LODI
UNIFIED SCHOOL DISTRICT
Business Services

1305 East Vine St.
Lodi, CA 95240
209-331-7121
209-331-8083
LodiUSD.net

2025-26 Proposed Budget
Mrs. April Juarez, Executive Director of Fiscal Services

On May 14, 2025, the Governor released the May Revision for the proposed 2025-26 State Budget, which assumes a “growth recession,” representing below-trend growth with rising unemployment, but it does not reflect a traditional economic recession. Given the inconsistent federal tariff policy, stock market volatility, increasing uncertainty in consumer spending, and higher inflation expectations, the relative probability of a recession is higher than in a typical period of normal growth and stability. The state revenues are projected to be lower by $4.8 billion over the budget window from the January budget proposal. The Proposition 98 minimum guarantee is also down by nearly $4.4 billion. The general fund portion of the guarantee is down by $3.9 billion. Local property taxes are now estimated to be lower by $500 million.

The May Revision fully funds the COLA of 2.3% and intends to avoid cuts to ongoing education programs by deferring $1.8 billion in LCFF payments from June to July 2026. One-time funding solutions to support core TK-12 programs are intended, including $1.7 billion in Student Support and Professional Development Discretionary Block Grant and $7.5 million in TK Multilingual Learner Supplementary Funding.

The LCFF Equity Multiplier and Expanded Learning Opportunities funding will be expected to continue.

Planning Factors for 2025-26 Adopted Budget

Planning Factors	**2025-26**	**2026-27**	**2027-28**
Cost-of-living Adjustment (COLA)	2.30%	3.02%	3.42%
CalSTRS Rate	19.10%	19.10%	19.10%
CalPERS Rate	26.81%	26.90%	27.80%

While the increase in TK enrollment slows the overall decline in student enrollment and ADA, the District continues to face long-term declining enrollment. Given the risks associated with the state budget and the uncertainty of federal grant funding, the district should exercise caution before making any long-term commitments and preserve higher reserves to manage deferrals and absorb potential state and federal funding reductions.