



# LCAP & Title Funds Community Input

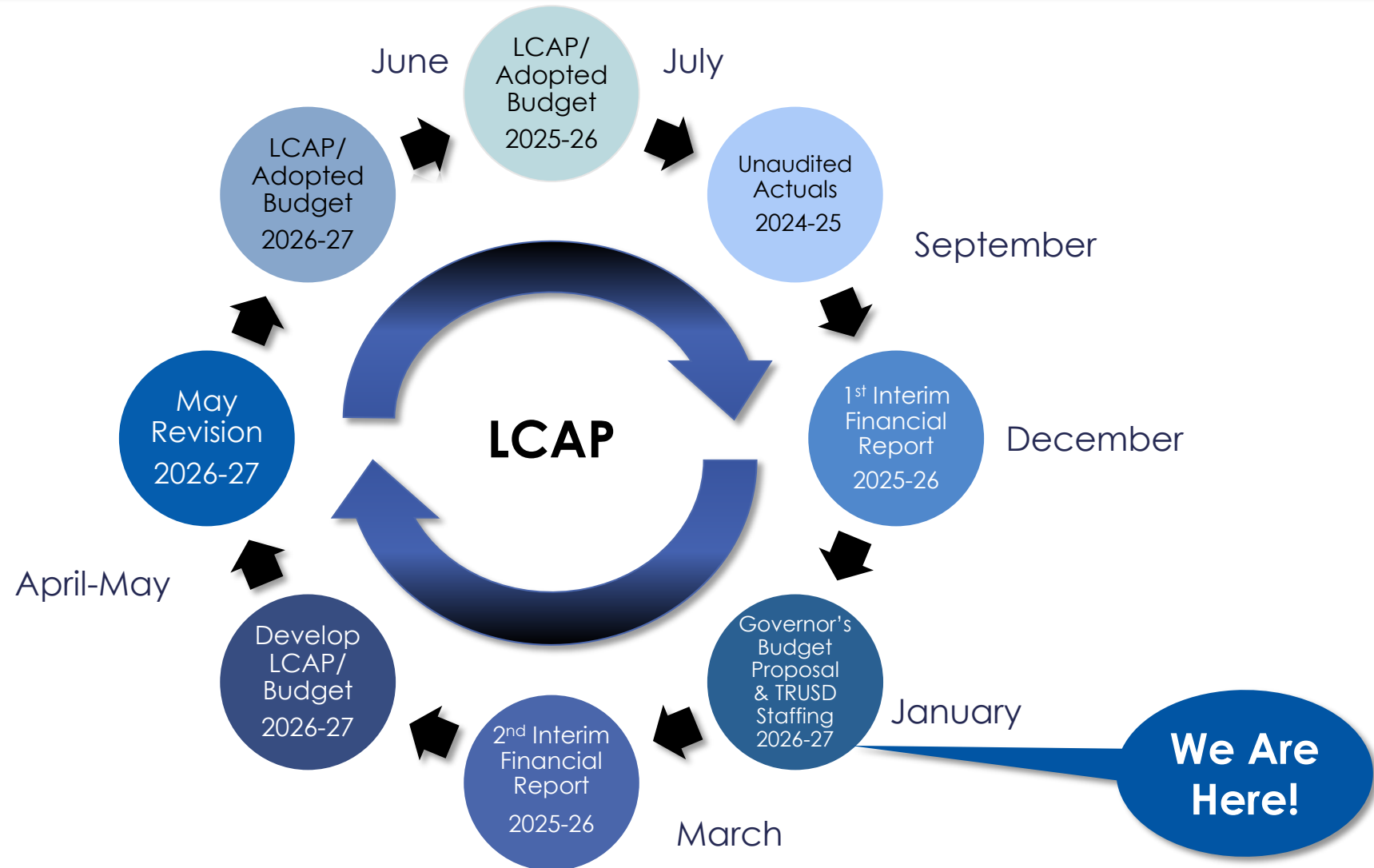
Presented by Ryan DiGiulio: Chief Business Official &  
Travis Burke: Executive Director of Special Projects & Equity on February 12, 2026

# Today's Agenda

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- Budget update
- LCAP Process and Title Funds
- Open Feedback and sharing
- Closing & Survey Link

# The Budget Reporting Cycle





# 2026-27 Governor's Budget Proposal



# Theme for the 2026-27 Governor's Budget: Legacy



- Governor Gavin Newsom touts accomplishments:
  - Environmental resilience
  - A robust global economic competitor and engine of innovation
  - Pre-K for All – TK for all four-year-olds
  - Affordable housing
- Other significant investments in TK-12 education under Governor Newsom include:
  - ELO-P
  - Universal Meals
  - Special education equalization
  - Community schools
  - A focus on early literacy
  - Significant investments in the educator pipeline
- But his accomplishments have been accompanied by mounting state deficits as budget makers outspend state revenues—leading to innovative and concerning budget approaches, directly affecting public education

# The Governor's Budget and the Economy

- The U.S. and California economies continue to grow

The U.S. gross domestic product (GDP) is preliminarily over 4%, the equities market is at new all-time highs, inflation is slowing, and consumer confidence is up slightly

Economic uncertainty remains, as stock market gains are driven by a few technology companies, along with uncertainty in federal policy related to immigration and foreign trade

The Governor's Budget is balanced in the 2026-27 fiscal year, but projects a deficit of \$22 billion in 2027-28 with shortfalls in the following two years

California tax collections are outperforming projections

Governor's Budget State revenue projections assume no economic recession, nor a stock market downturn in 2026-27 as occurred in 2022

# California Economy

## Growth

- Investment in AI is masking weakness in other industry sectors
- Income trend is positive
- A rebound in durable manufacturing is projected in 2026 and 2027

## Inflation

California Consumer Price Index (CPI) is following the same trend as U.S. inflation and is projected to continue to climb in 2026 before easing up in 2027

## Labor Market

California's unemployment rate is projected to peak at 5.9% and average 5.5% for 2026

## Housing

- Relatively flat prices
- Low levels of new construction
- High borrowing costs
- Slow growth in construction jobs

