TwinRivers
UNIFIED SCHOOL DISTRICT

2026-27 Proposed Adopted Budget Report

PRESENTED TO THE BOARD OF TRUSTEES – FOR PUBLIC HEARING
June 16, 2026

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&
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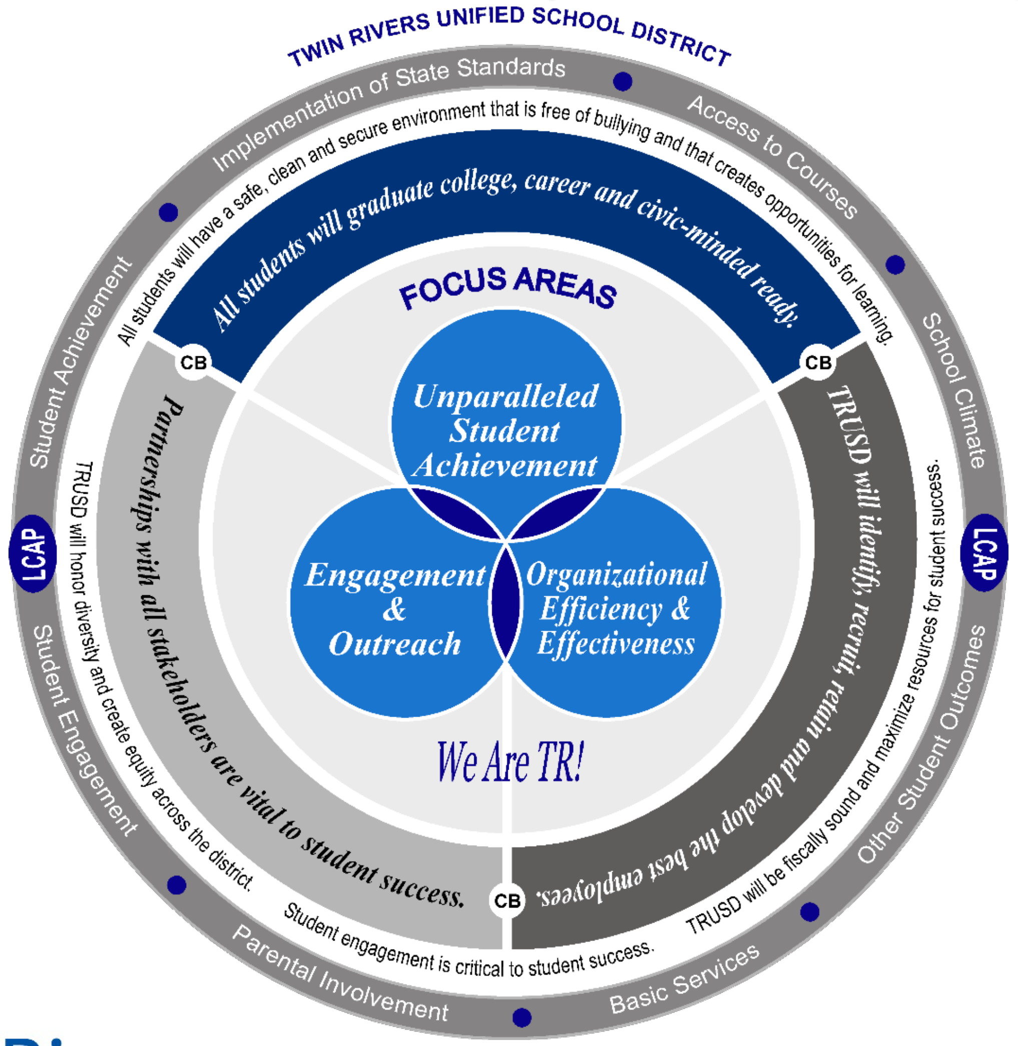
Fiscal Services

Agenda

- Strategic Framework and Roadmap to College and Career Ready
- The Budget Reporting Cycle
- May Revision Overview
- Proposed 2026-27 Adopted Budget
  - Budget Projection – Key Factors
  - SACS Budget Forms
  - 2026-27 Other Funds
  - 2026-27 General Fund
  - General Fund Multi-Year Projection
- One-time Block Grant Funds
- Looking Ahead

Strategic Framework and Roadmap to College and Career Ready



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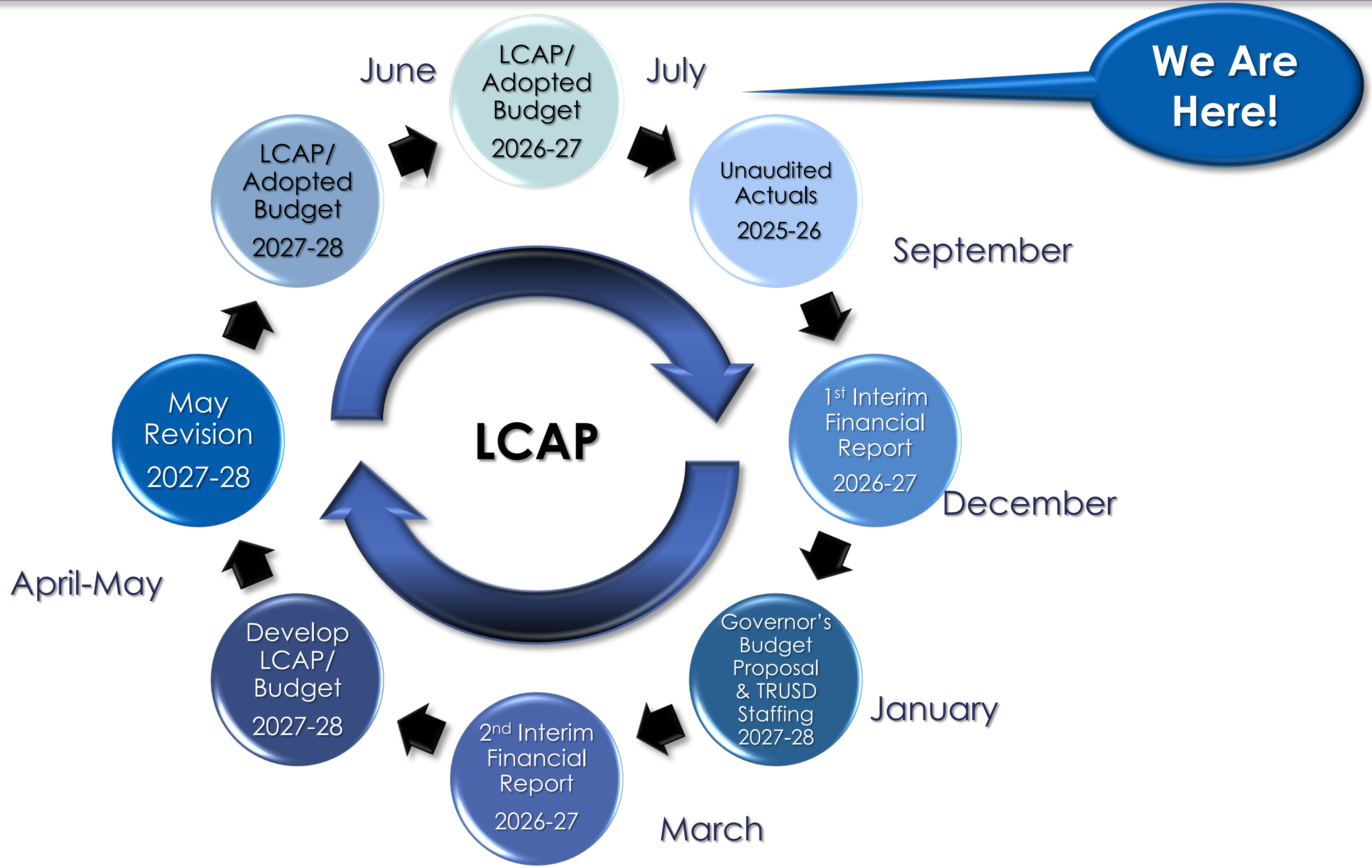
The Budget Reporting Cycle



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2026-27 May Revision Proposal

Themes for the 2026-27 May Revision

Projects significant personal income tax (PIT) growth fueled by capital gains in the current year and moderating in the budget year

- This eliminates projected ongoing deficits while providing budget stability that will last after he leaves office, if his forecast holds

Shores up existing programs instead of creating new ones and provides significant one-time discretionary fund preparing education for a rainy day

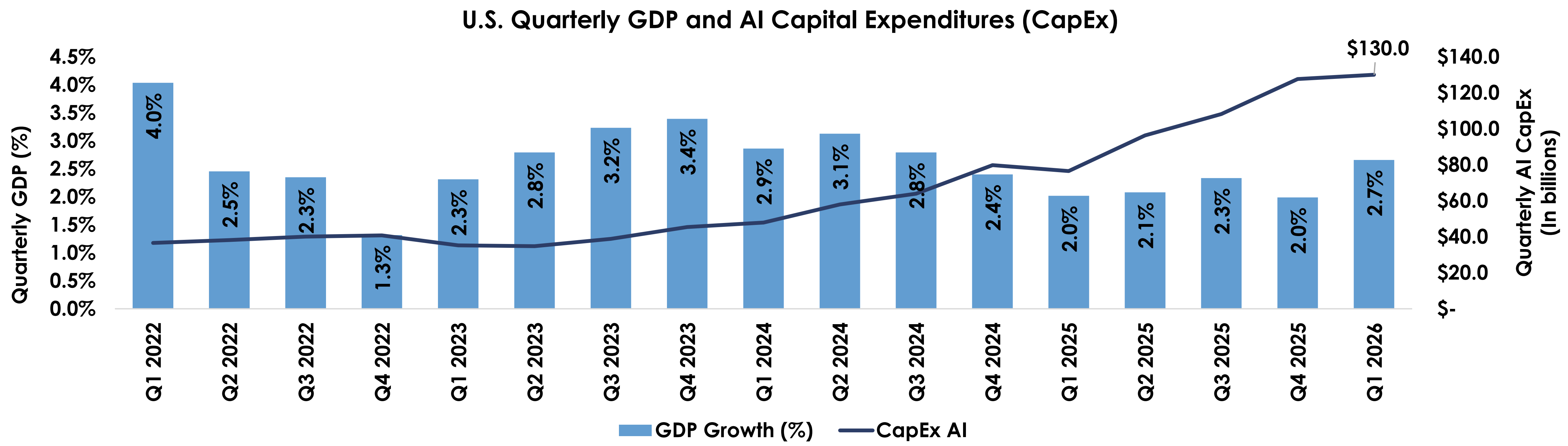
Proposes a new benefit to local educational agency (LEA) employees of paid pregnancy disability leave (PPDL), which he proposes to fund through the Local Control Funding Formula (LCFF)

Provides an historic increase to special education funding that surpasses the statewide equalized funding rate proposed in January

Continues his plan to under appropriate the Proposition 98 minimum guarantee to the tune of $3.9 billion

Gross Domestic Product and Artificial Intelligence

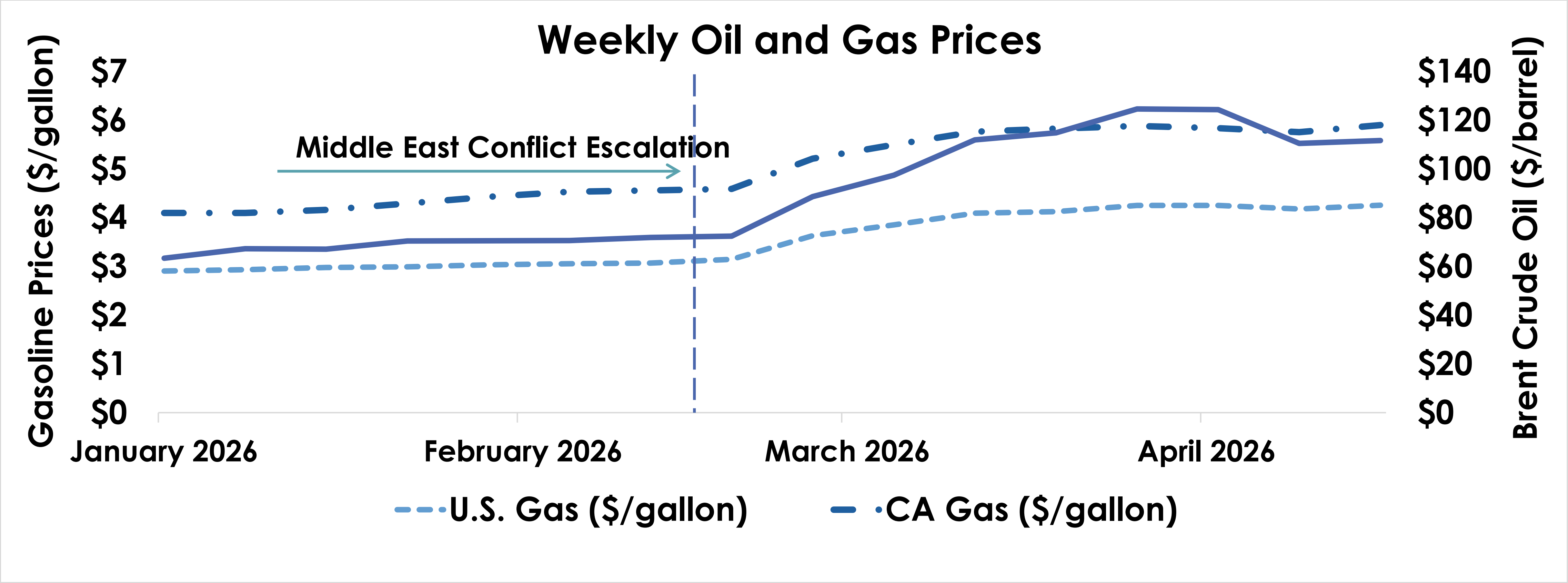
- U.S. gross domestic product (GDP) growth has remained positive despite slowing hiring and elevated uncertainty
- Artificial intelligence (AI) infrastructure investment has accelerated rapidly since 2023, and capital expenditures in AI are projected to represent approximately 2% of GDP in 2026
- California continues to lead the nation in technology employment and venture capital investment



Source: Federal Reserve Economic Data (FRED); Epoch AI using the U.S. Securities and Exchange Commission filings; Visual Capitalist; UCLA Anderson Forecast

Middle East Conflict and Gas Prices

- Geopolitical instability is increasing oil and gasoline prices, creating inflation pressure

