



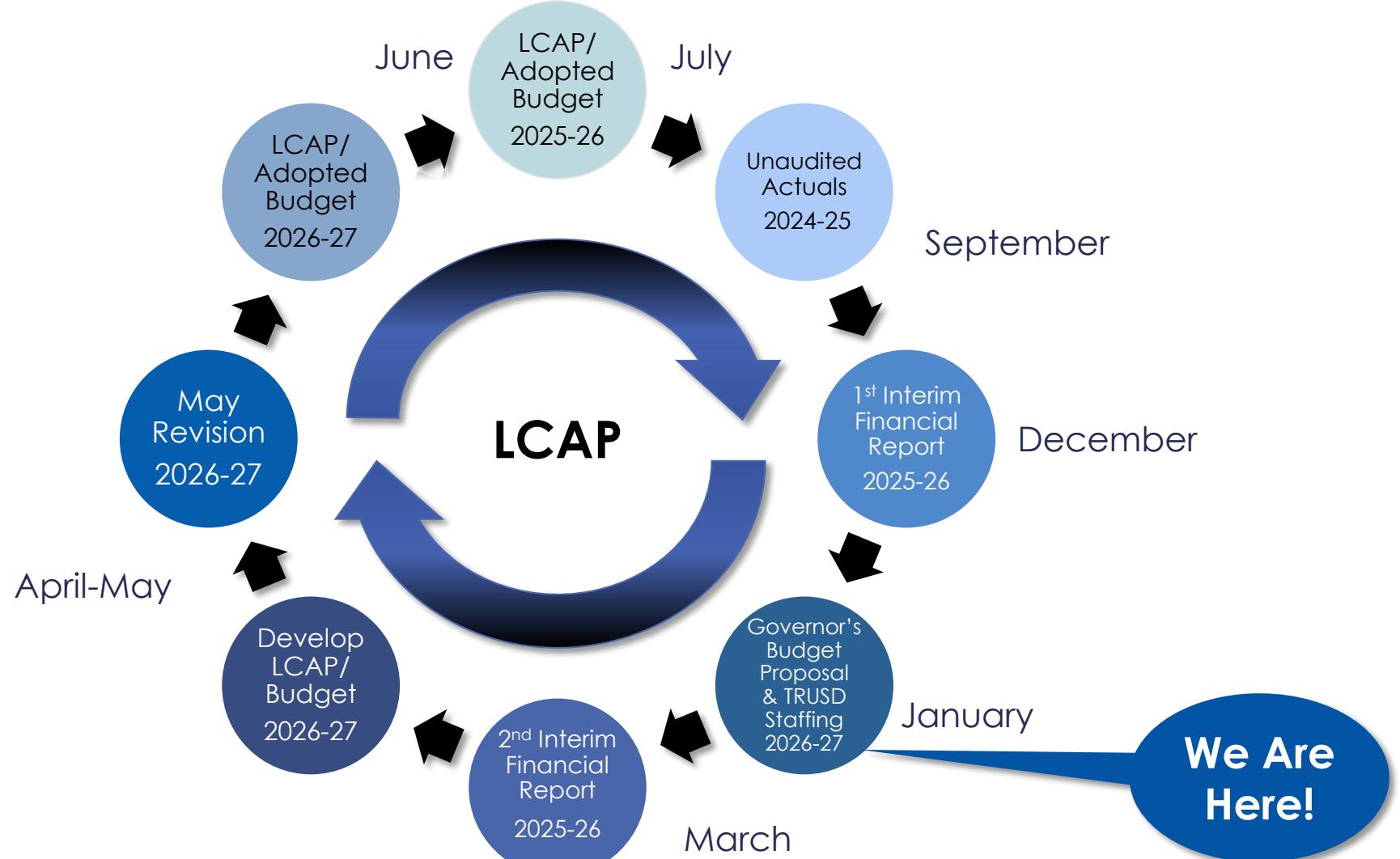
LCAP & Title Funds Community Input

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

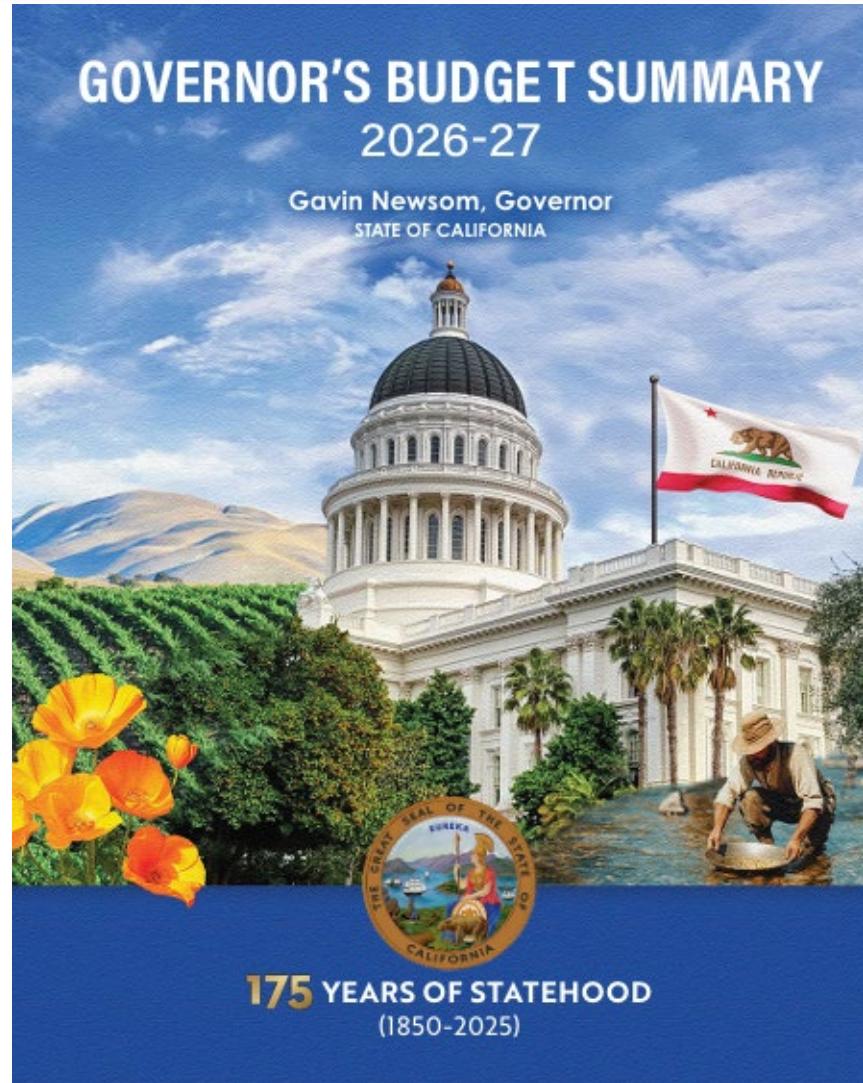
Today's Agenda

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

The Budget Reporting Cycle



2026-27 Governor's Budget Proposal



Inspiring each student to extraordinary achievement everyday!

