



ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS: SUMMARY OF CA GOVERNOR'S REVISED 2024-25 BUDGET

The details of the governor's May Revision proposal were released on May 14, showing how the administration proposes to close the budget shortfall. As noted in the [ACSA summary released on May 10](#), this release marked a significant departure from past May Revisions with minimal information released on May 10. Below is a summary of the governor's proposals.

EDUCATION FUNDING OVERVIEW

PROPOSITION 98

Due to an overall decrease in state revenues, the Prop. 98 minimum guarantee has lowered an additional \$3.7 billion over the three-year budget window than what was estimated in January. The budget proposal includes a total of \$109.1 billion for all TK-12 programs. Per-pupil spending totals \$23,278 when accounting for all sources, with \$17,502 coming from state funds. The governor maintains his accounting maneuver to cover the costs associated with the drop in prior year revenues.

PROPOSITION 98 RAINY DAY FUND

The governor fully utilizes the \$8.4 billion reserve to fund Prop. 98, as a result the school district reserve cap is not triggered.

LOCAL CONTROL FUNDING FORMULA (LCFF)

The governor proposes to fully fund the 1.07 percent statutory cost-of-living adjustment (COLA). The \$2.3 billion of the LCFF is funded with one-time dollars.

PROGRAMS OUTSIDE OF LCFF

Equity Multiplier, school nutrition, special education, and adult education, among others are proposed to receive the 1.07 percent COLA.

PROPOSITION 28

The governor provides \$907 million for the 2024-2025 school year per the initiative's requirements.

TRANSITIONAL KINDERGARTEN

The governor continues to rebench the Prop. 98 guarantee to account for the additional students TK implementation is bringing into the public school system. The implementation of TK remains on track with September 2 to June 2 birthdays qualifying in the 2024-25 school year, and full implementation in the 2025-26 school year.

LEARNING RECOVERY EMERGENCY BLOCK GRANT (LREBG)

The governor proposes changes to the LREBG to meet the requirements of the Cayla J. litigation settlement. This includes requiring LEAs to develop a needs assessment for the use and expenditure of LREBG funds for the 2025-26, 2026-27, and 2027-28 school years.

NUTRITION

The actual utilization of school nutrition programs continues to outpace estimates. The governor proposes to cover the shortfall in the current year and provide \$198.9 million in 2024-2025 to fully fund the universal meals program, which includes the COLA.

STATE PRESCHOOL

The May Revise proposes to cut \$250 million from the Inclusive Early Education Expansion Program (IEEEP) and redirect the funds to support electric buses.

The governor eliminates the requirement for State Preschool programs to reserve 7.5 percent and 10 percent of slots for students with disabilities in 2025-26 and 2026-27 respectively. Accordingly, the governor eliminates the planned investments that would have increased rates for preschools meeting the 10 percent requirement. The governor maintains current law that state preschools must reserve five percent of their slots for students with disabilities.

ZERO EMISSION BUSES

The governor maintains his prior commitment of \$500 million for electric school bus fleets. He proposes to increase the investments in electric buses by \$395 million, for a total investment of \$895 million. Of the investments, 75 percent will fund vehicles and 25 percent will fund infrastructure.

EXPANDED LEARNING OPPORTUNITIES PROGRAM (ELOP)

While funding is maintained, the governor proposes changes to the ELOP rules. The proposed changes would require encumbered funds from the 2021-22 and 2022-23 school years to be expended by Sept. 30, 2024. Additionally, the proposal would require local educational agencies to expend funds within two fiscal years, starting in the 2023-24 school year. The governor also states *intent* to require school districts to annually declare whether they intend to run an ELOP, starting in 2025-26, and shift unused funds to bolster rates for Tier 2 districts.

FACILITIES

The May Revision proposes an additional \$375 million cut to the School Facilities Aid Program, which was already reduced by \$500 million in the early action plan adopted by the Legislature and governor in April, for a total proposed cut of \$875 million.

The governor eliminates the \$550 million investment in the California Preschool, Transitional Kindergarten and Full-Day Kindergarten Facilities Grant Program, previously

proposed to only be a delay from the originally set 2025-26 school year. He indicated such an investment should be included in a potential school facilities bond.

TEACHER PREPARATION

The May Revision cuts \$60.2 million from Golden State Teacher Grant Program, leaving \$50 million to support the program.

WHAT'S NEXT

Budget committees will immediately start reviewing the administration's proposals and continue to hold hearings over the coming weeks before coming to a final budget by the June 15th deadline.

The additional May Revision details from the Department of Finance is available [here](#).