### Uncertainty

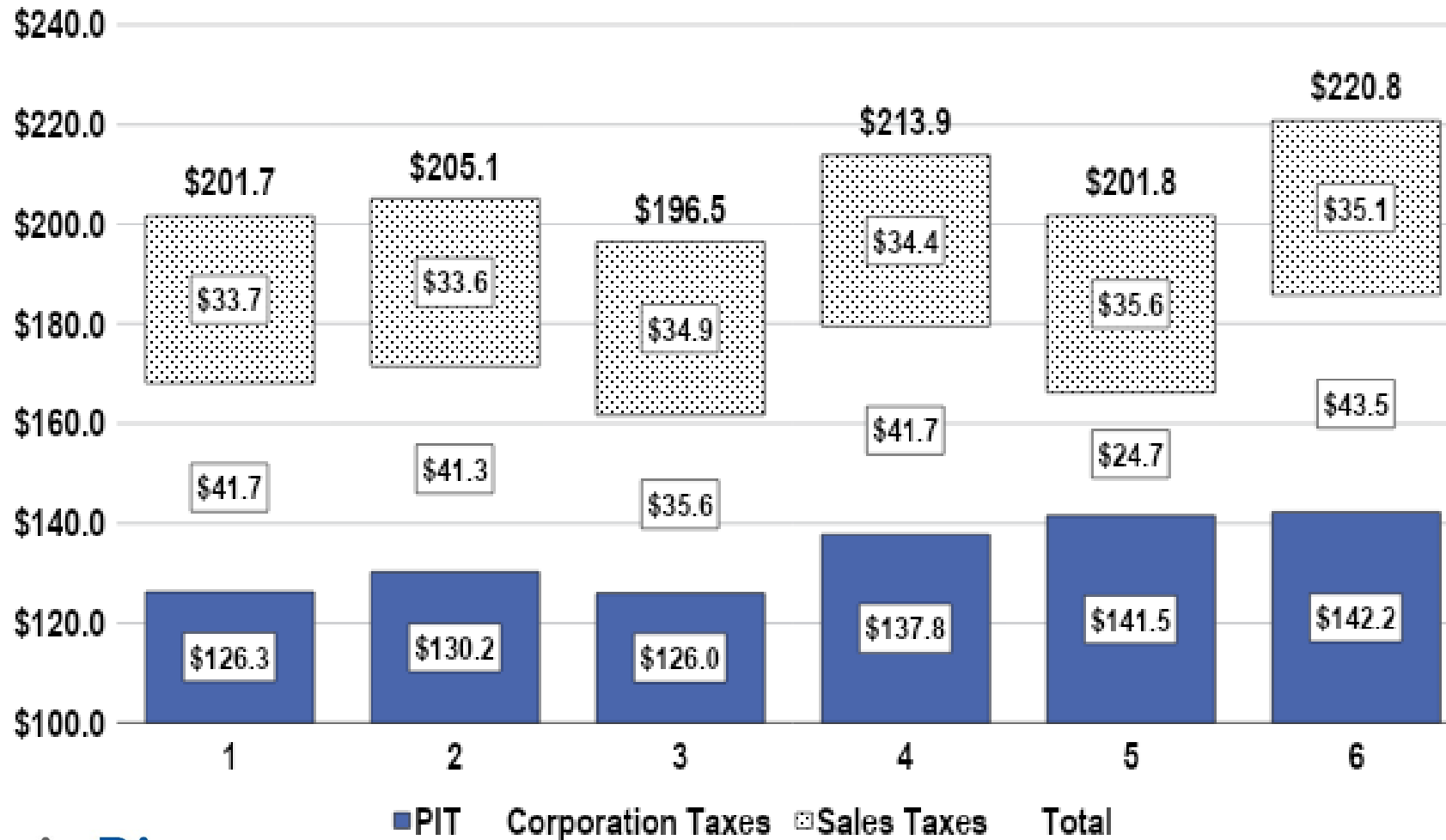
- Pending Supreme Court rulings on tariffs and the Federal Reserve's (Fed) independence
- Limited and delayed economic data
- Federal policy and regulatory uncertainty

### Risks

- Revenue volatility from capital gains dependence
- Geopolitical conflict
- Industry sector imbalances
- Labor shortages due to immigration enforcement policies

# “Big Three” Taxes

In billions



Compared to the Enacted Budget, the Governor assumes “Big Three” tax revenues are higher by \$20.8 billion for 2024-25 and 2025-26 combined

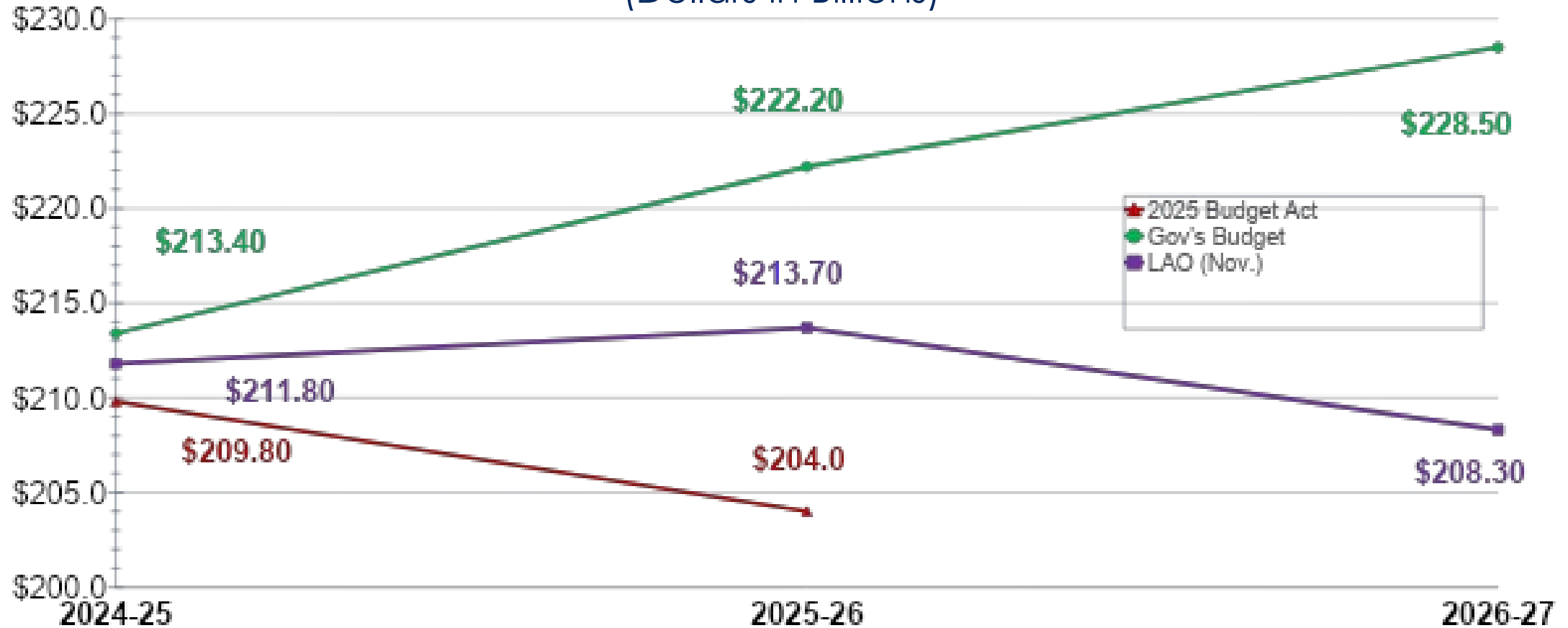
- Personal income taxes (PIT) increase by \$15.7 billion
- Corporation taxes increase by \$5.7 billion

