

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.

CALIFORNIA FOR ALL KIDS

Over the last four years, the California for All Kids plan has significantly transformed the delivery of public elementary and secondary education in California and improved English language arts and mathematics achievement. The investments associated with this plan have improved student academic achievement. Results from the 2024-25 statewide assessments of student academic performance show that California students made meaningful gains in English language arts, mathematics, and science statewide. All grades in all subjects saw an increase in the percentage of students scoring at proficient and advanced levels, as well as higher average scale scores compared to last year. Additionally, nearly all student groups—including Black/African American, Hispanic/Latino, and socioeconomically disadvantaged students—showed year-over-year gains in the percentage of students reaching proficient or advanced levels in English language arts, mathematics, and science. These improvements underscore California's commitment to opportunity for every learner.

Key accomplishments include:

- **Pre-K for All**—Universal access to free Transitional Kindergarten (TK) for all four-year-olds (over 400,000 children, 300,000 more than in 2021-22), with increased access to the California State Preschool Program for two-, three-, and four-year-olds. TK reached full implementation in 2025-26, with a total investment of \$1.9 billion ongoing non-Proposition 98 General Fund.
- **Community Schools**—Statewide expansion of the community schools model, which is a whole-child approach that focuses on school engagement with families and community organizations, shared decision making, and coordination of services. Implementation of the model results in better home-school connections, academic supports, nutrition, after school and summer school enrichment and care, trauma-informed behavioral and physical health services, and access to social services. Data indicate that the first cohort of schools that benefited from this investment are showing significant reductions in chronic absenteeism, reduced suspensions, and improved test scores and academic achievement, with the largest gains for historically underserved students. To date, the state has invested \$4.1 billion one-time Proposition 98 General Fund in community schools and achieved full deployment of planning and implementation grants to support nearly 2,500 schools (1 in every 4 schools in the state) in adopting the community schools model.
- **Before, After, and Summer School**—Year-round access to enrichment activities and before, after, and summer school supplemental education programs for all TK-6th grade children in low-income communities, English learners, and youth in foster care. This program reached full implementation in 2025-26 with an investment of \$4.6 billion ongoing Proposition 98 General Fund. As a result, more than 1 million children gained access to free before, after, and summer school, an important benefit for those students and their families.
- **Universal School Meals**—Access to two high-quality, free school meals per school day for all TK-12th grade students. This program reached full implementation in 2022-23, with a total investment of approximately \$1.8 billion ongoing Proposition 98 General Fund. As a result, nearly 1 billion meals are served through state and federal meal programs in California public schools every year. This investment improves children's health and learning, reduces stigma around free meals, and combats childhood hunger.
- **Educator Preparation and Support**—Well-prepared and well-supported teachers and school counselors accelerate learning for students. To address persistent educator shortages and improve instructional quality, the state has invested more

than \$4 billion combined Proposition 98 and non-Proposition 98 General Fund for educator recruitment, retention, and training programs. As a result, the number of well-prepared public-school teachers in the state has increased, bringing stronger knowledge and skills to California classrooms. In addition, since 2019-20, the number of school staff has grown, despite a decline in student enrollment, reducing staff-to-student ratios statewide. During this time, the share of teachers of color increased by 5 percent. Further, since 2018-19, there has been a 10 percent statewide increase in school employees with pupil personnel services credentials.

- **Improved Services for Students with Disabilities**—More intervention-focused special education programs and increased funding for special education services; specifically, \$2.2 billion increased ongoing Proposition 98 General Fund since 2018-19 (a 68-percent increase), including early intervention funds for pre-K and kindergarten students to improve student outcomes.
- **School-Based Behavioral Health Services**—Beginning with the 2021 Budget Act, approximately \$4.2 billion non-Proposition 98 General Fund has been provided for the Children and Youth Behavioral Health Initiative, which supports integration between schools, health care plans, and county health and social services to address the needs of children and youth. This includes the implementation of the behavioral health fee schedule effective January 1, 2025, which requires private health plans to reimburse participating local educational agencies (LEAs) for school-based behavioral health services. More information on outcomes from the Initiative can be found in the Health and Human Services Chapter.
- **Improving Literacy for All Students**—The state's multifaceted strategy to improve literacy outcomes statewide is grounded in a comprehensive, research-driven approach, reflecting the diverse and multilingual learners in California's schools. The Golden State Literacy Plan outlines the key initiatives implemented in the last several years to improve reading achievement for California's students, including the TK-12 Literacy Roadmap and Preschool through Grade 3 Learning Progressions, Literacy Coaches and Reading Specialists grant program, and high-quality professional development for teachers. As of the 2025-26 school year, these efforts are reaching 2.6 million students in grades TK-5, including at over 800 high-need elementary schools that are now supported by literacy coaches and reading specialists. Additionally, as of fall 2025, all K-2nd grade students are being screened annually for risk of reading difficulties, including dyslexia, to provide early intervention and reading support for all children who need them.