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

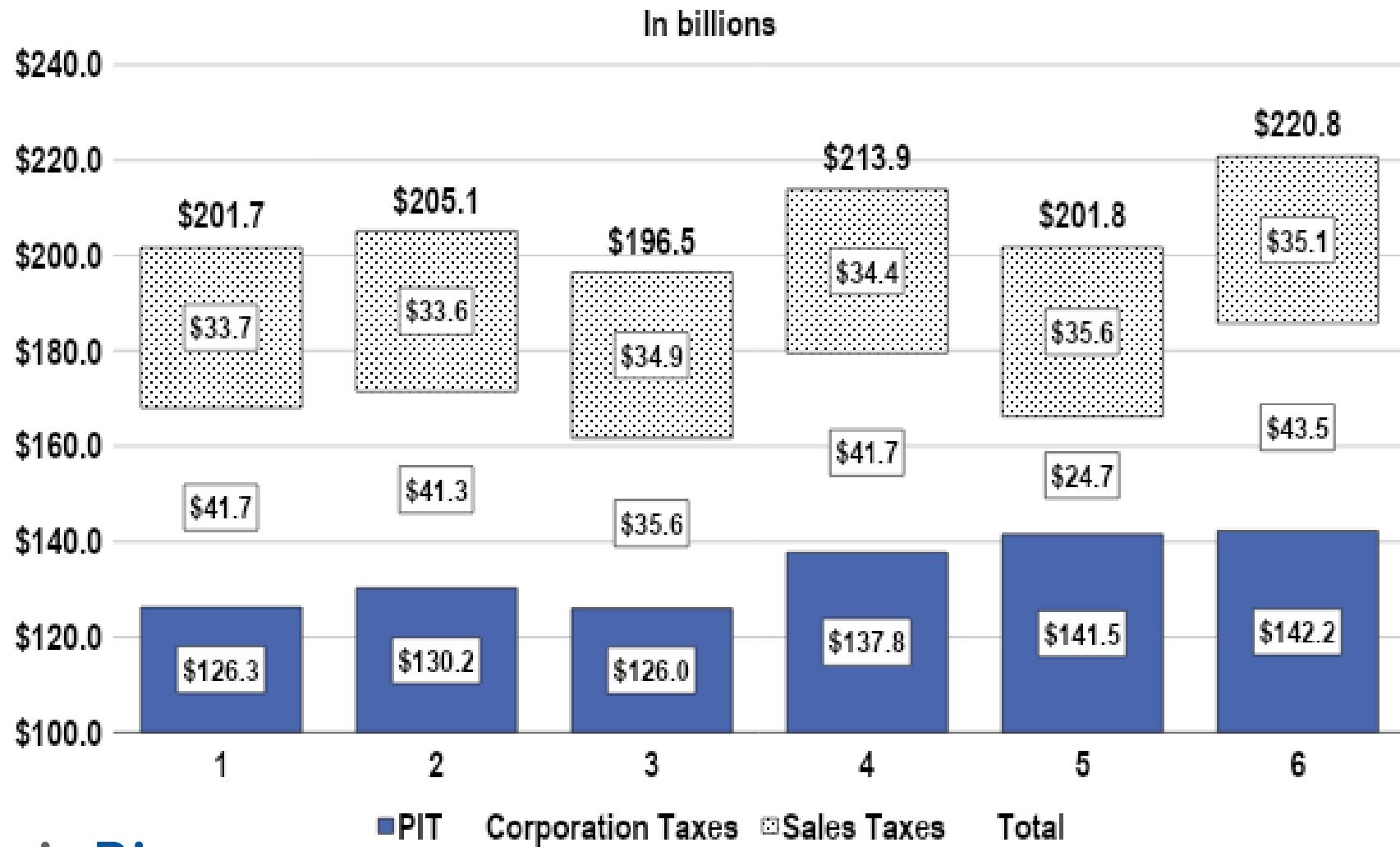
Uncertainty

- 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



