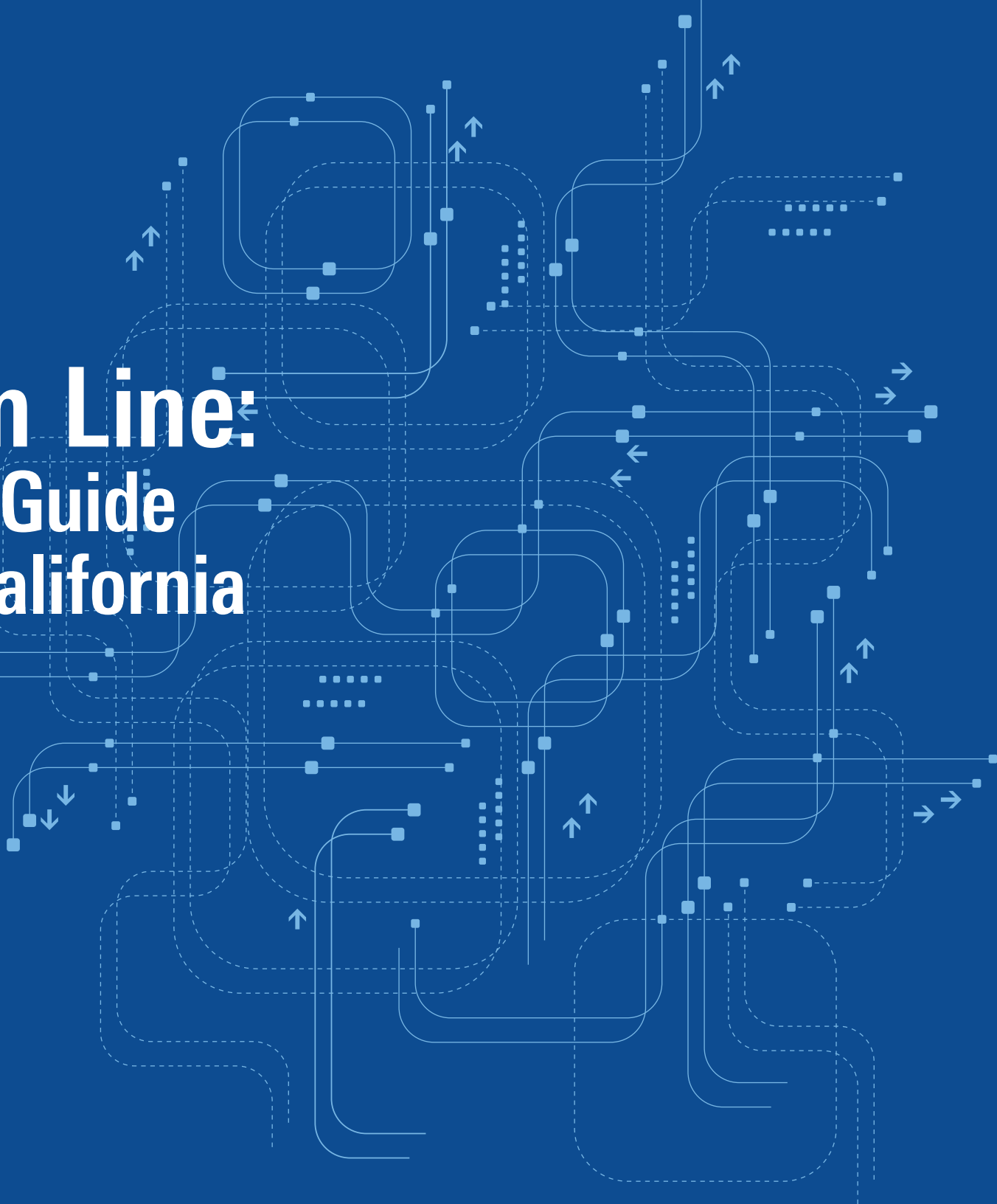




The Bottom Line: The Definitive Guide to Financing California Public Schools

Essential Components
and Current Issues in
Resourcing TK-12 Schools



Dear Esteemed Colleagues,

As stewards of California's future generations, it is imperative to understand the complexities of public school's financial and operational design that serve nearly six million students statewide. The incentives driven in part by financing for schools, shaped by the pivotal choices of state and community leaders, serves as the backbone for fostering learning and growth opportunities.

The California Association of School Business Officials (CASBO) presents "The Bottom Line," an essential resource designed to enhance leadership and informed decision-making in education finance and business. This comprehensive guide features:

- 1** An analysis of California public school funding mechanisms, including Proposition 98 and the Local Control Funding Formula, along with an evaluation of school facilities funding.
- 2** An exploration of contemporary issues impacting school business and finance.
- 3** An overview of the fundamental components of local school district budgeting.

In recent times, our schools have navigated through some of the most trying periods, recalibrating for a post-pandemic reality.

In this context, recognizing these key facts is crucial:

- Our state's student demographics remain diverse but are decreasing and shifting, with many facing socioeconomic challenges, language barriers, disabilities, and housing insecurities.
- While a recent one-time funding increase presents a unique chance to enhance educational quality, we must also address persistent challenges such as the imperative to support the comprehensive wellbeing of our students.
- Rising uncertainty in federal policy and funding support for students' educational and other support services.

We extend our deepest appreciation to the educators, staff, leaders, and school business professionals throughout California for their relentless dedication to serving our students and communities.

With gratitude,

Sincerely,



Aaron Heinz, President



Tatia Davenport, CEO & Executive Director



The foremost authority in school business since 1928.

1 How California Public Schools are Funded

What are the primary sources of funding for local schools?

State, local, and federal dollars support California’s K-12 public schools students. Since 1978, the largest source of general operating funding has stemmed from the state budget General Fund. That’s a significant change from the prior years, when most school funding came from local property tax revenues. Funding from the state typically flows to **Local Education Agencies (LEAs)**, which are school districts, county offices of education, and most charter schools. These LEAs then allocate funds for individual schools and student services.

