



Governor's Proposal for the 2025-26 State Budget

Board Meeting
February 20, 2025
Agenda Item No. 12.8

Presented by:

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SCUSD Core Value & Guiding Principle

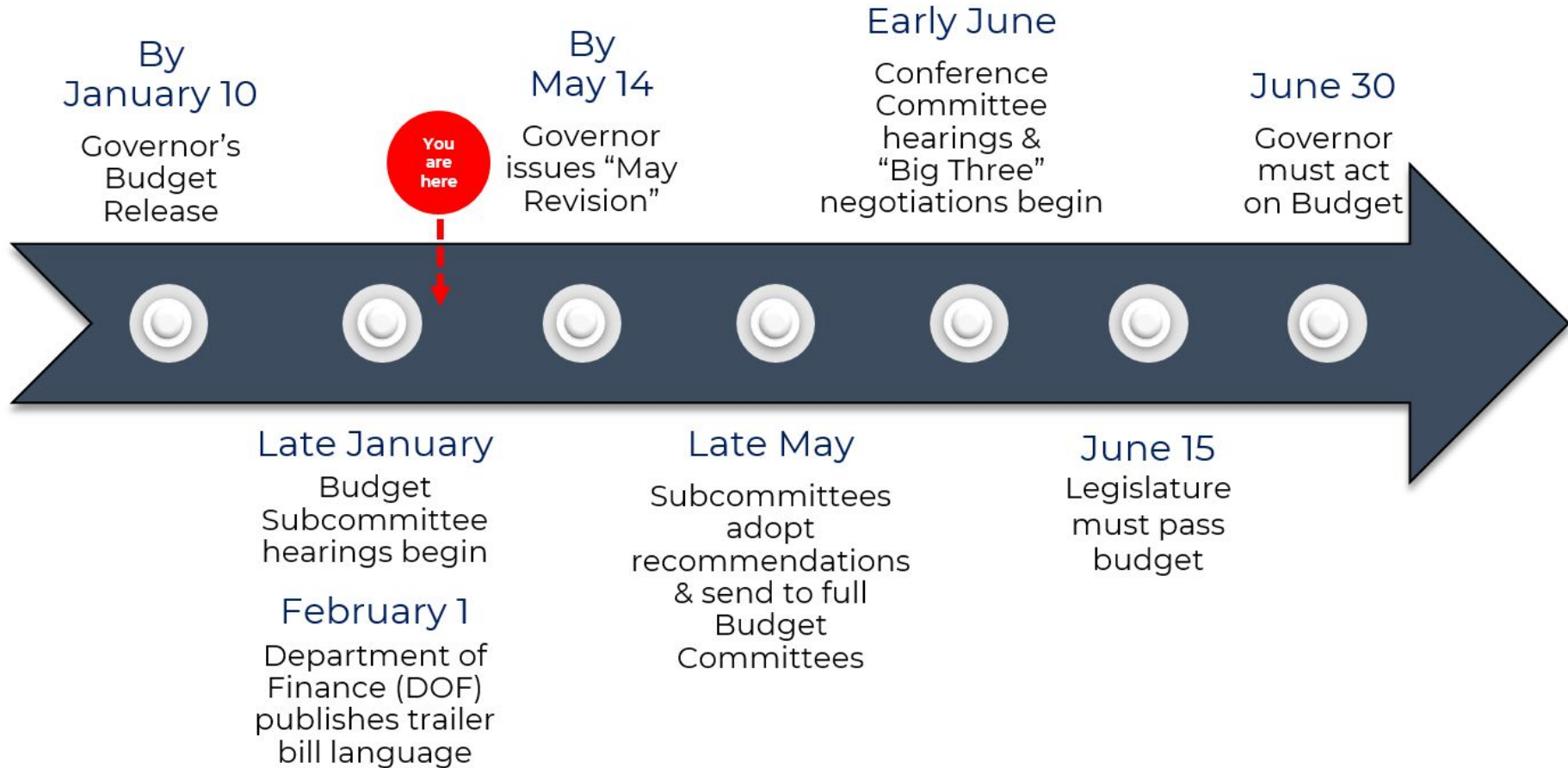
CORE VALUE

We recognize that our system is inequitable by design and we vigilantly work to confront and interrupt inequities that exist to level the playing field and provide opportunities for everyone to learn, grow and reach their greatness.