PROPOSITION 98

The Proposition 98 Guarantee 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 local control funding formula (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 \$123.8 billion in 2024-25, \$121.4 billion in 2025-26, and \$125.5 billion in 2026-27. These revised Proposition 98 levels represent an increase of approximately \$21.7 billion over the three-year period relative to the 2025 Budget Act.

At the beginning of the three-year budget window, the Proposition 98 Guarantee had an outstanding maintenance factor balance of \$8.3 billion. At the 2025 Budget Act, there was a projected mandatory maintenance factor payment of \$5.5 billion in 2024-25. Revised Proposition 98 factors have increased that payment amount in the Budget to \$7.8 billion. No other mandatory payments are projected in 2025-26 or 2026-27, leaving a \$584.6 million maintenance factor balance at the end of 2026-27.

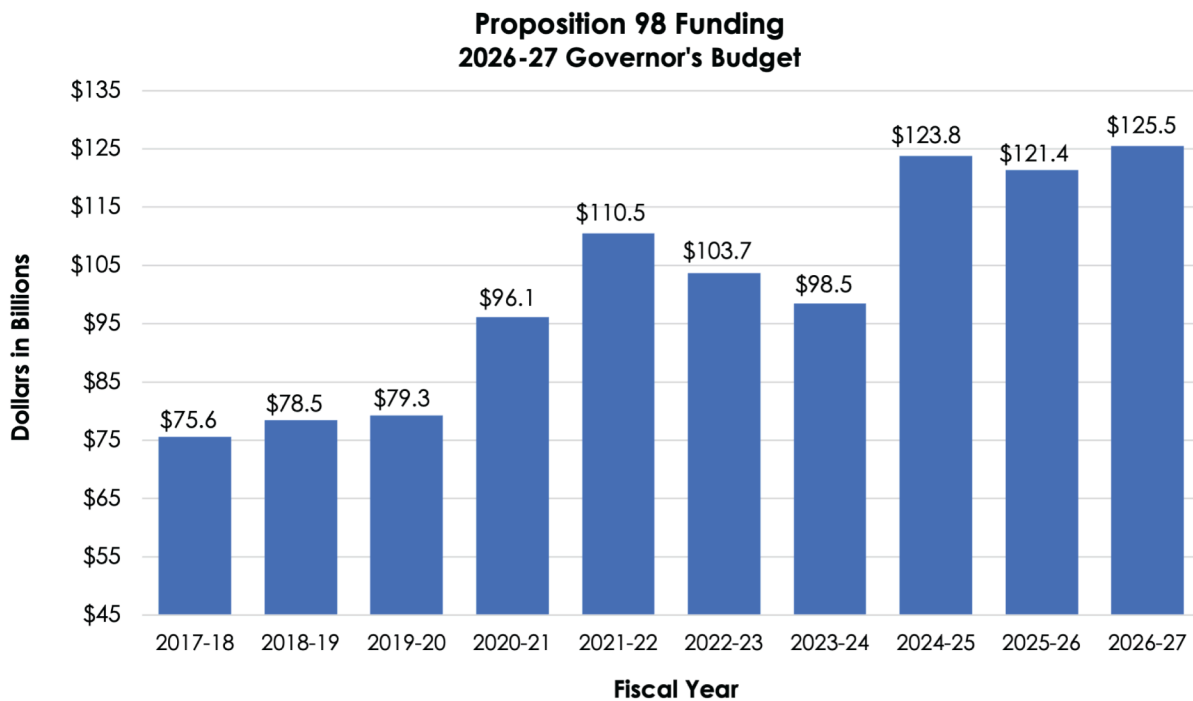
Due to the inherent risk in revenue projections, the 2025 Budget Act created \$1.9 billion in settle-up in 2024-25, representing the difference between what was funded and what was calculated for Proposition 98 in that fiscal year. The Budget proposes to fully repay the settle-up balance in 2024-25. This increases the resources available for Proposition 98 in 2024-25.