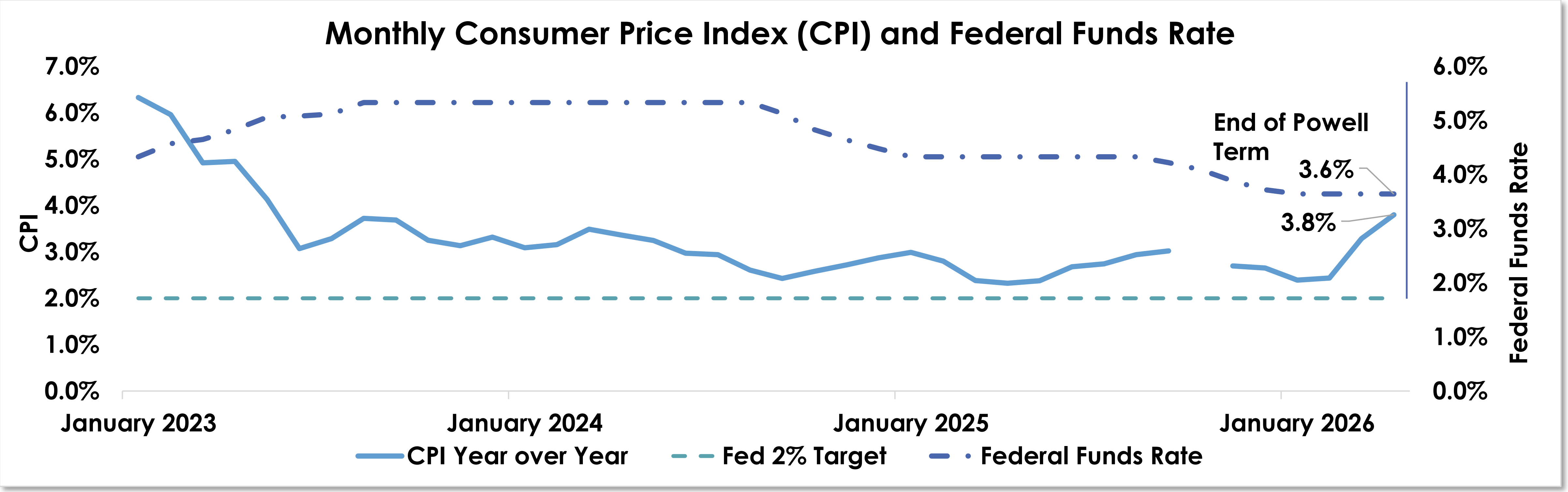


California drivers pay ~$1.50-$1.70 more per gallon than the U.S. average

Source: U.S. Energy Information Administration

The End of the Powell Era—Future Independence of the Federal Reserve

- Inflation remains above target and sensitive to external shocks
- Market expectations reflect uncertainty about future policy
- Leadership transition adds risk to the policy outlook



Source: FRED, FedWatch

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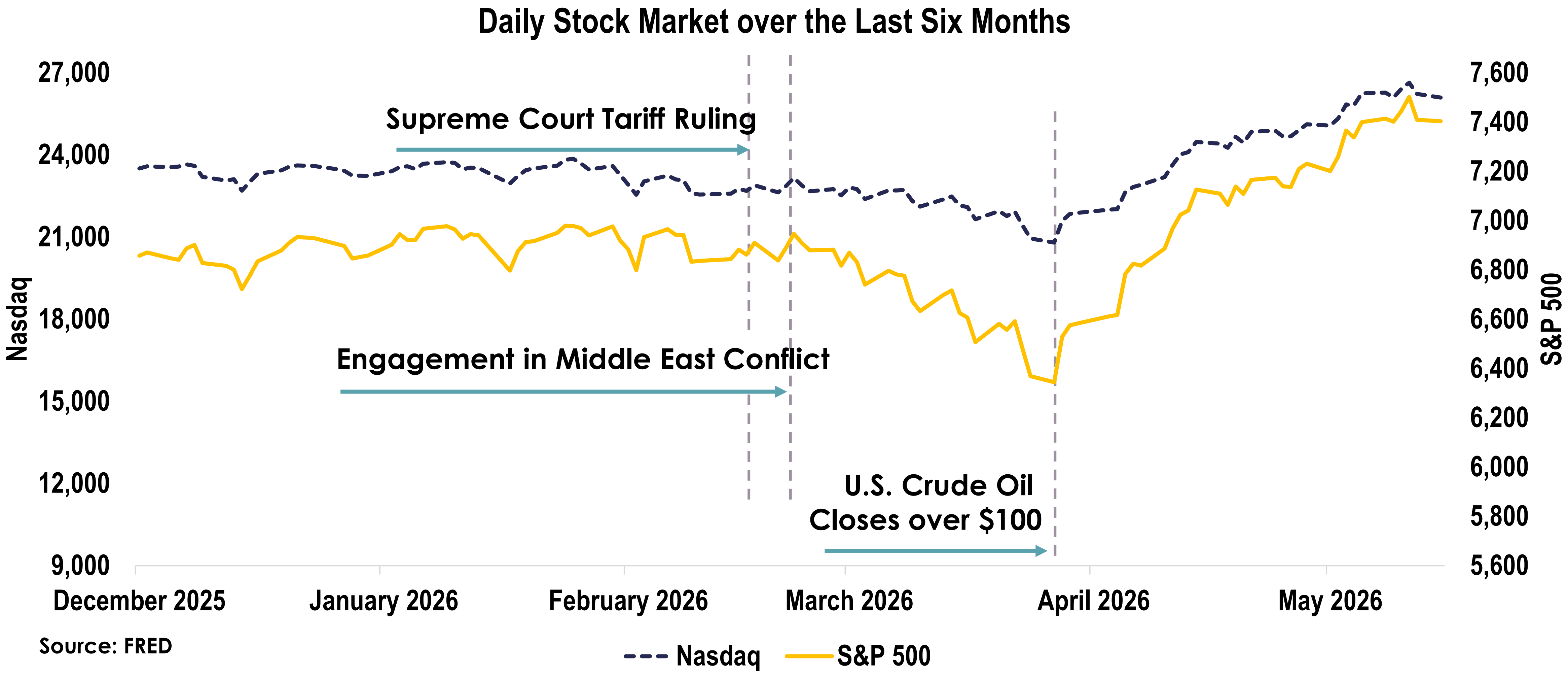
The Stock Market



Source: FRED

Historical Stock Market Downturns and State Revenues

- California's tax structure is highly dependent on stock market earnings
- Technology-sector downturns have historically caused significant revenue losses
- AI-driven market gains may also increase future revenue volatility

Year	What Happened?	S&P 500 Peak-to-Trough	Time to Recover Previous High
1973	Organization of the Petroleum Exporting Countries (OPEC) oil embargo	−43%	90 months
1981	Federal Reserve (Fed) raised interest rates to historic highs to address stagflation	−22%	24 months
1987	Black Monday	−22%	23 months
1990	Iraq invades Kuwait, sending oil prices higher and affecting confidence	−17%	7 months
2000	Investors slowly realize that internet startups are overvalued	−45%	91 months
2008	Mortgage finance systems sets off global financial market recession	−52%	48 months
2022	Fed raised interest rates quickly in response to pandemic-era inflation, making borrowing expensive and deflating asset prices	−22%	24 months

Source: Legislative Analyst's Office (LAO)

California's Bifurcated Economy

AI/Technology-Driven Growth

- California continues to receive a disproportionate share of national AI and venture capital investment, which continues to support economic output and productivity growth
  - Technology-intensive industries generate disproportionate economic and fiscal impacts relative to their share of total employment
- The Department of Finance (DOF) projects personal income growth will remain strong due in part to high-income technology and financial-sector earnings

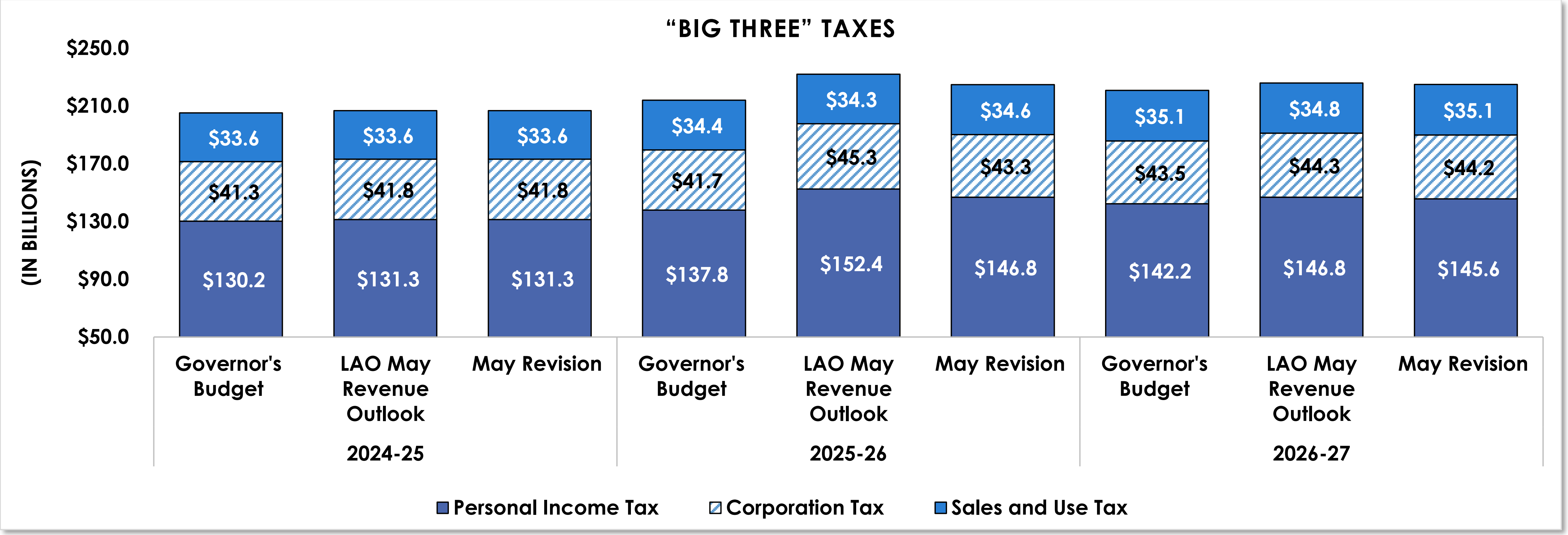
Broader California Economy

- Unemployment has remained above the national average despite statewide economic growth
- Housing affordability, elevated interest rates, and slower construction activity are weighing on broader economic conditions, which remain uneven across industries, regions, and income levels
- Total nonfarm employment growth has remained modest, with several industries experiencing slower hiring and continued restructuring

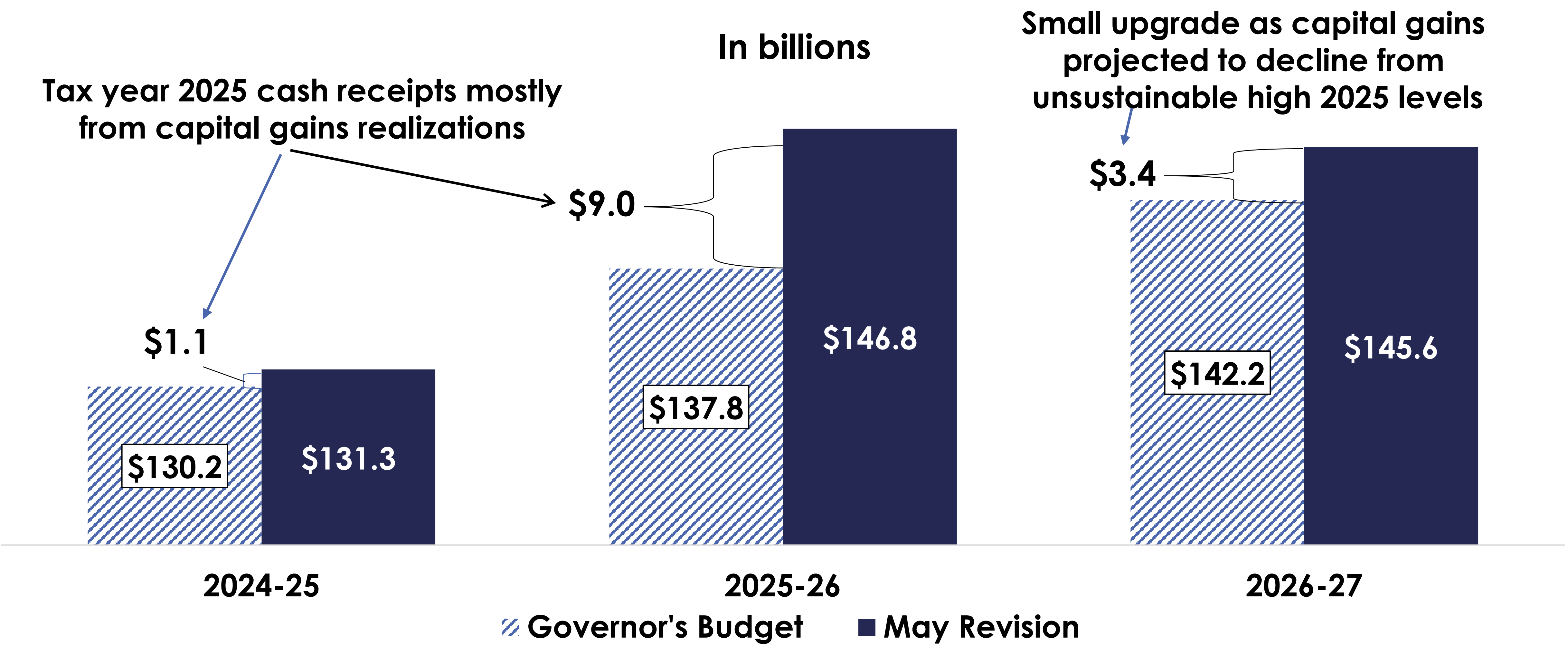
"California's new bifurcated economy is not one between East and West, but one between AI, Aerospace, and the like, and the rest of the economy." —UCLA Anderson Forecast

“Big Three” Taxes

- PIT continues to drive the majority of General Fund revenue growth
- PIT revenues in the May Revision are projected to be $13.5 billion above the Governor’s Budget across the budget window