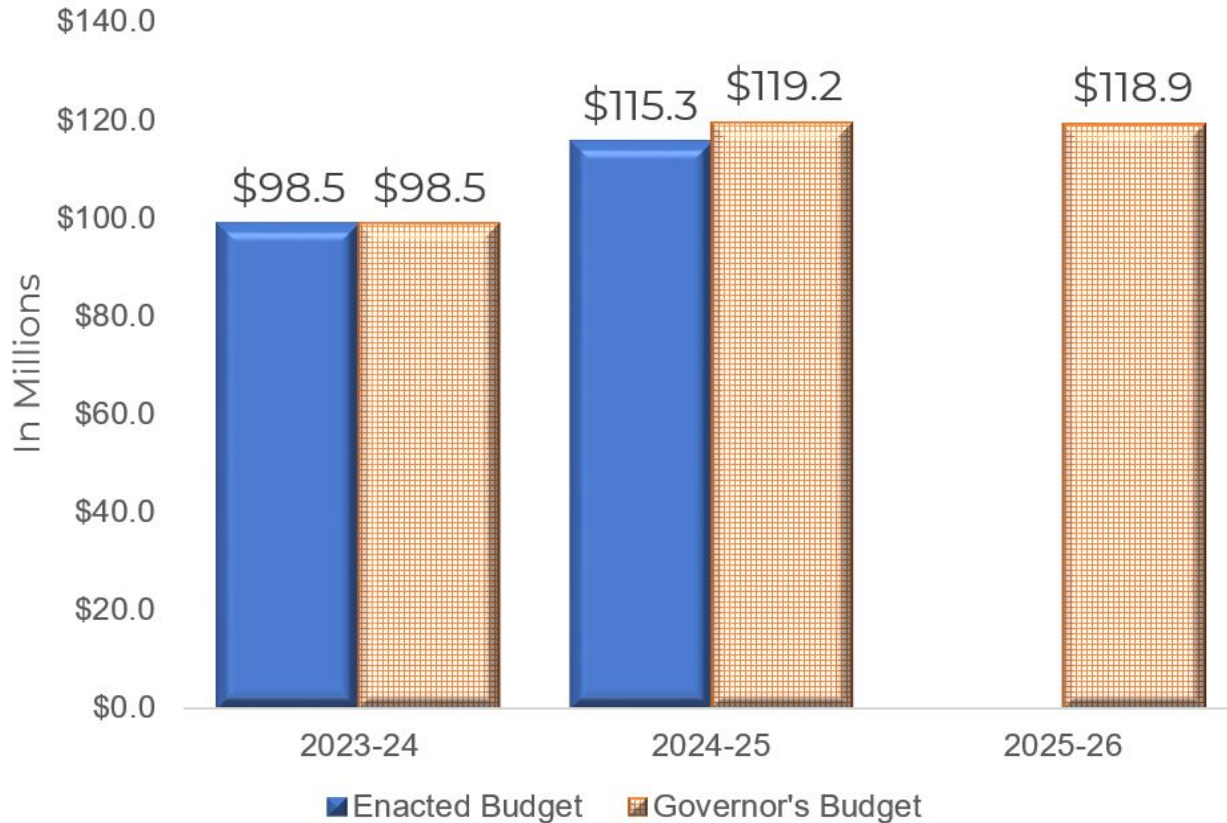
SCUSD GUIDING PRINCIPLE

All students are given an equal opportunity to graduate with the greatest number of postsecondary choices from the widest array of options

California State Budget Cycle



Proposition 98 Minimum Guarantee



Risks to Proposition 98 and the Education Budget

Certifying the Proposition 98 Minimum Guarantee

- The 2024-25 Enacted Budget included a negotiated agreement impacting the final certification of the Proposition 98 minimum guarantee

IRS and California extend 2024 tax filing deadline for Los Angeles County

Final certification of the minimum guarantee is deferred when the personal income and corporation tax filing deadline is extended by the IRS in counties that collectively contributed more than 50% of those revenues in the prior year

POPULATION

The population of Los Angeles County makes up 25% of total state population and exceeds the nation's most populous city—New York City—at 9.8 million residents

FORTUNE 500 COMPANIES

Los Angeles County is home to 14 Fortune 500 companies, including the Walt Disney Company, Dole Food Company, and AECOM Technologies