In the budget year, “Big Three” revenue is up \$19.0 billion from June estimates



# State General Fund Revenues

Includes only revenues that affect calculation of Prop 98 minimum guarantee  
(Dollars in Billions)



# Multiyear State Budget Condition

- Although the Governor's Budget uses healthier state revenue assumptions than the Legislative Analyst's Office (LAO) in its November 2025 *Fiscal Outlook*, the state still faces a modest \$2.9 billion shortfall in 2026-27

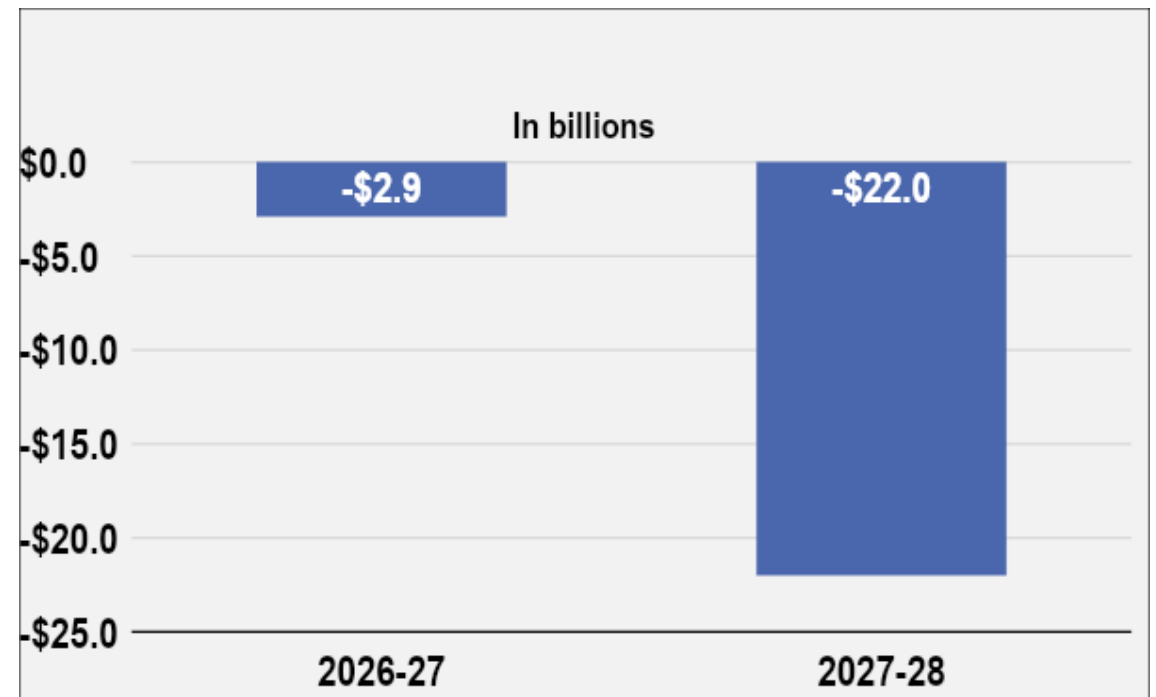
**“If a [stock] market downturn of more than 20 percent—comparable to the decline of 2022—were to occur in 2026 and be sustained through the end of the year, revenue could be \$25 billion to \$30 billion below forecast within the budget window.”**

~ 2026-27 Governor's Budget Summary

Worsening Budget Conditions

**\$22 billion**

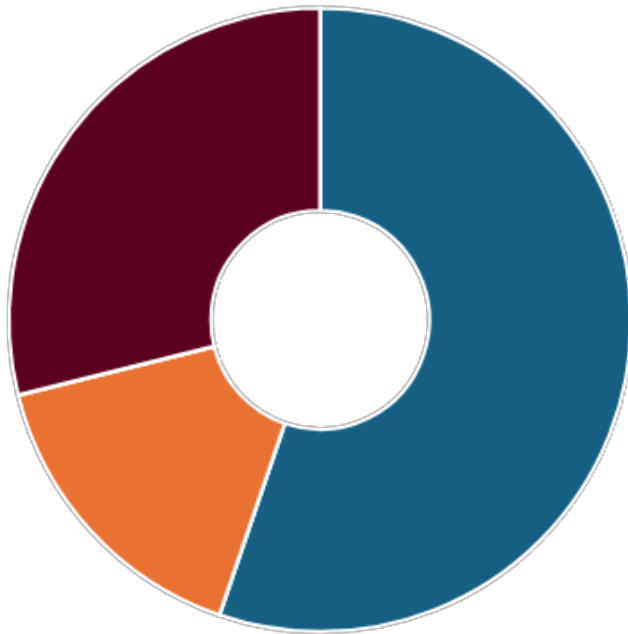
with continued deficits in  
2028-29 and 2029-30



# Proposition 98

## Governor Newsom's 2026-27 Education Priorities

■ Core Education ■ Enrichment ■ Reserves



The Governor revisits key education priorities in his California for All Kids campaign

71

%

Over 70% of new spending is proposed for core education and key enrichment programs

29

%

Nearly one-third of available funding used to replenish the Rainy Day Fund

Unfortunately, he also draws from last year's playbook with a **proposed \$5.56 billion settle-up—26% of new education funding—to address the state deficit**