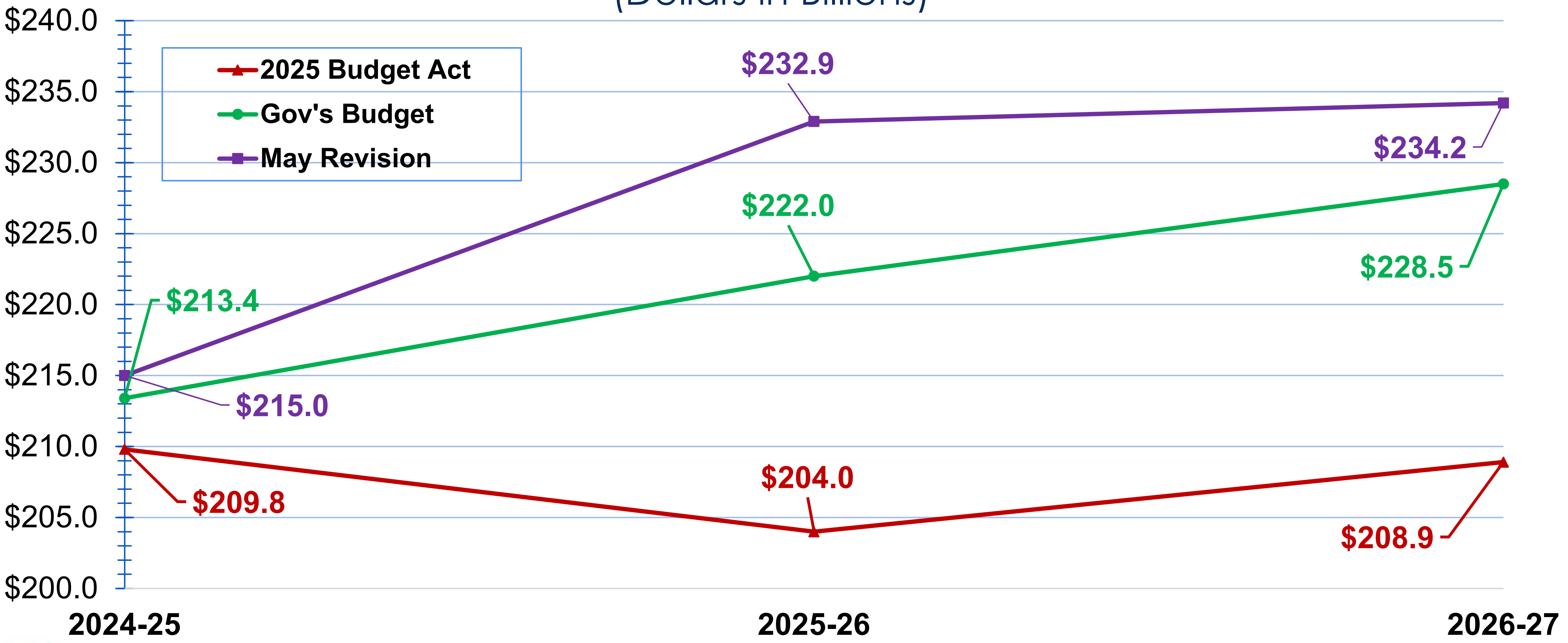


Personal Income Tax



State General Fund Revenues

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



Billionaire Tax Act Potential Impact

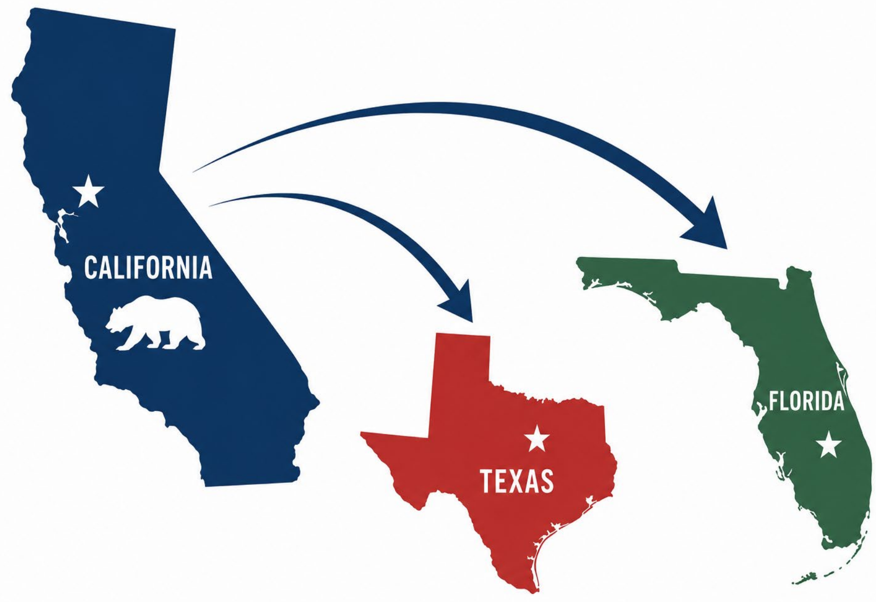
Name	Net Worth (in billions)
Larry Page[1]	$256.2
Sergey Brin[1]	$236.4
Mark Zuckerberg	$225.1
Peter Thiel[1]	$26.7
Jan Koum	$17.1
Don Hankey[1]	$8.1
Steven Spielberg[1]	$7.0
Reed Hastings	$5.1
David Sacks[1]	$2.0
Andy Fang	$1.7

[1]Confirmed departure prior to January 1, 2026

Source: Hoover Institution, *The Net Present Value of the Billionaire Tax Act* (March 2026)

- Proponents estimate $100 billion in revenue
- Per a Hoover Institution study, departures, avoidance, and long-term tax base erosion could reduce actual collections to closer to $40 billion
- The Supreme Court indicated that heightened scrutiny may apply to the retroactive provision

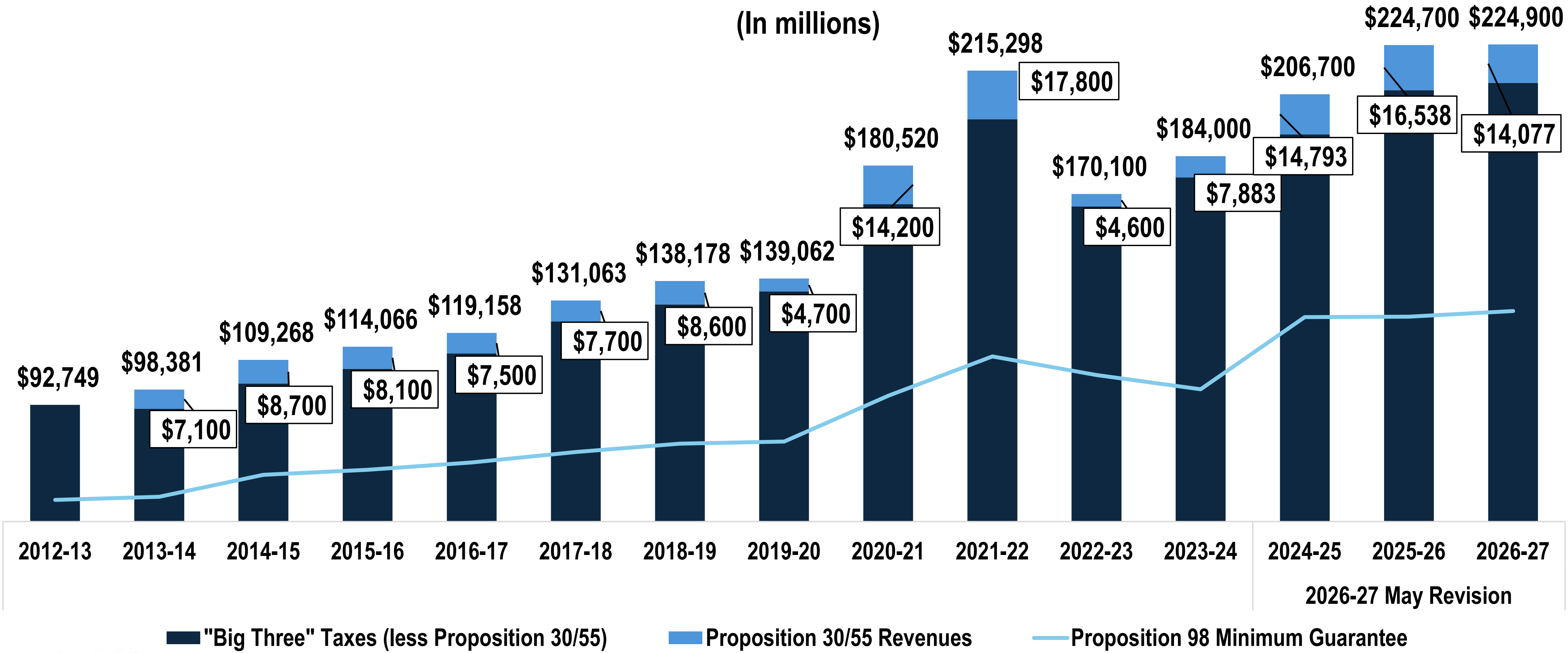
- Publicly announced billionaire departures reduced the tax base by nearly 30% before signatures were submitted
- Likely additional outmigration reduces expected collections to ~$40 billion
- Estimated net present value: ~$24.7 billion after lost income tax revenues, with most simulations producing a negative outcome



Proposition 30/55—Major Concern by Both Labor and Management

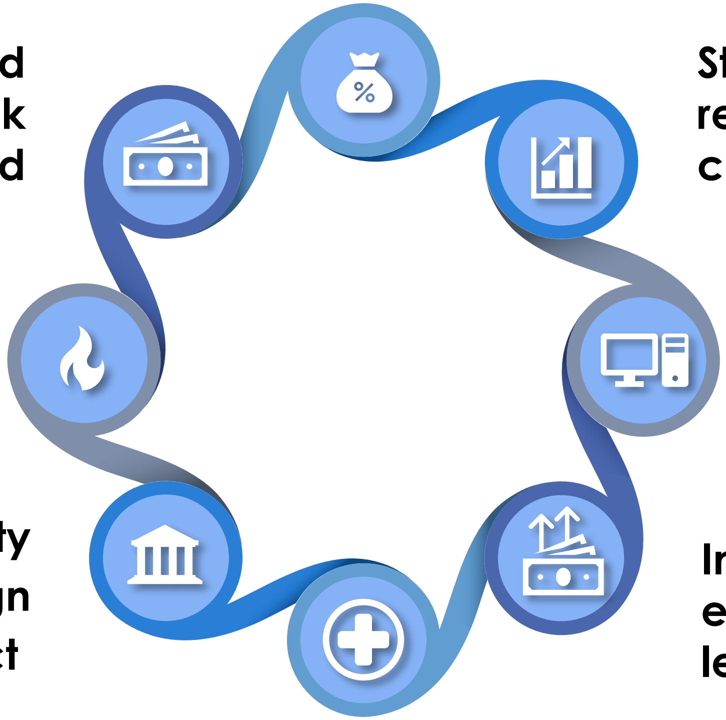
- Proposition 30 was initially passed at the strong urging of Governor Jerry Brown in 2012
  - The "urging" came in the form of a significant cut to K-14 funding if it did not pass
- Proposition 30 was set to expire in 2019, but the income tax portion was extended to 2030 with the passage of Proposition 55 in 2016
- From 2012-13 through 2024-25, Proposition 30/55 PIT made up about 6.2% of the "Big Three" revenues
- The California Teachers Association (CTA) is proposing a permanent extension to Proposition 30/55 and has submitted more than 1.6 million signatures for validation
  - Approximately 875,000 signatures are needed to qualify for the November ballot

Proposition 30/55 Revenues—Education Protection Account



Risks to the Economy and the State Budget

Uncertainty remains regarding future economic conditions and the potential impact of proposed tax initiatives on taxpayer behavior and revenue stability



Structural deficits persist despite strong revenue growth and improved tax collections

Greater dependence on technology and financial markets increases volatility risk for state revenue

Inflation volatility due to tariffs, rising energy costs, and the Fed's leadership transition

Medi-Cal costs and caseload pressures, along with reduced federal Medicaid spending

Federal policymaking uncertainty related to immigration, foreign trade, and geopolitical conflict

Insurance market instability, wildfire recovery costs, and potential climate-related disasters

Budget solutions rely on continued economic growth and moderation in stock market growth over the forecast period

Proposition 98

The Proposition 98 minimum guarantee is up more than $6 billion over the three-year budget window

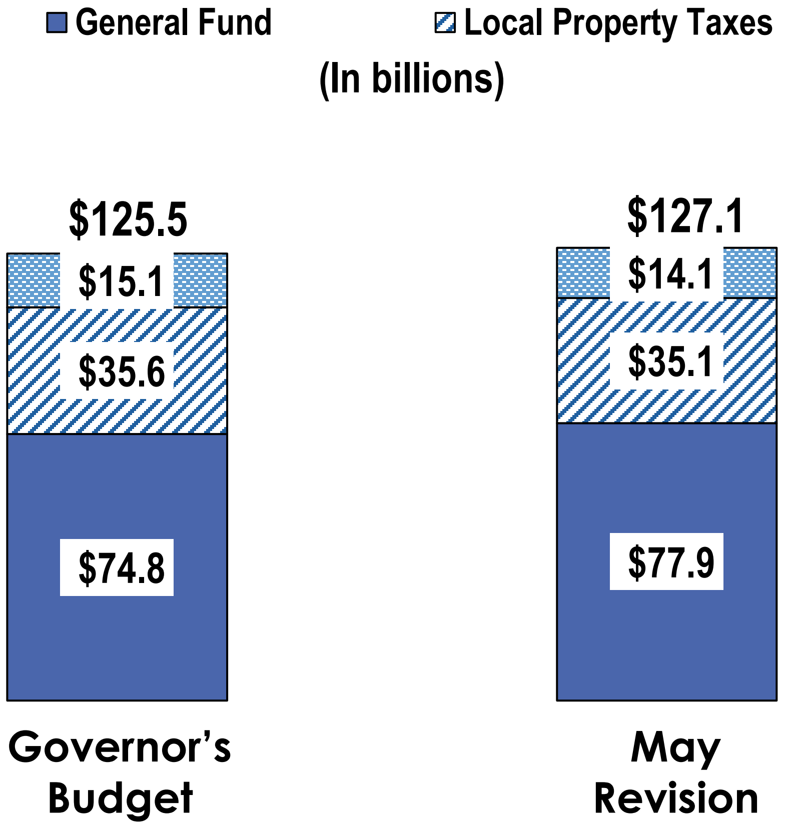
The May Revision provides significant increases in ongoing and one-time resources to LEAs

The statutory cost-of-living adjustment (COLA) is fully funded at 2.87% and an additional 1.44% increase is provided, but does not apply to all programs and comes with new spending requirements

