actual 2025-26 beginning fund balance will be updated at First Interim (after the 2024-25 financial records are closed).

REVENUE ASSUMPTIONS

The Local Control Funding Formula (LCFF) consists of base (including add-ons), supplemental and concentration funds that primarily focus resources based on a school district's student demographics. Each school district receives the same per pupil base amount by grade span: K-3, 4-6, 7-8, and 9-12. Supplemental and concentration funds are based on the unduplicated number of English Learners, students eligible for free and reduced meals, and foster youth students.

- The LCFF Sources (major assumptions):
 - Average Daily Attendance (ADA) "funded" and Actual are projected to be the same for this year. ADA is estimated at 21,062 (includes 64 ADA for SCOE classes)
 - An increase of 348 ADA from the actual prior year and "funded" ADA
 - District Charter ADA is estimated at 2,159
 - Attendance Yield – 92.1%
 - Lower than prior to COVID:
 - 2018-19 attendance yield = 94.39%
 - Estimated Unduplicated Pupil Percentage (3 year rolling average):
 - Twin Rivers – 91.14%
 - Creative Connections Arts Academy – 79.31%
 - Smythe Academy of Arts & Science – 94.22%
 - Westside Preparatory – 81.01%
 - Add-ons for transportation, TIIBG and TK = \$12,433,383
 - Cost of Living Adjustment (COLA) = 2.30%
 - Property taxes are estimated at a slight increase over 2024-25
 - Education Protection Account (EPA) is estimated at \$56.8 million (the LCFF revenue is reduced by this amount) and will be used on salaries and benefits for instruction.

The LCFF sources are as follows:

	Base	S/C	Additional Concentration	Total
TRUSD	\$253.1 mil	\$87.4 mil	\$13.0 mil	\$353.5 mil
CCAA	\$7.7 mil	\$2.1 mil	\$280 thousand	\$10.1 mil
Smythe	\$11.1 mil	\$4.1 mil	\$592 thousand	\$15.8 mil
WPCS	\$5.0 mil	\$1.5 mil	\$195 thousand	\$6.7 mil
TOTAL	\$276.9 mil	\$95.1 mil	\$14.1 mil	\$386.1 mil

- Federal Revenue includes the reduction of prior year carryover funds including but not limited to ESSER (\$10.1 million), Title I (\$1.9 million), and Title I CSI (\$625 thousand). There will be unearned revenue carryover into 2025-26; revenues and expenditures will be budgeted at First Interim after the 2024-25 financial records are closed and the actual amounts are known.
- Other State Revenue includes the reduction of one-time and carryover funds of \$23 million. The significant 2025-26 State revenues include Expanded Learning Opportunity Program (\$31.6 million), Special Education (\$28.9 million), Lottery (\$6.5 million), ASES (\$4.9 million), Art & Music in Schools (\$4.3 million), Transportation (\$4.2 million), Mental Health (\$1.8 million), Early Intervention Preschool (\$1.3 million), and CalSTRS on-behalf contribution (\$16.2 million).

Effective with the close of the books for 2014-15, the state's contribution to CalSTRS on-behalf of district employees must be recorded in the district's SACS financial records. The entry to recognize the state's contribution accounts for both the revenue and expenditure of the financial assistance and, thus, there is no impact to the bottom line.

- Other Local Revenue includes the reduction of various one-time donations, grants, interest income and revenue from independent charter schools of \$18.3 million. The largest revenue sources for 2025-26 are interest income for \$6.4 million and MOUs with our independent charter schools for \$3.5 million for facility use and required administrative support services.
- Transfers In include the annual rent from Adult Education.
- Contributions from unrestricted to restricted programs is \$62.3 million for the Special Education and Routine Restricted Maintenance programs.

EXPENDITURE ASSUMPTIONS

- Certificated salaries and benefits reflect current position control. Position control includes a 1.45% increase for step/column. Additionally, a 2.5% salary schedule increase and a health contribution increase is set aside for negotiations. With the ADA increase and smaller class sizes for TK there are 19 additional base teachers. \$800 thousand of nurse positions shifted from one-time ESSER funds to unrestricted funds and one-time \$1.6 million TRUE settlement removed.
- Classified salaries and benefits reflect current position control. Position control includes a 1.85% increase for step. Additionally, a 2.5% salary schedule increase and a health contribution increase is set aside for the CSEA agreement approved after position control was created. Both of these increases are budgeted for all classified positions. The increase also includes seven additional paraeducators for the additional TK classes.
- Health benefit contributions increased. Payroll driven benefit expenditures are budgeted at the following rates:

○ STRS – 19.10%	○ OASDI – 6.20%
○ PERS – 26.81%	○ MC – 1.45%
○ UI – 0.05%	○ WC – 1.704%
- The Routine Restricted Maintenance Account (RRMA) is projected at \$16 million. Education Code Section 17070.75(b)(2)(A) requires 3% of total general fund expenditures less STRS On-behalf.
- We included \$28.1 million of 2024-25 categorical carryover expenditures. All other encumbrance carryovers and one-time budgets are eliminated.

