DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 6051-001-0001, Support, Statutory Changes, Office of the Superintendent of Public Instruction

Item 6051-001-0001, Support, Positions for the Office of the Superintendent of Public Instruction (Issue 001)—It is requested Item 6051-001-0001 be added in the amount of $1,511,000 one-time non-Proposition 98 General Fund in fiscal year 2026-27, and $3,022,000 non-Proposition 98 General Fund in 2027-28 and ongoing and 12 positions be added in 2026-27 to reflect resources shifting from the Department of Education to support the new Office of the Superintendent of Public Instruction.

Statutory Changes

Education Governance—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) require the Education Commissioner to consult with education interest-holders to develop recommendations for a second phase of education governance consolidation and streamlining and further refinement of the responsibilities of the Office of the State Superintendent of Public Instruction; (2) provide for timely responses to legislative requests for the department to provide information, data, and technical assistance; and (3) strongly encourage the appointment of an Education Commissioner who has demonstrated experience running a large public or private organization and has experience in public education leadership or its equivalent.

Statutory Code Reference Clean-up—It is requested that statutory changes be added to revise references to the Superintendent of Public Instruction and add references to the Education Commissioner in various codes where needed to align with the education governance structure.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Amber Alexander, Assistant Program Budget Manager, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
 Attention: Mark McKenzie, Staff Director
 Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
 Attention: Elisa Wynne, Staff Director
 Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
 Attention: Jay Dickenson, Chief Consultant
 Honorable David Tangipa, Vice Chair, Assembly Budget Committee
 Attention: Christian Griffith, Chief Consultant
 Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
 Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
 Gabriel Petek, Legislative Analyst
 Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
 Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
 Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
 Jason Sisney, Budget Director, Assembly Speaker's Office
 Paul Dress, Chief of Staff, Assembly Republican Caucus
 Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
 Dr. Ingrid Roberson, Chief Deputy Superintendent of Public Instruction, Department of Education
 David Schapira, Chief Deputy Superintendent of Public Instruction and Chief of Staff, Department of Education
 Leisa Maestretti, Director, Fiscal and Administrative Services Division, Department of Education

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Support and Local Assistance, State Department of Education and Addition of Budget Bill Control Section 24.20

Federal Funds Adjustment

Item 6100-001-0890, Support, Out-of-State and Religious Nonpublic Schools Monitoring (SB 373) (Issue 386)—It is requested that Schedule (1) of this item be increased by $1,208,000 one-time federal Individuals with Disabilities Education Act (IDEA) funds, of which $757,000 is ongoing, and 3 positions to support the increased monitoring requirements of out-of-state non-public schools required by Chapter 579, Statutes of 2025 (SB 373).

It is further requested that provisional language be added as follows to conform to this action:

> 45. Of the funds appropriated in Schedule (1), $1,208,000 federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) funds is available in 2026-27 and $757,000 in 2027-28 and ongoing, and 3.0 positions, to support the increased state monitoring requirements for out-of-state non-public schools associated with Chapter 579, Statutes of 2025. Of these funds, project funding for the proposed integrated data system component is contingent upon the California Department of Education's completion of California Department of Technology's Project Approval Lifecycle process.

Item 6100-001-0890, Support, Office of Administrative Hearings (Issue 387)—It is requested that Schedule (1) of this item be increased by $6,258,000 one-time federal IDEA funds to support increased costs associated with special education dispute resolution services. The Department contracts with the Office of Administrative Hearings to provide special education dispute resolution services, which include hearings, mediations, and related due process activities required by both state and federal law. The number of claims filed and cost per case has increased along with increasing digital processing costs.

It is further requested that provisional language be amended as follows to conform to this action:

4. Of the funds appropriated in this item, ~~$13,514,000~~ $19,772,000 of federal Individuals with Disabilities Education Act (20 U.S.C. Sec 1400 et seq.) funds are for dispute resolution services, including mediation and fair hearing services, provided through contract for the special education programs. The State Department of Education shall ensure the quarterly reports that the contractor submits on the results of its dispute resolution services reflect year-to-date data and final year end data, includes the same information as required by Section 56504.5 of the Education Code, and includes the following information:
(a) The total number of cases won by each side.
(b) The number of issues decided in favor of each side in split decisions.
(c) The number of cases in which schools and parents were represented by attorneys.
(d) The number of requests for due process initiated by parents that were dismissed for insufficiency.
(e) The number of pupils of color who accessed the system.
(f) The number of non-English-speaking people who used the system.
(g) The length of each hearing.
(h) The number of hearing requests initiated by parents.
(i) The number of hearing requests initiated by school districts.
(j) The school district of each parent-initiated request for due process.
(k) The issues, within special education, that generated due process hearing requests during the quarter.
(l) The disabilities that generated due process hearing requests during the quarter.
(m) The age groups (preschool, primary, junior high, high school) that generated hearing requests.
(n) The number of requests received during the quarter.
(o) The number of hearing decisions that were appealed to a court during the quarter.
(p) The number of cases that were completely resolved in mediation by agreement.
(q) The number of cases that were completely resolved in a mandatory resolution session.

Item 6100-001-0890, Support, Golden State Teacher Grant Program (Issue 398)—It is requested that Schedule (1) of this item be increased by $16,152,000 ongoing federal IDEA funds to support the Golden State Teacher Grant Program.

It is further requested that provisional language be added as follows to conform to this action:

46. Of the amount appropriated in Schedule (1) of this item, $16,152,000 of the federal Individuals with Disabilities Education Act (20 U.S.C. Sec. 1400 et seq.) funds is available on an ongoing basis to be allocated by the Department of Education to the California Student Aid Commission to support grants to special education teachers through the Golden State Teacher Grant Program.

Item 6100-001-0890, Support, Comprehensive Literacy State Development Grant 2024 (Issue 72)—It is requested that Schedule (1) of this item be decreased by $55,000 one-time federal Comprehensive Literacy State Development Grant funds to align to the federal grant award.

It is further requested that provisional language be amended as follows to conform to this action:

42. Of the funds appropriated in Schedule (1) ~~$475,000~~ $420,000 is provided ~~annually from fiscal year 2025–26 through fiscal year~~ in fiscal year 2026-27, and $475,000 is provided annually in fiscal year 2027-28 through 2028-29 for the State Department of Education to support the Comprehensive Literacy State Development grant.

Item 6100-001-0890, Support, Part A of Title II Supporting Effective Instruction Federal Grant (Language Only)—It is requested that provisional language of this item be amended to align provisional authority with the federal Title II, Part A grant award.

It is further requested that provisional language be amended as follows to conform to this action:

17. Of the funds appropriated in this item, ~~$1,615,000~~ $1,666,000 shall be reserved for the professional development of private school teachers and administrators as required by Title II of the federal Every Student Succeeds Act (20 U.S.C. Sec. 6601 et seq.). This amount reflects the availability of ~~$1,185,000~~ $1,236,000 ongoing federal Title II funds and $430,000 ongoing federal Title IV funds.

Items 6100-001-0890 and 6100-113-0890, Support and Local Assistance, Student Assessment Program (Issues 475 and 478)—It is requested that Schedule (1) of Item 6100-001-0890 be increased by $18,000 ongoing federal Title I, Part B funds to support the state-level administration of the federal Student Assessment Program.

It is also requested that Schedule (2) of Item 6100-113-0890 be increased by $853,000 ongoing federal Title I, Part B funds to align to the federal grant award.

Items 6100-001-0890 and 6100-134-0890, Support and Local Assistance, Federal Title I, Comprehensive Support and Improvement (CSI) Funds (Issues 468, 470, and 474)—It is requested that Schedule (1) of Item 6100-001-0890 be increased by $204,000 ongoing federal Title I funds for the State Department of Education to reflect a shift of CSI funding from local assistance to state operations.

It is further requested that provisional language in Item 6100-001-0890 be amended as follows to conform to this action:

25. Of the funds appropriated in this item, up to ~~$1,413,000~~ $1,617,000 federal Title I funds is available to support monitoring and evaluation of the use of funds by local educational agencies receiving an allotment pursuant to Section 1003 of the federal Elementary and Secondary Education Act of 1965, as amended by the federal Every Student Succeeds Act (P.L. 114-95).

It is also requested that Schedule (2) of Item 6100-134-0890 be increased by $61,544,000 federal Title I funds to reflect a $58,244,000 ongoing increase to align to the federal grant award and an increase of $3.3 million one-time federal carryover funds. In accordance with California's Every Student Succeeds Act State Plan, Title I funds support eligible local educational agencies and schools that every high numbers of low-income students.

It is also requested that Schedule (3) of Item 6100-134-0890 be increased by $2,386,000 ongoing federal Title IV funds to align to the federal grant award.

It is further requested that provisional language in Item 6100-134-0890 be amended as follows to conform to this action:

6. Of the funds appropriated in Schedule (2), no less than ~~$146,281,000~~ $150,123,000 is available for purposes of providing grants to local educational agencies with schools identified as requiring support, consistent with the California State Plan for the federal Every Student Succeeds Act (P.L. 114-95). The State Department of Education shall develop and administer a process for providing grants from these funds on a formula basis to local educational agencies with schools identified as requiring support. Local educational agencies shall use the funds for the development of strategies to improve pupil performance at schools identified as requiring support that are aligned to goals, actions, and services identified in the local educational agency's local control and accountability plan. Such funds shall not be expended to hire additional permanent staff.

It is also requested that provisional language be added to Item 6100-134-0890 as follows to conform to this action:

12. Of the funds appropriated in Schedule (2), $3,300,000 is provided in one-time federal Every Student Succeeds Act (P.L. 114-95), Title I, carryover to support the existing program.

Items 6100-001-0890 and 6100-195-0890, Support and Local Assistance, Golden State Teacher Grant Program (Issue 282)—It is requested that Schedule (1) of Item 6100-001-0890 be increased by $1,630,000 one-time and Schedule (3) of Item 6100-195-0890 be decreased by $1,630,000 one-time to reflect a shift of federal Title II, Part A funds from state level activities to state operations to support teacher recruitment efforts through the Golden State Teacher Grant Program.

It is further requested that provisional language be added to Item 6100-001-0890 as follows to conform to this action:

47. Of the funds appropriated in Schedule (1), $1,630,000 of the federal Title II, Part A (20 U.S.C. Sec. 6611 et seq.) funds shall be available to support grants through the Golden State Teacher Grant Program through an interagency agreement with the California Student Aid Commission.

Item 6100-112-0890, Local Assistance, Public Charter Schools (Issues 620 and 621)—It is requested that Schedule (1) of this item be increased by $19,853,000 federal Public Charter School funds to reflect an increase of $16,515,000 one-time carryover funds and an increase of $3,338,000 ongoing to align to the federal grant award to continue supporting the Public Charter Schools program.

It is further requested that provisional language be added as follows to conform to this action:

1. Of the funds appropriated in Schedule (1), $16,515,000 in federal carryover is provided on a one-time basis to support the existing program.

Item 6100-119-0890, Local Assistance, Program for Neglected and Delinquent Children (Issue 581)—It is requested that Schedule (1) of this item be increased by $313,000 ongoing federal Title I, Part D funds to align to the federal grant award. This program provides supplemental instruction, including math and literacy activities, to children and youth in state institutions for juveniles and in adult correctional institutions to ensure that these youth make successful transitions to school or employment.

Item 6100-125-0890, Local Assistance, Migrant Education Program, Migrant Education Program State-Level Activities, and English Language Acquisition Program (Issues 235, 236, 237, 238, 239, and 240)—It is requested that Schedule (1) of this item be increased by $10,388,000 federal Title I, Part C Migrant Education Program funds to reflect an increase of $9,738,000 one-time carryover funds, and an increase of $650,000 ongoing to align to the federal grant award. This program awards subgrants to local educational agencies to provide educational support services to meet the needs of highly mobile migrant students.

It is further requested that provisional language be added as follows to conform to this action:

> 2. Of the funds appropriated in Schedule (1), $9,738,000 in federal carryover is provided on a one-time basis to support the existing program.

It is also requested that Schedule (2) of this item be increased by $853,000 federal Title I, Part C Migrant Education Program State Level Activities funds to reflect an increase of $205,000 one-time carryover funds, and an increase of $648,000 ongoing to align to the federal grant award. The state-administered Migrant Education programs include the Binational Migrant Education Program, Mini-Corps Program, and the Migrant Student Information Network.

It is further requested that provisional language be added as follows to conform to this action:

> 3. Of the funds appropriated in Schedule (2), $205,000 in federal carryover is provided on a one-time basis to support the existing program.

It is also requested that Schedule (3) of this item be increased by $3,384,000 federal Title III, Part A English Language Acquisition funds to reflect an increase of $6,215,000 one-time carryover funds, and a decrease of $2,831,000 ongoing to align to the federal grant award. This program provides services to help students attain English proficiency and meet grade level academic standards.

It is further requested that provisional language be added as follows to conform to this action:

> 4. Of the funds appropriated in Schedule (3), $6,215,000 in federal carryover is provided on a one-time basis to support the existing program.

Item 6100-136-0890, Local Assistance, McKinney-Vento Homeless Children Education (Issues 241 and 242)—It is requested that Schedule (1) of this item be increased by $1,262,000 federal McKinney-Vento funds to reflect an increase of $926,000 one-time carryover funds, and an increase of $336,000 ongoing to align to the federal grant award. This program supports local educational agencies' efforts to identify homeless students and ensure equal access to public education.

It is further requested that provisional language be added as follows to conform to this action:

> 1. Of the funds appropriated in Schedule (1), $926,000 in federal carryover is provided on a one-time basis to support the existing program.

Item 6100-156-0890, Local Assistance, Adult Education Program (Issue 782)—It is requested that this item be increased by $20,095,000 one-time federal Workforce Innovation and Opportunity Act, Title II funds to reflect the availability of carryover funds. The federal Adult Education Program supports adult basic education, English as a second language, and adult secondary education programs.

It is further requested that provisional language be added as follows to conform to this action:

> 5. Of the funds appropriated in this item, $20,095,000 in one-time federal carryover is available to support the existing program.

Item 6100-161-0890, Local Assistance, Special Education (Issues 392, 393, 396 and 397)—It is requested that Schedule (1) of this item be decreased by $5,604,000 ongoing federal IDEA funds to align with the federal grant award.

It is also requested that Schedule (2) of this item be decreased by $2,120,000 ongoing federal IDEA funds to reflect a funding shift for the Supporting Inclusive Practices Grant and compliance monitoring grants for local educational agencies. See Item 6100-161-0001.

It is further requested that provisional language be amended as follows to conform to this action:

> 4. ~~Of t~~The ~~funds appropriated in this item, $2,120,000 is~~ resources that were available for local assistance grants to monitor local educational agency compliance with state and federal laws and regulations governing special education and the Supporting Inclusive Practice Grant are in Schedule (1) of Item 6100-161-0001. ~~This funding level is to be used to continue the facilitated reviews and, to the extent consistent with State Performance Plan/Annual Performance Report Indicators developed by the State Department of Education, these activities shall focus on local educational agencies identified by the United States Department of Education's Office of Special Education Programs. Of this amount, no less than $1,400,000 shall be used for the Supporting Inclusive Practices Grant.~~

It is also requested that Schedule (3) of this item be increased by $1.7 million one-time federal IDEA funds to reflect the availability of carryover funds.

It is further requested that provisional language be added as follows to conform to this action:

> 12. Of the funds appropriated in Schedule (3), $1,700,000 is available in one-time carryover funds.

It is also requested that Schedule (5) of this item be decreased by $12,646,000 federal IDEA funds to reflect: (1) an increase of $1,386,000 one-time federal IDEA funds to reflect the availability of carryover funds; and (2) a decrease of $14,032,000 federal IDEA funds to reflect a funding shift for Family Empowerment Centers for purposes pursuant to Chapter 4.3 (commencing with Section 56400) of Part 30 of Division 4 of the Education Code. See Item 6100-161-0001.

It is further requested that provisional language be amended as follows to conform to this action:

> 5. The ~~funds appropriated in Schedule (5) shall be used for~~ resources available for the purposes of supporting Family Empowerment Centers on Disability pursuant to Chapter 4.3 (commencing with Section 56400) of Part 30 of Division 4 of the Education Code, ~~Chapter 44 of the Statutes of 2021.~~, are in Schedule (1) of Item 6100-161-0001.

It is further requested that provisional language be added as follows to conform to this action:

> 12. Of the funds appropriated in Schedule (5), $1,386,000 is available in one-time carryover funds.

Item 6100-166-0890, Local Assistance, Vocational Education Program (Issues 123 and 124)—It is requested that Schedule (1) of this item be increased by $28,073,000 federal Perkins V funds to reflect an increase of $28 million one-time carryover funds and an increase of $73,000 ongoing to align the federal grant award to support career and technical education, otherwise known as vocational education.

It is further requested that provisional language be added as follows to conform to this action:

> 4. Of the funds appropriated in Schedule (1), $28,000,000 in federal carryover is provided on a one-time basis to support vocational education programs.