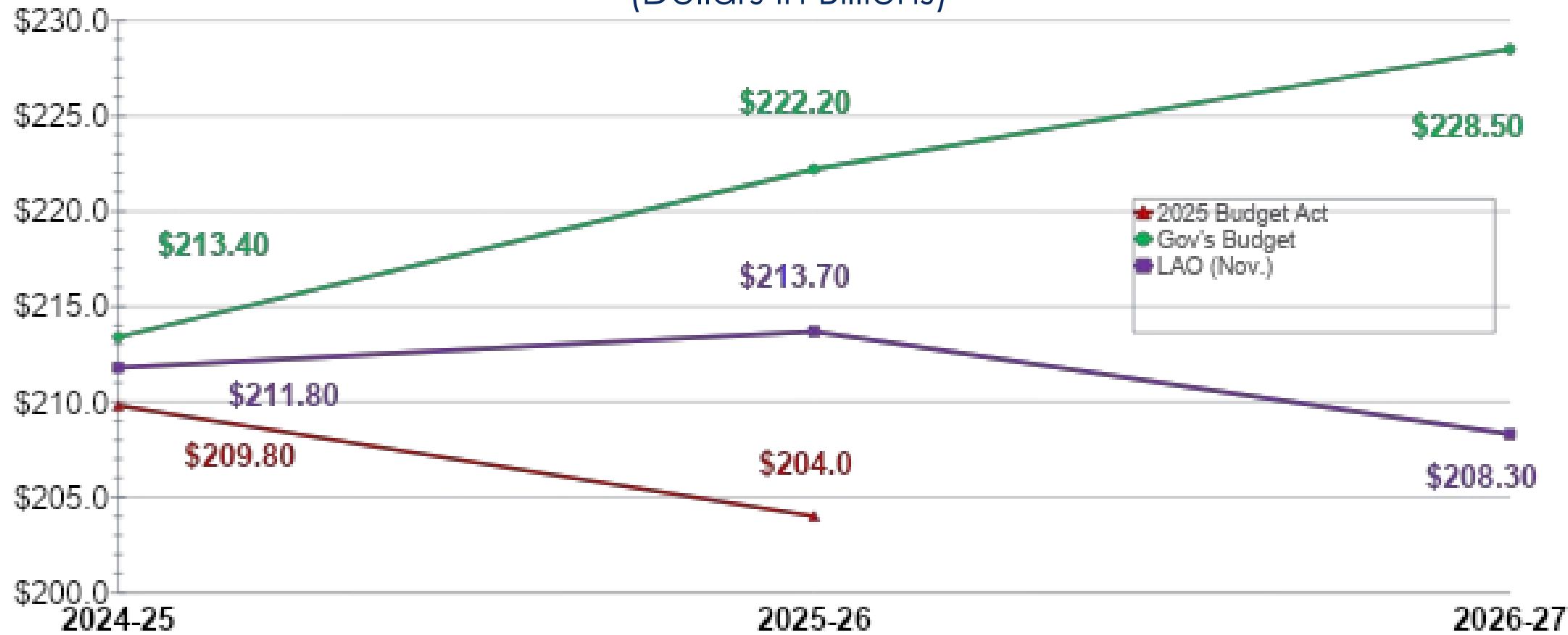
Compared to the Enacted Budget, the Governor assumes “Big Three” tax revenues are higher by \$20.8 billion for 2024-25 and 2025-26 combined

