

**CHIEF FISCAL OFFICERS MEETING**  
**AGENDA**  
**Wednesday, February 18, 2026**  
**12:15 p.m. – 2:00 p.m.**

12:15 p.m. – 2:00 p.m. CFO Meeting

- 1) **Introductions and What's New**
  - a) **Additions to the agenda**
  - b) **District Sharing**
- 2) **Reminders**
  - a) **Interest due quarterly on federal funds if over \$500. See CDE website for list of Federal Resources that may be EXCLUDED from the calculation.**  
<https://www.cde.ca.gov/fg/ac/co/reimbursableprograms.asp>
  - b) **AB1200 Public Disclosure-include copy of Tentative Agreement (TA) and Multi-Year Projection (MYP) when submitting**
    - **Form should be signed by BOTH Superintendent and CBO before submitting**
    - **Disclosure of a settlement is required even if no salary/benefit change**
  - c) **AB2197 disclosure required for non-voter approved debt**
  - d) **Document wages charged to federal/state programs (CSAM Procedure 905: Personnel Activity Reports (PARs))**
    - **Please follow your LEA's policy**
  - e) **Complete Admin-to-Teacher ratio form. (Retain for your audit records)**
  - f) **Reconcile payroll liability accounts**
  - g) **Abatements: Please notify your Business Advisor if you are abating revenues or expenditures. This will ensure that budgets and Cash Flow projections are accurate.**
    - **Reach out to your advisor if you are thinking about abating any revenue.**
- 3) **Date Reminders**
  - a) **February 20<sup>th</sup> – SCSOS Closed**
  - b) **February 28<sup>th</sup> – LCAP Mid-Year Update must be presented to LEA Governing Board**
  - c) **March 13<sup>th</sup> – Per-Pupil Expenditure Data Due**
    - **Local educational agencies (LEAs) must report per-pupil expenditure data for the preceding fiscal year to the California Department of Education (CDE) (Elementary and Secondary Education Act Section 1111[h][1][C][x] and [h][2][C])**
  - d) **March 15<sup>th</sup>**
    - **Charter school Second Interim due to chartering authority and county office of education (COE) (Education Code Section [EC §] 47604.33[a][4])**
  - e) **March 17<sup>th</sup>**
    - **District Second Interim due to COE (COE sends to State Superintendent of Public Instruction [SSPI] and State Controller's Office [SCO] if qualified or negative) (EC § 42131[a][1] and [2])**
  - f) **Auditor Friday Closed Dates:**
    - **February 20<sup>th</sup>**
    - **March 6<sup>th</sup>**
    - **March 20<sup>th</sup>**
- 4) **Technology**
  - a) **IT Department Update**
  - b) **Frontline ERP Update**
- 5) **Human Resources**
  - a) **Credentialing Update (pg. 3)**
- 6) **Accounts Payable**

- 7) Payroll
- 8) \*DRAFT\* 2026-27 CFO Schedule (pg. 5)
- 9) ERP
  - a) Online 6
    - Login: <https://sutteronline6.xcoe.online/escape/#/sign-in>
  - b) Multi-Factor Authentication (MFA)
- 10) Cash Reconciliation Process Reminder
- 11) AB218 & AB 452 Claims and SACS Codes (pg. 7)
- 12) 2024-25 Audits
  - a) Audit Certifications (pgs. 9-11)
  - b) Audit Finding Corrective Action Forms (pgs. 13-15)
- 13) Current Expense Formula/Minimum Classroom Compensation (Form CEA)
  - a) School Services of California (SSC) CEA Presentation (pgs. 17-30)
  - b) CEA Waiver Process (pgs. 31-38)
- 14) ESSCO
- 15) 2025-26 Second Interim Common Message (pgs. 39-51)
- 16) Roundtable
  - a) County Auditor Update
    - Workday Access
  - b) Public Records Act Requests
    - PRA Request received by multiple LEAs (pgs. 53-54)
    - PRA Request Response Reminders
- 17) 2026-27 Governor's Budget
  - a) School Services of California (pgs. 55-140)
  - b) Capitol Advisors (pgs. 141-159)
- 18) Articles (pgs. 161-168)
  - a) SSC Fiscal Report... LCAP Penalty Calculator
  - b) SSC Fiscal Report... 2026-27 Discretionary Block Grant Details Released
  - c) SSC Fiscal Report... 2024-25 Ending Fund Balances
  - d) SSC Fiscal Report... Critical Deadlines and Funding Opportunities— February 13, 2026
- 19) Workshops/Webinars (pgs. 169-174)
  - a) SSC Webinars & Workshops
  - b) CASBO Webinars & Workshops
  - c) ERP CA Q1 Virtual User Group – Wednesday, March 11 at 9:00.
    - Register at <https://myfrontline.zoom.us/meeting/register/nQ6KPDLPFGBPgsqyZWYvw#/registration>
- 20) Next Meeting
  - a) \*FRIDAY\*, March 20<sup>th</sup> – Board Room/Zoom

**SAVE THE DATES**

# CREDENTIALIAL Workshop 2026

**\$100  
Registration  
fee**

**PASCO** and **CNS** are hosting a one-day, in-person Credential Workshop. The training sessions will cover the same content at each location and are designed for individuals at all levels who are looking to expand their credentialing knowledge.

Light breakfast and lunch will be provided. The workshop will be from 8:30 a.m. - 3:00 p.m.

**Orange  
County**

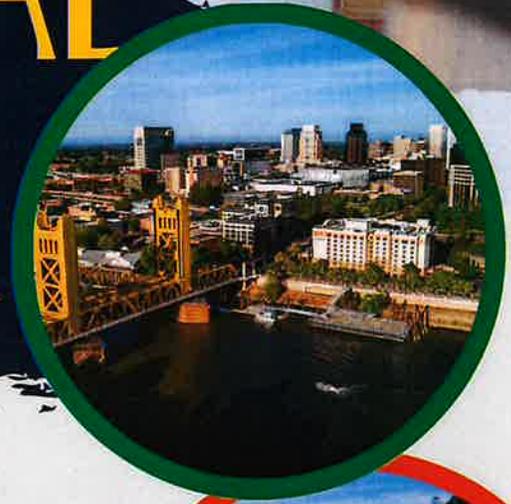
**4/28**

**Placer  
County**

**5/8**

**Sacramento  
County**

**5/15**



**MORE INFORMATION AND  
REGISTRATION COMING SOON**





**\*DRAFT\***

## **CFO Meeting Schedule**

**2026-2027**

**12:15PM – 2:00PM**

<b>DATE</b>	<b>LOCATION*</b>
July - No Meeting	N/A
August 19, 2026	N/S Board Room
September 16, 2026	N/S Board Room
October 21, 2026	N/S Board Room
November 18, 2026	N/S Board Room
December 16, 2026	N/S Board Room
January - No Meeting	N/S Board Room
February 17, 2027	N/S Board Room
March 17, 2027	N/S Board Room
April 21, 2027	N/S Board Room
May 19, 2027	N/S Board Room
June 16, 2027	N/S Board Room



Here is the guidance as of November

***Education Code (EC) 41011.1: Separate Accounting for AB 218 & AB 452 Claims***

*EC* Section 41011.1 requires that the accounting systems used by LEAs to record financial data must include a separate accounting of expenditures for actual payments related to legal settlements, judgments, or special assessments made through a joint pooling arrangement, resulting from claims pursuant to Assembly Bills (AB) 218 and 452. CDE presented the following proposals for new SACS Object codes:

- Object 5880 – actual payments of legal settlements or judgments resulting from claims pursuant to AB 218/452
- Object 5890 – actual payments of legal settlements or judgments resulting from civil claims that are not captured pursuant to AB 218/452
- Object 5480 – special assessments by a joint pooling arrangement to address liabilities resulting from claims pursuant to AB 218/452
- Object 5490 – special assessments by a joint pooling arrangement to address liabilities resulting from civil claims that are not captured pursuant to AB 218/452

The CDE addressed questions regarding the timing of the new object codes; impact on the indirect cost rate calculations, and the existing use of Object 5880 for other types of expenditures. CDE strongly recommends for LEAs to use only the dedicated locally defined object code ranges, as other object code ranges are reserved for CDE use, such as, in this case, the new coding required by statute.

The CDE plans to issue a separate letter to announce the establishment of the new object codes and address the related questions. CDE also asked that any invoices that the LEAs are inquiring about be forwarded to [SACINFO@cde.ca.gov](mailto:SACINFO@cde.ca.gov) to provide CDE with examples of the types of liabilities encountered by the LEAs.



**AUDIT CERTIFICATION  
FINANCIAL REPORT/AUDIT**

LEA \_\_\_\_\_  
SUTTER COUNTY, CALIFORNIA

In accordance with Assembly Bill 3627, Chapter 1002, as it pertains to Education Code section 41020.3, the Governing Board must review and accept the prior year's Financial Report/Audit, at a public meeting, on or before January 31<sup>st</sup>.

For fiscal year 2024-25, all Sutter County Local Educational Agencies (LEAs) that utilize the Sutter County Treasury were granted audit report submission extensions until January 29, 2026, with Board review and acceptance to take place at the first board meeting following the report submission.

**THEREBY**, as written verification of said review, the Governing Board reviewed and accepted on \_\_\_\_\_, 2026 the Annual Financial Report as of June 30, 2025.

\_\_\_\_\_  
(Signature) District Superintendent

\_\_\_\_\_  
Date

**Submit the signed Audit Certification by February 28, 2026 to:**

Sutter County Superintendent of Schools  
External Business Services Department Email:  
[external@sutter.k12.ca.us](mailto:external@sutter.k12.ca.us)



**AUDIT CERTIFICATION  
FINANCIAL REPORT/AUDIT**

LEA \_\_\_\_\_  
SUTTER COUNTY, CALIFORNIA

In accordance with Assembly Bill 3627, Chapter 1002, as it pertains to Education Code section 41020.3, the Governing Board must review and accept the prior year's Financial Report/Audit, at a public meeting, on or before January 31<sup>st</sup>.

For fiscal year 2024-25, all Sutter County Local Educational Agencies (LEAs) that utilize the Sutter County Treasury were granted audit report submission extensions until January 29, 2026; furthermore, several LEAs were granted a secondary extension until March 15, 2026, with Board review and acceptance to take place at the first board meeting following the report submission.

**THEREBY**, as written verification of said review, the Governing Board reviewed and accepted on \_\_\_\_\_, 2026 the Annual Financial Report as of June 30, 2025.

\_\_\_\_\_  
(Signature) District Superintendent

\_\_\_\_\_  
Date

**Submit the signed Audit Certification by March 31, 2026 to:**

Sutter County Superintendent of Schools  
External Business Services Department Email:  
[external@sutter.k12.ca.us](mailto:external@sutter.k12.ca.us)



## CERTIFICATION OF CORRECTIVE ACTION

DISTRICT \_\_\_\_\_

2024-25 Certification of Corrective Action is hereby filed by the governing board of the school district.

Clerk/Secretary of the Governing Board	Date of Meeting
--	-----------------

2024-25 Certification of Corrective Action:

The Superintendent certifies that all corrective action(s) specified in the attached page(s) have been reviewed by the district's Governing Board and assures that corrective procedures have been implemented and will be used in the ensuing years.

District Superintendent	Date
-------------------------	------

For additional information  
 Contact: \_\_\_\_\_

Phone: \_\_\_\_\_

Submit the original signed Certification of Corrective Action together with each Audit Finding Corrective Action form and corresponding documentation to:

Sutter County Superintendent of Schools  
 External Business Services Department:  
[mail to:external@sutter.k12.ca.us](mailto:external@sutter.k12.ca.us)

**In accordance with Education Code section 41020(j),  
 please submit your response by April 15, 2025**



2024-25 AUDIT FINDING  
CORRECTIVE ACTION

LEA: \_\_\_\_\_

FINDING CATEGORY:  
\_\_\_\_\_

FINDING # \_\_\_\_\_ PAGE # \_\_\_\_\_

**Describe below specific corrective action used in resolving the audit finding.** Be certain that your response is clear, concise, and quantitative. The statement "District has implemented auditor's recommendation" will not be adequate. Additionally, if applicable, please state where your corrective action is documented for future reference (e.g. district procedure, board policy, district handbook, etc.)

Please attach all documentation, which supports the specific action taken toward resolving the finding: i.e. copies of amended reports, district procedures, board policies, corrective action plans, new forms, in-service dates, etc.

Attach all pertinent documentation. No. of attachments for this finding: \_\_\_\_\_

Submit the original Corrective Action by **April 15, 2026** to:  
**Sutter County Superintendent of Schools**  
**External Business Services Department:**  
[external@sutter.k12.ca.us](mailto:external@sutter.k12.ca.us)





**CALIFORNIA COUNTY  
SUPERINTENDENTS**

**BASC**  
Business and Administration  
Services Committee

# Business and Administration Services Committee

## Form CEA

### December 5, 2025

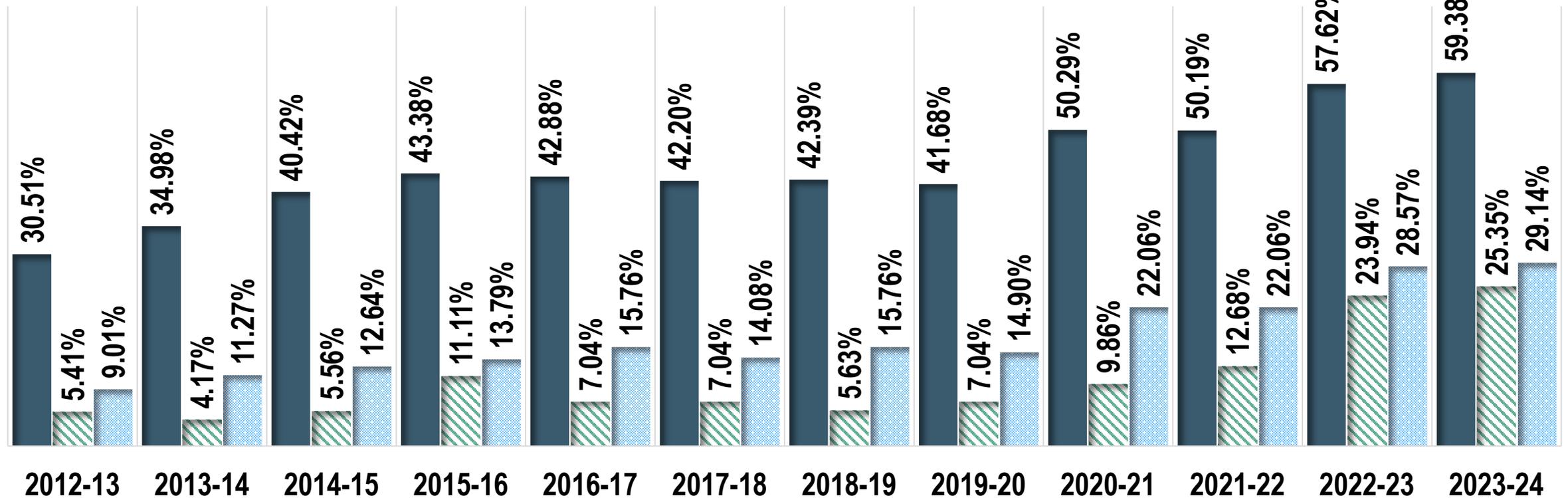
Presented By:

# Are Districts Able to Meet the CEA Requirement?

Elementary districts are those with the highest threshold and are also the largest percentage of districts that have failed to meet the requirement

## Districts Not Meeting CEA Requirement

■ Elementary ■ High ■ Unified



# Form CEA—Numerator

- Numerator includes all personnel costs in the General Fund coded to Function Code 1000-1999
- Function 1000-1999 includes direct services provided to students for instruction
  - Included, but not limited to, classroom teachers and instructional aides for general and special education

PART II: MINIMUM CLASSROOM COMPENSATION (Instruction, Functions 1000-1999)		Object	EDP No.
1. Teacher Salaries as Per EC 41011. ....	1100	0.00	375
2. Salaries of Instructional Aides Per EC 41011. ....	2100	0.00	380
3. STRS. ....	3101 & 3102	0.00	382
4. PERS. ....	3201 & 3202	0.00	383
5. OASDI - Regular, Medicare and Alternative. ....	3301 & 3302	0.00	384
6. Health & Welfare Benefits (EC 41372) (Include Health, Dental, Vision, Pharmaceutical, and Annuity Plans). ....	3401 & 3402	0.00	385
7. Unemployment Insurance. ....	3501 & 3502	0.00	390
8. Workers' Compensation Insurance. ....	3601 & 3602	0.00	392
9. OPEB, Active Employees (EC 41372). ....	3751 & 3752	0.00	
10. Other Benefits (EC 22310). ....	3901 & 3902	0.00	393
11. SUBTOTAL Salaries and Benefits (Sum Lines 1 - 10). ....		0.00	395
12. Less: Teacher and Instructional Aide Salaries and Benefits deducted in Column 2. ....		0.00	
13a. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4a (Extracted). ....		0.00	396
b. Less: Teacher and Instructional Aide Salaries and Benefits (other than Lottery) deducted in Column 4b (Overrides)*. ....			396
14. TOTAL SALARIES AND BENEFITS. ....		0.00	397

# Form CEA—Denominator

PART I - CURRENT EXPENSE FORMULA	Total Expense for Year (1)	EDP No.	Reductions (See Note 1) (2)	EDP No.	Current Expense of Education (Col 1 - Col 2) (3)	EDP No.	Reductions (Extracted) (See Note 2) (4a)	Reductions (Overrides)* (See Note 2) (4b)	EDP No.	Current Expense-Part II (Col 3 - Col 4) (5)	EDP No.
1000 - Certificated Salaries	0.00	301	0.00	303	0.00	305	0.00		307	0.00	309
2000 - Classified Salaries	0.00	311	0.00	313	0.00	315	0.00		317	0.00	319
3000 - Employee Benefits	0.00	321	0.00	323	0.00	325	0.00		327	0.00	329
4000 - Books, Supplies Equip Replace. (6500)	0.00	331	0.00	333	0.00	335	0.00		337	0.00	339
5000 - Services. . . & 7300 - Indirect Costs	0.00	341	0.00	343	0.00	345	0.00		347	0.00	349
				TOTAL	0.00	365			TOTAL	0.00	369

- Denominator includes all General Fund expenditures in object 1000-5999 as well as indirect costs (object 73xx)
  - These costs are extracted directly from your unaudited actuals .dat file into Column 1 and can not be manually adjusted
  - Successive columns—2, 4a, and 4b—lower the total expenditures used in the denominator

## Form CEA—Denominator

- **Column 2 automatically removes expenditures coded to the following components:**
  - **Goal Code 7100-7199—Nonagency**
    - **Services provided on behalf of another local educational agency (LEA)**
  - **Goal Code 81xx—Community Services**
    - **Services authorized by Civic Center Act**
  - **Function Code 37xx—Food Services**
    - **Services for providing food to students**
  - **Object Code 3701-3702—Retiree Benefits**
    - **Cost of retiree benefits for retirees**

<b>PART I - CURRENT EXPENSE FORMULA</b>	<b>Reductions (See Note 1) (2)</b>
1000 - Certificated Salaries	0.00
2000 - Classified Salaries	0.00
3000 - Employee Benefits	0.00
4000 - Books, Supplies Equip Replace. (6500)	0.00
5000 - Services. . . & 7300 - Indirect Costs	0.00

## Form CEA—Denominator

- Column 4a automatically removes expenditures coded for 40 resource codes
  - Rationale is that these resource codes do not allow teacher salaries
  - Resource codes 1100, 3316, 3326, 3327, 3372, 3386, 3515, 3724, 4123, 4124, 5035, 5314, 5316, 5370, 5460, 5465, 5652, 6010, 6030, 6126, 6140, 6230, 6300, 6355, 6385, 6386, 6392, 6512, 7010, 7027, 7028, 7085, 7121, 7124, 7126, 7236, 7388, 7410, and 8210
- Also excluded are the following function codes:
  - Function Code 1180—Non-Public Agency/School (NPA/S)
  - Function Code 3600—Transportation

<b>PART I - CURRENT EXPENSE FORMULA</b>	<b>Reductions (Extracted) (See Note 2) (4a)</b>
1000 - Certificated Salaries	0.00
2000 - Classified Salaries	0.00
3000 - Employee Benefits	0.00
4000 - Books, Supplies Equip Replace. (6500)	0.00
5000 - Services. . . & 7300 - Indirect Costs	0.00

# 6 Form CEA Operational Advice

Education Code Section (EC §) 41372 allows for the exclusion of the amount expended from categorical resources if the entire resource is spent on something other than teacher salaries and benefits

EC § 41011 defines “teacher” as an employee of the district in a position requiring certification and whose duties require them to teach pupils for at least one instructional period each day or an instructional aide whose duties must be performed under the supervision of a classroom teacher

Column 4b is used to “override” reductions that have been extracted

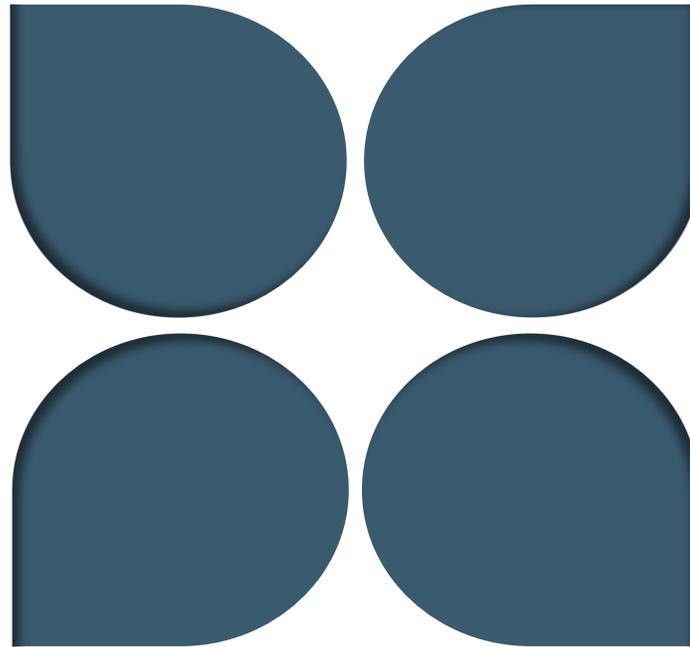
Resources to consider excluding in Column 4b—1400, 2600, 6019, 6546, 6762, and 7435

Column 4b overrides 4a, so ensure any numbers entered in 4b are inclusive of 4a and don’t include items already backed out in Column 2

PART I - CURRENT EXPENSE FORMULA	Reductions (Overrides)* (See Note 2) (4b)
1000 - Certificated Salaries	
2000 - Classified Salaries	
3000 - Employee Benefits	
4000 - Books, Supplies Equip Replace. (6500)	
5000 - Services. . . & 7300 - Indirect Costs	

## 7 Form CEA Operational Advice

- In addition to reviewing the list of resource codes on the previous slide for inclusion in Column 4b, we believe the items below should also be considered when closing the books



**Verify home-to-school transportation (HTST) expenses are coded to function code 3600—they become excludable on the Form CEA and are reimbursable with the new HTST reimbursement!**

**Spend unrestricted Lottery dollars and don't let them accumulate, because these are backed out from the denominator**

# CEA Exemption

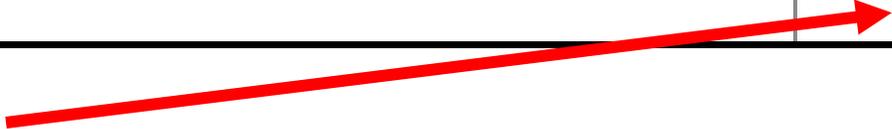
- School districts are exempt from EC § 41372 if no individual class<sup>1</sup> exceeds the following limits:

Elementary School District  
28 pupils

High School District  
25 pupils

Unified School District  
K-8: 28 pupils  
9-12: 25 pupils

15. Percent of Current Cost of Education Expended for Classroom Compensation (EDP 397 divided by EDP 369) Line 15 must equal or exceed 60% for elementary, 55% for unified and 50% for high school districts to avoid penalty under provisions of EC 41372. ....	0.00%
16. District is exempt from EC 41372 because it meets the provisions of EC 41374. (If exempt, enter 'X') .....	

- If exempt, you must manually input an X here 

<sup>1</sup>Individual class excludes courses in visual and performing arts, industrial arts, and physical education

# What Happens When You Fail the CEA?

File an exemption with your county office of education (COE)

Demonstrate either serious financial hardship or that teacher salaries and benefits are in excess of those paid by other comparable school districts

Funds withheld by your COE

Until the approval of the application

Exemption APPROVED by your COE

Funds are released

Exemption DENIED by your COE

Spend the amount of the withheld funds on teacher salaries in the following year

## Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries

Pursuant to Education Code Section 41372

To: County Superintendent of Schools

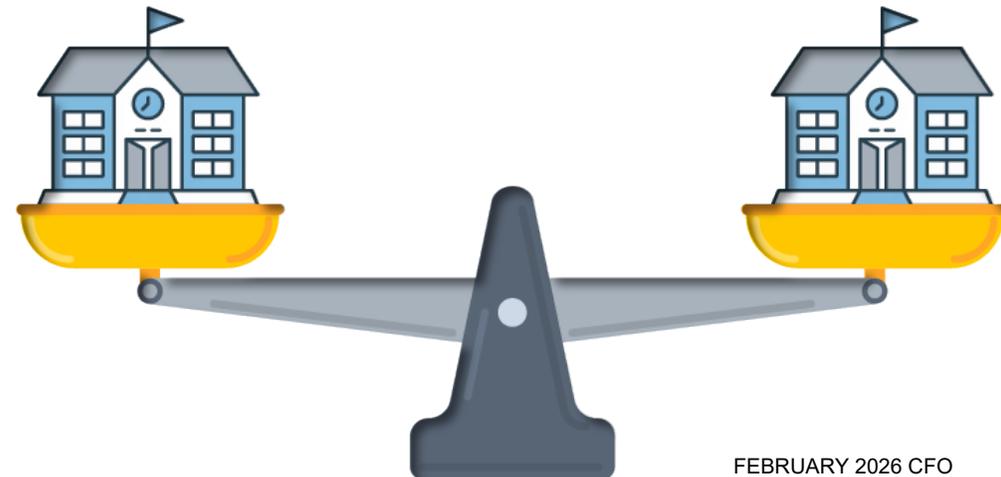
For \_\_\_\_\_ fiscal year, the \_\_\_\_\_ School District did not spend the minimum percentage of its budget on classroom teacher salaries as required by *Education Code (EC)* Section 41372. We are requesting an exemption from this requirement as provided by law.

Reason for request (Check one):

- Serious hardship to the school district (Please attach a written explanation, the district's latest interim report, and a multiyear projection for the current and two subsequent fiscal years that reflects the financial impact of meeting the requirement of *EC* 41372.)
- Payment of classroom teacher salaries that are in excess of those paid by other comparable school districts (Please attach a classroom teacher salary & benefits comparison for at least three other comparable school districts. The comparison should include annual classroom teacher salaries paid at the beginning, average, and maximum salary levels plus the average annual employer contributions for health & welfare benefits.)
- Deficiency is less than \$1,000.00 (exemption is automatically approved)

<https://www.cde.ca.gov/fg/fi/ft/documents/teachersalaryapp.pdf>

- It is incumbent upon the district to provide evidence to support why the application is being filed
  - Serious hardship is not defined in the Education Code, but may include an interim certification of qualified or negative status and/or risk of cash insolvency
  - Comparability with three school districts is part art and part science but here are some considerations
    - Elementary districts should not be comparing with high school districts because the funding is significantly higher and teacher credentials are not interchangeable
    - State-funded should not be comparing with community-funded
    - Comparative grouping does not have to be in close geographic proximity
      - Consider expanding your search to include districts with similar enrollment and demographics



# CEA Waiver—Comparability

## Salary and Benefits Report (SABRE) report

Client:  [Clear](#)  
*Start by typing a few letters of the district's name.*

ADA: Minimum:  Maximum:

Unduplicated Percentage: Minimum:  Maximum:

Region **Distance**

Distance (Miles):

District Type: **Basic Aid** **NSS**

Type: ALL, ELEMENTARY, HIGH, UNIFIED

*To select more than district type, press Ctrl while selecting a district type.*

LCFF Year: 2024-25 P-2  
 SABRE?: YES, Latest 23/24  
 CDS: 19642870000000  
 DISTRICT: BALDWIN PARK UNIFIED  
 TYPE: UNIFIED  
 COUNTY: LOS ANGELES  
 BA: NO  
 NSS: NO  
 LCFF ADA: 9,767.00  
 UPP: 90.81

[View Comps](#)

Number of Districts Found: 5 | [Print](#) | [CSV](#) | [compare](#)

	CDS	COUNTY	LEA	TYPE	BA	ADA	UPP	NSS	DIST
1	07617880000000	Contra Costa	PITTSBURG UNIFIED	UNIF	N	9,899.43	82.57	N	347.25
2	19642870000000	Los Angeles	BALDWIN PARK UNIFIED	UNIF	N	9,767.00	90.81	N	0.14
3	19643030000000	Los Angeles	BELLFLOWER UNIFIED	UNIF	N	9,439.51	80.37	N	15.44
4	24657550000000	Merced	LOS BANOS UNIFIED	UNIF	N	10,414.73	81.68	N	257.06
5	33672490000000	Riverside	SAN JACINTO UNIFIED	UNIF	N	9,532.27	89.57	N	59.20

# Questions?





Thank you!

[mattp@sscal.com](mailto:mattp@sscal.com)

# Current Expense Formula and Reporting – SACS Form CEA

Procedure 29

Revised 2/2018

## I. OVERVIEW

- A. Education Code Section 41372 requires that elementary, unified and high school districts expend at least 60%, 55%, and 50% of their current cost of education, respectively, for classroom teacher and aide salaries, plus associated benefits. Each school district is required to complete the Standardized Account Code Structure (SACS) Form CEA, “Current Expense Formula/Minimum Classroom Compensation – Actuals,” and submit it with their unaudited actuals report to allow their county office of education to determine whether the district complies with Education Code Section 41372.

SACS also includes an optional Form CEB, “Current Expense Formula/Minimum Classroom Compensation – Budget,” supplemental report with budget adoption software. Both Form CEA and Form CEB are populated by the SACS software and allow the user to adjust (or override) the reduction amounts if necessary. Although it is optional, districts should be encouraged to complete the Form CEB report to help avoid problems meeting the required percentage levels at year end.

- B. Form CEA (or CEB) calculates the total classroom compensation percentage (objects 1000-3999 and functions 1000-1999) of the total actual expenditures in the general fund 01. The SACS software excludes certain resources, objects, goals and functions, from both classroom compensation and total expenditures. These exclusions eliminate expenditures of any program that does not allow classroom compensation costs or any restricted resource for which the specified funding use precludes compliance with Education Code Section 41372 requirements. A current list of SACS software expense reductions can be found in the *SACS Software User Guide* within the SACS software.
- C. Districts with less than 101 units of ADA in the previous year are excluded from the CEA requirement. In addition, Education Code Section 41374 states that Education Code Section 41372 shall not apply to districts that maintain all “individual class sessions” with equal to or less than the following number of pupils in attendance:
1. An elementary school district – 28 pupils
  2. A high school district – 25 pupils
  3. A unified school district:
    - a. Grades K-8 – 28 pupils
    - b. Grades 9-12 – 25 pupils
    - c. Grades 7-9 of a junior high school shall be deemed to be high school grades for the purposes of this section.

“Individual class session” shall not include classes in grades K-8 in the following subjects: visual and performing arts, industrial arts, and physical education. In grades 9-12, classes in commercial arts, visual and performing arts, industrial arts, vocational arts, and physical education shall not be included. In addition, grades 9-12 shall not include any two or more classes that come together for joint lectures or demonstrations.

# Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

## II. COUNTY OFFICE RESPONSIBILITIES

- A. County offices of education (COEs) must review the Form CEA supplemental report to ensure that school districts comply with Education Code Section 41372. Form CEA is a required component of a district's unaudited actuals report. The SACS software also includes an optional Form CEB supplemental report. COEs may request that the district also complete CEB forms at budget adoption.
- B. If, upon review of the district's Form CEA report, it is determined that the district does not meet the required level of expenditure in classroom compensation, the board may apply in writing to the county superintendent of schools for a waiver no later than September 15 of the second fiscal year after the fiscal year for which the district received the audit finding. The waiver can be granted for the following reasons:
  - 1. The application of Education Code Section 41372 would result in a serious hardship to the district.
  - 2. The application of Education Code Section 41372 would result in the district paying its classroom teachers salaries that exceed those of other districts of comparable type and functioning under comparable conditions.
- C. The county superintendent of schools, upon receipt of the district's application:
  - 1. Shall grant the waiver if the deficiency amount is less than \$1,000.
  - 2. May grant an exemption based on the merits of the application if the deficiency is more than \$1,000.
- D. If the waiver is granted or the district makes the expenditure in the current fiscal year (the fiscal year after the fiscal year for which the district received the audit finding), the district's deficiency is considered remedied and no further action is required.
- E. If a waiver application is not received, is approved for less than 100% of the deficiency, or is denied, the county office of education is required to designate an amount from apportionments made to the school district after April 15 in the current fiscal year equal to the apparent deficiency in district expenditures. The amount shall be deposited in the county treasury to the credit of the school district, but shall remain unavailable for expenditure by the district. The county superintendent shall order the designated amount (or amount not exempted) to be added to the amounts to be expended for classroom teachers' salaries during the next fiscal year.
- F. Sample Timeline (dates are given as examples only to clarify the timeline progression):

# Current Expense Formula and Reporting – SACS Form CEA

Procedure 29

Revised 2/2018

Fiscal Year 1	2015-16	9/15/2016	FY1 Unaudited Actuals Form CEA shows district has a deficiency and is not exempt.
Fiscal Year 2	2016-17	12/15/2016	FY1 Audit Report is completed and contains a finding that the district has a CEA deficiency. Districts that qualify may apply for a waiver beginning with the issuance of the audit report as part of their corrective action plan.
		4/15/2017	If a waiver has not been received, or a waiver has been approved for less than 100% of the deficiency, or a waiver has been denied, the county superintendent sets aside the FY1 deficiency amount out of apportionments received after April 15.
Fiscal Year 3	2017-18	9/15/2017	This is the latest date an LEA can apply for an exemption.
			The county superintendent reviews exemption applications and either grants the exemption or orders the district to make the expenditure.
Fiscal Year 4	2018-19	7/1/2018	If ordered to do so by the county superintendent, the district must add non-exempted amounts to teacher salaries.

- G. The county superintendent of schools shall enforce the requirements prescribed by Education Code Section 41372 and may adopt necessary rules and regulations to that end.

### III. COMPLETION OF FORM CEA AND POTENTIAL ISSUES

- A. Form CEA (or CEB) is completed automatically from data imported into SACS software.
- B. The only modification allowed to the amounts imported and calculated by SACS software is an optional adjustment in the “Reductions (Overrides)” column. This may be needed if expenditures that should be excluded are not already excluded by SACS software. For example, expenditures in the following resources, Other Federal – 5810, Other State – 7810, or Other Local – 9010, are not already excluded by an ineligible object, goal or function. An evaluation of the expenditures that roll up to these resources may be needed to determine if additional reductions are warranted based on the funding source or program they support (Ref. D7 below).

Districts should provide documentation or explain reduction override amounts, and these amounts should be verified by the county office of education.

- C. The district can enter an “X” on line 16 to indicate that it is exempt based on Education Code Section 41374. The district should provide documentation regarding class size to support the determination.
- D. If the district does not meet the required percentage, thus generating a deficiency in Part III, the district and/or county office of education should look for potential coding errors and other issues

# Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

that would affect the CEA formula. The goal is to accurately show classroom compensation included in the formula (Part II – Minimum Classroom Compensation) and appropriately reduce or eliminate other costs from the total expenditures section (Part I – Current Expense Formula). Below are some examples of things to look for.

1. Classroom teachers and other classroom staff should be coded to function 1###, e.g., classroom aides, tutors, or other staff providing direct educational services.
2. Whenever possible, classroom teachers and direct instructional support staff costs should not be coded to any resource excluded from the CEA calculation. Direct instructional support staff costs in Lottery RS 1100 are included in Part II.
3. Expenditures coded to Lottery — RS 1100 and 6300 — are excluded in Part I. Review the possibility of reclassifying additional expenditures to these resources as appropriate. An increase in lottery expenditures will lower the total expenses in Part I.
4. Review expenditures coded to functions 2100, 2130, 2140 to make sure that staff salaries or staff development costs, including substitutes, are not recorded here; these expenditures should be recorded as function 1000.

The California School Accounting Manual (CSAM) states the following under function 2140:

A fee paid for an employee to attend a conference, or a salary stipend for attending a staff development conference, should follow the function of the employee. For example, the cost of a classroom teacher improving his or her ability to teach is an instructional cost, an “activity dealing directly with the interaction between teachers and students,” and should be charged to Function 1000.