Despite increased revenue, the May Revision continues to under appropriate the 2025-26 minimum guarantee by $3.9 billion

2026-27 Minimum Guarantee—From January to May

The 2026-27 minimum guarantee has grown by $1.6 billion since the Governor's Budget



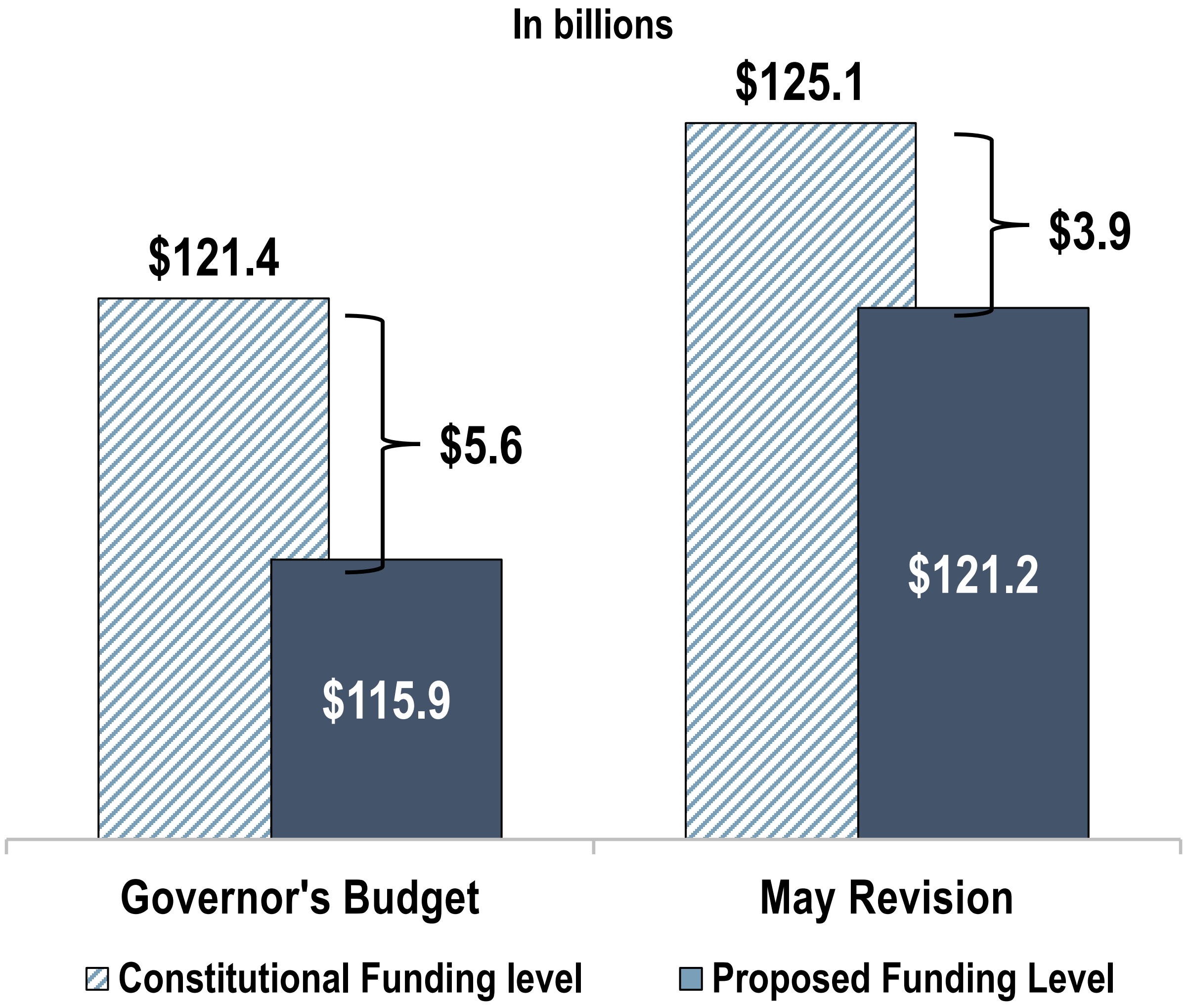
In billions	2024-25	2025-26	2026-27	Total
May Revision	$1.1	$3.7	$1.6	$6.4

- Growth over the three-year budget window is up by a total of $6.4 billion, of which $4.6 billion is required to be deposited into the Proposition 98 reserve (PSSSA)
- Ongoing spending increases by $3.2 billion, funded by growth in the minimum guarantee and funding freed up by declines in attendance

2025-26 Proposition 98 Settle Up

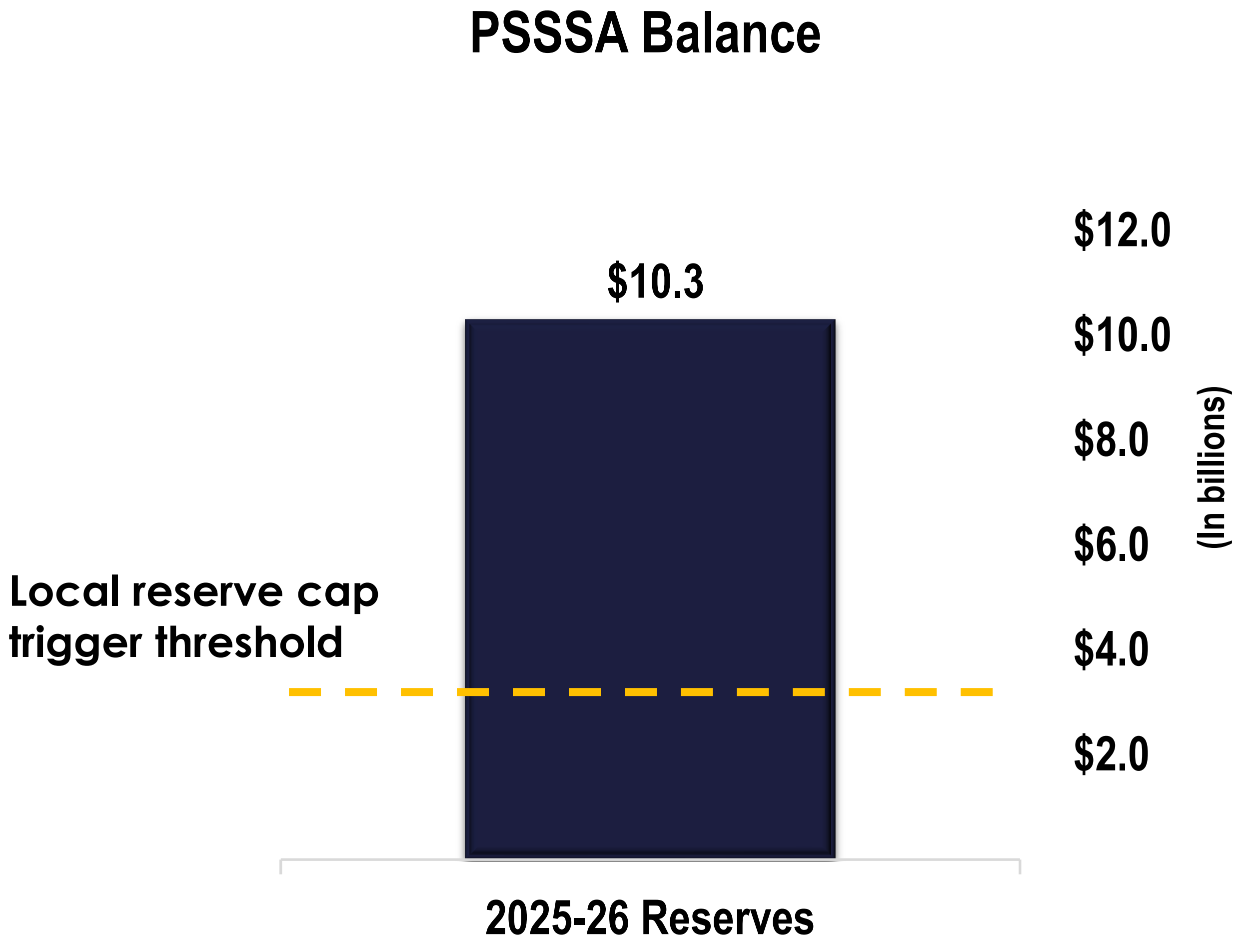
- The Governor continues to under appropriate the 2025-26 minimum guarantee, but reduces the withholding amount from $5.6 billion to $3.9 billion
  - If revenue estimates materialize or exceed expectations, the May Revision indicates these funds will be distributed in the 2027 Budget Act or across multiple budget years
- If the 2025-26 minimum guarantee was fully appropriated in the current year and allocated to TK-12 agencies on an equal per-ADA basis, LEAs would receive approximately

$654 per ADA



Local Reserve Cap

- The Proposition 98 reserve has a balance of $10.3 billion at the end of 2025-26
- The balance significantly exceeds the 3% local reserve cap trigger threshold
- The local reserve cap will be operative in 2026-27



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
Statutory COLA—2.87%	$294	$299	$308	$357
Additional LCFF Investment—1.44%[1]	$148	$150	$154	$179
2026-27 Base Grant per ADA	$10,698	$10,860	$11,181	$12,959
GSA	$1,113	-	-	$337
2026-27 Adjusted Base Grant per ADA	$11,811	$10,860	$11,181	$13,296
20% Supplemental Grant per ADA[2]	$2,362	$2,172	$2,236	$2,659
65% Concentration Grant per ADA[3]	$3,455	$3,177	$3,270	$3,889
TK Add-on per ADA (inclusive of statutory COLA)	$5,704			

- 2.87% statutory COLA is provided for categorical programs, such as:
  - Special Education
  - LCFF Equity Multiplier
  - Mandate Block Grant
  - Child Nutrition

[1]Intended to offset rising costs and declining enrollment impacts, as well as absorb costs of new PPDL requirement
[2]Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 20% and UPP
[3]Maximum amount per ADA—to arrive at LEA's grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

Paid Pregnancy Disability Leave

- The May Revision proposes to mandate paid disability leave for medical conditions related to pregnancy
  - Applies to regular certificated and classified public school employees

Leave Requirements	Leave Duration	Leave Tracking
▪ Qualifying reasons for leave include disability due to pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions ▪ This leave does not require a minimum number of hours worked or length of service to qualify	▪ Leave of absence is full pay up to a maximum of 14 weeks ▪ Leave may be taken before and continue after childbirth if the employee is disabled by pregnancy or other related medical conditions ▪ The length of the leave of absence is determined by the employee and the employee's physician	▪ Leave taken under this provision is not deducted from any other accrued paid leave ▪ Runs consecutively with other state and federal leaves of absence regulations and laws

Special Education Rate Increases

- Special education base rate to receive historic additional investment of over $2.3 billion
- Other special education rates increase by statutory COLA

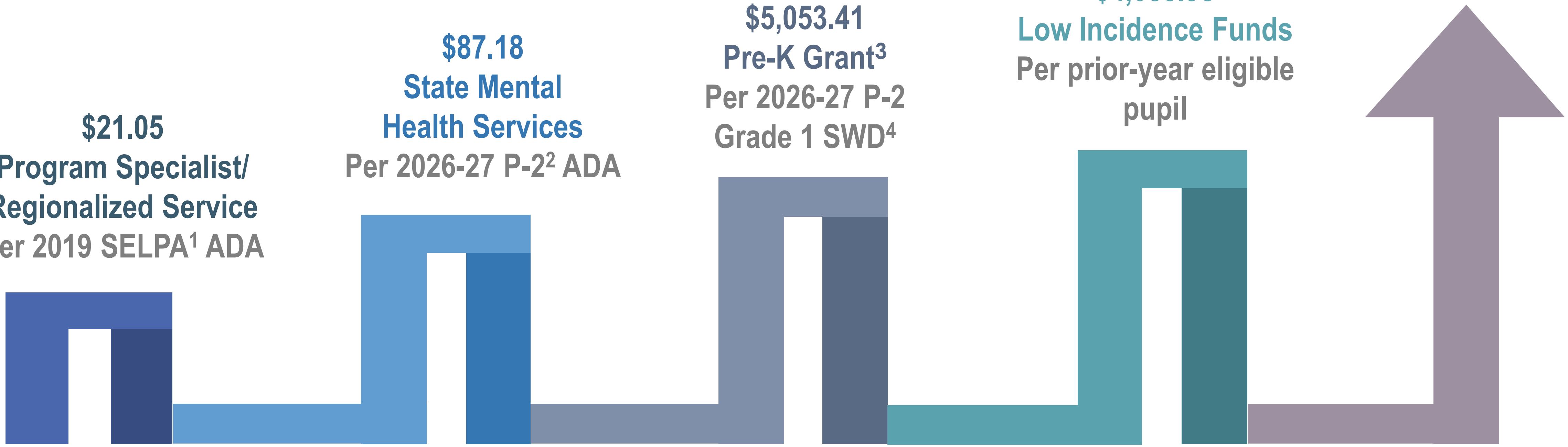
$21.05
Program Specialist/ Regionalized Service
Per 2019 SELPA[1] ADA

$87.18
State Mental Health Services
Per 2026-27 P-2[2] ADA

$5,053.41
Pre-K Grant[3]
Per 2026-27 P-2 Grade 1 SWD[4]