- 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

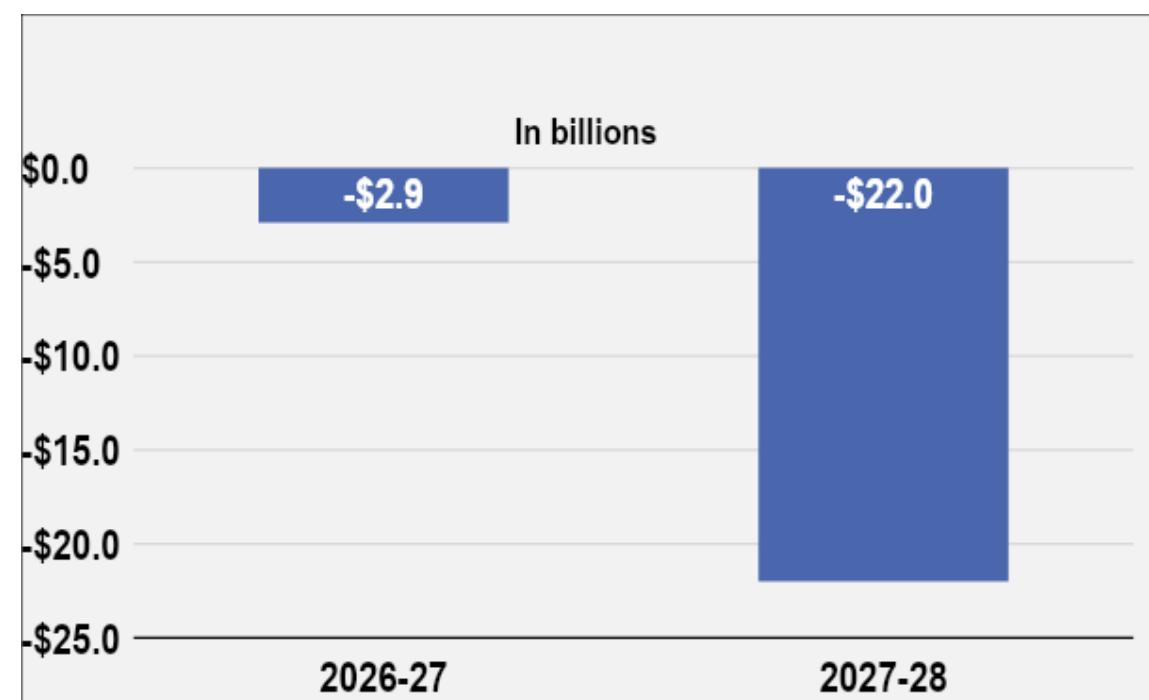
- Although the Governor's Budget uses healthier state revenue assumptions than the Legislative Analyst's Office (LAO) in its November 2025 *Fiscal Outlook*, the state still faces a modest \$2.9 billion shortfall in 2026-27

“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

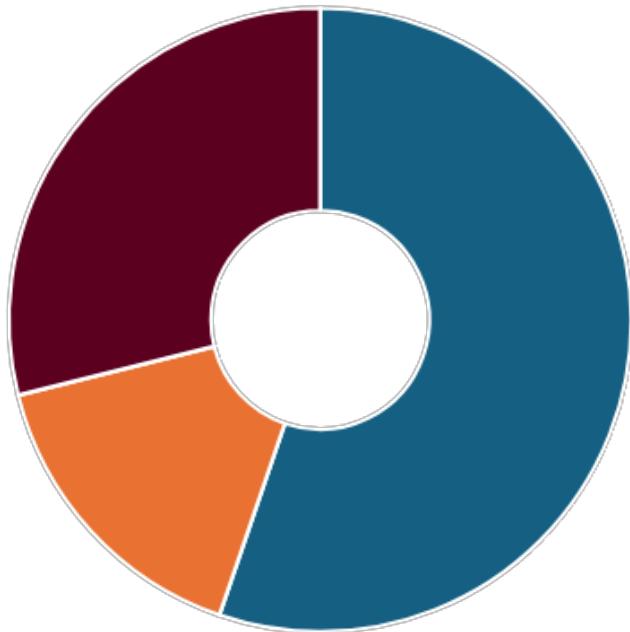
\$22 billion
with continued deficits in
2028-29 and 2029-30



