



ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS: SUMMARY OF 2024-25 BUDGET PACKAGE

Wednesday evening, legislators voted to approve the final agreement on the 2024/25 state budget package, sending it to Gov. Newsom's desk for his signature. Below is a summary of the major provisions impacting the TK-12 portion of the budget.

PROPOSITION 98

The Proposition 98 Guarantee rises to \$115.3 billion in 2024/25. The budget suspends the Prop. 98 Guarantee in 2023/24 to \$98.5 billion. Due to the suspension, a maintenance factor is created, totaling \$8.3 billion, which will be paid back to Prop. 98 in future years starting with a \$4 billion payment in 2024/25.

To fund Prop. 98, the budget takes the following actions:

- Draws \$7.9 billion from the Prop. 98 Reserve in 2023/24.
- Authorizes the following deferrals: \$2.6 billion from June to July 2023; \$3.6 billion from June to July 2024; and \$246 million from June to July 2025.
- Establishes a nine-year General Fund repayment schedule for the \$6.2 billion allocated to Prop. 98 in 2022/23 that was above the minimum guarantee.

COST-OF-LIVING ADJUSTMENT

Fully funds the 1.07 percent cost-of-living-adjustment for the LCFF and categorical programs.

EMERGENCY CLOSURES – INSTRUCTIONAL CONTINUITY

Requires local educational agencies (LEAs) to include in their annual school safety plan an instructional continuity plan to communicate with and provide remote instruction to students during an emergency school closure beginning July 1, 2025.

Beginning July 1, 2025, LEAs that experience a school closure or a material decrease in attendance and seek to maintain funding are required in their request to the California Department of Education (CDE) to provide an affidavit that certifies:

- The LEA has a local governing board-adopted school safety plan that includes an instructional continuity plan.
- The LEA either has provided pupil engagement and instruction as specified in its school safety plan or, if they have not due to extenuating circumstances, provide an explanation as to why instruction could not be provided.

TRANSITIONAL KINDERGARTEN (TK)

The budget continues to implement TK as planned, rebenching the Prop. 98 Guarantee to account for the additional students TK implementation brings 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.

In addition, the budget states the intent to align the TK curriculum to the California Preschool and Transitional Kindergarten Learning Foundations developed by CDE.

LEARNING RECOVERY EMERGENCY (LRE) BLOCK GRANT

Due to the settlement of the Cayla J. lawsuit, the budget changes the parameters of the LRE block grant for expenditures beginning in 2025/26 through 2027/28. LEAs will be required to conduct a new student needs assessment and to include actions supported by the LRE block grant in their Local Control and Accountability Plan as identified by the needs assessment, and the rationale for selecting these actions.

PROPOSITION 28 – ARTS AND MUSIC IN SCHOOLS FUNDING

Provides \$907 million for the 2024/25 school year per the initiative’s requirements.

LOCAL CONTROL ACCOUNTABILITY PLAN (LCAP)

Clarifies that LCAP updates must be presented to a LEA’s governing board as part of a non-consent item.

ATTENDANCE RECOVERY

Beginning July 1, 2025, the budget creates Attendance Recovery as an optional program where LEAs can provide instruction for students with absences and earn average daily attendance for a maximum of 10 days. CDE must produce program guidance by June 30, 2025, and the program will be a part of the 2025/26 audit. The program must be voluntary for students, taught by a certificated teacher using grade-level standards, and be substantially equivalent to regular instruction. Requires a 20:1 student-to-teacher ratio, 10:1 for kindergarten and TK. Attendance may be generated in one-hour increments and must be documented. LEAs will be credited one day upon meeting the minimum instructional minute requirement.

INSTRUCTIONAL MATERIALS

The budget prohibits LEAs from adopting or approving the use of instructional materials or curriculum that would subject students to unlawful discrimination and clarifies that there can be fiscal penalties on LEAs found in violation. It also permits any member of the public to file a complaint under the Uniform Complaint Procedures if there is evidence to support an allegation of noncompliance.

EXPANDED LEARNING OPPORTUNITIES PROGRAM (ELOP)

The budget makes several program changes including:

- Allows funds to be used for Attendance Recovery if the program is administered in conjunction with ELOP on the school site.
- States that LEAs have until September 30, 2024, to spend funds provided in the Budget Acts of 2021 and 2022. Unused funds will be returned to the state.
- Allows LEAs two years to spend allocated ELOP funds.
- Starting with the 2025/26 fiscal year, requires LEAs to annually declare whether they intend to operate ELOP.