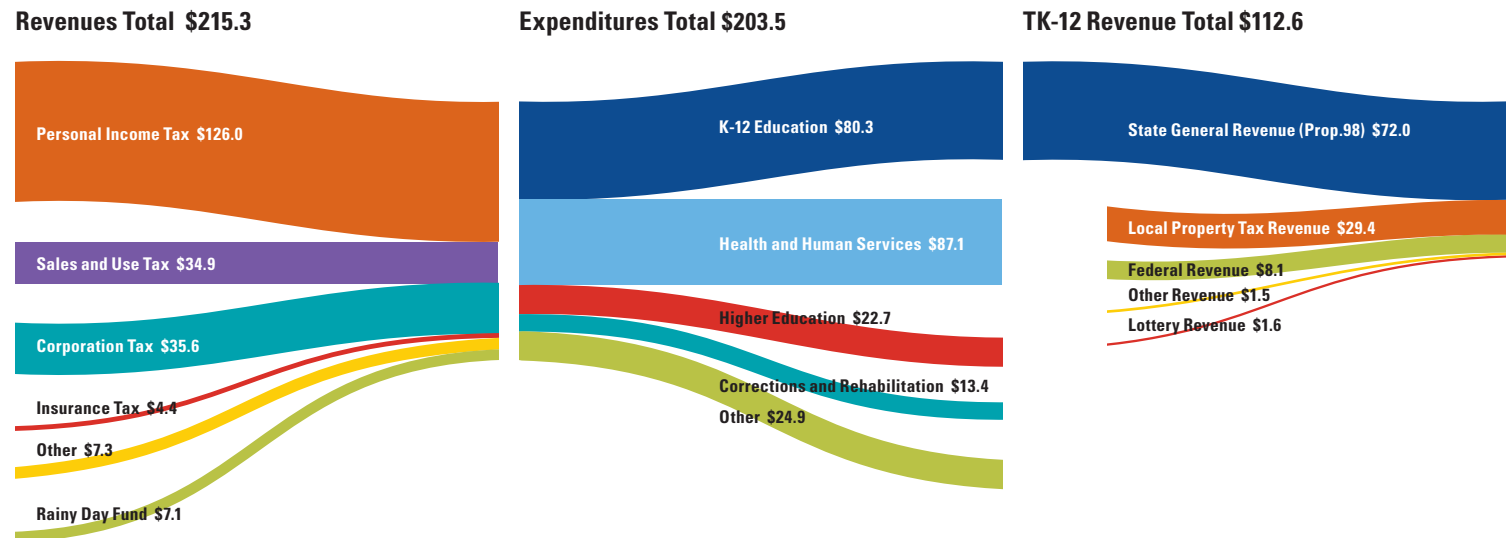
How is the state’s total allocation to schools determined?

Proposition 98, passed by voters in 1998, continues to determine the total amount of funding the state sends to our K-12 schools and community colleges each year. Proposition 98 uses a complex formula to set a minimum funding level (about 40% of state revenues) that ideally scales with the economy. Instead of serving as a floor or minimum, Proposition 98 has most often been treated as a ceiling or maximum by the legislature which has rarely allocated more than the required minimum amount to schools. The state budget’s heavy reliance on state income tax, rather than local property tax revenues, to support schools has led to predictable revenue volatility. Property values (and therefore property tax receipts) tend to vary moderately with economic cycles. In contrast, state income tax receipts are more fully exposed to the booms and busts of the stock market.

How much state funding do schools receive in total?

2025-26 California General Fund Revenues and Expenditures, TK-12 Education Revenueⁱ

Dollars in billions



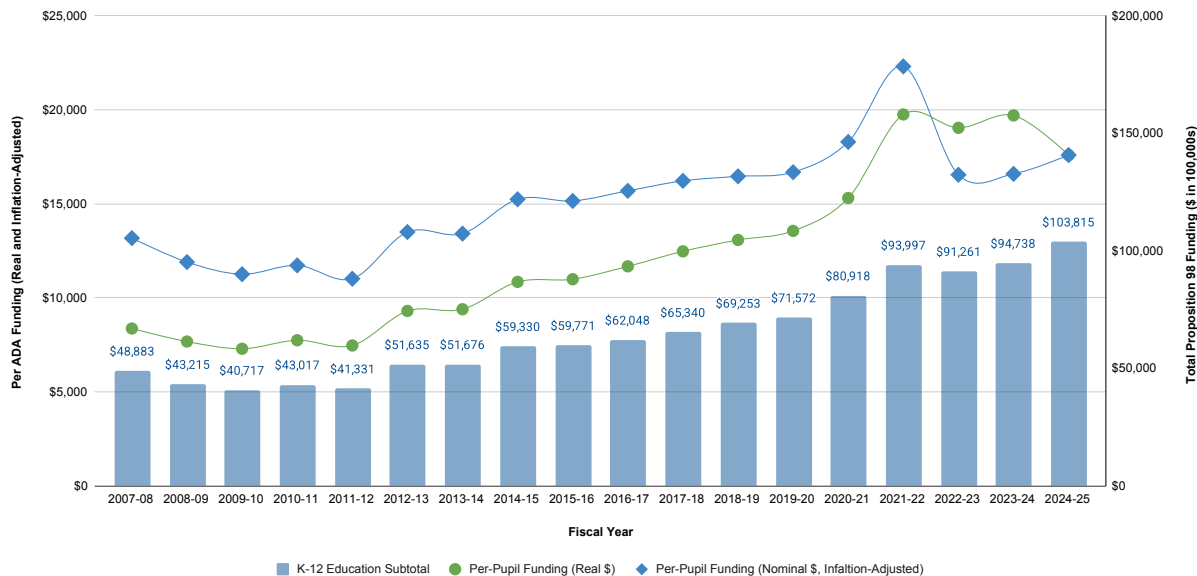
How much flexibility do schools have to utilize funds they receive?

A philosophy in adopting the Local Control Funding Formula (LCFF) is that local educators, leaders and their communities are best equipped to address the needs of their students. Thus, LCFF funding is considered “discretionary” – as opposed to the prior school funding system in which many funds were allocated to districts with restrictions for how they could be used and intensive compliance reporting requirements documenting their use.

While districts now have greater flexibility to decide how to utilize their LCFF funds, **the past couple of years have witnessed a noticeable swing back by the state towards more categorical or grant-based funding for which districts must apply and/or use for certain purposes.**ⁱⁱ

Despite the flexibility established in LCFF, the amount of actual, discretionary money available from year to year for school districts can be very limited. The Base Grant must primarily support core expenses for teacher and staff salaries and health benefits, which account for the largest percentage of school expenses (typically 75-80% of a district’s budget). Fixed costs for categories such as utilities and maintenance must also come out of the base. The state has also increased the obligation of districts to fund retirement and pension expenses. Fiscal pressure against the Base Grant, when coupled with inflation, are increasing faster than the growth in school districts’ annual, ongoing LCFF base revenues and cost-of-living adjustment.ⁱⁱⁱ

Proposition 98 Funding: 2007-08 to 2024-25



Attendance Drives Funding

California’s funding formula is based on allocating funds according to attendance. Currently, districts must report on the number of students enrolled (that is, all students enrolled in that LEA), minus the daily average number of absent students.