$4,083.98
Low Incidence Funds
Per prior-year eligible pupil

$1,340
AB[5] 602 Base Rate
Per funded ADA



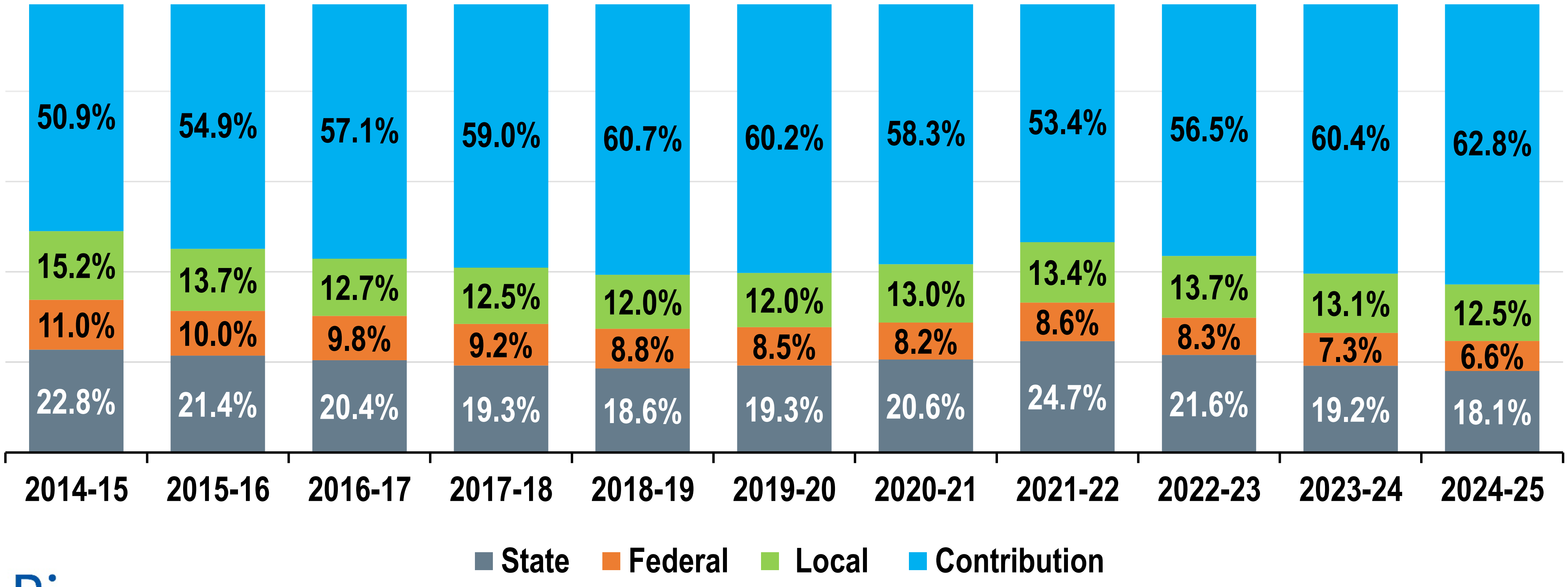
[1]Special Education Local Plan Area; [2]Second Principal Apportionment; [3]Early Intervention Preschool Grant; [4]Students with disabilities; [5]Assembly Bill

SPED Multiyear Trends of Growing Expenditures

	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25
			(In millions)				
Total Expenditures	$16,234	$16,650	$16,719	$18,297	$20,331	$22,507	$24,001
Change from Prior Year	*7.8%*	*2.6%*	*0.4%*	*9.4%*	*11.1%*	*10.7%*	*6.6%*
Federal Expenditures	$1,925	$1,965	$2,028	$2,181	$2,611	$2,445	$1,995
State Expenditures	$4,282	$4,391	$4,724	$5,610	$6,319	$6,118	$6,582
Local Expenditures	$10,339	$10,620	$10,286	$10,813	$11,801	$13,944	$15,424
Federal Expenditure %	11.9%	11.8%	12.1%	11.9%	12.8%	10.9%	8.3%
State Expenditure %	26.4%	26.4%	28.3%	30.7%	31.1%	27.2%	27.4%
Local Expenditure %	63.7%	63.8%	61.5%	59.1%	58.1%	62.0%	64.3%
SWD, 0-22	795,047	804,101	794,788	791,988	813,529	851,011	876,250
Cost per Pupil	*$20,419*	*$20,707*	*$21,036*	*$23,103*	*$24,991*	*$26,447*	*$27,391*
ADA	5,912,490	5,889,951	5,909,710	5,347,613	5,395,756	5,341,803	5,432,394
Local Contribution per ADA	*$1,749*	*$1,803*	*$1,740*	*$2,022*	*$2,187*	*$2,610*	*$2,839*

California Special Education Expenditures by Revenue Source

- Declining enrollment is impacting revenue generation for all sources
- Average General Fund contribution rate is the highest ever due to increasing expenditures



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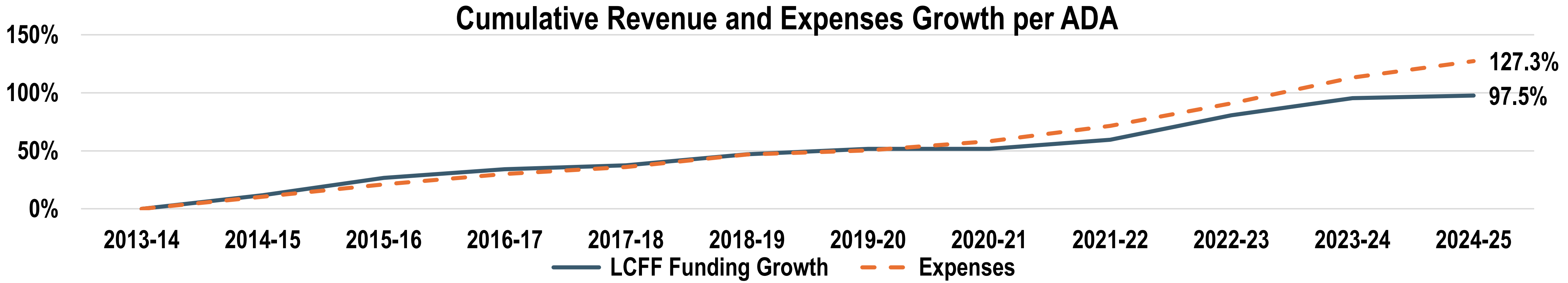
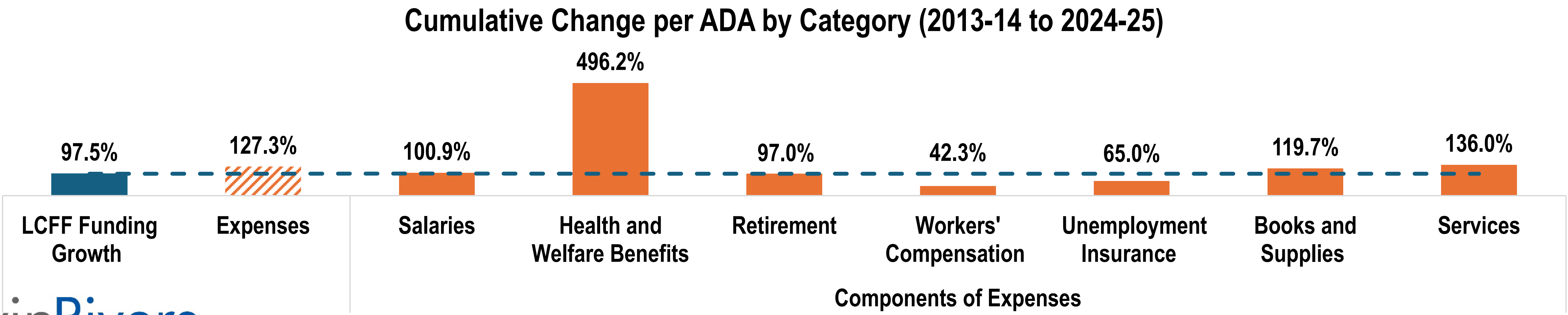
Revenue and Expenditure Historical Trends





Source: Standardized Account Code Structure (SACS) Unaudited Actuals

Student Support and Professional Development Discretionary Block Grant

Funding	Allowable Uses	CAUTION

Funding

May Revision increases the total state investment to $5.0 billion one-time

- Proposal distributes the grant on a per-ADA basis, using 2025-26 P-2 data
- Funding allocated to COEs, school districts, charter schools, and state special schools
- SSC estimates $936.98 per ADA, if distributed per ADA
- June 30, 2030, expenditure deadline

Allowable Uses

Fully discretionary with certain statewide priorities highlighted for use of the funds

- Professional development
- Dual enrollment and career pathways
- Teacher recruitment and retention
- Rising costs

CAUTION

The total state investment may change

- The Legislature has suggested other methodologies for allocating the funds, such as including UPP in the formula
- The Legislature has also suggested restricting the use of at least some of the funds

Next Steps for 2026-27 Budget Development

- **The only proposal codified in Education Code is the statutory COLA**
  - **The remaining items are still subject to negotiations between the Governor and Legislature**
  - **Changes would be reflected in your 45-day budget revision—due in mid-August**

Proposal	Risk Level	Risk of Including in Your Adopted Budget
2.87% Statutory COLA	Nearly Zero	Statutory COLA is a known number as of April 2026
1.44% Additional LCFF Investment	Nearly Zero	Funding for PPDL requirement and rising costs—while the policy rationale is likely unopposed, the funding is subject to negotiation between the Governor and Legislature
Discretionary Block Grant	Medium	The ultimate funding level, allocation method of per ADA versus weighted on UPP, and level of flexibility are still subject to negotiation between the Governor and Legislature
LREBG	Low	Was not referenced in the May Revision, which means the proposal is unchanged from Governor's Budget
Special Education Base Rate	Low	There is broad support for this increase, but the ultimate funding level is still subject to negotiation between the Governor and Legislature

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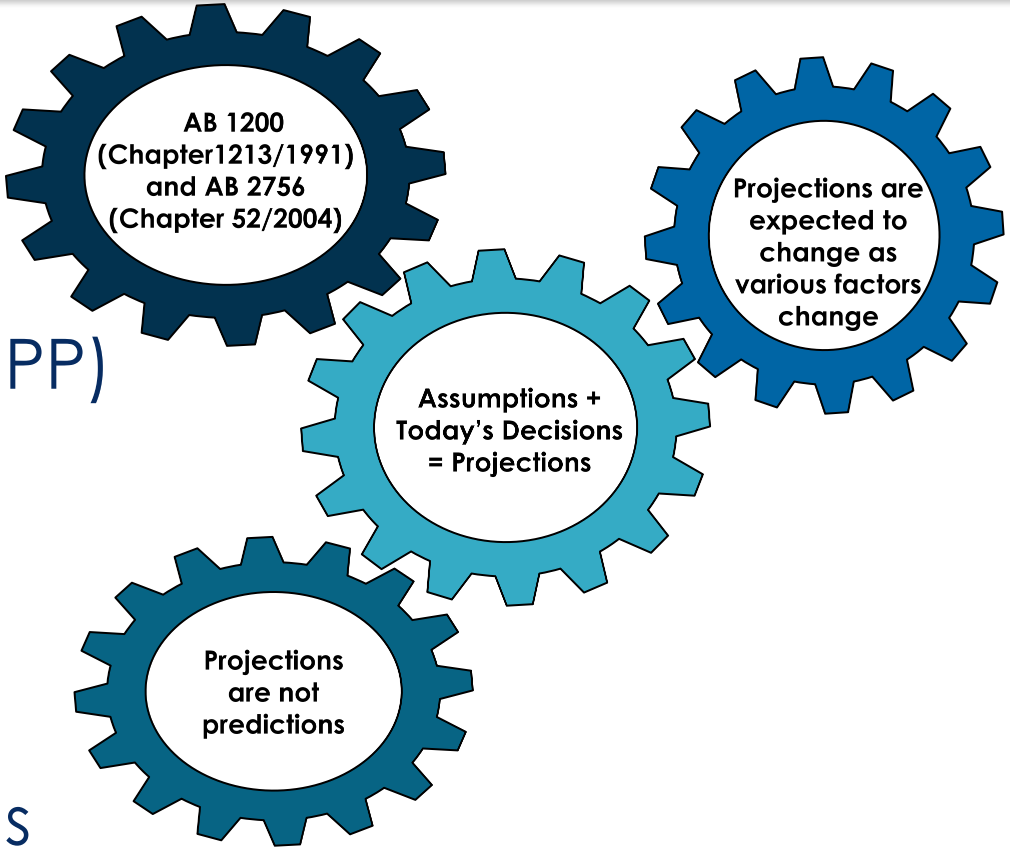
Proposed 2026-27 Adopted Budget

Budget Projections

- Key Factors
  - Enrollment
  - Attendance
  - Unduplicated Pupil Percentage (UPP)
  - LCFF Increase/Decrease
  - Position Control/Hiring
  - STRS/PERS increases
  - Special Education Increases
  - Collective Bargaining/Negotiations
  - Don't use one-time dollars to justify paying for ongoing expenditures



SACS Budget Forms

- Budget Certification - **Positive**
- Executive Summary and Internal Budget Documents for all Funds
- Adopted Budget Reports for all Funds
- Cash Flow Projection
- Average Daily Attendance
- Multi-Year Projection – General Fund
- Summary of Interfund Activities
- Criteria and Standards

Other Funds

- Fund 08: Student Activity Special Revenue Fund
- Fund 11: Adult Education Fund
- Fund 12: Child Development Fund
- Fund 13: Cafeteria Fund
- Fund 14: Deferred Maintenance Fund
- Fund 20: Special Reserve Fund for Post-Employment Benefits
- Fund 21: Building Fund
- Fund 25: Capital Facilities Fund – Developer Fees
- Fund 35: County School Facilities Fund
- Fund 40: Special Reserve Capital Outlay Fund

2026-27 General Fund

	Unrestricted	Restricted	Total Fund	
Revenues	$ 363,516,221	$ 203,509,831	$567,026,052	
Expenditures	$ 362,502,765	$ 228,228,220	$590,730,985	
Net Increase/(Decrease) Fund Balance	$ 1,013,456	$ (24,718,389)	$ (23,704,933)	
Beginning Fund Balance Restricted and Designated Carryovers	$ 60,289,968	$ 62,533,530	$122,823,498	
Ending Fund Balance Before Reserves	$ 61,303,424	$ 37,815,141	$ 99,118,565	
Components of Ending Fund Balance:				
Nonspendable	$ 2,440,738	$ -	$ 2,440,738	
Restricted	$ -	$ 37,815,141	$ 37,815,141	
Committed	$ -	$ -	$ -	
Assigned	$ 837,700	$ -	$ 837,700	**9.82%**
Unassigned - Economic Uncertainties	$ 58,024,986	$ -	$ 58,024,986	
Unassigned (Available Balance)	$ -	$ -	$ -	

NOTE: Meets Board Policy intent for Economic Uncertainties
No structural deficit; using categorical carryover funds