5. Look for costs that should be coded to the goals and functions deducted in Part I (e.g., non-agency, community services, food services) but that currently are not. For example, for expenditures for shared staff and services among agencies, the contracted portion could be coded as non-agency. Also, if the district operates a childcare program, that could be a community services goal. Coding to excluded goals or function codes reduces the total expenses in Part 1.
6. Review cost sharing between the district’s general fund and other funds or dependent charters. Are they using object 5750 to transfer program support costs or recording a fund transfer as payment for support costs? Using object 5750 will decrease costs in the general fund, thereby reducing total expenditures in Part 1.
7. Review expenditures coded to restricted “other” resources that are not included in the SACS software’s exemption list. Should they be in the formula? Are they restricted for a purpose that excludes their use for salaries and benefits of classroom staff (e.g., equipment, facilities, supplies only, staff development)? If so, manually removing them in column 4b would reduce overall expenses in Part 1.

# Current Expense Formula and Reporting — SACS Form CEA

Procedure 29

Revised 2/2018

8. Review expenditures in functions 8000-8999 for plant services in the general fund that may qualify as expenditures for deferred maintenance or capital projects funds. Moving these costs to other funds will decrease costs in the general fund, thereby reducing total expenditures in Part 1.

## IV. RESOURCES

Following are links to two spreadsheets designed to help identify and document reductions/overrides in addition to those that are automatically extracted in the calculation of CEA, and a link to an application for exemption from the CEA deficiency penalty:

1. [Multiyear CEA template long form with data retrieval instructions](#)
2. [Single-year CEA template short-form](#)
3. [Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries](#)



## Application for Exemption from the Required Expenditures for Classroom Teachers' Salaries

*Pursuant to Education Code Section 41372*

To: County Superintendent of Schools

For \_\_\_\_\_ fiscal year, the \_\_\_\_\_ School District did not spend the minimum percentage of its budget on classroom teacher salaries as required by *EC* Section 41372. We are requesting an exemption from this requirement as provided by law.

Reason for request (Check one):

- \_\_\_\_\_ Serious hardship to the school district  
(Please attach a written explanation, the district's latest interim report, and a multiyear projection for the current and two subsequent fiscal years that reflects the financial impact of meeting the requirement of *EC* 41372.)
- \_\_\_\_\_ Payment of classroom teacher salaries that are in excess of those paid by other comparable school districts  
(Please attach a classroom teacher salary & benefits comparison for at least three other comparable school districts. The comparison should include annual classroom teacher salaries paid at the beginning, average, and maximum salary levels plus the average annual employer contributions for health & welfare benefits.)
- \_\_\_\_\_ Deficiency is less than \$1,000.00 (exemption is automatically approved)

### **A. Deficiency Amount**

(Source: Form CEA)

1. Enter the minimum percentage for your district type. \_\_\_\_\_ %  
(60% Elementary/ 50% High School/ 55% Unified)
2. Enter the percentage spent by your district. \_\_\_\_\_ %
3. Percentage below the minimum. \_\_\_\_\_ %  
(Line 1 minus line 2)
4. Enter the district's current expense of education (Form CEA) \$ \_\_\_\_\_
5. Deficiency Amount. \$ \_\_\_\_\_  
(Line 3 times line 4)

### **B. Certification of the School District Governing Board**

It is hereby certified that the information contained in this application is true and correct.

\_\_\_\_\_  
Signature of Authorized Official

\_\_\_\_\_  
Board President  
Title

\_\_\_\_\_  
Print Name of Authorized Official

\_\_\_\_\_  
Date

**C. Decision of the County Superintendent of Schools**  
(Completed by the County Superintendent of Schools or Designee)

Based on my review of the information contained with this application, I have taken the following action with respect to the school district named on this application (Check one):

\_\_\_\_\_ I am granting the request for exemption from the requirements of *Education Code* Section 41372.

\_\_\_\_\_ I am granting a partial exemption from the requirements of *Education Code* Section 41372. The amount not exempted is \$ \_\_\_\_\_ (A written explanation of the reason(s) for approving a partial exemption is attached.)

\_\_\_\_\_ I am denying the request for exemption from the requirements of *Education Code* Section 41372. (A written explanation of the reason(s) for denying the exemption is attached.)

It is hereby certified that the information contained in this application has been reviewed and is true and correct.

\_\_\_\_\_  
Signature of County Superintendent

\_\_\_\_\_/\_\_\_\_\_  
County Office/Date

\_\_\_\_\_  
Signature of Authorized Designee

\_\_\_\_\_/\_\_\_\_\_  
Title of Authorized Designee/Date



**CALIFORNIA COUNTY  
SUPERINTENDENTS**

# **The Common Message**

**2025-26 Second Interim Report**

**BASC**

Business and Administration  
Services Committee

# Writers and Contributors

Topic	Contributors	
Background	Committee	
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Federal Funding Uncertainties	Misty Key, Ventura	Dean West, Orange
Deficit Spending/Fiscal Stabilization	Dean West, Orange	Maribel Paez, Imperial Shannon Hansen, San Benito
Reserve Cap	Peter Foggiato, San Joaquin	Misty Key, Ventura
LREBG /Local Control and Accountability Plan (LCAP)	Steve Torres, Santa Barbara	Peter Foggiato, San Joaquin
Summary	Peter Foggiato, San Joaquin	Scott Price, Riverside

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# Sources

<b>Association of California School Administrators</b>
<b>Ball/Frost Group, LLC</b>
<b>California Association of School Business Officials</b>
<b>California Collaborative for Educational Excellence</b>
<b>California Department of Education</b>
<b>California Department of Finance</b>
<b>California Public Employees' Retirement System</b>
<b>California State Teachers' Retirement System</b>
<b>California State Board of Education</b>
<b>California School Boards Association</b>
<b>California School Information Services</b>
<b>Capitol Advisors</b>
<b>Fiscal Crisis and Management Assistance Team</b>
<b>K-12 High Speed Network</b>
<b>National Forest Counties and Schools Coalition</b>
<b>School Services of California</b>
<b>Small School Districts' Association</b>
<b>Statewide Local Educational Consortium Co-Chairs</b>
<b>WestEd</b>

# Background

Since May 2008, county office of education (COE) chief business officials (CBOs) have collaborated to develop common messages to guide districts in crafting assumptions for their budget and interim reports. The Business and Administration Services Committee (BASC) supports this endeavor by providing COE CBOs with a uniform common message based on assumptions used by the California Department of Finance (DOF).

BASC would like to thank the DOF, State Board of Education (SBE), California Department of Education (CDE), Fiscal Crisis and Management Assistance Team (FCMAT), and our colleagues listed in the [“Sources”](#) section of this message for providing BASC and our local educational agencies (LEAs) with the most up-to-date information at the time of writing.

The BASC Common Message is intended to provide guidance and recommendations to COEs, which then tailor this guidance to the unique circumstances of the LEAs in their respective counties. Even within a single county, the guidance may vary considerably based on each district’s educational, fiscal and operational characteristics. Consequently, districts and other entities seeking to understand the guidance applicable to a specific LEA should refer to the information released by the COE in the county where that LEA is located.

## Key Guidance Based on the Governor’s Budget Proposal

On January 09, 2026, Governor Gavin Newsom released the proposed state budget for 2026-27. The Governor’s Budget includes a \$21.7 billion increase in the Proposition 98 guarantee over the three-year period (2024-25 through 2026-27) compared to the 2025 Budget Act. However, the budget proposes to provide only \$115.9 billion for education programs in 2025-26 instead of the Proposition 98 level of \$121.4 billion for that year. The budget refers to the approximately \$5.6 billion difference as “settle-up.” The rationale for creating this settle-up is to mitigate the risk of potentially appropriating more resources to the guarantee than are ultimately available in the final calculation for 2025-26 (if estimated revenues do not materialize).

The major TK-12 funding provisions in the 2026-27 Governor’s Budget are as follows:

- The Proposition 98 minimum guarantee is calculated to be \$123.8 billion in 2024–25, \$121.4 billion in 2025–26, and \$125.5 billion in 2026–27.
- Repays \$1.9 billion in settle-up created with the enactment of the 2025-26 state budget (for the 2024-25 year) in addition to creating \$5.6 billion in new settle-up for 2025–26.
- Fully repays the \$1.9 billion deferral of the second principal apportionment (P2) payment in 2026-27. LEAs should still plan for the \$1.9 billion deferral in June 2026.
- Estimates the Proposition 98 Rainy Day fund balance, after proposed deposits and

withdrawals, to be \$4.5 billion at the end of 2025-26, triggering the reserve cap in 2026-27 (see Reserve Cap section below). The estimated balance at the end of 2026-27 is estimated to be \$4.1 billion.

- Includes a cost-of living adjustment (COLA) of 2.41 percent for the Local Control Funding Formula (LCFF) and other specified statutory programs.
- Provides \$30.7 million in ongoing funds to increase the LCFF amount for Necessary Small Schools by 20% in addition to COLA. See Appendix A for the proposed rates.
- Increases special education base rates by \$509 million, resulting in a new statewide base rate of \$999 per ADA that is now equal for all Special Education Local Plan Areas.
- Provides \$2.8 billion in one-time funds for the Student Support and Professional Development Discretionary Block Grant. LEAs may use the funds for discretionary purposes including, but not limited to, priorities identified by the state, such as professional development for teachers on the Mathematics Framework, expanding career pathways and dual enrollment efforts, or addressing rising costs. As a reminder, LEAs should be cautious about using these one-time funds to pay for ongoing costs. Funds will be allocated based on an equal amount per ADA as reported for the 2025-26 second principal apportionment.
- Appropriates \$757.3 million to the Learning Recovery Emergency Block Grant as part of the state's final payment to the program.
- Proposes \$1 billion in ongoing funding to expand on prior investments in community schools and to expand the model to more school sites with large concentrations of low-income, English learner and foster youth.
- Increases ongoing funding for the Expanded Learning Opportunities Program (ELOP) by \$62.4 million. Provides that Tier 2 rates cannot be less than \$1,800 per pupil. The proposal increases ongoing ELOP funding to \$4.7 billion. The proposal does not include COLA for ELOP, as has been the case since the inception of the program.
- Continues to allocate \$1.5 billion in Proposition 2 bond funds for school construction projects in 2026–27.
- Appropriates \$100 million (one-time) to the Kitchen Infrastructure and Training program. Grants will be awarded on a competitive basis to support kitchen equipment, infrastructure, training, and continued implementation of universal school meals.
- Provides \$40 million (one-time) funds for allocation to LEAs that administer literacy screening to pupils in kindergarten and grades 1 and 2 for risk of reading difficulties. Proposes statutory changes to ensure consistency and quality of results.

- Builds on the Master Plan for Career Education by proposing \$100 million (one time) to expand dual enrollment and dual credit opportunities for high school students. These efforts are also highlighted as discretionary priorities in the Student Support and Professional Development Block Grant.
- Proposes \$250 million (one-time) to continue educator residency programs through 2029–30.

In addition to these funding proposals, the budget package includes the following significant policy proposals:

- Amends the Education Code to “move oversight authority of the management of the California Department of Education and support of LEAs” from the State Superintendent of Public Instruction (SSPI) to the State Board of Education (SBE), and to provide the SSPI the “ability to strengthen coordination and alignment among the bodies setting policy from early childhood through postsecondary education.”
- Introduces several new audit requirements to be incorporated into the annual audit guide, which will affect all LEAs.
- Proposes new requirements for charter schools to address fraud and improve accountability and oversight.

Given the risks associated with the state budget, LEAs should exercise caution before budgeting for any of the increases included in the Governor’s Budget other than statutory COLA. These increases, especially the \$2.8 billion for Student Support and Professional Development discretionary Block Grant, may change before the final state budget is enacted.

The Legislature will hold hearings on the Governor’s Budget throughout the spring. By May 14, the Governor will release the May Revision, which updates state revenue assumptions and modifies proposals. The Legislature must pass a balanced budget by June 15. The enacted budget is signed into law by June 30 and may be followed by clean-up trailer bill in the subsequent months.

# Planning Factors for 2025-26 and Multiyear Projections

Following are key planning factors for LEAs to include in their 2025-26 adopted budgets and multiyear projections (MYPs) based on the latest information available at the time of writing

Planning Factor	2025-26	2026-27	2027-28
Cost-of-Living Adjustment (COLA)			
Local Control Funding Formula (LCFF) COLA	2.30%	2.41%	3.06%
Special Education COLA	2.30%	New Base Rate	3.06%
Employer Benefit Rates			
CalSTRS	19.10%	19.10%	19.10%
CalPERS-Schools	26.81%	26.40%	26.90%
State Unemployment Insurance	0.05%	0.05%	0.05%
Lottery			
Unrestricted per ADA	\$190.00	\$190.00	\$190.00
Proposition 20 per ADA	\$82.00	\$82.00	\$82.00
Minimum Wage	\$16.90 <sup>1</sup>	\$17.40 <sup>2</sup>	\$17.90 <sup>3</sup>
Universal TK/ADA LCFF add-on	\$5,545.00	\$5,679.00	\$5,853.00
Mandate Block Grant			
School Districts			
Grades K-8 per ADA	\$39.09	\$40.03	\$41.25
Grades 9-12 per ADA	\$76.48	\$78.32	\$80.72
Charter Schools			
Grades K-8 per ADA	\$20.52	\$21.01	\$21.66
Grades 9-12 per ADA	\$58.21	\$59.61	\$61.43

<sup>1</sup>Effective January 1, 2026, <sup>2</sup>Effective January 1, 2027, <sup>3</sup>Effective January 1, 2028.

## **Federal Funding**

On February 3, 2026, the President signed into law the 2026 federal fiscal year funding bill for the U.S. Department of Education (ED) and federal education programs.

Most federal education programs were funded at last year's level, including Title I, Part A; Title I, Part C Migrant Education Program; Title II; Title III, Title IV A and B, TRIO, and GEAR-UP; IDEA; and McKinney-Vento. These appropriations are related to grants available for the 2026-27 school year.

The legislation also included a provision that prohibits the withholding of program funds from states, as happened last summer with Title I, Part C and five other programs.

## **Deficit Spending and Fiscal Stabilization**

Many school districts are experiencing significant fiscal pressure due to declining enrollment, expiration of federal one-time funds, and constrained state revenue growth. As a result, many districts are projecting deficit spending during the multiyear projection period, increasing the importance of prudent fiscal planning and long-term sustainability.

Districts must clearly distinguish between one-time budget shortfalls and ongoing structural deficits, because any structural imbalance presents a significantly greater risk to fiscal solvency. Deficit spending that is driven by the loss of one-time federal funding or declining enrollment, without corresponding expenditure adjustments, is not sustainable over time and will continue to erode reserves.

When deficit spending is projected, especially when accompanied by significant expenditure reductions in future years, districts must support those projections with specific, actionable and realistic plans. If expenditure reductions are not yet fully defined, the governing board should adopt a fiscal solvency statement affirming its commitment to take corrective action to restore structural balance. Multiyear projections that rely on unspecified, delayed, or unrealistic future reductions may be deemed unreasonable for second interim reporting and fiscal certification purposes.

Given heightened cash flow risk in the current fiscal environment, districts should closely monitor cash flow through regular (at least monthly) cash flow analyses to identify emerging risks and avoid potential cash shortfalls. As fund balances decline, districts must exercise caution when making long-term financial commitments, including negotiated salary increases and benefit enhancements.

While cost-of-living adjustments may provide modest revenue growth, these increases may be offset by declining enrollment, salary schedule growth, increasing pension contribution rates, and rising health and welfare costs. Each district's ability to sustain compensation increases must be evaluated within the context of its individual fiscal condition. Given the continued economic uncertainty at both the state and federal levels, districts are strongly encouraged to

model alternative scenarios using more conservative revenue and enrollment assumptions in the outyears.

Because deficit spending directly erodes reserves, maintaining adequate fund balance levels is essential to withstand future fiscal volatility. While statutory reserve requirements establish minimum thresholds, districts should regularly assess whether their overall reserves are sufficient to support ongoing operations and absorb unforeseen fiscal disruptions. Even in years when statutory reserve caps do not apply, prudent reserve management remains an essential component of sound fiscal practice.

A fiscal stabilization plan serves as a roadmap for restoring and maintaining fiscal health when reserves are projected to approach or fall below required minimum levels, or when a district has an ongoing structural deficit. Under AB 1200 and related statutes, county offices of education must ensure that districts with qualified or negative certifications develop and implement such a plan. However, adoption of a stabilization plan is also considered a best practice for any district that has a positive certification but faces a structural imbalance.

At a minimum, a fiscal stabilization plan should clearly demonstrate how the district will:

- Eliminate ongoing structural deficits.
- Rebuild and maintain reserves at or above the state-required minimum.
- Remain solvent across the full multiyear projection period.

Effective stabilization plans include a clear assessment of the factors contributing to fiscal stress, realistic expenditure reduction strategies, consideration of available revenue options, and a thoughtful approach to the limited and temporary use of reserves or one-time funds. Assumptions about enrollment, revenues, compensation, and benefit costs must be clearly documented and reasonable. When staffing reductions or compensation adjustments are contemplated, early communication and collaboration with labor groups is often necessary.

The plan should also establish timelines, milestones, and monitoring mechanisms, with regular reporting to the governing board and COE. Transparency with education partners is essential to maintaining trust and credibility during periods of fiscal adjustment.

Although developing and implementing a fiscal stabilization plan often requires difficult decisions, early proactive, conservative planning helps districts avoid more disruptive actions in the future. Adopting a stabilization framework early — even when reserves remain above minimum levels — can strengthen long-term sustainability and demonstrate responsible fiscal stewardship.

## **Reserve Cap**

The Governor's January budget proposes to make deposits into the Public School System Stabilization Account (PSSSA), or Rainy Day Fund, that would provide for an account balance of \$4.5 billion at the end of 2025-26. Because this amount is 4.1% of the TK-12 share of the

Proposition 98 minimum guarantee based on current projections, the reserve cap is triggered in the 2026-27 fiscal year. Current law places a 10% cap on school district reserves in fiscal years immediately after those in which the balance in the PSSSA is equal to or greater than 3% of the total TK-12 share of the Proposition 98 guarantee.

When the reserve cap is triggered, the portions of fund balance that are subject to the cap are the assigned and unassigned reserves in the General Fund 01 and the Special Reserve for Other than Capital Outlay Fund 17. Any funds that are in the committed portion of the fund balance, meaning that the governing board took formal action to set aside the funds, are not included in the reserve cap calculation. Small districts (fewer than 2,501 units of ADA) and community-funded districts are excluded from the local reserve cap consideration.

Although the amount in the PSSSA at the end of 2024-25 is also projected to be large enough to trigger the reserve cap for 2025-26, there is no practical effect as the requirement applies to the adopted budget and the 45-day revision that have already passed.

## Learning Recovery Emergency Block Grant

The 2024-25 state budget mandated revisions to the LCAP template instructions to implement the settlement agreement from the Cayla J. lawsuit. These changes imposed new requirements for the use of LREBG funds starting in 2025-26. LREBG funds expended between 2025-26 and 2027-28 must be supported by a needs assessment per Education Code [32526\(d\)](#), with both planned and actual expenditures documented in the LEA's LCAP.

In addition, the Governor's 2026-27 budget proposal includes a \$757.3 million appropriation to the LREBG, to be allocated to LEAs under the same method as the original LREBG. If adopted, this means LEAs will have additional funds that are subject to the LCAP incorporation requirements.

For LEAs that are already planning on carrying over LREBG funds to 2026-27 or beyond, any additional funds allocated through the 2026-27 adopted state budget could be incorporated into the 2026-27 budget and LCAP through a midyear update and the Annual Update in 2026-27. Other options might include the following:

- Incorporating the new allocation into their 2026-27 LCAP and budget adoption, but clearly stating in writing in the LCAP and budget assumptions that these dollars and actions are dependent on the new LREBG funds being included in the adopted state budget.
- Documenting the needs assessment in the LCAP summary sections but waiting to put the funds into the LCAP and budget. Then the dollars and actions could be added as part of the midyear update and Annual Update if the funds are approved in the state budget.
- Waiting until 2027-28 to incorporate any new funds into the budget and LCAP.

## **LCAP and the LCFF Equity Multiplier**

As a reminder, because of the year-to-year volatility surrounding the receipt of Equity Multiplier funds for any particular school, LEAs may consider incorporating certified prior year funding allocations into their 2026-27 budget and LCAP (i.e., plan to use certified 2025-26 allocations in the 2026-27 budget and LCAP). The CDE will certify 2025-26 allocations at P1.

As a reminder, LEAs must present a midyear LCAP update annually by February 28.

### **Summary**

This edition of the Common Message provides LEAs with data and guidance for the second interim and related information for board presentations. The state budget continues to face increased risk due to changes in federal policy and funding, which may affect both revenues and expenditures. LEAs must navigate short-and long-term challenges, including volatility in the state revenue forecast, declining enrollment and attendance, rising pension costs, inflationary pressures, and the expiration of one-time funds. Because each LEA's funding and program structure is unique, it remains essential for LEAs to continually assess local conditions, collaborate closely with their respective COEs, and develop comprehensive plans to maintain fiscal solvency while preserving the integrity of their educational programs.

# APPENDIX A

## Necessary Small School Funding Rates (Proposed January 2026 Governor's Budget)

### Necessary Small Elementary Schools

Number of Teacher(s)	Average Daily Attendance	Funding Amount 2025–26	Funding Amount 2026-27 (with 2.41% COLA applied)
1	1 to 24	\$277,457	\$340,972
2	25 to 48	\$549,072	\$674,765
3	49 to 72	\$820,926	\$1,008,852
4	73 to 96	\$1,092,539	\$1,342,643

### Necessary Small High Schools

Number of Certificated Employee(s)	Average Daily Attendance	Funding Amount 2025–26	Funding Amount 2026-27 (with 2.41% COLA applied)
1	1 to 19	\$233,818	\$287,344
2	1 to 19	\$333,366	\$409,680
3	1 to 19	\$740,514	\$910,033
4	20 to 38	\$907,196	\$1,114,871
5	39 to 57	\$1,073,880	\$1,319,713
6	58 to 71	\$1,240,562	\$1,524,551
7	72 to 86	\$1,407,246	\$1,729,393
8	87 to 100	\$1,573,928	\$1,934,232
9	101 to 114	\$1,740,612	\$2,139,072
10	115 to 129	\$1,907,294	\$2,343,912
11	130 to 143	\$2,073,978	\$2,548,753
12	144 to 171	\$2,240,662	\$2,753,594
13	172 to 210	\$2,682,875	\$3,297,039
14	211 to 248	\$3,167,262	\$3,892,311
15	249 to 286	\$3,651,657	\$4,487,594





February 5, 2026

**VIA CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Browns Elementary District  
1248 Pacific Ave  
Rio Oso, CA 95674

**Re: California Public Records Act Request**

To Whom it May Concern:

Pursuant to California *Government Code* Section 7920.000 please provide the following documents pursuant to this public records request:

1. Any and all communications with any Joint Powers Authority (“JPA”) regarding financial charges to the Browns Elementary District by the JPA of any type or sort since January 1, 2005.
2. Any and all communications between the Browns Elementary District and any Joint Powers Authority between January 1, 2005 and the Present.
3. Any communications with students, parents or the community at large served by the District of alleged misconduct of any type or sort by a Browns Elementary District Employee, Contractor, Volunteer, Administrator, Managing Agent, Teacher, Teachers Aide, Classroom Aide, Parent, Custodian, Classified or Unclassified Employee from January 1, 2005 through the Present.
4. Any communications of any type or sort with any Union, Collective Bargaining Unit, or Organized Labor Organizations by the Browns Elementary District between January 1, 2005 through the Present.
5. Any records of any type or sort reflecting actual or potential criminal investigation action against any Browns Elementary District Employee, Contractor, Volunteer, Administrator, Managing Agent, Teacher, Teachers Aide, Classroom Aide, Parent, Custodian, Classified or Unclassified Employee from January 1, 2005 through the Present.

19100 Von Karman Avenue, Suite 800, Irvine, CA 92612  
(949) 252-9990 Office (949) 252-9991 Fax  
[www.manlystewart.com](http://www.manlystewart.com)

6. Any and all records of any type or sort which reflect claims for damages (informal, formal, lawsuits, administrative complaints) of any type or sort by any person or entity against the Browns Elementary District from January 1, 2005 through the Present.
7. Any and all communications with the State of California with the California Commission on teacher credentialing from January 1, 2005 through the Present.
8. Any and all Records reflecting communications with any Federal or State law enforcement agency by the Browns Elementary District regarding a Browns Elementary District Employee, Contractor, volunteer, Administrator, Managing Agent, Teacher, Teacher's Aide, Classroom Aide, Parent, Custodian, Classified or Unclassified employee from January 1, 2005 through the Present.
9. Any records of any type or sort which reflect the identity of the Browns Elementary District's Title IX coordinator from January 1, 2005 through the Present.
10. Any and all records which reflect the appointment of Title IX coordinators at Browns Elementary District elementary schools, middle schools, high schools, continuation schools, charter schools, or any other type of learning campus or location operated by the Browns Elementary District or under supervision of the Browns Elementary District from January 1, 2005 through the Present

Kindly provide the requested material forthwith pursuant to the requirement of the above referenced statute.

Please feel free to contact my office should you have any questions or concerns.

Very truly yours,



JOHN C. MANLY, ESQ.  
MANLY, STEWART & FINALDI

# Governor's Proposals for the 2026-27 State Budget and K-12 Education

January 20 and 22, 2026  
Sacramento and Orange County



*Public Education's Point of Reference for Making Educated Decisions*



# School Services of California Inc.

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## The Fiscal Report and Community College Update

The cornerstones of School Services of California Inc.'s (SSC) integrated services, the Fiscal Report and Community College Update provide timely updates on issues affecting the finances and management of TK-12 local educational agencies and community colleges. These essential resources keep clients informed of the status and potential ramifications of:

- The State Budget
- Legislation
- Regulations
- Elections
- Court decisions
- Other state or federal events affecting TK-12 and community college education

In addition, Fiscal Report and Community College Update clients receive access to budget building tools, historical and current cost-of-living adjustment information, and other resources accessible through the SSC website, as well as reduced rates for attending our many workshops and webinars. Subscribers can also receive support through the "Ask SSC" portal on the SSC website, by telephone, and by email, for one-on-one assistance with questions. For more information about SSC's Fiscal Report and Community College Update subscriptions, please contact Michelle McKay Underwood at [michelleu@sscal.com](mailto:michelleu@sscal.com).

## Management Consulting Services

SSC's professional staff members are available to lend their extensive range of expertise to school agencies confronted by particular challenges. Whether facing internal budget control issues, organizational demands, central office staffing concerns, or collective bargaining issues, SSC's consultants bring with them both experience and the ability to recognize the uniqueness of every situation.

Examples of the studies we have successfully conducted on behalf of our clients across the state include:

- Collective bargaining and factfinding support
- Financial studies and support
- Employee compensation studies
- Instructional time and attendance
- Charter school support
- School construction and facilities studies
- Organizational and efficiency studies
- Facilitation services
- Human resources (HR) studies and support
- Special education studies
- Special Education Local Plan Area allocation plan revisions
- Reorganization, unification, and territory transfer studies
- Budget reserve analyses

We can customize any study to your individual local agency needs. The cost and timeline for consulting services are unique for each engagement and are based on the scope of services provided. If you would like more information about any of our consulting services, please contact Danyel Conolley at [danyelc@sscal.com](mailto:danyelc@sscal.com).

## Governmental Relations

Exceptional knowledge of the legislative and State Budget process, combined with an in-depth understanding of the strengths and challenges of school agencies, makes SSC one of the strongest legislative teams at the Capitol—a team that acts quickly and effectively on behalf of clients, keeping them informed of all legislative actions helping solve a client's unique legislative problem or working with coalitions to influence major statewide education

policy, SSC's advocates are known for their integrity and are regarded throughout the Capitol community as credible and reliable sources of information in the decision-making process. This reputation, along with years of experience and a diverse network of contacts, enhances SSC's ability to help clients meet their legislative objectives. For more information about our governmental relations services, please contact Michelle McKay Underwood at [michelleu@sscal.com](mailto:michelleu@sscal.com).

## Executive Searches and Recruitment

SSC's active participation throughout the education industry gives the firm an ability to search and recruit the most effective top administrators for local school agencies, with a focus on:

- Chief Business Officials
- Chief HR Officers
- Cabinet-level and specialized searches

The SSC team manages the search process to match local agency recruitment requirements and provides consulting support throughout the selection process. This is a customized service responding to the needs of the governing board, the superintendent, and the school community. By focusing search and recruitment expertise on these positions alone—SSC is able to identify the best local school agency and candidate matches available. For more information on executive searches, please contact Sarah Niemann, EdD at [sarahn@sscal.com](mailto:sarahn@sscal.com).

## Workshops

SSC staff takes great pride in the ability of our team of experts to distill complex budget, legislative, and operational information into useful and sound advice for our workshop attendees. SSC's statewide workshops on the State Budget, including the Governor's Budget Workshop, the May Revision Workshop, and the School Finance Conference, are the cornerstones for building and revising local school agency budgets and managing operations. In addition, SSC offers webinars that provide in-depth information on the following topics:

- Attendance accounting and planning
- Instructional time
- Local educational agency audits
- Charter schools
- Construction basics and accounting
- Financial considerations of collective bargaining
- Federal compliance
- Local Control and Accountability Plan
- Local Control Funding Formula fundamentals
- Position control
- HR operations, supervision and evaluation, employee complaints, employee leaves, reductions in force, and more
- School finance fundamentals
- Standardized Account Code Structure (SACS) and budget development
- Special education, including maintenance of effort monitoring and local allocation policies
- Independent study
- Declining and dual enrollment
- And more!

For more information about our workshops, please contact Brianna García at [briannag@sscal.com](mailto:briannag@sscal.com).

**School Services of California Inc.**  
500 Capitol Mall, Suite 1700  
Sacramento, CA 95814  
[www.sscal.com](http://www.sscal.com)



# **Governor's Proposals for the 2026-27 State Budget and K-12 Education**

**January 2026**

**Prepared and Presented By:**

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**Michelle McKay Underwood, Vice President**

**Teddi Wentworth, Assistant Director, Management Consulting Services**

January 2026

Dear Workshop Guest:

Welcome to our presentation on the Governor's Budget proposal for the 2026-27 fiscal year. We know how important your professional development is, and we work very hard to be your "one-stop shop" for the information you need to manage the policy and financial affairs of your agency.

This year, as in every year, we attempt to increase the value of our workshops for you. To that end, we are pleased to remind you of some special features:

- For today's workshop, we want to ensure that you get maximum value from the research we have done and the materials we have developed. We have, therefore, included a host of resource materials for download from our website at [www.sscal.com](http://www.sscal.com). We hope that you will use those materials to educate your staff and community on some of the major issues and challenges facing California educators. As part of today's program, we provide all the workshop materials, a wealth of resources, and our "Overview of the Governor's Proposals for the 2026-27 State Budget and K-12 Education" published in the *Fiscal Report*. You are welcome to use the resources for enhancing your own local educational agency (LEA) presentations, provided that School Services of California Inc. (SSC) is given credit. Additionally, we have included a "board-ready" presentation that can easily be personalized to your own LEA and a State Budget overview infographic available for download. These materials are available for workshop participants at [www.sscal.com/my-ssc](http://www.sscal.com/my-ssc) under "My Workshops."
- Our staff is, as always, available to respond to your questions about the workshop presentation. Be sure to submit any questions you may have about the presentation today or after to [ask@sscal.com](mailto:ask@sscal.com). We will be answering questions through direct contact after the workshop, or in our *Fiscal Report*. Additionally, you can send an *Ask SSC* question from our homepage at [www.sscal.com](http://www.sscal.com).
- Information Updates: As we gather further information in the coming days about the Governor's Budget proposal, including trailer bill language, we will continue to provide updates and any necessary corrections through the *Fiscal Report*.

Again, welcome to our workshop and please call upon any of us if we can make your experience more rewarding.

Warmest regards,

  
John D. Gray  
President and CEO

## Themes for the 2026-27 Governor's Budget

The term “profligacy” denotes extravagant or wasteful spending.

Californians would be hard pressed to point to any investments Governor Gavin Newsom has made over his time at the helm that could be described as profligate. In fact, few, if any, governors have had to confront the magnitude and types of crises that he has faced since assuming the state’s top post in 2019—not the least among them, a global health pandemic, violent atmospheric rivers that caused unprecedented damage throughout communities in California, and most recently, at this time last year, wind-whipped fires that ravaged parts of Los Angeles County still struggling to recover.

No one envies the difficult choices Governor Newsom has had to make amid a tenure plagued by crises to maintain California’s vibrancy, strengthen its economy, and ensure stable and prosperous lives for its 39 million inhabitants. In both good and not-so-good ways, the California Governor will leave behind is vastly different from the one he inherited.

Under his California for All initiative, Governor Newsom has championed efforts that will accrue benefits well beyond his time in office. These include key climate investments, partnering with legislative leaders to remove barriers to providing affordable housing, and his landmark effort to establish the nation’s largest universal prekindergarten program, ensuring every child—regardless of means—receives a quality preschool experience.

While we laud these efforts for their impacts on Californians, it is difficult to ignore the reality that Governor Newsom’s tenure also has been fraught with deepening budget deficits that have inspired innovations in budgeting never before seen. Like the infamous *maneuver* committing future state revenues from yesterday’s costs. The Legislative Analyst’s Office estimates that over the last four years, the state has had to address chronic deficits totaling \$125 billion. These shortfalls have occurred amid rising revenues and strong, stable economic growth, which suggests that the state is overcommitting itself to investments it cannot afford. This is a long way from Governor Newsom’s first budget when he proposed finally eliminating the last brick in the state’s wall of debt. In fact, as the Governor prepares to leave office, he will do so leaving Californians with nearly 75 billion new bricks of debt.

Despite these challenges, Governor Newsom deserves to be recognized for the ways in which his leadership has transformed the lives of so many Californians. His approach to preparing the state for tomorrow’s economy by investing in our children and young adults, who will be its engine one day, is arguably unrivaled. He has mastered the art of *strategic dominance*. His commitment to programs like preschool for all, universal before and after school programs, and schools that provide critical wraparound support and services demonstrate this mastery, as they not only reap advantages to the students they serve, they also benefit their families, their local communities, and the larger economy. And this gives us something to celebrate in his final proposed education budget.

Unfortunately, the Governor’s approach to Proposition 98’s traditional settle-up mechanism sobers our enthusiasm. Like last year, he proposes temporarily withholding \$5.6 billion owed to public education as enshrined in the California Constitution. While we are not credentialed to weigh in on the legal merits of this novel use of settle-up, we fervently believe that it violates the *spirit* of Proposition 98 and the obligation to which voters believed they would be holding the state to ensure that education remains among its highest priorities. Our students, teachers, and staff deserve better.

—SSC Staff

## SSC School District and Charter School Financial Projection Dartboard 2026-27 Governor's Budget

This version of the School Services of California Inc. (SSC) Financial Projection Dartboard is based on the 2026-27 Governor's Budget proposal. SSC has updated the cost-of-living adjustment (COLA), Consumer Price Index (CPI), and ten-year T-bill planning factors per the latest economic forecasts. SSC has also updated the Local Control Funding Formula (LCFF) factors. SSC relies on various state agencies and outside sources in developing these factors, but we assume responsibility for them with the understanding that they are general guidelines.

LCFF PLANNING FACTORS					
Factor	2025-26 <sup>1</sup>	2026-27 <sup>2</sup>	2027-28	2028-29	2029-30
Department of Finance Statutory COLA	2.30%	2.41%	3.06%	3.34%	3.14%

LCFF GRADE SPAN FACTORS FOR 2026-27				
Entitlement Factors per ADA*	TK-3	4-6	7-8	9-12
2025-26 Base Grants	\$10,256	\$10,411	\$10,719	\$12,423
Statutory COLA of 2.41%	\$247	\$251	\$258	\$299
2026-27 Base Grants	\$10,503	\$10,662	\$10,977	\$12,722
Grade Span Adjustment Factors	10.4%	–	–	2.6%
Grade Span Adjustment Amounts	\$1,092	–	–	\$331
2026-27 Adjusted Base Grants <sup>3</sup>	\$11,595	\$10,662	\$10,977	\$13,053
Transitional Kindergarten (TK) Add-On <sup>4</sup>	\$5,679	–	–	–

\*Average daily attendance (ADA)

OTHER PLANNING FACTORS						
Factors		2025-26	2026-27	2027-28	2028-29	2029-30
California CPI		3.37%	3.08%	2.75%	2.68%	2.74%
California Lottery	Unrestricted per ADA	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00
	Restricted per ADA	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
Mandate Block Grant (District)	Grades K-8 per ADA	\$39.09	\$40.03	\$41.25	\$42.63	\$43.97
	Grades 9-12 per ADA	\$76.48	\$78.32	\$80.72	\$83.42	\$86.04
Mandate Block Grant (Charter)	Grades K-8 per ADA	\$20.52	\$21.01	\$21.65	\$22.37	\$23.07
	Grades 9-12 per ADA	\$58.21	\$59.61	\$61.43	\$63.48	\$65.47
Interest Rate for Ten-Year Treasuries		4.23%	4.36%	4.50%	4.40%	4.50%
CalSTRS Employer Rate <sup>5</sup>		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate <sup>4</sup>		26.81%	26.40%	26.90%	26.10%	25.30%
Unemployment Insurance Rate <sup>6</sup>		0.05%	0.05%	0.05%	0.05%	0.05%
Minimum Wage <sup>7</sup>		\$16.90	\$17.40	\$17.90	\$18.40	\$18.90

STATE MINIMUM RESERVE REQUIREMENTS FOR 2026-27	
Reserve Requirement	District ADA Range
The greater of 5% or \$90,000	0 to 300
The greater of 4% or \$90,000	301 to 1,000
3%	1,001 to 30,000
2%	30,001 to 250,000
1%	250,001 and higher

<sup>1</sup>Applies to Adults in Correctional Facilities Program in the 2026-27 fiscal year

<sup>2</sup>Applies to Equity Multiplier, Special Education, Child Nutrition, State Preschool, Foster Youth Services Coordinating Program, Mandate Block Grant, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.