Item 6100-195-0890, Local Assistance, Part A of Title II Supporting Effective Instruction Federal Grant (Issues 280 and 281)—It is requested that Schedule (1) of this item be increased by $6,567,000 federal Part A, Title II funds to reflect an increase of $604,000 ongoing to align with the federal grant award and an increase of $5,963,000 one-time carryover funds.

It is further requested that provisional language be added as follows to conform to this action:

> 4. Of the funds appropriated in Schedule (1), $5,963,000 is available as one-time carryover.

It is also requested that Schedule (3) of this item be decreased by $6,000 ongoing federal Part A, Title II funds to align with the federal grant award.

It is further requested that provisional language be amended as follows to conform to this action:

> 2. Of the funds appropriated in Schedule (3), ~~$12,828,000~~ $12,822,000 in ongoing federal funds shall be used to support the 21st Century California School Leadership Academy pursuant to Section 44690 of the Education Code. Specifically, this amount reflects

~~$7,523,000~~ $7,517,000 in ongoing federal Title II funds, and $5,305,000 in ongoing federal Title IV funds, transferred to Title II, consistent with the California State Plan adopted by the State Board of Education pursuant to the Every Student Succeeds Act. This program shall be implemented pursuant to Title II of the federal Every Student Succeeds Act (20 U.S.C. Sec. 6601 et seq.) and consistent with the statewide system of support pursuant to Article 4.5 (commencing with Section 52059.5) of Chapter 6.1 of Part 28 of Division 4 of Title 2 of the Education Code.

Item 6100-197-0890, Local Assistance, 21st Century Community Learning Centers (Issues 624 and 625)—It is requested that Schedule (1) of this item be increased by $7,874,000 federal 21st Century Community Learning Centers to reflect an increase of $6,004,000 one-time federal carryover funds and an increase of $1,870,000 ongoing to align with the federal grant award.

It is further requested that provisional language be added as follows to conform to this action:

2. Of the funds appropriated in Schedule (1), $6,004,000 in federal carryover is provided on a one-time basis to support the existing program.

Item 6100-201-0890, Local Assistance, Federal Child Nutrition Program (Issue 441)—It is requested that Schedule (1) of this item be decreased by $138,925,000 ongoing federal Child Nutrition Program funds to reflect a revised estimate of total meals served between free, reduced-price, and paid meal categories.

Item 6100-294-0890, Local Assistance, Early Head Start-Child Care Partnership (Issues 622 and 623)—It is requested that Schedule (1) of this item be increased by $853,000 federal Early Head Start-Child Care Partnership funds to reflect an increase of $667,000 one-time carryover funds and an increase of $186,000 ongoing to align with the federal grant award.

It is further requested that provisional language be amended as follows to conform to this action:

1. Of the funds appropriated in Schedule (1), ~~$3,515,000~~ $3,701,000 is available annually through the 2028-29 fiscal year to support local Early Head Start services under the Early Head Start—Child Care Partnership Grant.

It is further requested that provisional language be added as follows to conform to this action:

2. Of the funds appropriated in Schedule (1), $667,000 in federal carryover is provided on a one-time basis to support the existing program.

General Fund and Other Adjustments

Item 6100-001-0001, Support, General Fund Support for Federal Title I, Part A Staff Salary Increases (Issue 132)—It is requested that Schedule (1) of this item be increased by $850,000 ongoing non-Proposition 98 General Fund to support staff salary increases for state employees working on the federal Title I, Part A program. Due to the administrative cap on these federal funds, the Department is unable to draw down sufficient federal funds to support the general salary increases afforded to state employees. The ongoing funds are intended to support the salary increases.

It is further requested that provisional language be added as follows to conform to this action:

> 127. Of the funds appropriated in Schedule (1), $850,000 is provided in fiscal year 2026-27 and ongoing to support increasing salary costs for state employees working on the federal Title I, Part A program.

Item 6100-001-0001, Support, Shift Positions and Funding from the Department of Education to the Office of the Superintendent of Public Instruction (Issue 134)—It is requested that Schedule (1) of this item be decreased by $1,511,000 one-time non-Proposition 98 General Fund in 2026-27, and $3,022,000 non-Proposition 98 General Fund and 12 positions in 2027-28 and ongoing to reflect resources shifting from the Department of Education to support the new Office of the Superintendent of Public Instruction. See the 6051 Finance Letter.

Item 6100-001-0001, Support, California State Preschool Program Rate Reform Implementation (Issue 617)—It is requested that Schedule (2) of this item be increased by $552,000 ongoing non-Proposition 98 General Fund for information technology resources to implement the single reimbursement rate structure for the California State Preschool Program.

It is further requested that provisional language be added as follows to conform to this action:

> 128. Of the funds appropriated in Schedule (2), $552,000 is available for the Technology Services Division to support implementation of the single reimbursement rate structure for the California State Preschool Program in the 2026–27 fiscal year and ongoing.

Item 6100-001-0001, Support, California State Preschool Program Auditing Support (Issue 631)—It is requested that Schedule (2) of this item be increased by $910,000 one-time non-Proposition 98 General Fund each fiscal year beginning 2026–27 through 2028–29 for the State Department of Education to receive services from the Office of State Audits and Evaluations to provide support for California State Preschool Program audits.

It is further requested that provisional language be added as follows to conform to this action:

> 129. Of the funds appropriated in Schedule (2), $910,000 is available each fiscal year beginning 2026–27 through 2028–29 for the State Department of Education to obtain the services of the Office of State Audits and Evaluations to provide support for California State Preschool Program audits. Unexpended funds shall be made available in each of the following fiscal years for expenditure by the Office of State Audits and Evaluations in support of the California State Preschool Program audits.

Item 6100-001-0001, Support, California State Preschool Program Prospective Pay (Issue 633)—It is requested that Schedule (2) of this item be decreased by $125,000 ongoing non-Proposition 98 General Fund and 1 position to reflect the removal of resources for Prospective Pay implementation in the California State Preschool Program.

It is further requested that provisional language be amended as follows to conform to this action:

122. Of the funds appropriated in Schedule (2), ~~$1,092,000~~ $967,000 and ~~8.0~~ 7.0 positions are available to support the California State Preschool Program in the 2025–26 fiscal year and ongoing.

6100-001-0001, Support, CDE View-Only Access to Local Educational Agency Financial Systems (Issue 879)—It is requested that Schedule (1) of this item be increased by $178,000 ongoing non-Proposition 98 General Fund and 1 position to support the Department's enhanced fiscal oversight responsibilities of all county offices of education, including counties in which there is only one school district.

It is further requested that provisional language be added as follows to conform to this action:

130. Of the funds appropriated in Schedule (1), $178,000 and 1.0 position is provided to support the Department's increased oversight responsibilities of all county offices of education, including single-district counties.

Items 6100-001-0001 and 6100-009-0001, Support, Shift Funding for Positions from the State Board of Education to the Department of Education (Issue 135)—It is requested that Schedule (1) of Item 6100-001-0001 be increased by $934,000 one-time non-Proposition 98 General Fund in fiscal year 2026-27, and $1,868,000 in fiscal year 2027-28 and ongoing to support positions shifting from the State Board of Education to the Department of Education.

It is further requested that provisional language be added to Item 6100-001-0001 as follows to conform to this action:

131. Of the funds appropriated in Schedule (1), $934,000 in fiscal year 2026-27, and $1,868,000 in fiscal year 2027-28 and ongoing is provided to support State Board of Education positions that shifted to the Department of Education.

It is also requested that Schedule (1) of Item 6100-009-0001 be decreased by $934,000 one-time non-Proposition 98 General Fund in fiscal year 2026-27, and $1,868,000 in fiscal year 2027-28 and ongoing to reflect this shift.

It is further requested that provisional language in Item 6100-009-0001 be amended as follows to conform to this action:

2. Of the amount appropriated in this item, ~~$572,000~~ $286,000 and 3.0 positions are to support the continued implementation of the Local Control Funding Formula, as authorized by Section 115 of Chapter 47 of the Statutes of 2013 (Assembly Bill 97 of the 2013–14 Regular Session), including statewide system of support, accountability, special education reforms, support for English learners, professional development, educator preparation, and distance learning.

3. Of the amount appropriated in this item, ~~$1,296,000~~ $648,000 and 6.0 positions are provided to lead and coordinate efforts of the administration to respond to the impacts of health emergencies and other natural disasters on K–12 schools, provide guidance to the State Department of Education in the implementation of new and continuing legislative education initiatives, and act as a liaison between the administration and the public,

other local, state, and federal agencies, and the Legislature on acute and ongoing issues in public education.

Items 6100-001-0001 and 6100-491, Support, One-Time Funds to Support Legal Costs Related to Federal Litigation (Issue 122)—It is requested that Item 6100-491 be amended to reflect the reappropriation of $5 million one-time General Fund to support legal costs for the State Department of Education and State Board of Education related to federal litigation.

It is further requested that Item 6100-491 be amended as follows to conform to this action:

6100-491—Reappropriation, State Department of Education. The amounts specified in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure ~~until June 30, 2027~~ as specified below:
0001— General Fund
(1) $1,190,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the State Department of Education to contract with a vendor to provide direct deposit to State Preschool contractors in the California State Preschool Program in Schedule (2) of Item 6100-001-0001, Budget Act of 2025 (Chs. 4 and 5, Stats. 2025). This amount shall be available for encumbrance or expenditure until June 30, 2027.
(2) $5,000,000 in Item 6100-001-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023), for legal costs for the State Department of Education and State Board of Education related to federal litigation. The State Department of Education shall submit an expenditure plan prior to the expenditure of funds to the Department of Finance for approval. This amount shall be available for encumbrance or expenditure until June 30, 2028.

Items 6100-001-8141 and 6100-101-8141, Support and Local Assistance, Tobacco-Use Prevention and Reduction Program, payable from the Electronic Cigarette Settlements Fund (Issue 390)—It is requested that Schedule (1) of Item 6100-001-8141 be increased by $300,000 and Schedule (1) of Item 6100-101-8141 be decreased by $300,000 beginning in fiscal year 2026-27, through fiscal year 2030-2031, to reflect a temporary transfer of funds from local assistance to state operations for administrative costs.

It is further requested that provisional language be added to Item 6100-001-8141 as follows to conform to this action:

1. Funds appropriated in this item shall be available for expenditure or encumbrance until June 30, 2028.

It is further requested that provisional language in Item 6100-101-8141 be eliminated as follows to conform to this action:

~~3. Notwithstanding any other law, upon the order of the Department of Finance, up to $300,000 may be transferred to Item 6100-001-8141 to support state-level activities and administration related to tobacco prevention.~~

Item 6100-005-0001, Support, State Special Schools Deferred Maintenance (Issue 783)—It is requested that this item be increased by $4 million one-time non-Proposition 98 General Fund to address oversight costs for deferred maintenance projects. Specifically, it is requested that Schedule (1) of this item be increased by $486,0000, Schedule (2) of this item be increased by $2,030,000 and Schedule (3) of this item be increased by $1,484,000.

It is further requested that provisional language be amended as follows to conform to this action:

> 2. (a)Of the amount provided in this item, <u>$5,800,000 shall be available to address deferred maintenance project and oversight costs with no</u> ~~not~~ less than $1,800,000 ~~shall~~ <u>to</u> be ~~expended~~ <u>spent specifically</u> to address deferred maintenance projects that represent critical infrastructure deficiencies and facility infrastructure and modernization.
> (b)Notwithstanding Section 26.00 or any other provision of law, if it is determined that there are projects at the Diagnostic Centers that represent critical infrastructure deficiencies and facility infrastructure and modernization, then the State Department of Education shall submit a request to the Department of Finance to transfer a specified amount of funds within Schedules (1), (2), or (3) to the Diagnostic Centers in Schedule (4) to address deferred maintenance needs, and, with Department of Finance approval, the State Department of Education may submit a letter to the Controller to transfer the specified funds.

Items 6100-101-0231 and 6100-102-0231, Local Assistance, Tobacco-Use Prevention Education Program (Issues 430 and 431)—It is requested that Schedule (1) of Item 6100-101-0231 be decreased by $521,000 ongoing Health Education Account, Cigarette and Tobacco Products Surtax Fund and Schedule (1) of Item 6100-102-0231 be decreased by $1,669,000 ongoing Health Education Account, Cigarette and Tobacco Products Surtax Fund to reflect revised revenue estimates for the Health Education Account, Cigarette and Tobacco Products Surtax Fund (Proposition 99). These funds are allocated to local educational agencies for health education efforts aimed at preventing and reducing tobacco use. Activities may include tobacco-specific student instruction, reinforcement activities, special events, and cessation programs for students.

Item 6100-106-0001, Local Assistance, California Collaborative for Educational Excellence (Language Only)—It is requested that provisional language be added to this item to reflect a one-time drawdown of $1,650,000 from the California Collaborative for Educational Excellence's carryover balance to support the implementation of the digitized individualized education program statewide template and Direct Technical Assistance workload.

It is further requested that provisional language be added as follows to conform to this action:

> 7. For the 2025-26 fiscal year to the 2026-27 fiscal year, the administrative agent selected pursuant to Section 52074 of the Education Code may use up to $1,150,000 in existing funds appropriated pursuant to Item 6100-106-0001 of the Budget Act of 2020 (Chapter 6, Statutes of 2020) to support the implementation of the digitized individualized education program statewide template.
>
> 8. For the 2025-26 fiscal year, the administrative agent selected pursuant to Section 52074 of the Education Code may use up to $480,000 in existing funds appropriated pursuant to

Item 6100-106-0001 of the Budget Act of 2021 (Chapter 21, Statutes of 2021) and up to $20,000 in existing funds appropriated pursuant to Item 6100-106-0001 of the Budget Act of 2020(Chapters 6 and 7, Statutes of 2020) to supplement funds appropriated pursuant to Schedule (2) for activities outline in the operating budget developed pursuant to Provision 1 consistent with 52072, Section 52072.5, and paragraph (1) of subdivision (g) of Section 52074 of the Education Code.

Items 6100-107-0001, 6100-140-0001, and 6100-609-0001; Local Assistance, Technical Adjustment for Fiscal Crisis Management Assistance Team's California School Information Services Division (Issue 133)—It is requested that Schedule (1) of Item 6100-140-0001 be decreased by $229,000 ongoing Proposition 98 General Fund. These resources were included in the incorrect item at Governor's Budget. This technical adjustment will reflect a net-zero shift to the correct items below.

It is also requested that Schedule (1) of Item 6100-107-0001 be increased by $9,000 ongoing Proposition 98 General Fund to reflect costs to support workload related to Ed-Data.org.

It is further requested that provisional language in Item 6100-107-0001 be amended as follows to conform to this action:

2. Of the funds appropriated in Schedule (1):
(a) $5,851,000 shall be allocated by the Controller directly to a county office of education selected pursuant to subdivision (a) of Section 42127.8 of the Education Code to oversee Fiscal Crisis and Management Assistance Team (FCMAT) responsibilities with respect to these funds and to meet the costs of participation under Section 42127.8 of the Education Code.
(b) $500,000 shall be allocated to FCMAT to supplement the funds provided in subdivision (a) of this provision to support the performance of any responsibilities under Section 42127.8 of the Education Code. These funds shall only be made available for expenditure upon request of the Chief Financial Officer of FCMAT, subject to the approval of the Director of Finance.
(c) ~~$374,000~~ $383,000 shall be allocated to FCMAT for the purpose of providing, through computer technology, financial and demographic information that is interactive and immediately accessible to all local educational agencies to assist them in their decision making process. To ensure a completely integrated system, this computer information should be developed in collaboration with the State Department of Education, and should be compatible with the hardware and software of the Department, so that this information may also assist state-level policymakers in making comparable standardized financial information available to the local educational agencies and the public.

It is also requested that non-Budget Act Item 6100-609-0001 be increased by $220,000 ongoing Proposition General Fund to reflect costs to support workload related to the Standardized Account Code Structure.

Item 6100-113-0001, Local Assistance, Student Assessment Program (Issue 476)—It is requested that Schedule (1) of this item be decreased by $181,000 ongoing Proposition 98 General Fund to align with estimated contract costs for assessments in 2026-27.

It is also requested that Schedule (2) of this item be decreased by $853,000 ongoing Proposition 98 General Fund in response to an increase in Title I, Part B authority for assessments.

Item 6100-119-0001, Local Assistance, Foster Youth Services Coordinating Program (Issue 243)—It is requested that Schedule (1) of this item be increased by $153,000 ongoing Proposition 98 General Fund to reflect the revised cost-of-living adjustment for the Foster Youth Services Coordinating Program. This program provides funding to participating county offices of education to coordinate with local educational agencies within its jurisdiction to ensure that direct services, consistent with foster youth services coordinating plans, are being provided to foster youth pupils to promote positive educational outcomes.