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



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

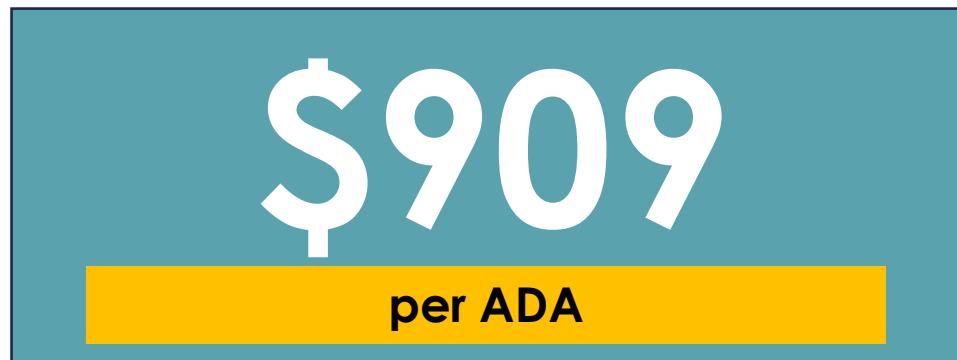
Nearly one-third of available funding used to replenish the Rainy Day Fund

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**

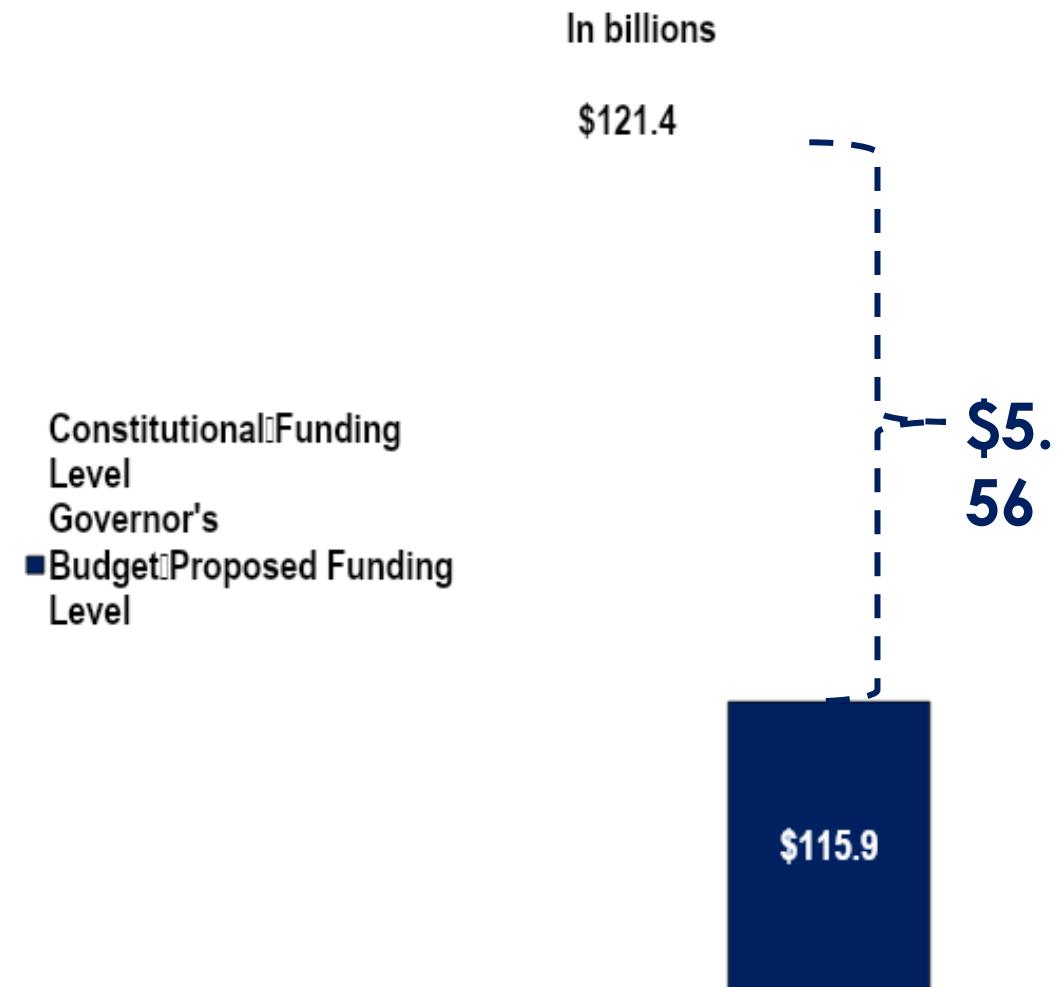
2025-26 Settle-Up Proposal

- 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



05

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:

Youth in
Foster Care

Child
Nutrition

Mandate Block
Grant (MBG)

Special
Education

State
Preschool



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



Adults in
Correctional
Facilities
Program¹

American Indian
Early Childhood
Education
Program

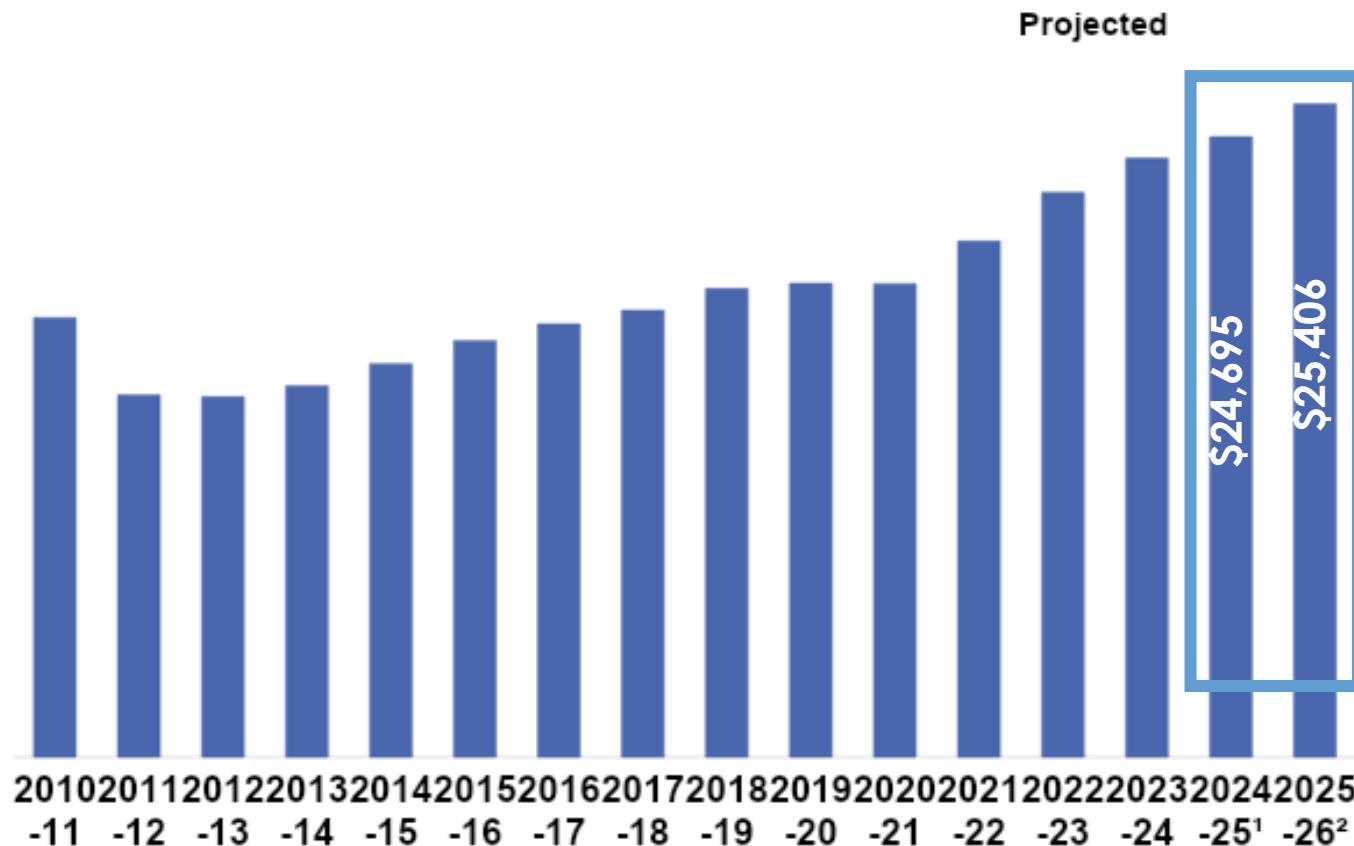
American
Indian
Education
Centers

Charter School
Facility Grant
Program

LCFF Equity
Multiplier

Special Education Annual Expenditures Continue to Rise

Special Education Program Expense per SWD



- 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

¹2024-25 expenditures estimated

²2025-26 SWD and expenditures estimated

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SSC Financial Projection Dartboard