Additionally, due to persistent uncertainty in revenue projections, the Budget proposes creating \$5.6 billion in settle-up in 2025-26. This means that the funded level of the Guarantee in 2025-26 is \$115.9 billion, instead of the calculated amount of \$121.4 billion. This is intended to mitigate the risk of potentially appropriating more resources to the Guarantee than are ultimately available in the final calculation for 2025-26. Potential adjustments will be made at the May Revision and will not be final until the certification of the 2025-26 Guarantee level in spring 2027.

The Guarantee continues to be in a Test 1 for 2024-25, 2025-26, and 2026-27. This means that the funding level of the Guarantee 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 Budget includes total funding of \$149.1 billion (\$88.7 billion General Fund and \$60.4 billion other funds) for all TK-12 education programs. TK-12 per pupil funding totals \$20,427 Proposition 98 General Fund, a 74.6 percent increase over 2018-19, and \$27,418 per pupil when accounting for all funding sources, a 60.8 percent increase over 2018-19. Both per pupil amounts are the highest level ever for California schools.



PROPOSITION 98 RAINY DAY FUND

The 2025 Budget Act projected a zero balance in the Public School System Stabilization Account, also known as the Proposition 98 Rainy Day Fund, reflecting: (1) a mandatory deposit of \$455 million in 2024-25, and (2) a mandatory withdrawal of the full balance of \$455 million in 2025-26.

Adjustments in capital gains revenues revise these amounts in the Budget, requiring an increased deposit of \$3.8 billion in 2024-25, eliminating the mandatory withdrawal in 2025-26 and replacing it with a mandatory deposit of \$424.3 million, and requiring a mandatory withdrawal of \$407.1 million in 2026-27. Additionally, the Budget proposes a

discretionary deposit of \$240 million in 2025-26, further increasing the Proposition 98 safety net. At the end of the three-year budget window, the total balance in the Proposition 98 Rainy Day Fund is \$4.1 billion.

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 Proposition 98 Rainy Day Fund is equal to or greater than 3 percent of the total TK-12 share of the Proposition 98 Guarantee. The balance in the Proposition 98 Rainy Day Fund in all years of the three-year budget window triggers school district reserve caps in 2025-26 and 2026-27.

LOCAL CONTROL FUNDING FORMULA

The Budget includes an LCFF cost-of-living adjustment of 2.41 percent. When combined with population growth adjustments, this will result in an increase of roughly \$2 billion in discretionary funds for LEAs. Additionally, budgetary deferrals of \$1.9 billion for TK-12 education are fully repaid in 2026-27.

The Budget also includes an ongoing increase of \$30.7 million Proposition 98 General Fund to provide a 20-percent increase in LCFF funding for Necessary Small Schools, which is the funding formula for the smallest schools in the state. These schools are the most heavily impacted by enrollment declines and attendance fluctuations; this additional funding will help them maintain instructional programming when student population fluctuates.

STATE EDUCATION GOVERNANCE

The Legislature has raised concern over the governance of California's K-12 education system in various legislative reports and policy documents for decades. According to its 2002 report "California's Master Plan for Education", "California's K-12 education system is governed by a fragmented set of entities with overlapping roles that sometimes operate in conflict with one another, to the detriment of educational services offered to students." This concern was reinforced in a December 2025 report, "TK-12 Education Governance in California," from Policy Analysis for California Education.

The Budget proposes to implement the 2002 Master Plan recommendation to amend the Education Code to move oversight authority of the management of the California Department of Education and support of LEAs under the State Board of Education. The Budget further proposes to provide the State Superintendent of Public Instruction the ability to strengthen coordination and alignment among the bodies setting policy from

early childhood through postsecondary education. These changes will strengthen governance of California's education system to provide coherence and meaningful accountability to address the needs of students, parents, teachers, school staff, and administrators.

