



BOARD COMMUNICATIONS

MAY 30, 2025

TO: Members of the Board of Education
FROM: Mao Misty Her, Superintendent

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Board Communications Approved by:
Mao Misty Her, Superintendent



Fresno Unified School District
Board Communication

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Mao Misty Her, Superintendent

Date: May 30, 2025

Phone Number: 457-3884

Regarding: Superintendent Calendar Highlights

The purpose of this communication is to inform the Board of notable calendar items:

- Held teacher listening sessions with the following school sites: Farber, Fresno, and Phoenix Secondary.
- Met with Executive Cabinet
- Attended Design Science graduation ceremony
- Gave interview with Brisa Colón, ABC30 regarding document released
- Participated in Wallace Equity Centered Pipeline Initiative Superintendent's Quarterly Meeting
- Gave interview with Daniel Gligich, San Joaquin Valley Sun, regarding document released
- Gave interview with Ben Morris, CBS47/KSEE24
- Presented the Fresno Unified Goals and Guardrails at the Parent Advisory Committee Meeting
- Attended the Rata graduation ceremony
- Met with ACSA principals
- Attended the Dailey Olympics Family Night

If you have any questions pertaining to the information in this communication, or require additional information, please contact Misty Her at 457-3884

Cabinet Approval:



Name and Title: Mao Misty Her, Superintendent

Fresno Unified School District
Board Communication

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Kim Kelstrom, Chief Executive

Date: May 30, 2025

Phone Number: 457-3907

Regarding: School Services Weekly Update Reports for May 23, 2025

The purpose of this communication is to provide the Board a copy of School Services of California's (SSC) Weekly Updates. Each week SSC provides an update and commentary on different educational fiscal issues. In addition, they include different articles related to education issues. The SSC Weekly Updates for May 23, 2025, are attached and include the following articles:

- An Overview of the 2025-26 Governor's May Revision – May 14, 2025
- LAO Reviews Governor's May Revision – May 20, 2025
- 'Trump Slump' or 'Gavin's Gap'? How California Got Into a \$12 Billion Deficit – May 16, 2025
- California Public Schools Stop Hemorrhaging Students – May 21, 2025

If you have any questions pertaining to the information in this communication, or require additional information, please contact Kim Kelstrom at (559) 457-3907.

Cabinet Approval:



Name and Title: Patrick Jensen, Chief Financial Officer



1121 L Street

•
Suite 1060

•
Sacramento

•
California 95814

•
TEL: 916 . 446 . 7517

•
FAX: 916 . 446 . 2011

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www.sscal.com

DATE: May 23, 2025

TO: Misty Her
Interim Superintendent

AT: Fresno Unified School District

FROM: Your SSC Governmental Relations Team

RE: ***SSC's Sacramento Weekly Update***

Governor Releases May Revision

Last Wednesday, May 14, 2025, Governor Gavin Newsom released his revised 2025-26 State Budget proposal and unveiled that the state is facing a projected \$12 billion shortfall next fiscal year. The May Revision projects both lower revenues and increased costs of health care in the current year and near term. During his press conference, the Governor repeatedly blamed President Donald Trump's tariff policy for negatively impacting California's foreign trade, tourism, and immigration. Governor Newsom said that the tariffs undermine key industries and are eroding financial markets that are critical to California's fiscal health.

To address the budget deficit, the Governor proposes to use a combination of reductions, borrowing, funding shifts, deferrals, and expenditures that would only be activated if sufficient revenues materialize. First seen in his January 2025 Governor's Budget proposal, the plan to under-appropriate the 2024-25 minimum guarantee remains in his May Revision to the tune of \$1.3 billion. However, Proposition 98 is largely insulated from these problems, with minimal disruptions to the proposals from the Governor's Budget in early January 2025, despite all that has come to pass since then.

Last Wednesday, we at School Services of California Inc. published a *Fiscal Report* article that provides a comprehensive analysis and review of the Governor's major education proposals, which can be found below.

The next step in the legislative process is for the Legislature to approve its version of the State Budget by June 15, 2025. The Assembly and Senate Budget subcommittees have already started convening to vet the Governor's May Revision and establish their own priorities. Over the next couple of weeks, the two houses will approve a legislative budget which will form the basis of the tri-party negotiations between the Governor and legislative leadership. We will keep you apprised of the progress of the State Budget in subsequent updates.

