



LAUSD

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Committee of the Whole

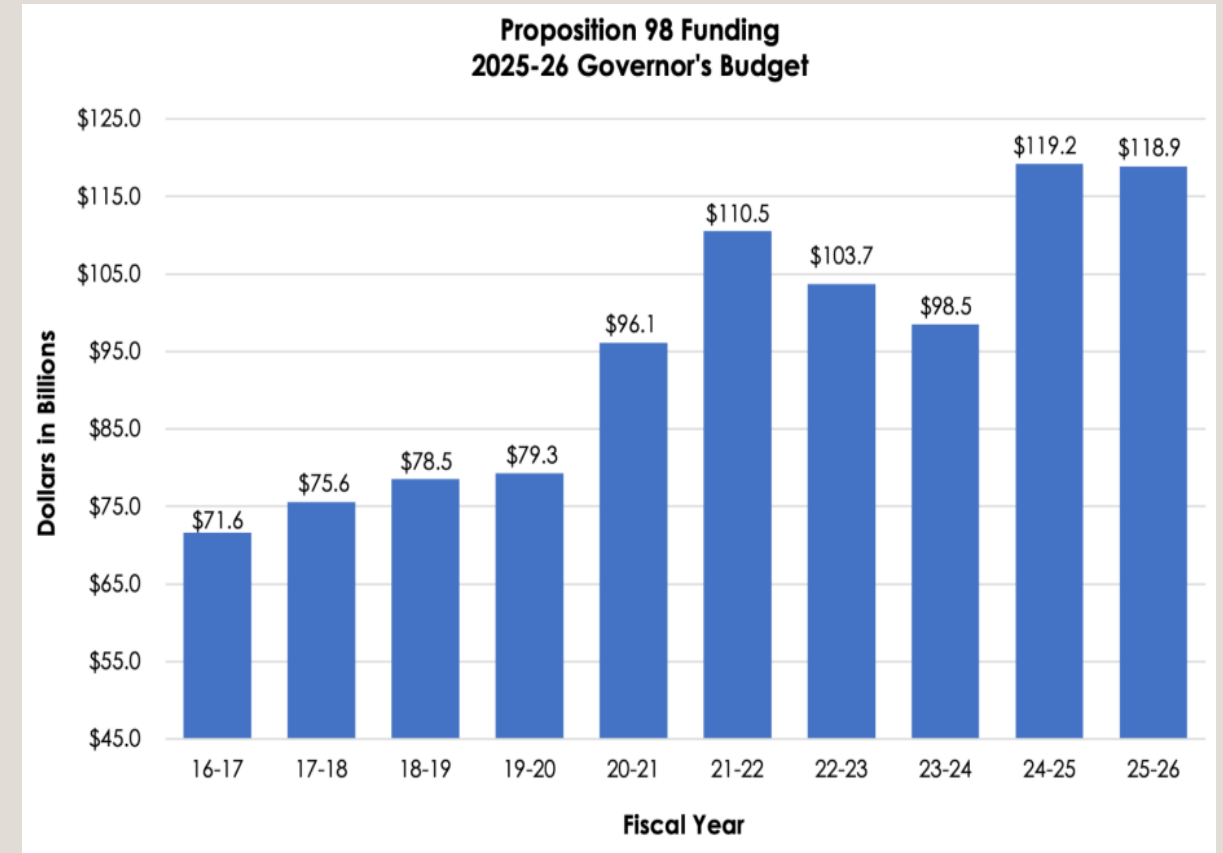
Governor's 2025-26 State Budget Proposals

February 18, 2025

Overview of Governor's 2025-26 State Budget



- Projected state General Fund of \$228.9 billion
- Prop. 98 guarantee of \$118.9 billion
- Prop. 98 Rainy Day Fund balance of \$1.5 billion
- 2.43% COLA for LCFF and Categorical programs
- \$2.4 billion for full implementation of TK
 - Additional \$1.5 billion to reduce ratio to 10:1
- \$4.4 billion for Expanded Learning Opportunities Program (ELO-P)
- \$1.04 billion for Arts and Music Grants (Prop. 28)



Source: California Department of Finance

Overview of Governor's 2025–26 State Budget



New One-Time Funding Proposals

- \$1.8 billion for Student Support and Discretionary Block Grant
- \$500 million for TK–12 Literacy and Math Coaches
- \$378 million for Learning Recovery Emergency Block Grant
- \$150 million for teacher candidate supports through Teacher Recruitment Incentive Grant
- \$100 million to extend the National Board Certification Incentive Program
- \$150 million to expand Kitchen Infrastructure and Training grants
- \$40 million for literacy screenings to support purchase of materials and training

School Services of California (SSC) Recommendation



SSC’s Fiscal Report recommends that LEAs only incorporate COLA changes for the Second Interim Financial Report.

Program	SSC Recommendation to Include?
2.43% COLA (all applicable programs)	Yes
ELO-P (Additional Funding)	No
Transitional Kindergarten 10:1 Staffing Ratio (Additional Funding)*	No
Student Support and Professional Development Discretionary Block Grant (new)	No
TK-12 Literacy and Math Coaches (Additional Funding)	No
Learning Recovery Emergency Block Grant (Additional Funding)	No

*LACOE recommends including in the Second Interim projection.

Estimated Impacts to LAUSD



Major Changes	LAUSD Estimated Impact for FY 26	Ongoing or One-time
COLA change from 2.93% to 2.43%	-\$29M	Ongoing
ELO-P (Additional Funding)	TBD	Ongoing
Transitional Kindergarten 10:1 Staffing Ratio (Additional Funding)*	\$44M	Ongoing
Student Support and Professional Development Discretionary Block Grant (New)	\$120M	One-time
TK-12 Literacy and Math Coaches (Additional Funding)	\$95M	One-time
Learning Recovery Emergency Block Grant (Additional Funding)	\$34M	One-time

- SSC's Fiscal Report recommends that LEAs only incorporate COLA changes at Second Interim.
- LACOE recommends also including additional TK funding at Second Interim.
- The ELO-P allocation formula may change based on the Governor's Proposal, so the fiscal impact is unknown.
- Assumptions may change at the Governor's May Revision.

State Advocacy Priorities

2025 Budget Priorities

- Maintain or increase the projected cost of living adjustment (COLA) for FY 2025–26
- Protect LCFF and maintain flexibility and local control through avoidance of additional categorical programs
- Amend universal Transitional Kindergarten penalties, and fully fund required TK ratio and class size requirements
- Support investments in school facilities construction, modernization, and greening projects
- Address ADA/funding impacts related to immigration and wildfires

Questions