COMMUNITY SCHOOLS

Community schools partner with education, county, and nonprofit entities to provide integrated health, trauma-informed mental health, social services, and academic supports alongside high-quality, supportive instruction. In addition to these integrated student supports, community schools offer expanded learning time, active family and community engagement, and collaborative leadership practices.

Building on prior investments, the Budget proposes \$1 billion ongoing Proposition 98 General Fund to expand the community school model to more school sites that have large concentrations of students from low-income families, English learners, and youth in foster care. To date approximately 2,500 schools in California have received community schools grants through the California Community Schools Partnership Program; this new funding would provide ongoing resources for these grantees and expand access to the model to thousands of additional high-need schools.

SPECIAL EDUCATION

The number of students with disabilities in California's public schools is growing; in 2018-19, the prevalence of students in special education programs was 12.9 percent of all students; by 2024-25 the rate grew to 14.9 percent. Over that time, the number of students in special education increased by more than 70,000 students, while total enrollment decreased by more than 380,000.

The Budget reflects the state's ongoing commitment to invest in and improve instruction and services for students with disabilities, proposing an increase of \$509 million ongoing Proposition 98 General Fund to increase special education base rates. This additional funding will allow for full equalization of special education rates across the state, meaning that all LEAs will now receive the same rate per pupil for state special education funding.

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, to make it easier for Californians to receive college credit both while in high school and based on their real-world experience, and create more pathways to in-demand careers in California.

Building on prior Master Plan investments, the Budget proposes: (1) \$100 million one-time Proposition 98 General Fund to increase access to college and career pathways for high school students, including expanding access to dual enrollment and dual credit opportunities, and (2) including prioritizing creation and expansion of dual enrollment and pathways programs with funds allocated through the \$2.8 billion Student Support and Discretionary Block Grant.

BEFORE, AFTER, AND SUMMER SCHOOL

The Expanded Learning Opportunities Program provides funding for 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.

Currently, LEAs with TK-6th grade and 55 percent or more unduplicated pupils (known as Tier 1 LEAs) must offer and provide universal access to subsidized before, after, and summer school, in accordance with statutory requirements. LEAs with TK-6th grade and less than 55 percent unduplicated pupils (known as Tier 2 LEAs) must offer access to before, after, and summer school to all unduplicated pupils, and must provide subsidized before, after, and summer school services to at least half of all unduplicated pupils. Currently, Tier 1 LEAs receive \$2,750 per unduplicated pupil and Tier 2 LEAs receive a variable amount per unduplicated pupil, based on the availability of program funding.

The Budget proposes \$62.4 million ongoing Proposition 98 General Fund to provide a guaranteed \$1,800 per pupil for Tier 2 LEAs, stabilizing the existing variable Tier 2 rate. With this increase, total ongoing program funding is \$4.7 billion Proposition 98 General Fund.

TEACHER PREPARATION

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. However, 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 \$250 million one-time Proposition 98 General Fund to continue educator residency programs through 2029-30. Educator residencies provide high-quality, clinically rich preparation for teachers and school counselors, with residency program participants having higher program completion and workforce retention rates than non-residency prepared teachers. Additionally, principals report residency-prepared teachers are more effective in their first and second years of teaching than their non-residency prepared peers. California has invested \$620 million in residency programs over the last five years; these funds will be fully awarded by the end of 2025-26.

STUDENT SUPPORT AND PROFESSIONAL DEVELOPMENT DISCRETIONARY BLOCK GRANT

In addition to the 2.41-percent cost-of-living adjustment provided to the LCFF and many other TK-12 education programs, the Budget proposes \$2.8 billion one-time Proposition 98 General Fund for a discretionary block grant.

These funds will provide LEAs with additional fiscal support to manage attendance and enrollment declines, including those caused by federal government immigration actions, and address rising costs. The funds will also support implementation of statewide priorities including: (1) professional development for teachers on the English Language Arts/English Language Development (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; (4) professional development for TK teachers and site administrators on the principles and guidelines of developmentally appropriate TK instruction; and (5) career pathways and dual enrollment expansion efforts consistent with the Master Plan for Career Education.

CHARTER SCHOOL ACCOUNTABILITY

Charter schools have administrative flexibilities that sometimes exempt them from requirements applicable to other public schools. To ensure that public funds are properly utilized, address fraud and malfeasance, and improve accountability and oversight, the Budget proposes new requirements for charter schools. It also provides for the use of verified data in the charter school renewal process until June 30, 2028.

