

# TK-12 EDUCATION

California provides academic instruction and support services to nearly six million students in transitional kindergarten (TK) through grade twelve in more than 10,000 schools throughout the state. A system of 58 county offices of education, approximately 1,000 local school districts, and nearly 1,300 charter schools provide instruction in English, mathematics, history-social science, science, and other core competencies to provide students with the skills they will need upon graduation to enter the workforce and pursue higher education.

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## CALIFORNIA FOR ALL KIDS

The 2025-26 school year represents an important milestone for the California for All Kids plan—the Administration's TK-12 whole child framework is designed to close opportunity gaps by accelerating learning and holistically supporting student needs. The Governor's Budget achieves full implementation of universal transitional kindergarten and universal before, after, and summer school for TK-6th grade students—investments that are critical to improving access to instruction and increasing student engagement and supports.

Additionally, for the first time, the following key achievements are realized in the 2025-26 school year:

- California schools will serve nearly 1 billion meals through the universal school meals program.

- All kindergarten through second grade students will be screened for risk of reading difficulties, increasing early identification and support.
- Implementation grants to local educational agencies (LEAs) for the California Community Schools Partnership Program will be fully disbursed, supporting the community school model at more than 2,000 of the state's public schools. Community schools offer a unique model to more efficiently and effectively provide integrated educational, health, and mental health services to students with a wide range of needs.
- All educators will have access to the Literacy Roadmap, which will provide instructional planning guidance and strategies aligned with California's English Language Arts/English Language Development Framework, to improve literacy instruction throughout the state.
- Beginning January 1, 2025, all LEAs may apply to participate in the Children and Youth Behavioral Health Initiative Fee Schedule Program, which provides a new mechanism for reimbursement from Medi-Cal managed care plans, commercial health plans, and disability insurers for behavioral health services provided by schools and their community-based partners, to students under the age of 26.

Beyond transforming the state's model of public education, the Administration also protects core programs in the Budget, providing increased ongoing funding for the Local Control Funding Formula (LCFF), special education, and nutrition programs. By reaffirming the Administration's commitment to core programs and supports, the Budget maintains fiscal predictability for students, families, and LEAs.

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## PROPOSITION 98

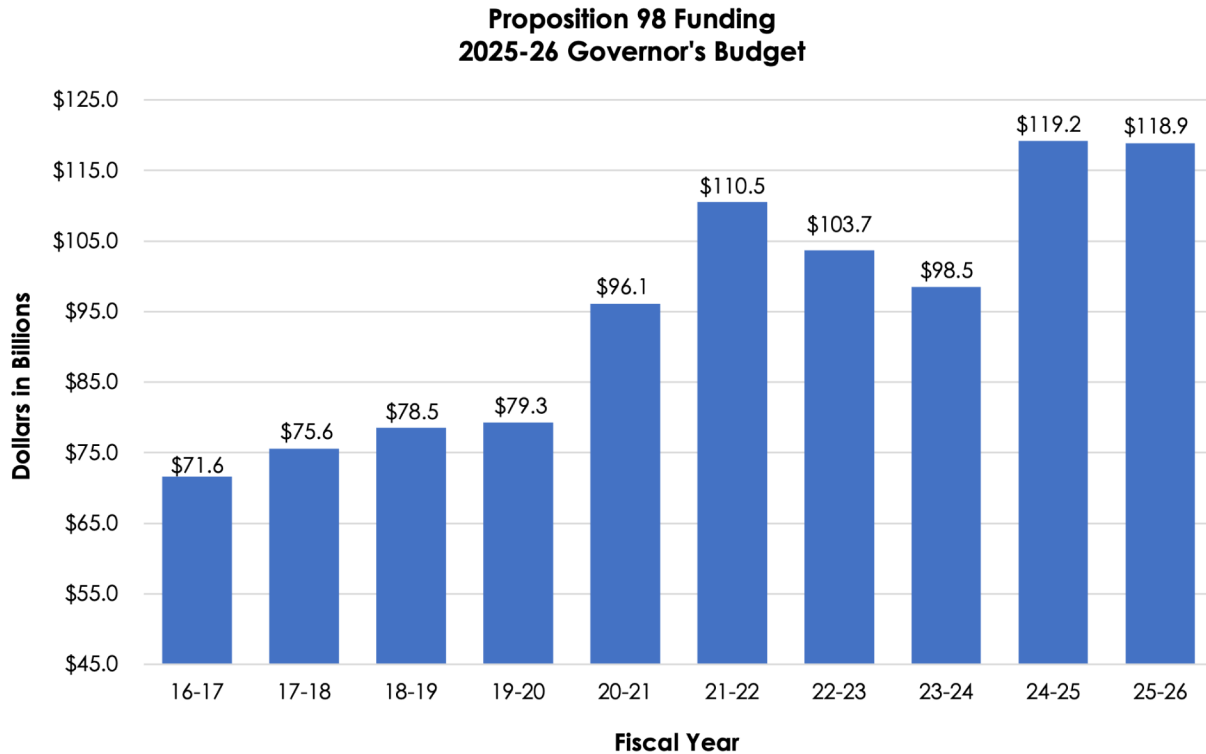
Proposition 98 is a voter-approved constitutional amendment that guarantees minimum funding levels for TK-12 schools and community colleges (collectively referred to as TK-14 schools). The Guarantee, which went into effect in the 1988-89 fiscal year, determines state funding levels for schools according to multiple factors including the level of funding in 1986-87, General Fund revenues, per capita personal income, and school attendance. The LCFF is the primary mechanism for distributing these funds to support all students attending TK-12 public schools in California.