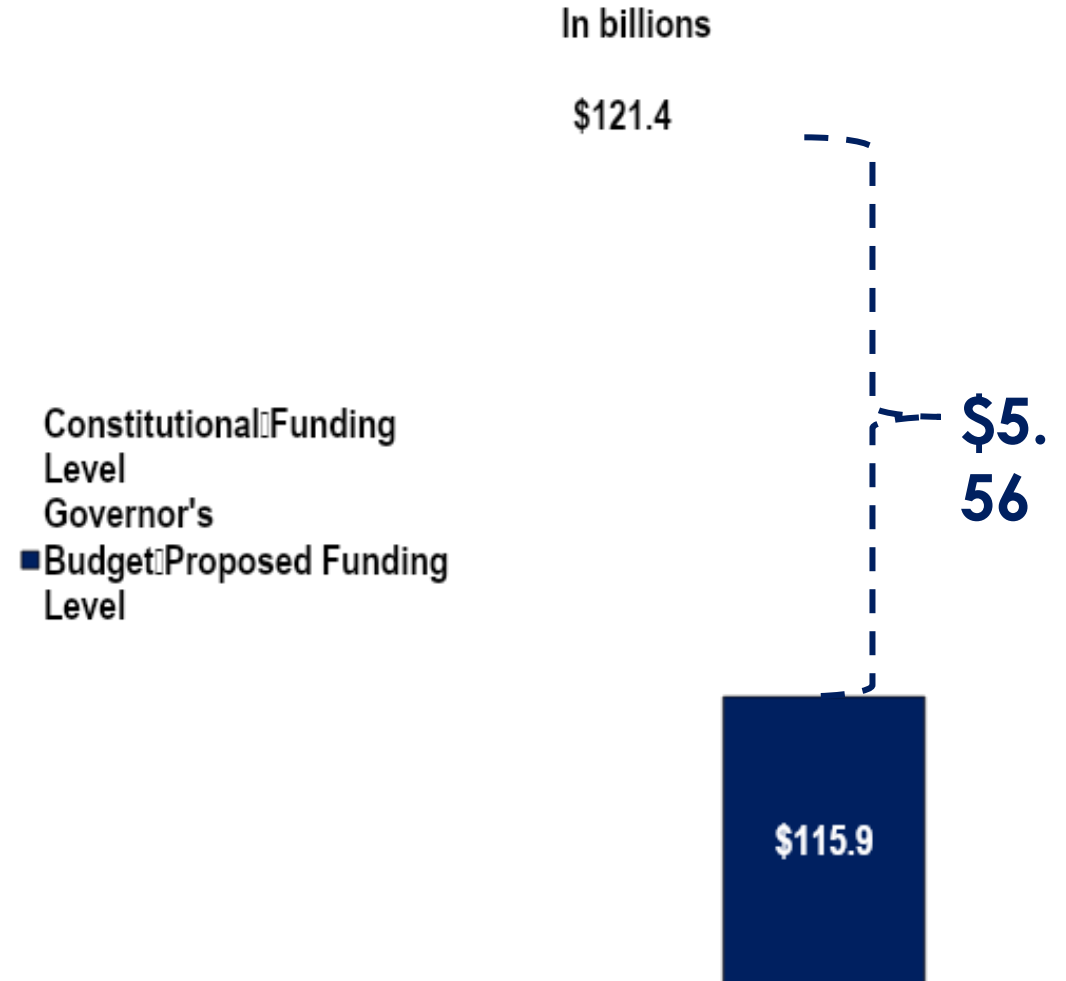
# 2025-26 Settle-Up Proposal

- The Governor's Budget proposes the same withholding strategy used last year, but at a much higher amount (of future debt)

**If the 2025-26 minimum guarantee is fully appropriated and allocated to TK-12 agencies on an equal per-ADA basis, LEAs would receive approximately**



The Governor and Legislature determine how Proposition 98 funds are allocated to LEAs





# 2026-27 School District and Charter School LCFF

**Base grants** are provided by grade span: TK-3, 4-6, 7-8, and 9-12

Two **grade span adjustments (GSAs)** are applied as percentage increases to the base grants:  
TK-3—10.4% and 9-12—2.6%

**UPP**—LEA's enrolled students who are English learners, free or reduced-price meal program eligible, or foster youth

01

02

03

04

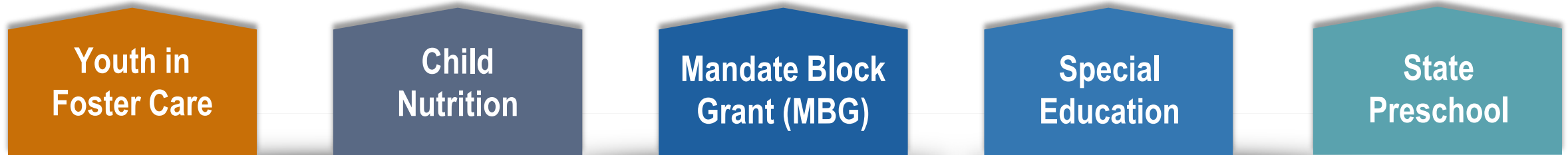
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Local Control Funding Formula (LCFF) base grants are increased by the 2.41% **estimated statutory COLA**—an increase in funding per student, *NOT* total funding

**Supplemental and concentration (S/C) grants** calculated based on the unduplicated pupil percentage (UPP)

# 2026-27 Categorical Programs COLA

- COLA is provided for the LCFF Equity Multiplier and the following categorical programs:

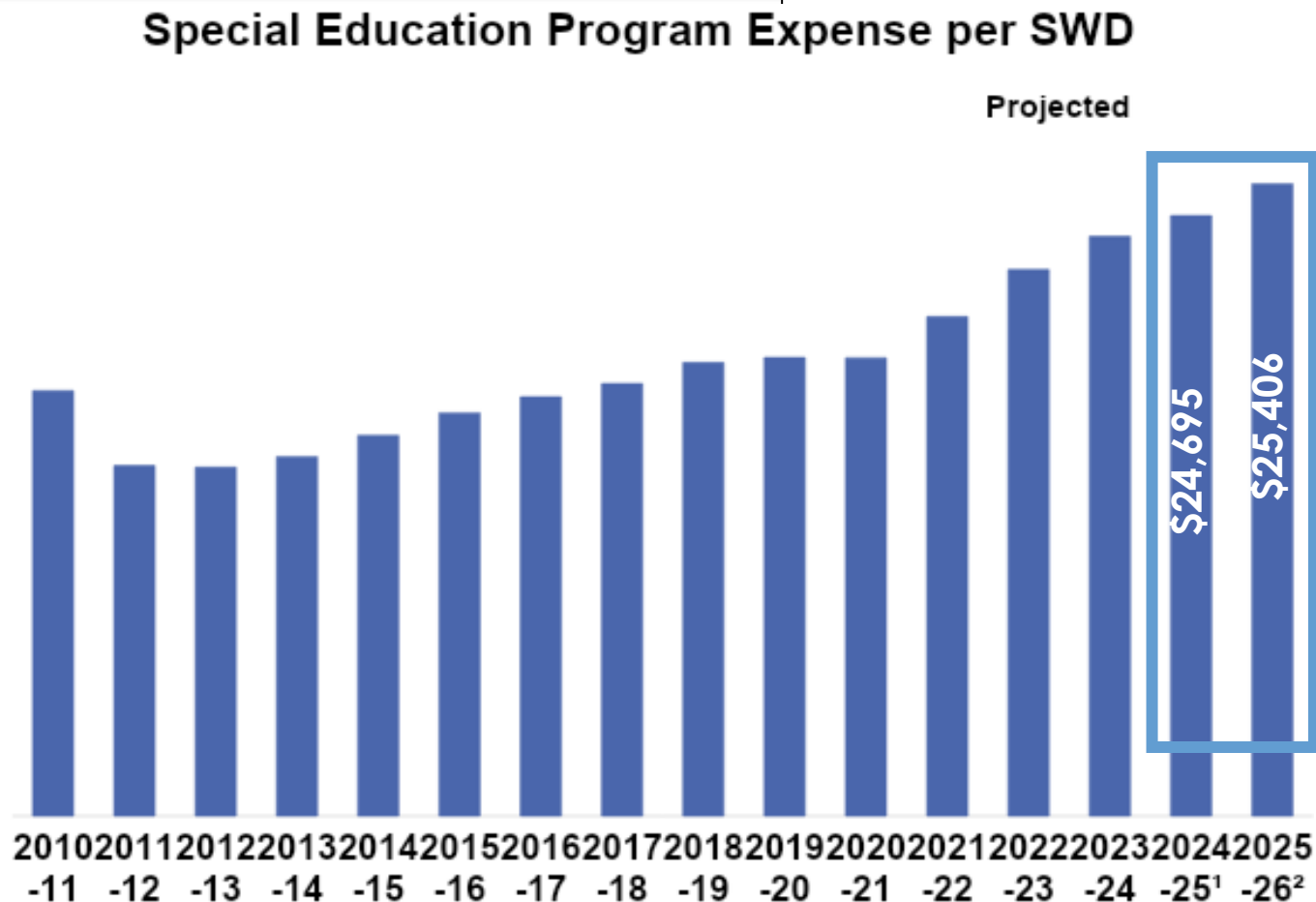


● ● ● \$228.2 million is included to fund the 2.41% estimated statutory COLA ● ● ●



# Special Education Annual Expenditures

## Continue to Rise



- State special education funding increased only by COLA in most years
- Federal funding impact continues to decrease
- General Fund contribution is an intended part of funding special education
- Local contribution rates are increasing in alignment with growing SWD pupil counts

General Fund 01; Objects 1000-7999; Goals 5001-5770

<sup>1</sup>2024-25 expenditures estimated

<sup>2</sup>2025-26 SWD and expenditures estimated

# SSC Financial Projection Dashboard

Revenue Planning Factors						
		2025-26	2026-27	2027-28	2028-29	2029-30
DOF Planning COLA		2.30%	2.41%	3.06%	3.34%	3.14%
California Lottery	Unrestricted per ADA	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00
	Restricted per ADA	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
MBG (District)	Grades K-8 per ADA	\$39.09	\$40.03	\$41.25	\$42.63	\$43.97
	Grades 9-12 per ADA	\$76.48	\$78.32	\$80.72	\$83.42	\$86.04
MBG (Charter)	Grades K-8 per ADA	\$20.52	\$21.01	\$21.65	\$22.37	\$23.07
	Grades 9-12 per ADA	\$58.21	\$59.61	\$61.43	\$63.48	\$65.47
Expenditure Planning Factors						
California CPI		3.37%	3.08%	2.75%	2.68%	2.74%
CalSTRS Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate		26.81%	26.40%	26.90%	26.10%	25.30%
Minimum Wage <sup>1</sup>		\$16.90	\$17.40	\$17.90	\$18.40	\$18.90

<sup>1</sup>Minimum wage rates are effective January 1 of the respective year



# 2026-27 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
<b>2025-26 Base Grant per ADA</b>	<b>\$10,256</b>	<b>\$10,411</b>	<b>\$10,719</b>	<b>\$12,423</b>
<b>2.41% COLA</b>	<b>\$247</b>	<b>\$251</b>	<b>\$258</b>	<b>\$299</b>
<b>2026-27 Base Grant per ADA</b>	<b>\$10,503</b>	<b>\$10,662</b>	<b>\$10,977</b>	<b>\$12,722</b>
<b>GSA</b>	<b>\$1,092</b>	<b>-</b>	<b>-</b>	<b>\$331</b>
<b>2026-27 Adjusted Base Grant per ADA</b>	<b>\$11,595</b>	<b>\$10,662</b>	<b>\$10,977</b>	<b>\$13,053</b>
<b>20% Supplemental Grant per ADA<sup>1</sup></b>	<b>\$2,319</b>	<b>\$2,132</b>	<b>\$2,195</b>	<b>\$2,611</b>
<b>65% Concentration Grant per ADA<sup>2</sup></b>	<b>\$3,392</b>	<b>\$3,119</b>	<b>\$3,211</b>	<b>\$3,818</b>
<b>TK Add-On per ADA (inclusive of COLA)</b>	<b>\$5,679</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup>Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and UPP

<sup>2</sup>Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

# Salary Increases

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- 2022-23 10% on salary schedule
- 2023-24 5% on salary schedule
- 2024-25 3% on salary schedule
- Total of all negotiated increases for all funds over the three years = **\$55.7M**