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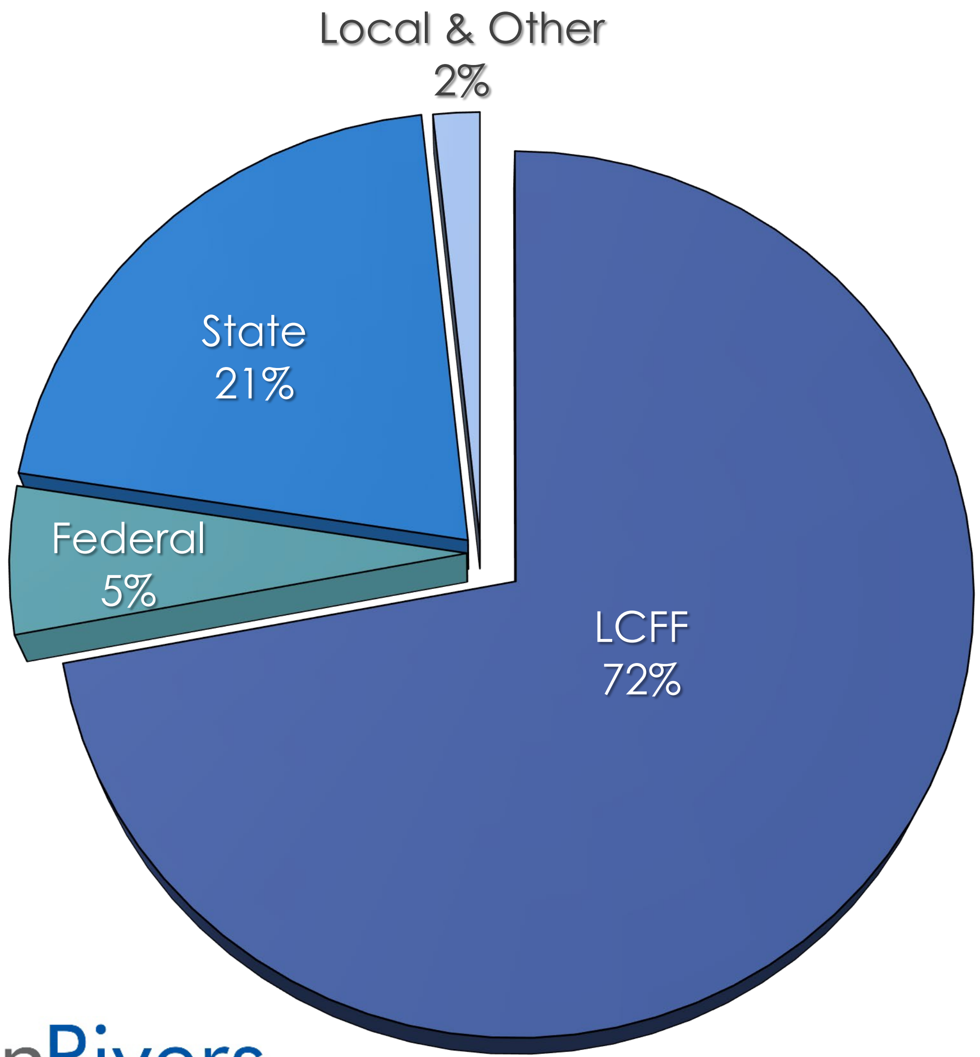
2026-27 Ending Fund Balances

Restricted

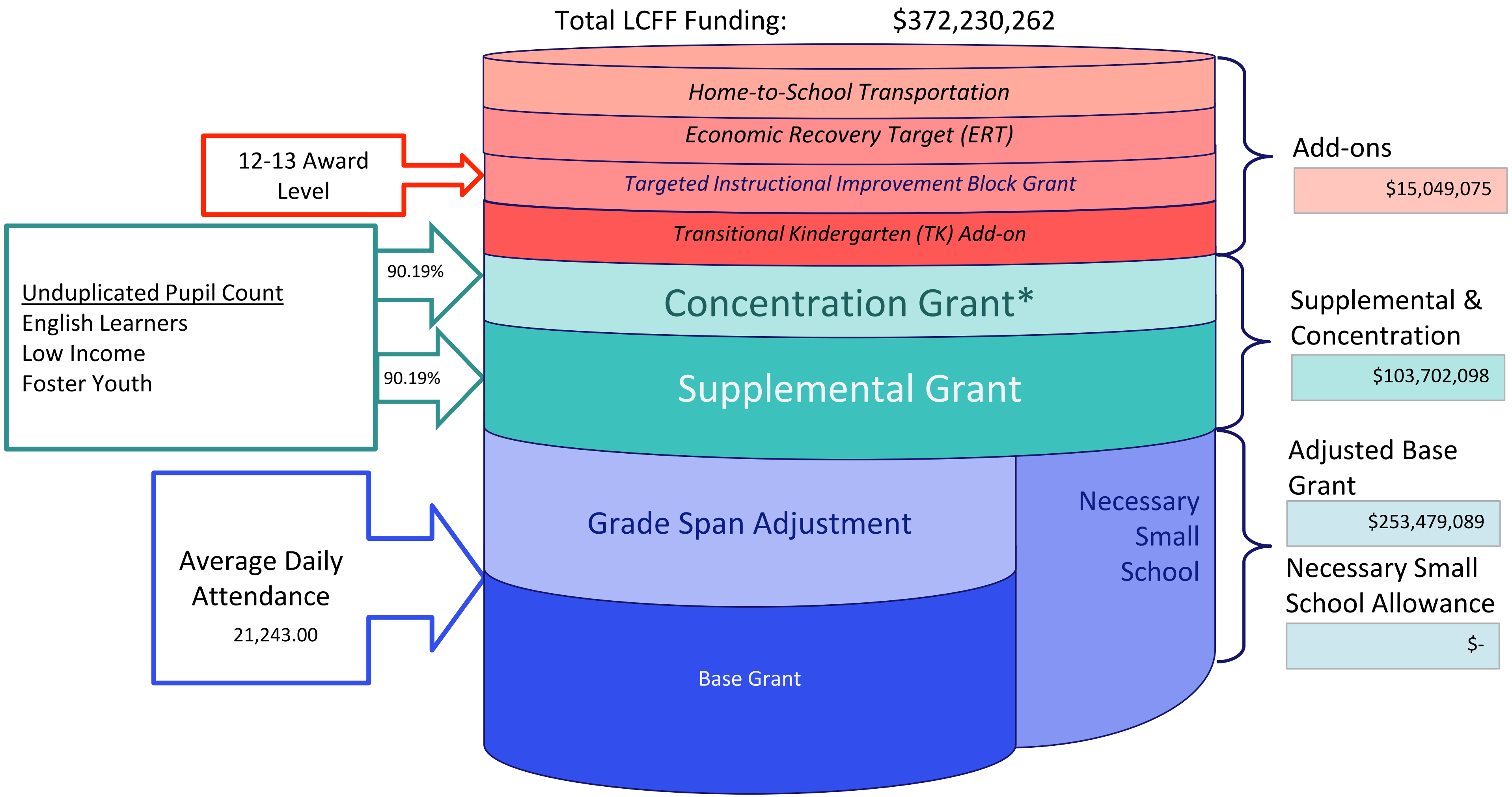
Expanded Learning Opportunities Program	$	5,000,000
Lottery: Instructional Materials	$	9,128,621
Learning Recovery Emergency Block Grant	$	2,985,900
Other Restricted State	$	19,999
Other Restricted Local	$	6,589,999
LCFF Equity Multiplier	$	366,803
Special Education	$	1,344,000
Special Education Early Intervention Preschool Grant	$	3,233,306
Literacy Coaches and Reading Specialists Grant Program	$	2,936,692
Golden State Pathways Program	$	1,608,786
Student Support and Professional Development Discretionary Block Grant	$	4,500,000
Learning Communities for School Success Program	$	101,033
Total Restricted Balance	**$**	**37,815,141**

2026-27 General Fund Revenues



LCFF	**$ 408,574,124**
State Aid	$ 276,228,270
Property Tax	$ 61,614,779
Education Protection Account	$ 68,931,075
Property Tax Transfer - Spec. Ed.	$ 1,800,000
Federal	**$ 30,593,425**
State	**$ 118,268,991**
Local & Other	**$ 9,589,512**

2026-27 Components of LCFF (not including Charters)

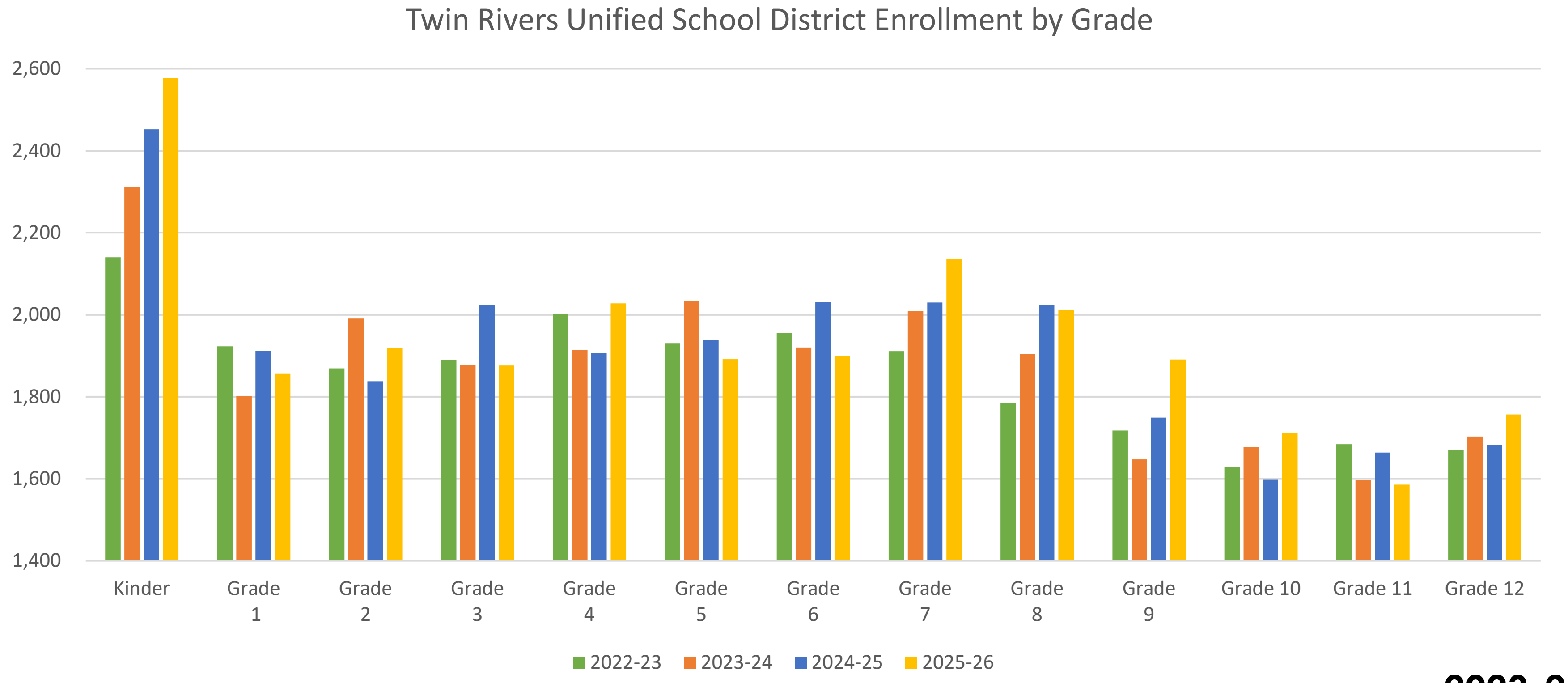


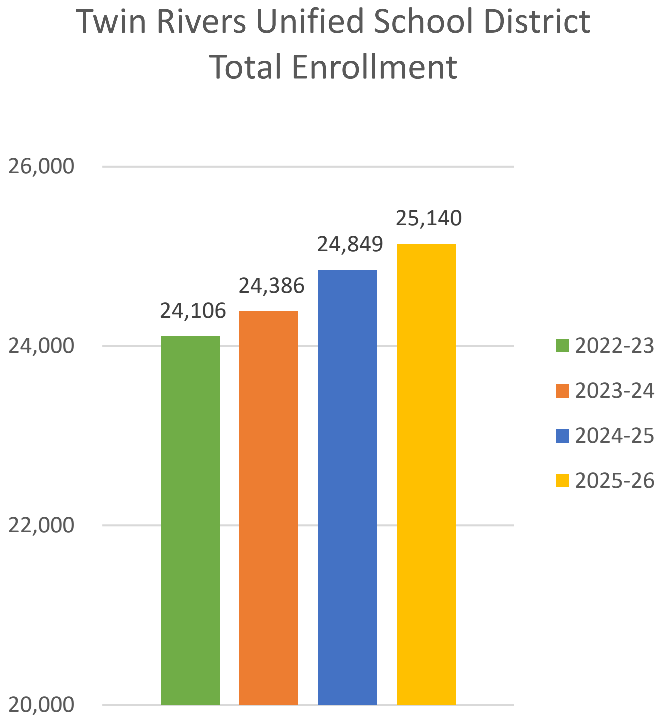
*Unduplicated Pupil Percentage must be above 55% to receive Concentration Grant funding

2026-27 LCFF Revenue

	Twin Rivers Estimated 2026-27	Creative Connections Estimated 2026-27	Smythe Academy Estimated 2026-27	Westside Prep Charter Estimated 2026-27	Total
2026-27 Estimated LCFF Entitlement	$372,230,262	$12,358,913	$15,863,016	$6,321,933	$406,774,124
Base Funding	$268,528,164	$9,429,354	$11,242,101	$4,698,156	$293,897,775
Supplemental/Concentration	$103,702,098	$2,929,559	$ 4,620,915	$1,623,777	$112,876,349
Estimated Unduplicated Pupil % (3 year rolling average) (EL, low income and/or foster youth)	90.19%	78.61%	93.11%	82.72%	