<sup>3</sup>Additional funding is provided for students who are designated as eligible for free or reduced-price meals, foster youth, and English language learners. A 20% augmentation is provided for each eligible student with an additional 65% for each eligible student beyond the 55% identification rate threshold.

<sup>4</sup>Funding is based on TK ADA only and is in addition to the adjusted base grant amount. Further, the funding is adjusted by statutory COLA each year.

<sup>5</sup>California State Teachers' Retirement System (CalSTRS) and California Public Employees' Retirement System (CalPERS) rates are subject to change based on determination by the respective governing boards.

<sup>6</sup>Unemployment rate in 2025-26 is final, and the subsequent years' rates are subject to actual experience of the pool and will be calculated in accordance with California Unemployment Insurance Code Section 823(b)(2).

<sup>7</sup>Minimum wage rates are effective January 1 of the respective year.

# Acronyms

AB	Assembly Bill
ADA	Average Daily Attendance
ADR	Alternative Dispute Resolution
AI	Artificial Intelligence
AMS	Arts and Music in Schools
ARP	Attendance Recovery Program
BLS	U.S. Bureau of Labor Statistics
CalPERS	California Public Employees' Retirement System
CalSTRS	California State Teachers' Retirement System
CDE	California Department of Education
COE	County Office of Education
COLA	Cost-of-Living Adjustment
CPI	Consumer Price Index
CTA	California Teachers Association
CTC	Commission on Teacher Credentialing
DOF	Department of Finance
EC §	Education Code Section
ECE	Early Childhood Education
ELA	English Language Arts
ELO-P	Expanded Learning Opportunity Program
Fed	Federal Reserve
FRED	Federal Reserve Economic Data
FTE	Full-Time Equivalent
GDP	Gross Domestic Product
GSA	Grade Span Adjustment
Guide	Best Practices Guide for Potential School Closure
HR	Human Resources
HTST	Home-to-School Transportation
IDEA	Individuals with Disabilities Education Act
LAO	Legislative Analyst's Office
LCAP	Local Control and Accountability Plan
LCFF	Local Control Funding Formula

<b>LEA</b> .....	Local Educational Agency
<b>LREBG</b> .....	Learning Recovery Emergency Block Grant
<b>Master Plan</b> .....	2002 Master Plan for Education
<b>MGB</b> .....	Mandate Block Grant
<b>OCR</b> .....	Office of Civil Rights
<b>P-2</b> .....	Second Principal Apportionment
<b>PCE</b> .....	Personal Consumption Expenditures
<b>PIT</b> .....	Personal Income Tax
<b>PSSSA</b> .....	Public School System Stabilization Account
<b>S/C</b> .....	Supplemental and Concentration Grant
<b>SB</b> .....	Senate Bill
<b>SBE</b> .....	State Board of Education
<b>SEIU</b> .....	Service Employees International Union
<b>SELPA</b> .....	Special Education Local Plan Area
<b>SEMOE</b> .....	Special Education Maintenance of Effort
<b>SSC</b> .....	School Services of California Inc.
<b>SSPI</b> .....	State Superintendent of Public Instruction
<b>SWD</b> .....	Students with Disabilities
<b>TK</b> .....	Transitional Kindergarten
<b>UPC</b> .....	Unduplicated Pupil Counts
<b>UPP</b> .....	Unduplicated Pupil Percentage
<b>USDE</b> .....	U.S. Department of Education



## Governor's Proposals for the 2026-27 State Budget and K-12 Education

Presented By:

School Services of California Inc.

To download a copy of today's presentation book and other workshop resources, please visit <http://www.sscal.com/my-ssc>

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### Resource Download

**Downloadable Resources**  
To download the workshop materials and resources, go to: [www.sscal.com/my-ssc](http://www.sscal.com/my-ssc)

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- School Calendars and Bell Schedules Roundtable 02/26/26**  
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## Workshop Resources

**School Services California**  
An Employer-Owned Company

**POCKET BUDGET**  
A Summary Analysis of the 2026-27 Governor's State Budget Proposal for California's Schools

**STATE REVENUES**

- The overall General Fund revenue forecast for the budget window, 2024-25, 2025-26, and 2026-27, is \$42.2 billion higher than the 2025 Budget Act
- The primary drivers for the increase are improved personal income tax and corporate tax projections
- The budget forecast assumes ongoing moderate economic growth with no economic recession

**PROPOSITION 98**

The Governor's Budget revised estimates of the Proposition 98 minimum guarantee across the three-year budget window increases by approximately \$21.8 billion from the levels adopted in June 2025

Noteworthy is the significant difference between the Governor's estimate for the 2026-27 minimum guarantee and the Legislative Analyst's Office (LAO) estimates. In November, the LAO estimated that the 2026-27 guarantee would be approximately \$17.8 billion or \$2.7 billion lower than the Governor's.

Because of the unpredictability of state revenues, the Governor again under-appropriates the minimum guarantee with a deficit up of \$5.6 billion in 2025-26

**RAINY DAY FUND**

The Governor's revenue estimates require updates to the Proposition 98 reserve account in accordance with constitutional requirements

The \$3.8 billion balance in the fund at the end of 2024-25 and \$4.5 billion balance at the end of the current year makes the cap on local reserves for most local educational agencies (LEAs) operational for 2025-26 and 2026-27

Moving forward, it will be important for LEAs to be mindful of a reserve cap as they prepare and adopt their 2025-27 budgets if the final State Budget passed in June maintains the Governor's revenue assumptions or similar estimates

**2026-27 Governor's Budget Proposition 98 Estimates**

Year	Enacted Budget	Governor's Budget
2024-25	\$119.9	\$123.8
2025-26	\$104.5	\$121.4
2026-27	\$125.5	\$125.5

**2026-27 Proposition 98 Rainy Day Fund (in billions)**

	2024-25	2025-26	2026-27
Mandatory Deposit	\$3.80	\$0.42	\$0.24
Discretionary Deposit			\$0.41
Mandatory Withdraw			\$0.41
Account Balance	\$3.80	\$4.46	\$4.06

**LOCAL CONTROL FUNDING FORMULA**

Grade Span	2025-26 Base Grant per ADA	2.4% COLA	2026-27 Base Grant per ADA
K-3	\$10,256	\$247	\$10,503
4-6	\$10,411	\$251	\$10,662
7-8	\$10,719	\$258	\$10,977
9-12	\$12,423	\$299	\$12,722

**COST-OF-LIVING ADJUSTMENT (COLA)**

Year	2024-25	2025-26	2026-27	2027-28
COLA	1.07%	2.30%	2.4%	3.06%



### BOARD READY PRESENTATION

Fully customizable to meet your needs locally and to assist you in communicating the impact of the Governor's Budget on your LEA

- PDF and PowerPoint versions of today's presentation
- SSC Financial Projection Dashboard
- Proposed State Budget Summary 2026-27
- Budget Process Document

Additional Workshop Resources

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## Questions

- During the presentation, and after, submit your questions via email to [Ask@sscal.com](mailto:Ask@sscal.com)
- Additionally, you can send an Ask SSC question from our homepage at [www.sscal.com](http://www.sscal.com)
- Questions will be answered in *Fiscal Report* articles or direct outreach



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## Introduction

### Themes for the 2026-27 Governor's Budget



- The day before releasing his final proposed budget, Governor Gavin Newsom delivered his last State of the State address amidst his legislative colleagues, reminiscing on his accomplishments as California's chief executive officer
  - Environmental resilience
  - A robust global economic competitor and engine of innovation
  - Pre-K for All
  - Affordable housing
- His accomplishments have been accompanied by mounting state deficits as budget makers outspend state revenues—leading to innovative and concerning budget approaches, directly affecting public education

## The Governor's Budget and the Economy

- The U.S. and California economies continue to grow

The U.S. gross domestic product (GDP) is preliminarily over 4%, the equities market is at new all-time highs, inflation is slowing, and consumer confidence is up slightly

Economic uncertainty remains, as stock market gains are driven by a few technology companies, along with uncertainty in federal policy related to immigration and foreign trade

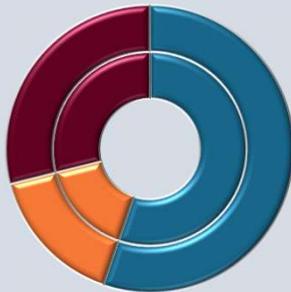
The Governor's Budget is balanced in the 2026-27 fiscal year, but projects a deficit of \$22 billion in 2027-28 with shortfalls in the following two years  
California tax collections are outperforming projections

Governor's Budget state revenue projections assume no economic recession, nor a stock market downturn in 2026-27 as occurred in 2022

## Proposition 98

### Governor Newsom's 2026-27 Education Priorities

■ Core Education ■ Enrichment ■ Reserves



The Governor revisits key education priorities in his **CALIFORNIA FOR ALL KIDS** campaign

71%

Over 70% of new spending is proposed for core education and key enrichment programs

29%

Nearly one-third of available funding used to replenish the Rainy Day Fund

### SOMETHING BORROWED, SOMETHING BLUE

Unfortunately, he also draws from last year's playbook with a proposed \$5.6 billion settle-up—26% of new education funding—to address the state deficit

## Education Budget and Local Considerations



### Statutory COLA<sup>1</sup>

Will estimates from June 2025 hold, and if not, how much have they changed?



### One-Time Grants

Will we see an encore for current programs, or new categorical programs introduced?



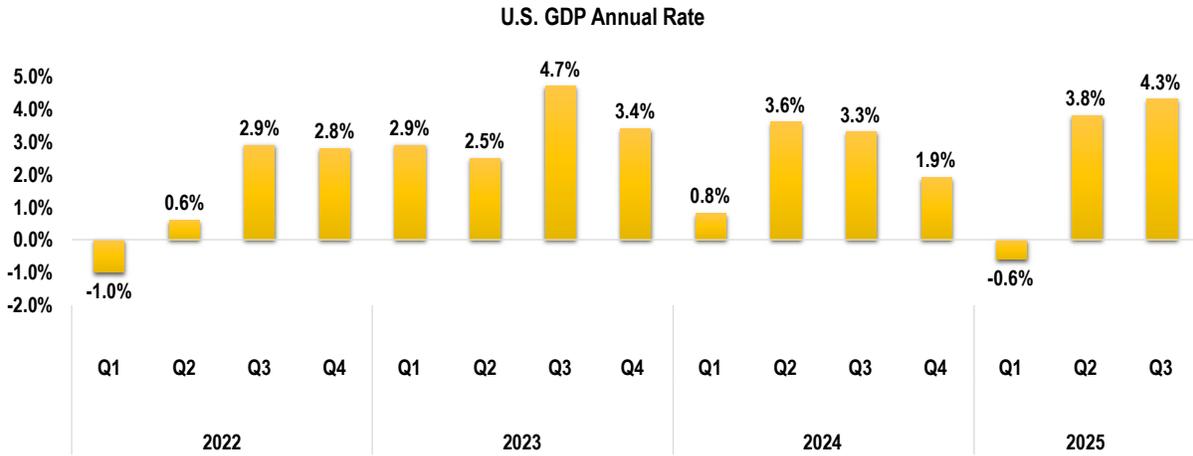
### Bargaining

Are the headlines true? What is really going on across the state?

<sup>1</sup>Cost-of-living adjustment

## Overview of the State Budget and the Economy

## U.S. Gross Domestic Product



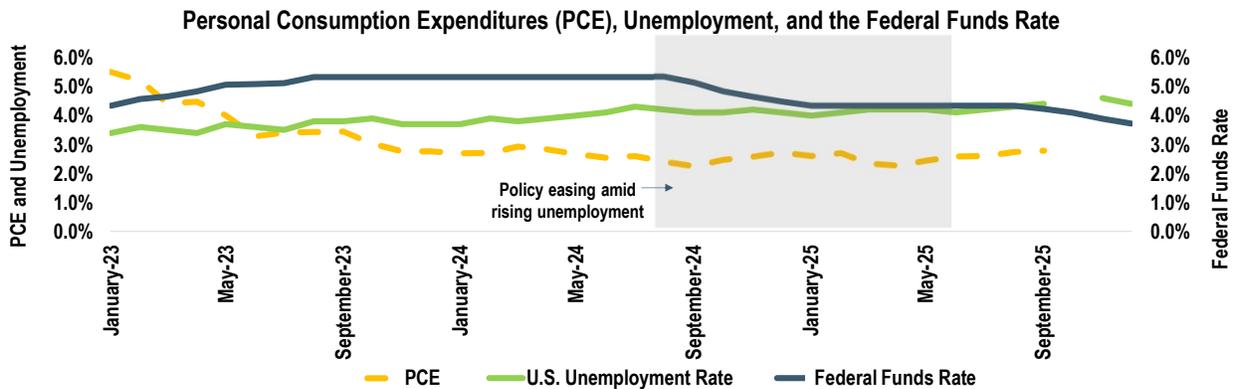
Source: U.S. Bureau of Economic Analysis

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## The Federal Reserve's Dual Mandate

- The federal funds rate declined as unemployment rose, even as inflation remained above the targeted 2.0% rate
- There is a gap in some of the data points used by the Federal Open Market Committee due to the federal shutdown in the fall of 2025



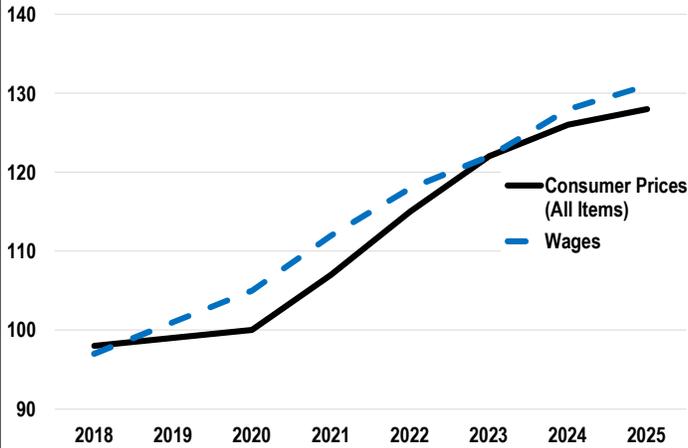
Source: Federal Reserve Economic Data (FRED) and Bureau of Labor Statistics (BLS)

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## The Affordability Crisis—A Mirage?

Wages outpace prices  
2019=100

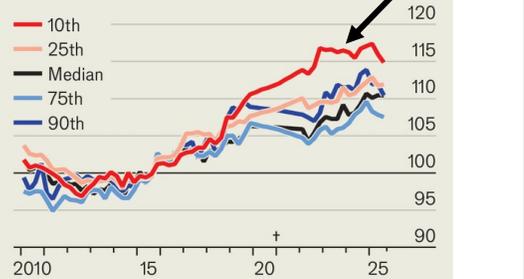


Source: Adapted from *The Economist*, "America's affordability crisis is (mostly) a mirage," December 30, 2025

- While consumer prices skyrocketed after the COVID-19 pandemic, growth in real wages outpaced inflation, which is especially true for low-earners
- Nevertheless, consumers are feeling cost pressures

### No payday mayday

United States, real weekly wages\*, 2015=100  
By percentile



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## Artificial Intelligence (AI) and the Stock Market

Valuation Change Over Time (%)



Source: FRED and Stooq

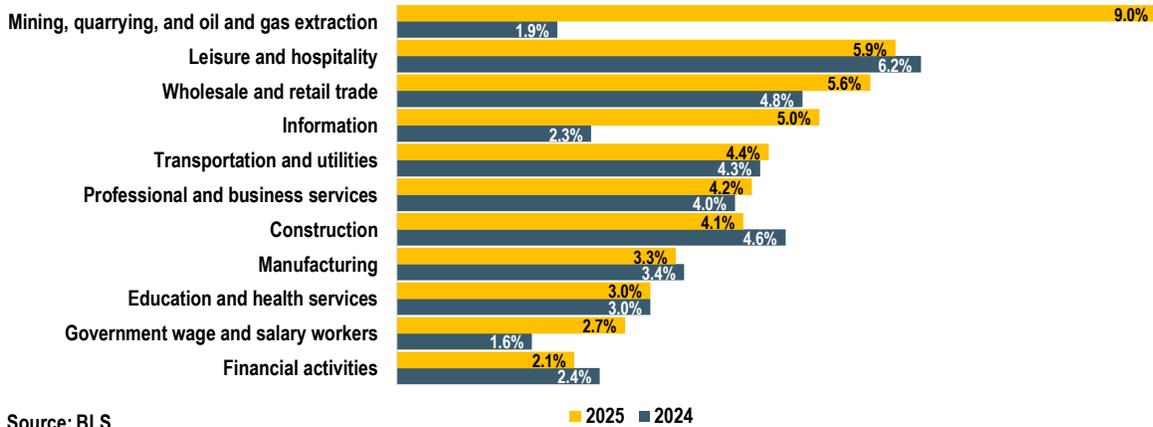
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## Job Market by Industry Sector

- The November 2025 U.S. total unemployment rate for people aged 16 to 24 increased 1.2% year over year to 10.6%

Year-over-Year Change in Unemployment Rate by Industry Sector



Source: BLS

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## Forecast for the U.S. Economy

### Headwinds

- Persistent inflation
- Weakening labor market
- Global growth deceleration due to trade policy shifts, tightening financial conditions, and geopolitical risks
- Consumer financial insecurity
- Lack of timely economic data

### Tailwinds

- The economy is forecasted near or above trend growth
- AI investment is boosting productivity and business capital expenditures
- UCLA economists predict federal stimulus policies will contribute to growth
- Consumer resilience
- Easing monetary policy

### Uncertainty

There is uncertainty around tariff and trade policy, the longevity of the economic AI stimulus, and the impact of geopolitical conflicts in Latin America, East China, the Korean Peninsula, and the Middle East

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## California Technology Industry—AI Boom or Bubble?

### Innovative Ecosystem

- California has venture capital and talent clusters in Silicon Valley and Southern California
- AI is driving productivity gains across technology, professional services, logistics, and media

### Fiscal Impact

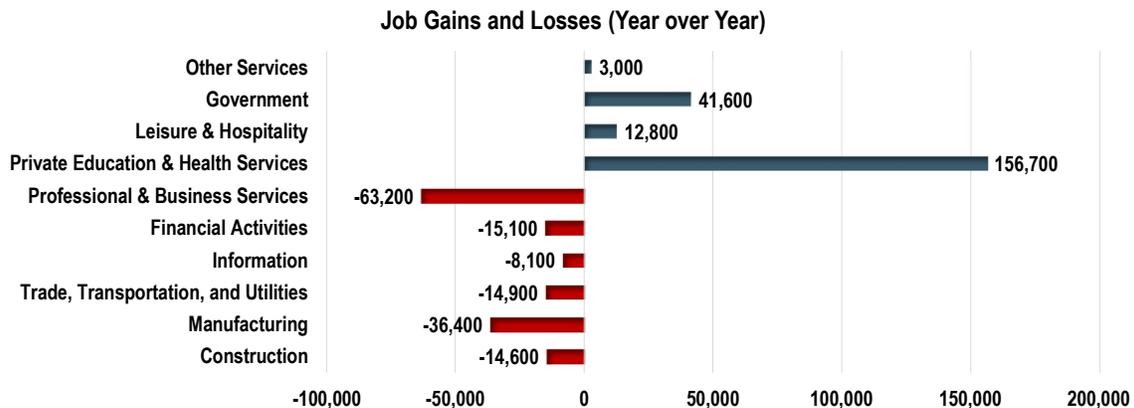
- Investment in AI, data centers, chips, and AI-related services is flowing disproportionately into California
- AI investment is offsetting weaknesses in housing and other industry sectors
- A substantial share of income tax revenue comes from wealthy technology and finance sector individuals



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## California Unemployment Rate and Job Market Trends

- In November, the California unemployment rate reached 5.5%, 0.1 percentage point lower than it was in September
- Job loss is concentrated in construction, manufacturing, information, financial activities, and professional services, while job growth is primarily in education, health, leisure, and government sectors



Source: California Employment Development Department

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## California Economy

### Growth

- Investment in AI is masking weakness in other industry sectors
- Income trend is positive
- A rebound in durable manufacturing is projected in 2026 and 2027

### Inflation

California Consumer Price Index (CPI) is following the same trend as U.S. inflation and is projected to continue to climb in 2026 before easing up in 2027

### Labor Market

California's unemployment rate is projected to peak at 5.9% and average 5.5% for 2026

### Housing

- Relatively flat prices
- Low levels of new construction
- High borrowing costs
- Slow growth in construction jobs

### Uncertainty

- Pending Supreme Court rulings on tariffs and the Federal Reserve's (Fed) independence
- Limited and delayed economic data
- Federal policy and regulatory uncertainty

### Risks

- Revenue volatility from capital gains dependence
- Geopolitical conflict
- Industry sector imbalances
- Labor shortages due to immigration enforcement policies

## Multiyear State Budget Condition

- Although the Governor's Budget uses healthier state revenue assumptions than the Legislative Analyst's Office (LAO) in its November 2025 *Fiscal Outlook*, the state still faces a modest \$2.9 billion shortfall in 2026-27

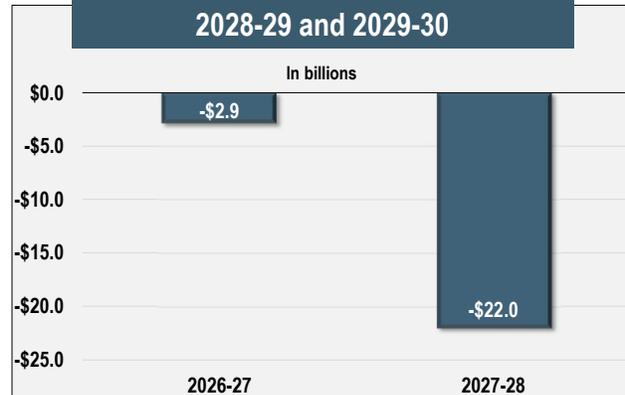
"If a [stock] market downturn of more than 20 percent—comparable to the decline of 2022—were to occur in 2026 and be sustained through the end of the year, revenue could be \$25 billion to \$30 billion below forecast within the budget window."

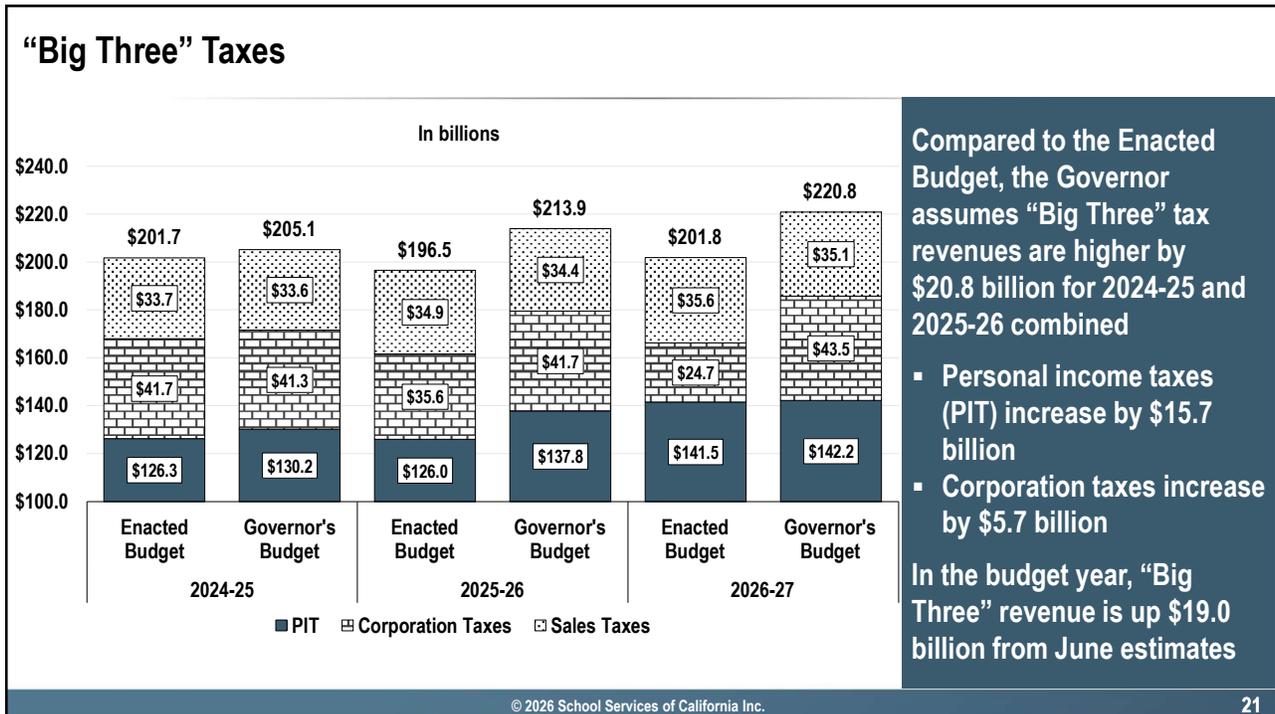
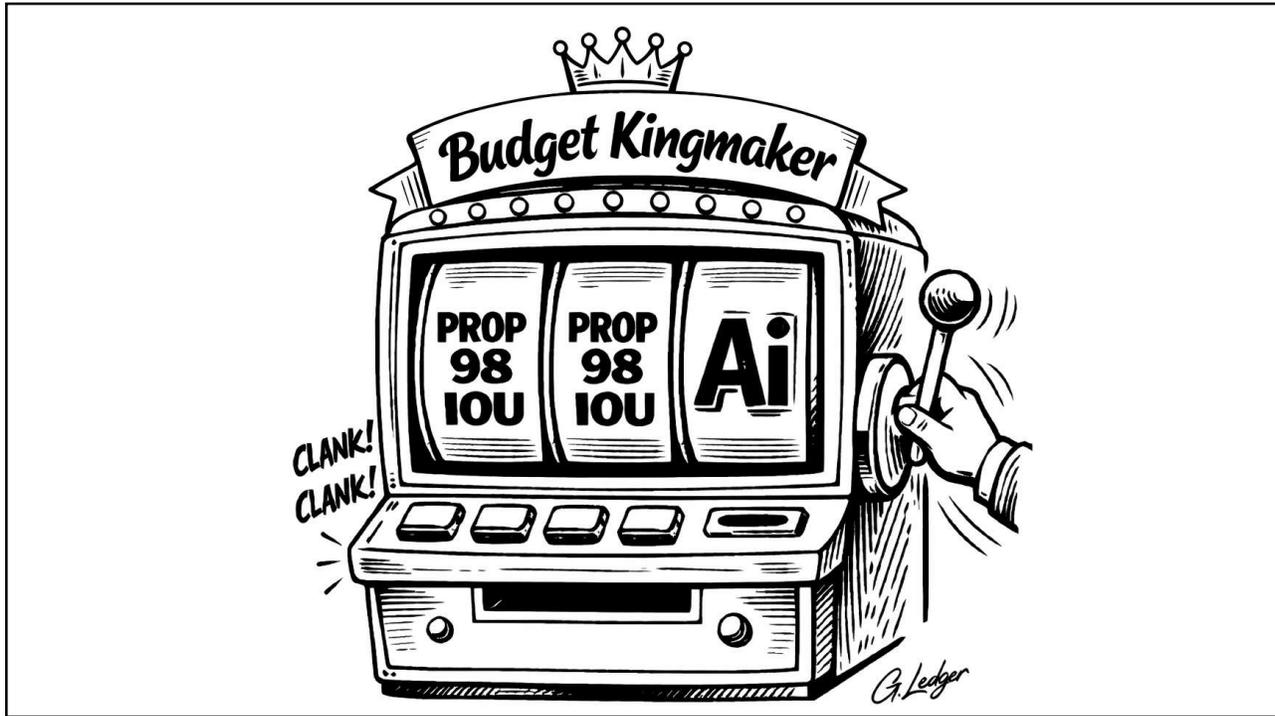
~ 2026-27 Governor's Budget Summary

### Worsening Budget Conditions

# \$22 billion

with continued deficits in 2028-29 and 2029-30





## General Fund Budget Summary

2026-27 Governor’s Budget (In millions)		
	2025-26	2026-27
Prior-Year Balance	\$55,951	\$53,451
Revenues and Transfers	\$235,162	\$227,385
<b>Total Resources Available</b>	<b>\$291,113</b>	<b>\$280,836</b>
Non-Proposition 98 Expenditures	\$155,749	\$158,453
Proposition 98 Expenditures	\$81,913	\$89,877
<b>Total Expenditures</b>	<b>\$237,662</b>	<b>\$248,330</b>
<b>Fund Balance</b>	<b>\$53,451</b>	<b>\$32,506</b>
Reserve for Liquidation of Encumbrances	\$27,998	\$27,998
Special Fund for Economic Uncertainties	\$25,453	\$4,508
Public School System Stabilization Account	\$4,509	\$4,102
Safety Net Reserve	–	–
Budget Stabilization Account/Rainy Day Fund	\$11,327	\$14,350

Source: 2026-27 Governor’s Budget, General Fund Budget Summary

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## Risks to the State Budget

- Projected deficit of \$22 billion in 2027-28 and shortfalls totaling \$45 billion in 2028-29 and 2029-30
- Stock market volatility overly reliant on AI companies’ performance
- Federal policymaking uncertainty related to immigration and foreign trade
- Inflation volatility and Fed’s response
- Medi-Cal costs and caseload pressures



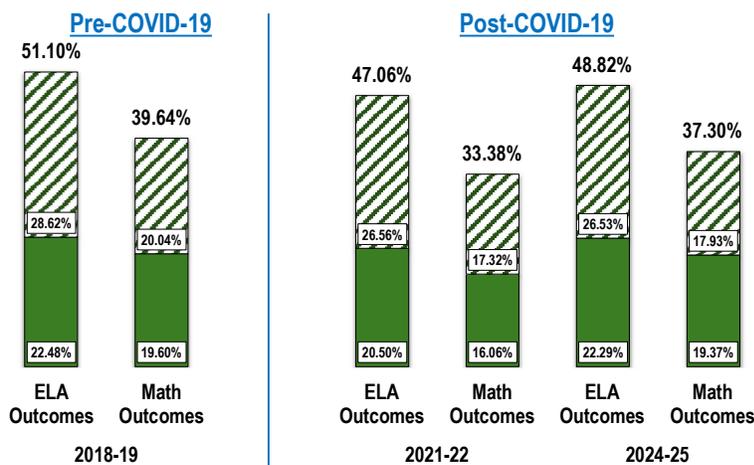
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## Proposition 98 and the Education Budget

### Overview of the 2026-27 Education Budget

English Language Arts (ELA) and Math Outcomes—All Students

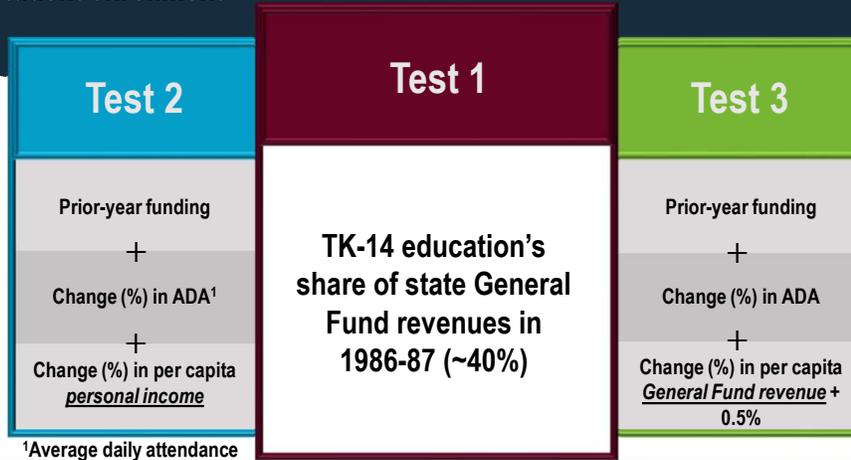


- Governor Newsom’s proposed 2026-27 education investments are inspired by gains in student outcomes that still have not recovered from the drops during the COVID-19 pandemic
  - Nearly 71% of new funding is for core instruction, key academic enhancements, and student and staff support
  - No new programs

 **New Settle-Up!** \$5.6 billion

## Proposition 98 Tests

- For each fiscal year, the minimum guarantee is determined by constitutional formulas (tests)
- In recent years, funding has been determined by Test 1 because of strong state revenues and declining student enrollment



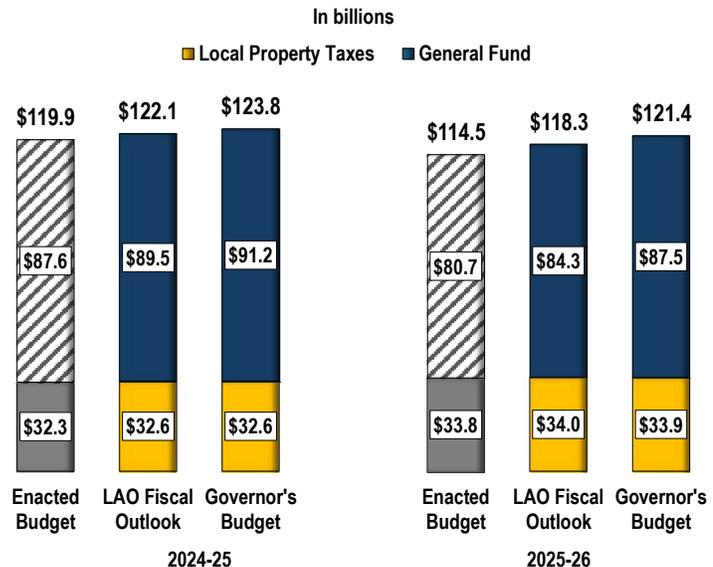
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## Other Adjustments to the 2024-25 and 2025-26 Minimum Guarantee

- The Governor's Budget increases both the 2024-25 and 2025-26 minimum guarantee from the Enacted Budget levels, by a total of \$10.8 billion
  - This is higher than the LAO's November estimates by \$4.8 billion
  - Includes a maintenance factor payment of \$7.8 billion—an increase of \$2.3 billion from June

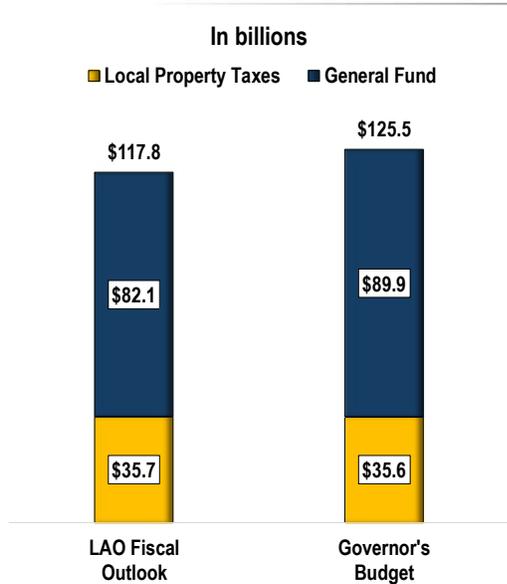
In billions	2024-25	2025-26	Total
Enacted Budget	\$3.9	\$6.9	<b>\$10.8</b>
LAO Fiscal Outlook	\$1.7	\$3.1	<b>\$4.8</b>



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## 2026-27 Minimum Guarantee



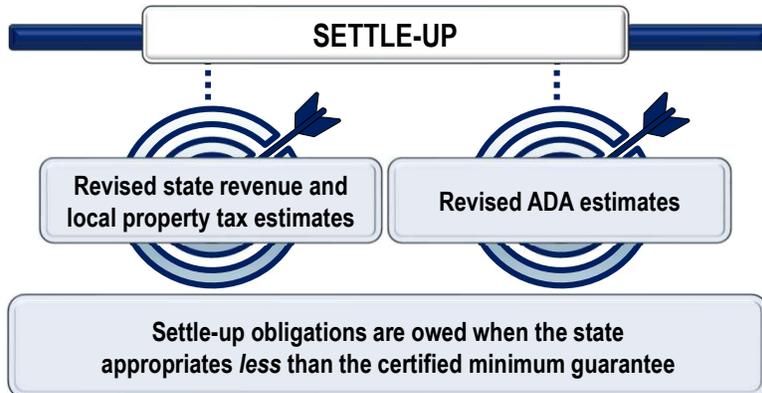
- The Governor's estimate of the 2026-27 minimum guarantee is \$7.7 billion *higher* than the LAO's November estimate, which is attributable to differences in their "Big Three" tax revenue estimates

2026-27 "Big Three" Taxes (in billions)		
	LAO Fiscal Outlook	Governor's Budget
Personal Income Taxes	\$125.2	\$142.2
Corporation Taxes	\$41.7	\$43.5
Sales Taxes	\$34.3	\$35.1
<b>Total</b>	<b>\$201.2</b>	<b>\$220.8</b>