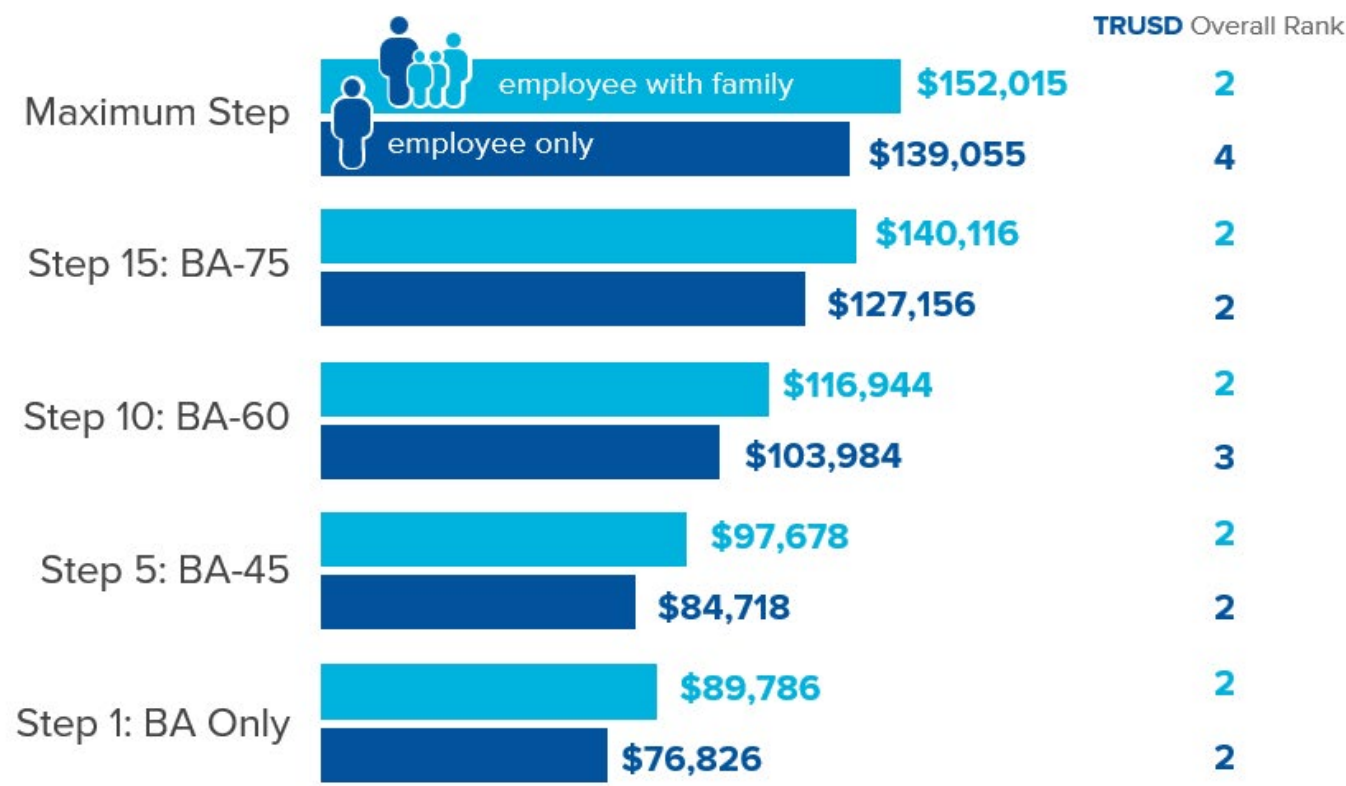
## **Proposed to TRUE and negotiated for all other employees:**

- 2025-26 2.5% on salary schedule & 5% health contribution increase based on the Kaiser premiums
- 2026-27 2% on salary schedule & 5% health contribution increase based on the Kaiser premiums
- Total cost of two years = **\$19.8M**

# Certificated Compensation Comparison\*



**TRUSD teachers** can receive over \$150,000 per year in salary and benefits at the maximum step with the proposed 2.5% increase



*\*Comparison with 11 local, similar demographic school districts as of October 2025*

## Additional One-Time Money: 26-27 Student Support and Prof. Dev. Discretionary Block Grant

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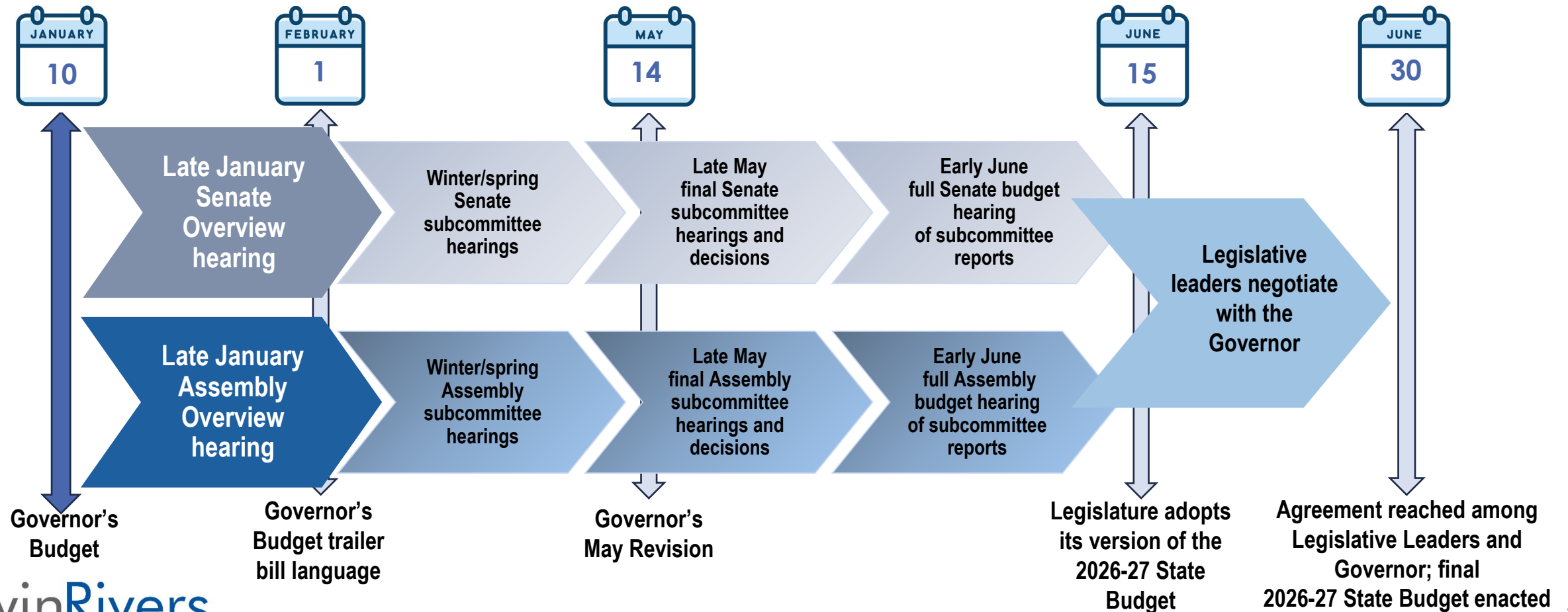
**The Governor proposes \$2.8 billion in one-time funds for a new round of discretionary block grant funding**

- Use of the block grant is intended to be fully discretionary, but with certain statewide priorities highlighted
- Trailer bill language will include the allocation methodology, expenditure deadline, and other details
- SSC estimates \$512.48 per ADA, if distributed per ADA
- Equates to \$11.8M one-time funds for TRUSD.