This results in the Average Daily Attendance (ADA). In effect, districts receive funds only for the number of students who attend on a given day, not for the total number of students in the school. This is challenging from a business perspective at the school because most of the district’s fixed costs, such as teachers and staff, must be present each day.

California is one of only six states that base its per-pupil funding on ADA. Senate Bill 98 (Portantino), signed into law in September 2024, directs the Legislative Analyst’s Office to submit a report to the Legislature by January 1, 2026, on the impact of moving from the Average Daily Attendance model to an enrollment-based funding model.

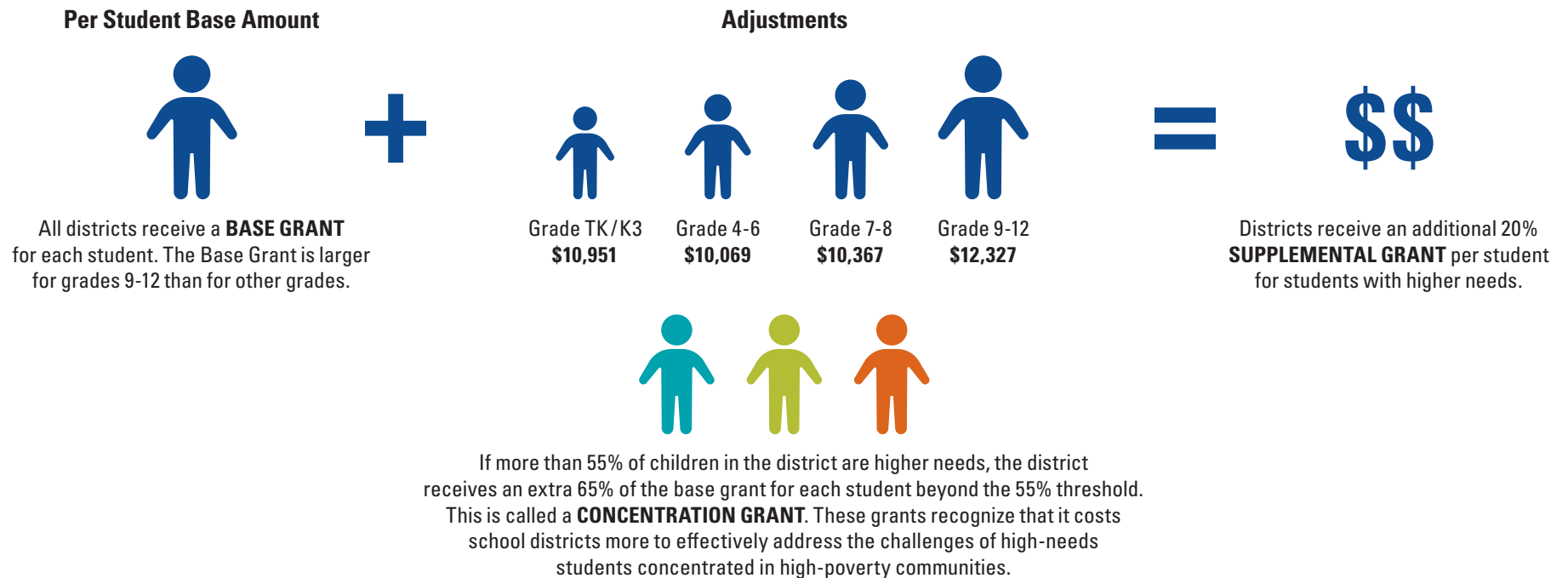
What determines how state funds are allocated to LEAs?

State revenue for schools is primarily determined by the **Local Control Funding Formula (LCFF)**, a state law adopted in 2013. The LCFF allocates the same per-student Base Grant amount to each school district, plus additional funding (Supplemental and Concentration Grants) to support the needs of student groups in achieving the state’s priorities – specifically, foster youth, English learners, and students from low-income families. **While the LCFF determines how state funds are allocated to local districts and county offices of education, the Proposition 98 formula still largely determines how much state dollars go out to schools.**

Under the LCFF, total per-student funding amounts vary district to district, depending on the number of English Learners, income-eligible students for free or reduced-price meals, and foster youth pupils. This reflects the state’s fundamental commitment to fiscal equity, as it distributes more resources to high-need student populations.

Additionally, about 10% of the state’s school districts are considered Community Funded Schools and receive different levels of revenues based primarily on local property taxes.

How LCFF Funds Districts^{iv}



What is a Local Control and Accountability Plan (LCAP)?

As part of the LCFF, school districts, charter schools and COEs must adopt a **Local Control and Accountability Plan (LCAP)**. In creating this three-year plan, districts must consult with teachers, principals, administrators, other school staff, and local bargaining units. They are also required to engage with parents and students when developing and updating their LCAPs.

[Based on a template developed by the State Board of Education](#), each district LCAP must identify goals and strategies to achieve those goals in each of eight state-identified priority areas, as well as locally determined priorities. LCAPs also must describe how districts plan to utilize additional funding from the LCFF targeted for students with higher needs to increase or improve services for those students and close achievement and opportunity gaps.

After districts' Boards adopt their LCAPs, the plans must also be reviewed and approved by the county superintendent in coordination with the approval of the district budget.

Eight State Priorities

In the Local Control and Accountability Plan (LCAP), school districts, in consultation with their communities, must develop goals and specific actions, as well as measurable student outcomes, for each of the eight statewide priorities and any additional locally defines priorities. These priorities are set by state statute.


CONDITIONS OF LEARNING

Priority 1 – Basic services. Providing all students with access to fully credentialed teachers in their subject areas, as well as instructional materials that align with state standards and safe, properly maintained school facilities.


Priority 2 – Implementation of state standards. Ensuring school programs and services enable all students, including English learners, to access California's academic content and performance standards, including California's State Standards for English language arts and math, and Next Generation Science Standards and English Language Development Standards.

