



February 23, 2026

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Suite 9000
Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Budget & Fiscal Review
Committee
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Suite 8230
Sacramento, CA 95814

Dear Governor Newsom, Senator Laird, and Assemblymember Gabriel:

On behalf of the California Association of School Business Officials (CASBO), which represents over 30,000 school business professionals in public education, we write to express our positions on the proposals included in Governor Newsom's 2026-27 State Budget. We appreciate the state's continued commitment to public education as we work together to ensure local educational agencies can deliver on the promise of supporting the academic and social-emotional needs of California's 5.8 million students.

To maintain this commitment to our students, however, local educational agencies require fiscal stability—a stability that is directly challenged by the current proposal to withhold vital funding. As such, we **oppose** the proposal to withhold \$5.6 billion, or approximately \$900 per average daily attendance, in Proposition 98 funding in 2025–26, which would undermine the constitutional minimum funding guarantee and create harmful fiscal uncertainty for schools. Predictable, timely funding is essential for local educational agencies to sustain student services, retain staff, and meet long-term obligations, and this proposal improperly shifts budget risk onto schools.

We **support** the following proposals for inclusion in the final 2026-27 State Budget.

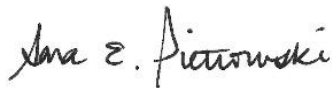
- **Equalizing special education funding (AB 602)** across all Special Education Local Plan Areas is critical as identification rates rise and the complexity of identified disabilities increase. Special education remains significantly underfunded, making additional dedicated funding essential to meeting student needs.
- **The Student Support and Professional Development Discretionary Block Grant** will provide vital flexibility to address cost pressures, including declining enrollment, pension obligations, utilities, and insurance, allowing local education agencies to maintain student programs. We support allocating funds by average daily attendance with full local discretion and minimal additional reporting requirements.
- **The sale of \$1.5 billion in authorized school facility bonds in 2026–27** is essential to address significant school facility needs and advance the goals of Proposition 2.

- **Establishing a Tier 2 Expanded Learning Opportunities Program rate of \$1,800** will provide stable, ongoing funding to continue serving unduplicated pupils and sustain high-quality expanded learning opportunities.
- **Providing the full Local Control Funding Formula (LCFF) COLA**, along with COLAs for the Equity Multiplier and categorical programs such as special education and child nutrition, is critical to preserving purchasing power amid rising costs.
- **Strengthening statewide TK–12 governance** is an important step toward improving system coherence so that local education agencies have the necessary clarity and conditions to build capacity and drive positive student outcomes.

Finally, we are concerned about the long-term commitment of \$1 billion in ongoing funding to the California Community Schools Partnership Program. While we support dedicating a portion of these funds to help sustain existing community schools who want to continue the model, we believe ongoing dollars should be more carefully balanced against other critical statewide obligations, specifically special education needs. For that reason, we respectfully request that the ongoing allocation to the California Community Schools Partnership Program be reduced.

Thank you for your consideration of our recommendations as you work toward the final adoption of the 2026-27 budget. Should you have any questions, please contact Sara Pietrowski at spietrowski@casbo.org.

Sincerely,



Sara Pietrowski
 Chief Governmental Relations Officer
 California Association of School Business Officials

cc: Honorable Robert Rivas, Assembly Speaker
 Honorable Monique Limón, Senate President pro Tempore
 Members, Assembly Budget Committee
 Members, Senate Committee on Budget and Fiscal Review
 Assembly and Senate Republican Offices of Policy
 Nichole Muñoz-Murillo, Chief Deputy Legislative Secretary, Office of Governor
 Gavin Newsom
 Brooks Allen, Executive Director, California State Board of Education
 Jessica Holmes, Program Budget Manager, California Department of Finance