- The Governor's personal income tax assumptions alone are \$17 billion higher

## Reconciling the Proposition 98 Books—Settle-Up

- The Department of Finance (DOF) updates estimates of the minimum guarantee for the prior and current fiscal years to ensure that the state provides TK-12 and community college agencies its constitutionally required minimum level of funding



Governor's Budget revises estimates from Enacted Budget



Estimates are updated again at May Revision and State Budget enactment



At May Revision, prior-year guarantee estimates are final

## 2024-25 Settle-Up

For the first time since voters approved Proposition 98 almost 40 years ago, the Enacted Budget *withheld appropriating \$1.9 billion* from the minimum guarantee calculated for the 2024-25 fiscal year *without suspending Proposition 98* with a two-thirds vote of the California Legislature and approval of the Governor

Lawmakers referred to this new State Budget tool as “settle-up”  
Importantly, this is not a traditional use of Proposition 98’s settle-up mechanism

California Constitution specifies that the state is required to “set apart the moneys to be applied” to local educational agencies (LEAs) each fiscal year, but does not specify timing of appropriation

Law requires the Director of the DOF to provide written notice of “a schedule for the allocation” of settle-up payments to the State Controller unless there is a state-adopted alternative schedule

The Enacted Budget specified that the 2024-25 settle-up had to be used to pay for ongoing costs, reduce outstanding deferrals, and avoid future deferrals

## Settle-Up versus Maintenance Factor

- Historically, when the state has not appropriated the full guarantee, it has *suspended* Proposition 98, allowing lawmakers to appropriate less than the minimum guarantee
  - Proposition 98 has been suspended just three times—in 2004-05, 2010-11, and 2023-24
  - The 2023-24 minimum guarantee was suspended as part of the 2024-25 Enacted Budget when the state could not afford the higher estimate—today’s conditions are eerily similar

Questions	Settle-Up	Maintenance Factor
What creates the obligation?	When revised funding level is more than previously appropriated	When the state suspends Proposition 98
Is it adjusted for inflation?	No	Yes, each year, the balance is adjusted for COLA and changes in ADA
When are payments made?	Based on a Director of Finance-determined or state-adopted schedule	Constitution requires payments when General Fund revenues are outpacing personal income
What determines payment amounts?	The Director’s or state-adopted schedule	A constitutional formula

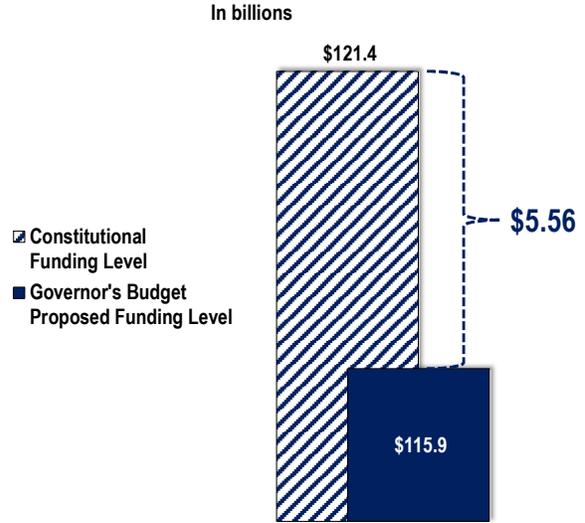
## 2025-26 Settle-Up Proposal

- The Governor's Budget proposes the same withholding strategy used last year, but at a much higher amount

If the 2025-26 minimum guarantee is fully appropriated and allocated to TK-12 agencies on an equal per-ADA basis, LEAs would receive approximately

**\$909**  
per ADA

The Governor and Legislature determine how Proposition 98 funds are allocated to LEAs



## A Prop 98 Carol



Ghost of Prop 98 Past

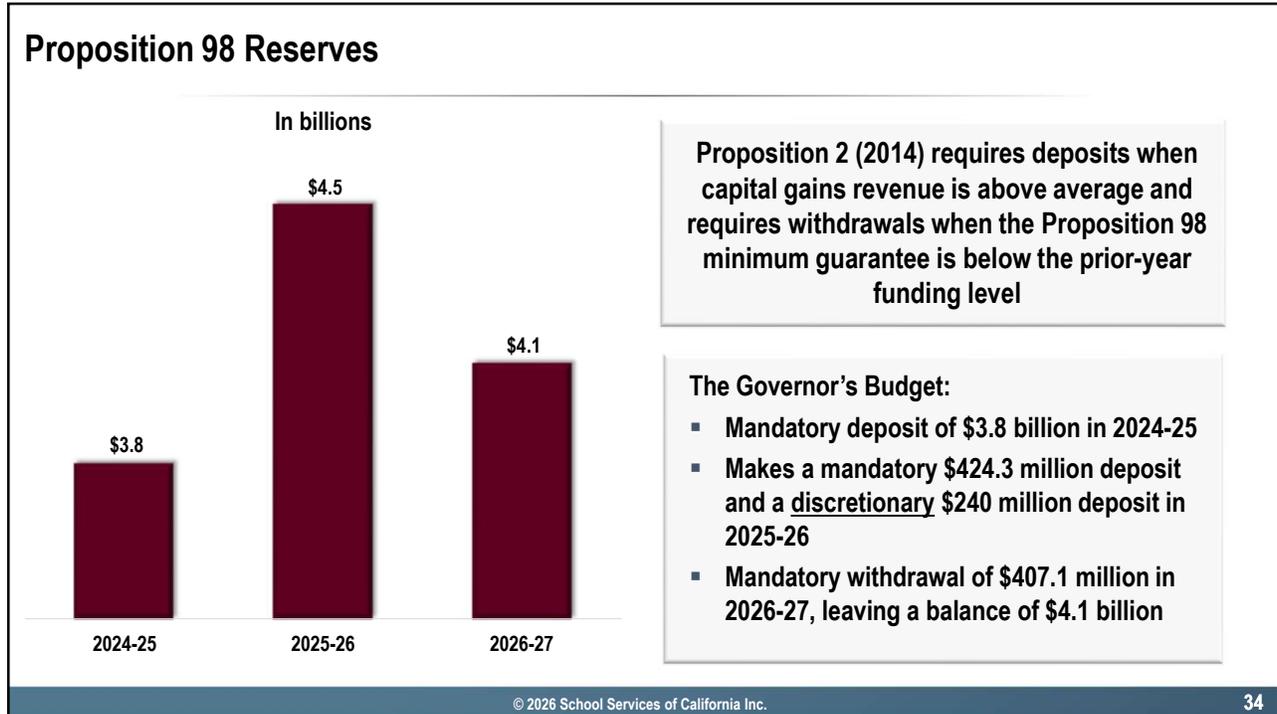


Ghost of Prop 98 Present



Ghost of Prop 98 Future?

*G. Ledger*



## Local Reserve Cap Compliance

The local reserve cap is in effect in the following fiscal year when the Proposition 98 reserve is at least 3% of the TK-12 Proposition 98 minimum guarantee

**Local Reserve Cap**

An adopted school district budget or 45-day revision must not contain a combined assigned or unassigned ending General Fund balance that is more than 10%

Community-funded and small school districts (fewer than 2,501 ADA) are exempt

Assigned and unassigned balances within the Special Reserve Fund for Other than Capital Outlay (Fund 17) must also be included within the 10% reserve cap

**Law allows LEAs to request exemptions by their county superintendents for up to two consecutive years if certain conditions are met**

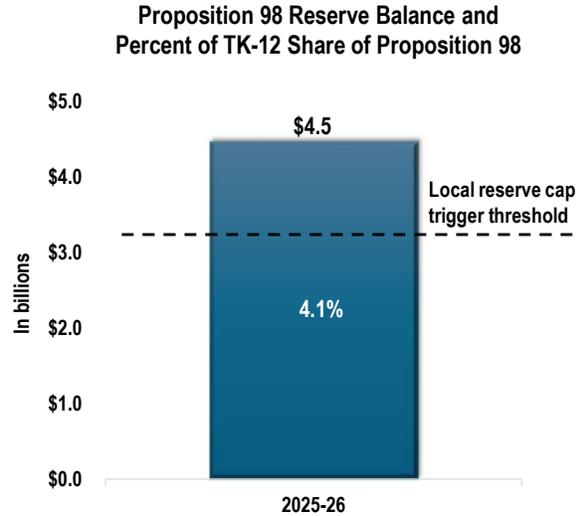
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## Local Reserve Cap

The Governor's Budget triggers the reserve cap in 2025-26

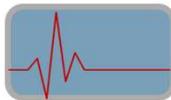
- Importantly, 2025-26 budget adoption and 45-day revision windows have passed; therefore, the reserve cap becoming operative will not impact local 2025-26 budgets

The Proposition 98 reserve balance of \$4.5 billion at the end of 2025-26 is 4.1% of TK-12 agencies' share of the minimum guarantee and *will trigger the local reserve cap in 2026-27*



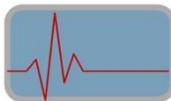
## Risks to Proposition 98 and Local Budgets

- In addition to the larger effects that the national and state economy could have on education funding and local budgets, historical risks persist alongside one relatively new risk



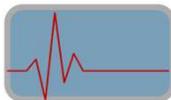
### Declining Enrollment

Protracted declines in student enrollment continue to pressure local budgets—trends are expected to continue



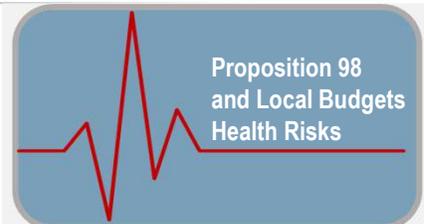
### Deficit Spending

A growing number of LEAs are deficit spending, which, when coupled with declining enrollment, can create fiscal crises if unaddressed



### Proposition 98 Settle-Up

The state's reliance on Proposition 98 borrowing is concerning as deficits mount

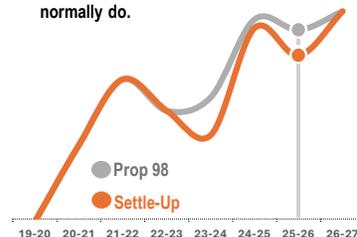


### Highlights

[Show All](#)

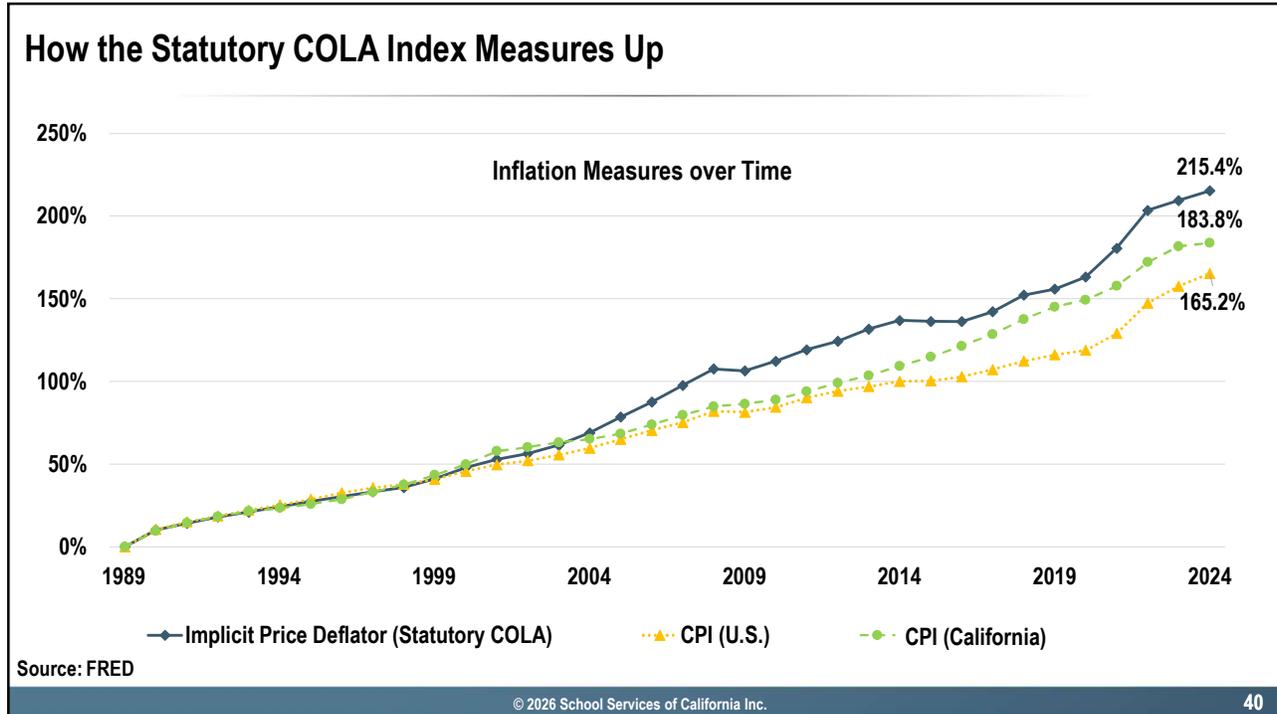
#### Funding

So far, you're borrowing more than you normally do.



## Local Impacts and Operational Considerations





## 2026-27 School District and Charter School LCFF

**Base grants** are provided by grade span: TK-3, 4-6, 7-8, and 9-12

**Two grade span adjustments (GSAs)** are applied as percentage increases to the base grants:  
TK-3—10.4% and 9-12—2.6%

**UPP**—LEA's enrolled students who are English learners, free or reduced-price meal program eligible, or foster youth

**01**

Local Control Funding Formula (LCFF) base grants are increased by the 2.41% **estimated statutory COLA**—an increase in funding per student, NOT total funding

**02**

**03**

**04**

Supplemental and concentration (S/C) grants calculated based on the unduplicated pupil percentage (UPP)

**05**

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## 2026-27 LCFF Funding Factors

Grade Span	TK-3	4-6	7-8	9-12
2025-26 Base Grant per ADA	\$10,256	\$10,411	\$10,719	\$12,423
2.41% COLA	\$247	\$251	\$258	\$299
2026-27 Base Grant per ADA	\$10,503	\$10,662	\$10,977	\$12,722
GSA	\$1,092	-	-	\$331
2026-27 Adjusted Base Grant per ADA	\$11,595	\$10,662	\$10,977	\$13,053
20% Supplemental Grant per ADA <sup>1</sup>	\$2,319	\$2,132	\$2,195	\$2,611
65% Concentration Grant per ADA <sup>2</sup>	\$3,392	\$3,119	\$3,211	\$3,818
<b>TK Add-On per ADA (inclusive of COLA)</b>	<b>\$5,679</b>	<b>-</b>	<b>-</b>	<b>-</b>

<sup>1</sup>Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 20% and UPP

<sup>2</sup>Maximum amount per ADA—to arrive at LEA’s grant amount, multiply adjusted base grant per ADA by 65% and UPP above 55%

## 2026-27 COE LCFF Funding Factors—Operations Grant

- All three components benefit from the 2.41% estimated statutory COLA<sup>1</sup>

**PER COUNTY—\$923,489**  
Uniform amount per county

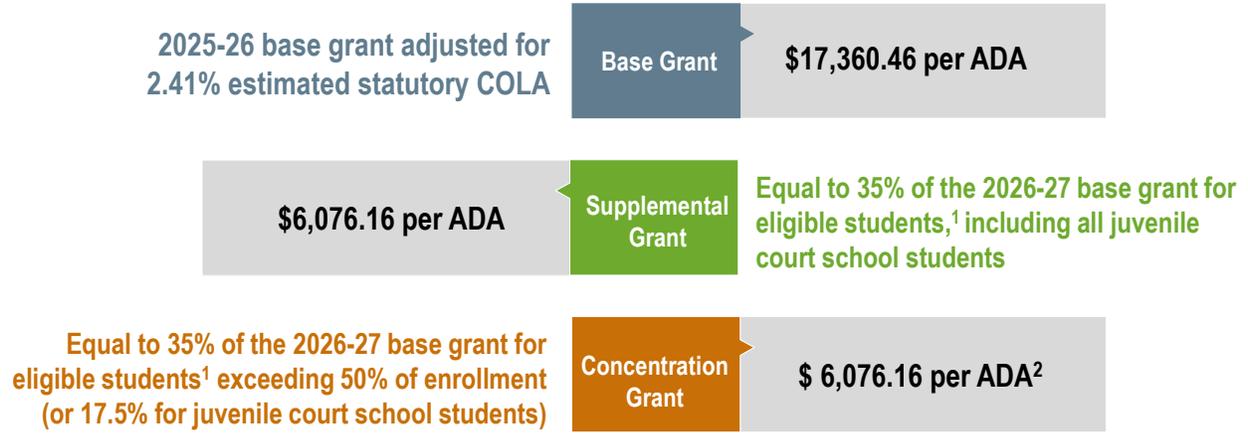
**PER ADA**  
Based on countywide ADA

**PER DISTRICT—\$367,603**  
Uniform amount per district in the county

Countywide ADA	Amount per ADA
1-30,000	\$115.65
30,001-60,000	\$101.58
60,001-140,00	\$87.49
>140,000	\$73.41

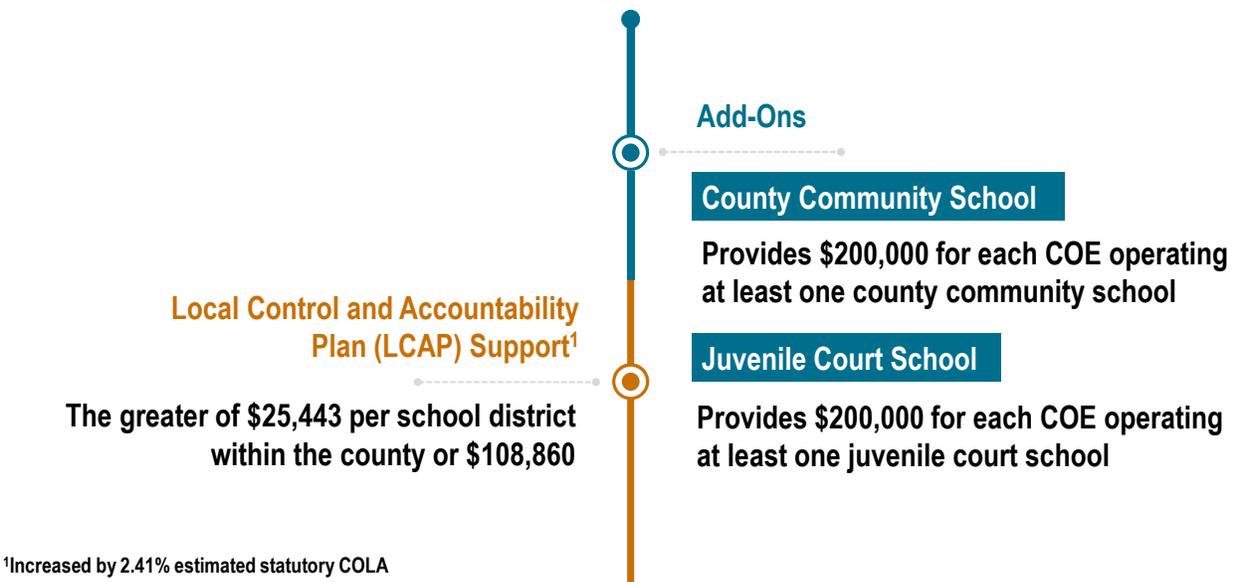
<sup>1</sup>County offices of education (COEs) with property tax revenues that exceed their LCFF entitlement do not receive the benefit of COLA

## 2026-27 COE LCFF Funding Factors—Alternative Education Grant



<sup>1</sup>UPP is based on eligible students enrolled in COE programs meeting eligibility criteria for S/C grants  
<sup>2</sup>Or \$3,038.08—17.5% for juvenile court students

## 2026-27 COE LCFF Funding Factors—Add-Ons and Additional State Aid



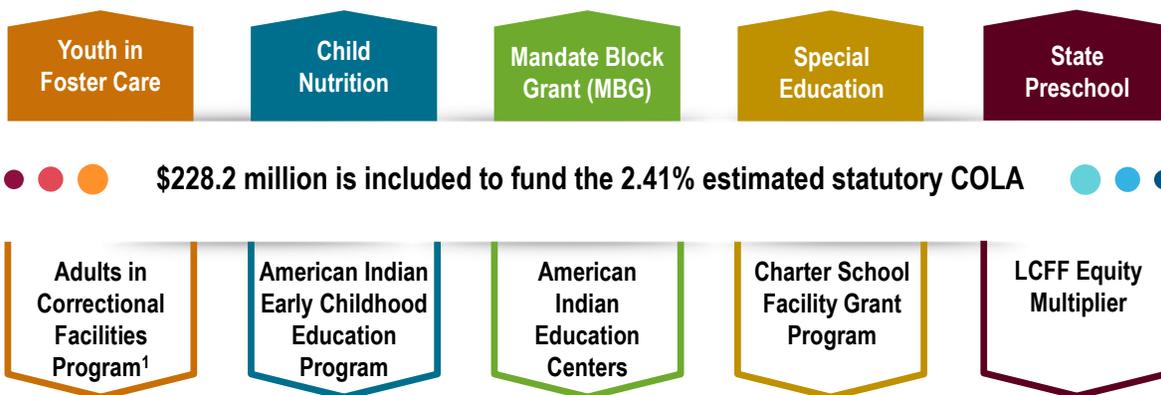
## 2026-27 COE LCFF Funding Factors—Differentiated Assistance Support

Current Law	Governor’s Budget Proposal
<p><b>School Districts</b></p> <p><b>\$300,000 +</b> amount per school district, by size, on the LCFF assistance status report <b>x</b> three-year ADA average (current and prior two years)</p> <ul style="list-style-type: none"> <li>▪ Small (2,499 or less ADA)—\$100,000</li> <li>▪ Medium (2,500-9,999 ADA)—\$200,000</li> <li>▪ Large (10,000 or more ADA)—\$300,000</li> </ul> <p><b>Charter Schools</b></p> <p><b>\$100,000 x</b> the three-year ADA average (current and prior two years) of charter schools on the LCFF assistance status report</p>	<ul style="list-style-type: none"> <li>▪ The Governor’s Budget includes an additional \$13.3 million, \$131.9 million in total, for COEs                             <ul style="list-style-type: none"> <li>• To provide universal and targeted support to school districts and charter schools, including those eligible for differentiated assistance</li> </ul> </li> <li>▪ The funding will align with changes to the performance criteria for assistance and intervention that the State Board of Education is required to adopt by July 15, 2026</li> </ul>

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## 2026-27 Categorical Programs COLA

- COLA is provided for the LCFF Equity Multiplier and the following categorical programs:



<sup>1</sup>2025-26 statutory COLA

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## LCFF Equity Multiplier

### Eligibility

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

- In 2024-25, there were 1,008 eligible schools
- In 2025-26, School Services of California Inc. (SSC) projects there will be 982 eligible schools<sup>2</sup>

**\$317.7 million<sup>1</sup>**  
for 2026-27

### Allocation

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

- In 2024-25, the per-pupil rate was \$939.05
- In 2025-26, SSC projects the per-pupil rate will be \$1,110<sup>2</sup>

Minimum of \$51,697 per eligible school in 2025-26 and \$52,943 in 2026-27

Equity Multiplier funds must be used for evidence-based services and supports for students at LCFF Equity Multiplier schools and the funds must be included in the LCAP

<sup>1</sup>The 2025-26 statewide amount of \$310.2 million adjusted for the 2.41% estimated statutory COLA  
<sup>2</sup>The CDE is expected to publish the list of LCFF Equity Multiplier schools and the per-pupil rate for 2025-26 in February 2026

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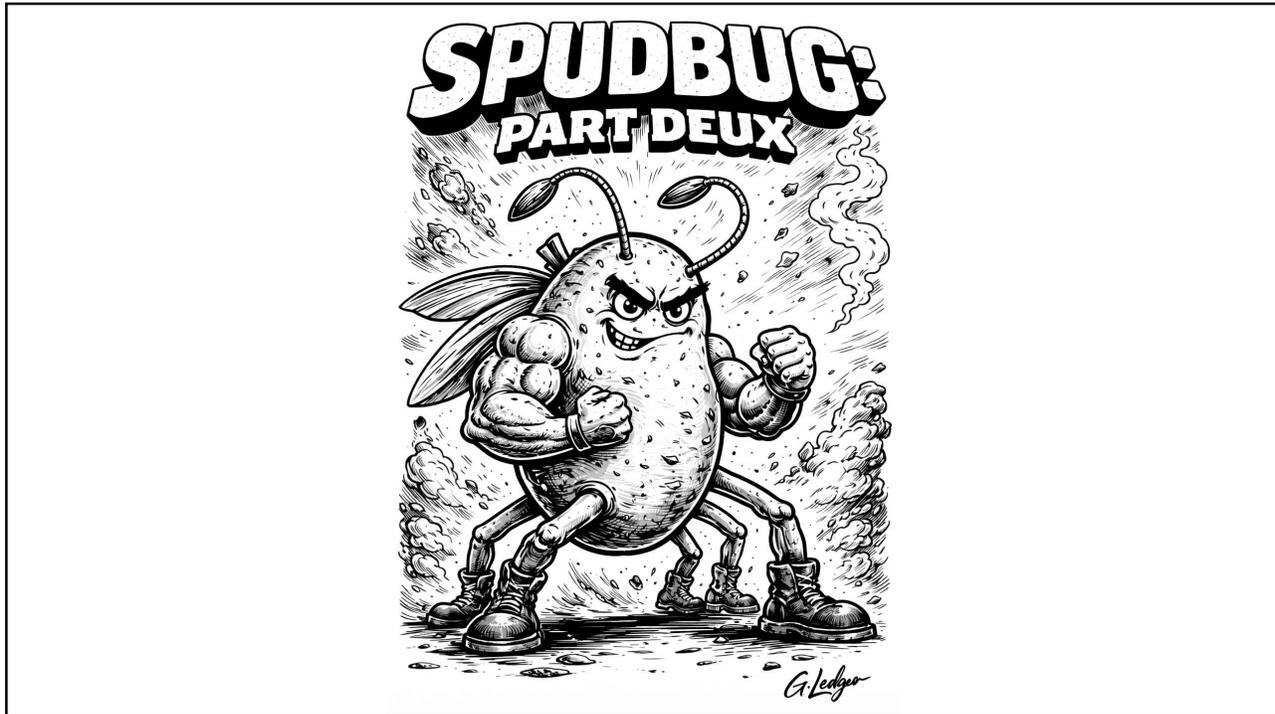
## Student Support and Professional Development Discretionary Block Grant

The Governor proposes \$2.8 billion in one-time funds for a new round of discretionary block grant funding

- Use of the block grant is intended to be fully discretionary, but with certain statewide priorities highlighted
- Trailer bill language will include the allocation methodology, expenditure deadline, and other details
- SSC estimates \$512.48 per ADA, if distributed per ADA

<sup>1</sup>English Language Development  
<sup>2</sup>Transitional Kindergarten

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## 2026-27 Learning Recovery Emergency Block Grant Funding

- The 2026-27 Governor's Budget proposal restores the remaining \$757.3 million to the Learning Recovery Emergency Block Grant (LREBG) that was deferred in the 2023 Budget Act, bringing the total state investment to \$7.9 billion

LREBG funding supports learning recovery initiatives through the 2027-28 school year

SSC estimates the 2026-27 LREBG investment will provide \$228 per ADA based on 2021-22 ADA and UPP

LREBG allowable uses remain the same as in 2025-26

To utilize funds, beginning in the 2025-26 school year, LEAs must perform a student needs assessment prior to spending funds and include expenditures and actions in the LCAP

## Community Schools

\$4.1 billion in one-time funds have been invested in the California Community Schools Partnership Program in prior years, funding approximately 2,500 schools

Trailer bill language will provide additional details regarding eligibility, allowable uses, and associated requirements



The Governor’s Budget proposes \$1.0 billion new, ongoing funds to expand the community schools model

The ongoing investment will support both existing grantees and additional community schools that have large concentrations of students who are low-income, English learners, or in foster care

## Expanded Learning Opportunities Program

The Governor proposes to increase funding by \$62.4 million ongoing to stabilize funding for LEAs that receive Rate 2

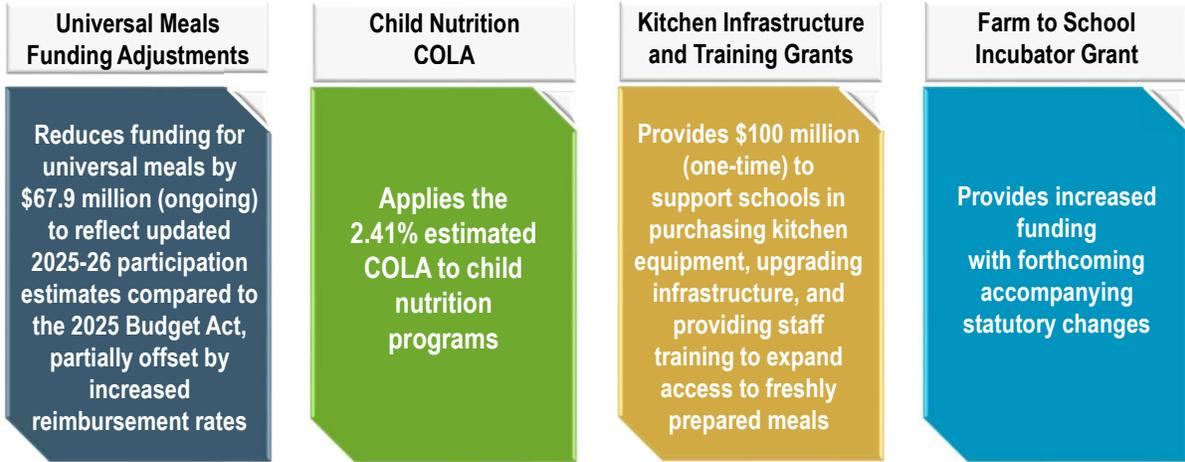
		2024-25	2025-26	2026-27
Total Funding		\$4 billion ongoing	\$4.61 billion ongoing	\$4.67 billion ongoing
Requirement to offer the program and provide access for grades TK-6	Rate 1	UPP ≥ 75% must offer and provide access to <u>all</u> students	UPP ≥ 55% must offer and provide access to <u>all</u> students	UPP ≥ 55% must offer and provide access to <u>all</u> students
	Rate 2	UPP < 75% must offer and provide access to all <u>unduplicated</u> students	UPP < 55% must offer and provide access to all <u>unduplicated</u> students	UPP < 55% must offer and provide access to all <u>unduplicated</u> students
Per-Pupil Amount	Rate 1	UPP ≥ 75%: \$2,750	UPP ≥ 55%: \$2,750	UPP ≥ 55%: \$2,750
	Rate 2	UPP < 75%: \$2,000 <sup>1</sup>	UPP < 55%: \$1,575 <sup>2</sup>	UPP < 55%: \$1,800 (guaranteed amount moving forward)
Minimum Amount per LEA		\$50,000	\$100,000	\$100,000

<sup>1</sup>Funds available for Rate 2 in 2024-25 included return of unspent Expanded Learning Opportunities Program (ELO-P) funds from fiscal years 2021-22 and 2022-23

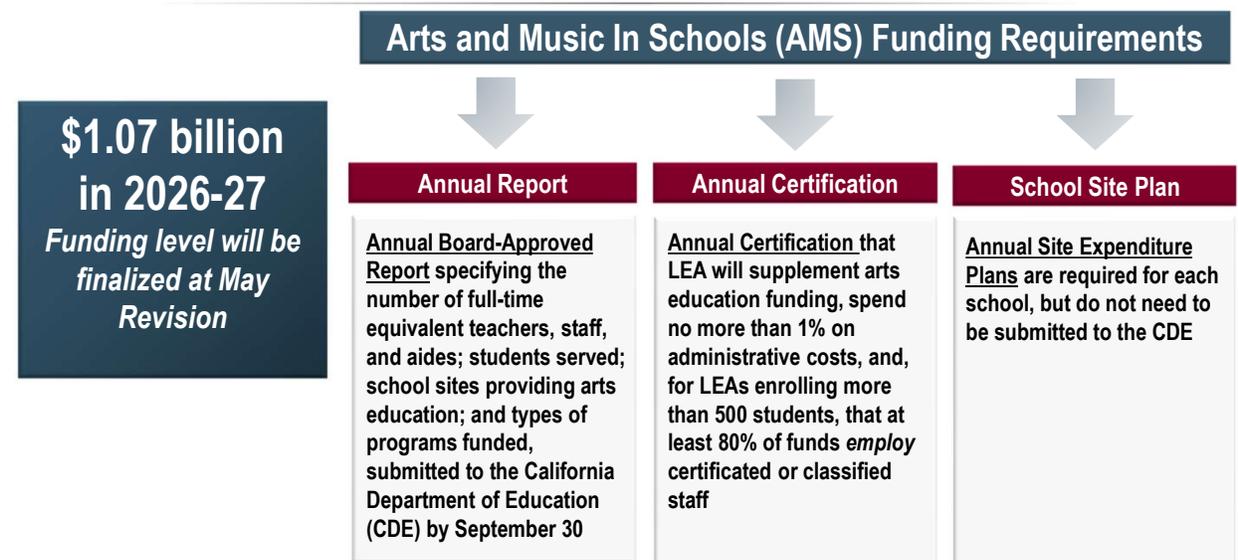
<sup>2</sup>The CDE will provide an updated calculation of the 2025-26 Rate 2 per-ADA amount at First Principal Apportionment

## Universal Meals Program and Nutrition

- The Governor’s Budget proposal continues to fund the Universal Meals Program and proposes several other investments for school meals and infrastructure



## 2026-27 Proposition 28 Funding



## Proposition 28 Funding Requirements

LEAs have three years to spend each AMS allocation—the first AMS funding cycle ends in 2025-26

AMS funds are audited annually and failure to meet the certification and reporting requirements may jeopardize funds

### AMS Funding Requirements

#### Final Expenditure Report

- The first AMS allocation, which was made in 2023-24, must be expended by June 30, 2026
- LEAs must submit a final expenditure report to the CDE by October 1, 2026
- Unspent funds will be swept and redistributed to all LEAs in the following year’s AMS apportionment

#### Waiver Requests

- LEAs with enrollment over 500 students planning to request a waiver from the AMS requirement to spend 80% of funds on teachers and staff for their 2023-24 allocation, must submit a request to the CDE by June 30, 2026
- Waiver requests may only be submitted for one single allocation period at a time

## Trends in Special Education

### Program Development Considerations

- Early childhood education (ECE), prevention, and intervention have highest return on investment
- Inclusion of students with disabilities (SWD) in mandated programs is better than isolating in special education

### Investments in Capacity

- Full-time paraprofessionals
- In-house behavioral cadre
- Recruitment and retention

### Legal

- Litigation, compliance complaints, and settlements
- ADR<sup>1</sup>—Pathways to Partnership



### Fiscal Projections

- Multiyear Special Education Maintenance of Effort (SEMOE) projections to achieve rebench options and future flexibility

### Federal

- 50th anniversary of IDEA<sup>2</sup>
- Ongoing uncertainty and frustration

### Compliance Monitoring

- Least restrictive environment, inclusive practice, and co-teaching, starting at ECE and into preschool-grade 3 continuum

<sup>1</sup>Alternative Dispute Resolution  
<sup>2</sup>Individuals with Disabilities Education Act

## Special Education Funding Projection for 2026-27

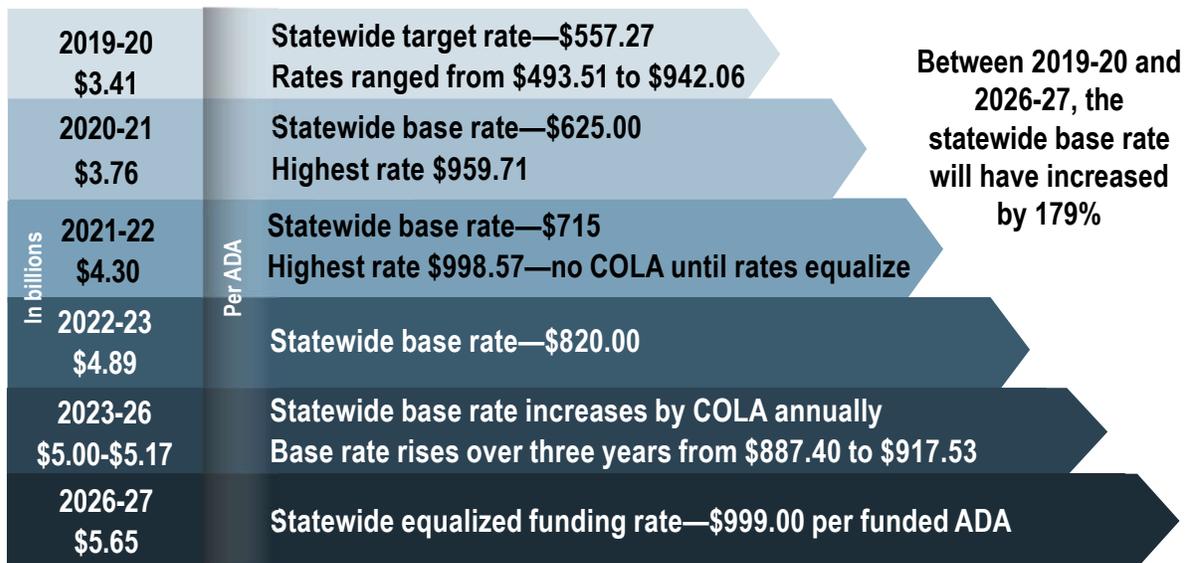
- Special education funding proposed to receive the estimated 2.41% COLA
- Proposal for an additional \$509 million to equalize the base rate