Priority 7 – Course access. Ensuring all students have access to a broad course of study in all required subject areas including math, social science, science, visual and performing arts, health, P.E., and CTE, that prepare them for college and careers.


Timing of Local Accountability & Engagement




LATE SUMMER - FALL
Suggested
District engages the community to solicit input on the LCAP. Assess student needs using the CA School Dashboard.



WINTER
Suggested
District creates first draft of updated LCAP, includes community input. Analyze data from CA School Dashboard.




SPRING
Required per EC 52062(1)
District presents proposed plan to parent advisory committees for feedback and input.



SPRING
Required per EC 52062(1)
District responds in writing to feedback from parent advisory committees and incorporates feedback into plan.



JULY 1
Required by Statute
School board adopts plan by July 1st in a public hearing.



OCTOBER 8
Required by Statute
County office of education must approve district LCAPs by October 8.

Priority 5 – Student engagement. Providing students with engaging programs and course work that keeps them in school, as measured in part by attendance rates, dropout rates and graduation rates.

Priority 3 – Parent involvement. The school district and schools are making efforts to seek input from all parents, engage parents in decision-making, and promote parent participation in programs that address their students’ needs.

Priority 6 – School climate. Factors both inside and outside the classroom that impact student success such as health, safety, student discipline and school connectedness, as measured in part by suspension and expulsion rates, and surveys of students, teachers, and parents.

Priority 4 – Student achievement. Improving achievement and outcomes for all students as measured in multiple ways such as test scores, English proficiency and college- and career-readiness.

Priority 8 – Other student outcomes. Measuring other important indicators of student performance in all required areas of study.

Are charter schools funded differently?

The local school district or county office of education authorizes most California charter schools. Similar to a school district, a charter school’s per-student allocation is mainly determined by the LCFF, though slightly different rules apply to the concentration grants calculation. Some charter schools receive their allocation directly from the state, rather than through a school district. Each charter school must adopt a Local Control and Accountability Plan.

What about the Proposition 28 Arts and Music Program?

On November 8, 2022, California voters approved Proposition 28: The Arts and Music in Schools (AMS) Funding Guarantee and Accountability Act. The measure required the state to establish a new, ongoing program supporting arts instruction in public schools, beginning in the 2023-24 school year. The legislation allocates 1 percent of the K-12 portion of the Proposition 98 guarantee provided in the prior fiscal year. In 2025-26, the state will allocate approximately \$1.044 billion to AMS, or roughly \$180 per student.^v

Who Holds Districts Accountable ?

District staff, parents, and student community stakeholders: Provide input and feedback on the district’s priorities outlined in the LCAP, which demonstrate how services are increased or improved for English Learners, foster youth, and low-income students.

District Board of Education: Adopts LCAP/Annual Update and budget.

County Office of Education: Approves or disapproves of the LCAP and provides technical assistance.

Geographic Leads (GeoLeads): Provide additional technical assistance to any LEA that has not improved after three or more years of assistance from their County Office

California Collaborative for Educational Excellence (CCEE): Intervenes in school districts that fail to improve outcomes. Leadership of the statewide system of support that provides technical assistance to school districts.

State Superintendent of Instruction (SPI): Intervenes in districts that fail to improve outcomes of three or more student subgroups in one or more priorities in three out of four school years.

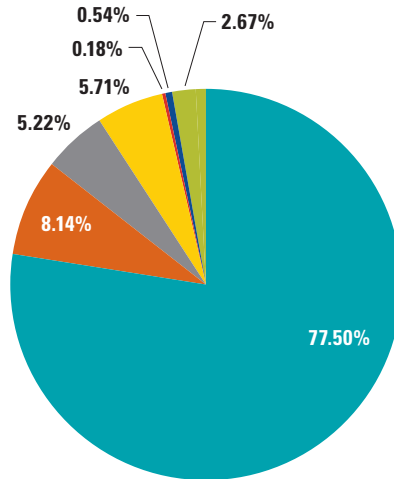
How much funding does California receive from the federal government?

Federal funds accounted for 7% of K-12 funding in the 2025-26 California budget for public schools.^{vi}

2025-26 Federal Fund Allocation to California Schools

Dollars in millions

Title I	\$2,076.00
Title II	\$218.04
Title III	\$139.88
Title IV	\$153.15
Title V	\$5.01
McKinney-Vento	\$14.50
21st CCLC	\$53.82



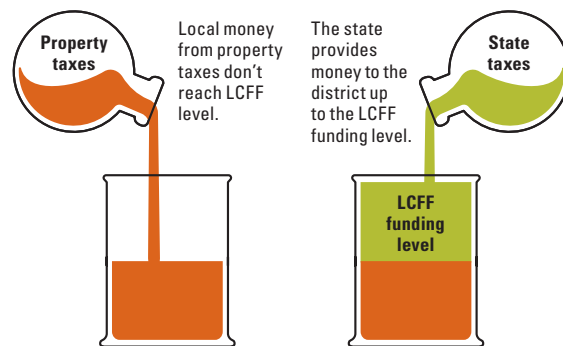
Community-Funded Local School Districts

Some school districts – about 14% of the school districts in California – are funded primarily through local property taxes rather than state funds. These are called community-funded school districts (previously known as “Basic Aid.”) These districts serve approximately 5% of the total public school enrollment in California. On a per student basis, these school districts spend approximately 31% more than their LCFF-funded peers.^{vii}

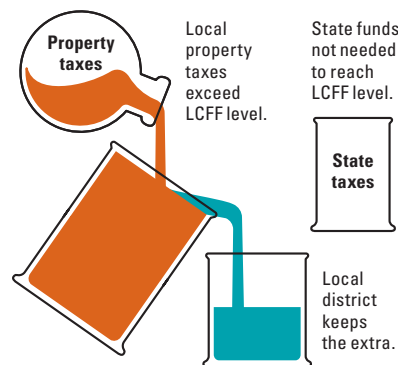
The Chemistry of Public School Funding

California has developed funding formulas that try to send more money to kids who need the most help. Most districts rely heavily on state funding; a few rake in enough property tax dollars all on their own. Here’s how it works.