LAO Offers Alternative Education Budget Plan

During Tuesday's Assembly Budget Subcommittee on Education Finance hearing, the Legislative Analyst's Office (LAO), the Legislature's nonpartisan policy and fiscal advisor, expressed several concerns about Governor Newsom's 2025-26 May Revision education proposals, including the following:

- Expanding programs despite weaker revenues and an uncertain economy
 - The May Revision would task districts with hiring staff and expanding local programs based on funding levels that the state might be unable to sustain
- Creating a structural deficit in the Proposition 98 budget by using \$1.6 billion in one-time funds to cover ongoing spending

One-time funds expire in 2026-27, but the ongoing program costs continue and thus the state would have to address this deficit before funding the cost-of-living adjustment (COLA) or other priorities in 2026-27.

- Utilizing deferrals to support new spending
 - The May Revision uses deferrals to free up funding for new proposals and augmentations to existing programs, which reduces the state's capacity to address a sharper downturn that could emerge before the deferrals are repaid

The LAO argues that its [alternative plan](#) would eliminate the deficit by aligning ongoing spending with the Proposition 98 minimum guarantee, avoid payment deferrals and apportionment shortfalls, maintain funding for the COLA and enrollment-related increases, and provide more one-time discretionary funding for schools. It believes this will preserve core programs and services across 2024-25 and 2025-26, reduce budget pressure, and set the state up to have better choices in 2026-27 and beyond.

To fund its plan, the LAO proposes the following ongoing actions related to the May Revision:

- Reject the \$526 million increase to the Expanded Learning Opportunities Program
- Delay the 10:1 staffing requirement for transitional kindergarten and proposed \$517 million until revenues improve
- Reduce funding for the California State Preschool Program by \$336 million
- Delay the implementation of the School Attendance Recovery Program, which could save at least \$200 million
- The LAO also proposes to reject or reduce the following one-time proposals:
 - Literacy and math coaches (\$500 million)
 - Literacy training proposal (\$200 million)
 - Kitchen Infrastructure and Training Grant Program (\$150 million)

- National Board Certification Incentive Program (\$100 million)
- Student teacher stipends (\$100 million)
- Literacy screenings (\$25 million)
- Statewide system of support (\$25 million)
- Secondary school redesign pilot (\$15 million)

Under its plan the LAO would increase funding for the discretionary block grant by \$410 million more than the May Revision, for a total of \$2.1 billion, and permit local educational agencies to use their discretionary grants for any of the May Revision proposals that would no longer receive funding, for implementing their local priorities, and to cover one-time and temporary costs.

At this point, we do not know which proposals, if any, the Legislature will adopt from the LAO's alternative plan. While the LAO is their policy and fiscal advisors, legislators have their own priorities and thoughts on how to craft the 2025-26 State Budget.

Leilani Aguinaldo

An Overview of the 2025-26 Governor's May Revision

By SSC Team
School Services of California Inc.'s *Fiscal Report*
May 14, 2025

Overview of the Governor's May Revision Proposals

Leading up to May 14, 2025, Governor Gavin Newsom's press office sought to set the tone of the May Revision, highlighting state spending and programs to address homeless encampments, behavioral health treatment facilities, and clean water while also sounding economic alarm bells.

When Governor Newsom's press conference began, he kicked off his comments lauding the size of California's economy and quickly pivoted to actual and anticipated impacts of federal policy, specifically, tariffs imposed by President Donald Trump. The Governor's May Revision resolves the dual problems of lower revenues in 2025-26 and increased health care costs in the current and near term through a combination of reductions, borrowing, funding shifts, and expenditures that would only be activated if sufficient revenues materialize.

Thankfully for K-12 education, Proposition 98 is largely insulated from these problems, with minimal disruptions to the proposals from the Governor's Budget in early January 2025, despite all that has come to pass since then.