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 ¹		\$16.90	\$17.40	\$17.90	\$18.40	\$18.90

¹Minimum 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
2025-26 Base Grant per ADA	\$10,256	\$10,411	\$10,719	\$12,423
2.41% COLA	\$247	\$251	\$258	\$299
2026-27 Base Grant per ADA	\$10,503	\$10,662	\$10,977	\$12,722
GSA	\$1,092	-	-	\$331
2026-27 Adjusted Base Grant per ADA	\$11,595	\$10,662	\$10,977	\$13,053
20% Supplemental Grant per ADA¹	\$2,319	\$2,132	\$2,195	\$2,611
65% Concentration Grant per ADA²	\$3,392	\$3,119	\$3,211	\$3,818
TK Add-On per ADA (inclusive of COLA)	\$5,679	-	-	-

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

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

Salary Increases

- 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

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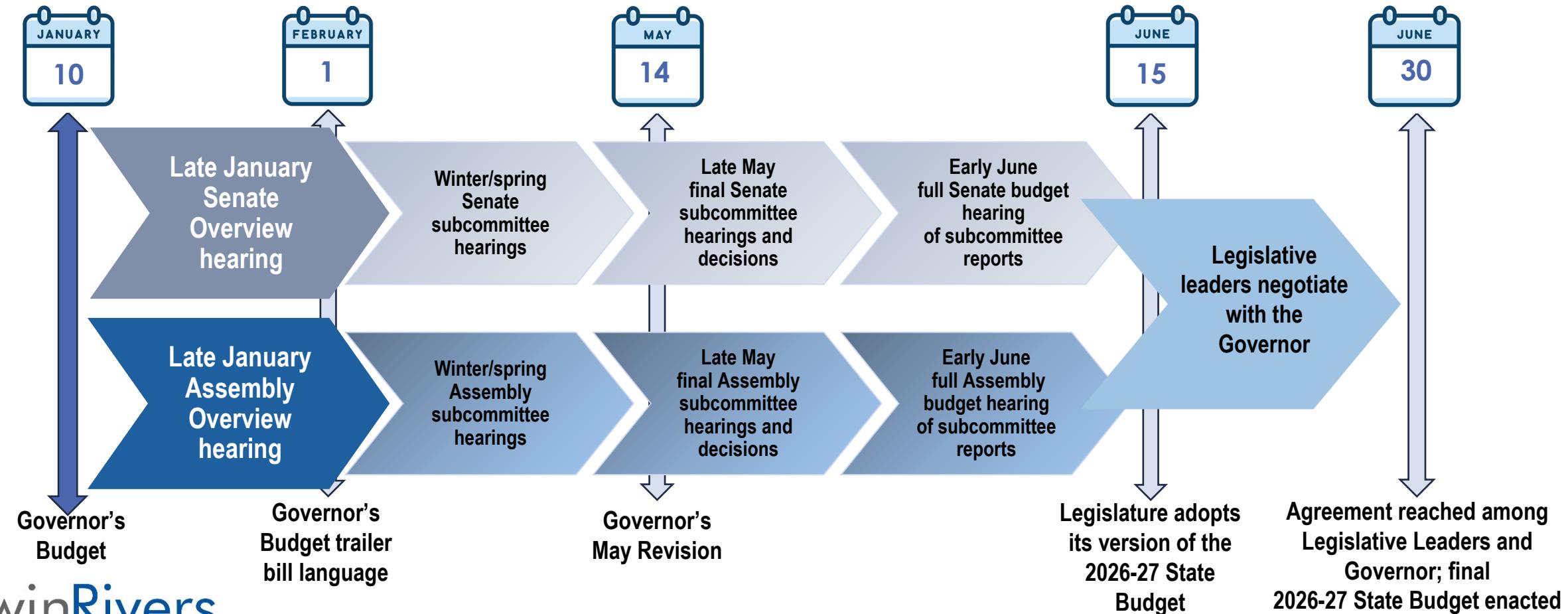
Additional One-Time Money: 26-27 Student Support and Prof. Dev. Discretionary Block Grant

**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

- 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?