<sup>1</sup>Special Education Local Plan Area

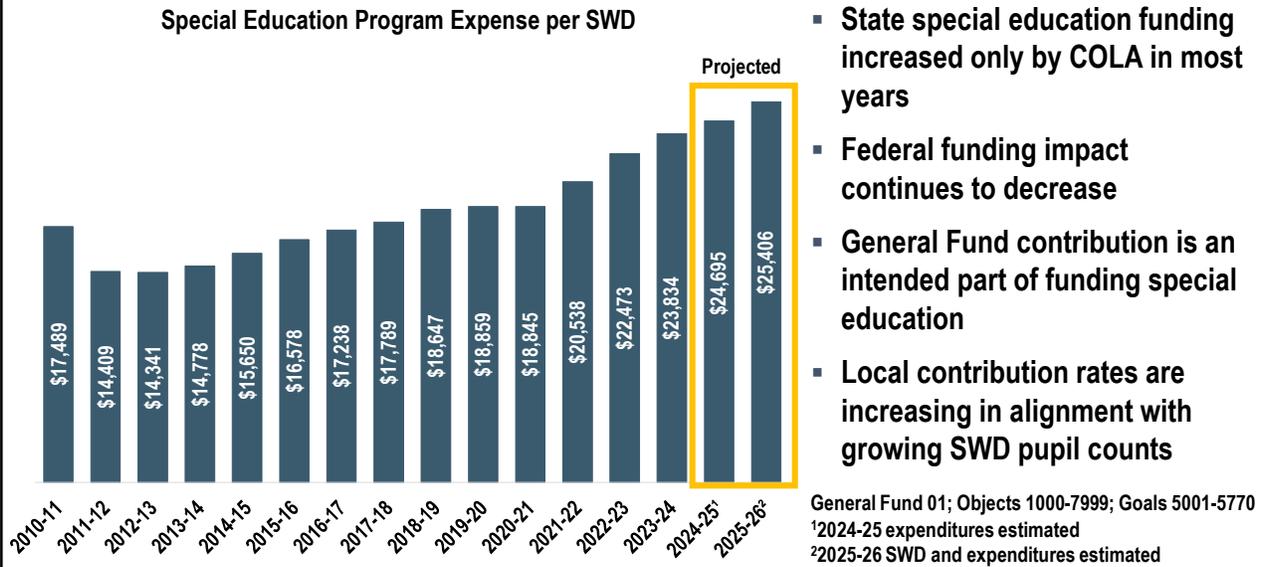
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## Historical Special Education Funding Trajectory



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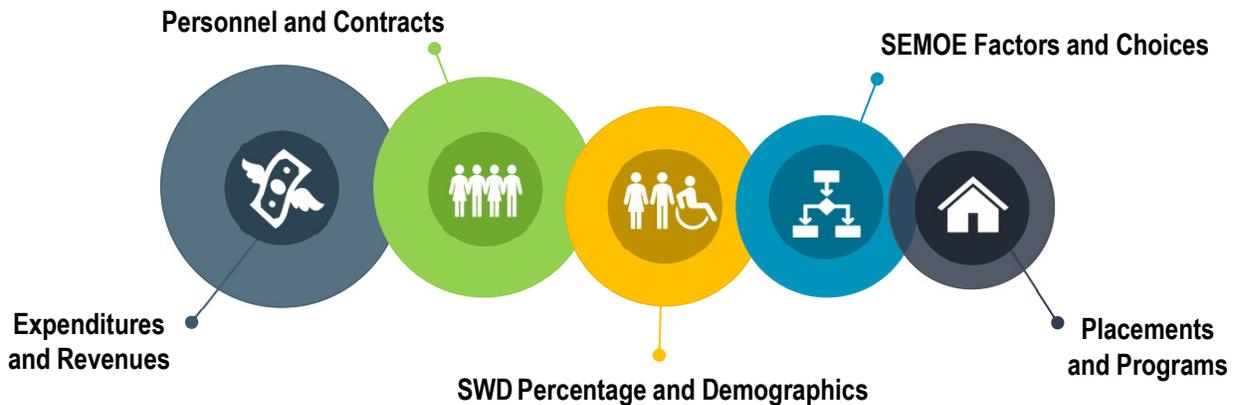
## Special Education Annual Expenditures Continue to Rise



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## Special Education Multiyear Program Analysis and Projections

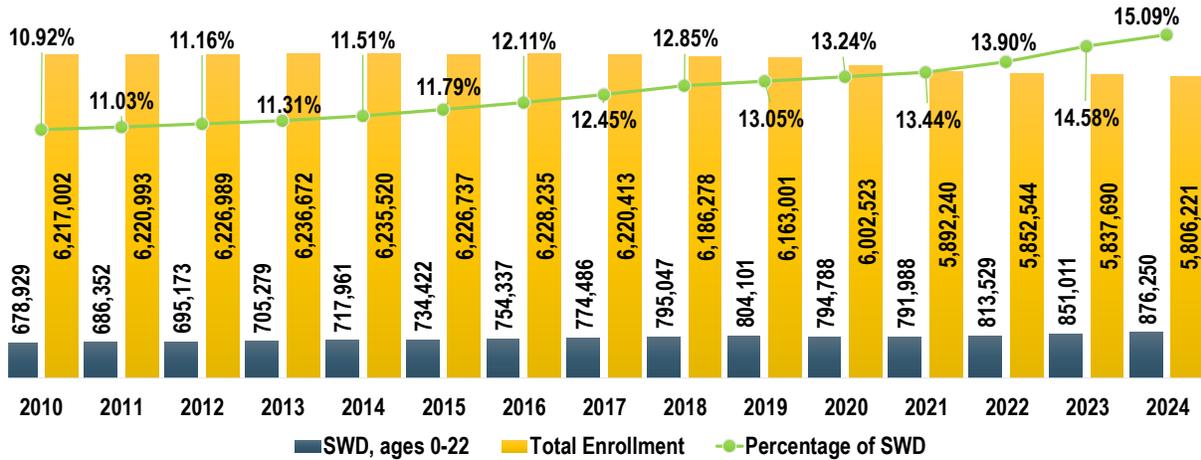
- Accurate projections require ongoing monitoring of special education programs
- Review key data indicators, local documents, and SEMOE trajectory as part of end-of-year processes to ensure time to make any adjustments



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## Statewide Enrollment and Incidence of SWD

- Statewide and local trends for enrollment can support projections for program and expenditure adjustments to meet the needs of students served by special education

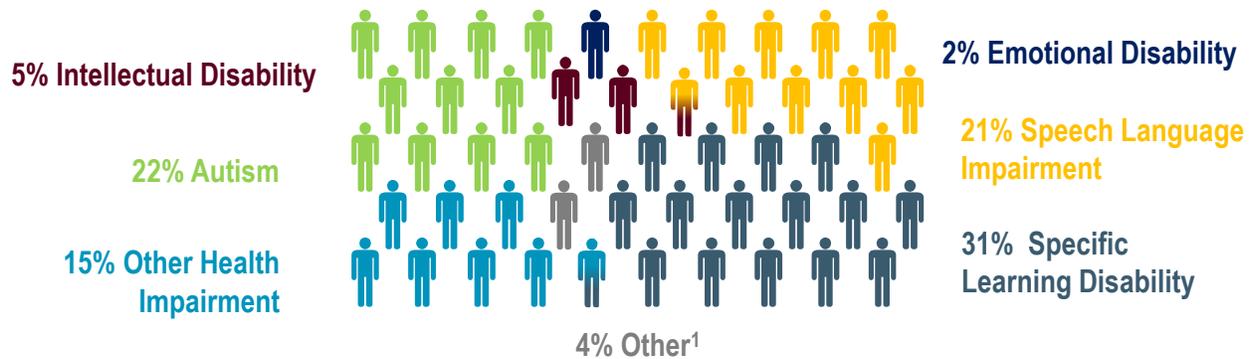


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## Special Education Demographic Monitoring

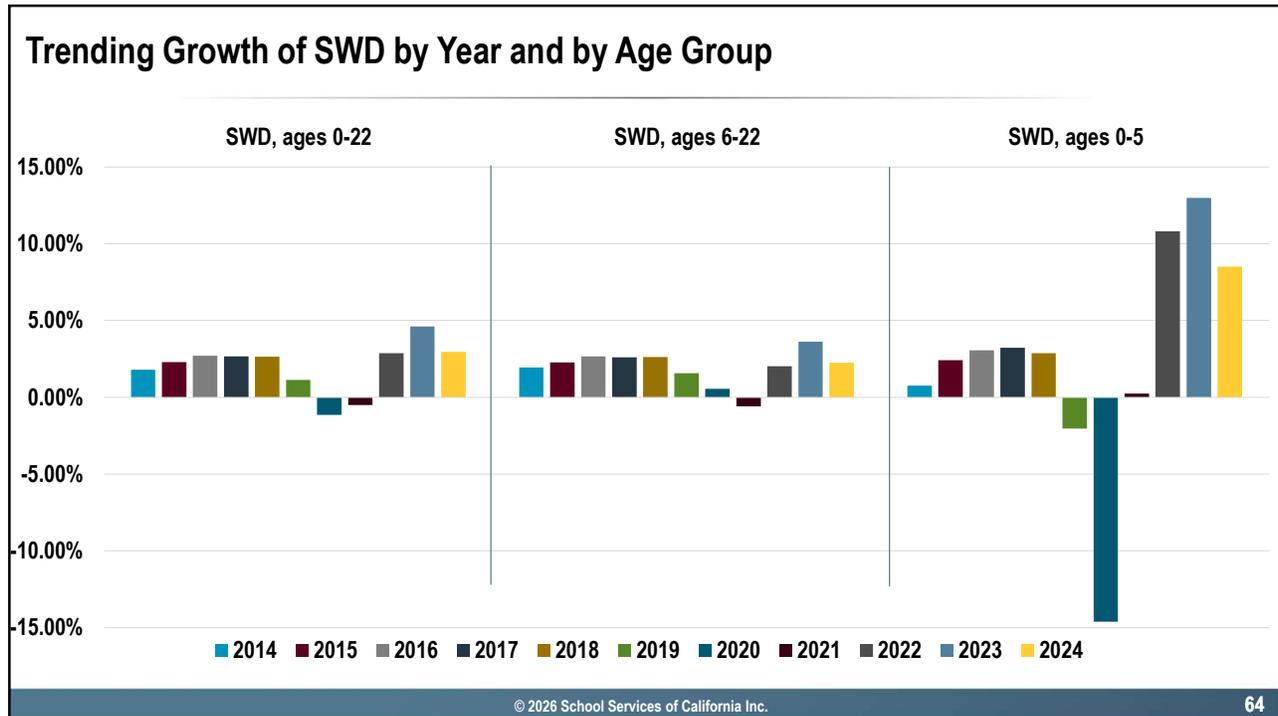
- Monitor data related to incidence of disability and eligibility trends
- Review local referral data, assessment rates, service delivery and minutes, and exit data
- Data reflects ages 0-22 for 2024-25



<sup>1</sup>Includes visual impairment, deaf, hard of hearing, blind, orthopedic impairment, traumatic brain injury, and multiple disabilities

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### Early Childhood Education Budget

#### Governor's Proposal

- Funds a COLA with \$89.1 million General Fund to support Department of Social Services administered childcare programs
- Provides a 2.41% COLA for California State Preschool Program
- Provides \$11.5 million one-time Proposition 64 funds to support childcare infrastructure in communities impacted by recent fires

#### Federal Actions

- On January 6, 2026, the U.S. Department of Health and Human Services announced a freeze on federal fiscal year 2025 Child Care and Development Fund and other program dollars over concerns of fraud and misuse of funds in five states, including California
- The estimated impact to the state is \$5 billion
- The affected states sued and, on January 9, a federal judge granted a temporary restraining order blocking the freeze

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Antisemitism and Discrimination Prevention	
<p>The Governor signed two bills to address antisemitism and discrimination in LEAs— AB<sup>1</sup> 715 (Zbur, Statutes of 2025) and SB2 48 (Gonzalez, Statutes of 2025)—effective on January 1, 2026</p>	
Major provisions include:	The Governor’s Budget:
<ul style="list-style-type: none"> <li>Instruction and instructional materials must be factually accurate and align with adopted curriculum and standards and be consistent with standards of professional responsibility, rather than advocacy or personal opinion                             <ul style="list-style-type: none"> <li>If instructional materials are found to violate antidiscrimination laws, the materials will immediately and permanently be omitted from course materials</li> </ul> </li> <li>Establishes the Office of Civil Rights (OCR) under the Government Operations Agency with an Antisemitism Prevention Coordinator who will develop training and help schools address discriminatory conduct and materials                             <ul style="list-style-type: none"> <li>Requires the OCR to employ four discrimination prevention coordinators to ensure consistency in how discrimination is addressed</li> </ul> </li> <li>Expands the Uniform Complaint Procedures (UCP) to cover discrimination complaints involving instructional or professional development materials                             <ul style="list-style-type: none"> <li>Allows complainants to appeal to the state if LEAs fail to timely address them</li> </ul> </li> </ul>	<p>Includes funding to support the new laws’ implementation providing:</p> <ul style="list-style-type: none"> <li>The OCR with \$3.6 million in 2026-27 and \$2.8 million ongoing General Fund in 2027-28</li> <li>The CDE with \$251,000 in 2025-26 and \$1.1 million General Fund ongoing in 2026-27 to address increased workload and volume of UCP complaints</li> </ul>
<p><sup>1</sup>Assembly Bill; <sup>2</sup>Senate Bill</p>	
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Charter Schools		
Accountability	<p>In his veto message of SB 414 (Ashby, D-Sacramento), Governor Newsom called for legislation in 2026 that ensures</p> <p>“public funds are properly utilized, address fraud and malfeasance, improve accountability and oversight, and acknowledge our fiscal reality to allow for successful implementation”</p>	Solution
<p>In 2025, there were legislative attempts to improve the oversight, auditing, and funding systems for nonclassroom-based charter schools in the wake of several high-profile cases of fraud</p>		<p>The Governor’s Budget proposes creating new requirements for charter schools to increase oversight and accountability, proposal details are forthcoming in February</p>
Verified Data		
<ul style="list-style-type: none"> <li>In addition, the Governor’s Budget proposes to allow the use of verified data in the charter school renewal process until June 30, 2028</li> <li>The use of verified data in the renewal process for charter schools expired on January 1, 2026</li> </ul>		
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## Other Significant Education Investments

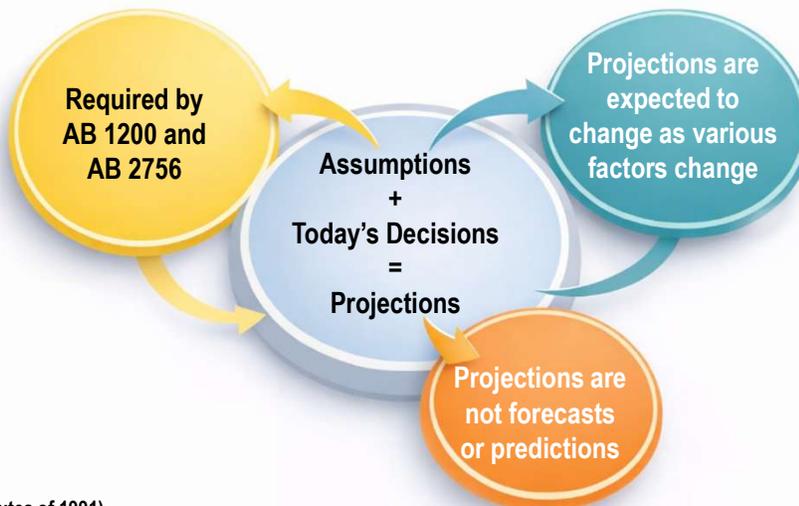


<sup>1</sup>Home-to-School Transportation Program

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## Multiyear Projections



AB 1200 (Eastin, Statutes of 1991)  
AB 2756 (Daucher, Statutes of 2004)

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## Major Cost Drivers for Local Budgets

- LEAs continue to feel cost pressures well before any consideration for negotiated compensation increases
  - Step and column
  - Health benefit caps
  - Utilities
  - Insurance premiums
  - Contracted services
- Each of these categories gets first call on new, ongoing LCFF dollars as there are no dedicated, restricted funding sources to cover these cost increases

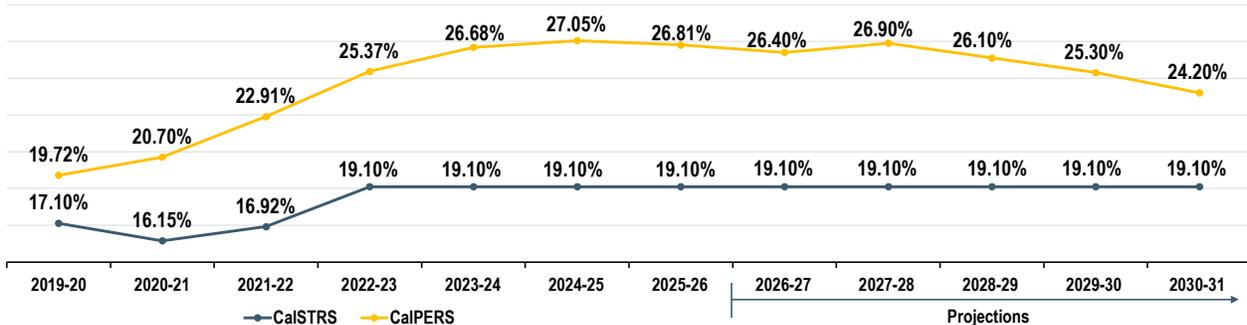


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## Employer Retirement Contribution Rates—Projections

- The California State Teachers’ Retirement System (CalSTRS) employer contribution rate has leveled off
  - According to CalSTRS, an annual employer contribution rate of 19.10% would eliminate the employer’s unfunded liability three years ahead of schedule based on the CalSTRS full funding plan
- After years of steady increases, California Public Employees’ Retirement System (CalPERS) rates are projected to gradually decline from their highwater mark in 2024-25, according to revised projections released in fall 2025



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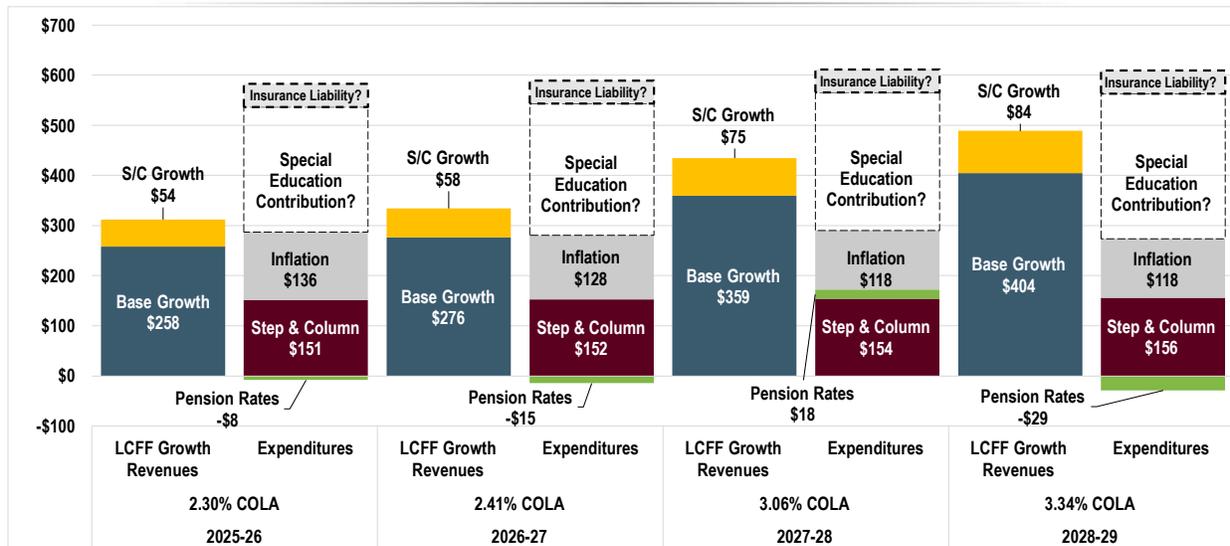
## Employer Retirement Contribution Rates—Official Actions

- The CalSTRS Board can increase the employer contribution rate up to 20.25%
  - Last year, CalSTRS staff presented the Board with several investment return scenarios, including a recession scenario, and did not project the need to increase employer contribution rates
- The CalSTRS Board is expected to officially adopt the 2026-27 employer contribution rate this spring



- CalPERS updated its 2026-27 and out-year projections this past fall based on 2024-25 investment gains and the anticipated decrease in normal costs due to new hires entering the Public Employees’ Pension Reform Act benefit tier
  - The CalPERS Board is expected to officially adopt the 2026-27 employer contribution rate in April 2026 and may adjust out-year projections at that time

## Multiyear Projections



## Financial Projection Dashboard

Revenue Planning Factors						
		2025-26	2026-27	2027-28	2028-29	2029-30
DOF Planning COLA		2.30%	2.41%	3.06%	3.34%	3.14%
California Lottery	Unrestricted per ADA	\$190.00	\$190.00	\$190.00	\$190.00	\$190.00
	Restricted per ADA	\$82.00	\$82.00	\$82.00	\$82.00	\$82.00
MBG (District)	Grades K-8 per ADA	\$39.09	\$40.03	\$41.25	\$42.63	\$43.97
	Grades 9-12 per ADA	\$76.48	\$78.32	\$80.72	\$83.42	\$86.04
MBG (Charter)	Grades K-8 per ADA	\$20.52	\$21.01	\$21.65	\$22.37	\$23.07
	Grades 9-12 per ADA	\$58.21	\$59.61	\$61.43	\$63.48	\$65.47

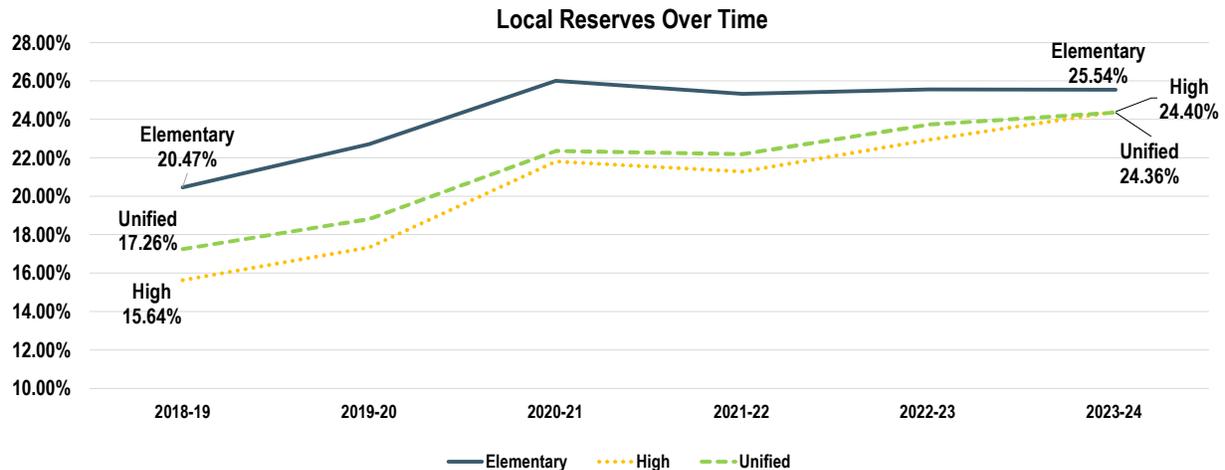
Expenditure Planning Factors						
		2025-26	2026-27	2027-28	2028-29	2029-30
California CPI		3.37%	3.08%	2.75%	2.68%	2.74%
CalSTRS Employer Rate		19.10%	19.10%	19.10%	19.10%	19.10%
CalPERS Employer Rate		26.81%	26.40%	26.90%	26.10%	25.30%
Minimum Wage <sup>1</sup>		\$16.90	\$17.40	\$17.90	\$18.40	\$18.90

<sup>1</sup>Minimum wage rates are effective January 1 of the respective year

The SSC Dartboard is available in the workshop resources and on SSC’s website.

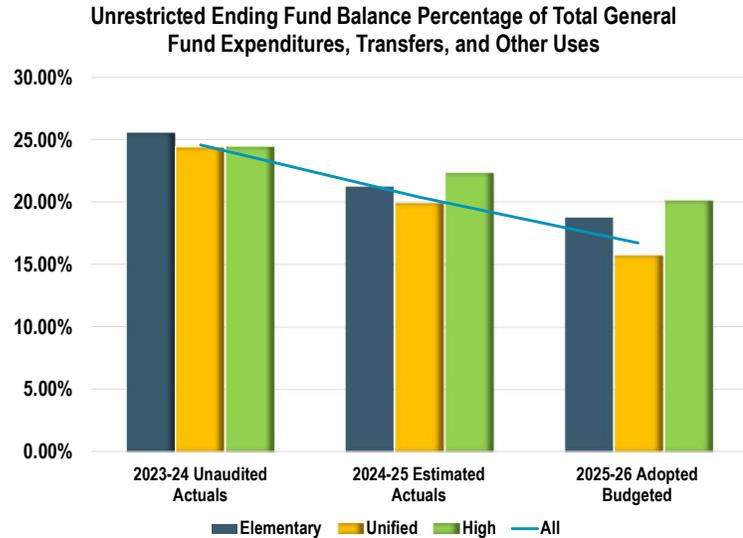
## 2023-24 Reserve Levels

- Reserve balances significantly increased during the pandemic largely due to one-time COVID-19 and other one-time emergency funds



## Conditions of Local Reserves

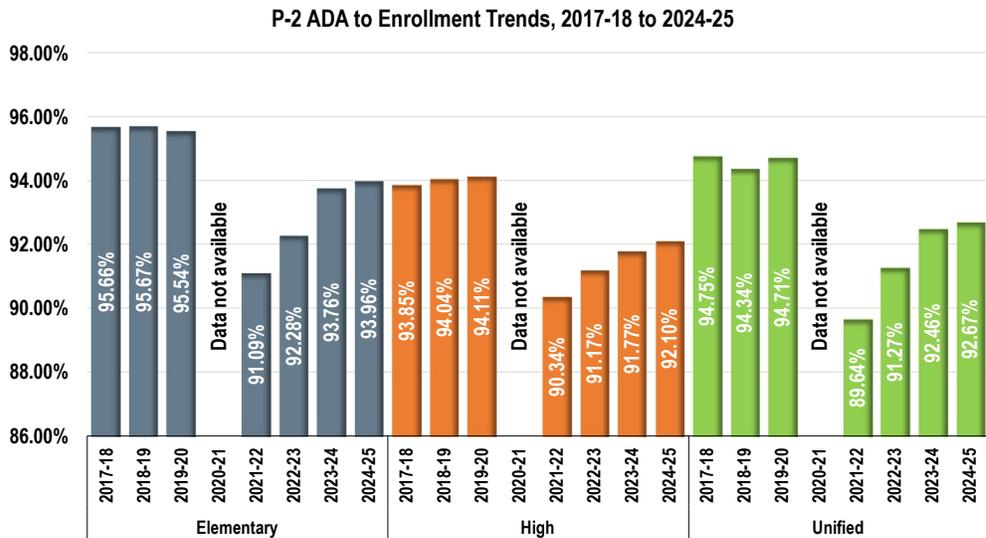
- In 2023-24, nearly 40% of all school districts were deficit spending, with a shortfall of about 3% of total expenditures
- The loss of one-time dollars as well as rising employee and operational costs have had a detrimental impact on local reserves
- Declining enrollment has only exacerbated this impact
- Across all districts, reserves are estimated to decrease by nearly 8% between 2023-24 and 2025-26



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## ADA-to-Enrollment Trends

While gains have been made in student attendance, rates still lag about two percentage points from pre-COVID levels



Note: Second Principal (P-2) Apportionment data

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## Attendance Recovery Program

### Attendance Recovery

The state’s Attendance Recovery Program (ARP)<sup>1</sup> went into effect in the 2025-26 school year for school districts, COEs, and classroom-based charter schools



### Requirements

Students are under immediate supervision and control of a certificated employee of the LEA who possesses a valid certification, are engaged in substantially equivalent grade-level educational activities, and class size ratios must be maintained

### Opportunity

Allows LEAs to recover up to ten absences per year, per student so long as student participates in classroom-based instruction

### Attendance

Attendance is accumulated in hourly or daily increments and one day of attendance equates to sufficient time to meet minimum daily instructional minutes<sup>2</sup>

<sup>1</sup>Education Code Section (EC §) 46210-46211

<sup>2</sup>EC § 46110-46140, et al.

## Use of ELO-P Funds for Attendance Recovery

- LEAs can use ELO-P funds to support ARP efforts under specified conditions:

The ARP must be operated on the same site as ELO-P

The ARP must be operated in conjunction with the ELO-P

An ELO-P student’s participation in ARP must not restrict their ability to participate in the full range of expanded learning opportunities programming



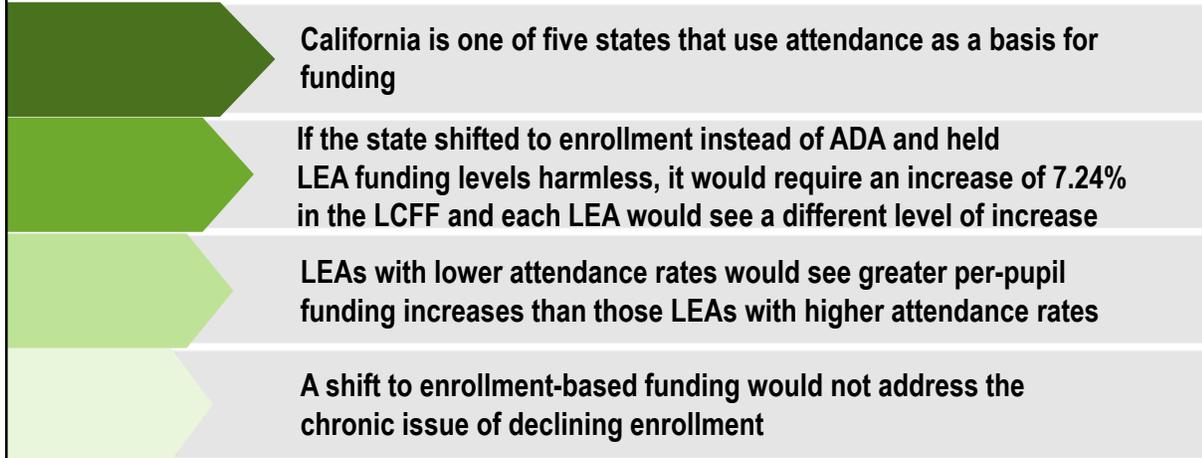
The ARP must be operated by the LEA claiming the apportionment

ARP supervision requirements must be met with certificated staff

FAQ and guidance available on CDE’s website here: <https://www.cde.ca.gov/fq/it/aarecovery.asp>

## Enrollment-Based Funding

- The LAO released an analysis of the effects of moving to enrollment-based funding pursuant to SB 98 (Portantino, Statutes of 2024)

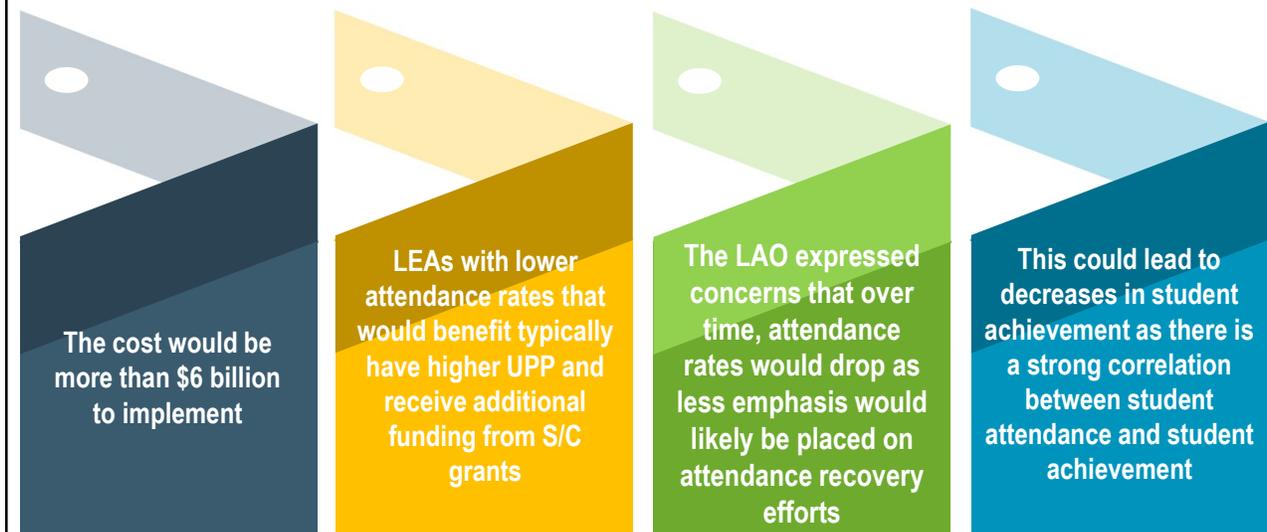


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## Enrollment-Based Funding

- The LAO recommends the state maintain its current ADA-based funding system citing the following:

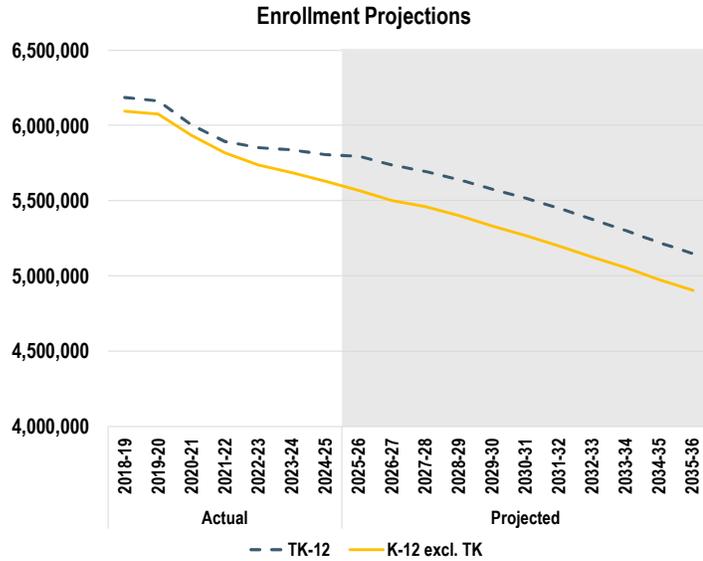


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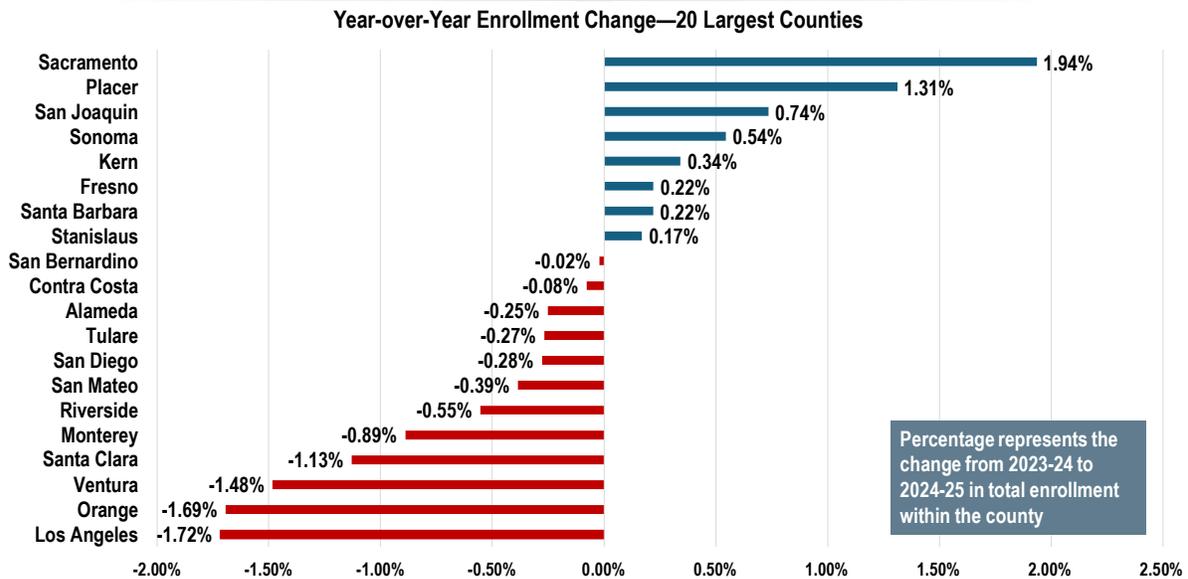
## Student Enrollment Forecast