It is further requested that provisional language be amended as follows to conform to this action:

1. Of the funds appropriated in this item, ~~$799,000~~ $952,000 is to reflect a cost-of-living adjustment.

Item 6100-150-0001, Local Assistance, American Indian Early Childhood Education Program (Issue 244)—It is requested that Schedule (1) of this item be increased by $3,000 ongoing Proposition 98 General Fund to reflect the revised cost-of-living adjustment for the American Indian Early Childhood Education Program. This program provides competitive grants designed to increase academic achievement and self-esteem for American Indian students in pre-kindergarten through grade four.

It is further requested that provisional language be amended as follows to conform to this action:

1. Of the funds appropriated in this item, ~~$18,000~~ $21,000 is to reflect a cost-of-living adjustment.

Item 6100-151-0001, Local Assistance, American Indian Education Centers (Issue 246)—It is requested that Schedule (1) of this item be increased by $24,000 ongoing Proposition 98 General Fund to reflect the revised cost-of-living adjustment for the American Indian Education Centers. The Centers serve as educational resources to American Indian students, their parents, and the public schools in their communities, and provide supplemental and extended day instructional programs to meet the needs of American Indian students.

It is further requested that provisional language be amended as follows to conform to this action:

1. Of the funds appropriated in this item, ~~$129,000~~ $153,000 is to reflect a cost-of-living adjustment.

Item 6100-161-0001, Local Assistance, Special Education (Issues 395, 396, 397, 433, 434, 435, 436, 437, and 438)—It is requested that Schedule (1) of this item be increased by $1,795,874,000 ongoing Proposition 98 General Fund. This adjustment includes: (1) a decrease of $86,509,000 to reflect decreased estimates of growth in average daily attendance; (2) an increase of $24,684,000 to reflect an increase in the cost-of-living adjustment; (3) a decrease of $1,480,000 to reflect the conclusion of the Emma C. lawsuit; (4) a decrease of $4,789,000 to reflect an increase of offsetting property tax revenues; (5) an increase of $1,847,816,000 to reflect an increase to the special education statewide base rate; (6) an increase of $2,120,000 to reflect funds shifted from federal funds to this item for Supporting Inclusive Practices and compliance monitoring grants; and (7) an increase of $14,032,000 to reflect funds shifted from federal funds to this item for Family Empowerment Centers.

It is further requested that provisional language be amended as follows to conform to these actions:

2. Of the funds appropriated in Schedule (1), up to ~~$139,241,000~~ $137,773,000 shall be available to provide special education and related services to pupils with low-incidence disabilities pursuant to their individualized education program. The Superintendent of Public Instruction shall allocate these funds to special education local plan areas on an equal per-pupil rate using the methodology specified in Section 56836.22 of the Education Code.

4. Of the funds appropriated in Schedule (1), up to ~~$167,874,000~~ $166,104,000 is available to fund the costs of children placed in licensed children's institutions who attend nonpublic schools based on the funding formula authorized in Chapter 44 of the Statutes of 2021.

13. Of the amount specified in Schedule (1), ~~$469,445,000~~ $464,498,000 shall be available only to provide mental health related services to students with or without an individualized education program, including out-of-home residential services for emotionally disturbed pupils, pursuant to pending legislation. The Superintendent of Public Instruction shall allocate these funds to local educational agencies based upon an equal rate per pupil using the methodology specified in Section 56836.07 of the Education Code.

14. The funds appropriated in this item reflect an adjustment to the base funding of ~~−0.592~~ -2.079 percent for the annual adjustment in statewide average daily attendance.

17. Of the funds provided for in Schedule (1), ~~$142,338,000~~ $167,022,000 is to reflect a cost-of-living adjustment.

21. Of the amount specified in Schedule (1), up to ~~$3,829,000~~ $3,846,000 shall be available for small special education local plan areas to conduct regionalized services, pursuant to Section 56836.31 of the Education Code.

It is further requested that provisional language be added as follows to conform to these actions:

23. Of the funds appropriated in Schedule (1) of this item, $2,120,000 is available for local assistance grants to monitor local educational agency compliance with state and federal

laws and regulations governing special education. This funding level is to be used to continue the facilitated reviews and, to the extent consistent with State Performance Plan/Annual Performance Report Indicators developed by the State Department of Education, these activities shall focus on local educational agencies identified by the United States Department of Education's Office of Special Education Programs. Of this amount, no less than $1,400,000 shall be used for the Supporting Inclusive Practices Grant.

24. Of the funds appropriated in Schedule (1) of this item, $14,032,000 shall be used for the purposes of Family Empowerment Centers on Disability pursuant to Chapter 4.3 (commencing with Section 56400) of Part 30 of Division 4 of the Education Code.

It is also requested that Schedule (3) of this item be decreased by $1,161,000 ongoing Proposition 98 General Fund. This adjustment includes (1) a decrease of $1,610,000 to reflect decreased estimates of growth in average daily attendance, and (2) an increase of $449,000 to reflect an increase in the cost-of-living adjustment.

It is further requested that provisional language be amended as follows to conform to this action:

18. Of the funds provided for in Schedule (3), ~~$2,593,000~~ $3,042,000 is to reflect a cost-of-living adjustment.

Item 6100-194-0001, Local Assistance, Non-Proposition 98 California State Preschool Program Cost-of-Living Adjustment (COLA) (Issues 627 and 630)—It is requested that Schedule (1) of this item be decreased by $6,131,000 ongoing non-Proposition 98 General Fund to reflect a reduced cost-of living-adjustment equal to 2.01 percent for the California State Preschool Program.

It is further requested that provisional language be added as follows to conform to this action:

10. Of the amount appropriated in Schedule (1), $18,130,000 is available for the State Department of Education to issue to California State Preschool Program contractors as an increase to their cost of care reimbursement rates for 2026-27 and ongoing.

Item 6100-194-0001, Local Assistance, Non-Proposition 98 California State Preschool Program Prospective Pay Implementation (Language Only)—It is requested that provisional language specifying Prospective Pay implementation be eliminated from this item.

It is further requested that provisional language be eliminated as follows to conform to this action:

~~9. Of the amount appropriated in Schedule (1), $2,730,000 is available for the State Department of Education to issue to California State Preschool Program contractors to assist local contractors with the implementation of Prospective Pay. Expenditures for this purpose shall be exempt from the administrative costs limit set forth in Section 8258 of the Education Code.~~

Item 6100-196-0001, Local Assistance, Proposition 98 California State Preschool Program COLA (Issues 626 and 629)—It is requested that Schedule (1) of this item be decreased by $12,887,000 ongoing Proposition 98 General Fund to reflect a reduced cost-of living-adjustment equal to 2.01 percent for the California State Preschool Program.

It is further requested that provisional language be added as follows to conform to this action:

> 10. Of the amount appropriated in Schedule (1), $33,295,000 is available for the State Department of Education to issue to California State Preschool Program contractors as an increase to their cost of care reimbursement rates for 2026-27 and ongoing.

Item 6100-196-0001, Local Assistance, Proposition 98 California State Preschool Program Quality Rating and Improvement System (Issue 632)—It is requested that Schedule (2) of this item be increased by $20 million ongoing Proposition 98 General Fund to support the Quality Rating and Improvement System for the California State Preschool Program.

Item 6100-196-0001, Local Assistance, Proposition 98 California State Preschool Program Prospective Pay Implementation (Language Only)—It is requested that provisional language specifying Prospective Pay implementation be eliminated from this item.

It is further requested that provisional language be eliminated as follows to conform to this action:

> ~~9. Of the amount appropriated in Schedule (1), $5,720,000 is available for the State Department of Education to issue to California State Preschool Program contractors to assist local contractors with the implementation of Prospective Pay. Expenditures for this purpose shall be exempt from the administrative costs limit set forth in Section 8258 of the Education Code.~~

Item 6100-203-0001, Local Assistance, School Nutrition Reimbursement (Issues 439 and 440)—It is requested that Schedule (1) of this item be increased by $2,811,000 ongoing Proposition 98 General Fund to reflect: (1) a decrease of $804,000 to reflect a projected change in total meals reimbursed in the free, reduced-price, and paid meal categories; and (2) an increase of $3,615,000 to reflect the revised cost-of-living adjustment for the Universal Meals Program. The Universal Meals Program requires local educational agencies to provide two meals free of charge during each school day to students requesting a meal, regardless of their free or reduced-price meal eligibility.

It is further requested that provisional language be amended as follows to conform to these actions:

> 6. The reimbursement a school receives for free and reduced-price meals served to pupils in elementary, middle, or high schools included within a school district, charter school, or county office of education shall be ~~$1.0256~~ 1.0302 per meal.
>
> 9. Of the funds appropriated in this item, ~~$21,959,000~~ $25,574,000 is to reflect a cost-of-living adjustment.

10. The funds appropriated in this item reflect a growth adjustment of ~~$89,858,000~~ $90,662,000 to reflect the projected number of meals served under the Universal Meals program.

Item 6100-222-0001, Local Assistance, After School Programs in Rural Districts (Issue 628)—It is requested that Item 6100-222-0001 be added in the amount of $5 million one-time non-Proposition 98 General Fund for Save the Children to operate after school education and safety programs in rural school districts.

It is further requested that Item 6100-222-0001 be added as follows to conform to this action:

6100-222-0001—For local assistance, State Department of Education, Save the Children 5,000,000
Schedule:
(1) 5210048-After School Programs 5,000,000
Provisions:
1. Of the funds appropriated in Schedule (1), $5,000,000 shall be made available on a one-time basis for Save the Children to operate after school education and safety programs in rural school districts.

Item 6100-295-0001, Local Assistance, K-12 Mandated Cost Reimbursement Program (Issue 177)—It is requested that this item be increased by $1,000 ongoing Proposition 98 General Fund to reflect the addition of the Public School Restrooms: Menstrual Products mandated program to the K-12 Mandated Cost Reimbursement Program. This mandate requires local educational agencies serving grades 6 to 12, inclusive, to stock all women's restrooms and any all-gender restrooms, and at least one men's restroom, at all times with an adequate supply of menstrual products, available and accessible, free of cost to pupils.

It is further requested that Item 6100-295-0001 be amended to reflect the correct prior fiscal year (see Attachment 1).

Item 6100-296-0001, Local Assistance, Mandate Block Grant Funding (Issues 175, 176, and 178)—It is requested that Schedule (1) of this item be decreased by $2,352,000 ongoing Proposition 98 General Fund to reflect: (1) a decrease of $3,508,000 to align mandate block grant funding with revised average daily attendance estimates, and (2) an increase of $1,156,000 to reflect the revised cost-of-living adjustment. Mandate block grant funding is allocated to participating local educational agencies based on specified reimbursement rates per unit of average daily attendance.

It is also requested that this item be increased by $1,772,000 ongoing Proposition 98 General Fund to reflect the addition of the Public School Restrooms: Menstrual Products mandated program. This mandated program requires local educational agencies serving grades 6 to 12, inclusive, to stock all women's restrooms and any all-gender restrooms, and at least one men's restroom, at all times with an adequate supply of free menstrual products to pupils.

It is further requested that provisional language be amended as follows to conform to this action:

1.The Superintendent of Public Instruction shall apportion the funds appropriated in this item to all school districts, county offices of education, and charter schools that request funding during the 2026–27 fiscal year pursuant to Section 17581.6 of the Government Code using the following rates:
(a)A school district shall receive ~~$40.03~~$40.41 per unit of average daily attendance of pupils in kindergarten to grade 8, inclusive, and ~~$78.32~~$79.27 per unit of average daily attendance of pupils in grades 9 to 12, inclusive.
(b)A county office of education shall receive:
(1)~~$40.03~~$40.41 per unit of average daily attendance of pupils in kindergarten to grade 8, inclusive, and ~~$78.32~~$79.27 per unit of average daily attendance of pupils in grades 9 to 12, inclusive.
(2)~~$1.34~~$1.35 per unit of countywide average daily attendance. For purposes of this item, "countywide average daily attendance" means the aggregate number of units of average daily attendance within the county attributable to all school districts for which the county superintendent of schools has jurisdiction pursuant to Section 1253 of the Education Code, charter schools within the county, and the schools operated by the county superintendent of schools.
(c)A charter school shall receive ~~$21.01~~$21.31 per unit of average daily attendance of pupils in kindergarten to grade 8, inclusive, and ~~$59.61~~$60.48 per unit of average daily attendance of pupils in grades 9 to 12, inclusive.

4.Of the funds appropriated in this item, ~~$6,581,000~~ $7,737,000 is to reflect a cost-of-living adjustment.

5.The funds appropriated in this item reflect a growth adjustment of ~~$114,000~~ -$3,394,000 due to revised average daily attendance.

Items 6100-488 and 6100-602-0001, Local Assistance, Reappropriation (Issues 713, 714, 715, 716, 717, 718, 719, and 720)—It is requested that Item 6100-488 be amended, as specified in Attachment 2, and non-Budget Act Item 6100-602-0001 be increased by $689,364,000 one-time Proposition 98 General Fund savings to provide: (1) $49,296,000 for the Student Support and Professional Development Discretionary Block Grant; (2) $15 million for the 21st Century California School Leadership Academy; (3) $50 million to support the Multi-Tiered Systems of Support framework; (4) $25 million to support inclusive programs for students with intellectual disabilities; (5) $30 million to support youth experiencing homelessness; (6) $30 million for Teacher Residency and National Board technical assistance; (7) $5 million for the development of a teacher candidate transcript review platform; and (8) $485,068,000 for the California Community Schools Apportionments Program.

Item 6100-601-0001, Local Assistance, School District Local Control Funding Formula (LCFF), Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 544, 547, 553, 554, and 555)—It is requested that this non-Budget Act item be increased by $467,053,000 Proposition 98 General Fund to reflect the following: (1) a decrease of $742,109,000 to reflect decreased growth estimates and an increased cost-of-living estimate; (2) an increase of $9,708,000 to reflect increased funding for the Local Control Funding Formula add-on for school districts; (3) an increase of $308,159,000 to reflect decreased offsetting property tax revenues; (4) an increase of $892,055,000 to reflect decreased offsetting Education Protection Account revenues; and (5) a decrease of $760,000 to reflect decreased Minimum State Aid estimates.

Item 6100-601-0001, Local Assistance, Home-to-School Transportation Program (Issue 556)—It is requested that this non-Budget Act item be increased by $33,807,000 Proposition 98 General Fund to reflect increased Home-to-School Transportation cost estimates.

Items 6100-601-0001, Local Assistance, Remove Public School System Stabilization Account LCFF Backfill (Issue 575)—It is requested that non-Budget Act item be increased by $362,578,000 one-time Proposition 98 General Fund to reflect the removal of one-time backfill from the Public School System Stabilization Account.

Item 6100-601-0001, Local Assistance, Transitional Kindergarten (TK) Expansion and Ratio Reduction (Issues 576, 577, and 578)—It is requested that this non-Budget Act item be decreased by $933,145,000 ongoing Proposition 98 General Fund to reflect revised caseload estimates for TK expansion and TK teacher-student ratio reduction costs.

Item 6100-601-0001, Local Assistance, Necessary Small School Augmentation (Issue 579)—It is requested that this non-Budget Act item be increased by $558,000 Proposition 98 General Fund ongoing to reflect increased funding for Necessary Small Schools due to an increased cost-of-living estimate.

Item 6100-601-0001, Local Assistance, School District LCFF Base Increase (Issue 583)—It is requested that this non-Budget Act item be increased by $906,727,000 ongoing Proposition 98 General Fund to provide additional support to school districts in addition to the existing cost-of-living adjustment.

Item 6100-601-3207 and 6100-698-3207, Local Assistance, Education Protection Account Revenue Adjustment, Continuous Appropriation (Issues 570 and 571)—It is requested that non-Budget Act Item 6100-601-3207 be decreased by $924,423,000 ongoing Education Protection Account to reflect revised revenue estimates.

It is also requested that non-Budget Act Item 6100-698-3207 be increased by $924,423,000 ongoing Education Protection Account to reflect revised revenue estimates.

Item 6100-608-0001, Local Assistance, County Office of Education LCFF, Reading Difficulties Screening Tool Support (Issue 394)—It is requested that this non-Budget Act item be increased by $5 million ongoing Proposition 98 General Fund to reflect support for the reading difficulties screening tool developed by the University of California, San Francisco Dyslexia Center.

Item 6100-608-0001, Local Assistance, County Office of Education LCFF, Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 477, 557, 565, 566, and 567)—It is requested that this non-Budget Act item be increased by $49,641,000 Proposition 98 General Fund to reflect the following: (1) an increase of $28,130,000 to reflect an increased cost-of-living adjustment and decreased growth; (2) an increase of $41,023,000 to reflect decreased offsetting property tax revenues; (3) an increase of $3,525,000 to reflect decreased offsetting Education Protection Account revenues; (4) a decrease of $20,659,000 to reflect decreased Minimum State Aid estimates; and (5) a decrease of $2,379,000 to reflect revised estimates for universal and targeted assistance for school districts and charter schools.