SSC Financial Projection Dartboard

Planning Factors						
		2024-25	2025-26	2026-27	2027-28	2028-29
DOF Planning COLA ¹		1.07%	2.43%	3.52%	3.63%	3.49%
California Consumer Price Index		2.85%	2.92%	2.70%	2.76%	2.90%
CalSTRS ² Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS ³ Employer Rate		27.05%	27.40%	27.50%	28.50%	28.20%
Unemployment Insurance		0.05%	0.05%	0.05%	0.05%	0.05%
California Lottery	Unrestricted per ADA	\$191	\$191	\$191	\$191	\$191
	Restricted per ADA	\$82	\$82	\$82	\$82	\$82
Mandate Block Grant (District)	Grades K-8 per ADA	\$38.21	\$39.14	\$40.52	\$41.99	\$43.46
	Grades 9-12 per ADA	\$73.62	\$75.41	\$78.06	\$80.89	\$83.71
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.06	\$20.55	\$21.27	\$22.04	\$22.81
	Grades 9-12 per ADA	\$55.76	\$57.11	\$59.12	\$61.27	\$63.41

¹Cost-of-living adjustment;

²California State Teachers' Retirement System;

³California Public Employees Retirement System;

LCFF Equity Multiplier

Eligibility

Schools with prior-year nonstability rates greater than 25% and prior-year socioeconomically disadvantaged pupil rates greater than 70%

- In 2023-24, there were 968 eligible schools
- In 2024-25, School Services of California Inc. (SSC) projects there will be 1,012 eligible schools¹
 - 246 newly eligible schools
 - 195 schools from 2023-24 are no longer eligible

The Governor's Budget applies the estimated statutory COLA to Equity Multiplier funds, bringing the total state investment to \$311 million in 2025-26

Allocation

Funding allocated per student, using school's total prior-year adjusted cumulative enrollment

- In 2023-24, the per-pupil rate was \$1,052.61
- In 2024-25, SSC projects the per-pupil rate will be \$933.73¹
- The 2025-26 per-pupil rate will be available in February 2026

Minimum of \$50,535 per eligible school in 2024-25 and \$51,763² in 2025-26

Equity Multiplier funds must be used for evidence-based services and supports for students at Equity Multiplier schools and the funds must be included in the Local Control and Accountability Plan (LCAP)

¹The California Department of Education is expected to publish the list of Equity Multiplier schools and the per-pupil rate in February;

²Adjusted for COLA beginning in 2024-25

Universal Transitional Kindergarten Proposals

Current Law

In 2025-26, transitional kindergarten (TK) will be available to four-year-olds whose fourth birthday occurs by September 1 of the school year



Includes an intent to fund the 10:1 student-to-adult ratio that is required starting in 2025-26



TK students are exempt from taking the English Language Proficiency Assessments for California



Governor's Budget Proposal

Includes a total of \$2.4 billion ongoing (inclusive of prior years' investments) for full implementation of universal TK in 2025-26, including funds for the final eligibility expansion of the birthdate to September 1

Provides a total of \$1.5 billion ongoing for the ratio requirement

Proposed TK Add-on per ADA: \$6,404 (inclusive of an additional \$3,252 for the reduction in ratio from 12:1 to 10:1)

Invests \$10 million one-time Proposition 98 funding for the state to provide a new English language screener for TK students