# The Road Ahead—From January to June

The next steps in the State Budget process are controlled by the Legislature, which has the responsibility to examine the Governor's proposals during budget hearings



# Next Steps in Budget Development for 2026-27

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- Finish staffing meetings with the sites and departments
- Update the multi-year projections (2025-26 Second Interim Report) to include the key items from The Governor's January Budget Proposal
- Obtain sites' and departments' detailed budgets
- Incorporation of the LCAP
- Updates from the Governor's May Revise Budget
- 2026-27 TRUSD Adopted Budget (June)

# What is an LCAP?

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LCAP stands for Local Control and Accountability Plan, which is a three-year strategic plan that outlines how a school district will improve student outcomes:

- **Goals:** The district's goals for students, including academic achievement, school climate, and parent engagement
- **Actions:** The specific actions the district will take to achieve its goals, including expenditures
- **Metrics:** The means used to measure progress

The LCAP is a key part of California's Local Control Funding Formula (LCFF) and is required for all school districts, charter schools, and COEs. The LCAP must address the needs of all students, including low-income students, foster youth, and English learners

# Title 1 and Title 4 Funding

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- **Title 1 Funding:**

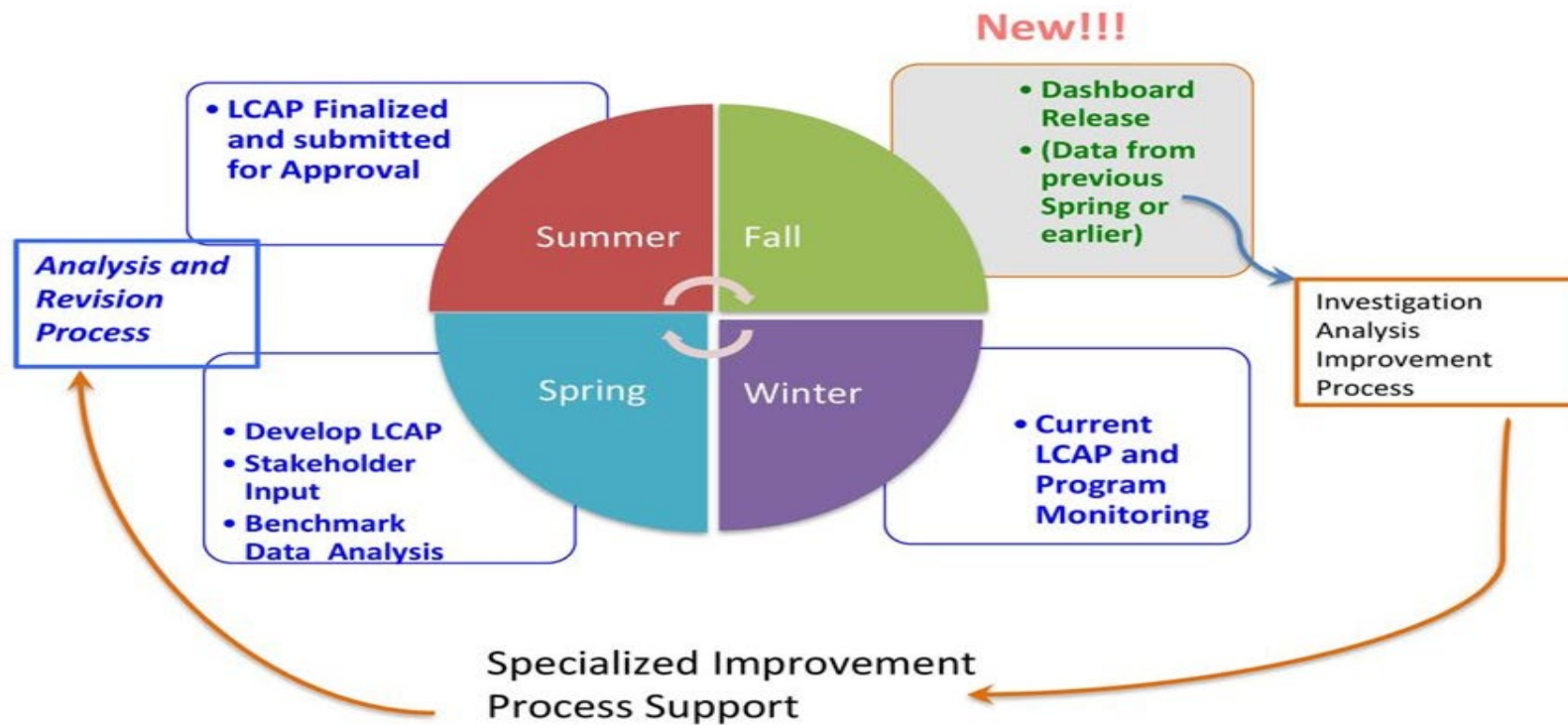
- Title I is a federal program that provides funds to schools with high numbers of low-income students. Title I funds are intended to help students who are struggling academically and meet state academic standards.

- **Title 4 Funding:**

- Provide all students with access to a well-rounded education;
- Improve school conditions for student learning; and
- Improve the use of technology in order to improve the academic achievement and digital literacy of all students.