The revised estimates of General Fund revenues result in notable adjustments to the Proposition 98 Guarantee. The Guarantee for TK-12 schools and community colleges is calculated to be \$98.5 billion in 2023-24, \$119.2 billion in 2024-25, and \$118.9 billion

in 2025-26. These revised Proposition 98 levels represent an increase of approximately \$7.5 billion over the three-year period relative to the 2024 Budget Act. Due to the inherent risk in revenue projections, the Budget proposes to appropriate the Guarantee at \$117.6 billion, instead of the currently calculated level of \$119.2 billion in 2024-25. This is intended to mitigate the risk of potentially appropriating more resources to the Guarantee than are ultimately available in the final calculation for 2024-25. Potential adjustments will be evaluated at the May Revision and will not be final until the certification of the 2024-25 Guarantee level.

The Guarantee is in a Test 2 for 2023-24 (although suspended at \$98.5 billion) and continues to be in a Test 1 for 2024-25 and 2025-26. This means that the funding level of the Guarantee for 2024-25 and 2025-26 is equal to roughly 40 percent of General Fund revenues, plus local property tax revenues. Pursuant to the Proposition 98 formula, this percentage of General Fund revenues is not reduced to reflect enrollment adjustments, which further increases per pupil funding. The Proposition 98 minimum Guarantee is “rebenched” to reflect the continued implementation of universal transitional kindergarten. The resulting Test 1 percentage is then “rebenched” to increase the percentage of General Fund revenues due to the Guarantee, from 39.2 percent to 39.6 percent.

The Budget includes total funding of \$137.1 billion (\$83.3 billion General Fund and \$53.8 billion other funds) for all TK-12 education programs. TK-12 per-pupil funding totals \$18,918 Proposition 98 General Fund and \$24,764 per pupil when accounting for all funding sources.



## PROPOSITION 98 RAINY DAY FUND

The 2024 Budget Act projected a total balance of \$1.1 billion in the Public School System Stabilization Account (PSSSA), or Proposition 98 Rainy Day Fund, reflecting a discretionary payment of the same amount into the fund in 2024-25. The Budget reflects a revised 2024-25 payment of roughly \$1.2 billion, which is a mandatory payment that replaces the discretionary payment, and an additional mandatory payment of \$376 million in 2025-26 into the PSSSA for a revised balance of \$1.5 billion at the end of 2025-26. There are no changes to the mandatory withdrawal of \$8.4 billion in 2023-24.

Under current law, there is a cap of 10 percent on school district reserves in fiscal years immediately succeeding those in which the balance in the PSSSA is equal to or greater than 3 percent of the total TK-12 share of the Proposition 98 Guarantee. The balance of \$1.2 billion in 2024-25 does not trigger school district reserve caps in 2025-26.

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## LOCAL CONTROL FUNDING FORMULA

The Budget includes an LCFF cost-of-living adjustment of 2.43 percent. When combined with population growth adjustments, this will result in an increase of roughly \$2.5 billion in discretionary funds for LEAs.

Budgetary deferrals of \$246.6 million for TK-12 education are fully repaid in 2025-26. However, to fully fund the LCFF and to maintain the level of past year principal apportionments, the Budget proposes using available reappropriation and reversion funding totaling \$25.9 million to support ongoing LCFF costs in 2023-24 and deferring LCFF funding totaling \$35.1 million from 2023-24 to 2024-25. This one-time deferral is fully repaid in 2024-25.

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## UNIVERSAL TRANSITIONAL KINDERGARTEN

In the 2024-25 school year, the Budget provides a total of \$1.5 billion ongoing Proposition 98 General Fund to support expanded eligibility for transitional kindergarten, shifting age eligibility from all children turning five years old between September 2 and April 2 to all children turning five between September 2 and June 2 (roughly 39,000 additional children). The Budget also provides an additional \$516.7 million ongoing Proposition 98 General Fund to support the third year of adding one additional certificated or classified staff person to every transitional kindergarten class.