- Books and Supplies decrease \$3.9 million; the decrease is all in restricted funds due to the elimination of carryover budgets and one-time budgets (mostly ELOP, ESSER, Universal PreK, Nutrition Grant, and Clean Mobility in Schools).
- Services and Other Operating Expenditures decrease \$19.8 million; \$4 million is unrestricted and \$9 million is restricted funds. The unrestricted reductions are \$1.8 million early retirement incentive, \$680 thousand 3-year license subscription and various other one-time items. The restricted reductions are due to the elimination of carryover budgets and one-time budgets (mostly ESSER, Title IV, Clean Mobility in Schools and CalSHAPE funds).
- Capital Outlay decreases \$6.1 million; the decrease is all in restricted funds due to the elimination of one-time budgets (mostly ESSER funds).
- Other Outgo decreases \$800 thousand; mostly for indirect costs from other funds.
- Interfund Transfers Out are budgeted at \$1,775,000 to Fund 14 for deferred maintenance, \$11 million for ENEC school project, and \$20 million to Fund 40 towards Board approved facility projects.

ENDING FUND BALANCE

The ending fund balance of \$145,570,576 is reported within the following classifications:

- Nonspendable - revolving cash and stores inventory is estimated at \$2,347,569
- Restricted – legally restricted categorical programs are \$75,095,024
- Committed - \$20,660,502
 - \$4,000,000 - Board Resolution for technology
 - \$10,000,000 - Board Resolution for HVAC
 - \$6,660,502 – Board Resolution for Employee Recruitment and Retention
- Assigned – for department and program carryover of \$531,923
- Unassigned –
 - \$46,935,557 Reserve for Economic Uncertainty (8.32% of expenditures)
Board Policy intent to maintain a minimum reserve of economic uncertainties equal to at least two months of the general fund payroll expenditures (\$44 million) or 10% of the general fund expenditures and other financing sources.
 - \$0 Unappropriated

Other Funds – Budget Assumptions

STUDENT ACTIVITY SPECIAL REVENUE FUND

The beginning fund balance is estimated at \$570,494.

Governmental Accounting Standards Board (GASB) Statement No. 84, Fiduciary Activities, established criteria for identifying and reporting fiduciary activities for all state and local governments, effective the 2020-21 fiscal year. May 2021 the Board approved the establishment of the Student Activity Special Revenue Fund (Fund 08) to account for Associated Student Body (ASB) funds. The budget is estimated at the same amount as the prior year; \$1,150,000.

The projected ending fund balance is \$570,494 and restricted for the associated student body (ASB).

ADULT EDUCATION FUND

The beginning fund balance is estimated at \$927,223.

Revenue from Federal categorical programs are reduced considerably. One-time grants are removed along with supplemental funding grants that are not known if they will be received or not again. Actual award and carryover amounts will be known and reflected at First Interim. Other State Revenue represents the California Adult Education Program (CAEP) in the amount of \$3.5 million to run the Adult Education programs for English as a Second Language (ESL), high school completion (HSC), pre-apprenticeship and Career Technical Education (CTE) classes. CalWORKS funds are projected at \$88,656. The STRS on-behalf contribution for district employees is projected to be \$116,535. The revenue contribution has a corresponding STRS expenditure for the same amount; there is no impact to the bottom line of the finances.

There is no Other Local Revenue for student fees; fees for adult education classes have not been charged since January 1, 2016. Interest is budgeted at \$7,263.

Certificated and classified salaries and benefits reflect current position control which includes step/column increases. The cost of a 2.5% salary increase and a health benefits contribution increase is in a set-aside budget for all positions. CSEA's negotiation agreement was recently approved and effective July 1, 2025. Additional to position control, salaries and benefits have been budgeted for extra duty that may be needed to teach ESL and HSC classes. A decrease in Refugee grant funding reflects a decrease to the variable pay for classified salaries. We anticipate to be notified in September of increased Refugee funding which would then allow for additional variable time/pay towards the program. Any updates will be reflected in the First Interim budget.

Books and Supplies and Services and Other Operating expenditures include all amounts needed to operate the program as well as IT technology fees, rent for facilities and indirect costs. Other Operating expenditures have been reduced to reflect the changes in Federal program revenues including the reduction of purchases of online instructional programs and the issuance of supportive services to Refugee clients.

The projected ending fund balance is projected at \$522,506.

CHILD DEVELOPMENT FUND

The beginning fund balance is estimated at \$4,173,523.

Federal Revenue is budgeted at the following anticipated award amounts: Head Start at \$2.3 million, Early Head Start at \$1.4 million, Head Start Training & Technical Assistance at \$29,642 and General Child Care and Development Program (CCTR) at \$4,406. One-time carryover funds of \$1.2 million have been removed. Any carryover amounts will be known and reflected at First Interim.