District funding under Local Agency Funding Formula



“Basic aid” district funding



Federal Proposals to Curtail Education Funding

Following a period of large investments to help school districts recover from the pandemic, the current federal administration has proposed to curtail ongoing spending on long-standing federal funding for vulnerable student populations, such as low-income students, English learners, migrant students, and professional development for education professionals. These proposals, if signed into law, would result in an overall 26% decrease in funding to public schools. These proposals are currently being debated for the federal fiscal year (FFY) 2026, which provides funds to school districts for the 2026-27 fiscal year, beginning July 1, 2026.



How are the costs for building new schools or modernizing facilities paid for?

Both the state and local school districts contribute to the cost of facilities, largely by issuing bonds. In addition, developer fees also contribute to school facilities. The state provides districts with financial support for new school construction and modernization projects through the School Facility Program, which provides grants to school districts that cover half the cost of new construction projects and a larger share for modernization. The State Allocation Board administers the facilities program, and the Office of Public School Construction supports and serves as staff of the Allocation Board.

Local communities also contribute to building and modernizing school facilities. Local school districts finance school buildings primarily with revenue raised through local general obligation bond elections and developer fees. Local school bonds have traditionally been popular with voters. Between 2008-2020, 73% of measures were approved; however, the passage rate dipped to 51% in 2020. The passage rate in 2024 was 69%. These bonds are repaid through local property tax surcharges.

School facilities funding tends to be higher in districts with the highest median household income and lower in districts with the highest concentrations of disadvantaged or nonwhite students. However, school districts that meet financial hardship criteria are eligible to receive up to 100% of state financial hardship grants.

What is the state's overall estimated school facilities need?

California's public schools serve nearly six million students at about 10,500 schools and in more than 300,000 classrooms. In 2017, it was estimated that 70% of those were more than 25 years old. The California State Auditor estimated in a 2022 report that the state will need to provide \$7.4 billion in funding to meet existing and anticipated modernization requests over the next five years.

Proposition 2: Bonds for school facilities

On November 5, 2024 California Voters approved a \$10 billion bond authorization for the state's K-12 schools and community colleges. This will provide much needed financial support for the enhancement of existing buildings, new facilities, and CTE programs in traditional and charter schools.

Uses of Proposed Bond Funds

In billions

Public schools facilities	\$8.5
Renovation of existing buildings	\$4.0
New construction (including buying land)	3.3
Facilities for career technical education programs	0.6
Charter schools	0.6
Community college facilities	\$1.5
Total	\$10.0

Funding for the School Facilities Program

To partially address the need, especially in the absence of a new statewide school bond, the enacted 2022-23 budget allocated \$1.3 billion in state general fund (Non-Proposition 98) funding in 2022-23. In 2023-24, \$875 million was added, with \$875 million also projected for 2024-25 to augment the School Facilities Program.

\$875

Million in 2024-25



Special Education in California

The federal Individuals with Disabilities Education Act (IDEA) and state law require that students with exceptional needs, ages birth to 22 years old, be provided a free and appropriate public education in the least restrictive environment. From its inception in 1974, IDEA authorized federal funding for up to 40% of average per-pupil spending nationwide to help cover the cost of providing special education services to students with disabilities. Yet, federal funding has never reached full funding, leaving school districts to cover the majority of costs.

Since the Local Control Funding Formula (LCFF) was enacted in 2013, California consolidated most state categorical programs into district base grants to move decision making to the local level. However, Special Education funding was preserved as California's largest funding stream operating mostly outside the Local Control Funding Formula governance framework, although outcomes for students with disabilities are to be addressed in the Local Control Accountability Plan (LCAP) and additional alignment will be required through the IDEA addendum to the LCAP, once it is approved by the State Board of Education no later than January 31, 2027.

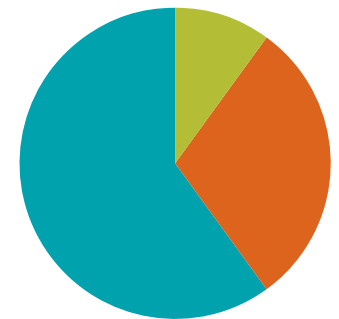
Special Education Funding Adequacy

- AB 602 allocates funds based on the total number of students attending school within the Special Education Local Plan Area (SELPA), not the number of students with disabilities.
- While the AB 602 funding model was historically both inequitable and underfunded, between 2019-20 and 2022-23, California took important steps towards equality by providing nearly all LEAs with the same special education funding rate per student; as of 2022-23, only two SELPAs have a local funding rate higher than the statewide AB 602 base rate.
- During this time period, the state increased funding for students with disabilities by more than 60%, significantly increased funding for students with low-incidence disabilities, and provided additional reimbursement for high-cost special education placements.
- However, due to the cost of education in general and special education in particular, local general fund dollars have been covering an increasing share of special education costs.
- Additionally, the percentage of students identified for special education services has increased over the past few decades from around 11% to nearly 14% of the total student population, and the percentage of students with high-cost needs such as autism has also significantly increased.

Source: School Services of California, Inc.

Special Education Funding

Special Education in California is funded through a combination of federal, state and local funds. Special education funding sources for 2021-22 total \$18.3 billion or \$23,048 per student with an IEP.



60%

Local funds

31%

State funds

9%

Federal funds

2 Current Issues In School Finance & Business

What are some of the state’s major new education-related initiatives?

Historic levels of state revenues in the past three years have enabled the governor and legislature to launch or expand several major initiatives aimed at helping schools address students’ needs. This, in conjunction with federal funding to help schools recover from the pandemic, brought an unprecedented amount of one-time investment to support students. Many of these initiatives reflect a holistic strategy to serving students, often referred to as a “whole child” approach. Combined, these (mostly) one-time programs, both inside and outside education, amounted to tens of billions of dollars. Many of these funding allocations were conditioned on submitting grant applications and/or filing plans and spending reports. These initiatives include:

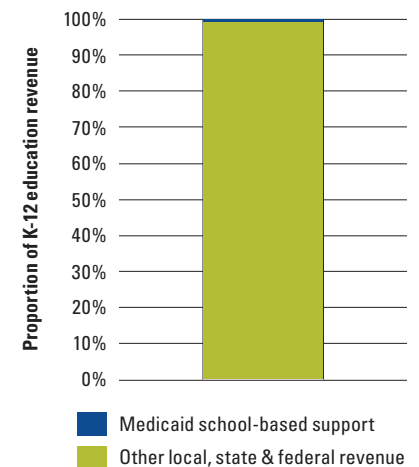
- Transitional Kindergarten (TK) [ongoing funding]
- Expanded Learning Opportunities Program (ELO-P) [ongoing funding]
- Universal Free Meals [ongoing funding]
- Zero-Emission Buses [ongoing funding]
- Arts and Music Guarantee (Prop. 28) [ongoing funding]
- Professional Development Block Grant [one-time funding]
- California Community School Partnership Program (CCSPP) [one-time funding]
- CTE Incentive Grant [one-time funding]
- Learning Recovery Block Grant [one-time funding]
- School-based Health Incentive Program (SBHIP) through the California Youth Behavioral Health Initiative (CYBHI) [one-time funding]
- School-based All Payer Fee Schedule Capacity grants via CYBHI [one-time funding]^{viii}

Integrating Health & Education Funding to Serve Students

Under the California Youth Behavioral Health Initiative the state is investing in infrastructure that would increase the ability of schools, county health, and other community agencies to draw additional Medicaid funds to invest in school-based and school-adjacent health and behavioral health services.