- Statewide enrollment continues to decline
- Since 2018-19, statewide enrollment has dropped 6.1%
  - By 2034-35, it is projected to decrease by 16.3%
- Implementation of TK has helped slow down the decline
  - With full implementation in 2025-26, the annual 1.0% decline is forecasted to return for the next ten years



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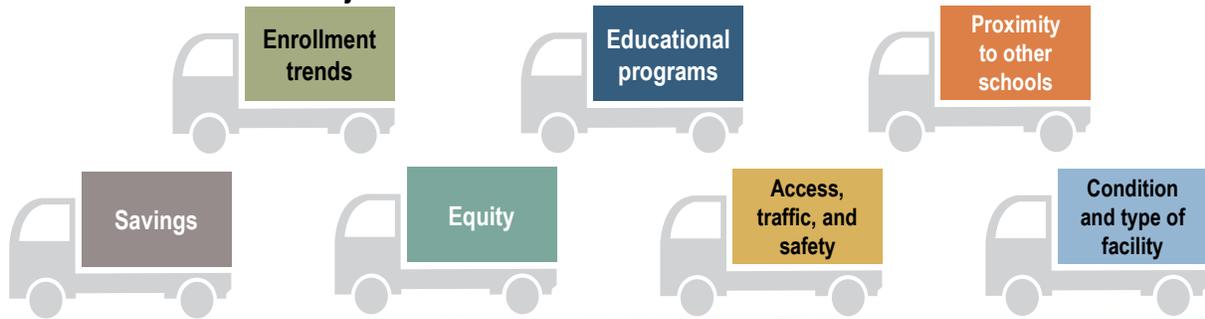
## Student Enrollment—Twenty Largest Counties



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## School Closures

- Long-term declining enrollment can result in the need to close schools
- Closing a school is never popular, but may be necessary
- You cannot please everyone—expect to hear from the opposition
- But you can follow a process that avoids the appearance of being arbitrary or making a purely political decision
  - Establish and follow objective criteria



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## School Closures

- The CDE recently updated its **Best Practices Guide for Potential School Closure (Guide)**,<sup>1</sup> which provides guidance regarding school closures
  - For school districts in financial distress, the Guide provides information on **EC § 41329**



<sup>1</sup><https://www.cde.ca.gov/ls/fa/schoolclose.asp>

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## School Closures

- EC § 41329 requires a school district in financial distress to conduct an equity impact analysis based on a set of metrics made public at a regularly scheduled board meeting
  - While only a requirement for financially distressed districts, the development and use of metrics should be considered by all LEAs considering school closures/consolidations

- |   |   |   |   |
|---|---|---|---|
| 1 | Condition of facility                               | 6 | Demographics at closing school(s) and impact on diverting school(s)           |
| 2 | School operating cost and associated savings        | 7 | Transportation needs of students  |
| 3 | Capacity of school to accommodate excess students   | 8 | Aesthetic/blight impact on surrounding community                              |
| 4 | Special programs at closing and diverting school(s) | 9 | Attendance impacts of feeder school and other schools or specialized programs |
| 5 | Environmental factors                               |   |   |

## The Landscape of Collective Bargaining

- Compensation remains central
  - Salary competitiveness continues to be a priority for employee groups
  - Pressure to balance compensation with other cost drivers—rising health care costs, pension contribution levels, etc.
  - The rising costs of special education and support services
- Non-salary interests have expanded
  - Workload provisions and planning time
  - Staffing ratios and class size
  - General working conditions
  - Professional development support and teacher preparation time
  - Mental health and wellness roles
  - The use of AI in LEAs



## The “We Can’t Wait” Campaign—What Is It?

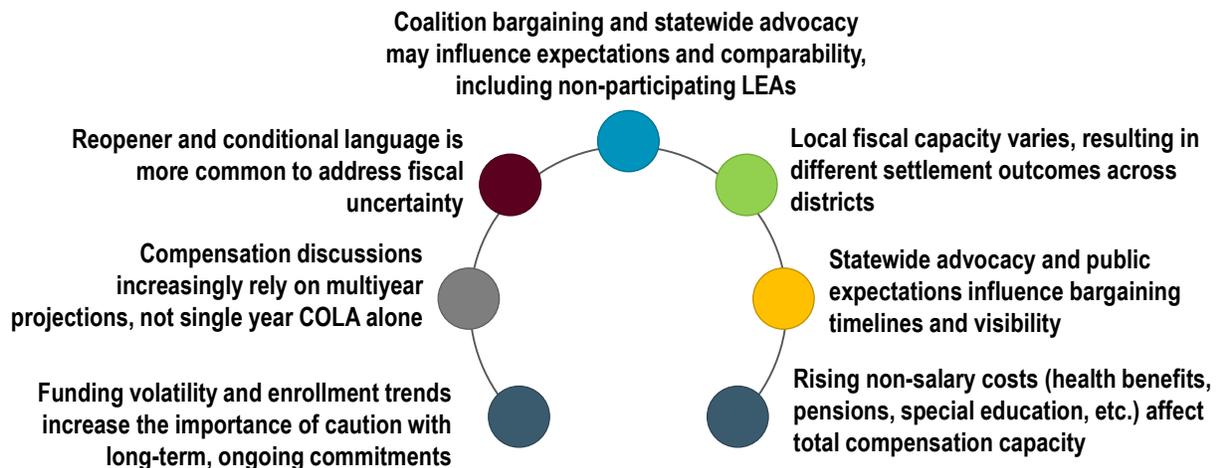
- A statewide, labor-led campaign focused on educator compensation, staffing, and school funding
  - It emphasizes urgency around recruitment, retention, and workload challenges in California schools
  - It operates alongside district-level negotiations and broader state budget discussions
- The campaign includes coordinated activities such as:
  - Public messaging
  - Community outreach
  - Support for local bargaining efforts
  - Common language and compensation goals



The campaign represents one of the statewide influences shaping the current bargaining environment

Resource: [We Can't Wait Website](#)

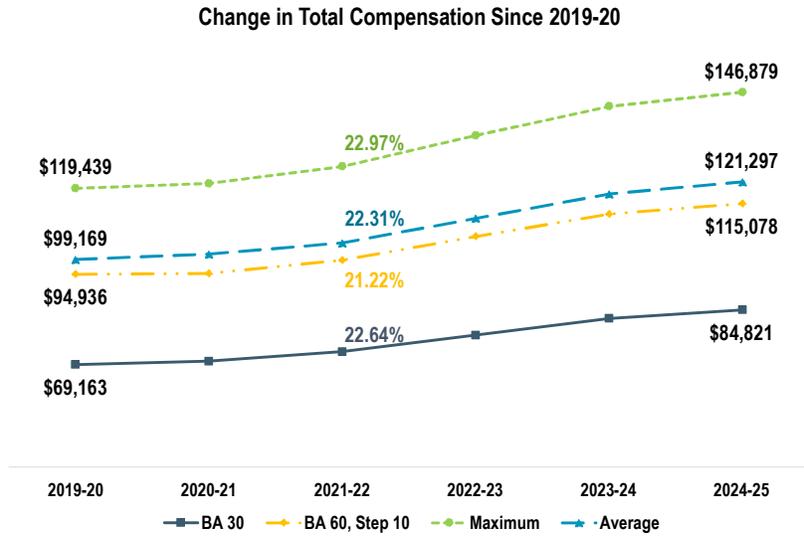
## Key Bargaining Implications to Consider



The number of factfinding cases have increased in the last few years, indicating that fewer districts are able to resolve negotiations at the local level

## 2024-25 Total Compensation

- 2024-25 J-90 salary data was recently certified by the CDE with nearly 830 districts and COEs completing the voluntary salary survey
- Since 2019-20, average total compensation has increased 22.31% among all district types



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## 2026 Tax Initiatives

### Proposition 30/55 Extension

CTA<sup>1</sup> is leading an effort to make permanent current voter-approved tax rates for high-income earners

- The taxes were first established by Proposition 30 in 2012, and extended by Proposition 55 in 2016
- The tax rates are set to expire in 2031

Proposition 30 provides significant revenue to the state, between \$5 to \$15 billion per year, with approximately 40% of those revenues going to education programs

The proposed initiative must receive the required number of signatures by May 4, 2026, to qualify for the November 2026 ballot

### California Billionaire Tax Act

SEIU<sup>2</sup> is sponsoring an initiative that would impose a one-time 5% tax on taxpayers with covered assets over \$1 billion

Projected to raise tens of billions of dollars in revenue, with 90% dedicated to health care services and the remaining amount for K-14 education and food assistance

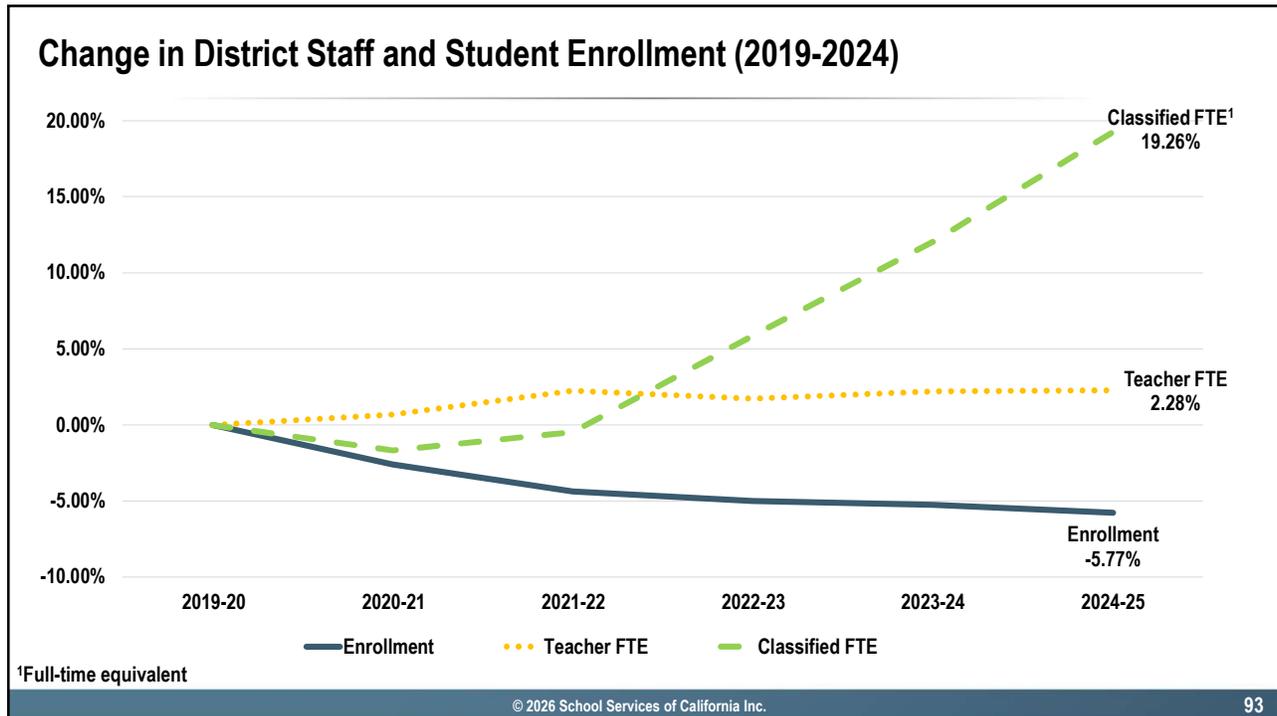
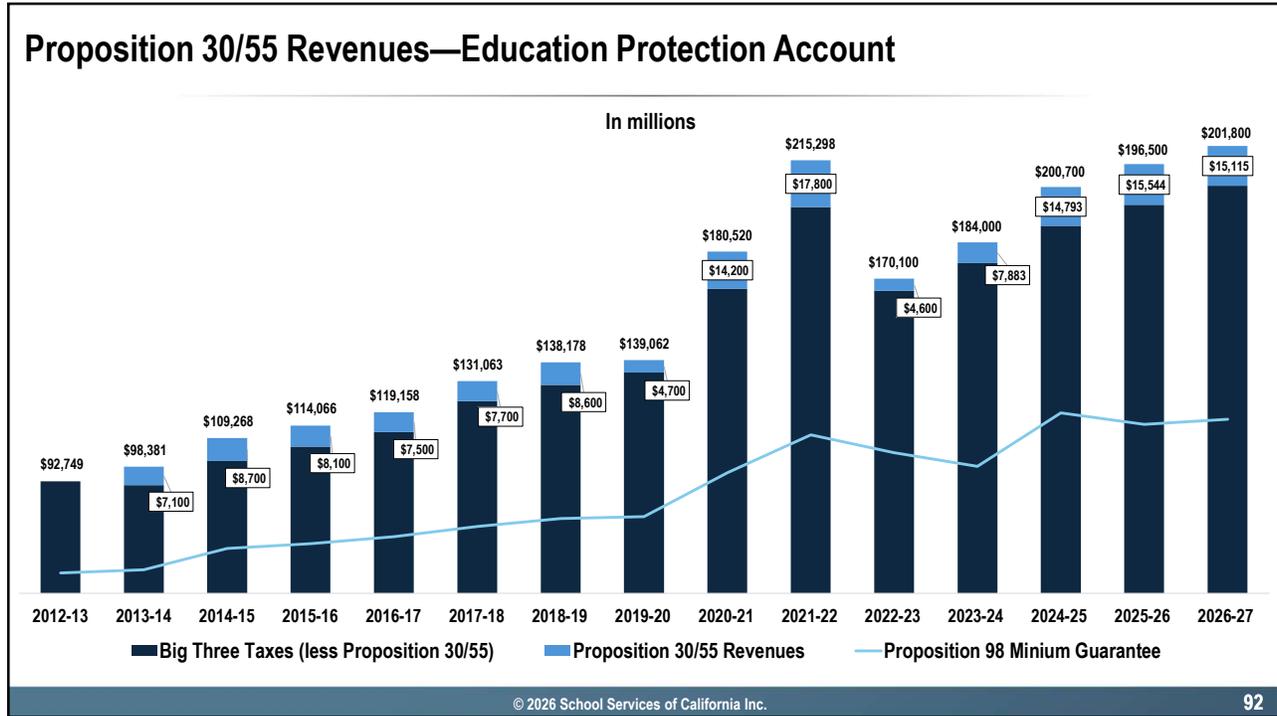
The proposed initiative must receive the required number of signatures by June 24, 2026, to qualify for the November 2026 ballot

<sup>1</sup>California Teachers Association; <sup>2</sup>Service Employees International Union

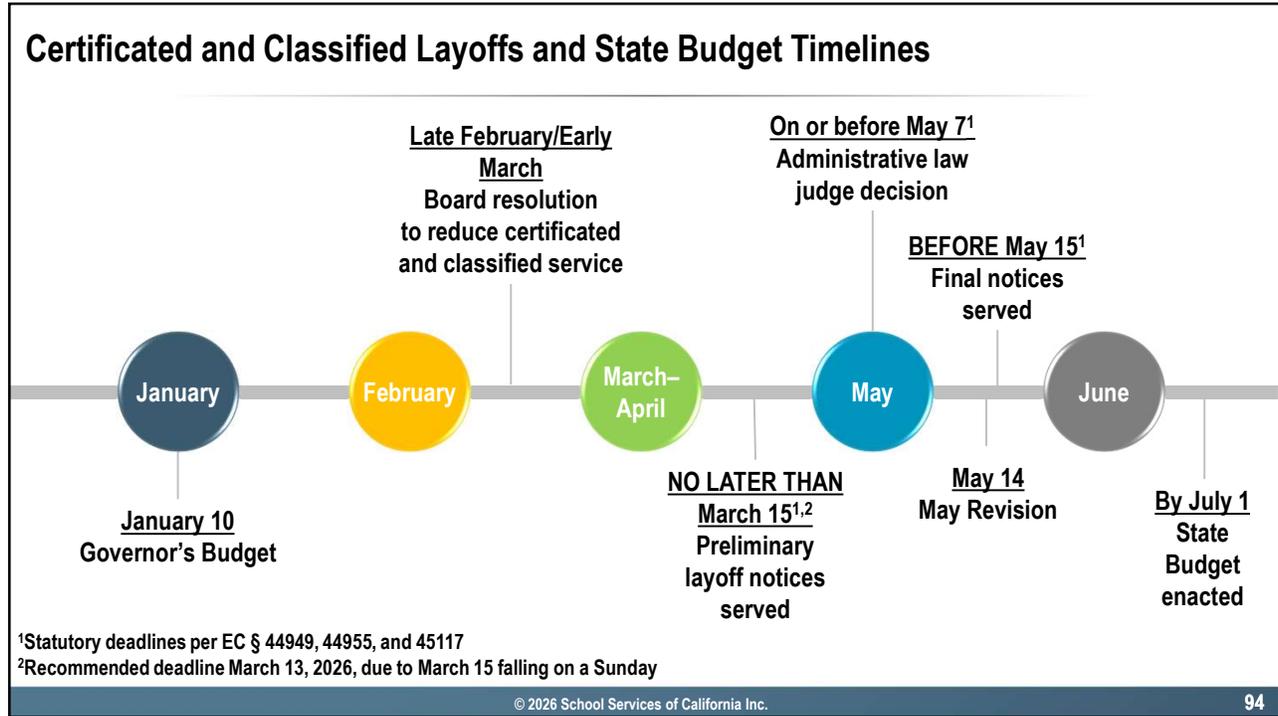
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# Governor's Proposals for the 2026-27 State Budget and K-12 Education



# Governor’s Proposals for the 2026-27 State Budget and K-12 Education



## Budget Alignment—Roles and Responsibilities

<b>Business Office</b>	<b>Educational Services</b>	<b>Human Resources (HR)</b>
<ul style="list-style-type: none"> <li>Determines fiscal conditions and necessary budget reductions</li> <li>How much and when?</li> <li>Identifies funding sources—remember restricted funding does not help the bottom line</li> </ul> <div style="background-color: #2c4e64; color: white; padding: 5px; margin-top: 10px;"> <p><b>Example:</b></p> <ul style="list-style-type: none"> <li>\$12 million in budget reductions are needed over two years—\$5 million in 2026-27 and \$7 million in 2027-28 (General Fund)</li> <li>Identifies staffing funded with one-time resources</li> </ul> </div>	<ul style="list-style-type: none"> <li>Determines instructional and operational service areas that can be adjusted or eliminated = what?</li> <li>Works with the LCAP if reductions impact services</li> </ul> <div style="background-color: #2c4e64; color: white; padding: 5px; margin-top: 10px;"> <p><b>Guiding Questions:</b></p> <ul style="list-style-type: none"> <li>Are there programs where the cost exceeds the value?</li> <li>Do we have stand-alone programs that can be reduced, eliminated, or funded through other resources?</li> </ul> </div>	<ul style="list-style-type: none"> <li>Initiates layoff process</li> <li>Determines positions impacted by the reductions = who?</li> </ul> <div style="background-color: #2c4e64; color: white; padding: 5px; margin-top: 10px;"> <p><b>Personnel Impacts:</b></p> <ul style="list-style-type: none"> <li>Employee classifications are accurate and seniority list is verified</li> <li>Vacancies are managed closely</li> <li>Attrition rates are identified</li> <li>Identifies employees impacted</li> </ul> </div>

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## HR Operations Preparing for 2026-27

- With changes on the horizon for the recruitment landscape, will LEA hiring rates finally slow down?
- Implement intent to return notices to forecast staffing needs
- New employment requirements such as background checks create operational pressure on the HR department



- Vacancy announcements may produce competitive candidate pools, therefore, implement screening practices
- Survey staff regarding their intentions—this could minimize reductions in force due to positively assured attrition
- Create systems and utilize technology—this decision cannot wait

## Position Control and Staffing Adjustments

- Staffing decisions require accurate and dependable data provided by position control—without position control, there is no staffing control

The positions listed in position control should reflect actual staffing—the standard is 0% error



Absent reliable FTE information in the database, important decisions regarding fiscal conditions are made with uncertain information

- Preparation for collective bargaining and reductions in force all depend on one database—position control

### Staffing Control

- Identification of positions funded with special funding
- Forecasting staffing needs (attrition and hiring data)



### Collective Bargaining

- Cost of 1% and all staffing expenditures
- Forecasting implications of pay increases
- Step and column costs

## Operational Advice—Hiring Freeze or “Frost”

- Modifying recruitment practices due to fiscal uncertainty and/or enrollment fluctuations helps with staffing control and minimizes impacts in environments of reductions in force

### Hiring Freeze

- Halts all hiring with narrow exceptions
- Consider transfers or reassignments by utilizing existing staffing

### Hiring “Frost”

- Allows limited hiring with special approval
- Slows down the hiring pace, allowing more staffing assessment prior to initiating recruitment

- Identify the positions that LEAs are legally required to staff and then the positions that are important but not required—positions funded with restricted resources may not fall into these categories



Communicate with all educational partners and implement processes for recruitment requests

## Significant Employment Law (Child Abuse Prevention)

- SB 848 (Pérez, Statutes of 2025) establishes new requirements to protect students from childhood sexual assault in school settings
  - This new law is expansive, and we highlight the key changes that require operational planning for implementation:

**LEA Policies and Plans**  
 July 1, 2026

- Create written policies regarding student and adult interactions
- Update school safety plans to include child abuse prevention

**Background Checks**  
 January 1, 2026

- Expands verification of egregious misconduct to include classified employees

**Mandated Reporter**  
 January 1, 2026

- Expands definition of mandated reporter to include board members, certain volunteers, and all school employees
- Requirement to provide training effective July 1, 2026

**Classified Employee Database**

- Subject to state funding, CTC<sup>1</sup> is required to establish a new statewide database to track substantiated instances of egregious misconduct by classified employees

<sup>1</sup>Commission on Teacher Credentialing

## Operational Advice—SB 848 Implementation

- SB 848 implementation significantly impacts HR operations
  - Planning and preparation in advance is imperative in ensuring legal compliance

Classified Employee Background Checks	Mandated Reporter	Policy Implementation
<ul style="list-style-type: none"> <li>• Applies to all classified employees and classified substitutes</li> <li>• LEAs must contact previous public and private school employers</li> <li>• Ensure job applications are updated (including applications not on EDJOIN.ORG)</li> <li>• Communicate with hiring managers</li> </ul>	<ul style="list-style-type: none"> <li>• Volunteers over the age of 18 and who interact with pupils outside of immediate supervision of a parent or LEA employee are required to complete training</li> <li>• Update board policies regarding volunteers and levels of clearance</li> <li>• Consider implementing process to clear volunteers in increments to avoid daily processing</li> </ul>	<ul style="list-style-type: none"> <li>• Work with governing board to adopt board policies and regulations that promote safe environments for students</li> <li>• Policies must also explicitly address professional boundaries between pupils and employees, adult volunteers, and school contractors</li> <li>• Update school safety plans</li> </ul>

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## New Employment Laws



**Personnel Records  
SB 513**  
(Durazo, Statutes of 2025)

- Provides that every current and former employee, or their representative, has the right to inspect and receive a copy of the personnel records that an employer maintains relating to education or training
- Employers who maintain training records are required to include employee name, the training provider, competencies of training, and certifications or qualification obtained



**Workplace Know  
Your Rights Act  
SB 294**  
(Reyes, Statutes of 2025)

- On or before February 1, 2026, employers must provide employees with a written notice annually and upon hire regarding specified employee rights and benefits and immigration-related laws
- By March 30, 2026, or at the time of hire, employee may name emergency contact in the event the employee is arrested or detained on their worksite



**Resource Specialists  
AB 560**  
(Addis, Statutes of 2025)

- Effective January 1, 2026, requires LEAs to take reasonable steps to distribute workload with special education assessments in an equal manner, unless workload is prescribed in a collective bargaining agreement
- The State Superintendent of Public Instruction (SSPI) must recommend a maximum adult-to-pupil staffing ratio for special classes serving SWD before July 1, 2027

See *Fiscal Report* article “[The Supporting California’s Special Educators Act](#)”

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## Notable Employment Laws and Legislation Updates

### AB 1273 (Bonta, Statutes of 2023) Classified Employee Staffing Ratio Workgroup

- By July 31, 2026, the workgroup is required to report recommendations on appropriate staffing ratios for classified school employees

### AB 339 (Ortega, Statutes of 2025) Notice Requirements

- This bill does not apply to LEAs
- Requires public agencies to provide written notice to employee organizations prior to requesting proposals, quotes, etc.

### AB 65 (Aguiar-Curry, D-Winters) Paid Pregnancy Leave

- Would require public school employers to provide up to 14 weeks of full pay to employees due to pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions
- This bill stalled in 2025, but it may move forward again this year

## Compensation Data Collection System

- For decades, SSC has conducted the certificated J-90 collection on behalf of the state
- AB 938 (Muratsuchi, Statutes of 2024) expands the collection to include classified compensation and staffing data and mandates LEAs to report both certificated and classified data

With this change, the compensation and staffing data for both certificated and classified will now be collected by the CDE going forward—effective in 2026

The collection process for both certificated and classified data is being developed by the CDE, and we anticipate more information will be shared by the department soon

The classified collection will be more complex and new—we expect some alignment will be needed

## Compensation Data Collection System



### Data to Be Collected:

**Certificated and classified nonmanagement (excluding confidential employees):**

- Salary
- Benefits
- FTE employee counts



### Who Is Required to Submit?:

- School districts (including for locally funded charter schools if authorizer)
- COEs
- Direct-funded charter schools



### Classified Reporting—Entry Level:

- School site and central office secretary or administrative assistant
- Custodian
- Bus driver
- School food service workers
- General and special education instructional aides



### LEA Reporting Deadline:

- For 2026, data must be submitted by August 31, 2026
- Starting 2027 and after, by July 1

## The Road Ahead

## Governor Newsom's Legacy for Public Education

- In the Governor's final budget, he takes a victory lap, noting the "state has made unprecedented investments and enacted transformational policies through various Budget Acts that will benefit Californians for generations to come"
- On his list of accomplishments is "Pre-K for All"—TK for all four-year-olds with increased access to the California State Preschool Program for two-, three-, and four-year-olds



- Other significant investments in TK-12 education under Governor Newsom include:
  - ELO-P
  - Universal Meals
  - Special education equalization
  - Community schools
  - A focus on early literacy
    - Significant investments in the educator pipeline

## Key Players Shaping California's Education Budget

- Key leaders in education policymaking are terming out
  - SSPI Tony Thurmond is running for Governor, so will be projecting a strong track record of educational success under his leadership
    - This month he launched a "Literacy Moonshot," a five-year plan to close the third grade literacy gap, which includes funding not proposed in the Governor's Budget and legislation to make attending kindergarten mandatory
    - His legacy may be challenged by the proposal to move some statewide education oversight from the office of the SSPI
  - Assembly Education Committee Chair Al Muratsuchi (D-Torrance) is running to follow Thurmond as SSPI
    - His goal will be to work well with those who can be supportive in that campaign



Tony Thurmond



Assemblymember  
Al Muratsuchi

## Statewide Education Governance Reform

- The Governor's Budget proposes to implement the 2002 Master Plan for Education (Master Plan) recommendation to move oversight authority of the management of the CDE and support of LEAs under the State Board of Education (SBE)

### Master Plan for Education



- The Governor's Budget also proposes to provide the SSPI the "ability to strengthen coordination and alignment among the bodies setting policy from early childhood through postsecondary education"
- While further detail will be provided with trailer bill language, 2002 Master Plan recommendations 26 and 27 (of more than 50 detailed recommendations in the 255-page report) are similar to what the budget proposal describes

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## Key Players Shaping California's Education Budget

- Both Senate President pro Tempore Monique Limón (D-Santa Barbara) and Senator John Laird (D-Santa Cruz) have a bit more time in their positions, terming out in 2028
  - Limón began in November 2025 as leader of the state Senate, with an education background as a Santa Barbara Unified School District board member
    - As an elected official, Limón has led on workers' rights, safeguarding the environment, protecting consumers, and strengthening child care
  - Laird moves on from his role as Chair of the Budget Subcommittee on Education to ascend to the Chair of the full Budget and Fiscal Review Committee
    - While less directly involved in this year's education budget development, he will have a significant role in the 2026-27 State Budget



Senate President pro Tempore  
Monique Limón



Senator John Laird

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## 2026 Midterm Election

- November 3, 2026, is the U.S. midterm election
  - California will decide all 52 congressional seats (new lines due to Proposition 50)
  - Voters will decide all 80 state Assembly seats and half (20) of the state Senate seats
  - California will decide its statewide office holders (Governor, SSPI, Secretary of State, etc.)
  - Voters will also determine statewide ballot measures, which could include:
    - Proposition 30/55 extension
    - California Billionaire Tax Act



## 2026 Midterm Election—Gubernatorial Candidates

Candidate	Background
Xavier Becerra (Democrat)	Becerra was California’s Attorney General and served as the Secretary of Health and Human Services
Chad Bianco (Republican)	Bianco currently serves as the Riverside County Sheriff, Coroner, and Public Administrator
Ian Calderon (Democrat)	Calderon is a former state assemblymember who represented parts of Los Angeles County
Steve Hilton (Republican)	Hilton is a former senior strategist to UK Prime Minister David Cameron and a former Fox News host
Katie Porter (Democrat)	Porter is a former congresswoman who represented the state’s 47th District until 2025
Tom Steyer (Democrat)	Steyer is a billionaire investor and environmental activist who founded NextGen America
Eric Swalwell (Democrat)	Swalwell is a congressman who currently represents the state’s 14th Congressional District
Tony Thurmond (Democrat)	SSPI Thurmond is the only candidate currently in a statewide seat
Antonio Villaraigosa (Democrat)	Villaraigosa is the former mayor of Los Angeles and former Speaker of the Assembly
Betty Yee (Democrat)	Yee is the former California State Controller

## Federal Actions and Implications for Public Education in California

- President Donald Trump continues to pursue his campaign promise to close the U.S. Department of Education (USDE)
  - Following a spring 2025 Executive Order directing the Secretary of Education to “take all necessary steps to facilitate the closure” of the USDE, in November, “partnerships” were created to move certain program oversight functions to other departments:
    - Office of Elementary and Secondary Education to the U.S. Department of Labor
    - Indian education programs to the U.S. Department of the Interior
    - International education and foreign language studies programs to the U.S. Department of State
  - Shifting TK-12 oversight functions could create new administrative and compliance hurdles for LEAs accustomed to USDE processes, potentially slowing grant administration and reporting



## Federal Actions and Implications for Public Education in California

- California sued the federal government 52 times in 2025 against:
  - Freezing billions of education grants, summer 2025
  - Canceling mental health grants for schools, summer 2025
  - Blocking transgender athletes in schools, summer 2025
  - Terminating extra time to use COVID-19 grant money in schools, spring 2025
  - Firing half of the USDE staff, spring 2025



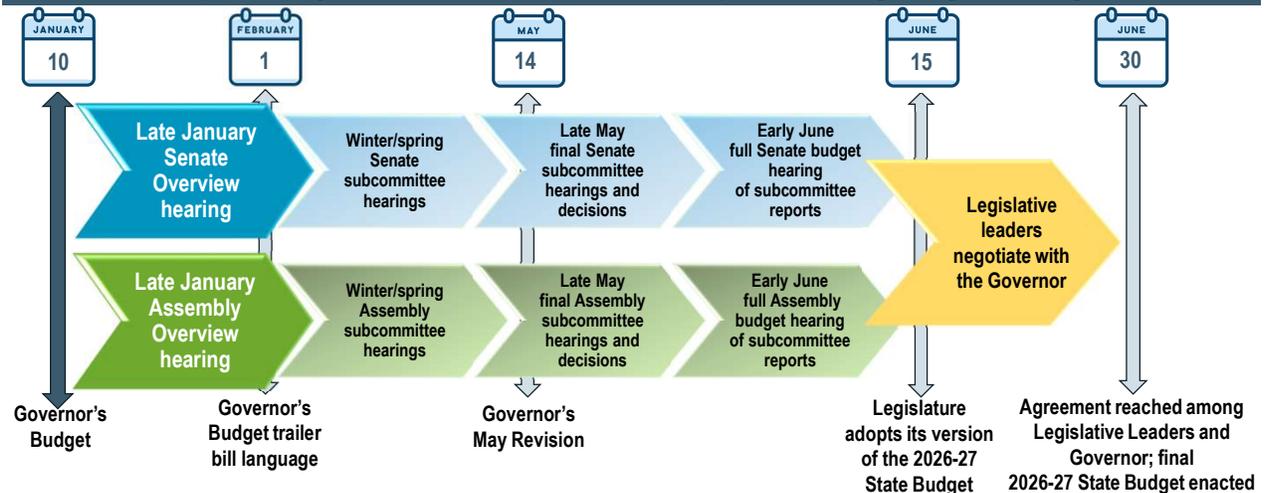
## Federal Actions and Implications for Public Education in California

- In addition to administrative actions, the federal government needs to approve an education spending plan for federal fiscal year 2026 (FY26)
  - In December 2025, federal House and Senate appropriations leaders announced they have reached agreement on funding allocations that include education
    - While exact numbers are still unknown, “total FY26 spending will be below the level projected in the current continuing resolution”
    - Additionally, the Senate wants to include language requiring the Trump Administration to distribute FY26 funds on time and in full, in reaction to last summer’s funding freeze
      - It is unclear whether there is sufficient bipartisan support for the provision to be included in the final appropriations package
- As was true in 2025, California educators are likely to be paying more attention to federal actions than usual



## The Road Ahead—From January to June

The next steps in the State Budget process are controlled by the Legislature, which has the responsibility to examine the Governor's proposals during budget hearings



## The Road Ahead—The May Revision

- Furthering this discussion are the details on the Governor's Budget proposals included in trailer bill language
  - This winter's initial vetting prepares legislators to respond quickly after the next official State Budget checkpoint—the May Revision
    - We believe there should be a thorough debate regarding the Governor's proposal to once again delay funding to our schools while costs continue to increase locally in real time
- After years of implementing significant new programs during Governor Newsom's tenure, the education community may find some comfort in the proposal's focus on continued implementation of previous investments
- We hope this deep dive will help you and your education partners operationalize what this means for your LEA, staff, students, and local communities



Please Take a Moment to  
Complete Our Survey



**Thank you for  
attending!  
Join us for the  
2026-27 May Revision  
Live Webinar!**

# UPCOMING STATE BUDGET WORKSHOP



2026  
**May Revision  
Workshop**  
Stay tuned for the date, time,  
and details coming soon!  
[www.sscal.com/workshops](http://www.sscal.com/workshops)



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## EXECUTIVE SEARCH SERVICES

School Services of California Inc. (SSC) conducts searches for qualified business services and human resources leaders for school agencies in the state of California. Our Executive Search Services include, but are not limited to, search and recruitment services for the positions of:

- **Deputy, Associate, or Assistant Superintendent for Business Services or Human Resources**
- **Chief Financial Officer or Chief Business Official**
- **Chief Human Resources Officer**

### Search Advisors

Leilani Aguinaldo \* Danyel Conolley \* John Gray  
Linette Hodson \* Sarah Neimann, EdD \* Kathleen Spencer

[www.sscal.com/consulting-executive-searches/our-search-services](http://www.sscal.com/consulting-executive-searches/our-search-services)

## RECRUITMENT SUPPORT SERVICES

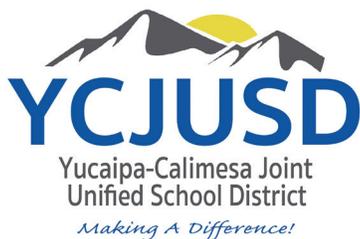
SSC provides recruitment support services for positions that are not included in our Executive Search Services. Our Search Advisors advise in the development of a competitive recruitment plan, provide support through the selection process, and are available to serve as expert panel members.

**For more information about our services, please contact:**

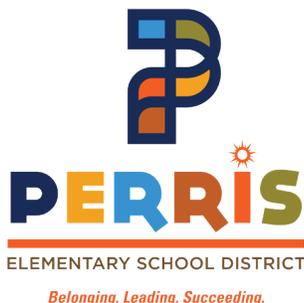
Melanee Spendlove  
[melanees@sscal.com](mailto:melanees@sscal.com)  
(916) 446-7517

# CURRENT EXECUTIVE SEARCHES

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**Yucaipa-Calimesa Joint Unified School District**  
**Assistant Superintendent, Business Services**  
**Salary: \$222,617**



**Perris Elementary School District**  
**Assistant Superintendent/Chief Business Official**  
**Salary Range: \$200,539 to \$222,667\***

\*Pending Board approval January 22, 2026

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For more information or to apply, please go to:  
<https://www.sscal.com/consulting-executive-searches/lea-career-opportunities>



School Services of California Inc. (SSC) is passionate about offering the training and information we know you need to operate and provide a quality education to your students. To that end, and in an effort to continue to ensure access to the training you need in a convenient format, we offer the following subject-based webinars hosted via Zoom.

Our [Workshop FAQs](#) provide more information on registering and have answers to many of your frequently asked questions. Should you have any additional questions or problems completing your registration, please contact Michelle Berge at [michelleb@sscal.com](mailto:michelleb@sscal.com) or 916-446-7517. Thank you for your unwavering support as we strive to provide you with online content developed to meet your agency's needs.