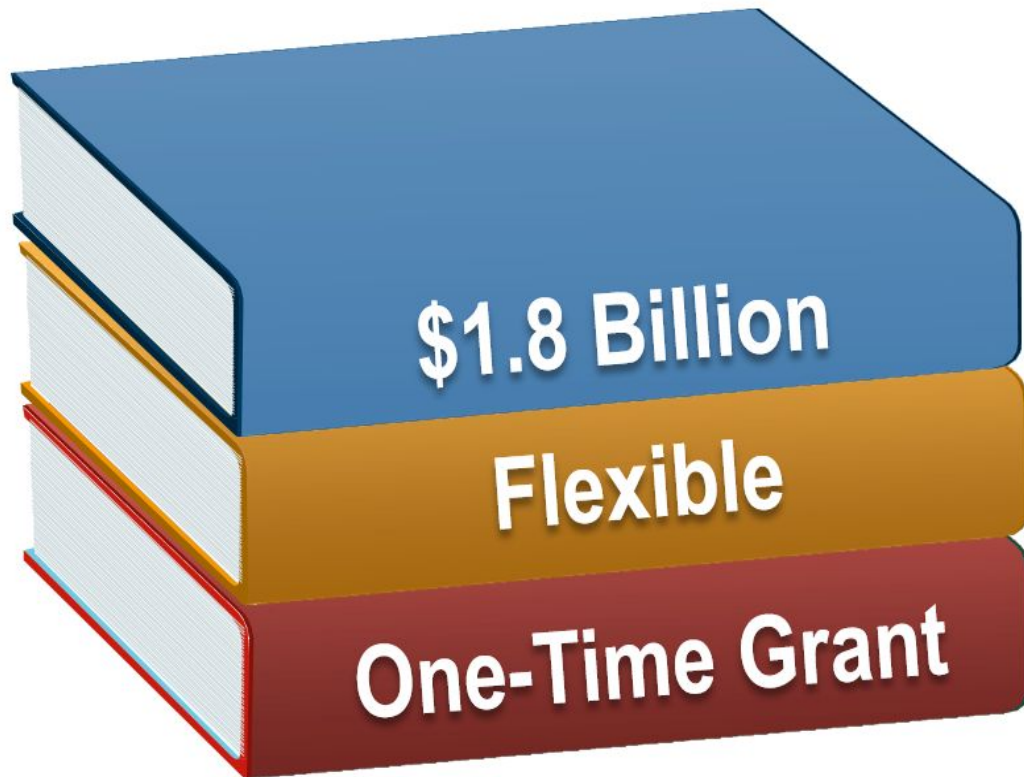
Expanded Learning Opportunities Program

	2021-22	Current Law	Governor's Budget Proposal
Total Funding	\$1.0 billion ongoing plus \$754 million one-time	\$4.0 billion ongoing	\$4.4 billion ongoing
Requirement to offer the program and provide access for grades TK-6	Must offer the program to all unduplicated students and provide access to at least 50% of unduplicated students	<ul style="list-style-type: none"> • UPP¹ ≥ 75% must offer and provide access to <u>all</u> students • UPP < 75% must offer and provide access to all <u>unduplicated</u> students 	<ul style="list-style-type: none"> • UPP ≥ 55% must offer and provide access to <u>all</u> students • UPP < 55% must offer and provide access to all <u>unduplicated</u> students
Per-Pupil Amount	UPP ≥ 80%: \$1,170.00 UPP < 80%: \$672.19	UPP ≥ 75%: \$2,750.00 in 2024-25 UPP < 75%: \$1,579.55 ² in 2024-25	UPP ≥ 55%: \$2,750.00 in 2025-26 UPP < 55%: TBD in 2025-26

¹Unduplicated Pupil Percentage;

²Subject to change at the First Principal and Second Principal Apportionments (P-1 and P-2)

Student Support and Professional Development Discretionary Block Grant Proposal



- Local educational agencies (LEAs) may use to address rising costs, although state priorities are highlighted
 - Professional Development for teachers on the English Language Arts and English Language Development Framework, Literacy Roadmap, and Mathematics Framework
 - Teacher recruitment and retention efforts
 - Career pathways and dual enrollment
- Allocated on a per-ADA basis, estimated to be \$323 per ADA

Learning Recovery Emergency Block Grant Proposal

The Governor's Budget restores \$378.6 million to the Learning Recovery Emergency Block Grant (LREBG), which supports learning recovery initiatives through the 2027-28 school year

- The LREBG, initially funded at \$7.9 billion, was cut by in the 2023 Budget Act leaving \$6.8 billion
- Recall, the LREBG requirements were changed in the 2024 Budget Act—beginning in the 2025-26 school year, to utilize these funds, LEAs must conduct a new student needs assessment and include expenditures and actions in the LCAP



Next Steps for 2025-26 Budget Development— SSC Advice

Governor’s Budget proposals are still subject to negotiation—the dollar amounts, allocation methodology, and allowable uses may change

Program	Include in 2025-26 Budget Development	Develop Tentative Internal Plan for Funding/Program Requirements
2.43% COLA (all applicable programs)	✓	
LREBG Additional Funding		✓
TK LCFF Add-On For Ratios		✓
Discretionary Block Grant		✓
TK-12 Literacy and Mathematics Coaches/Literacy Screenings		✓
Expanded Learning Opportunities Program (ELO-P) 55% Threshold		✓

Thank you!



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