As of 2021-22 California had only drawn \$635 million for the fiscal year which is just 0.45% of total revenue for schools.

Funds from Medicaid to support school-based services



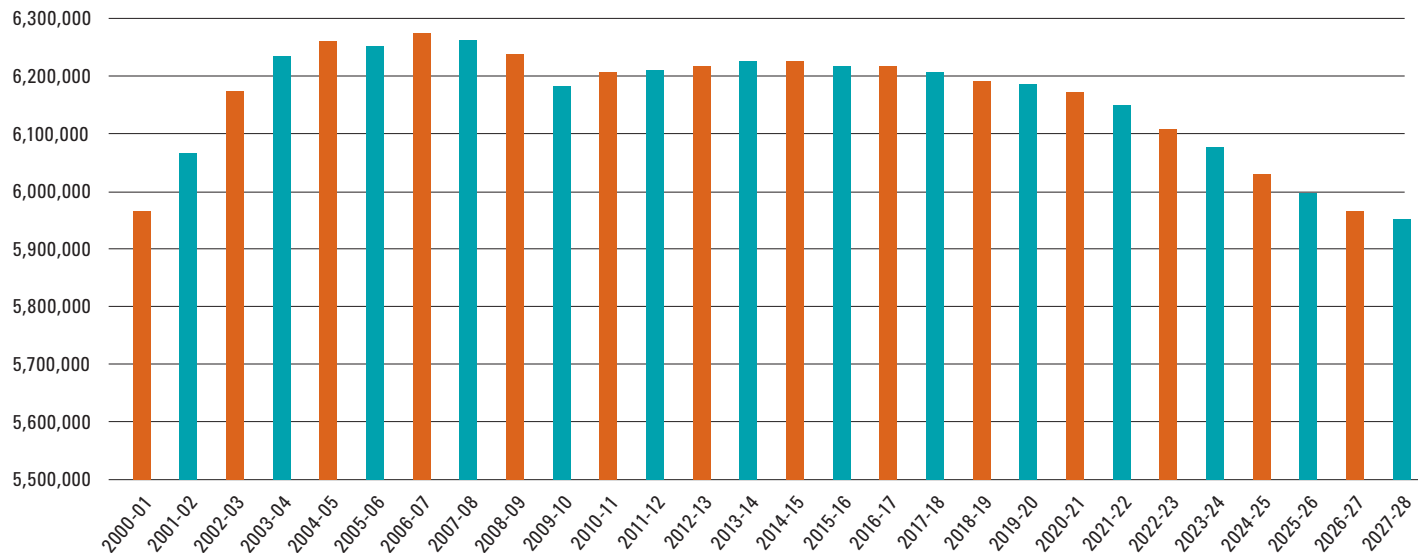
What pressures do pension costs create?

For California – as for many other states – the rising cost of pension obligations presents a serious challenge, particularly for school districts. Despite significant overall increases in state funding to schools, some districts are or may soon be in the difficult position of making budget cuts due to the need to fulfill rising pension obligations. School districts are primarily funded by the state based on the set LCFF formula – but their pension contribution rates for CalSTRS, which covers retired teachers, and CalPERS, which covers other retired public employees, are set by the Legislature. Thus, districts have little ability locally to control these increased pension costs. Since 2013, school districts’ pension contributions have more than doubled, from 8.3% to 19.1% in 2020-21. Employer contribution rates for CalSTRS and CalPERS are scheduled to increase.

Is declining enrollment an issue for California schools and why does it matter?

Enrollment declines accelerated in many parts of the state since the pandemic. While not all districts are experiencing declines, enrollment in about half of all counties is declining, with larger counties experiencing more – and enrollment decline is anticipated to be persistent over the next 10 years. Districts with declining enrollment face increased fiscal pressures because state funding is tied to the number of students they serve. While districts can respond by “downsizing,” this does not necessarily lead to budget savings because certain costs are fixed and certain “economies of scale” for services and staffing are lost in the future.

Historic & Projected California Public School K-12 Enrollment



CalPERS, CalSTRS and Unfunded Liabilities

There are two major pension funds for employees in K-12 education in California: the California State Teachers Retirement System (CalSTRS) and the California Public Employees’ Retirement System (CalPERS).

CalSTRS, which administers pension benefits for teachers, principals, and other certificated employees such as speech therapists, school psychologists, and nurses, is the nation’s second-largest public employee pension fund.

CalPERS provides pension benefits for classified employees such as classroom aides, school security officers, and food services, maintenance, and clerical staff. To provide benefits to their members, CalSTRS and CalPERS funds rely on contributions from members, employers, and the state, as well as income from investments.

Unfunded pension costs are the difference between the benefits promised to employees and the current savings available in the funds to meet those financial commitments. It is this unfunded liability that has driven dramatic increases in the amount that school districts must contribute to the funds.

3 Basics of Local School District Budgets

What exactly is a school district budget?

The budget is the guiding financial plan for meeting the local school district governing board’s goals and objectives for the year. It represents how much a local district estimates it will receive in income/revenue, and the maximum expenditures authorized by the board, and the balance (negative or positive) when the year is done.