Student Change – By Grade



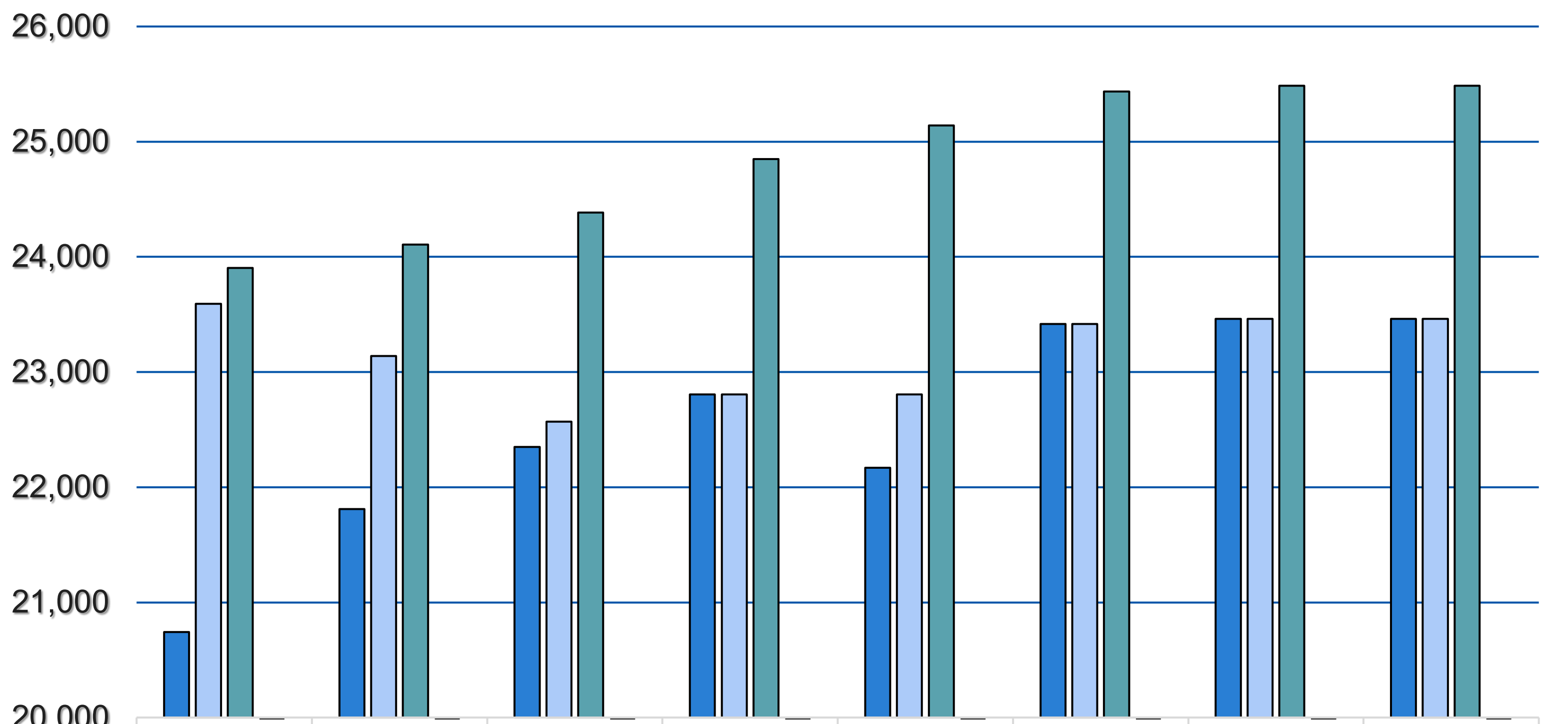


2023-24 through 2025-26 growth is due to the additional months added for TK students and the new housing development in Northlake area.

TwinRivers UNIFIED SCHOOL DISTRICT

Inspiring each student to extraordinary achievement everyday!

LCFF "Funded" ADA vs P-2 ADA
(Includes Charters)



	2021-22 Actual	2022-23 Actual	2023-24 Actual	2024-25 Actual	2025-26 Actual	2026-27 Projected	2027-28 Projected	2028-29 Projected
P-2 ADA (Not Including SCOE)	20,742	21,811	22,351	22,805	22,170	23,416	23,463	23,463
LCFF ADA (Not Including SCOE)	23,593	23,140	22,569	22,805	22,805	23,416	23,463	23,463
Enrollment (CALPADS date)	23,904	24,106	24,385	24,849	25,140	25,436	25,486	25,486
Attendance Yield	86.8%	90.5%	91.7%	91.8%	88.2%	92.1%	92.1%	92.1%

Revenue Sources 2026-27 Adopted

LCFF Base

- Salaries
- Statutory taxes
- Health benefits
- Retiree health benefits
- Department budgets
- School budgets
- Instructional Materials
- Utilities
- Property and Liability Insurance
- Routine Restricted Maintenance
- Special Education

$295.7 million

LCFF S/C

- Visual and Performing Arts
- Additional Counselors
- Additional Psychologists
- Nurses
- Additional Vice Principals
- WL, NS & DLI teachers
- Student Engagement/Field Trips, Athletics
- Additional Facilities/Custodians
- Class Size Reduction
- Yard and Duty
- Career and Technical Education
- Full-Day Kindergarten
- Content Area Coaches
- English Learner Program
- And more

$112.9 million

Federal

- Title I, Part A, Basic
- Title II, Education Quality
- Title III English Learner Program
- Title IV – Student Support & Academic Enrichment
- Special Education
- Other Federal Programs

$30.6 million

State

- Special Education
- Mental Health
- Expanded Learning Opportunity Program
- After School Education and Safety
- Mandated Cost
- Lottery
- Transportation
- Career and Technical Education
- Art sand Music in Schools
- LCFF Equity Multiplier
- CalSTRS
- Other State Programs

$118.3 million

Local & Other

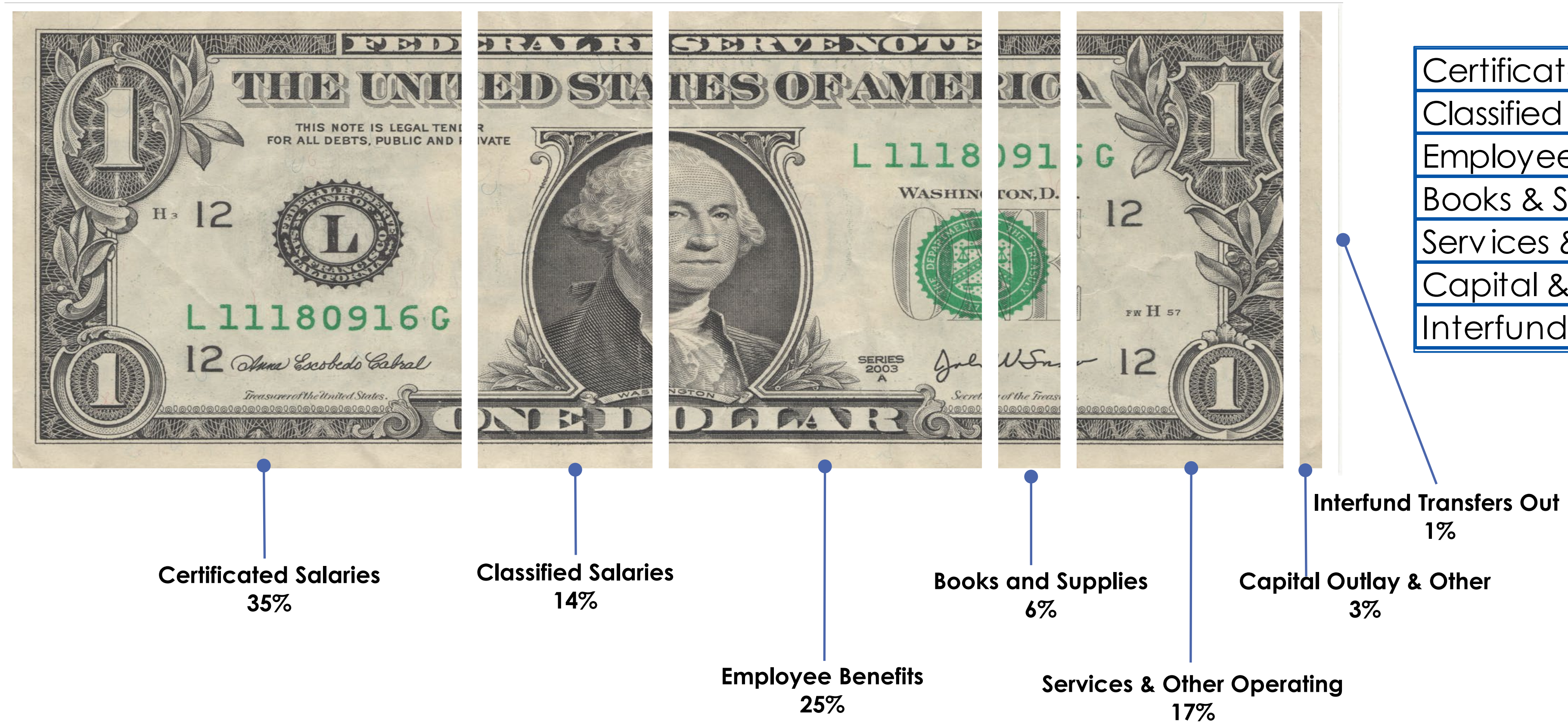
- Transfers In (Indirect from other funds)
- Interest
- Oversight Charter Fees
- Medi-Cal Billing
- Other Local Revenue

$9.6 million

Estimated Actuals 2025-26 vs. Proposed Budget 2026-27

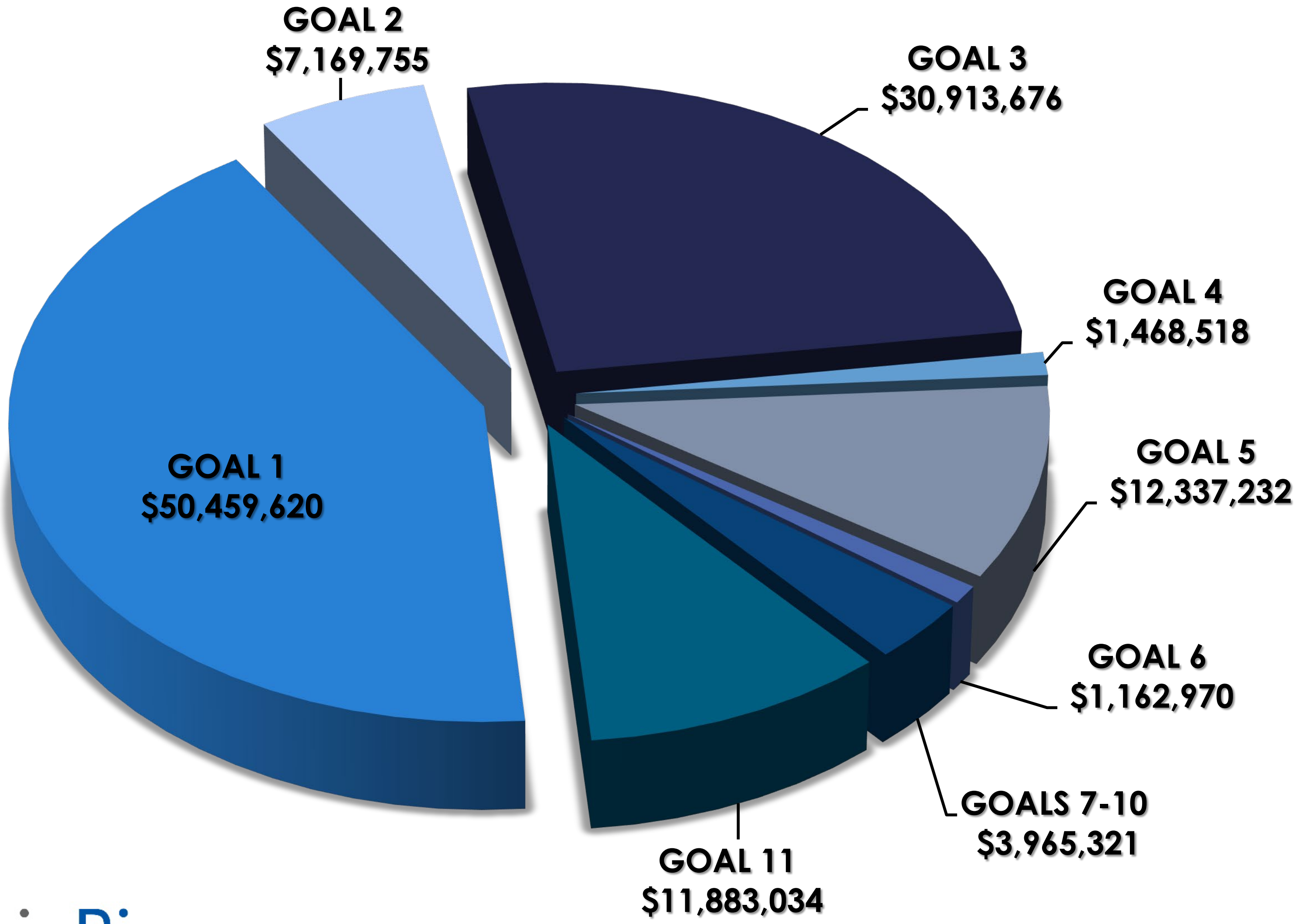
Revenue Changes - Unrestricted	Increase/(Decrease) (In Millions)
Local Control Funding Formula (LCFF)	
Estimated Funding 2025-26	*$380.7*
Estimated Funding 2026-27	*$408.6*
INCREASE	$27.9
State Revenue	
Decrease Lottery	($0.1)
Increase Other State Revenue	$0.5
Other Local Revenue	
Decrease interest income	($1.4)
Decrease miscellaneous income	($1.0)
Decrease revenue from independent charters	($1.0)
TOTAL	**$24.9**

2026-27 General Fund Expenditures



Certificated	$205,300,709
Classified	84,304,401
Employee Benefits	145,261,156
Books & Supplies	34,641,557
Services & Other Operating	98,421,742
Capital & Other	17,026,420
Interfund Transfers Out	5,775,000

TRUSD LCAP Expenditures by Goal



Goal 1
Increase Academic Achievement and Decrease Disproportionalities

Goal 2
Ensure 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 Student Learning