Item 6100-608-0001, Local Assistance, County Office of Education, Home-to-School Transportation Program (Issue 568)—It is requested that this non-Budget Act item be increased by $4,425,000 Proposition 98 General Fund to reflect revised Home-to-School Transportation cost estimates for county offices of education.

Item 6100-608-0001, Local Assistance, Student Support and Enrichment Block Grant (Issue 574)—It is requested that this non-Budget Act item be increased by $763,000 Proposition 98 General Fund and ongoing to reflect revised Student Support and Enrichment Block Grant estimates and cost-of-living adjustment.

Item 6100-608-0001, Local Assistance, Museum of Tolerance Appropriation Increase (Issue 580)—It is requested that this non-Budget Act item be increased by $1 million Proposition 98 General Fund ongoing to increase the annual appropriation for the Museum of Tolerance.

Item 6100-608-0001, Local Assistance, County Office of Education LCFF Base Increase (Issue 584)—It is requested that this non-Budget Act item be increased by $20,141,000 ongoing Proposition 98 General Fund to provide additional support to county offices of education in addition to the existing cost-of-living adjustment.

Item 6100-610-0001, Local Assistance, Education Protection Account Revenue Adjustment, Continuous Appropriation (Issue 569)—It is requested that this non-Budget Act item be decreased by $924,423,000 ongoing Education Protection Account to reflect revised revenue estimates.

Item 6100-628-0001, Local Assistance, Arts and Music in Schools Funding Guarantee and Accountability Act (Proposition 28) Adjustment (Issue 482)—It is requested that this non-Budget Act item be decreased by $5,747,000 to reflect revised Arts and Music in Schools—Funding Guarantee and Accountability Act estimates.

Item 6100-645-0001, Local Assistance, Equity Multiplier COLA (Issue 480)—It is requested that this non-Budget Act item be increased by $1,427,000 ongoing Proposition 98 General Fund to reflect the application of the revised cost-of-living adjustment to the Equity Multiplier program.

Current Year Adjustments

Item 6100-601-0001, Local Assistance, School District Local Control Funding Formula (LCFF), Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 544, 547, 553, 554, and 555)—It is requested that this non-Budget Act item be decreased by $1,551,633,000 Proposition 98 General Fund to reflect the following: (1) a decrease of $864,593,000 to reflect decreased growth and an increased cost-of-living adjustment estimate; (2) an increase of $6,565,000 to reflect increased funding for the Local Control Funding Formula add-on adjustment for school districts; (3) an increase of $224,830,000 to reflect decreased offsetting property tax revenues; (4) a decrease of $917,780,000 to reflect increased offsetting Education Protection Account revenues; and (5) a decrease of $655,000 to reflect decreased Minimum State Aid estimates.

Item 6100-601-0001, Local Assistance, Home-to-School Transportation Program (Issue 556)—It is requested that this non-Budget Act item be decreased by $22,779,000 Proposition 98 General Fund to reflect decreased Home-to-School Transportation cost estimates.

Item 6100-601-0001, Local Assistance, Transitional Kindergarten (TK) Expansion and Ratio Reduction (Issues 576, 577, and 578)—It is requested that this non-Budget Act item be decreased by $973,047,000 Proposition 98 General Fund to reflect revised caseload estimates for the third year of TK expansion and TK teacher-student ratio reduction costs.

Item 6100-601-3207 and 6100-698-3207, Local Assistance, Education Protection Account Revenue Adjustment, Continuous Appropriation (Issues 570 and 571)—It is requested that non-Budget Act Item 6100-601-3207 be increased by $884,417,000 for the Education Protection Account to reflect revised revenue estimates.

It is also requested that non-Budget Act Item 6100-698-3207 be decreased by $884,417,000 for the Education Protection Account to reflect revised revenue estimates.

Item 6100-607-0001 and 6100-636-0001, Local Assistance, Oakland Unified School District Loan Repayments (Issue 880 and 882)—It is requested that non-Budget Act item 6100-607-0001 be increased by $2,095,000 non-Proposition 98 General Fund in 2025-26 and ongoing to zero out the loan repayments related to Oakland Unified's receivership. This is a technical adjustment to reflect that the loan payment was completed in the 2024-25 fiscal year and will no longer be reflected in the budget moving forward.

It is also requested that non-Budget Act item 6100-636-0001 be decreased by $1,706,000 Proposition 98 General Fund in 2025-26 and ongoing to zero out loan repayments associated with the emergency apportionment. Oakland Unified paid off the loan in June 2025 and is no longer in receivership.

Item 6100-608-0001, Local Assistance, County Office of Education LCFF, Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 557, 565, 566, and 567)—It is requested that this non-Budget Act item be increased by $26,427,000 Proposition 98 General Fund to reflect the following: (1) a decrease of $155,000 to reflect an increased cost-of-living adjustment and decreased growth; (2) an increase of $40,809,000 to reflect decreased offsetting property tax revenues; (3) a decrease of $1,935,000 to reflect increased offsetting Education Protection Account revenues; (4) a decrease of $12,292,000 to reflect decreased Minimum State Aid estimates.

Item 6100-608-0001, Local Assistance, County Office of Education, Home-to-School Transportation Program (Issue 568)—It is requested that this non-Budget Act item be decreased by $4,442,000 Proposition 98 General Fund to reflect revised Home-to-School Transportation cost estimates for county offices of education.

Item 6100-608-0001, Local Assistance, Student Support and Enrichment Block Grant (Issue 574)—It is requested that this non-Budget Act item be decreased by $67,000 Proposition 98 General Fund to reflect revised Student Support and Enrichment Block Grant estimates.

Item 6100-610-0001, Local Assistance, Education Protection Account Revenue Adjustment, Continuous Appropriation (Issue 569)—It is requested that this non-Budget Act item be increased by $884,417,000 for the Education Protection Account to reflect revised revenue estimates.

Item 6100-637-0001, Local Assistance, Vallejo City Unified School District Loan Repayments (Issue 881)—It is requested that non-Budget Act item 6100-637-0001 be decreased by $493,000 Proposition 98 General Fund in 2025-26 and ongoing to zero out loan repayments associated with the emergency apportionment. Vallejo City Unified paid off the loan in August 2024 and is no longer in receivership.

Prior Year Adjustments

Item 6100-601-0001, Local Assistance, School District Local Control Funding Formula (LCFF), Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 544, 547, 553, 554, and 555)—It is requested that this non-Budget Act item be increased by $10,583,000 Proposition 98 General Fund to reflect the following: (1) an increase of $19,892,000 to reflect decreased growth and an increased cost-of-living adjustment estimate; (2) an increase of $4,524,000 to reflect increased funding for the Local Control Funding Formula add-on adjustment for school districts; (3) an increase of $19,540,000 to reflect decreased offsetting property tax revenues; (4) a decrease of $32,783,000 to reflect increased offsetting Education Protection Account revenues; and (5) a decrease of $590,000 to reflect decreased Minimum State Aid estimates.

Item 6100-601-0001, Local Assistance, Transitional Kindergarten (TK) Expansion and Ratio Reduction (Issue 576 and 578)—It is requested that this non-Budget Act item be decreased by $323,313,000 Proposition 98 General Fund to reflect revised caseload estimates for TK expansion and TK teacher-student ratio reduction costs.

Item 6100-601-0001, Local Assistance, Home-to-School Transportation Program (Issue 556)—It is requested that this non-Budget Act item be decreased by $182,000 Proposition 98 General Fund to reflect decreased Home-to-School Transportation cost estimates.

Item 6100-607-0001, Local Assistance, Technical Adjustment to Reflect the Full Repayment of Oakland Unified (Issue 882)—It is requested that non-Budget Act item 6100-607-0001 be decreased by $2,095,000 non-Proposition 98 General Fund to reflect the final loan repayment of Oakland Unified's receivership. This is a technical adjustment to reflect that the loan payment was completed in the 2024-25 fiscal year and will no longer be reflected in the budget moving forward.

Item 6100-608-0001, Local Assistance, County Office of Education LCFF, Continuous Appropriation, Base Adjustments, and Local Property Tax Offsets (Issues 557, 565, 566, and 567)—It is requested that this non-Budget Act item be increased by $28,441,000 Proposition 98 General Fund to reflect the following: (1) a decrease of $668,000 to reflect an increased cost-of-living adjustment and decreased growth; (2) an increase of $29,153,000 to reflect decreased offsetting property tax revenues; (3) an increase of $8,000 to reflect decreased offsetting Education Protection Account revenues; and (4) a decrease of $52,000 to reflect decreased Minimum State Aid estimates.

Item 6100-608-0001, Local Assistance, Student Support and Enrichment Block Grant (Issue 574)—It is requested that this non-Budget Act item be increased by $41,000 Proposition 98 General Fund to reflect the revised Student Support and Enrichment Block Grant estimates.

Item 6100-622-0001, Local Assistance, Technical Adjustment to Reflect the Full Repayment of the Vallejo City Unified Loan (Issue 883)—It is requested that this non-Budget Act item be increased by $236,000 non-Proposition 98 General Fund to reflect the final loan repayment of Vallejo City Unified's receivership. This is a technical adjustment to reflect that the loan payments were completed in the 2024-25 fiscal year and will no longer be reflected in the budget moving forward.

Control Section

Addition of Budget Bill Control Section 24.20—Updates to Superintendent of Public Instruction References—It is requested that Control Section 24.20 be added to transfer, on and after January 1, 2027, the authority to encumber or expend funds or take other any other action related to the Budget Act from the Superintendent of Public Instruction to the Education Commissioner, with the exception of actions relating to Item 6051-001-0001.

It is further requested that Control Section 24.20 be added to the Budget Act as follows to conform to this action:

> SEC. 24.20. (a) On and after January 1, 2027, all authority to encumber or expend funds or take other any other action related thereto that is vested by this act in the Superintendent of Public Instruction shall instead be vested in the Education Commissioner.
> (b) This section does not apply to Item 6051-001-0001.
> (c) This section shall only become operative if a bill identified in Section 39.00 establishes the Education Commissioner and is enacted and takes effect on or before January 1, 2027.

Statutory Changes

21st Century School Leadership Academy—It is requested that statutory changes be added to specify how the Department of Education should allocate funding provided for the 21st Century California School Leadership Academy through Item 6100-488 of the 2026 Budget Act.

Amend Various 2025 Budget Act Items to Reflect California State Preschool Program Prospective Pay Adjustments and Principal Apportionment Replacement System Encumbrance Extension—It is requested that statutory changes be added to amend Items 6100-001-0001, 6100-194-0001, and 6100-196-0001 of the 2025 Budget Act to reflect adjustments to Prospective Pay implementation for the California State Preschool Program and an extension to the encumbrance and expenditure date for funds provided to design and develop a replacement Principal Apportionment Application.

California Community Schools Apportionments Program—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) specify that $485,068,000 one-time Proposition 98 General Fund previously set aside for extension grants be reappropriated and shall be used to support the long-term planning of the apportionments program which include activities such as the development of the long term reporting and, accountability, processes; (2) more intentionally incorporate participation from education interest holders and implement shared decision making practices throughout various components of the program; (3) further clarify the components required in a local educational agency's implementation plan and annual progress report; and (4) include other technical and clarifying changes.

California Community Schools Partnership Program Encumbrance Extension for Formative Assessments—It is requested that statutory changes be added to amend provisional language reflected in Item 6100-001-0001 of Chapter 249, Statutes of 2022 to extend the funding availability date for the existing California Community Schools Partnership Program annual formative assessments to align with the deadline in the current statute.

California Educators Together—It is requested that statutory changes be added to appropriate $600,000 ongoing Proposition 98 General Fund to support the California Educators Together Platform. The platform will be utilized to, among other things, host digital and media literacy resources for educators that have been developed by the California Innovation Council, in collaboration with the California Department of Technology and State Board of Education, to better protect students online and establish safeguards for use of new and emerging technology in schools, such as Artificial Intelligence (AI).

California State Preschool Program Cost of Living Adjustment and Inclusion Rates and Age Grouping Framework—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) specify the cost of living adjustment shall be 2.009 percent for the cost of care plus payment calculation in the California State Preschool Program for the 2026-27 fiscal year; (2) repeal the requirement that specifies which childcare and development programs shall receive a cost of living adjustment in 2026-27; and (3) prescribe how reimbursement rates are set under the single rate structure.

California State Preschool Program Eligibility Portability—It is requested that statutory changes be added to: (1) extend the certification period for no less than 24 months when a family member transfers to another California State Preschool Program or when a child is voluntarily disenrolled for any period of time during eligibility; and (2) require the California Department of Education to update management bulletins and regulations to conform with these statutory changes.

California State Preschool Program Excused Absences and Family Fee Waivers—It is requested that statutory changes be added to: (1) include medical and educational appointments as excused absences in the California State Preschool Program; (2) allow a contractor to claim attendance for days the child is not in attendance during a suspension or expulsion appeal process; and (3) specify that a family receiving child protective services may be exempt from family fees for up to one certification period.

California State Preschool Program Family Fee Deductions—It is requested that statutory changes be added, beginning in the 2026-27 fiscal year, to require California State Preschool Program contractors to reimburse providers for the full amount of the certificate or voucher without deducting family fees and to collect family fees.

Charter School Accountability—It is requested that statutory changes transmitted with the Governor's Budget be amended to specify and clarify auditing and reporting requirements for charter schools to improve accountability and oversight.

Curriculum-Embedded Performance Tasks for Science—It is requested that statutory changes transmitted with the Governor's Budget be amended to clarify that professional development used to build educator capacity in science shall include professional development provided by entities that were awarded funding pursuant to Section 53, Chapter 571, Statutes of 2022.

Dual Enrollment Technical Amendments—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) clarify College and Career Access Pathways as a partnership agreement rather than a higher education institution; (2) remove current subdivision (b) and redesignate subdivision (c) as subdivision (b); and (3) clarify that the daily instructional time requirement is 180 minutes for a high school student who is both enrolled in dual enrollment courses offered by a local educational agency, with or without a College and Career Access Pathways partnership agreement, and enrolled as a special part-time student at a community college.

Education Governance—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) establish a Task Force on State Education Governance to develop recommendations for a second phase of education governance consolidation and streamlining and further refinement of the responsibilities of the Office of the State Superintendent of Public Instruction; (2) direct the Department of Education to be responsive to legislative requests for information, data, and technical assistance; and (3) strongly encourage the appointment of an Education Commissioner who has demonstrated experience running a large public or private organization and has experience in public education leadership or its equivalent.

Holocaust and Education Grant Program—It is requested that statutory changes be added to: (1) change the administrative entity for the Holocaust and Genocide Education Grant Program from the Superintendent of Public Instruction to the California Teachers Collaborative on Holocaust and Genocide Education; (2) amend definitions within Education Code Section 51221.2; (3) require the California Teachers Collaborative to, as required by the Department of Education, submit annual written reports to the Department and the Legislature pursuant to Section 9795 of the Government Code on the administration of the grant program; and (4) direct $10 million one-time Proposition 98 General Fund appropriated to the Marin County Office of Education to contract with the California Teacher's Collaborative to administer the grant program.

Kitchen Infrastructure and Training Grants—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) specify that the Department of Education will award funds as allocation grants instead of on a competitive basis and extend the encumbrance date by one year, to June 30, 2030; (2) amend language on how local education agencies will be prioritized for funding; (3) specify reporting requirements; and (4) make various changes to how the funding can be used.

Literacy Coaches and Reading Specialists Grant Program—It is requested that statutory changes be added to appropriate $440 million one-time Proposition 98 General Fund to extend Literacy Coaches and Reading Specialists Grant Program recipient funding through June 30, 2031.

Long Term English Learner Definition—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) update the at-risk long term English learner definition to be a student who has not attained English language proficiency within five years; and (2) require the department to develop guidance for local educational agencies on how to utilize evidence to help inform program decisions and support English learner students.

Mathematics Coaching—It is requested that statutory changes be added to appropriate $60 million one-time Proposition 98 General Fund to further enhance and expand the existing Mathematics Professional Learning Partnership, including providing support for the Rural Math Initiative and the California Mathematics Project to support training of mathematics coaches.

Menstrual Products Mandate—It is requested that statutory changes be added to reflect the addition of the Public School Restrooms: Menstrual Products mandated program to the K-12 Mandated Programs Block Grant.

National Board for Professional Teaching Standards Grant—It is requested that statutory changes be added to clarify that teachers may apply for all aspects of the grant program and apply for the maintenance of certification award multiple times.

Nonwaivability of the Requirements of Full-Day Kindergarten Facilities Program Statutes—Consistent with the state board's lack of authority to waive any Education Code provisions relating to the Construction of School Buildings statutes or to waive regulations not adopted by the state board, including regulations implementing those provisions, Article 7 and section 17375 are requested to be specified in the list of provisions of the Education Code that the state board may not waive pursuant to section 33050, subparagraph (8)(b), clarifying the state board's lack of authority to waive statutes relating to the Full-Day Kindergarten Facilities Program.

One-Time Funding for Inclusive College Programs—It is requested that statutory changes be added for the California Center for Inclusive College to establish a grant program to support inclusive college programs.