Further, in the 2025-26 school year, the Budget provides a total of \$2.4 billion ongoing Proposition 98 General Fund (inclusive of all prior years' investments) to support the full implementation of universal transitional kindergarten, so that all children who turn four years old by September 1 of the school year can enroll in transitional kindergarten (providing access to roughly 60,000 additional children). The Budget also provides an additional \$1.5 billion ongoing Proposition 98 General Fund to support further lowering the average student-to-adult ratio from 12:1 to 10:1 in every transitional kindergarten classroom.

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## BEFORE SCHOOL, AFTER SCHOOL, AND SUMMER SCHOOL

The Expanded Learning Opportunities Program is a multi-year investment plan to implement before, after, and summer school instruction and enrichment for students in grades TK-6, with a focus on LEAs with the highest concentrations of low-income students, English learners, and youth in foster care, otherwise known as unduplicated

pupils. At the release of the 2021 Budget Act, the state projected that full fiscal implementation of the program would take place in 2025-26.

The Budget proposes to move forward with the full implementation of the program by increasing the number of LEAs with TK-6th grade that offer universal access to students, from those with an unduplicated pupil percentage of 75 percent to those with 55 percent unduplicated students. The Budget includes \$435 million ongoing Proposition 98 General Fund to cover the cost of full implementation, increasing the total ongoing program funding to \$4.4 billion Proposition 98 General Fund. This funding includes ongoing support to LEAs with less than 55 percent unduplicated pupils to provide access to all unduplicated pupils.

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## **MASTER PLAN FOR CAREER EDUCATION: TK-12 EDUCATION**

As discussed in the Higher Education Chapter, in alignment with the Master Plan for Career Education, the Administration is engaged in cross-agency collaboration to strengthen planning and coordination across state and regional education and workforce initiatives, make it easier for Californians to receive college credit both in high school and in recognition of their real-world experience, and create more pathways to in-demand careers in California.

Building upon recent state investments in dual enrollment and college and career pathways, and to augment funds provided to LEAs for career technical education through the LCFF and other career technical education programs, the Budget proposes including dual enrollment and pathways programs as allowable expenditures for funds allocated through the \$1.8 billion Student Support and Discretionary Block Grant (see below). The Budget also includes an increase of \$3 million ongoing Proposition 98 General Fund to support the California College Guidance Initiative and the Cradle-to-Career Data System.

Additionally, to reduce the administrative burden for LEAs offering career technical education programs, the Budget proposes to direct the Department of Education to examine the feasibility of streamlining applications for TK-12 career technical education programs into a single consolidated application, rather than administering each program through a separate application process.

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## LITERACY INSTRUCTION

California's research-based English Language Arts/English Language Development (ELA/ELD) Framework is the state's foundational document to guide literacy instruction. It emphasizes foundational skills (print concepts/alphabetics, phonological/phonemic awareness, phonics and word recognition, and reading fluency), listening, speaking, writing, and comprehension, along with the vocabulary development and background knowledge needed to develop literacy for multilingual learners.

Over the past six years, the State has made many high-leverage investments in evidence-based literacy and professional learning to support the implementation of the ELA/ELD Framework. To provide LEAs with instructional materials that reflect current research; to support current and future educators to implement the ELA/ELD Framework, the state's Literacy Roadmap, and the state's English Learner Roadmap; and to support LEAs to provide evidence-based literacy instruction to diverse learners, the Budget proposes the following:

- \$500 million one-time Proposition 98 General Fund for TK-12 Literacy and Mathematics Coaches, which builds upon and expands the existing Literacy Coaches and Reading Specialists Grant Program and includes a new opportunity to support mathematics coaches in addition to literacy coaches. Using evidence-based practices, this program funds high-poverty schools to train and hire literacy and reading specialists, and now mathematics coaches, to support educators in developing their practices and to design interventions for students with the greatest need, including one-on-one and small group tutoring. This new funding would augment a total of \$500 million provided for Literacy Coaches in the 2022 and 2023 Budget Acts.
- \$40 million one-time Proposition 98 General Fund in 2025-26 to support necessary costs, including purchasing screening materials and training for educators, to administer literacy screenings. The 2023 Budget required LEAs to begin screening students in kindergarten through second grade for risk of reading difficulties, including dyslexia, by the 2025-26 school year. The 2024 Budget Act included \$25 million one-time Proposition 98 General Fund for this purpose.
- \$5 million Proposition 98 General Fund annually through the 2029-30 fiscal year to launch a Literacy Network within the Statewide System of Support to serve as a clearinghouse for state-developed literacy resources, elevate high performing districts and best practices, and provide support to select LEAs facing persistent performance challenges.

Additionally, the Budget directs the Instructional Quality Commission to initiate a follow-up adoption for ELA/ELD instructional materials. The Budget also includes \$300,000 one-time non-Proposition 98 General Fund in 2024-25 for the Instructional Quality Commission to develop a curriculum guide and resources in personal finance pursuant to the requirements of Chapter 37, Statutes of 2024 (AB 2927).