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

Goals 7-10
Equity Multiplier Focus Goals

Goal 11
Recruit, Hire, and Retain High Quality Staff

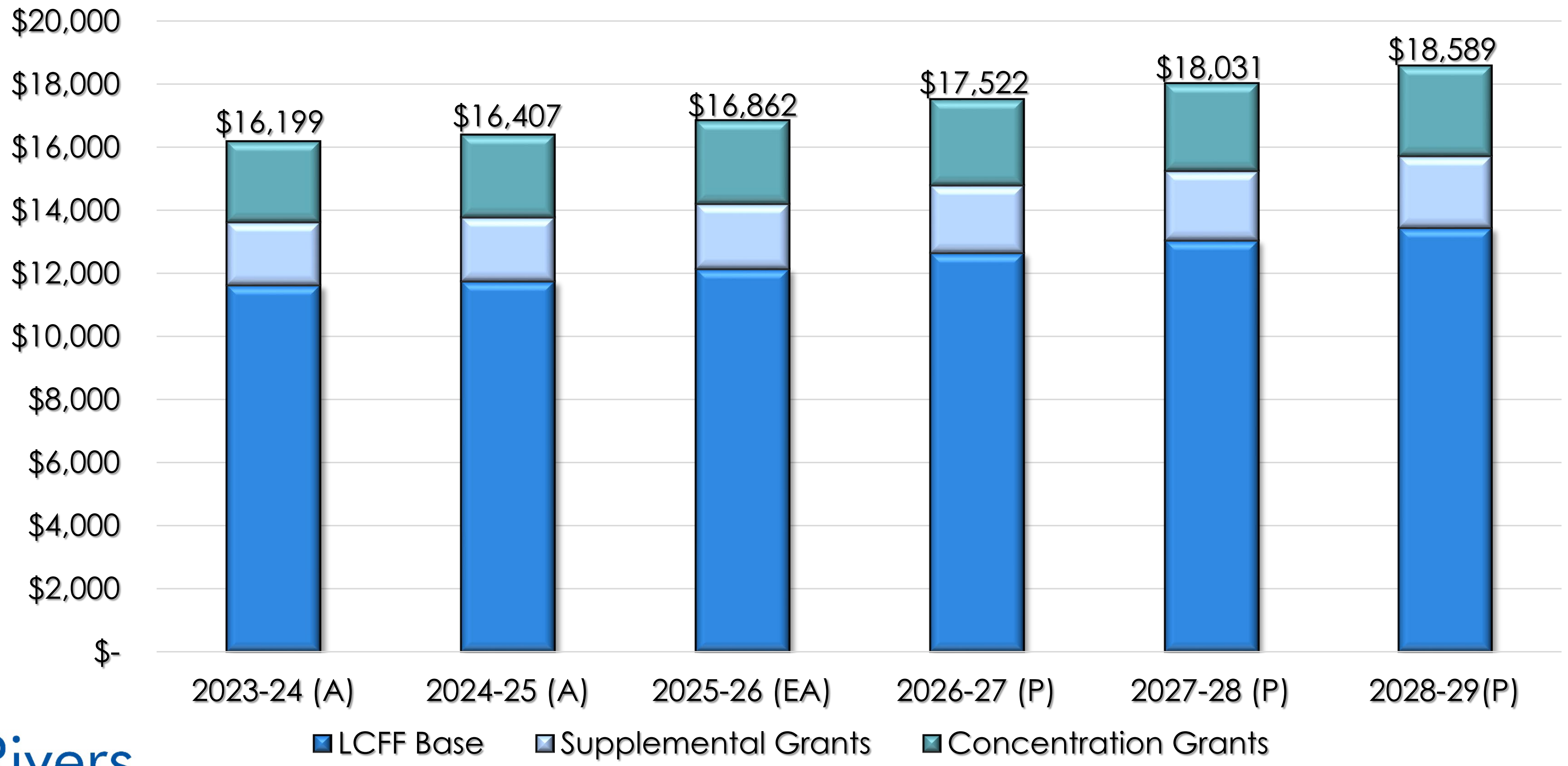
Estimated Actuals 2025-26 vs. Proposed Budget 2026-27

<u>Expenditure Changes - Unrestricted</u>	Increase/(Decrease) (In Millions)
Certificated Salaries	
Step & Column, 3% salary increase, 6th period pay increase, class size overage payment increases, hour rate increase, & teachers for Northlake School and TK	$13.6
No teacher offset to one-time block grant	$5.1
Classified Salaries	
Step & Column, 3% salary increase & positions for TK classes	$2.6
Employee Benefits	
Health benefits increase, PERS increase, & increase from salary increases	$9.7
SUBTOTAL	**$31.0**

Estimated Actuals 2025-26 vs. Proposed Budget 2026-27 (Continued)

Expenditure Changes - Unrestricted	Increase/(Decrease) (In Millions)
Materials & Supplies	
Increase for textbook adoption	$1.9
Services	
Removed various one-time departmental service agreements	($3.0)
Capital Outlay & Other	
Facility Projects	$3.3
Less Indirect from categorical programs	$0.5
Other Outgo	
Transfers to Fund 40 reduced	($16.1)
TOTAL	**$17.6**

Projected LCFF Funding Per ADA



TwinRivers UNIFIED SCHOOL DISTRICT

Multi-Year Projection (MYP) Assumptions

	2025-26	2026-27	2027-28	2028-29
Average Daily Attendance (ADA) - Funded (including charters)	22,805	23,416	23,463	23,463
Funded LCFF ADA	Prior Year	Current	Current	Current
Statutory COLA & Augmentation	2.30%	2.87% + 1.44% (4.31%)	3.30%	3.09%
Step and Column - Certificated	1.4%	1.4%	1.4%	1.4%
Step - Classified	1.85%	1.85%	1.85%	1.85%
STRS Employer Rates	19.10%	19.10%	19.10%	19.10%
PERS Employer Rates	26.81%	26.40%	26.80%	25.90%
Lottery Revenue – Unrestricted per ADA	$190	$190	$190	$190
Lottery Revenue – Restricted per ADA	$82	$82	$82	$82
California Consumer Price Index (CPI)	3.25%	3.76%	3.18%	2.76%

Additional MYP Assumptions and Details

2027-28

- LCFF
  - "Funded" and actual ADA increase of 50
  - No change to Charter ADA
- Interest income reduced $500k
- $8.4M contribution increase for special education (decrease to revenue)
- Salaries/Benefits
  - No salary increase
  - 8% health contribution increase
  - 2 additional teachers
- 3% increase for inflation
- $4.0M less toward Capital Outlay Projects
- One-time expenditure carryovers removed

2028-29

- LCFF
  - No change to TRUSD ADA
  - No change to Charter ADA
- Interest income reduced $1M
- Salaries/Benefits
  - No salary increase
  - 8% health contribution increase
  - $2.4M Certificated positions shifted from one-time funds back to unrestricted
- $1.8M increase service agreements shifted from one-time funds back to unrestricted
- 3% increase for inflation
- One-time expenditure carryovers removed

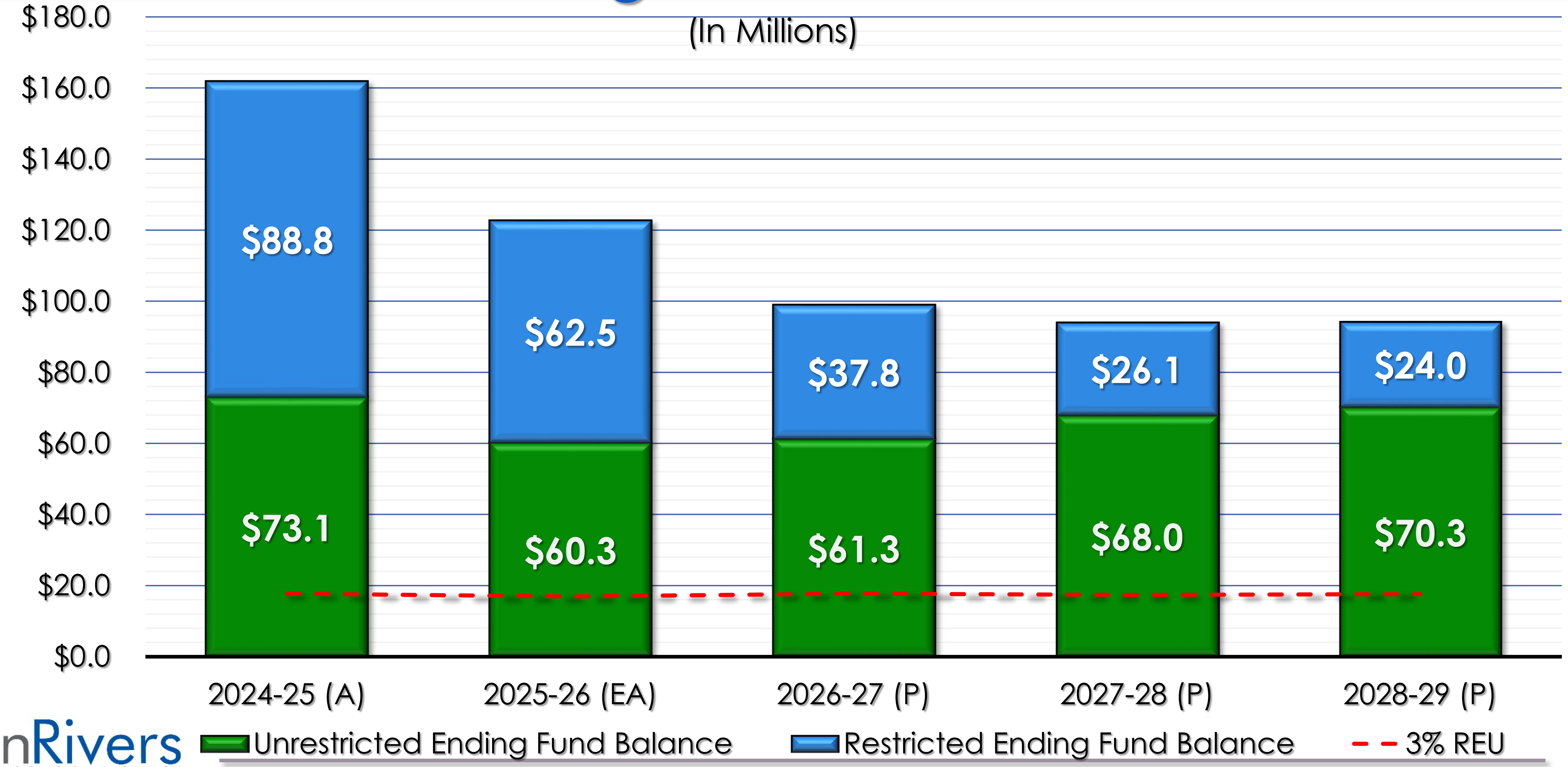
General Fund
1% salary increase = $3.4M

General Fund Multi-Year Projection (MYP)

(In Millions)	Estimated Actuals 2025-26	Proposed Budget 2026-27	Projection 2027-28	Projection 2028-29
Beginning Fund Balance - July 1	$161.9	$122.8	$99.1	$94.1
Revenues	$554.5	$567.0	$574.7	$587.8
Expenditures (Including Transfers)	$593.6	$590.7	$579.7	$587.5
Surplus/(Deficit Spending)	($39.1)	($23.7)	($5.0)	$0.3
Ending Fund Balance	$122.8	$99.1	$94.1	$94.3
Components of Ending Fund Balance				
Nonspendable	$2.4	$2.4	$2.4	$2.4
Restricted	$62.5	$37.8	$26.1	$24.0
Committed	$0	$0	$0	$0
Assigned	$838k	$838k	$838k	$838k
Unassigned – Economic Uncertainties*	$57.0	$58.0	$64.7	$67.0
*Meets Board Policy Intent for Economic Uncertainties	**9.60%**	**9.82%**	**11.16%**	**11.40%**

NOTE: No structural deficit; using carryover fuds.

General Fund Multi-Year Projection (MYP) Ending Fund Balance



One-time Block Grant Funds

- One-time Learning Emergency Block Grant (LREBG) funds are available through 06/30/2028.
  - The $2.4M of positions and $1.8M in service agreements paid by one-time LREBG funds (providing a surplus to unrestricted funds) will shift to unrestricted funds in 2028-29.
- One-time 2025-26 SS & PD Block Grant funds are discretionary and available through 6/30/2029 but are budgeted to be spent by 6/30/2027.
- Another round of one-time SS & PD discretionary Block Grant funds are proposed for 2026-27 and will be used for technology hardware replacements, a bus, and facility projects.

Looking Ahead

- With additional revenue and budget adjustments, including incorporating compensation increases, 2026-27 presents an essentially balanced budget year for Unrestricted General Fund
  - Restricted funds are being spent down and there are some one-time unrestricted expenditures
- However, economic indicators heed caution
  - The State is still operating at a deficit and using one-time money to plug ongoing holes, shortchanging Prop 98
  - Lots of economic uncertainty based on inflationary pressures and potential November ballot measures
- Beyond 2026-27
  - Some surplus for Unrestricted General Fund
    - We will see what final budget bill from State means for TRUSD
    - Also, November ballot measure results
- June 23rd: Adoption of Proposed 2026-27 Budget
- August: TRUSD 45 Day Budget Revision if the State Adopted budget is materially different
- September: 2025-26 Unaudited Actuals and 2026-27 Budget Update
  - Will have State Budget Act and revised revenue projections
- December: First Interim will be presented to the Board
  - Actual Carryover and restricted ending fund balance amounts from 2025-26 will be included

TwinRivers
UNIFIED SCHOOL DISTRICT

Thank You!
Questions?

Appendix: Acronyms

- (A) – Actual
- AB – Assembly Bill
- ADA – Average Daily Attendance
- AI – Artificial Intelligence
- CA – California
- CALPADS – California Longitudinal Pupil Achievement Data System
- CalSTRS – California State Teacher Retirement System
- CapEx – Capital Expenditures
- COE – County Office of Education
- COLA – Cost-of-Living Adjustment
- CPI – Consumer Price Index
- CTA – California Teachers Association
- DLI – Dual Language Immersion
- DOF – Department of Finance
- (EA) – Estimated Actuals
- EL – English Learner
- ELA – English Language Arts
- ERT – Economic Recovery Target
- FED – Federal Reserve
- FRED – Federal Reserve Economics Data
- FY – Fiscal Year
- GSA – Grade Span Adjustment
- GDP – Gross Domestic Product
- LAO – Legislative Analyst's Office
- LCAP – Local Control and Accountability Plan
- LCFF – Local Control Funding Formula
- LEA – Local Education Agency
- LREBG – Learning Recovery Emergency Block Grant
- M – Million
- MTSS – Multi-Tiered System of Supports
- MYP – Multi-year Projection

Appendix: Acronyms

- N/A – Not Applicable
- NS – Native Speaking
- NASDAQ - National Association of Securities Dealers Automated Quotations
- OPEC - Organization of the Petroleum Exporting Countries
- (P) – Projected
- P-2 – Second Principal Apportionment
- PD – Professional Development
- PERS – Public Employees Retirement System
- PIT – Personal Income Tax
- PPDL – Paid Pregnancy Disability Leave
- PROP – Proposition
- PSSSA – Proposition 98 Reserve
- REU – Reserve for Economic Uncertainties
- S&P – Standard and Poor's
- SACS – Standardized Account Code Structure
- SBAC – Smarter Balanced Assessment Consortium
- SCOE – Sacramento County Office of Education
- SELPA – Special Education Local Plan Area
- SPEC. ED. – Special Education
- SS – Student Support
- SSC – School Services of California
- STRS – State Teachers Retirement System
- SWD – Students with Disabilities
- TK – Transitional Kindergarten
- TRUSD – Twin Rivers Unified School District
- UCLA – University of California, Los Angeles
- UPP – Unduplicated Pupil Percentage
- U.S. – United States
- WL – World Language