One-Time Funding for the Multi-Tiered Systems of Support Framework—It is requested that statutory changes be added for the Orange County Department of Education to continue statewide implementation of the Multi-Tiered Systems of Support Framework and guide schools in aligning resources to meet the needs of their students.

One-Time Funding to Support Students Experiencing Homelessness—It is requested that statutory changes be added to appropriate $30 million one-time Proposition 98 General Fund for grant program for local educational agencies to increase identification of and improve outcomes for students experiencing homelessness.

Ongoing Funding for the Reading Difficulties Screener—It is requested that statutory changes be added to appropriate $5 million ongoing Proposition 98 General Fund for the University of California, San Francisco Dyslexia Center to continue implementation of its reading difficulties screening tool for California's diverse pupil population.

Oversight of Single-District Counties—It is requested that statutory changes transmitted with the Governor's Budget be amended to remove the requirement that county superintendents of single-district counties must contract with outside county offices of education to perform the warrant review process.

It is further requested that statutory changes transmitted with the Governor's Budget be amended to effectuate the withdrawal of language that would allow the Superintendent of Public Instruction to audit the expenditures and internal controls of single-district counties at any time during a fiscal year.

Paid Pregnancy Disability Leave—It is requested that statutory changes be added to require public school employers and community college districts provide up to 14 weeks of paid pregnancy disability leave to all employees. See the "LCFF Base Increase" paragraph and the 6870 Finance Letter for more information about funding this requirement.

Public School System Stabilization Account Backfill for Local Control Funding Formula—It is requested that statutory changes transmitted with the Governor's budget be amended to remove Education Code Section 42252.1, which provides a one-time backfill of Local Control Funding Formula costs using withdrawals from the Public School System Stabilization Account. Updated calculations of the Proposition 98 minimum guarantee no longer require a withdrawal from the reserve in fiscal year 2026-27.

Public School System Stabilization Account Discretionary Deposit—It is requested that statutory changes transmitted with the Governor's Budget be amended to increase the discretionary Public School System Stabilization Account deposit in fiscal year 2025-26 to $1.62 billion one-time Proposition 98 General Fund.

Resources to Support FCMAT's California School Information Services Division's Standardized Account Code Structure System—It is requested that statutory changes be added to appropriate funding to support FCMAT's California School Information Services Division.

Screening Pupils for Risk of Reading Difficulties—It is requested that statutory changes transmitted with the Governor's Budget be amended to clarify that local educational agencies may administer reading difficulties screening instruments at any time in the school year in addition to the instruments administered for the purposes of identifying pupils as at risk for reading difficulties.

Special Education Funding Formula Statewide Base Rate Equalization—It is requested that statutory changes transmitted with the Governor's Budget be amended to specify that the amount of funding per unit of average daily attendance for each special education local plan area shall be $1,340.

State Allocation Board Authority to Withhold Funding—It is requested that statutory changes be added to authorize the State Allocation Board to withhold new funding approvals from school districts that default, or are projected to default, with any requirements of facility construction programs under its authority.

Statutory Code Reference Clean-up—It is requested that statutory changes be added to revise references to the Superintendent of Public Instruction and add references to the Education Commissioner in various codes where needed to align with the education governance structure.

Student Support and Professional Development Discretionary Block Grant—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) increase the total appropriation amount by $2,263,782,000 one-time Proposition 98 General Fund; (2) update Proposition 98 allocations by fiscal year; and (3) replace the reference to the Superintendent of Public Instruction with a reference to the State Department of Education.

Subject Matter Requirements to Establish Competency—It is requested that statutory changes transmitted with the Governor's Budget be amended to specify coursework needed for PK-3 early childhood education specialist credentials.

Subject Matter Transcript Review Service for Teacher Candidates—It is requested that statutory changes be added to direct the Commission to allocate funding provided through Item 6100-488 of the 2026 Budget Act to develop and implement a platform that will allow the Commission to conduct transcript review for candidates to establish subject matter competency.

Teacher Residency Grant Program Repayment Alignment—It is requested that statutory changes be added to clarify repayment provisions for educators that received 2018 Teacher Residency Grants.

Teacher Supply Report and Teacher Data Sharing—It is requested that statutory changes be added to clarify and facilitate improved data sharing and specify data that is to be included in the annual Teacher Supply Report.

Technical Assistance for Teacher Residency Grant Program and National Board for Professional Teaching Standards Grant Program—It is requested that statutory changes be added to specify how the Commission on Teacher Credentialing will allocate the funding provided for the statewide residency technical assistance center through Item 6100-488 of the 2026 Budget Act.

Technical Correction to Necessary Small Schools Augmentation—It is requested that statutory changes be added to correct references to the Necessary Small Schools Add-on rate and make other technical amendments.

Transitional Kindergarten Developmentally Appropriate Definition—It is requested that statutory changes transmitted with the Governor's Budget be amended to revise the definition of developmentally appropriate curriculum to include: (1) learning in various environments; and (2) supporting children's home languages.

Universal and Targeted Assistance—It is requested that statutory changes transmitted with the Governor's Budget be amended to: (1) specify that nothing precludes a county office of education from offering contracted or specialized services to local educational agencies, so long as the services cannot be provided within existing universal resources; (2) explain that California Longitudinal Pupil Achievement Data System (CALPADS) Differentiated assistance will now fall under universal supports, and that specified districts and county offices will receive support specifically from the Department of Education; and (3) make technical amendments to the Universal and Targeted assistance funding methodology.

Use of LCFF Discretionary COLA Increase—It is requested that statutory changes be added to specify that, beginning in 2026-27, funding provided for LCFF beyond the statutory cost-of-living adjustment shall be used if local educational agencies have costs associated with providing all employees with up to 14 weeks of paid pregnancy disability leave pursuant to Sections 44965 and 45193.

Work-Based Learning Programs Technical Amendments—It is requested that statutory changes be added to (1) expand existing daily instructional minute flexibilities currently available for work experience education; and (2) include work-based learning programs to certain dual enrollment programs. These changes will enable local educational agencies to provide additional hands-on learning opportunities, including internships, youth apprenticeships, and other field placements, delivered under the supervision of a certificated teacher.

Proposed statutory amendment for these requests can be viewed at www.dof.ca.gov.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Paula Fonacier-Tang, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader’s Office
Dr. Ingrid Roberson, Chief Deputy Superintendent of Public Instruction
David Schapira, Chief Deputy Superintendent of Public Instruction and Chief of Staff
Leisa Maestretti, Director, Fiscal and Administrative Services Division

Amend Item 6100-295-0001 as follows:

"6100-295-0001—For local assistance, State Department of Education (Proposition 98), for reimbursement, in accordance with the provisions of Section 6 of Article XIII B of the California Constitution or Section 17561 of the Government Code, of the cost of any new program or increased level of service of an existing program mandated by statute or executive order, for disbursement by the Controller for claims for costs incurred during the ~~2023–24~~ <u>2024-25</u> fiscal year ....

Schedule:

(1) 5240016-K–12 Mandated Cost Reimbursement Program: For payment of the following mandate claims for costs incurred during the 2023–24 fiscal year ....

(a) Consolidation of Annual Parent Notification/Schoolsite Discipline Rules/Alternative Schools (Ch. 36, Stats. 1977) (CSM 4445, 4453, 4461, 4462, 4474, 4488, 97-TC-24, 99-TC-09, and 00-TC-12) ....

(b) Caregiver Affidavits to Establish Residence for School Attendance (Ch. 98, Stats. 1994) (CSM 4497) ....

(c) School District Fiscal Accountability Reporting and Employee Benefits Disclosure (Consolidation) (Ch. 100, Stats. 1981) (97-TC-19) ....

(d) Intradistrict Attendance (Ch. 161, Stats. 1993) (CSM 4454) ....

(e) Interdistrict Attendance Permits (Ch. 172, Stats. 1986) ....

(f) Differential Pay and Reemployment (Ch. 30, Stats. 1998) (99-TC-02) ....

(g) Immunization Records— Mumps, Rubella, and Hepatitis B (Ch. 325, Stats. 1978 and Ch. 435, Stats. 1979) (98-TC-05 and 14-MR-04) ....

(h) Notification of Truancy (Ch. 498, Stats. 1983) (CSM 4133) ....

(i) Criminal Background Checks I (Ch. 588, Stats. 1997) (97-TC-16) ....

(j) Criminal Background Checks II (Ch. 594, Stats. 1998 and Ch. 840, Stats. 1998; Ch. 78, Stats. 1999) (00-TC-05) ....

(k) California State Teachers' Retirement System Service Credit (Ch. 603, Stats. 1994) (02-TC-19) ....

(l) Child Abuse and Neglect Reporting (Ch. 640, Stats. 1987) (01-TC-21) ....

(m) Comprehensive School Safety Plans I and II (Ch. 736, Stats. 1997) (98-TC-01 and 99-TC-10) ....

(n) Pupil Promotion and Retention (Ch. 100, Stats. 1981) (98-TC-19) ....

(o) Charter Schools I, II, and III (Ch. 781, Stats. 1992) (CSM 4437 et al., 99-TC-03, and 99-TC-14) ....

(p) AIDS Instruction and AIDS Prevention Instruction (Ch. 818, Stats. 1991 and Ch. 403, Stats. 1998) (CSM 4422, 99-TC-07, and 00-TC-01) ....

(q) Agency Fee Arrangements (Ch. 893, Stats. 2000 and Ch. 805, Stats. 001) (00-TC-17 and 01-TC-14) ....

(r) County Office of Education Fiscal Accountability Reporting (Ch. 917, Stats. 1987) (97-TC-20) ....

(s) Collective Bargaining and Collective Bargaining Agreement Disclosure (Ch. 961, Stats. 1975) (CSM 4425 and 97-TC-08) ....

(t) Pupil Health Screenings (Ch. 1208, Stats. 1976) (CSM 4440) ....

(u) Physical Performance Tests (Ch. 975, Stats. 1995) (96-365-01) ....

(v) Juvenile Court Notices II (Ch. 1011, Stats. 1984 and Ch. 1423, Stats. 1984) (CSM 4475) ....

(w) Charter Schools IV (Ch. 1058, Stats. 2002) (03-TC-03) ....

(x) Public Contracts (Ch. 1073, Stats. 1985) (02-TC-35) ....

(y) Uniform Complaint Procedures (Ch. 1117, Stats. 1982) (03-TC-02) ....

(z) Consolidation of Law Enforcement Agency Notifications (LEAN) and Missing Children Reports (MCR) (Ch. 1117, Stats. 1989) (CSM 4505 and 4505-2) ....

(aa) Immunization Records (Ch. 1176, Stats. 1977) (SB 90-120) ....

(bb) Habitual Truant (Ch. 1184, Stats. 1975) (CSM 4487 and 4487-A) ....

(cc) School District Reorganization (Ch. 1192, Stats. 1980 and Ch. 1186, Stats. 1994) (98-TC-24) ....

(dd) Prevailing Wage Rate (Ch. 1249, Stats. 1978) (01-TC-28) ....

(ee) Threats Against Peace Officers (Ch. 1249, Stats. 1992) ....

(ff) Expulsion of Pupils: Transcript Cost for Appeals (Ch. 1253, Stats. 1975) ....

(gg) Consolidation of Notification to Teachers: Pupils Subject to Suspension or Expulsion I and II, and Pupil Discipline Records (Ch. 345, Stats. 2000) (00-TC-10 and 00-TC-11) ....

(hh) School Accountability Report Cards (Ch. 912, Stats. 1997) (00-TC-09, 00-TC-13, and 02-TC-32) ....

(ii) Financial and Compliance Audits (Ch. 36, Stats. 1977) (CSM 4498 and 4498-A) ....

(jj) The Stull Act (Ch. 498, Stats. 1983 and Ch. 4, Stats. 1999) (98-TC-25) ....

(kk) Pupil Safety Notices (Ch. 498, Stats. 1983) (02-TC-13) ....

(ll) Graduation Requirements (Ch. 498, Stats. 1983) (CSM 4181-A) ....

(mm) Student Records (Ch. 593, Stats. 1989) (02-TC-34) ....

(nn) Williams Case Implementation I, II, and III (Ch. 900, Stats. 2004) (05-TC-04, 07-TC-06, and 08-TC-01) ....

(oo) Parental Involvement Programs (Ch. 1400, Stats. 1990) (03-TC-16) ....

(pp) Developer Fees (Ch. 955, Stats. 1977) (02-TC-42) ....

(qq) Consolidated Suspensions, Expulsions, and Expulsion Appeals (Chs.972 and 974, Stats. 1995) (96-358-03, 03A, 98-TC-22, 01-TC-18, 98-TC-23, 97-TC-09, CSM 4456, 4455, and 4463) ....

(rr) Immunization Records— Pertussis (Ch. 434, Stats. 2010) (11-TC-02) ....

(ss) Race to the Top (Chs. 2 and 3, Stats. 2010, 5th Ex. Sess.) (10-TC-06) ....

(tt) Training for School Employee Mandated Reporters (Ch. 797, Stats. 2014) (14-TC-02) ....

(uu) California Assessment of Student Performance and Progress (CAASPP) (Ch. 489, Stats. 2013) (14-TC-01 and 14-TC-04) ....

(vv) Cal Grant: Opt-Out Notice and Grade Point Average Submission (Ch. 679, Stats. 2014 and Ch. 82, Stats. 2016) (16-TC-02) ....

(ww) Public School Restrooms: Feminine Hygiene Products (Ch. 687, Stats. 2017) (18-TC-01) ....

(xx) Free Application for Federal Student Aid (FAFSA) (Ch. 560, Stats. 2021) (22-TC-05) ....

<u>(yy) Public School Restrooms: Menstrual Products (Ch. 664, Stats. 2021) (22-TC-04)………… ……………………………………………..1,000</u>”

Amend Item 6100-488 as follows:

"6100-488—Reappropriation, State Department of Education. Notwithstanding any other law, the balances from the following appropriations are available for reappropriation for the purposes specified in the provisions below:

0001—General Fund

(1) $656,000 ~~$503,000~~ or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Child Nutrition Programs in Chapter 52 of the Statutes of 2022.

(2) $18,390,000 ~~$3,390,000~~ or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Child Nutrition Programs in Schedule (1) of Item 6100-203-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(3) $140,000 ~~$130,000~~ or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Special Education Program for Individuals with Exceptional Needs in Schedule (1) of Item 6100-161-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(4) $20,000,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Child Nutrition Programs in Schedule (1) of Item 6100-203-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).

(5) $65,480,000 ~~$450,000~~ or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the California State Preschool Program in Item 6100-196-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).

(6) $3,106,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the After School Programs in Schedule (1) of Item 6100-149-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(7) $13,623,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the 21st Century Community Learning Centers in Schedule (2) of Item 6100-149-0001, Budget Act of 2023 (Chs. 12, 38, and 189, Stats. 2023).

(8) $35,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Special Education Program for Individuals with Exceptional Needs in Schedule (1) of Item 6100-161-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).

(9) $36,567,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the 21st Century Community Learning Centers in Schedule (2) of Item 6100-149-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).

(10) $53,823,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the 21st Century Community Learning Centers in Schedule (2) of Item 6100-149-0001, Budget Act of 2025 (Chs. 4, and 5, and 104 Stats. 2025).

(11) $2,629,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the California State Preschool Program in Item 6100-196-0001, Budget Act of 2025 (Chs. 4, and 5, and 104 Stats. 2025).
(12) $1,296,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Career Technical Education Initiative in Item 6100-170-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).
(13) $3,021,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Career Technical Education Incentive Grant in Item 6100-168-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024).
(14) $10,003,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the Career Technical Education Incentive Grant in Item 6100-168-0001, Budget Act of 2025 (Chs. 4, and 5, and 104 Stats. 2025).
(15) $485,068,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for the California Community Schools Partnership Program in Chapter 53 of the Statutes of 2022.

Provisions:

1. The sum of $73,769,000 ~~$24,473,000~~ is hereby appropriated to the ~~Superintendent of Public Instruction~~ State Department of Education for allocation to local educational agencies for the Student Support and Professional Development Discretionary Block Grant pursuant to provisions provided in the education finance omnibus trailer bill identified in Section 39.00 of this act for this purpose.
2. The sum of $15,000,000 is hereby appropriated to the State Department of Education for the 21st Century California School Leadership Academy, pursuant to Education Code Section 44690.1. These funds shall be available for encumbrance through June 30, 2031.
3. The sum of $50,000,000 is hereby appropriated to the State Department of Education to support the Multi-Tiered Systems of Support framework pursuant to Education Code Section 41490.1. These funds shall be available for encumbrance through June 30, 2031.
4. The sum of $25,000,000 is hereby appropriated to the State Department of Education to support inclusive programs for students with intellectual disabilities pursuant to Education Code Section 66032. These funds shall be available for encumbrance through June 30, 2032.
5. The sum of $30,000,000 is hereby appropriated to the State Department of Education for grants to local educational agencies to support youth experiencing homelessness pursuant to provisions provided in the education finance omnibus trailer bill identified in Section 39.00 of this act for this purpose.
6. The sum of $30,000,000 is hereby appropriated to the State Department of Education for transfer to the Commission on Teacher Credentialing for Teacher Residency and National Board technical assistance pursuant to Education Code Section 44415.71. These funds shall be available for encumbrance through June 30, 2034.