- Seeks to increase Rate 2 LEA allocations to \$2,000 per student, providing unused funds to bolster per pupil funding.

INDEPENDENT STUDY CHANGES

Changes the definition of short-term independent study to 15 days or less. Additionally, allows LEAs to secure parent and guardian signatures on written agreements for short-term independent study any time before the end of the school year.

READING DIFFICULTIES RISK SCREENER

Appropriates \$25 million one-time for professional development related to the literacy screener for reading difficulties.

TEACHER AND STAFF PIPELINE

The budget makes changes to teacher and staff pipeline programs including:

- Allows baccalaureate degrees to satisfy the basic skills proficiency requirement.
- Authorizes the early completion option for candidates seeking their PK-3 Early Childhood Education Specialist Credential.
- Streamlines the transcript review process for subject matter competence related to educator credentialing.
- Reduces existing Golden State Teacher Grant (GSTG) program funding by \$60.2 million, leaving \$50 million to support the program. In addition, modifies the GSTG program for the 2024/25 fiscal year *only*, as follows: decreases award amounts to \$10,000 with a reduced two-year service requirement; excludes intern credential program participants; requires the lowest income applicants to be prioritized for awards.
- Increases the Classified School Employee Summer Assistance Program by \$9 million in 2024/25.

EMPLOYMENT

Suspends the August 2024 certificated and classified employee layoff window authority. Additionally, the budget extends the sunset on the right for employee representatives to conduct an in-person orientation for new employees at the worksite during working hours until 2027.

BEHAVIORAL HEALTH TRAINING

Creates new requirements for LEAs on behavioral health policies and staff training as follows:

- Requires the CDE to develop model referral protocols for addressing student behavioral health concerns by June 1, 2025.
- For LEAs with students in grades 7-12, governing boards must adopt, in consultation with school and community partners, a referral protocol for student behavioral health issues by January 31, 2026.
- Requires LEAs to certify that all certificated employees and 40 percent of classified employees have at least one behavioral health training by July 1, 2029, and states intent to provide \$35 million to support the training in 2025-2026.

COMMUNITY SCHOOLS

The budget maintains the previously adopted funding levels for Community Schools, but modifies the set-aside percentages for implementation grants to 72 percent and extension grants to 18 percent and prioritizes implementation grants to LEAs that have received planning grants.

NUTRITION

The budget makes several changes to school nutrition programs as follows:

- Requires monthly direct certification matching through CALPADS.
- Requires the CDE to develop by November 1, 2025, an electronic Student Benefit Form that can be used for eligibility purposes for the National School Lunch Program, the School Breakfast Program, the federal Summer Electronic Benefit Transfer Program, and other programs that use the School Lunch Program's free and reduced-price lunch criteria, including ELOP.
- Changes the requirement for LEAs to enroll in the federal universal meal service provision to only be required if an LEA has 40 percent or more low-income students.

STATE PRESCHOOL

The budget makes the following changes to State Preschool:

- Authorizes the enrollment of two-year-olds in State Preschool until July 1, 2027.
- Eliminates the requirement and funding 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.
- Cuts \$150 million from the Inclusive Early Education Expansion Program.

FACILITIES AND INFRASTRUCTURE

Changes the following funding commitments:

- Eliminates the \$550 million General Fund investment planned for 2024/25 for the Preschool, Transitional Kindergarten, and Full Day Kindergarten Facility Grant Program.
- Eliminates the \$875 million General Fund investment planned for the School Facility Program in 2024/25.
- Eliminates the planned \$500 million for the Hybrid and Zero-Emission Truck and Voucher Incentive Project and related infrastructure in 2024/25.

CALIFORNIA COLLEGE GUIDANCE INITIATIVE (CCGI)

The budget requires LEAs to enter data-sharing agreements with CCGI by January 1, 2026, designate a representative to manage data submissions, submit pupil grade point average information, and ensure students submit their FAFSA or California Dream Act applications.

AB 218 LIABILITY

Requires the Fiscal Crisis and Management Assistance Team (FMCAT), in consultation with interest holders, to provide the state recommendations related to funding and financing mechanisms related to judgments and settlements from child sexual abuse misconduct lawsuits.