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:

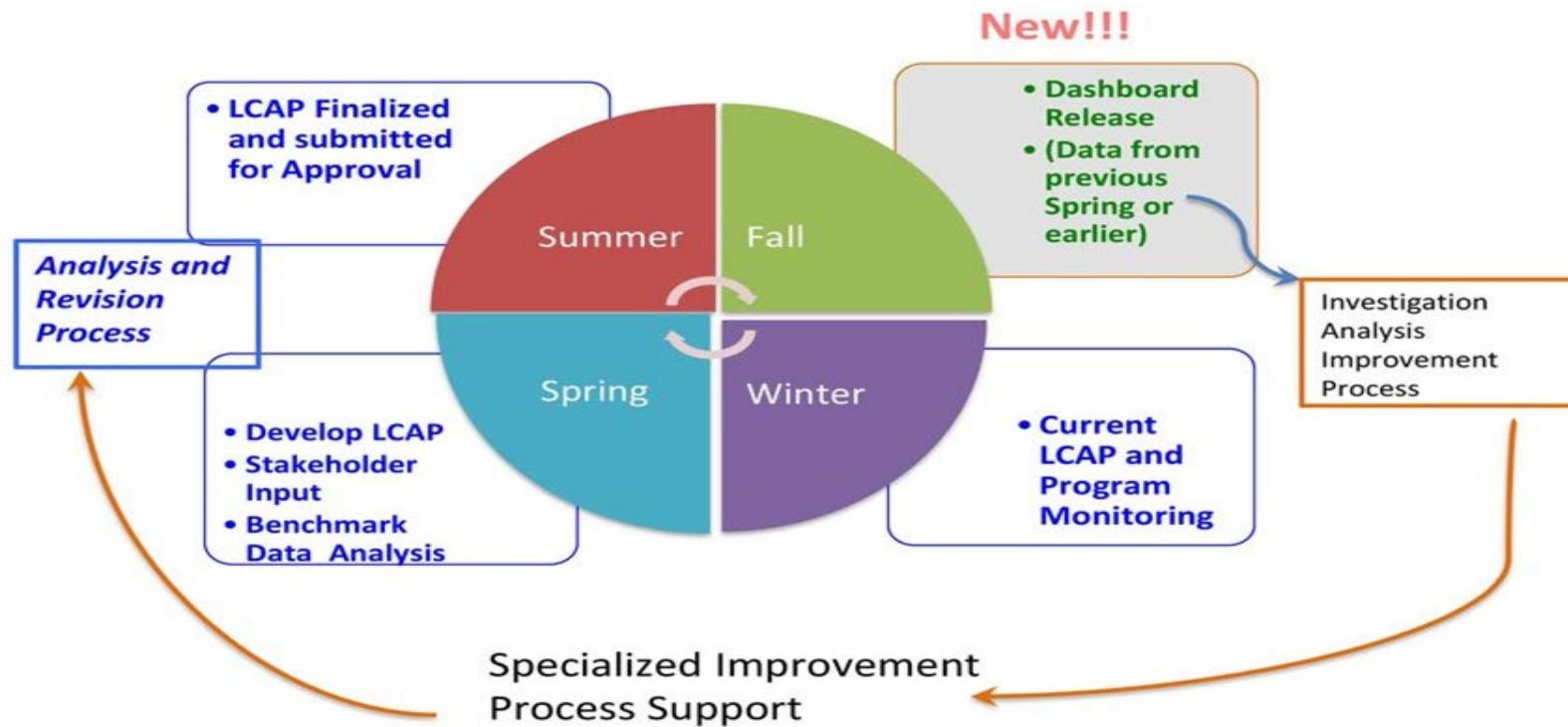
- **Goals:** The district's goals for students, including academic achievement, school climate, and parent engagement
- **Actions:** The specific actions the district will take to achieve its goals, including expenditures
- **Metrics:** The means used to measure progress

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

- **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

Chronic Absenteeism



Orange

Suspension Rate



Orange

English Learner Progress



Orange

Graduation Rate



Green

College/Career



Yellow

English Language Arts



Yellow

Mathematics



Yellow

Basics: Teachers, Instructional Materials, Facilities

STANDARD MET

Implementation of Academic Standards

STANDARD MET

Parent and Family Engagement

STANDARD MET

Local Climate Survey

STANDARD MET

Access to a Broad Course of Study

STANDARD MET

LCAP Goals

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

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: 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	*Sierra View	—
Hagginwood	—	Hagginwood
Keema	Keema	Keema
Oakdale	Oakdale	Oakdale
Pacific	Pacific	Pacific
Vista	Vista	Vista
—	*Rio Linda Prep	*Fairbanks

Action Highlights

- 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

- 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

Questions & Comments:

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

Thank you

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

Slides available after 2.13:

District Website → Students and Families → Special Projects → LCAP