7. <u>The sum of $5,000,000 is hereby appropriated to the State Department of Education for transfer to the Commission on Teacher Credentialing for the development of a teacher candidate transcript review platform, pursuant to Section 44259.8 of the Education Code. These funds shall be available for encumbrance through June 30, 2029.</u>
8. <u>The sum of $485,068,000 is hereby appropriated to the State Department of Education for the California Community Schools Apportionments Program pursuant to provisions provided in the education finance omnibus trailer bill identified in Section 39.00 of this act for this purpose."</u>

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 6120-490, Local Assistance, California State Library

Local Library Infrastructure Grants and Community Development Support Liquidation Extension—It is requested that Item 6120-490 be added to extend the period to liquidate encumbrance for an equity-focused infrastructure grant program (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Andrea Scharffer, Principal Program Budget Analyst, at (916) 445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Greg Lucas, State Librarian, California State Library
Rebecca Wendt, Deputy State Librarian, California State Library

Attachment I

6120-490—Reappropriation, California State Library. Notwithstanding any other law, the period to liquidate encumbrances of the following citations is extended to June 30, 2030.

0001—General Fund

(1) Up to $94,300,000 in Provision 1, Item 6120-161-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021), for an equity-focused infrastructure grant program to support local library maintenance, capital improvements, broadband and technology upgrades, and device acquisition.

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Items 6360-001-0001 and 6360-001-0407, Support, Commission on Teacher Credentialing

Safe Learning Environments Act Implementation (SB 848) (Issue 33)—It is requested that Item 6360-001-0001 be increased by $125,000 ongoing and 1 position to provide necessary legal staffing to implement the provisions of Chapter 460, Statutes of 2025 (SB 848).

It is further requested that provisional language be amended as follows to conform to this action:

> 11. Of the funds appropriated in Schedule (1), ~~$1,436,000~~ $1,561,000 and ~~10.0~~ 11.0 positions are available to support workload related to implementing the Safe Learning Environments Act, including the development of a statewide data system that includes information relating to investigations of allegations of egregious misconduct of individuals serving in a noncertificated position, pursuant to Chapter 460 of the Statutes of 2025.

Legal Staffing for Educator Misconduct Caseload (Issue 34)—It is requested that Item 6360-001-0001 be increased by $807,000 ongoing and 4 positions to provide necessary legal staffing to address the Commission's increase in educator misconduct caseload.

It is further requested that provisional language be amended as follows to conform to this action:

> 9. Of the funds appropriated in Schedule (1), ~~$1,545,000~~ $2,352,000 and ~~11.0~~ 15.0 positions are available to support the Division of Licensure Enforcement in addressing workload related to an increase of educator misconduct cases.

Grant Programs Support (Issue 35)—It is requested that Item 6360-001-0001 be increased by $47,000 to upgrade an Analyst II position proposed in the Governor's Budget to an Education Consultant position to address increasing workload related to grant administration.

It is further requested that provisional language be amended as follows to conform to this action:

> 8. Of the funds appropriated in Schedule (1), ~~$132,000~~ $179,000 and 1.0 position are available to support increased grant administration activities.

Transcript Review for Teacher Candidate Support (Issue 39)—It is requested that Item 6360-001-0407 be increased by $2 million and 7 positions for the Commission to develop and administer a statewide subject matter transcript review service.

It is further requested that provisional language be added as follows to conform to this action:

> 20. Of the funds appropriated in Schedule (1), $2,000,000 and 7.0 positions are available for the Commission to develop and administer a statewide subject matter transcript review service to reduce the need for subject matter competency exams for teacher candidates.

Technical Budget Bill Language Amendment (Language Only)—It is requested that Provision 4 of Item 6360-001-0407 be amended as follows:

> 4. The Commission on Teacher Credentialing shall submit biannual reports to the chairpersons and vice chairpersons of the budget committees of each house of the Legislature, the Legislative Analyst's Office, and the Department of Finance on the workload of the ~~Division of Professional Practices (DPP)~~ Division of Licensure Enforcement (DLE) and the status of the teacher misconduct caseload. The report shall include information on the ~~DPP's~~ DLE's workload and the timeliness of completing key steps in reviewing teacher misconduct cases that are under the control of the commission. The workload report shall include the number of cases opened by case type and the average number of days and targets for each key step in the misconduct review process, including: (a) intake of new cases and documents, (b) assignment of cases to staff and gathering of needed documents for investigation, (c) investigation and notification of allegations to individuals charged with an offense, (d) review of cases by the commission, (e) implementation of final discipline decisions by the commission, (f) monitoring during the probationary period, and (g) response to violation of probationary period. The biannual reports shall be submitted by October 1 and March 1 of each year. All reports shall include historical data as well as data from the most recent six months.

Statutory Changes

Educator Credentials Renewal Fees—It is requested that statutory changes be added to increase the fee for a renewal of a teaching credential and a service clear credential to $125 every five years.

Teacher Supply Report and Teacher Data Sharing—It is requested that statutory changes be added to clarify facilitate improved data sharing and specify data that is to be included in the annual Teacher Supply Report.

Subject Matter Requirements to Establish Competency—It is requested that statutory changes transmitted with the Governor's Budget be amended to specify coursework needed for PK-3 early childhood education specialist credentials.

Subject Matter Transcript Review Service for Teacher Candidates—It is requested that statutory changes be added to direct the Commission to allocate funding provided through Item 6100-488 of the 2026 Budget Act to develop and implement a platform that will allow the Commission to conduct transcript review for candidates to establish subject matter competency.

Teacher Residency Grant Program Repayment Alignment—It is requested that statutory changes be added to clarify repayment provisions for educators that received 2018 Teacher Residency Grants.

Technical Assistance for Teacher Residency Grant Program and National Board for Professional Teaching Standards Grant Program—It is requested that statutory changes be added to specify how the Commission on Teacher Credentialing will allocate the funding provided for the statewide residency technical assistance center through Item 6100-488 of the 2026 Budget Act.

Statutory changes for these requests can be viewed at www.dof.ca.gov.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Audrey Bazos, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader’s Office

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Statutory Changes, Support, University of California

Item 6440-001-3054, Support, Health Care Benefits Fund (Issue 053)—It is requested that Item 6440-001-3054 be increased by $1 million from fiscal year 2026-27 through 2032-33 as authorized by Chapter 318, Statutes of 2025 (SB 439).

Item 6440-001-0890, Support, GEAR UP (Issue 054)—It is requested that Item 6440-001-0890 be increased by $1,999,000 ongoing to reflect revised award amounts for the Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP). This federal program focuses on increasing post-secondary education attainment among middle and high school students from low-income, under-served communities.

Item 6440-001-0001, Support, First Star Academies (Issues 060)—It is requested that Item 6440-001-0001 be increased by $1.5 million one-time to support the matriculation of students in foster care through the University of California First Star Program for postsecondary education success.

It is further requested that Provision 34 be added to Item 6440-001-0001 as follows to conform to this action:

34. Of the funds appropriated in this item, $1,500,000 shall be available on a one-time basis to sustain and expand the support for students in foster care through the University of California First Star Program for post-secondary education success. Campuses shall be selected through a competitive grant process by the Office of the President of the University of California. When selecting the participating campuses, the Office of the President shall consider, at least, the following factors: the foster youth population density around each proposed campus location, possible partnerships with other organizations assisting the foster youth population, public transportation

accessibility, and ability to leverage other funding sources or in-kind resources to support program implementation.

Items 6440-490 and 6440-001-0001, Support, Reappropriation (Issues 063 and 064)—It is requested that Item 6440-490 be amended to provide one-time reappropriation for Provisions (c)(2)(E) and (c)(2)(F) of Control Section 19.56 in the Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022). Funding shall be available for the same purposes defined in the provisions and shall be available without regard to fiscal years pursuant to Section 16304 of the Government Code.

It is further requested that Item 6440-490 be amended as follows to conform to this action:

> "6440-490—Reappropriation, University of California. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and pursuant to Section 16304 of the Government Code, the funds appropriated in this item shall be available without regard to fiscal year: ~~shall be available for encumbrance or expenditure until June 30, 2027:~~
>
> 0001— General Fund
>
> (1) Provision 16 of Item 6440-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021)
> (2) Provision 30 of Item 6440-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021)
> (3) Provision 44 of Item 6440-001-0001, Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021)
> (4) Provision (c)(2)(B) of Control Section 19.56, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)
> (5) Provision (c)(2)(E) of Control Section 19.56, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)
> (6) Provision (c)(2)(F) of Control Section 19.56, Budget Act of 2022 (Chs. 43, 45, and 249, Stats. 2022)"

Item 6440-001-0234, Support, Cigarette and Tobacco-Related Disease Research Resources (Issue 075)—It is requested that Item 6440-001-0234 be decreased by $1,764,000 ongoing to reflect revised estimates in the Research Account, Cigarette and Tobacco Products Surtax Fund.

Item 6440-001-0001, Support, Basic Needs, Mental Health and Rapid Rehousing Programs (Language Only)—It is requested that Provisions 5, 6, and 7 of Item 6440-001-0001 be amended to conform to statutory changes reflecting the shift of reporting requirements for the Basic Needs, Mental Health, and Rapid Rehousing programs from provisional language to statutory language.

Item 6440-001-0001, Support, Replacement of Nonresident Undergraduate Full-Time Equivalent Students (Language Only)—It is requested that Item 6440-001-0001 be amended to include language to reflect the legislative intent that the University of California shall meet its target of reducing Nonresident Full-Time Equivalent Students in 2026-27.

It is further requested that Provision 30 of Item 6440-001-0001 be amended as follows to conform to this action:

"30. (a) Of the funds appropriated in this item, $153,000,000 is provided for the replacement of 4,510 nonresident undergraduate full-time equivalent students. As specified in Section 93000 of the Education Code, it is the intent of the Legislature that the University of California replace the 4,510 ~~an additional 902~~ nonresident undergraduate full-time equivalent students by replacing 902 nonresident undergraduate full-time equivalent students annually from 2022-23 through 2026–27 with an equal number of resident undergraduate full-time equivalent students combined at the Berkeley, Los Angeles, and San Diego campuses. The total combined annual replacement of nonresident students should be 902 full-time equivalent students, with Berkeley, Los Angeles, and San Diego each contributing towards the 902 full-time equivalent student replacement total annually. If the University of California replaces more than 902 nonresident undergraduate full-time students in the 2025–26 enrollment target, those additional students can be counted towards the 2026–27 target. Nonresident undergraduate full-time equivalent student replacement above that annual 902 target from 2022–23, 2023–24, 2024–25, and 2025–26 can be counted towards the replacement of 902 nonresident undergraduate full-time equivalent students in 2026–27. If the actual reduction in nonresident undergraduate enrollment in 2026–27 at these campuses is fewer than 902 full-time equivalent students, the Director of Finance shall reduce funding for the University of California by the portion that is attributable to each student under the target reduction level, as specified in Section 93000 of the Education Code.

(b) It is the intent of the Legislature to provide $31,000,000 one-time General Fund support for the purposes specified in paragraph (a) in 2027-28."

Item 6440-001-0001, Support, Full-Time Equivalent Students (Language Only)—It is requested that Item 6440-001-0001 be amended to include language to reflect the legislative intent that the University of California shall meet the required Full-Time Equivalent Students target in 2026-27.

It is further requested that Provision 35 of Item 6440-001-0001 be added as follows to conform to this action:

35. (a) It is the intent of the Legislature that the University of California also increase resident undergraduate enrollment by 2,968 FTES in 2026–27, for a total level of 212,503 resident undergraduate FTES in 2026–27.

(b) The systemwide growth identified in this provision is inclusive of the additional 902 resident undergraduate FTES resulting from the replacement of nonresident undergraduate FTES identified in Provision 30 of this item.

Statutory Changes

Student Housing Data Collection Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 66014.6 of the Education Code with the report submitted pursuant to Section 17201 of the Education Code.

Student Housing Grant Program Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 17201 of the Education Code with the report submitted pursuant to Section 66014.6 of the Education Code.

Basic Needs, Mental Health, and Rapid Rehousing Programs Report—It is requested that statutory changes be added to consolidate and codify the reporting requirements previously included in budget provisional language. It is further requested that statutory changes be made to shift reporting from annual to biennial.

Summary of Campus Capacity, Instructional & Faculty Office Space Report—It is requested that statutory changes be added to shift reporting from annual to biennial.

Proposed statutory amendments for these requests can be viewed at www.dof.ca.gov.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Louie, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Nathan Brostrom, Executive Vice President and Chief Financial Officer, University of California
Cain Diaz, Director, Associate Vice President and Director, Operating Budget, University of California
Kathleen Fullerton, Associate Vice President and Director, State Government Relations, University of California

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 6600-001-0001, Support, College of the Law, San Francisco

Item 6600-001-0001, Support for Law School Campus Safety and Security Resources (Issue 010)—It is requested that Item 6600-001-0001 be increased by $1 million ongoing to provide support for campus public safety and security programs. It is further requested that provisional language be added as follows to conform to this action:

> 3. Of the funds appropriated in this item, $1,000,000 shall be available to support campus public safety and security programs.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Louie, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader’s Office
David Seward, Chief Financial Officer, UC College of the Law, San Francisco

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 6610-001-0001, Support, and Statutory Changes, California State University

Item 6610-001-0001, Support, Higher Education Student Housing Grant Program (Language Only)—It is requested that Item 6610-001-0001 be amended to include language reflecting the ongoing annual funding for the Higher Education Student Housing Grant Program. It is further requested that provisional language be added as follows to conform to this action:

12. Of the funds appropriated in this Item, $52,000,000 shall be available to support approved CSU Higher Education Student Housing Grant Program projects.

Item 6610-001-0001, Support, Basic Needs, Mental Health and Rapid Rehousing Programs (Language Only)—It is requested that Provisions 2.1 and 2.5 of Item 6610-001-0001 be amended to conform to statutory changes reflecting the shift of reporting requirements for the Basic Needs, Mental Health, and Rapid Rehousing programs from provisional language to statutory language.

Statutory Changes

Acquisition of Real Property Using Parking and Housing Revenues Report—It is requested that statutory changes be added to shift reporting from annual to biennial.

Student Housing Data Collection Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 66014.6 of the Education Code with the report submitted pursuant to Section 17201 of the Education Code.

Student Housing Grant Program Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 17201 of the

Education Code with the report submitted pursuant to Section 66014.6 of the Education Code.

Basic Needs, Mental Health, and Rapid Rehousing Programs Reports—It is requested that statutory changes be added to consolidate and codify the reporting requirements previously included in budget provisional language. It is further requested that statutory changes be added to shift reporting from annual to biennial.

Summary of Campus Capacity, Instructional & Faculty Office Space Report—It is requested that statutory changes be added to shift reporting from annual to biennial.

Sale or Exchange of Real Property Report—It is requested that statutory changes be added to shift reporting from annual to biennial.

Proposed statutory amendments for these requests can be viewed at www.dof.ca.gov.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Louie, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Patrick J. Lenz, Interim Executive Vice Chancellor and Chief Financial Officer, California State University
Mark Martin, Assistant Vice Chancellor, Budget Planning and Advocacy, California State University Office of the Chancellor
Jeni Kitchell, Assistant Vice Chancellor, Finance and Budget Administration/Controller, California State University Office of the Chancellor

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to Budget Bill Item 6645-001-0001, Support, CSU Health Benefits for Retired Annuitants

Revised Estimates for CSU Health Benefits for Retired Annuitants—It is requested that Item 6645-001-0001 be increased by $2,850,000 ongoing to reflect increased health premiums for CSU retired annuitants.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Hanzhao Meng, Principal Program Budget Analyst, at (916) 445-3274.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Justyn Howard, Deputy Secretary, Fiscal Policy and Administration, Government Operations Agency
Michele Nix, Chief Financial Officer, California Public Employees' Retirement System
Willem (Will) Schaafsma, Chief, Division of Financial Planning, Policy and Budgeting, California Public Employees' Retirement System
Stacy Guzman, Budget Manager, California Public Employees' Retirement System

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Addition of Budget Bill Item 6870-493, Capital Outlay, Board of Governors of the California Community Colleges

Various Reappropriations—It is requested that Item 6870-493 be added to reappropriate the working drawings and performance criteria appropriations for several ongoing projects. Many of the projects included in this item are nearing the completion of the preliminary plans phase, though any delays could risk the ability to encumber the working drawings appropriations before the end of the fiscal year. These reappropriations are requested to ensure districts can proceed with their respective project phases as scheduled and without delay (see Attachment 1).