Because education funding levels are essentially up for debate every year as part of the annual state budget process, school districts rely on projections but actually do not know for certain the amount of funding to be received until the state budget is approved by the end of June. Therefore, it is understood that:

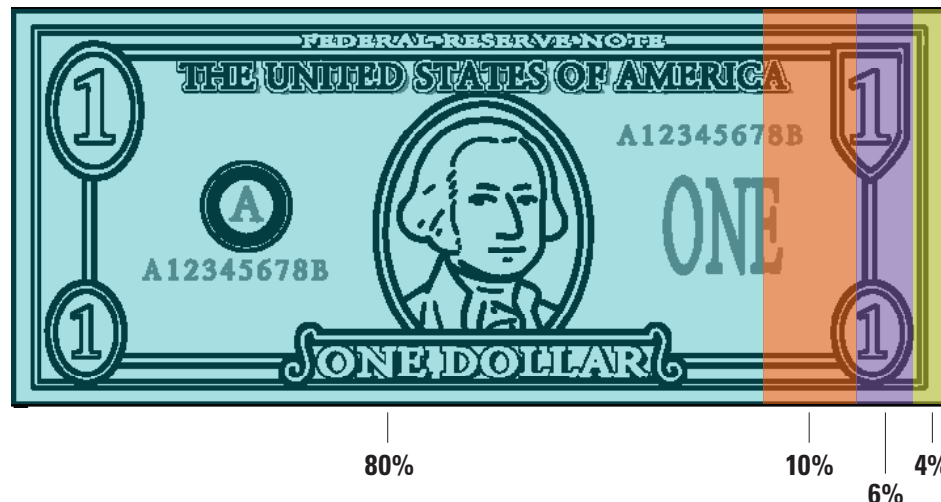
- Local district budgets change and need to be revised.
- The budget should represent the policy and conceptual priorities of the organization and must inform resource allocation related to the implementation of the Local Control and Accountability Plan (LCAP).
- The budget should be balanced, and if there is deficit spending, it must be explained, and a plan developed to return the budget to a balanced state.

Budgeting in school districts is based on multi-year projections. Given that,

- A district must have the ability to accurately reflect its net ending balance and maintain a reserve for economic uncertainties throughout the budget monitoring process.
- The long-term impact of current decisions must be assessed and must be multi-year planned (current plus two years).
- The district should have tools and procedures that ensure an early warning of any discrepancies between the budgeted and actual revenues and expenses.

What are the main expenditures in school district budgets?

- 80% salary and benefits
- 10% books and supplies
- 6% utilities and contracts
- 4% transfers and other



What factors impact a local budget? What are the main challenges for school districts in balancing budgets and maximizing the amounts available for student support and services?

While every school district is unique, various factors can be major challenges to local district budgeting including downward pressure on revenues and upward pressure on spending:

Revenue

- Enrollment uncertainties
- ADA (average daily attendance)
- The state's volatile tax structure (highly dependent on personal income tax)



Spending

- The number of students living in poverty, English learners, and foster and homeless youth
- Collective bargaining costs
- Increased share of state pension costs that districts/employers are required to pay
- Rising costs to serve students with disabilities
- Health and welfare benefits for employees
- Rising minimum wage costs
- Utilities costs
- "Step and column," which defines compensation based on years of service/continuing education credits as negotiated by districts and their labor unions



Who oversees local school district budgets?

Elected local governing boards approve school district budgets. State law (often referred to by its original authorizing legislation, as "AB 1200") sets additional financial standards for school districts and includes mechanisms to ensure adequate oversight. County superintendents of education are required to review and approve the annual budgets of each local school district. Districts must certify if they are able to meet their financial obligations for the current plus two additional years. County superintendents of education validate those self-certifications.

AB 1200 (1991) and subsequent related legislation was enacted to help school districts avoid insolvency; it is a progressive law and empowers county superintendents with fiscal oversight to follow a progression of interventions when necessary. These interventions range from information and collaborative assistance to lowering a self-certification from "positive" to either "qualified" or "negative" to taking more stringent actions such as appointing a fiscal advisor.

What are The Three Major Certifications of a District Budget?

Under the provisions of AB 1200, (1991) the budget is certified either:

Positive. District will complete the year with a positive fund and cash balance; the district is solvent and can meet its obligations.

Qualified. District may not complete the year with a positive fund or cash balance; financial indicators require scrutiny/modest intervention.

Negative. District will not complete the year with a positive fund or cash balance; aggressive corrective action is required.

Can local districts raise additional revenues?

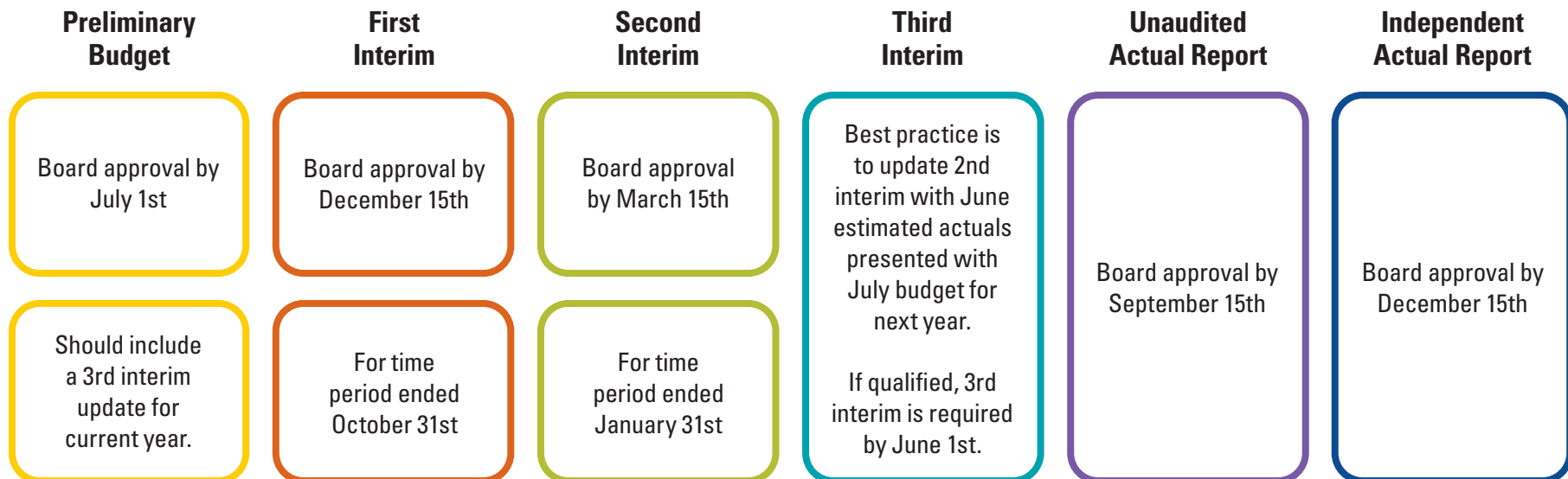
California law severely limits local school districts' revenue-raising authority compared with most other states and with what was possible in the state before the 1970s. Under current state law, districts can augment the local funding of their schools in just a few ways, most notably private donations (such as through local community foundations), parcel taxes (which require a two-thirds vote to assess a flat fee on each parcel of property, no matter what its size or value), and the seldom-used sales tax for schools (which also requires a two-thirds vote and can be done only at the county level).