Other State revenue includes CCTR, the California State Preschool program (CSPP) and the pre-Kindergarten and Family Literacy Program Support program (CPKS); projected State Preschool revenues total \$6.9 million. Actual award amounts will be known and reflected at First Interim along with any carryover amounts. The STRS on-behalf for district employees is projected to be \$275,606. The revenue contribution has a corresponding STRS expenditure for the same amount; there is no impact to the bottom line of the finances.

Other Local Revenue includes the First Five program funded at \$179,000, parent fees of \$10,000, and interest income of \$5,000.

Certificated and classified salaries and benefits reflect current position control which includes step/column increases. The cost of a 2.5% salary increase and a health benefits increase is in a set-aside budget for all positions. CSEA's negotiation agreement was recently approved and effective July 1, 2025. Any updates will be reflected in the First Interim budget.

Books and Supplies and Services and Other Operating Expenditures include all amounts needed

to operate the program. Budget's have been rescued for one-time items using prior year carryover funds.

The projected ending fund balance of \$3,643,700 is restricted and can only be used with State approval.

CAFETERIA FUND

The beginning fund balance is estimated at \$14,298,493.

Federal revenues decrease slightly at 1.8%. The federal programs include the Child Nutrition Breakfast & Lunch, Child Care Food, Summer Food and the Fresh Fruits and Vegetable programs. The reduction is due to the elimination of one-time funds (Local Food for Schools). The State revenue's only program is the Child Nutrition Breakfast & Lunch. The combined federal and state reimbursement rates for the Child Nutrition and Breakfast program are budgeted at the prior year amounts; \$3.819 for breakfast and \$5.519 for lunch. Other Local revenue is \$440,000 for the non-program revenue for ala carte.

Salaries and benefits reflect current position control which includes step increases and a new dedicated HVAC technician to improve operational efficiency. The cost of a 2.5% salary increase and a health benefits increase is in a set-aside budget for all positions. CSEA's negotiation agreement was recently approved and effective July 1, 2025. Any updates will be reflected in the First Interim budget. Open positions savings and variable payroll costs to fill site and program needs were evaluated and adjusted accordingly.

Food is the largest operating expense after staffing. Food costs are projected to increase due to student participation levels and inflationary pressures. Supplies have decreased for one-time purchases of small inventory items purchased in the prior year.

Services and Other Operating costs reflect targeted savings, primarily due to reduced expenditures on appliance repair and maintenance. The CACFP (Supper) program and its associated vended meal costs also have a notable decrease. All other contracted professional service vendors are expected to maintain consistent cost levels.

Capital Outlay equipment costs are reduced significantly as most items have been purchased over the last couple of years.

The indirect cost is calculated using the approved CDE rate of 6.20% and excludes food costs and capital outlay in the calculated formula to reflect the CDE requirements.

The projected ending fund balance of \$13,534,479 is restricted for the use of nutrition services.

DEFERRED MAINTENANCE FUND

The beginning fund balance is estimated at \$1,642,115.

Other Local Revenue represents interest income.

Interfund Transfers In are \$1,775,000 million from the General Fund for deferred maintenance.

Expenditures are budgeted based on the District's Facilities Master Plan.

The ending fund balance is projected at \$0. Actual carryover amounts will be known after the prior year financial records are closed and reflected at First Interim.

SPECIAL RESERVE FUND FOR POSTEMPLOYMENT BENEFITS

The beginning fund balance is estimated at \$7,535,457.

Interest income is budgeted under Other Local Revenue.

The ending fund balance is projected at \$7,535,457 and is assigned for future postemployment benefits.

BUILDING FUND

The beginning fund balance is estimated at \$22,180,839.

Interest income is budgeted under Other Local Revenue.

Expenditures reflect voter approved bond projects for Measure J and Measure K and the continued administrative fees from previous bonds.

The ending fund balance is projected at \$13,248 and is to be used for bond administrative fees.

CAPITAL FACILITIES - DEVELOPER FEE FUND

The beginning fund balance is estimated at \$17,472,545.

Other Local Revenue includes estimated calculations for interest, redevelopment and developer fees.

Expenditures are budgeted to reflect current and future anticipated projects.

The ending fund balance is projected at \$0.

COUNTY SCHOOL FACILITIES FUND

The beginning fund balance is estimated at \$3,000,003.

Other Local Revenue is for interest income.

Expenditures are budgeted based on modernization projects submitted to the state and are included in the District's Facilities Master Plan.

The ending fund balance is projected at \$0.

SPECIAL RESERVE FUND FOR CAPITAL OUTLAY PROJECTS

The beginning fund balance is estimated at \$60,294,397.

Other Local Revenue includes tower leases, interest income and MOU with Gateway Community Charter (GCC) for maintenance of Ben Ali site location.

Interfund Transfers In of \$31 million is from the General Fund for: \$11 million ENEC school project and \$20 million towards the Board approved facility projects.

Expenditures are budgeted for a school in the East Natomas area and other Board approved facility projects.

The ending fund balance is projected at \$11,321,271 to be used for future facility projects.