Finally, \$1.8 billion for the Student Support and Discretionary Block Grant (see below) which can fund professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap.

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## TEACHER PREPARATION AND PROFESSIONAL DEVELOPMENT

Preparing, training, and recruiting a diverse, expert workforce of administrative, credentialed, and classified staff to work in public TK-12 schools continues to be critical to the success of the entire system. But staffing shortages persist and make it imperative that barriers to teaching are removed for qualified teacher candidates, and that existing teachers are provided with the training they need to be successful. To this end, the Budget includes several proposals intended to support teachers and improve access to the educator pipeline. This includes \$150 million one-time Proposition 98 General Fund to provide financial assistance for teacher candidates through the new Teacher Recruitment Incentive Grant Program, and an additional \$100 million one-time Proposition 98 General Fund to extend the timeline of the existing National Board Certification Incentive Program to support National Board Certified teachers to teach and mentor other instructional staff in high poverty schools.

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## STUDENT SUPPORT AND PROFESSIONAL DEVELOPMENT DISCRETIONARY BLOCK GRANT

In addition to the 2.43-percent cost-of-living adjustment provided to the LCFF and many other TK-12 education programs, the Budget includes \$1.8 billion one-time Proposition 98 General Fund for a discretionary block grant. These funds will provide LEAs with additional fiscal support to address rising costs, as well as fund statewide priorities including: (1) professional development for teachers on the ELA/ELD Framework and the Literacy Roadmap, with a focus on strategies to support literacy for English learners; (2) professional development for teachers on the Mathematics Framework; (3) teacher recruitment and retention strategies; and (4) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.



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## SCHOOL FACILITY PROGRAM

The recently approved Kindergarten through Grade 12 Schools and Local Community College Public Education Facilities Modernization, Repair, and Safety Bond Act of 2024 (Proposition 2) authorizes a total of \$8.5 billion in state General Obligation bonds for K-12 schools to be allocated through the School Facility Program, with programmatic changes that took place as of October 31, 2024. These funds are allocated across several key areas:

- \$4 billion for modernization projects,
- \$3.3 billion for new construction,
- \$600 million for charter schools, and
- \$600 million for career technical education projects.

Proposition 2 also supports the replacement of school buildings that are at least 75 years old and authorizes funding for school districts with specific needs, such as small school districts and those located in military installations. Additionally, the bond includes programmatic changes for energy-efficient components in new construction and modernization projects, as well as the construction or retrofit of transitional kindergarten classrooms.

Proposition 2 includes additional programmatic changes that emphasize health and safety components of school facilities. For example, the bond authorizes funding for testing and remediation of lead in water at school sites. Furthermore, it allows the State Allocation Board to provide assistance for purposes of procuring interim housing for school districts and county offices of education impacted by a natural disaster for which the Governor has declared a state of emergency.

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## OTHER TK-12 RELATED ISSUES

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Learning Recovery Emergency Block Grant**—\$378.6 million one-time Proposition 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.

- **Cost-of-Living Adjustments**—\$204 million ongoing Proposition 98 General Fund to reflect a 2.43-percent cost-of-living adjustment for specified categorical programs and the LCFF Equity Multiplier. The specified categorical programs include Special Education, Child Nutrition, State Preschool, Youth in Foster Care, Mandates Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.
- **Kitchen Infrastructure and Training**—\$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**—\$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.
- **Nutrition**—\$106.3 million in additional ongoing Proposition 98 General Fund to fully fund the universal school meals program in 2025-26.
- **County Offices of Education**—\$12.2 million ongoing Proposition 98 General Fund to reflect ADA changes applicable to the county office of education LCFF, and a 2.43-percent cost-of-living adjustment.
- **English Language Proficiency Screener for Transitional Kindergarten Students**—\$10 million one-time Proposition 98 General Fund for the statewide use of English language proficiency screeners to support multilingual learnings in transitional kindergarten.
- **TK-12 High Speed Network**—\$3.5 million in additional ongoing Proposition 98 General Fund to support the K-12 High Speed Network program.
- **Individualized Education Program (IEP) Template and Translation Digitization**—\$2 million one-time Proposition 98 General Fund to support the digitization of the IEP template and translate the template into multiple languages.
- **Homeless Education Technical Assistance Centers**—\$1.5 million in additional ongoing Proposition 98 General Fund to maintain support for Homeless Education Technical Assistance Centers that were first established through the American Rescue Plan Act's Homeless Children and Youth Program. This funding would continue the momentum in increasing homeless youth identification, which is essential to providing the necessary support to improve outcomes.

- **Curriculum Framework, Standards, and Instructional Materials Process**—\$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.