Taken together, these revenue sources currently account for a tiny share of total K–12 funding in the state, though in some communities they provide substantial per-pupil funding. About one in 10 school districts, primarily districts in the Bay Area, have approved additional taxes.

By contrast, cities and counties in California can raise general taxes, primarily the sales tax, with a simple majority vote, rather than the two-thirds requirement for school districts. The one exception is local construction bonds, which school districts can pass with a 55% majority vote of the community. These bond proceeds must only be utilized for construction and modernization projects outlined in ballot language and cannot be used to offset rising General Fund expenditures. It would take a constitutional amendment, either enacted by the legislature or placed on the ballot by voters through an initiative, to provide local districts with greater revenue-raising capacity.

Basic Reporting Cycle for Schools

The budget is a continuing cycle of planning, updating and reporting. Updates are made to the initial budget through the fiscal year, and officially adopted at the First Period Interim Financial Report (December) and the Second Period Interim Financial Report (March).



About CASBO

The California Association of School Business Officials (CASBO) is the Golden State’s foremost authority on school business. Founded in 1928, the non-profit serves more than 30,000 members by promoting excellence and professionalism in all aspects of school operations. Through innovative professional development, advocacy, and legislative programs, CASBO inspires efficient and effective leadership of California’s K-14 institutions to support the state’s 5.8 million students in the 21st century and beyond.

CASBO supports a robust school finance system that empowers local educational agencies to invest in high-quality instructional services and programs that meet the needs of our students, as well as policies that foster local innovation to improve student achievement and create safe and optimal learning environments for our students, educators, and local communities. CASBO advocates for and recommends the following areas for local and state officials to focus on:

School Finance Adequacy

California must have a school finance system that fully funds the costs of the state’s high academic standards and needs of our students. Stabilizing the state’s fiscal structure and local revenue authority to ensure public education has the appropriate funding support that aligns with providing equitable and high-quality education to all of our students.

Local Control

Those at the local educational agency level are best equipped to make decisions that implement needs-driven, innovative, and efficient programs to improve student achievement that are consistent with the statutory goals and requirements of the Local Control Funding Formula (LCFF) and done in partnership with local educational partners.

Supporting Special Education

Our students with exceptional needs deserve equitable resources to support high-quality services and early childhood intervention. Unfortunately, the federal government has not maintained its commitment to fund the Individuals with Disabilities Education Act (IDEA).

ⁱ Department of Finance. June 27, 2025. *2025-26 California State Budget Summary: Summary Charts*. Sacramento, CA. Proposition 98 figures (page 2), state General Fund revenue sources (Page 3), and state General Fund expenditures areas (Page 4).

ⁱⁱ Authors calculations from Department of Finance *California State Budget Detail K through 12 Education* files from 2018 to 2025.

ⁱⁱⁱ Authors calculations from the following sources: (1) LAO. *The 2012-13 Budget: Proposition 98 Education Analysis*. Sacramento, CA. Publications from 2012 to 2025. Various figures. (2) California Department of Education. *Current Expenses of Education*. Sacramento, CA. Publications from 2007 to 2004. Total State ADA Count [Tab 3]. (3) State of California. Office of the Director – Research Unit Department of Industrial Relations. *Consumer Price Index – California. Years 2007 to 2025*.

^{iv} WestEd. 2016. *[Cite Presentation from JK]*. San Francisco, CA.

^v California Department of Education. *Funding Results – Proposition 28: Arts and Music in Schools*. Sacramento, CA. Advance Apportionment: Funding Excel Files – Advance Apportionment. Accessed on November 1, 2025.

^{vi} Department of Finance. June 27, 2025. *2025-26 California State Budget Summary: Detail for K-12 Education, Account 6100*. Sacramento, CA.

^{vii} Hahnel, Zamarripa, and Gallagher. October 2025. *Excess Revenue, Unequal Opportunity*. Policy Analysis for California Education (PACE).

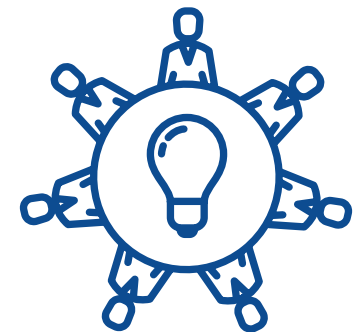
^{viii} Department of Finance. June 27, 2025. *2025-26 California State Budget Summary: TK-12 Education*. Sacramento, CA. Listed programs in summary document and their associated allocations. Further descriptions included below.

- **Transitional Kindergarten (TK)**: Promotes school readiness by expanding access to all four-year-old children and increasing access to full-day, full-year preschool programs
- **Expanded Learning Opportunities Program (ELO-P)**: Expands the learning day for students and increases academic and enrichment activities through before and after-school and summer programs, especially for students in low-income communities
- **Universal Free Meals**: All California schools must provide one free breakfast and one free lunch per school day to any student requesting a meal, as opposed to prior practice where mostly only students eligible for free meals based on family income levels are served.
- **Community Schools**: Public schools that serve as hubs for integrating academic and student supports; expanding and enriching learning time and opportunities; actively engaging families and communities; and promoting collaborative leadership.
- **Zero-Emission Buses**: Commencing January 1, 2035, all newly purchased or contracted school buses of a local educational agency (LEA) must be zero-emission vehicles.

Acknowledgements

Thank you to the following partners, who generously provided information, analysis and reports used in this publication:

- California Department of Education
- EdSource
- Ed100.org
- Fiscal Crisis and Management Assistance Team (FCMAT)
- Legislative Analyst’s Office
- Public Policy Institute of California
- School Services of California, Inc.
- State Assembly Education Committee
- WestEd
- PACE





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