

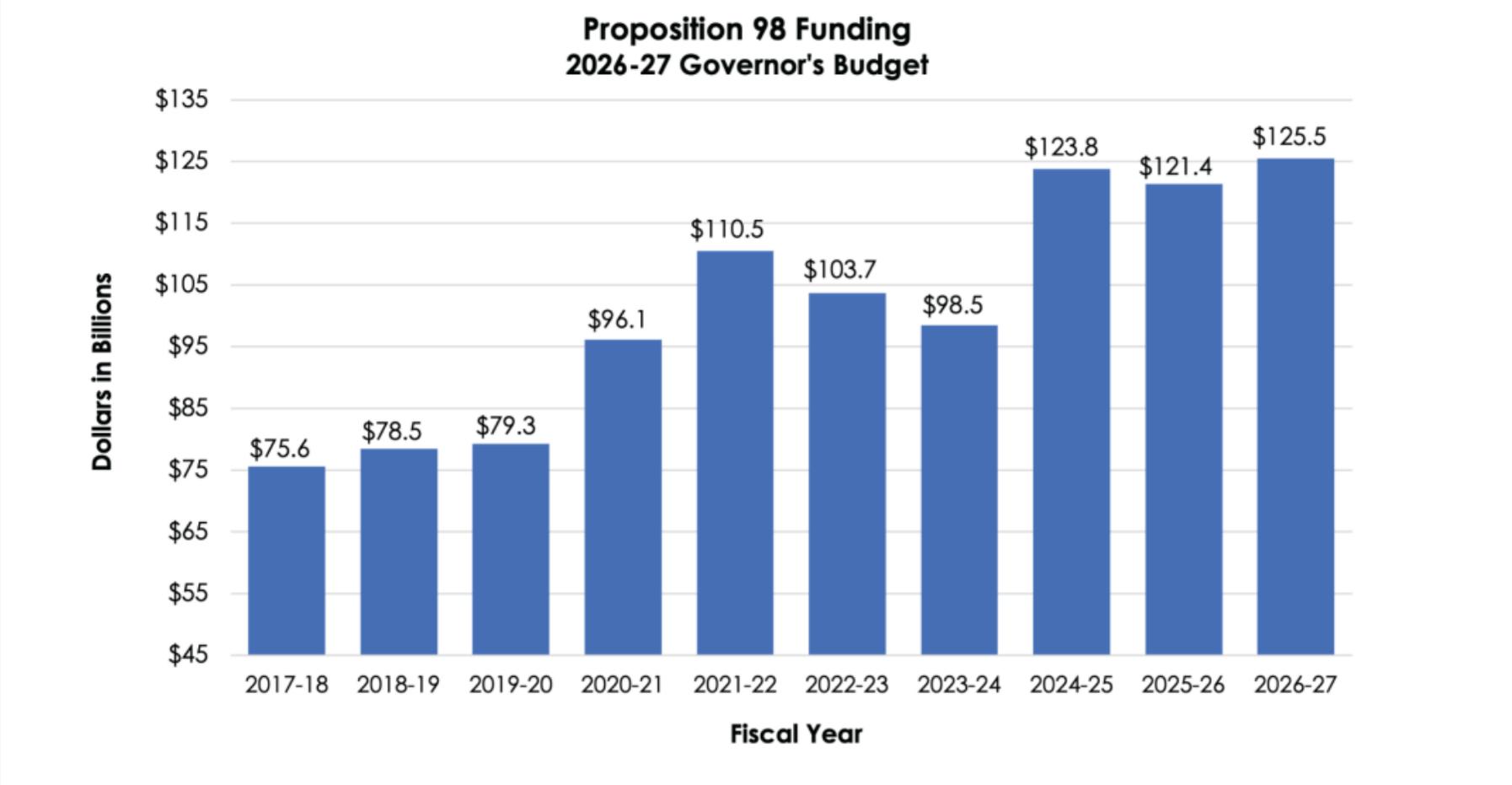


LAUSD
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Overview of 2026–27 Governor’s Proposed State Budget Committee of the Whole

January 20, 2026

Overview of Governor's 2026-27 State Budget



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Reserves and Deferrals

Public School Stabilization Account (PSSA)

- Revises the payments to the PSSA in prior years resulting in a total balance in the Proposition 98 Rainy Day Fund of \$4.1 billion for the three-year window.

Proposition 98 Deferrals

- Proposes to fully repay the \$1.9 billion settle-up balance in 2024–25.
- Proposes to appropriate the 2025–26 Proposition 98 Guarantee at \$115.9 billion, instead of the currently calculated level of \$121.4 billion, creating a \$5.6 settle-up balance.

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Highlights

Ongoing

- \$2 billion – 2.41% COLA in 2026-27
- \$1 billion – Community Schools Partnership Program*
- \$509 million – Special education base rates

One-Time

- \$2.8 billion – Student Support and Professional Development Discretionary Block Grant
 - \$757 million – Learning Recovery Emergency Block Grant
 - \$250 million – Educator residency programs*
 - \$100 million – College and career pathways for high school students*
 - \$100 million – Kitchen infrastructure and training*
 - \$62 million – Expanded Learning Opportunities Program Tier 2 Rate (N/A to LAUSD)
 - \$40 million – Student reading difficulties risk screenings
 - \$22 million – LA County school wildfire recovery*
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- \$322 million one-time and \$239.2 million ongoing – Home to School Transportation*

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New Policies

- Revised State Education Governance Structure
 - Amends the law to move oversight authority of the management of the California Department of Education and support of LEAs under the State Board of Education.
- Charter School Accountability
 - Proposes new requirements for charter schools to ensure that public funds are properly utilized, address fraud and malfeasance, and improve accountability and oversight.
 - Provides for the use of verified data in the charter school renewal process until June 30, 2028.

Legislative Alternatives

- Proposed LCFF reforms:
 - Increased COLA, regional COLA, minimum COLA, etc.
 - Increase to LCFF Base Grant
 - Increase to Supplemental and/or Concentration Grant
 - Duplicating some pupil groups
- Expanded literacy efforts*
- Funding all or some of the childcare reimbursement rate reform
- Efforts to close achievement gaps
- Fund the statewide ethnic studies graduation requirement
- Implement Mandatory Kindergarten*
- Fund other legislative priorities

2026 Key Budget Dates

January 9 – Governor released 2026–27 State Budget proposal

May 15 – Governor releases updated May Revision budget proposal

June 16 – Public hearing for Proposed LCAP and Budget

June 15 – State budget bill must pass in the Legislature

June 23 – Proposed LCAP and Budget submitted to the Board for adoption

Mid-August – 45-day Budget revision, if needed

Questions?