



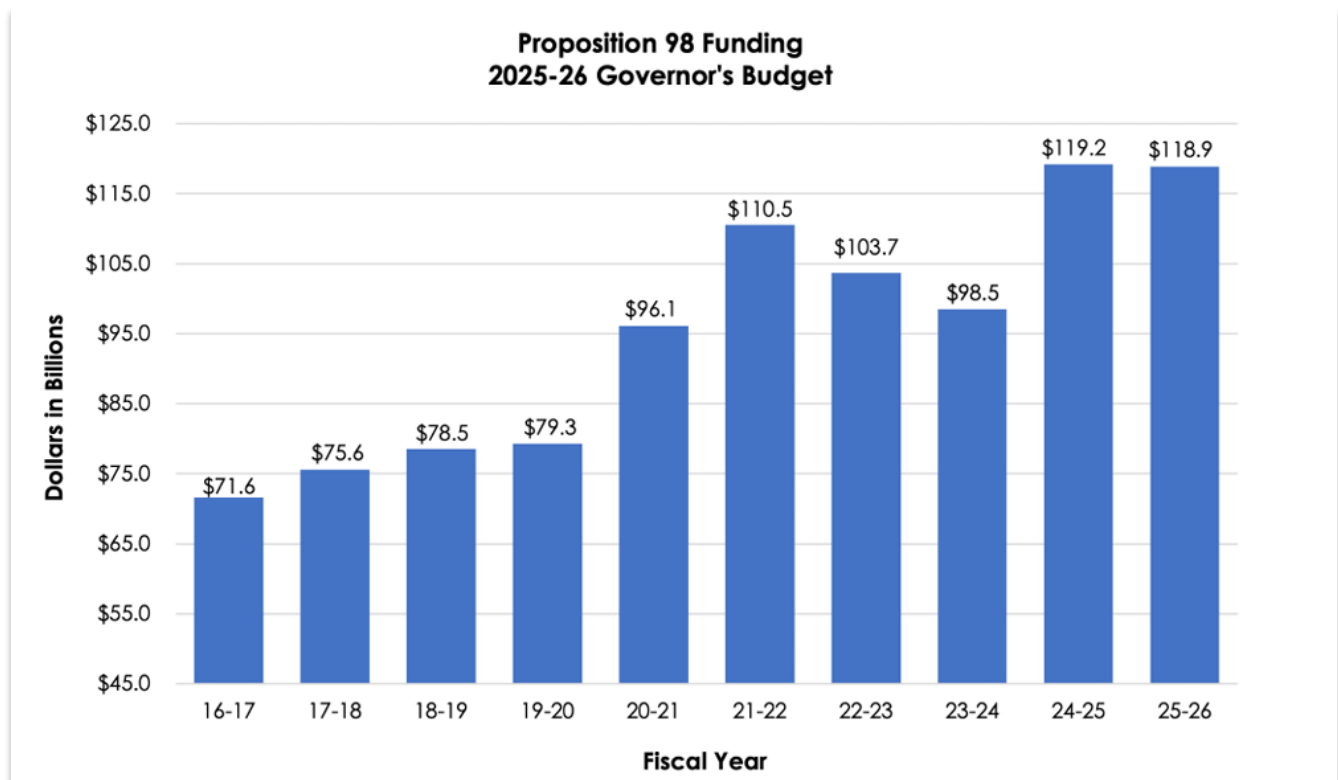
ASSOCIATION OF CALIFORNIA SCHOOL ADMINISTRATORS: SUMMARY OF CA GOVERNOR'S PROPOSED 2025-26 BUDGET

Governor Gavin Newsom released his 2025-26 budget proposal reflecting projected improvements in the revenue outlook for the current and immediate future. The proposed \$322.2 billion General Fund budget includes a \$16.9 billion rainy day fund, of which \$1.5 billion is designated for K-12 public schools. He also announced \$118.9 billion for TK-16 education and a 2.43% cost-of-living adjustment (COLA), with ongoing commitments to fully implement TK, school meals, before, after, and summer school (ELOP) programs, and student behavioral health services. Governor Newsom did warn that uncertainties created by wildfires and the incoming Trump Administration could require substantive changes in the May Revision. The Governor's Budget also speaks to the need for reforms that would authorize larger reserves to counter the structural volatility in state revenue streams.

EDUCATION FUNDING OVERVIEW

PROPOSITION 98

Due to economic uncertainty, the Governor proposes to fund the Proposition 98 guarantee at \$117.6 billion, roughly \$1.6 billion below the calculated guarantee. The Governor's January budget proposal also projects a modest increase in per-pupil funding, bringing the total to \$24,764 in total pupil funding when accounting for all sources, with \$18,918 per pupil, based on the Prop. 98 calculation.



LOCAL CONTROL FUNDING FORMULA (LCFF)

The Governor's proposed budget estimates the statutory cost-of-living adjustment (COLA) for the Local Control Funding Formula (LCFF) to be 2.43%.

PROGRAMS OUTSIDE OF LCFF

The proposed budget includes \$204 million ongoing Proposition 98 General Fund to reflect a 2.43% cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, and Adult Education, among others.

UNIVERSAL TRANSITIONAL KINDERGARTEN

The proposed budget provides a total of \$2.4 billion ongoing Prop. 98 General Fund to support the full implementation of universal transitional kindergarten. The budget also provides an additional \$1.5 billion in ongoing funds to support the lower adult-to-student ratio of 1:10, which will begin in the 2025-26 school year.