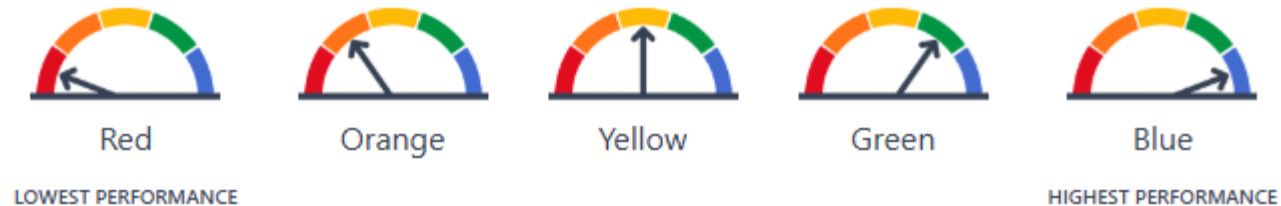


# LCAP Cycle

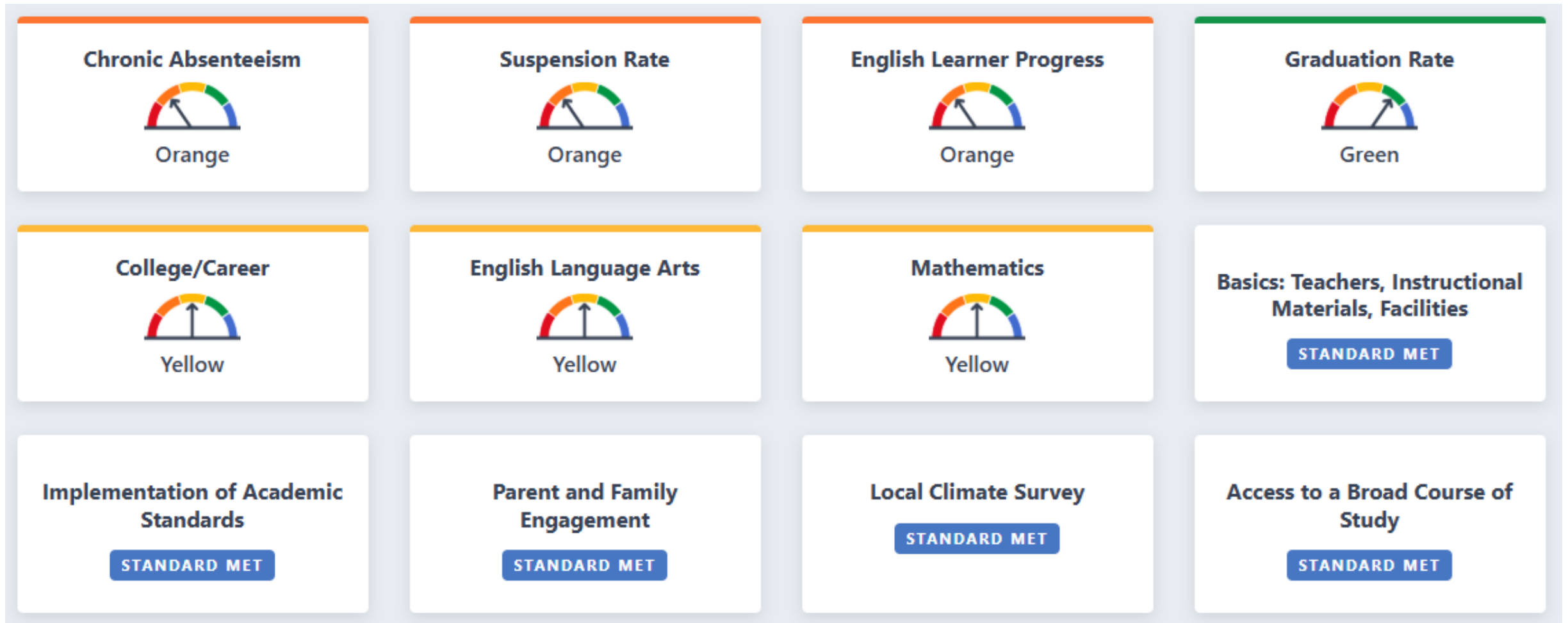


# Dashboard Metrics

Performance on state measures, using comparable statewide data, is represented by one of five colors. The performance level (color) is not included when there are fewer than 30 students in any year. This is represented using a greyed out color dial with the words 'No Performance Color'.



# 2025 Dashboard Metrics



# LCAP Goals

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LCAP goals:

**Goal 1: Increase Academic Achievement and Decrease Disproportionalities**

**Goal 2: All students graduate College and Career Ready**

**Goal 3: Improve Culture and Climate through Increased Student Engagement**

**Goal 4: Increase Parent Engagement**

**Goal 5: Provide Facilities that are Clean, Safe, and Conducive to Learning**

**Goal 6 : Increase ELA and Math Academic Achievement for Students with Disabilities**

# LCAP Goals

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## ***Equity Multiplier Goals***

**Goal 7: Increase academic achievement in ELA by 45 points from standard or greater by English Learner Student as measured by CAASPP by 2027.**

**Goal 8: I Increase academic achievement in ELA 45 points from standard or greater by students as measured by CAASPP by 2027.**

**Goal 9: Improve College and Career readiness from “Low” status to “Medium” or above for all student groups by 2027 as measured by the CA State Dashboard.**

**Goal 10: Decrease suspension rate to 5% or less for all student groups by 2027 as measured by the CA State Dashboard**

# Equity Multiplier School

2024	2025	2026
Northwood	Northwood	Northwood
Woodlake	Woodlake	Woodlake
Woodridge	Woodridge	Woodridge
MLK	MLK	MLK
Babcock	<i>*Sierra View</i>	—
Hagginwood	—	Hagginwood
Keema	Keema	Keema
Oakdale	Oakdale	Oakdale
Pacific	Pacific	Pacific
Vista	Vista	Vista
—	<i>*Rio Linda Prep</i>	<i>*Fairbanks</i>



# Action Highlights

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- Counselors at all elementary schools
- Mentorship programs at secondary schools
- K-12 Arts and Music
- Field trips and enrichment activities and programs
- Saturday and WIN academy
- Multi-Tiered System of Support specialist (.5 at each site)
- ECE and Full Day Kindergarten
- Behavior Support Team
- Recruitment & Hiring incentives
- Career Technical Education and Workforce programs
- Additional Nursing staff and Psychologists
- Expanded Family Engagement

# Equity Multiplier Action Highlights

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- Intervention Teachers for Reading and EL
- Additional secondary counselors
- Additional MTSS staff
- Mentorship and Academic support programming
- Reading & Literacy professional development and job-embedded coaching
- Additional EL professional development
- Additional behavior support personnel

# Let's discuss

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## Questions & Comments:

We want to hear what is working well and what can improve?

# Thank you

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Please participate in the Survey to provide community input that is used to improve our schools and district.

<https://bit.ly/LCAP-2026>

Contact Travis Burke with any questions:  
[Travis.burke@trusd.net](mailto:Travis.burke@trusd.net)

Slides available after 2.13:

*District Website* → *Students and Families* → *Special Projects* → *LCAP*