## **Employee Leave**

**A Three-Hour Webinar  
February 3, 2026**

Managing employee leaves is complicated, difficult, and requires local educational agencies to carefully track eligibility for leave under federal and state laws, a local collective bargaining agreement, board policies, and local practice. This webinar will provide participants with operational advice on how to effectively manage short-term and long-term employee leave. Presenters will cover employee attendance tracking, documenting differential leave, managing parental leave, and the interaction of leave provided by the Education Code with state and federal leave entitlements.

## **Independent Study: Compliance and Best Practices**

**A Two-Hour Webinar  
February 17, 2026**



Independent study program participation remains strong, and interest continues to grow. As local educational agencies implement independent study programs that are compliant with the current requirements in law, this webinar will unpack and analyze the state's independent study requirements and illuminate the ways school agencies can leverage them to provide a high-quality program with flexible options for students within their communities. Specifically, attendees will gain a better understanding of program design options, along with the legal nuts and bolts of instructional time and attendance accounting for participation in independent study instruction in California. Attendees will walk away with the critical operational tools they need to run a successful and compliant independent study program.

## **Federal Compliance—How to Stay Out of Trouble**

**A Two-Hour Webinar  
February 24, 2026**



The 2025 calendar year was one for the record books as local educational agencies were simultaneously weening off of historic amounts of one-time federal resources that were the result of COVID-19-related stimulus packages, while dealing with uncertainty around current and future funding for programs that have existed for decades. The Federal Compliance webinar will provide updates on the fate of those threatened funding sources, as well as walk through the myriad of compliance requirements for federal programs such as Title I and special education.

## Dual Enrollment



**A Three-Hour Webinar  
March 3, 2026**

Dual enrollment programs, which provide students the opportunity to meet high school requirements while also enrolling in college courses and earning college credit, are an increasingly popular educational option. Enrollment in such programs is growing year after year. Dual enrollment programs have unique requirements that must be met to generate average daily attendance for K-12 local educational agencies (LEAs) and full-time equivalent students for community college districts (CCDs) as well as administrative requirements specific to both K-12 LEAs and CCDs. This webinar will provide attendees with an opportunity to gain a better understanding of different dual enrollment settings, design options, compliance requirements for both K-12 LEAs and CCDs choosing to offer dual enrollment programs, and any pending legislation that looks to make changes to dual enrollment programs.

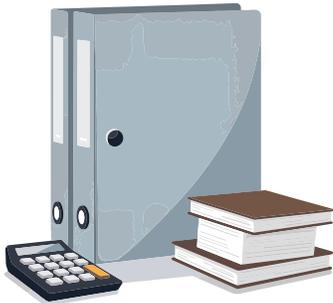
## Employee Discipline



**A Three-Hour Webinar  
March 10, 2026**

This webinar is for human resources (HR) leaders new to their role as well as the experienced HR administrator, and focuses on disciplinary processes, identifying the differences between informal and formal discipline, engagement practices that address performance concerns, and knowing when to call an attorney. The presenters are HR practitioners with direct field experience and are pleased to partner with an attorney for this webinar.

## The Audit Challenge—Updates and New Considerations



**A Three-Hour Webinar  
March 17, 2026**

The 2025-26 fiscal year introduced a new methodology for local educational agencies to increase revenues known as the Attendance Recovery Program (Program). This Program operates similarly to the Expanded Learning Opportunities Program (ELO-P), but there are key distinctions that result in a higher level of service for students. Additionally, a report on audit findings from 2023-24 identified that ELO-P and independent study continue to be high audit-finding areas due to the dense compliance requirements. The Audit Challenge—Updates and New Considerations webinar will provide up-to-date information on audit regulations relative to these topics, and other federal and state compliance areas, as well as tips and tricks for managing and coordinating the audit process.

## Employee Complaints and Investigations



**A Three-Hour Webinar  
March 24, 2026**

Employee complaints require immediate action by the employer to ensure a safe and healthy workplace, reduce legal expenses, and safeguard employees and students. This includes taking steps to stop any workplace conflict or alleged employee misconduct, protect involved parties, and begin investigations. This webinar offers an overview of types of employee complaints, effective workplace investigation practices, tools and resources to effectively manage complaints, and indicators for recognizing when legal counsel may be necessary.

## SACS 101—Budget Development

A Three-Hour Webinar

April 7, 2026



The Standardized Account Code Structure (SACS) software is the required reporting tool that is used in the state of California for financial reporting. The software includes many forms, with changing formats across the various budgetary periods. The training focuses on the budget development period and provides technical advice on each of the required forms, including, but not limited to, the technical review checklist, cash flow, criteria and standards, and the multiyear projection.

## Instructional Time and Attendance Planning

A Three-Hour Webinar

April 14, 2026



California law requires all local educational agencies to meet specific interrelated instructional time, attendance, and teacher supervision requirements. Noncompliance jeopardizes Local Control Funding Formula funding as well as other sources of funding calculated based on average daily attendance. This Instructional Time and Attendance Planning webinar will provide attendees with current, helpful tools in advance of the coming school year to plan for instructional time and teacher supervision. This will facilitate capturing a greater percentage of enrollment, while laying the foundation for meeting attendance accounting and instructional time requirements.

## Maintenance of Effort Monitoring—Beyond the Basics

A Three-Hour Webinar

April 21, 2026



Local educational agencies (LEAs) must carefully monitor expenditures for base educational programs and special education services to ensure sustainable and fiscally responsible programming aligned to annual revenues. Budget development and program planning requires collaborative problem-solving between special education and the business office, as well as coordination with human resources, to ensure appropriate staffing and services are available to increase student engagement, attendance, and improve student inclusive access. Statewide trends of declining enrollment continue, paired with increasing referrals to special education and growing intensity of needs, which increases the costs of operations and requires regular monitoring of the federal special education maintenance of effort (SEMOE) obligation. Balancing the need for fiscal sustainability and responsibility with compliance with federal SEMOE expenditure requirements leaves many LEAs pondering how to plan, monitor expenditures, and take advantage of allowable exemptions when possible. LEAs and Special Education Local Plan Areas must engage in regular monitoring of SEMOE and ensure compliance and eligibility for ongoing access to federal funds via the end-of-year process. This webinar will provide an overview of SEMOE requirements, the implications of state, local, and federal revenue and expenditures on SEMOE, and available strategies for monitoring and managing SEMOE growth where allowable. Teams will leave with the knowledge and tools to help with local discussions about documentation, strategy, and actions to maximize fiscal options regarding SEMOE obligations.

## Construction Basics and Accounting

A Three-Hour Webinar  
May 5, 2026



The passage of Proposition 2 has brought both much-needed funding for new construction and modernization projects and major changes to the School Facility Program (SFP). Understanding the new opportunities and requirements under the SFP will ensure your local educational agencies are prepared to access state funding. Additionally, knowing the basics of school construction and funding before embarking on facilities projects is important as they require the establishment of facilities-specific fiscal processes and tracking to ensure that public dollars are spent with fidelity. This webinar will provide an overview of the timelines and approvals necessary for the construction and/or modernization of school facilities, step-by-step details on the basics of school construction accounting, tips on getting both your physical and electronic files and accounts organized, and updates on the discussions and approved and pending regulations being considered by the State Allocation Board.

## Special Education—Both Sides of the Equation

A Three-Hour Webinar  
June 16, 2026



High-quality, compliant special education programs that support the needs of students with disabilities (SWD) require sufficient base educational funding and appropriate supplemental resources to meet programmatic goals. General Fund contributions towards personnel, service delivery, and administrative support were always an intended source of funding for special education program costs, but General Fund contributions are on the rise despite increased state funding for special education programs. The trend of insufficient revenues available to cover the costs of operating base educational programs and special education supplemental services continues, influenced by challenges with staffing and service provision, declining enrollment, and growing SWD populations. Building effective and sustainable special education programs requires strategic planning in the face of shrinking resources, which are driven by average daily attendance and not by the students served by the special education programs. It is critical for special education leaders and fiscal colleagues to develop and implement special education programs focused on student needs in alignment with the initiatives and accountability plans of the district and reflecting the available resources for the programs. In times of tight resources and systemic staff shortages, collaborative decision-making about alignment of actions for improved student outcomes will be crucial. This webinar will provide participants with up-to-date information on funding resources, tools for effective program management aligned with fiscal responsibility, and recommendations to ensure equity and promote inclusive access for SWD.

New!

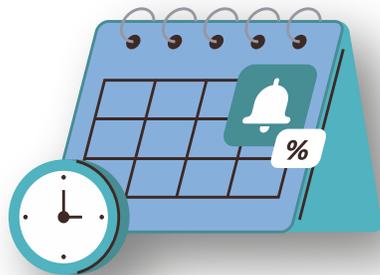
## Closing the Books

A Three-Hour Webinar  
June 23, 2026



Closing the books, also known as preparing the Unaudited Actuals, has many similarities to budget preparation. However, there are also some stark differences. The budget is the roadmap, or plan, for revenues and expenditures whereas the preparation of the Unaudited Actuals requires local educational agencies to recognize revenues and expenditures in accordance with generally accepted accounting principles. This training focuses on the year-end close and provides technical advice on the preparation of journal entries, as well as the required year-end documents, such as Form CEA and Form CAT.

# SSC STUDENT ATTENDANCE AND INSTRUCTIONAL TIME ONLINE ROUNDTABLES



**SCHOOL SERVICES OF CALIFORNIA INC. (SSC) IS PRESENTING ROUNDTABLES ON STUDENT ATTENDANCE AND INSTRUCTIONAL TIME. EACH ROUNDTABLE WILL BE AN HOUR AND A HALF AND FEATURE A PRESENTATION FOLLOWED BY A FACILITATED DISCUSSION AND QUESTION AND ANSWER SESSION.**

## **SCHOOL CALENDARS AND BELL SCHEDULES ROUNDTABLE—FEBRUARY 26, 2026 10:00 A.M. - 11:30 A.M.**

### **PRESENTED BY**

WENDI McCASKILL, EDD, SSC  
SARAH NIEMANN, EDD, SSC

Local educational agencies (LEAs) adopt school calendars and bell schedules each year. LEAs also follow an internal attendance reporting calendar for the purpose of reporting average daily attendance (ADA) to the California Department of Education. School calendars and bell schedules help LEAs meet instructional time requirements and can have an impact on student attendance. LEAs can make decisions regarding internal attendance reporting calendars that can affect the amount of reported ADA for funding purposes. This roundtable will offer detailed information to ensure that school calendars and bell schedules meet statutory requirements and facilitate strong student attendance patterns. Additionally, the roundtable will provide the options that LEAs have for adjusting internal ADA reporting calendars through a presentation and facilitated discussion among participants.

## **ATTENDANCE RECOVERY AND EXPANDED LEARNING OPPORTUNITIES PROGRAMS ROUNDTABLE— MARCH 19, 2026 10:00 A.M. - 11:30 A.M.**

### **PRESENTED BY**

WENDI McCASKILL, EDD, SSC  
LEILANI AGUINALDO, SSC

The primary sources of K-12 education funding are determined by a local educational agency's (LEA) average daily attendance (ADA). In addition, many California students experience interruptions to instructional time due to absences and emergency events that have caused school closures or material losses in attendance. California law provides the opportunity to improve ADA and access to lost instructional time through attendance recovery. In addition, under specific circumstances, LEAs can use Expanded Learning Opportunities Program funding to support Attendance Recovery Programs. This roundtable will provide information on attendance recovery options and the attendance accounting requirements for reporting makeup attendance.

***COST: \$165 (CLIENT) OR \$330 (NON-CLIENT) PER ATTENDEE, PER INDIVIDUAL ROUNDTABLE  
TO REGISTER FOR A ROUNDTABLE, GO TO [WWW.SSCAL.COM/WORKSHOPS](http://WWW.SSCAL.COM/WORKSHOPS)***



# SSC HR NETWORK AND EMPLOYMENT RESOURCE CENTER

## THE SSC HR NETWORK

The School Services of California Inc. (SSC) HR Network (Network) is a learning opportunity for local educational agency (LEA) human resources (HR) practitioners interested and committed to creating a virtual community of practice. The Network provides HR staff wanting to stay informed and connected a place to learn, share resources, and grow in their professional practice without having to leave their office and regardless of the location of their LEA. The Network is hosted and monitored by SSC's HR Team, who also participate by sharing their practice and experiences with colleagues.

### Cost of Membership

**\$195.00 annual subscription (per member)**

- Shared documents, templates, and other resources
- Discussion regarding trending HR topics
- Legislative updates
- Information regarding HR learning opportunities
- SSC advice and guidance
- Virtual roundtable meetings for HR Network members

### Who Should Join?

Chief HR officers, HR directors, technical and clerical HR staff, and staff who are involved in the oversight and management of HR functions.

### Roundtable Meetings

SSC Network members are invited to attend our virtual HR roundtable meetings hosted and facilitated by the SSC HR team. We encourage your attendance in joining our "community of practice" to discuss the key issues currently confronting HR professionals.

The schedule for virtual meetings is available on the SSC HR Network page: [www.sscal.com/join-ssc-hr-network](http://www.sscal.com/join-ssc-hr-network).

Please visit [www.sscal.com/join-ssc-hr-network](http://www.sscal.com/join-ssc-hr-network) to join the HR Network.

## THE SSC EMPLOYMENT RESOURCE CENTER

The SSC Employment Resource Center is a space on the SSC website, dedicated to LEA employment resources and tools. Information regarding SSC HR learning opportunities, *Fiscal Report* articles, links to HR resources, and information about the SSC HR Team are available on the Employment Resource Center page.

In addition, the Employment Resource Center provides opportunity for LEAs to post vacancy announcements for all positions. For information regarding job postings and access to HR resources, please visit:

[www.sscal.com/employment-resource-center](http://www.sscal.com/employment-resource-center)

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**SARAH NIEMANN, EDD**

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# School Services of California Inc. Special Education Fiscal Collaborative



The School Services of California Inc. Special Education Fiscal Collaborative (SPED Fiscal Collaborative) is an information-sharing and capacity-building resource focused on school finance and special education fiscal literacy. We invite local educational agency (LEA), county office of education, and Special Education Local Plan Area (SELPA) fiscal staff and program leaders to join our team of experts for high-quality, timely, and relevant information and resource sharing related to special education fiscal planning, implementation monitoring, and alignment with mandated plans and reporting requirements for special education.

The SPED Fiscal Collaborative provides members with the following:

- Ten virtual webinars on timely topics and information throughout the year
- Access to special education finance experts and colleagues via email
- Networking opportunities with job-alike partners
- A resource hub with tools to meet the fiscal needs of those supporting special education programs
- Interactive support for special education maintenance of effort (SEMEOE) monitoring, and annual review of required end-of-year (EOY) reporting processes
- Direct access to EOY forms and relevant *Fiscal Report* content



## Professional Learning Offerings



The SPED Fiscal Collaborative provides hands-on learning and encourages collaboration at the local and regional level. Our goal is to increase the knowledge and capacity of special education fiscal staff and leaders as you collaborate and implement quality programs. Professional learning topics include, but are not limited to, the following:

- |  |  |   |  |
|--|--|---|--|
| <ul style="list-style-type: none"> <li>• Standardized Account Code Structure (SACS)</li> <li>• Principal Apportionment Data Collection (PADC) software</li> <li>• California School Accounting Manual (CSAM)</li> <li>• California Longitudinal Pupil Achievement Data System (CALPADS)</li> </ul> | <ul style="list-style-type: none"> <li>• Census Day activities</li> <li>• Program Cost Resource Allocation (PCRA) Factors and Form</li> <li>• Extraordinary Cost Pool (ECP)</li> <li>• Preparation for First Interim</li> <li>• SEMOE monitoring</li> <li>• SEMOE interim forms</li> </ul> | <ul style="list-style-type: none"> <li>• Education Code updates</li> <li>• Contracts and board approval</li> <li>• Second Interim and annual budget planning</li> <li>• Extended school year</li> <li>• Calendar of special education fiscal activities</li> <li>• Monitoring position control</li> </ul> | <ul style="list-style-type: none"> <li>• State and federal budget updates</li> <li>• EOY forms and process</li> <li>• Special education data system activities</li> <li>• Mental health expenditure reporting</li> <li>• SELPA allocation policy</li> <li>• Member-requested topics</li> </ul> |
|--|--|---|--|

## Cost and Registration

It is \$3,000 for a one-year membership in the SPED Fiscal Collaborative for LEAs of all sizes and configurations.

The goal of the SPED Fiscal Collaborative is to encourage multiple participants from LEAs/organizations and support capacity-building communication and information sharing at the local level. There is no limit on the number of participants from registered LEAs, including SELPA participation via a registered administrative unit. Necessary small SELPAs are welcome to join as a regional consortium. For small charter schools and school districts with enrollment lower than 1,000, please contact Josh Forgia at [joshf@sscal.com](mailto:joshf@sscal.com) for pricing.



School Services of California Inc.'s (SSC) professional staff is available to lend its extensive range of expertise to school agencies confronted by particular challenges. SSC's experts have a wealth of direct experience in supporting school agencies through the challenges that are unique to local educational agencies. Whether facing internal budget control issues, organizational demands, central office staffing concerns, or collective bargaining issues, SSC's consultants bring with them both the experience and ability to recognize the uniqueness of every situation. Below are descriptions of some of SSC's Management Consulting Services.

## Financial Studies and Support

SSC staff has significant financial expertise to support local agency needs in the area of budget development and management, cash management, multiyear financial planning, attendance accounting, and any other fiscal needs of the organization. Some of the services provided to support local agencies with their financial operations are:

- Budget and Multiyear Projection Review
- Budget Review for Negotiations
- Multiyear Financial Projection Review or Preparation
- Cash Management Wellness Check
- Budget Reduction Options Analysis
- Analysis of Long-Range Financial Plan
- Fiscal Process and Reporting Review
- Position Control Review (Human Resources [HR] and Business Practices)
- Attendance Accounting Evaluation
- Audit Findings Resolution and Appeal
- Charter School Funding Review
- Chief Business Official and Fiscal Director Coaching

## Negotiations Support and Factfinding

We provide negotiations support to the local agency and its bargaining teams in a wide variety of ways. Budget reviews for negotiations, interventions during mediation, and service on factfinding panels are all well within our circle of competence. We also offer facilitated negotiations trainings for school agency management teams. We can help make the difference between a successful negotiations outcome or continued labor-management problems.

## Administrative Organization and Efficiency Studies

SSC staff provides customized studies and recommendations covering sensitive and critical issues of local school agency administration, business office or HR department organization, and procedural efficiencies. These studies include:

- Central Office Administrative Organizational Review
- Comparative Staffing Analysis
- Central Office Staffing Analysis and Comparative Study
- Business Office Efficiency Study
- Maintenance, Operations, and Transportation Organizational Review
- Comparative High School Staffing and Master Schedule Study
- Independent Study Program Review

## Human Resources Services

SSC HR experts can provide support to local agencies with their HR operations and leadership needs. Some of the services provided include:

- HR Organizational Review, Position Analysis, and Efficiency Assessment
- Chief HR officer, director, or other supervisory-level leadership development, mentoring, and coaching
- Executive searches and recruitment and selection support services
- Specialized trainings and workshops on various HR topics for HR staff, administrators, and supervisors, including complaints and investigations and supervision and evaluation
- Focused operational studies: Employee Leave Management, Recruitment and Selection Processes, Position Control, and other HR functions
- The SSC HR Network (listserv)
- Employment Resources Center (job postings for all local educational positions)

## Employee Salaries, Benefits, and Working Conditions Analyses

SSC conducts analyses of employee salaries, employee and retiree benefits, and employee working conditions to assist local school agencies with managing costs, attracting and retaining employees, and negotiating successor agreements with local bargaining units. For example, SSC can conduct the following:

- Comparative Analysis of Certificated, Classified, and Management Compensation
- Job Hierarchy and Compensation Structure Analysis
- Health and Welfare Benefits Review
- Comparative Analysis of Employee Working Conditions

## Special Education Services

SSC's special education services can engage educational partners and set the groundwork for meaningful and sustainable change while prioritizing systemic alignment and student outcomes. We offer focused studies, which can include the review and analysis of revenue, expenditure, student, program, and/or staffing data to prepare strategies for the future of the local agency special education program. Types of the services we offer include:

- Special Education Fiscal Review, which may include multiyear analysis of budget, contributions, and cost drivers
- Maintenance of effort analysis and planning
- Analysis of special education data and program elements
- Special Education Department Efficiency and Effectiveness Study
- Special Education Local Plan Area Allocation Model Review/Facilitation
- Special education targeted area consultation reviews, analysis, and coaching
- Ongoing training and support for special education fiscal issues through the Special Education Fiscal Collaborative

## School Construction and Facilities

Whether your agency is faced with surplus property, the need to close or consolidate schools, or in the midst of new construction projects, which has resulted in the need for assistance with the project management processes necessary for routine maintenance, modernization, and construction of school facilities—SSC offers a range of services for local school agencies, including:

- Facilities Department Organizational Review
- Facilities Program Review
- 7-11, Boundary, or School Closure Support
- Charter School Proposition 39 Facilities Request Support
- Facilitation and Operational Support for the Sale or Lease of Surplus Property

## Charter Schools

SSC's services are available to charter schools, customized to your local educational agency's unique needs. Traditional school agencies approving charter schools need to be prepared with knowledge regarding the considerations that come along with charter schools—from potential liability issues to available facilities options.

SSC can assist school agencies with meeting their oversight responsibilities, evaluating petitions for new and renewing charter schools, navigating the Proposition 39 process, and other requests for facilities and facilities funding.

## Reorganization, Unification, and Territory Transfer Studies

From inception to the election polls, SSC staff has experience in guiding school districts through the lengthy state processes for reorganization and making thoughtful decisions on school district boundary changes, including the Local Control Funding Formula calculations, local property tax implications, debt service issues, etc. SSC staff are also available to perform advocacy and legislative services, as needed, for unique situations.

**PLEASE CONTACT DANYEL CONOLLEY, VICE PRESIDENT, FOR MORE INFORMATION.**

**(916) 446-7517 | [www.sscal.com](http://www.sscal.com) | Email: [danyelc@sscal.com](mailto:danyelc@sscal.com)**

**School Services of California Inc. | 500 Capitol Mall, Suite 1700, Sacramento, CA 95814**

# Governmental Relations Services



School Services of California Inc. (SSC) has the strongest governmental relations team in Sacramento due to our exceptional knowledge of the legislative and State Budget processes, combined with an in-depth understanding of early childhood education, TK-12, and higher education statutes and regulations, as well as cutting-edge policy issues. Our team provides strategic policy and political expertise to support our clients to achieve their goals.

SSC is proud to only represent public and nonprofit entities, including local educational agencies, community colleges, coalitions of educational leaders, and nonprofit organizations to improve California's early care and educational systems. Because of our long-standing reputation as knowledgeable representatives of early childhood education, TK-12, and higher education organizations, we serve as a trusted resource for legislative leaders and administration staff. This reputation, along with more than five decades of collective experience and a diverse network of contacts, enhances the SSC team's ability to help clients meet their legislative objectives.

The SSC lineup is considered the premier team of education-focused governmental relations specialists in Sacramento. Over the last five decades, there has been no other organization that has had such a lasting impact on education policy. Whether helping to solve a client's unique legislative problem or working with coalitions to impact major statewide education policy and fiscal matters, SSC advocates are effective and highly regarded in the Capitol.

## Our areas of expertise span early childhood education, TK-12, and higher education policy, including the following:

- Accountability
- Adult Education
- Attendance
- Before and After School Programs
- Career Technical Education
- Charter Schools
- Childcare
- Dual Enrollment
- English Language Learners
- Financial Aid
- Independent Study
- Instructional Time
- Local Control Funding Formula and Education Finance Reform
- Mandates
- Risk Management Issues
- Special Education
- State Budget and Proposition 98
- Student Success and Access
- Technology Funding
- Universal School Meals

## In addition to working with key policymakers in the legislative and budget process, SSC's experts regularly work with essential state agencies critical to education:

- California Community Colleges Chancellor's Office
- California Department of Education
- California Student Aid Commission
- California Public Employees' Retirement System and California State Teachers' Retirement System
- Commission on State Mandates
- Commission on Teacher Credentialing
- Department of Social Services
- State Allocation Board
- State Board of Education
- State Controller's Office

**PLEASE CONTACT MICHELLE MCKAY UNDERWOOD,  
VICE PRESIDENT, IF WE CAN BE OF SERVICE**

**(916) 446-7517 | [michelleu@sscal.com](mailto:michelleu@sscal.com)**

**School Services of California Inc.  
500 Capitol Mall, Suite 1700, Sacramento, CA 95814  
[www.sscal.com](http://www.sscal.com)**



# SABRE

## Salary And Benefits REport 2024-25 Analysis of Teacher Salaries and Benefits

For many years, School Services of California Inc. (SSC) has had the opportunity to capture and analyze the Form J-90 Teacher Salary and Benefits Schedule from school districts in California. From this large accumulation of data, we are able to compile a comprehensive analysis of the salaries and benefits of certificated nonmanagement employees and how they compare to selected districts, regions, and the entire state.

The SABRE provides up to 38 side-by-side comparisons of your school district with up to 20 other districts per report on certificated salaries, health and welfare benefits, and working days. These comparative districts are entirely user selected and may be geographical, of like type and size, of similar funding levels, or a combination of all of these. The report consists of five valuable types of displays. Each report includes:

- ◆ Ten graphical displays and 27 comparison tables with side-by-side analysis
- ◆ All district teacher salary schedules, health and benefit schedules, and other selected data important for compensation evaluation in an easy-to-read common format

The entire report is an essential resource for school district administrators, especially for those at the negotiating table or in the human resources or fiscal departments.

### TYPES OF COMPARISONS INCLUDE:

#### SALARIES

Each district's salary at the minimum, maximum, average, BA+30 at Step 1, and BA+60 at Step 10 are compared and ranked against the region, statewide averages, comparable district averages, and each of the comparable districts. Each comparative analysis also provides detailed statistics that can help give seniority, step, and educational accomplishment information. Readers, as a consequence, are able to get a comprehensive cross-comparison and analysis of district compensation to that of other selected districts.

#### BENEFITS

Each district's health, dental, life, vision, and other insurance benefits are displayed and compared. What makes the SABRE analysis unique is that it shows not only the maximum benefits, but also the district average based on actual placements. When the average district contribution cost is added to salary, a true total compensation picture is drawn.

#### OTHER COMPARISONS

The SABRE also includes comprehensive analyses of how your district compares in per diem amounts, number of instructional and teacher service days, percentage of salary adjustments, and total compensation.

#### PRICE (Effective through June 30, 2026):

The SABRE costs \$375 for client districts and includes two runs of 20 selected districts in each report emailed in PDF format to your district with a custom cover. If you would like the reports delivered to your district as a hardbound copy, the cost is \$480 for client districts. Clients will also receive a discount of \$75 on the price of our Comparative Analysis of District Income and Expenditures (CADIE) report if it is ordered any time during the year.

#### TO ORDER:

Complete the order form and mail or email it to SSC.

# 2024-25 SABRE and 2023-24 CADIE Order Form

It is easy to order a SABRE and CADIE. We will be happy to help you select an appropriate comparison group, or you can specify which districts you wish to be compared to, or even the criteria you would like SSC to use in choosing the comparison districts.

Contact name: \_\_\_\_\_ District name: \_\_\_\_\_

Address: (No P.O. boxes, please) \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

Telephone no. w/extension: \_\_\_\_\_ Email: \_\_\_\_\_

Purchase Order no.: \_\_\_\_\_ Check enclosed: (amount) \$ \_\_\_\_\_

Credit card no.: (Visa or MasterCard only) \_\_\_\_\_ Exp: \_\_\_\_/\_\_\_\_

Name on credit card: \_\_\_\_\_ Signature: \_\_\_\_\_

Pricing effective through June 30, 2026. Please check one:

- SABRE Price (Electronic Version): \$375 client rate\* includes two reports (20 districts in each)
- CADIE Price: (Electronic Version): \$525 client rate\* includes two reports (20 districts in each)
- Both Reports (Electronic Version): \$825 client rate\* includes two reports (20 districts in each)
- Bound hardcopy version of reports: \$105 per pair

\*If you are not a client district, please contact our office at the number below for pricing

Additional Reports: SABRE: \$100 (Electronic); CADIE: \$175 (Electronic) SABRE: \$205 (Hardcopy); CADIE: \$280 (Hardcopy)	Copies of Report (Hardcopy): \$105 per pair
--	---

- Use the same districts we've used in the past
- Call me to set up an appropriate list of comparison districts
- Use the following criteria to select the appropriate list of comparison districts:

Type of district: \_\_\_\_\_

ADA range from: \_\_\_\_\_ to \_\_\_\_\_

Geographical location: \_\_\_\_\_

- Use the following lists of comparative districts:

**Report 1**

District

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_
- 8) \_\_\_\_\_
- 9) \_\_\_\_\_
- 10) \_\_\_\_\_
- 11) \_\_\_\_\_
- 12) \_\_\_\_\_
- 13) \_\_\_\_\_
- 14) \_\_\_\_\_
- 15) \_\_\_\_\_
- 16) \_\_\_\_\_
- 17) \_\_\_\_\_
- 18) \_\_\_\_\_
- 19) \_\_\_\_\_
- 20) \_\_\_\_\_

**Report 2**

District

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_
- 4) \_\_\_\_\_
- 5) \_\_\_\_\_
- 6) \_\_\_\_\_
- 7) \_\_\_\_\_
- 8) \_\_\_\_\_
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- 19) \_\_\_\_\_
- 20) \_\_\_\_\_



**Email or mail the completed form to:**

Chloe Lum  
 chloel@sscal.com  
 500 Capitol Mall, Suite 1700  
 Sacramento, CA 95814  
 (916) 446-7517, Ext. 1200

# Prepare All Educators to Meet the Needs of Your Diverse Learners

## Inclusive Instruction & Interventions Professional Development Courses

According to NCES statistics, 67% of special education students spend 80% or more of their time in the general education classroom. This underscores the need for professional development for both special education teachers working in stand-alone classrooms and for all staff working with students with diverse needs.

The **Vector Training Inclusive Instruction & Interventions** courses equip administrators, teachers, and paraeducators with skills and instructional strategies to improve instruction and learning outcomes for all students.



Prepare paraeducators to safely and effectively support students.



Help educators understand, prevent, and respond to challenging behavior.



Improve compliance with special education laws and new training mandates.



Increase flexibility and personalization in professional development.



Deliver through **Keenan SafeSchools Training** or the **Vector Training System**.

### Flexible Subscription Options Maximize Professional Development Opportunities

With 100+ courses in one system, you can easily meet the professional development needs of educators across your district. Course topics include:

- ADHD
- Autism Spectrum Disorder
- Behavior
- Dyslexia
- Early Childhood
- General Instruction
- IEPs
- Instruction & Learning
- Paraeducators
- Principals
- Special Education Law
- Trauma-Informed Practices

### Inclusive Instruction & Interventions Courses Bundled with Additional Professional Development Libraries

The new Safety & Compliance Plus program offers expanded PD courses covering a breadth of training needs across departments and roles. Course libraries include:

- Positive School Climate
- Cybersecurity Awareness
- Facilities Maintenance
- Athletics Health & Safety

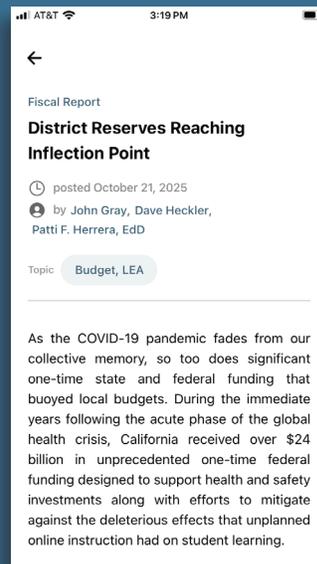
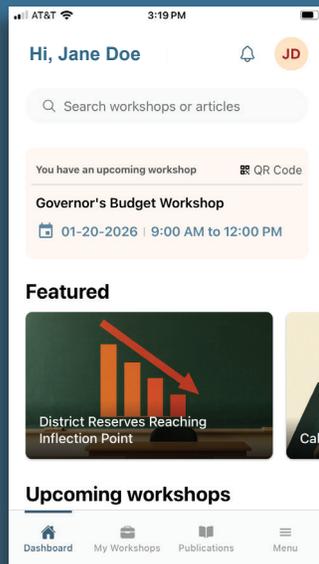


Available directly through Vector Solutions. Download Catalog

# Download the SSC App!



- ✓ Includes the best features of the School Services of California Inc. (SSC) website right in your pocket
- ✓ View *Fiscal Report* and *Community College Update* articles
- ✓ View and register for workshops, as well as access workshop resources
- ✓ Submit an Ask SSC question



## Available now on iOS and Android



## About SSC

Since 1975, School Services of California Inc. (SSC) has helped school districts, charter schools, county offices of education, and community colleges carry out their management and operational responsibilities. Efficient and effective administration of California’s public education system has always been SSC’s primary mission.

SSC serves more than 1,200 California public school agencies. SSC publishes the *Fiscal Report* and *Community College Update*; produces comparative in-depth budget and salary data reports for school districts; provides collective bargaining services; delivers school finance/operations training to more than 8,000 attendees annually; provides governmental relations services; and prepares numerous reports on school agency compensation, local budgets, efficiencies, and organizational structures.

## SSC Directors

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Comparative Reports.....[chloel@sscal.com](mailto:chloel@sscal.com)  
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# BUDGET PERSPECTIVES WORKSHOP

GOVERNOR'S BUDGET

2026-27



**Budget Perspectives Workshop**  
Governor's Budget 2026-27



**Budget Perspectives Workshop 2026-27 Governor's Budget**

**CAPITOL ADVISORS GROUP, LLC**

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# Budget Perspectives Workshop

## Governor's Budget 2026-27



In Loving Memory:  
Erika Hoffman

Warm, funny, tenacious, and deeply missed.