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Michael McGinness, Principal Program Budget Analyst, at (916)445-9694.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: On following page

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Chris Ferguson, Executive Vice Chancellor of Finance and Strategic Initiatives, Finance and Facilities Planning Division, California Community Colleges Chancellor's Office
Hoang Nguyen, Director of Facilities Planning, Finance and Facilities Planning Division, California Community Colleges Chancellor's Office

6870-493—Reappropriation, Board of Governors of the California Community Colleges, payable from the 2024 California Community College Capital Outlay Bond Fund. The balances of the appropriations provided in the following citations are reappropriated for the purposes provided for in those appropriations and shall be available for encumbrance or expenditure as specified below:

6095—California Community Colleges Capital Outlay Bond Fund

Item 6870-301-6095, Budget Act of 2025 (Chs 4 and 5, Stats. 2025)

(1) 0014718—El Camino Community College District, El Camino College: Hydronic Line Replacement

(b) Working Drawings

(2) 0014719—Los Angeles Community College District, Los Angeles Pierce College: Sewer Replacement

(b) Working Drawings

(3) 0014720—Los Angeles Community College District, Los Angeles Valley College: Sewer Replacement

(b) Working Drawings

(4) 0014721—Merced Community College District, Merced College: Music, Art, Theater Complex

(b) Working Drawings

(5) 0014722—Los Angeles Community College District, Los Angeles City College: Kinesiology Replacement

(b) Working Drawings

(6) 0014723—Mendocino-Lake Community College District, Willits Center: Willits Center Phase II

(b) Working Drawings

(7) 0014724—Hartnell Community College District, Hartnell College: Buildings F, G, & H Renovation

(b) Working Drawings

(8) 0014725—State Center Community College District, Reedley College: Agriculture Complex

(b) Working Drawings

(9) 0014726—Riverside Community College District, Ben Clark Training Center: Education Building 2 Phase 1
- (b) Working Drawings

(10) 0014727—Coast Community College District, Golden West College: Gym Replacement
- (b) Working Drawings

(11) 0014728—Kern Community College District, Bakersfield College: Center for Student Success
- (b) Working Drawings

(12) 0014729—North Orange Community College District, Fullerton College: STEM Vocational Center
- (b) Working Drawings

(14) 0014731—Peralta Community College District, Merritt College: Buildings E & F Replacement
- (b) Working Drawings

(16) 0014733—Imperial Community College District, Imperial Valley College: Gym Modernization
- (b) Working Drawings

(17) 0014734—Coast Community College District, Orange Coast College: Skills Lab Replacement
- (b) Working Drawings

(19) 0014747—Long Beach Community College District, Liberal Arts Campus: Building B Replacement
- (a) Performance Criteria

(20) 0014748—Citrus Community College District, Citrus College: New Career Technical Education Building
- (b) Working Drawings

(21) 0014749—Mt. San Antonio Community College District, Mt. San Antonio College: Library Replacement
- (b) Working Drawings

(22) 0014750—Los Angeles Community College District, Los Angeles Trade-Technical College: Advanced Transportation & Manufacturing Replacement
- (b) Working Drawings

(26) 0014754—Shasta-Tehama-Trinity Community College District, Shasta College: Life Sciences Building 1600 Renovation

(b) Working Drawings

(27) 0014755—State Center Community College District, Clovis College: Kinesiology & Wellness Center

(b) Working Drawings

(28) 0014756—San Mateo Community College District, Skyline College: Boiler Plant Replacement

(b) Working Drawings

(29) 0014645—Antelope Valley Community College District, Antelope Valley College: Gymnasium Replacement

(b) Working Drawings

(30) 0015365—Los Rios Community College District, American River College: Davies Hall Replacement

(b) Working Drawings

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to and Addition of Various Budget Bill Items, Local Assistance, and Statutory Changes, Board of Governors of the California Community Colleges

Item 6870-101-0001, Local Assistance, Adult Learner Demonstration Project (Issue 108)—It is requested that Schedule (16) of Item 6870-101-0001 be increased by $9.7 million one-time Proposition 98 General Fund to support the Adult Learner Demonstration Project. This program provides comprehensive services to assist low-income adult workers move into stable and higher-paying jobs.

It is further requested that subdivision (c) be added to Provision 16 of this item as follows to conform to this action:

> (c) $9,700,000 shall be available on a one-time basis to support the Adult Learner Demonstration Project for low-income workers. This amount shall be available for encumbrance or expenditure until June 30, 2029.

Item 6870-101-0001, Local Assistance, Apportionments Cost-of-Living Adjustment (COLA) (Issue 110)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $197,703,000 ongoing Proposition 98 General Fund to reflect a 4.31 percent COLA.

It is further requested that paragraph (2) of subdivision (a) of Provision 2 of this item be amended as follows to conform to this action:

> (2) Of the funds appropriated in Schedule (1), ~~$240,604,000~~ $<u>438,307,000</u> shall be used to reflect a cost-of-living adjustment of ~~2.41~~ <u>4.31</u> percent.

Item 6870-101-0001, Local Assistance, Enrollment Growth Adjustment (Issue 111)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $2,023,000 ongoing Proposition 98 General Fund to reflect a revised estimate of the cost to maintain a 0.50 percent enrollment growth target in fiscal year 2026-27.

It is further requested that paragraph (1) of subdivision (a) of Provision 2 of this item be amended as follows to conform to this action:

> (1) Of the funds appropriated in Schedule (1), ~~$31,886,000~~ $33,909,000 shall be used to increase statewide growth of full-time equivalent students (FTES) by 0.5 percent.

Item 6870-101-0001, Local Assistance, Net Offsetting Education Protection Account (EPA) Revenue (Issues 112 and 134)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $114,429,000 ongoing Proposition 98 General Fund to reflect a decrease in estimated net offsetting EPA revenue. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Item 6870-101-0001, Local Assistance, Other Base Apportionment Adjustments (Issue 113)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $173,208,000 ongoing Proposition 98 General Fund to reflect various base apportionment adjustments.

Item 6870-101-0001, Local Assistance, Offsetting Student Fee Revenue (Issues 115 and 130)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $5,183,000 ongoing Proposition 98 General Fund to reflect an associated decrease in estimated offsetting student fee revenue. It is also requested that a conforming adjustment be made to a related informational non-Budget Act item.

Item 6870-101-0001, Local Assistance, Extended Opportunity Programs and Services Program COLA (Issue 116)—It is requested that Schedule (18) of Item 6870-101-0001 be increased by ongoing $1,030,000 Proposition 98 General Fund to reflect a 2.87 percent COLA for the Extended Opportunity Programs and Services Program.

It is further requested that paragraphs (1) and (2) of subdivision (a) of Provision 18 of this item be amended as follows to conform to this action:

> (1) ~~$193,860,000~~ $194,731,000 shall be used pursuant to Article 8 (commencing with Section 69640) of Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code. Funds provided in this item for Community College Extended Opportunity Programs and Services shall be available to students on all campuses within the California Community Colleges system.
>
> (2) ~~$35,448,000~~ $35,607,000 shall be used for funding, at all colleges, the Cooperative Agencies Resources for Education program in accordance with Article 4 (commencing with Section 79150) of Chapter 9 of Part 48 of Division 7 of Title 3 of the Education Code. The Chancellor of the California Community Colleges shall allocate these funds to local programs on the basis of need for student services.

Item 6870-101-0001, Local Assistance, Disabled Student Programs and Services Program COLA (Issue 117)—It is requested that Schedule (6) of Item 6870-101-0001 be increased by $822,000 ongoing Proposition 98 General Fund to reflect a 2.87 percent COLA for the Disabled Student Programs and Services Program.

Item 6870-101-0001, Local Assistance, Apprenticeship Program COLA (Issue 118)—It is requested that Schedules (2) and (3) of Item 6870-101-0001 be increased by $138,000 ongoing Proposition 98 General Fund and increased by $242,000 ongoing Proposition 98 General Fund, respectively, to align the projected related and supplemental instruction reimbursement rate with a revised estimate of the credit apportionment funding rate that reflects a 2.87 percent COLA.

Item 6870-101-0001, Local Assistance, Student Services for CalWORKs Recipients Program COLA (Issue 119)—It is requested that Schedule (7) of Item 6870-101-0001 be increased by $262,000 ongoing Proposition 98 General Fund to reflect a 2.87 percent COLA for the Student Services for CalWORKs Recipients Program.

It is further requested that paragraphs (1) and (2) of subdivision (b) of Provision 8 of this item be amended as follows:

> (1) ~~$11,781,000~~ $11,834,000 shall be for childcare, except that a community college district may request that the Chancellor of the California Community Colleges approve the use of funds for other purposes.
>
> (2) No less than ~~$6,283,000~~ $6,311,000 shall be used to provide direct workstudy wage reimbursement for students served under this program, and ~~$788,000~~ $791,000 is available for campus job development and placement services.

Item 6870-101-0001, Local Assistance, Student Financial Aid Administration and Board Financial Assistance Program Funding (Issues 122 and 123)—It is requested that Schedule (5) of Item 6870-101-0001 be increased by $306,000 ongoing Proposition 98 General Fund to reflect an increase of $152,000 for the Student Financial Aid Administration Program and an increase of $154,000 for the Board Financial Assistance Program. These adjustments reflect revised estimates of the number of units with fees waived and the dollar amount of fees waived, respectively.

It is further requested that paragraphs (1) and (2) of subdivision (a) of Provision 6 of this item be amended as follows to conform to this action:

> (1) Not less than ~~$14,467,000~~ $14,619,000 is available to provide $0.91 per unit reimbursement to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.
>
> (2) Not less than ~~$14,626,000~~ $14,780,000 is available for the Board Financial Assistance Program to provide reimbursement of 2 percent of total waiver value to community college districts for the provision of California College Promise Grants pursuant to paragraph (2) of subdivision (m) of Section 76300 of the Education Code.

Item 6870-101-0001, Local Assistance, Campus Childcare Tax Bailout Program COLA (Issue 125)—It is requested that Schedule (20) of Item 6870-101-0001 be increased by $20,000 ongoing Proposition 98 General Fund to reflect a 2.87 percent COLA for the Campus Childcare Tax Bailout Program.

Item 6870-101-0001, Local Assistance, Net Offsetting Property Tax Revenue (Issues 126 and 133)—It is requested that Schedule (1) of Item 6870-101-0001 be increased by $122,818,000 ongoing Proposition 98 General Fund to reflect a decrease in estimated net offsetting property tax revenue. It is also requested that a conforming adjustment be made to a related informational non-Budget Act item.

Item 6870-101-0001, Local Assistance, Hold Harmless and Stability Funding for Student Centered Funding Formula (Issue 132)—It is requested that Schedule (1) of Item 6870-101-0001 be decreased by $90,325,000 ongoing Proposition 98 General Fund to reflect a revised estimate of hold harmless and stability funding for districts under the Student Centered Funding Formula.

Item 6870-101-0001, Local Assistance, Umoja Program (Language Only)—It is requested that subparagraph (C) of paragraph (1) of subdivision (d) of Provision 19 of Item 6870-101-0001 be amended as follows:

> (C) Of the funds provided in subparagraph (A), $5,507,000 shall be allocated by the Office of the Chancellor of the California Community Colleges directly to participating districts in accordance with their Umoja Statewide participation agreement for campuses with Umoja programming. Umoja Statewide, in consultation with the Chancellor's Office, shall determine the allocation of resources to campuses. The Umoja Statewide program shall annually report, by July 30, updates on the status of Umoja's capacity building and expansion plan to the Office of the Chancellor of the California Community Colleges and the budget committees of the Senate and Assembly. Of the funds provided in this subparagraph, a negotiated amount, not to exceed 1 percent, ~~shall~~ may be ~~allocated directly~~ provided to the community college district contracting with the Umoja Statewide program office for purposes related to this subparagraph.

Item 6870-101-0001, Local Assistance, Economic Development and Workforce Modernization (Language Only)—It is requested that paragraphs (1) and (2) of subdivision (a) of Provision 16 of item 6870-101-0001 be amended as follows:

> (1) Up to 10 percent may be allocated for state-level technical assistance, including activities that support statewide network leadership~~, organizational development~~; enhance technology-enabled labor market data and tools; provide professional development to improve program accountability and reporting; manage the statewide advisory body, support regional consortia coordination~~,~~; and enhance information and support services.
>
> (2) All remaining funds shall be allocated for programs that target investments in priority and emergent sectors, including statewide or regional centers, hubs, collaborative communities, and advisory bodies. ~~and short-term grants. Short-term grants may include industry-driven regional education and training,~~

~~Responsive Incumbent Worker Training, and Job Development Incentive Training. Funds allocated pursuant to this provision may be used to provide substantially similar services in support of the Strong Workforce Program.~~ Priority shall be given to projects that place graduates into high-wage jobs. Funds may support curriculum modernization, work-based learning, and technology-enabled training aligned with regional labor-market demand, consistent with the goals of the Strong Workforce Program.

Item 6870-201-0001, Local Assistance, Adult Education Program COLA (Issue 114)—It is requested that Item 6870-201-0001 be increased by $3,073,000 ongoing Proposition 98 General Fund to reflect a 2.87 percent COLA for the Adult Education Program.

It is further requested that Provision 2 of this item be amended as follows to conform to this action:

2. Of the funds appropriated in this item, ~~$16,103,000~~ $19,176,000 is provided as a cost-of-living adjustment.

Item 6870-296-0001, Local Assistance, Mandate Block Grant Adjustment and COLA (Issues 120 and 124)—It is requested that Item 6870-296-0001 be increased by $191,000 ongoing Proposition 98 General Fund to reflect an increase of $8,000 to align block grant funding with the revised estimate of applicable full-time equivalent students (FTES) and an increase of $183,000 for a 2.87 percent COLA for the Mandate Block Grant program.

It is further requested that Provision 1 of this item be amended as follows to conform to this action:

1. The funds appropriated in this item are for transfer by the Controller to Section B of the State School Fund. Pursuant to Section 17581.7 of the Government Code, the funds appropriated in this item shall be distributed to community college districts that elect to participate in the block grant on the basis of funded full-time equivalent students (FTES) calculated as of the second principal apportionment for the 2025-26 fiscal year multiplied by $~~37.34~~$37.51 per FTES.

Item 6870-488 and 6870-602-0001, Local Assistance, Reappropriation (Issues 162 and 163)—It is requested that Item 6870-488 be added, and technical Item 6870-602-0001 be increased by $117,388,000 one-time Proposition 98 General Fund to reflect $117,388,000 one-time Proposition 98 General Fund to support deferred maintenance (see Attachment 1).

Current and Prior Year Adjustments

Item 6870-101-0001, Local Assistance, 2024-25 Student Centered Fund Formula (SCFF) Apportionments Adjustment (Issue 161)—It is requested that statutory changes transmitted with the Governor's Budget be amended to decrease Schedule (1) of Item 6870-101-0001, Budget Act of 2024, by $50,468,000 one-time Proposition 98 General Fund and increase Schedule (1) of Item 6870-101-0001, Budget Act of 2025 by $50,468,000 one-time Proposition 98 General Fund to align with changes to the Proposition 98 Guarantee.

Item 6870-101-0001, Local Assistance, 2025-26 Apportionment Adjustments to Reflect Revised Local Revenue Estimate (Issues 126 and 133)—It is requested that statutory changes transmitted with the Governor's Budget be amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2025, by $114,205,000 Proposition 98 General Fund to reflect an associated decrease in revised offsetting local revenue estimates. It is also requested that corresponding adjustments be made to a related informational non-Budget Act item.

Item 6870-101-0001, Local Assistance, 2025-26 Apportionment Adjustments to Reflect Revised Estimate of Offsetting Student Fees (Issues 115 and 130)—It is requested that statutory changes transmitted with the Governor's Budget be amended to increase Schedule (1) of Item 6870-101-0001, Budget Act of 2025, by $5,171,000 one-time Proposition 98 General Fund to reflect revised estimates of offsetting student fees. It is also requested that corresponding adjustments be made to a related informational non-Budget Act item.

Item 6870-101-0001, Local Assistance, 2025-26 Net Offsetting EPA Revenue (Issues 127 and 134)—It is requested that statutory changes transmitted with the Governor's Budget be amended to decrease Schedule (1) of Item 6870-101-0001, Budget Act of 2025, by $109,136,000 one-time Proposition 98 General Fund to reflect an associated increase in net offsetting EPA revenue. It is also requested that corresponding adjustments be made to related non-Budget Act items.

Statutory Changes

Fund SCFF with Public School System Stabilization Account (PSSSA) Deposit—It is requested that statutory changes transmitted with the Governor's Budget be withdrawn to reflect the cancellation of the one-time $44,483,000 withdrawal from the Public School System Stabilization Account to fund 2026-27 SCFF apportionment costs.

Fund Related and Supplemental Instruction Apprenticeship Backfill—It is requested that statutory changes transmitted with the Governor's Budget be amended to increase the proposed appropriation for the Related and Supplemental Instruction Apprenticeship program from $13,370,000 Proposition 98 General Fund to $16 million Proposition 98 General Fund.