EXPANDING LEARNING OPPORTUNITY PROGRAMS

The proposed budget intends to lower the threshold for LEAs to be eligible for Rate 1 from 75% unduplicated students to 55% unduplicated students for the Expanded Learning Opportunities Program (ELO-P). The budget would also increase the ongoing Prop. 98 General Fund contribution to include \$435 million, totaling ELO-P's ongoing funding to \$4.4 billion.

STUDENT SUCCESS AND PROFESSIONAL DEVELOPMENT DISCRETIONARY GRANT

The proposed budget includes \$1.8 billion one-time Prop. 98 funds fully discretionary block grant. The grant would provide LEAs with additional fiscal support to address rising costs and work that targets the statewide priorities of professional development for teachers on the Mathematics Framework; the ELA/ELD Framework and the Literacy Roadmap; teacher recruitment and retention strategies; and career pathways and dual enrollment expansion efforts.

LITERACY INSTRUCTION

The proposed budget includes multiple proposals to support LEAs in providing evidence-based literacy instruction. This includes:

- \$500 million one-time Prop. 98 General Fund for TK-12 literacy coaches, building upon the existing literacy coaches and Reading Specialists Grant Program. Mathematics coaches will also be eligible.
- \$40 million one-time Prop. 98 General Fund in 2025-26 to support necessary costs, including purchasing screening materials and training for educators to administer literacy screenings.
- \$5 million Prop. 98 General Fund annually through the 2029-30 fiscal year to launch a Literacy Network within the Statewide System of Support, which will develop literacy resources, identify best practices, and support select LEAs facing persistent performance challenges.

TEACHER PREPARATION AND PROFESSIONAL DEVELOPMENT

The proposed budget includes multiple proposals to support teacher preparation and professional development. This includes:

- \$150 million one-time Prop. 98 funds to provide financial assistance for teacher candidates through the new Teacher Recruitment Incentive Grant Program.
- An additional \$100 million one-time Prop. 98 allocation to extend the timeline of the existing National Board Certification Incentive Program for staff in high-poverty schools.

PROPOSITION 98 RAINY DAY FUND

The Governor's January budget reflects a revised 2024-25 payment of roughly \$1.2 billion and an additional payment of \$376 million in 2025-26 for a revised balance of \$1.5 billion at the end of 2025-26.

MASTER PLAN FOR CAREER EDUCATION

The proposed budget includes three proposals to support Career Technical Education:

- Streamlining the application for TK-12 career technical education categorical programs.
- \$3 million ongoing Prop. 98 General Fund to support the California College Guidance Initiative and the Cradle-to-Career Data System.
- \$100 million one-time Prop. 98 allocation for community colleges to begin building the infrastructure for the state's first "Career Passport" to provide students with a state-validated transcript for skills earned from educational or work experience.

NUTRITION

The proposed budget allocates an additional \$106.3 million in ongoing Prop. 98 General Fund to fully support the Universal School Meals program in 2025-26.

IEP TEMPLATE AND TRANSLATION DIGITIZATION

The proposed budget allocates a \$2 million one-time Prop. 98 General Fund to support the digitization of the IEP template and translate the template into multiple languages.

LEARNING RECOVERY EMERGENCY BLOCK GRANT

The proposed budget includes a \$378.6 million one-time Prop. 98 General Fund to support the Learning Recovery Emergency Block Grant. This block grant supports LEAs in establishing learning recovery initiatives through the 2027-28 school year.

KITCHEN INFRASTRUCTURE AND TRAINING

The proposed budget appropriates \$150 million one-time Proposition 98 General Fund for specialized kitchen equipment, infrastructure, and training to support schools in providing more freshly prepared meals made with locally grown ingredients.

LOCAL PROPERTY TAX ADJUSTMENTS

The proposed budget allocates \$125 million in additional Proposition 98 General Fund for school districts and county offices of education in 2024-25 and a decrease of \$1.5 billion ongoing Proposition 98 General Fund for school districts and county offices of education in 2025-26, resulting from increased offsetting property taxes.

COUNTY OFFICES OF EDUCATION

The proposed budget includes \$12.2 million ongoing Proposition 98 General Fund to reflect ADA changes applicable to the county office of education LCFF and a 2.43% cost-of-living adjustment.

ENGLISH LANGUAGE PROFICIENCY SCREENER FOR TRANSITIONAL KINDERGARTEN STUDENTS

The proposed budget includes \$10 million one-time Proposition 98 General Fund for the statewide use of English language proficiency screeners to support multilingual learning in transitional kindergarten.

TK-12 HIGH-SPEED NETWORK

The proposed budget provides \$3.5 million in additional ongoing Proposition 98 General Fund to support the K-12 High-Speed Network program.

HOMELESS EDUCATION TECHNICAL ASSISTANCE CENTERS

The proposed budget includes \$1.5 million in additional ongoing Proposition 98 General Fund to maintain support for Homeless Education Technical Assistance Centers.

CURRICULUM FRAMEWORK, STANDARDS, AND INSTRUCTIONAL MATERIALS PROCESS

The proposed budget proposes \$1 million one-time Proposition 98 General Fund to evaluate the state's process for developing and adopting standards, curriculum frameworks, and instructional materials and make recommendations to streamline and improve the process.

WHAT'S NEXT

The Governor's January budget initiates negotiations for the spending plan with the State Legislature. As we near the May Revision, changes in deficit projections and revenue totals are anticipated. ACSA will actively collaborate with the administration and the Legislature to ensure the needs of California's students are addressed.

The full budget summary can be found [here](#).