## Initial Thoughts

- Strong revenue growth so far in 2025-26 despite many risks, but increased state costs result in modest 2026-27 deficit with larger projected deficits in following years
- An otherwise good budget for schools is undermined by another Prop 98 manipulation, underfunding the 2025-26 Prop 98 Guarantee by \$5.6 billion
- LCFF receives a COLA, Special Education gets a bump, another discretionary block grant, and various programs prioritized by Governor Newsom are fully funded or expanded
- After several years of new programs and expansions, settling into implementation phase
- If tax collections differ in the second half of the fiscal year, significant funding adjustments may be necessary
- Legislature will make modifications to both funding and program requirements, but likely to be modest

## Budget Perspectives Workshop Governor's Budget 2026-27



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### Political Context and Election Year Dynamics

- Governor Newsom's last budget before likely White House run
- Expect election year jockeying, endorsements, and shakeups
- No standout (yet) in Governor's Race – Republican candidate leads a pack of Democrats
- SPI race happening alongside proposal to move CDE under Governor
- Ballot measures to watch: Prop 55 tax extension, Billionaire's Tax, chat bot regulation, others
- First congressional races since Prop 50 – Blue Wave expected, several current state legislators eyeing DC seats
- Legislature may see opportunity to assert more control over fiscal and policy choices during transition to new Governor

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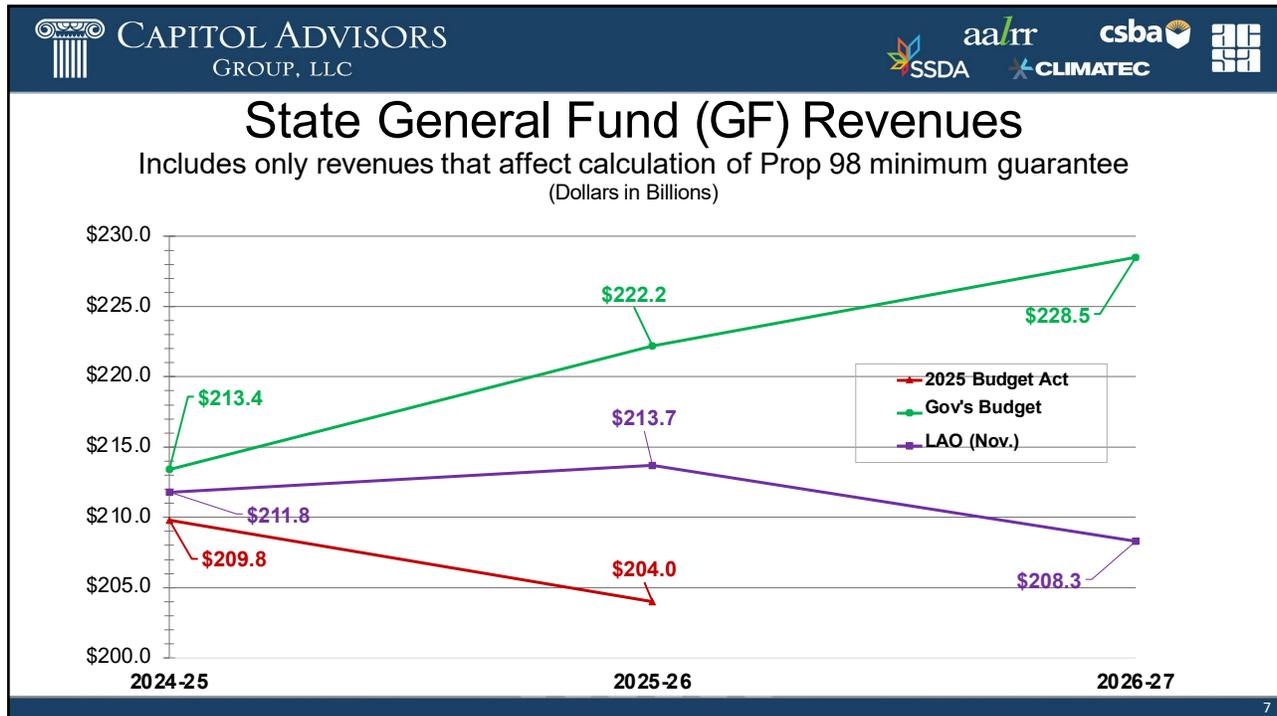
### Fiscal Conditions

- Improved economic outlook since projections in 2025 Budget Act – continued consumer spending, lower tariff rates with reduced pass-through costs, strong personal income tax growth
- Although wages are growing, job growth is sluggish and inflation is lower but still above 2 percent
- Main risks – stock market correction (AI bubble), trade conflicts/tariffs, labor shortages (CA has large immigrant workforce), inflation, federal policies
- State revenue growth strong, but highly sensitive to current risks (particularly stock market risks)

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# Budget Perspectives Workshop

## Governor's Budget 2026-27



## GF Revenues and Expenditures

- Upgrade in revenue forecast based on very strong tax receipts in current year, and also due to slightly improved economic outlook
- DOF now has GF revenue \$42.3 billion higher (6.7%) over 3-year period than estimated in the 2025 Budget Act, driven primarily by personal income and corporation tax collections
- LAO has revenue lower by about \$30 billion compared to DOF, mostly explained by additional 2 months tax receipt data and different weighting of odds that AI bubble could burst
- 2025 Budget Act projected a deficit of \$12.6 billion for 2026-27, but due to increased state costs both LAO and DOF still project a deficit (\$17.6 billion and \$2.9 billion, respectively) for 2026-27

# Budget Perspectives Workshop

## Governor's Budget 2026-27



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## Governor's \$2.9 Billion Deficit in 2026-27

2025 Budget Act:	-\$12.6 billion
Revenues:	+\$42.3 billion
Non-Prop 98 Workload:	-\$9.2 billion
Prop 98:	-\$14 billion
Misc. Adjustments:	-\$4.9 billion
SFEU (2025 Gov. Budget):	<u>-\$4.5 billion</u>
<b>Remaining Shortfall:</b>	<b>-\$2.9 billion</b>

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## GF Revenues, Expenditures & Out-Year Deficits

- \$280.8 billion in total available 2026-27 GF resources
  - \$227.4 billion total 2026-27 revenues/transfers plus prior year balance of \$53.5 billion
- 2026-27 total GF expenditures are \$248.3 billion
- Administration projects budget deficits of roughly \$22 billion in 2027-28 and shortfalls in the following two years – will release a plan in May to balance the budget for 2026-27 and 2027-28
- LAO projects higher annual deficits of about \$35 billion in 2027-28 and the following years – encourages immediate planning to address this problem

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# Budget Perspectives Workshop

## Governor's Budget 2026-27



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## GF Reserves and Withdrawals

- In the last two fiscal years, the state has withdrawn about \$12.2 billion from the Budget Stabilization Account (BSA) and suspended some deposits into the BSA
- The Administration proposes to suspend a \$2.8 billion “true up” deposit in 2025-26, but makes a \$3 billion deposit in 2026-27
- By end of 2026-27, \$14.4 billion remains in BSA (\$3.2 billion above what was projected in the 2025 Budget Act) and \$4.5 billion is projected for the Special Fund for Economic Uncertainties (SFEU)
- General Fund total reserves are \$18.9 billion by end of the three-year budget window

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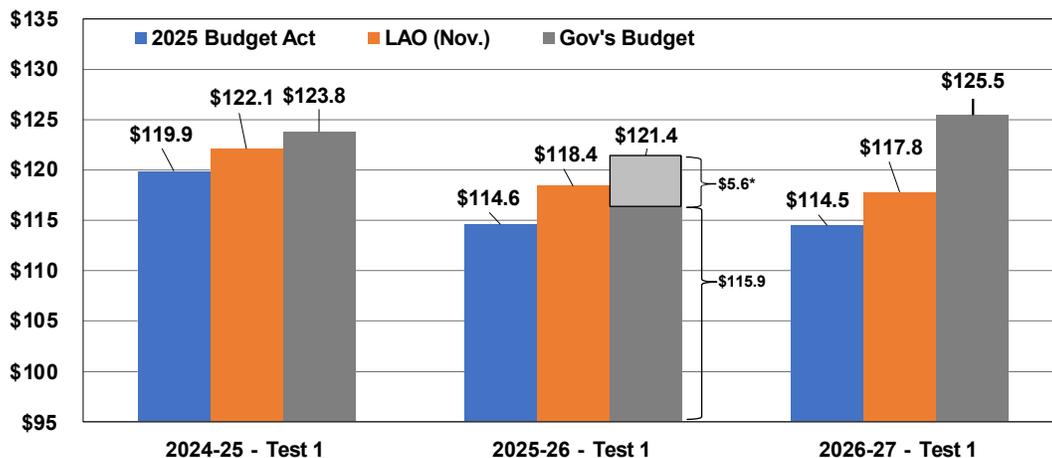


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## Proposition 98 Over Three Years

(Dollars in Billions)



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# Budget Perspectives Workshop

## Governor's Budget 2026-27



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## Proposition 98

- Guarantee is \$21.7 billion higher over budget window than estimates in 2025 Budget Act – including increases of about \$11 billion in 2026-27, \$6.8 billion in 2025-26 and \$3.9 billion in 2024-25
- \$2.3 billion K-14 deferral fully repaid in 2026-27 (\$1.9 billion for K-12)
- \$1.9 billion underfunding in the 2025 Budget Act paid back in 2026-27
- Outstanding maintenance factor roughly \$586.4 million at the end of 2026-27

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## Underfunding Prop 98

- Administration reuses last year's gimmick to reduce the 2025-26 Guarantee by \$5.6 billion based on "uncertainty" in revenue projections
- Gimmick is unnecessary, not fiscally prudent and probably unconstitutional
  - 2025-26 revenues will be clearer in May – if current projections of revenues and the Prop 98 Guarantee are wrong, they can be adjusted
  - The \$5.6 billion is utilized to fund other priorities, LAO points out this will most likely create a \$5.6 billion debt that needs to be paid in the future
  - The state is ignoring revenue estimates and the required Prop 98 calculations only for the purpose of funding schools, subverting the intent of the minimum funding guarantee

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## Public School System Stabilization Account

- Recall that the entire \$8.4 billion reserve balance was withdrawn in 2023-24
- 2025 Budget Act projected a zero balance in the Prop 98 reserve after a mandatory deposit of \$455 million in 2024-25 and a mandatory withdrawal of the same amount in 2025-26
- After capital gains revenue adjustments, no withdrawal triggered for 2025-26, and additional deposits are required in 2024-25 and 2025-26
- The Administration also proposes a discretionary deposit of \$240 million in 2025-26
- After these adjustments and a projected mandatory withdrawal in 2026-27, a balance of \$4.1 billion remains in the Prop 98 reserve
- Local reserve cap *likely* triggered in 2026-27

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## District and Charter LCFF Entitlement

- Base Grant per ADA (with 2.41% COLA)
  - TK-3 = \$10,503 (up \$247)
  - 4-6 = \$10,662 (up \$251)
  - 7-8 = \$10,978 (up \$258)
  - 9-12 = \$12,722 (up \$299)
- Grade Span Adjustments:
  - 10.4% = \$1,103 per K-3 ADA
  - 2.6% = \$331 per 9-12 ADA
- Supplemental Grant = 20% of Adjusted Base Grant
- Concentration Grant = 65% of Adjusted Base Grant
- TK add-on for staff = \$5,679 per TK ADA
- HTST add-on receives 2.41% COLA
- TIIG add-on remains constant
- Equity Multiplier also receives 2.41% COLA (brings total funding to \$317.7 million for 2026-27)
- Administration projects 2027-28 COLA to be 3.06%

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Governor's Budget 2026-27



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## County Office of Education LCFF Entitlement

- Alternative Education Grant
  - Base Grant per ADA (with 2.41% COLA) = \$17,360 (+\$409)
  - Supplemental Grant = 35% of Base Grant per unduplicated students, plus juvenile court school students
  - Concentration Grant = 35% of Base Grant per unduplicated student (beyond 50%), plus 50% of juvenile court school enrollment
- Operations Grant
  - \$923,490 (with 2.41% COLA) for each COE, plus:
    - \$367,603 per each school district in the county, and;
    - A per ADA amount based on county-wide ADA, ranging from \$115.64/ADA in the smallest counties to \$73.41/ADA in the largest

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## Discretionary Block Grant (Student Support and Professional Development)

- \$2.8 billion one-time grant for LEAs
- If distributed equally based on 2025-26 statewide ADA, would be about \$500 per ADA
- Discretionary, but Governor proposes specific uses (again):
  - Professional development for teachers on the ELA/ELD Framework and Literacy Roadmap with a focus on strategies for English Learners
  - Professional development for teachers on the Math Framework
  - Teacher recruitment and retention strategies
  - Career pathways and dual enrollment efforts consistent with the Master Plan for Career Education
  - *New* – Professional development for TK teachers and administrators

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## CDE Governance Proposal

- Governor proposes to move California Department of Education under the State Board of Education
- Many unknowns, including labor and legislative leaders' disposition
- Governor cites several reports, increased efficiency and accountability
- SPI remains a constitutional officer – Newsom's vision is to have the role coordinate among PreK, K-12, and Community Colleges
- SPI would be a new member of the Community College Board and a *voting* member of State Board of Education

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## Categorical Programs

### Proposed for Ongoing Funding (no COLA)

- Expanded Learning Opportunities Program (\$4.7 billion)
- After School Education & Safety Program (\$794.4 million)
- Career Technical Education Incentive Grant (\$300 million)
- K-12 Strong Workforce Program (\$163.5 million)
- State Assessment Program (\$108.4 million + \$18 million federal)
- California Partnership Academies (\$21.4 million)
- County Office Fiscal Oversight (\$9.2 million)
- College Planning and Preparation Website (\$29.2 million)
- California School Information Services (\$9.5 million)
- Specialized Secondary Education Grants (\$4.9 million)
- Agricultural Education Incentive Program (\$6.1 million)

### Proposed for Ongoing Funding (2.41% COLA)

- Special Education: (\$6 billion\* + \$1.46 billion federal)
- Child Nutrition (\$1.87 billion\*\* + \$2.99 billion federal)
- California State Preschool Program (\$1.96 billion)
- Adult Education Block Grant (\$690 million + \$110.2 million federal)
- Mandate Block Grant (\$279.6 million)
- Foster Youth Programs (\$34 million)
- American Indian Education Centers (\$5.5 million)
- American Indian Early Childhood Education Program (\$738,000)

\*Also includes an additional \$509 million to equalize special education per pupil rates

\*\* Also reflects a decrease of \$67.9 million to reflect lower meal estimates in 2025-26 and higher reimbursement rates

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### Investing in Existing Programs

- Community Schools: \$1 billion ongoing, targeting school sites with high UPP
- Learning Recovery Emergency Block Grant: \$757.3 million (final payment)
- Special Education: \$509 million ongoing to equalize SELPA Base Rates at \$999/ADA
- Educator Residencies: \$250 million one-time, to be spent by 2029-30
- Career Education: \$100 million one-time to increase access to college and career pathways
- ELOP: \$62.4 million ongoing to stabilize Tier II rate at \$1,800
- School Nutrition: Several proposals detailed on next slide

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### School Nutrition

- \$1.87 billion for Universal Meals
  - Includes decrease of \$67.9 million to reflect a reduction in 2025-26 meal estimates compared to the 2025 Budget Act and an increase in meal reimbursement rates
- \$100 million one-time for specialized kitchen equipment, infrastructure, and training (KIT) to support more freshly prepared meals
- \$73.4 million for SUN Bucks for transaction costs and outreach
- \$25.2 million for the Farm to School Incubator Grant Program
- \$14.3 million for community colleges to support the California Healthy School Food Pathways Program

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## Early Childhood Education

- Transitional Kindergarten (TK) now fully implemented
  - No proposed programmatic changes – ratio, class size, and teacher qualification requirements all remain the same
  - Prop 98 still rebenched in prior and current years to account for expanding TK cohort, but in budget year and moving forward TK is simply part of LCFF
  - No relief for Community Funded Districts
- Challenges remain for many districts, including attendance, staffing, and facilities
- California State Preschool to receive 2.41% COLA
- Child care programs overseen by Department of Social Services also receive COLA

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## Other Proposed Investments

- \$322 million one-time and \$239.2 million ongoing to reflect higher costs of Home-to-School Transportation
- \$40 million one-time for Reading Difficulties Risk Screening
- \$30.7 million to provide a 20% increase for Necessary Small Schools
- \$22.9 million one-time to support LEAs recovering from LA wildfires
- \$13.3 million ongoing for COEs to provide universal and targeted support to school districts and charter schools
- *Expected in May* - Up to \$10 million for grants to LEAs for instructional materials, PD, and related costs to implement holocaust and genocide education, contingent on clean-up amendments to the statutory language

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## Charter School Accountability

- Budget TBL to address fraud/misuse of funds in charter schools *and* allow use of verified data through 2028
- Two bills addressing nonclassroom-based (NCB) charters were considered last legislative session: AB 84 (failed) and SB 414 (vetoed)
- Governor's SB 414 veto message stated he wanted the Legislature and advocacy groups to come back with new language this year
- Authorizer groups sent a joint letter to the Governor in December asking that he take the lead on negotiating language to address NCB issues



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## Federal Backdrop

- President's FY 2026 Budget – proposes \$12 billion cut to education funding compared to FY 2025 funding level – impossible to pass
  - House appropriations bill embraces most of the Administration's cuts
  - Senate bipartisan appropriations plan is outright rejection of Administration cuts
    - Slightly increases Title I and Special Education - flat funding across most other programs
    - No cuts to Migrant Education, Title III, and Title IV and Preschool planning grants.
- Current Continuing Resolution expires January 30<sup>th</sup>
- Two most likely outcomes for education are flat funding or something close to the Senate's bipartisan agreement
- Language to block Trump Administration from shifting funds and programs still up in the air

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### School Facilities Lawsuit

- Lawsuit filed by students, parents, teachers and organizations from nine low-wealth districts and Public Advocates - *Miliani R. v. State of California* (filed in October 2025 Alameda County Superior Court) seeks reform of the School Facilities Program (SFP)
- Lawsuit claims the SFP's reliance on local bond funding systematically disadvantages low-wealth school districts, because wealthier districts can pass larger local bonds and secure state matching funds – alleges problem not cured by Hardship Program
- Plaintiffs argue this structure violates the California Constitution's equal protection and education provisions by tying critical school facility improvements to local property wealth rather than student need
- Potential important implications for the next statewide school bond

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### Proposition 2 Implementation

- Office of Public School Construction (OPSC) held 19 stakeholder meetings in 2025 to gather input and feedback on proposed regulations
- OPSC hoping to get remaining regulations to State Allocation Board in Spring 2026 – Early Summer at the latest
- Once approved by the Office of Administrative Law, regulations become effective
- Five-Year Master Plan, Small School Districts Program and Lead in Water Program still need to go to State Allocation Board for approval

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# Budget Perspectives Workshop

## Governor's Budget 2026-27



## Infrastructure + Sustainability Updates

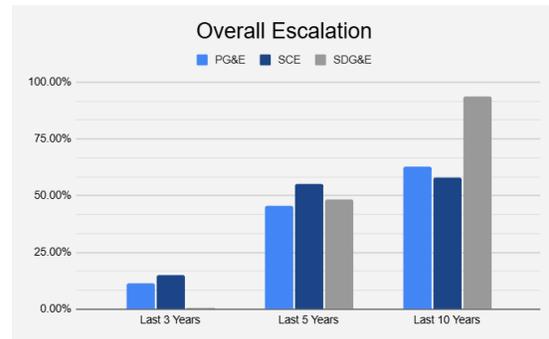
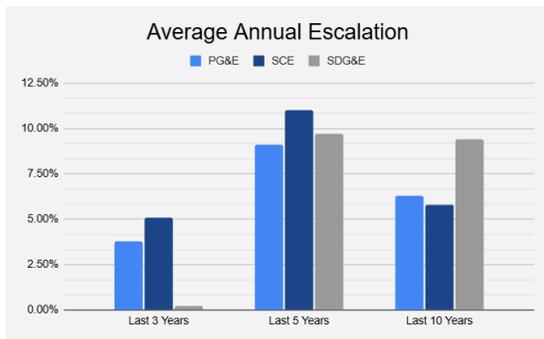
### Title 24 Updates:

- Electrification + High Efficiency HVAC
- Solar + Battery Storage
- Building Envelope
- Lighting + Automation

All modernization projects must meet Energy Code standards



## Utility Updates



# Budget Perspectives Workshop

## Governor's Budget 2026-27

## Funding Updates

- Proposition 2
- Incentive & Compliance Programs:
  - Federal (Inflation Reduction Act Deadlines)
  - State
  - Regional
  - Local Utility
- Private Sector Funding

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## What's Next

- Budget committee hearings
- May Revision on or before May 15
- May Revision workshop
- Primary Election – June 2
- Legislature must pass Budget Bill by June 15
- Final budget deal by June 30
- Virtual Budget Act workshops in July
- General Election – November 3

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## Thank You

- Please feel free to use the content
- Send any questions to:
  - Paola Tapia: [paola@capitoladvisors.org](mailto:paola@capitoladvisors.org)

**See you in May!**





# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## LCAP Penalty Calculator

 **BY BRIANNA GARCÍA**  
 **BY LEILANI AGUINALDO**

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posted January 27, 2026

As first discussed in the March 2025 *Fiscal Report* article, "[Proposed Repercussions for Failing to Adopt an LCAP](#)," the education omnibus budget trailer bill ([Assembly Bill 121 \[Committee on Budget, Statutes of 2025\]](#)) that accompanied the 2025-26 Enacted Budget included the addition of [Education Code Section 52065.1](#). This new code section details financial penalties for the failure to timely adopt a Local Control and Accountability Plan (LCAP) or annual update.

If a local educational agency's (LEA) audit finds that the LCAP or annual update were not adopted by July 1, the LEA will be assessed a penalty equal to 20% of its Second Principal (P-2) Apportionment Local Control Funding Formula (LCFF) entitlement. Further, for each additional business day that the LEA does not adopt its LCAP or annual update, the penalty will increase by 1%, though the additional penalty cannot exceed 80% of the LEA's P-2 LCFF apportionment. The penalty will be reflected as a reduction to the LEA's principal apportionment for the applicable fiscal year. The current fiscal year, 2025-26, will be the first year this requirement will be audited and the penalty assessed.

The California Department of Education (CDE) has developed the [LCAP Penalty Calculator](#), which can be used to estimate the cost of an LCAP audit finding. As a side note, this [CDE webpage](#) includes various penalty calculators in addition to the LCAP Penalty Calculator, such as an [Expanded Learning Opportunities Program Calculator](#), an [LCFF Calculator for Fiscal Year 2025-26](#), and penalty calculators for unduplicated pupil counts, K-3 grade span adjustments, and more.

The penalty for failure to timely adopt the LCAP and annual update, as well as the other LCFF penalties, can be significant. LEAs should ensure they are meeting all necessary requirements and timelines to avoid the fiscal impacts of the loss of the relevant funds.



## FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

### 2026-27 Discretionary Block Grant Details Released



**BY LEILANI AGUINALDO**

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posted February 2, 2026

As detailed previously (see the article "[Overview of the Governor's Proposals for the 2026-27 State Budget and K-12 Education](#)" in the January 2026 *Fiscal Report*), Governor Gavin Newsom includes in his 2026-27 State Budget proposal \$2.8 billion one-time Proposition 98 funds for the Student Support and Professional Development Discretionary Block Grant (Discretionary Block Grant). On February 2, 2026, [additional details](#) were released about the grant.

The additional funds would augment the Discretionary Block Grant funds that were included in the 2025-26 Enacted Budget and include the same details, including allocation methodology and allowable uses. As proposed, the 2026-27 Discretionary Block Grant would be distributed to school districts, charter schools, county offices of education, and the state special schools on the basis of an equal amount per average daily attendance (ADA), using Second Principal Apportionment data for the 2025-26 fiscal year. We estimate this figure to be \$512.48 per ADA. As in the current year, these funds may be used for discretionary purposes, although local educational agencies (LEAs) are encouraged to use the funds for professional development, teacher recruitment and retention, career pathways and dual enrollment, and addressing rising costs. LEAs would have until June 30, 2030, to expend the proposed funds and a final expenditure report would be due to the California Department of Education by September 30, 2030.

The release of the Governor's Budget proposal and accompanying legislation marks the first step in the State Budget process. The Legislature will provide insight on the Governor's Budget proposals over a series of hearings in the months to come, and we will see what changes are included in the Governor's May Revision before we reach the Enacted Budget in June.



# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## 2024-25 Ending Fund Balances

**BY JOHN GRAY**  
**BY DAVE HECKLER**

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The California Department of Education released the 2024-25 Unaudited Actuals data that allows for the calculation of district and statewide average reserve levels.

The reserve levels are defined as the unrestricted ending fund balance for the General Fund, plus the ending balance for Fund 17 (Special Reserve for Other Than Capital Outlay Projects), as a percentage of the total General Fund (including restricted programs) expenditures, transfers out, and other uses. The averages for all school districts are as follows:

Average Unrestricted General Fund, Plus Fund 17—Fund Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses			Change from Prior Year
	2023-24	2024-25	
All School Districts	24.59%	22.79%	-1.80%

The percentages outlined above in this article are statewide school district averages. The percentages below break down the districts by type. Each local educational agency (LEA) should independently evaluate its reserve levels.

2024-25 Average Unrestricted General Fund, Plus Fund 17—Fund Balances as a Percentage of Total General Fund Expenditures, Transfers, and Other Uses		Change from Prior Year
Unified School Districts	21.89%	-2.47%
Elementary School Districts	24.52%	-0.02%
High School Districts	26.13%	1.73%

In an environment of low cost-of-living adjustments, declining enrollment, and slowing state revenues, as well as increased demands at the bargaining table, having adequate reserves is of critical importance. An adequate reserve allows LEA governance teams the ability to be more strategic in reducing expenditures when faced with a fiscal crisis. An adequate reserve protects students, employees, and the public.



# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## Critical Deadlines and Funding Opportunities—February 13, 2026

 **BY TEDDI WENTWORTH**

 **BY WENDI MCCASKILL, EDD**

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posted February 13, 2026

(New items, if any, are listed in bold so you can see at a glance what has been added.)

Critical Deadlines—Reporting or Action Dates	
Issue	Deadline
<ul style="list-style-type: none"> <li>• <b>Per-Pupil Expenditure Data</b></li> <li>• <b>Local educational agencies (LEAs) must report per-pupil expenditure data for the preceding fiscal year to the California Department of Education (CDE) (Elementary and Secondary Education Act Section 1111[h][1][C][x] and [h][2][C])</b></li> </ul>	<b>3/13/26</b>
<ul style="list-style-type: none"> <li>• Charter School Second Interim Report (for period ending January 31) <ul style="list-style-type: none"> <li>◦ Charter school Second Interim due to chartering authority and county office of education (COE) (Education Code Section [EC §] 47604.33[a][4])</li> </ul> </li> </ul>	3/15/26
<ul style="list-style-type: none"> <li>• Second Interim Report (for period ending January 31)<sup>1</sup> <ul style="list-style-type: none"> <li>◦ District Second Interim due to COE (COE sends to State Superintendent of Public Instruction [SSPI] and State Controller's Office [SCO] if qualified or negative) (EC § 42131[a][1] and [2])</li> <li>◦ COE Second Interim due to SSPI (also to SCO if qualified or negative (EC § 1240[I][1][A] and [B])</li> </ul> </li> </ul>	3/17/26 <sup>1</sup>
<ul style="list-style-type: none"> <li>• <b>Second Interim Status Report</b> <ul style="list-style-type: none"> <li>◦ <b>COE must notify SSPI and SCO of district Second Interim certifications (EC § 42131[c])</b></li> </ul> </li> </ul>	<b>4/16/26<sup>1</sup></b>

<ul style="list-style-type: none"> <li>• <b>District Qualified/Negative Interims</b> <ul style="list-style-type: none"> <li>◦ COE must report to SSPI and SCO on district qualified or negative Second Interim reports (EC § 42131[a][2])</li> </ul> </li> </ul>	4/16/26 <sup>1</sup>
<ul style="list-style-type: none"> <li>• <b>Federal Cash Management Data Collection</b> <ul style="list-style-type: none"> <li>◦ Cash balance to be reported regardless of the fiscal year from which the funds originated</li> </ul> </li> <li>• <b>Reporting Period 4 Start Date: April 10</b></li> </ul>	4/30/26
<ul style="list-style-type: none"> <li>• <b>Audit Status Report</b> <ul style="list-style-type: none"> <li>◦ COE must certify to SSPI and SCO that LEA prior-year audits were reviewed and must identify attendance-related exceptions involving state funds (EC § 41020[k])</li> </ul> </li> </ul>	5/15/26

<sup>1</sup>Date calculated as prescribed by law

Plan/Report—Deadlines		
Plan	Link to Plan Template/More Information	Deadline
Expanded Learning Opportunities Program Plan	<a href="https://www.cde.ca.gov/ls/ex/elopinfolan.asp#programplan">https://www.cde.ca.gov/ls/ex/elopinfolan.asp#programplan</a>	Program Plan: N/A  Expenditure Report  <u>Fiscal Year (FY) 2024-25</u> <u>Funding:</u> <u>By 9/30/26—Report final expenditures to CDE</u>  <u>FY 2025-26 Funding:</u> <u>By 9/30/27—Report final expenditures to CDE</u>
ESSER <sup>1</sup> III Quarterly and Annual	<a href="https://www.cde.ca.gov/fg/cr/anreporthehelp.asp">https://www.cde.ca.gov/fg/cr/anreporthehelp.asp</a>	Various— <a href="https://www.cde.ca.gov/fg/cr/reporthehelp.asp">https://www.cde.ca.gov/fg/cr/reporthehelp.asp</a>
Homeless Children and Youth II Fund	<a href="https://www.cde.ca.gov/sp/hs/arphcyassurances.asp">https://www.cde.ca.gov/sp/hs/arphcyassurances.asp</a>	Various— <a href="https://www.cde.ca.gov/fg/cr/reporthehelp.asp">https://www.cde.ca.gov/fg/cr/reporthehelp.asp</a>

<p>Arts, Music, and Instructional Materials Discretionary Block Grant</p>	<p><u><a href="#">Assembly Bill 181</a></u> <u><a href="#">Section 134</a></u></p>	<p>Discuss and approve a plan for expenditure; no specified deadline</p>
<p><b>Local Control and Accountability Plan</b></p>	<p>EC § <u><a href="#">47606.5</a></u>, <u><a href="#">52062</a></u>, <u><a href="#">52068</a></u></p>	<p><b>Mid-Year Update By February 28, 2026</b></p>
<p>Home-to-School Transportation</p>	<p><u><a href="#">EC § 39800.1</a></u></p>	<p>Develop and adopt a plan on or before 4/1/23, and update annually thereafter</p>
<p>Literacy Coaches and Reading Specialist Grant Program</p>	<p><u><a href="#">Senate Bill 114</a></u> <u><a href="#">Section 104</a></u> <u><a href="#">Section 115</a></u> <u><a href="#">EC § 53009</a></u></p>	<p><u><a href="#">FY 2022-23 Funding:</a></u>  CDE-required annual report due by 9/30 each year through 9/30/26  By 6/30/27—Report final expenditures to CDE  <u><a href="#">FY 2023-24 Funding:</a></u>  CDE-required annual report due by 9/30 each year, beginning with 9/30/24, through 9/30/27  By 6/30/28—Report final expenditures to CDE  <u><a href="#">FY 2025-26 Funding:</a></u>  By 6/30/27—Report interim expenditures to CDE  By 6/30/29—Report final expenditures to CDE</p>

<p>Proposition 28: Arts and Music in Schools Funding Guarantee and Accountability Act</p>	<p><a href="https://www.cde.ca.gov/eo/in/prop28artsandmusiccedfunding.asp">https://www.cde.ca.gov/eo/in/prop28artsandmusiccedfunding.asp</a> <a href="https://www.cde.ca.gov/eo/in/documents/prop28ayearataglance.pdf">https://www.cde.ca.gov/eo/in/documents/prop28ayearataglance.pdf</a></p>	<p>Annual reporting for 2024-25 closes on the Arts and Music in Schools Portal on 9/30/26</p>
<p>Comprehensive School Safety Plan (CSPP)</p>	<p><a href="https://www.cde.ca.gov/lss/vp/cssp.asp">https://www.cde.ca.gov/lss/vp/cssp.asp</a></p>	<p>Each school must update and adopt its CSPP by 3/1 annually</p>
<p>Kitchen Infrastructure and Training</p>	<p><a href="#"><u>Assembly Bill 121</u></a> <a href="#"><u>Section 64</u></a></p>	<p>By 6/30/26—Report use of funds to CDE</p>
<p>Student Support and Professional Development Discretionary Block Grant</p>	<p><a href="#"><u>Assembly Bill 121</u></a> <a href="#"><u>Section 81</u></a></p>	<p>By 9/30/29—Report final expenditures to CDE</p>

<sup>1</sup>Elementary and Secondary School Emergency Relief

<p style="text-align: center;"><b>Funding Opportunities</b> (For program website, click program name)</p>		
Description	Amount	Deadline
<p><a href="#"><u>2026-27 School Breakfast Program and Summer Meal Programs Grants</u></a></p>	<p>\$15,000 per site</p>	<p>2/13/26</p>
<p><a href="#"><u>Literacy Coaches and Reading Specialists Competitive Grant Program, Fiscal Year 2025-26</u></a></p>	<p>\$15,000,000</p>	<p>2/23/26</p>
<p><a href="#"><u>After School Education and Safety</u></a></p>	<p>Maximum of \$152,612.13 for elementary schools and \$203,482.84 for middle schools</p>	<p>2/24/26</p>

<u>After School Education and Safety Frontier Transportation Grant</u>	Maximum of \$15,000 per site per school year	2/27/26
<u>Golden State Pathways Program—Implementation Funds for Planning Grant Pathways</u>	Varies	2/27/26
<u>Middle College and Early College Grant</u>	\$250,000	3/31/26
<u>Consolidated Application (ConApp)</u>	Varies	3/31/26
<u>Classified School Employee Summer Assistance Program, Fiscal Year 2025-26</u>	Varies	4/1/26
<u>Homeless Education Technical Assistance Center</u>	\$500,000, each for up to three COEs	4/24/26

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## Workshop Spotlight - February 13, 2026

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### UPCOMING WORKSHOPS

Workshop	Date(s)	Locations
<a href="#">Independent Study—Compliance and Best Practices</a>	Feb. 17, 2026	Webinar
<a href="#">Federal Compliance—How to Stay Out of Trouble</a>	Feb. 24, 2026	Webinar
<a href="#">School Calendars and Bell Schedules Roundtable</a>	Feb. 26, 2026	Webinar
<a href="#">Dual Enrollment</a>	Mar. 3, 2026	Webinar
<a href="#">Employee Discipline</a>	Mar. 10, 2026	Webinar
<a href="#">The Audit Challenge—Updates and New Considerations</a>	Mar. 17, 2026	Webinar
<a href="#">Attendance Recovery and Expanded Learning Opportunities Programs Roundtable</a>	Mar. 19, 2026	Webinar
<a href="#">Employee Complaints and Investigations</a>	Mar. 24, 2026	Webinar
<a href="#">SACS 101—Budget Development</a>	Apr. 7, 2026	Webinar
<a href="#">Instructional Time and Attendance Planning</a>	Apr. 14, 2026	Webinar
<a href="#">Maintenance of Effort Monitoring—Beyond the Basics</a>	Apr. 21, 2026	Webinar
<a href="#">Construction Basics and Accounting</a>	May 5, 2026	Webinar
<a href="#">May Revision Workshop</a>	May 21, 2026	Webinar
<a href="#">Special Education—Both Sides of the Equation</a>	Jun. 16, 2026	Webinar
<a href="#">Closing the Books</a>	Jun. 23, 2026	Webinar

If you are interested in a topic, but are unable to attend the live webinar, all of our webinars are recorded and available for on-demand viewing for 90 days. SSC can also bring the workshop to your district or county office of education. Go to the [Workshop](#) page on our website and "Request A Workshop."

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**2025-26 Payroll Essentials - 2/11-2/13 - Virtual**  
11 - 13 February 2026



**San Diego/Imperial Section 2026 Spring Education Event**  
12 February 2026



**Finance Professional Roundtable | 2-19-2026**  
19 February 2026



**CBO Professional Roundtable | 2-20-2026**  
20 February 2026



**Accounts Payable Professional Roundtable | 2-24-2026**  
24 February 2026



**Human Resources Professional Roundtable | 2-25-2026**  
25 February 2026



**AI in School Business Professional Roundtable | 2-27-2026**  
27 February 2026



**Small Districts Professional Roundtable | 3-03-2026**  
3 March 2026



**Special Education Professional Roundtable | 3-04-2026**  
4 March 2026



**CBO Professional Roundtable | 3-06-2026**  
6 March 2026



**2025-26 Payroll Essentials- 3/10-3/12 - Santa Clara COE**  
10 - 12 March 2026



**Women in Leadership Professional Roundtable | 3-13-2026**  
13 March 2026



**Finance Professional Roundtable | 3-19-2026**  
19 March 2026



**CBO Professional Roundtable | 3-20-2026**  
20 March 2026



**Human Resources Professional Roundtable | 3-25-2026**  
25 March 2026



**Purchasing Professional Roundtable | 3-26-2026**  
26 March 2026



**Small Districts Professional Roundtable | 4-07-2026**  
7 April 2026



**2025-26 Payroll Essentials - 4/8-4/10 - San Diego COE**  
8 - 10 April 2026



**Roundtable**

Transportation Professional Roundtable | 4-08-2026  
8 April 2026



**Micro-Certificate**

Charter Authorization & Oversight Micro-Certificate | April 14 - May 26  
14 April 2026 - 26 May 2026



**Roundtable**

Executive Assistant Professional Roundtable | 4-14-2026  
14 April 2026



**Roundtable**

CBO Professional Roundtable | 4-17-2026  
17 April 2026



**Roundtable**

Human Resources Professional Roundtable | 4-22-2026  
22 April 2026



**Roundtable**

CBO Professional Roundtable | 5-01-2026  
1 May 2026



2025-26 Payroll Essentials - 5/5-5/7 - Virtual  
5 - 7 May 2026



**Roundtable**

Small Districts Professional Roundtable | 5-05-2026  
5 May 2026



**Roundtable**

Special Education Professional Roundtable | 5-06-2026  
6 May 2026



**Micro-Certificate**

Executive Assistant Micro-Certificate | May 12 - June 23  
12 May 2026 - 23 June 2026



**Micro-Certificate**

Performance Management Micro-Certificate | May 12 - June 23  
12 May 2026 - 23 June 2026



**Roundtable**

CBO Professional Roundtable | 5-15-2026  
15 May 2026



**Roundtable**

Finance Professional Roundtable | 5-21-2026  
21 May 2026



**Roundtable**

AI in School Business Professional Roundtable | 5-22-2026  
22 May 2026



**Roundtable**

Human Resources Professional Roundtable | 5-27-2026  
27 May 2026



2025-26 Payroll Essentials - 6/3-6/5 - Virtual  
3 - 5 June 2026



**Micro-Certificate**

School Business Communications 101 Micro-Certificate | June 9 - July 14  
9 June 2026 - 14 July 2026



**Micro-Certificate**

School Business Finance Certificate | June 9 - July 14  
9 June 2026 - 14 July 2026

Hello and Happy Friday to you all,

Our **ERP CA Q1 Virtual User Group** is set for **Wednesday, March 11, 2026 at 9:00 AM (PT)**.

A big thank you to our steering committee for helping develop the topics for this session.

**REGISTRATION:**

Please register using the link below or share the link to promote within your County. Once registered, you will receive the Zoom details and calendar invite.

- [ERP Q1 VUG Registration](#)

**TOPICS:**

Online 6 for Admin Users: Workflows and Approval Process

Facilitator: Mia Gonzales, Humboldt County Office of Education

A walkthrough of Online 6 from an Admin level user perspective – focused on navigation, approvals, and workflows to help train new users and support district adoption

MFA Rollout Experience: Configuration, Rollout, and Impact

Facilitator: Lourie Larcade, Tehama County Office of Education

Hear an overview of MFA rollout, including setup choices, expectations and communication, and overall experience – lessons learned, what went well, and what might need adjusting

Roundtable on OT Tracking for 2026 W2 Reporting: Readiness One Payroll Cycle In

With one payroll cycle complete, how are you capturing OT premium today, whether you are creating or changing existing add-ons, and any reporting you are testing such as Pay DTL 10

Looking forward to a great session!

**Olivia Esquivel** | Client Value Partner

Frontline Education

 [Book time with me](#)

P: (415) 429-2132 | E: [oesquivel@frontlineed.com](mailto:oesquivel@frontlineed.com)

[Upcoming Events](#)

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