SCHOOL FACILITIES

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 TK-12 schools to be allocated through the School Facility Program. 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.

The Budget continues to allocate \$1.5 billion Proposition 2 bond funds to support school construction projects in 2026-27, similar to amounts allocated in prior years.

OTHER TK-12 RELATED ISSUES

SIGNIFICANT BUDGET ADJUSTMENTS

- **Learning Recovery Emergency Block Grant**—\$757.3 million one-time Proposition 98 General Fund to support the Learning Recovery Emergency Block Grant, which provides funds to LEAs to establish learning recovery initiatives through the 2027-28 school year. This investment is expected to be the final payment to this program, which has received multi-year investments totaling \$7.2 billion in past budgets to support schools in learning recovery efforts related to the COVID-19 Pandemic.

- **Home-to-School Transportation**—\$322 million one-time and \$239.2 million ongoing Proposition 98 General Fund to reflect higher costs in the Home-to-School Transportation Program.
- **Cost-of-Living Adjustments**—\$228.2 million ongoing Proposition 98 General Fund to reflect a 2.41-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, Foster Youth Services Coordinating Program, 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**—\$100 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.
- **Reading Difficulties Risk Screening**—\$40 million one-time Proposition 98 General Fund to support continued implementation of student reading difficulties screenings. The 2023 Budget Act required LEAs to begin screening students in kindergarten through second grade, for risk of reading difficulties, including dyslexia, beginning in the 2025-2026 school year. Additionally, the Budget proposes statutory changes to clarify the appropriate administration of the screeners to ensure the consistency and quality of results.
- **L.A. County School Wildfire Recovery**—\$22.9 million one-time Proposition 98 General Fund to support LEAs that are continuing to recover from the January 2025 Los Angeles County wildfires.
- **Universal and Targeted Assistance**—\$13.3 million additional ongoing Proposition 98 General Fund, for a total of \$131.9 million, for county offices of education to provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance. This funding will align with updates to local educational agency assistance and intervention performance criteria that the State Board of Education is required to adopt pursuant to Chapter 8, Statutes of 2025 (AB 121). The Budget includes statutory changes to allow for the updated performance criteria to target longer-term support where the demonstrated needs are greatest.
- **Fiscal Crisis and Management Assistance Team (FCMAT)**—\$994,000 in additional ongoing Proposition 98 General Fund to support increased FCMAT workload.

- **California School Information System (CSIS)**—\$966,000 in additional ongoing Proposition 98 General Fund to support increased CSIS costs.
- **Curriculum-Embedded Performance Tasks for Science**—\$890,000 ongoing Proposition 98 General Fund to maintain performance task resources at the Los Angeles County Office of Education in support of inquiry-based science instruction and the state’s Next Generation Science Standards.
- **K-12 High Speed Network**—\$629,000 in additional ongoing Proposition 98 General Fund to support the K-12 High Speed Network program.
- **County Offices of Education LCFF**—An ongoing decrease of \$15.6 million Proposition 98 General Fund to reflect ADA changes applicable to the county office of education LCFF, and a 2.41-percent cost-of-living adjustment.
- **School Nutrition Programs**—An ongoing decrease of \$67.9 million Proposition 98 General Fund to support the Universal School Meals program, reflecting a reduction in 2025-26 estimates compared to the 2025 Budget Act projections and an increase in meal reimbursement rates.
- **Local Property Tax Adjustments**—A decrease of \$18 million Proposition 98 General Fund for school districts and county offices of education in 2025-26, and a decrease of \$1.4 billion ongoing Proposition 98 General Fund for school districts and county offices of education in 2026-27, resulting from increased offsetting property taxes.
- **Holocaust and Genocide Education Grant Program**—Although no funding is included in the Budget for this purpose, the Administration intends to propose up to \$10 million one-time Proposition 98 General Fund at the May Revision to provide grants to LEAs for instructional materials, professional development, and related costs to implement holocaust and genocide education pursuant to Chapter 761, Statutes of 2025 (SB 472). These proposed funds are contingent upon the inclusion of clean-up amendments to the statutory language, agreed to by both the Administration and Legislature.