Amendment to Funding for Deferred Maintenance—It is requested that statutory changes transmitted with the Governor's Budget for the proposed one-time Proposition 98 General Fund appropriation for deferred maintenance be decreased by $117,388,000 in 2026-27.

Augmentation of Student Support Block Grant—It is requested that statutory changes transmitted with the Governor's Budget for the proposed one-time Proposition 98 General Fund appropriation for the Student Support Block Grant be increased by $70,259,000 in 2025-26 and be decreased by $69,652,000 in 2026-27. This results in a net increase of $607,000 one-time Proposition 98 General Fund available for this purpose. It is also requested that language be added to clarify the permissible uses of the funding.

Student Housing Data Collection Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 66014.6 of the Education Code with the report submitted pursuant to Section 17201 of the Education Code.

Student Housing Grant Program Report—It is requested that statutory changes be added to consolidate the reporting requirements pursuant to Section 17201 of the Education Code with the report submitted pursuant to Section 66014.6 of the Education Code.

Use of SCFF Discretionary COLA Increase—It is requested that statutory changes be added to specify that, beginning in 2026-27, funding provided for SCFF beyond the statutory cost-of-living adjustment shall be used if community colleges have costs associated with providing all employees with up to 14 weeks of paid pregnancy disability leave pursuant to Sections 87766 and 88193.

Informational

Pursuant to Education Code section 84758, the Department of Finance is required to notify the Legislature and the Chancellor's Office of the amount of revenue estimated to be available to community college districts during the next fiscal year from local taxes, exclusive of bond interest and redemption, and timber taxes received.

Finance estimates that property taxes totaling $4,661,212,000 net of excess taxes will be available to offset district apportionments in 2026-27. This estimate excludes $765,000 in estimated timber tax revenues.

Education Code section 84758 also requires Finance to notify the Legislature of the difference between the Chancellor's Office 2025-26 local property tax estimate, excluding timber taxes, and Finance's 2025-26 property tax estimates as of May 2025, excluding timber taxes.

As of the second principal apportionment payment, the Chancellor's Office reported 2025-26 local property taxes of $4,307,802,000 net of excess taxes and excluding timber taxes, which was $591,000. As of May 2025, Finance's 2025-26 property tax estimate was $4,437,324,000, net of excess taxes and excluding timber taxes, which was $1,074,000. Therefore, the Chancellor's Office's current property tax estimate, based on second principal apportionment payments, for 2025-26 is $131,114,000 below Finance's May 2025 estimate.

Proposed statutory amendments for these requests can be viewed at www.dof.ca.gov.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Dominick Guidera, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader's Office
Sonya Christian, Chancellor, California Community Colleges Chancellor's Office
Chris Ferguson, Executive Vice Chancellor, California Community Colleges Chancellor's Office
David O'Brien, Vice Chancellor, California Community Colleges Chancellor's Office

6870-488—Reappropriation (Proposition 98), Board of Governors of the California Community Colleges. Notwithstanding any other law, the balances from the following appropriations are available for reappropriation for the purposes specified in the provisions below:

0001—General Fund

(1) $10,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Student Success and Support in Schedule (9) of Item 6870-101-0001, Budget Act of 2017 (Chs. 14, 22, and 54, Stats. 2017).

(2) $770,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for California State Pathways in Technology in Section 45 of Chapter 33 of the Statutes of 2018.

(3) $6,048,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for repayment of deferred apportionments funding in Section 8 of Chapter 25 of the Statutes of 2020.

(4) $63,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Workforce Investment Initiatives in Section 87 of Chapter 144 of the Statutes of 2021.

(5) $42,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for lease-revenue bond payments in Schedule (1) of Item 6870-103-0001, Budget Act of 2021(Chs. 21, 69, 240, Stats. 2021).

(6) $4,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for lease-revenue bond payments in Schedule (1) of Item 6870-103-0001, Budget Act of 2022 (Chs. 43, 45, 249, Stats. 2022).

(7) $9,588,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for Community College Summer Assistance Program in Schedule (24) of Item 6870-101-0001, Budget Act of 2023 (Chs. 12, 38, 189, Stats. 2023).

(8) $10,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for lease-revenue bond payments in Schedule (1) of Item 6870-103-0001, Budget Act of 2023 (Chs. 12, 38, 189, Stats. 2023).

(9) $13,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for mandates in Item 6870-295-0001, Budget Act of 2023 (Chs. 12, 38, 189, Stats. 2023).

(10) $100,732,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for apportionments in Schedule (1) of Item 6870-101-0001, Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024), as amended by Chapter 9, Statutes of 2025 and Chapter 745, Statutes of 2025.

(11) $47,000 whatever greater or lesser amount of the unexpended balance of the amount appropriated for maintenance allowance in Schedule (1) of Item 6870-101-0001, Budget Act of 2024 (Chs. 22, 35, 994, Stats. 2024) as amended by Chapter 9, Statutes of 2025 and Chapter 745, Statutes of 2025.

(12) $18,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for lease-revenue bond payments in Schedule (1) of Item 6870-103-0001, Budget Act of 2024 (Chs. 22, 35, 994, Stats. 2024).

(13) $13,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for mandates in Item 6870-295-0001, Budget Act of 2024 (Chs. 22, 35, 994, Stats. 2024).

(14) $30,000 or whatever greater or lesser amount of the unexpended balance of the amount appropriated for mandates in Item 6870-296-0001, Budget Act of 2024 (Chs. 22, 35, 994, Stats. 2024).

Provisions:

1. The sum of $117,388,000 is reappropriated for transfer by the Controller to Section B of the State School Fund to support deferred maintenance costs, pursuant to pending legislation. Funds appropriated pursuant to this provision shall be available for encumbrance or expenditure until June 30, 2031.

DEPARTMENT OF FINANCE
OFFICE OF THE DIRECTOR

Gavin Newsom ▪ Governor
1021 O Street, Suite 3110 ▪ Sacramento CA 95814 ▪ www.dof.ca.gov

May 14, 2026

Honorable John Laird, Chair
Senate Budget and Fiscal Review Committee

Attention: Elisa Wynne, Staff Director

Honorable Jesse Gabriel, Chair
Assembly Budget Committee

Attention: Christian Griffith, Chief Consultant

Amendment to, Addition of, and Elimination of Various Budget Bill Items and Reimbursements, Statutory Changes, Support and Local Assistance, California Student Aid Commission

Item 6980-001-0001, State Operations, Adjustment to Department Vacancy Savings and Position Elimination Reductions (Issue 085)—It is requested that Schedule (1) of Item 6980-001-0001 be decreased by $164,000 and 0.5 positions ongoing General Fund to adjust the reductions authorized under Control Section 4.12 in the Budget Act of 2024 (Chs. 22, 35, and 994, Stats. 2024) for Vacant Position Savings. It is also requested that Schedule (1) of Item 6980-001-0001 be decreased by $164,000 one-time General Fund for fiscal year 2025-26.

Item 6980-001-0001, State Operations and Reimbursement, Administrative Support for CalKIDS Program (Issue 086)—It is requested that Schedule (1) and Schedule (2) of Item 6980-001-0001 be amended to increase reimbursement authority by $10,000 one-time to reflect available General Fund to promote and support CalKIDS award recipients in accessing student financial aid. This program is a collaboration and partnership between the Scholarshare Investment Board and the California Student Aid Commission.

It is also requested that provisional language be added as follows to conform to this action:

> 2. Of the reimbursements identified in Schedule (2), $10,000 shall be available on a one-time basis to support a data sharing agreement with the Scholarshare Investment Board. The agreement and collaboration shall support CalKIDS program recipients and promote student financial aid. It is the intent of the Legislature to provide one-time annual augmentations of $10,000 for this purpose through 2029-30.

Item 6980-001-0001, State Operations, Support for the Federal Workforce Pell Grant Program (Issue 088)—It is requested that Schedule (1) of Item 6980-001-000 be increased by $664,000 one-time General Fund to allow California to participate in the new federal Workforce Pell Grant program as authorized under the House of Representatives (H.R.) 1 of 2025.

It is also requested that provisional language be added as follows to conform to this action:

> 2. Of the funds appropriated in this Item, $664,000 is available for state activities to implement and participate in the federal Workforce Pell Grant Program. Disbursement of these funds are contingent on Department of Finance approval of an expenditure plan for the use of these funds submitted by the department.

Item 6980-101-0001, Local Assistance, Middle Class Scholarship Program (Issues 066 and 071)—It is requested that Schedule (1) of Item 6980-101-0001 be decreased by $90,446,000 one-time General Fund to reflect the revised estimate for awards issued in the 2025-26 academic year. This request also includes a technical correction to increase support by $5 million one-time General Fund for a total one-time cost of $959,000,000. This net decrease in appropriation supports the 2025-26 awards at a level of 35 percent of unmet need of the total cost of attendance for eligible University of California and California State University resident undergraduate students as specified in the Budget Act of 2025 (Chs. 4 and 5, Stats. 2025).

It is also requested that Schedule (1) of Item 6980-101-0001 be increased by $10,576,000 ongoing General Fund to reflect the revised estimate for the Middle Class Scholarship program in 2027-28 for awards issued in 2026-27 for a total of $523,614,000. This revised estimate maintains the Governor's Budget proposal to support 17.5 percent of total unmet need.

It is further requested that provisional language be added to Provision 7 of Item 6980-101-0001 as follows to authorize the appropriation to occur in arrears and a short-term General Fund loan to fund the award:

(b) It is the intent of the Legislature to appropriate funding in the succeeding state budget sufficient to retire the loan authorized pursuant to subdivision (c).

c) The Department of Finance shall authorize a loan from the General Fund for cashflow purposes to cover the cost of Middle Class Scholarship awards issued in 2026–27. Interest charges shall be waived pursuant to subdivision (e) of Section 16314 of the Government Code.

Item 6980-101-0001, 2025-26 Local Assistance, Golden State Teacher Grant Program (Issues 067 and 074)—It is requested that Schedule (1) of Item 6980-101-0001 be increased by $11,294,000 one-time to reflect revised Golden State Teacher Grant Program estimates in 2025-26.

Item 6980-101-0001, Local Assistance, Cal Grant Program (Issue 069)—It is requested that Schedule (1) of Item 6980-101-0001 be decreased by $31,455,000 ongoing General Fund to reflect revised Cal Grant program estimates starting in 2026-27. Compared to the Governor's Budget, it is also requested that the item be increased by $4,761,000 one-time General Fund for 2025-26 awards.

Item 6980-101-0001, Local Assistance, Adjustment to the Chafee Grant for Foster Youth Award (Issue 070)—It is requested that Schedule (1) and Schedule (2) of Item 6980-101-0001 be amended to increase reimbursement authority by $1,228,000 to reflect revised estimates of available ongoing General Fund for the Chafee Grant for Foster Youth Award program. Compared to the Governor's Budget, there is a $1,228,000 one-time increase in reimbursement cost in 2025-26.

Item 6980-101-0001, Local Assistance, John R. Justice Grant Program (Issue 073)—It is requested that Schedule (1) and Schedule (2) of Item 6980-101-0001 be amended to decrease reimbursement authority by $160,000 to reflect changes consistent with revised estimates of costs of the John R. Justice Grant Program in 2026-27.

Item 6980-101-0001, Local Assistance, Adjustment for Law Enforcement Personnel Dependents Scholarship Awards (Issue 076)—It is requested that Schedule (1) of Item 6980-101-0001 be increased by $52,000 ongoing to reflect revised Law Enforcement Personnel Dependents Scholarship awards in 2026-27. Compared to the Governor's Budget, there is also a one-time increased cost of $52,000 in 2025-26.

Items 6980-490 and 6980-101-0001, Local Assistance, Reappropriation, Golden State Teacher Grant Program (Issue 078)—It is requested that Item 6980-101-0001 be decreased by $14,400,000 one-time General Fund to reflect the revised estimates for the Golden State Teacher Program authorized in the Budget Act of 2021 (Chs. 21, 69, and 240, Stats. 2021).

It is also requested that Item 6980-490 be eliminated to conform to this action.

Item 6980-101-0001, Local Assistance and Reimbursement, Federal Title II, Part A Funds for the Golden State Teacher Grant Program (Issue 087)—It is requested that Schedule (1) and Schedule (2) of Item 6980-101-0001 be amended to increase reimbursement authority by $1,630,000 one-time to reflect available Federal Title II, Part A funds to support the Golden State Teacher Grant Program.

It is also requested that provisional language be added as follows to conform to this action:

> 1.3. Of the reimbursements identified in Schedule (2) of this Item, $1,630,000 is for Federal Title II, Part A support for the Golden State Teacher Grant Program, pursuant to Article 5.1 (commencing with Section 69617) of Chapter 2, of Part 42, of Division 5, of Title 3 of the Education Code and shall be available on a one-time basis for encumbrance and expenditure through June 30, 2030.

Item 6980-101-0001, Local Assistance and Reimbursement, Special Education Support for the Golden State Teacher Grant Program (Issue 089)—It is requested that Schedule (1) and Schedule (2) of Item 6980-101-0001 be amended to increase reimbursement authority by $16,152,000 ongoing to reflect available federal Individuals with Disabilities Act (IDEA) funds to support the Golden State Teacher Grant Program.

It is also requested that provisional language be added as follows to conform to this action:

> 1.4. Of the reimbursements identified in Schedule (2) of this item, $16,152,000 is for the federal Individuals with Disabilities Act (IDEA) to support the Golden State Teacher Grant Program recipients who are pursuing a special education credential, pursuant to Article 5.1 (commencing with Section 69617) of Chapter 2, of Part 42, of Division 5, of Title 3 of the Education Code, and shall be available for encumbrance and expenditure through June 30, 2030.

Item 6980-101-3263, Local Assistance, Cal-HBCU Transfer Grant Program (Issue 072)—It is requested that Item 6980-101-3263 be decreased by $200,000 ongoing to reflect revised estimates for the Cal-HBCU Transfer Grant Program. Compared to the Governor’s Budget, there is also a $145,000 one-time decreased cost for the program in 2025-26.

Item 6980-101-8099, Local Assistance, Public Interest Attorney Loan Repayment Program Administration (Issue 064 and 077)—It is requested that Item 6980-101-8099 be decreased by $754,000. The adjustment consists of $618,000 ongoing, to reflect the revised estimate of $286,000, for the Public Interest Loan Attorney Loan Repayment Program, and the removal of $468,000, of which $136,000 is one-time, for a technical accounting correction in the Governor’s Budget. Compared to Governor’s Budget, there is a one-time decrease of $942,000 in 2025-26 to correct a technical accounting adjustment.

Statutory Changes

Federal Workforce Pell Grant Program—It is requested that statutory changes be added to enable California’s participation in the new federal Workforce Pell Grant program as authorized under the House of Representatives (H.R.) 1 of 2025.

Golden State Teacher Grant Awards—It is also requested that statutory changes be added to increase the Golden State Teacher Grant Program award amount for recipients earning a special education credential to $20,0000 and authorizes the California Student Aid Commission to issue new awards associated with any unexpended General Fund from the Budget Act of 2025 (Chs. 4 and 5, Stats. 2025) until June 30, 2027.

The effect of my requested action is reflected on the attachment.

If you have any questions or need additional information regarding this matter, please call Jennifer Louie, Principal Program Budget Analyst, at (916) 445-0328.

JOE STEPHENSHAW
Director
By:

/s/ Erika Li

ERIKA LI
Chief Deputy Director

Attachment

cc: Honorable Sabrina Cervantes, Chair, Senate Appropriations Committee
Attention: Mark McKenzie, Staff Director
Honorable Roger W. Niello, Vice Chair, Senate Budget and Fiscal Review Committee
Attention: Elisa Wynne, Staff Director
Honorable Buffy Wicks, Chair, Assembly Appropriations Committee
Attention: Jay Dickenson, Chief Consultant
Honorable David Tangipa, Vice Chair, Assembly Budget Committee
Attention: Christian Griffith, Chief Consultant
Honorable Sasha Renée Pérez, Chair, Senate Budget and Fiscal Review Subcommittee No. 1
Honorable David Alvarez, Chair, Assembly Budget Subcommittee No. 3
Gabriel Petek, Legislative Analyst
Kirk Feely, Fiscal Director, Senate Republican Fiscal Office
Christopher W. Woods, Budget Director, Senate President pro Tempore's Office
Joseph Shinstock, Fiscal Director, Assembly Republican Caucus, Office of Policy and Budget
Jason Sisney, Budget Director, Assembly Speaker's Office
Paul Dress, Chief of Staff, Assembly Republican Caucus
Dylan Gray, Chief of Staff, Assembly Republican Leader’s Office
Dr. Daisy Gonzales, Executive Director, California Student Aid Commission
Catalina Mistler, Chief Deputy Executive Director, California Student Aid Commission
Tiffany Argento, Deputy Director, Administration, California Student Aid Commission