The Economy and Revenues

At the release of the May Revision, Governor Newsom noted that California has advanced from the fifth to the fourth largest economy in the world while highlighting the high level of uncertainty in both the California and national economies. Specifically, broad elevated tariffs, strict immigration policies, and cuts to the federal workforce are mentioned as a cause of a "significantly dampened outlook" since the release of the Governor's Budget in January. Although cash receipts are estimated to have exceeded the Governor's Budget forecast for the "Big Three" sources of state revenue (personal income, corporation, and sales and use taxes) through April 2025 by \$7.9 billion, overall, revenues of the "Big Three" are projected to be lower by \$4.8 billion over the budget window. When compared to the Governor's Budget figures, personal income tax saw an increase in 2023-24 and 2024-25 and a significant decrease in 2025-26 projections. Corporation tax estimates and projections show an increase in 2023-24 and a decrease in 2024-25 and 2025-26. Sales and use tax shows a decrease in each of the three years.

“Big Three” Revenue Sources (In Millions)						
	2023-24		2024-25		2025-26	
	Governor’s Budget	May Revision	Governor’s Budget	May Revision	Governor’s Budget	May Revision
Personal Income Tax	\$113,380	\$115,166	\$121,106	\$125,706	\$133,815	\$126,107
Corporation Tax	\$34,318	\$35,456	\$43,199	\$41,296	\$37,377	\$35,293
Sales Tax	\$33,342	\$33,339	\$34,110	\$33,706	\$35,125	\$34,866
Total	\$181,040	\$183,961	\$198,415	\$200,708	\$206,317	\$196,266

Beyond the budget window, the long-term May Revision forecast projects cumulatively lower General Fund revenues attributed to the “Big Three” by \$22.7 billion in 2026-27 through 2028-29 with a peak yearly revenue downgrade of \$13.7 billion in 2026-27.

The May Revision, and what will become the 2025-26 Enacted Budget in late June, has some risks. The immediate risks noted by the Governor are changes to federal policy, notably tariffs to which the Governor attributes the downgrade in both the economic and revenue forecasts. In addition, expenditure growth above the Governor’s Budget has contributed to an estimated \$12 billion shortfall.

With regard to major economic indicators, the May Revision forecasts a “growth recession” due to a slowdown in gross domestic product (GDP) growth, lower job growth, and higher unemployment. After the “growth recession” ends in the third quarter of 2025, a slow growth period, with an average GDP growth of 1.7%, is anticipated from 2026 through 2028.

Proposition 98 Minimum Guarantee

Due to California’s deteriorated budget condition, the May Revision reduces the Proposition 98 minimum guarantee across 2023-24, 2024-25, and 2025-26 by a total of \$4.6 billion from the Governor’s Budget estimates.

Proposition 98 Minimum Guarantee (In Billions)								
2023-24			2024-25			2025-26		
Governor’s Budget	May Revision	Difference	Governor’s Budget	May Revision	Difference	Governor’s Budget	May Revision	Difference
\$98.50	\$98.50	-	\$119.20	\$118.90	-\$0.30	\$118.90	\$114.60	-\$4.30

The May Revision maintains (but marginally reduces) the Governor’s Budget proposal to delay fully appropriating the 2024-25 minimum guarantee to TK-12 and community college agencies to mitigate against the risk of providing more funding to education than the California Constitution requires. In January, the Governor proposed delaying \$1.6 billion of the 2024-25 guarantee. At the May Revision (due a revised downward adjustment to the guarantee), the delayed amount is now proposed at \$1.3 billion. The minimum

guarantee in 2024-25 and 2025-26 continues to be determined by Test 1, or roughly 40% of General Fund revenue.

The May Revision also maintains the commitment to “rebench” the minimum guarantee for costs associated with implementing universal transitional kindergarten (UTK) in 2025-26 but reduces projected costs from January attributable to decreased TK enrollment estimates. Additionally, the May Revision proposes to change the share of Proposition 98 resources that go to TK-12 and community college districts, increasing the TK-12 share by a proposed \$492.4 million and making an equal reduction for community college districts.

Finally, the May Revision continues to retire a total of \$490.3 million in apportionment deferrals from the 2024-25 Enacted Budget, but proposes to institute new deferrals. For TK-12 agencies, the May Revision proposes deferring \$1.8 billion in Local Control Funding Formula (LCFF) apportionments from June 2026 to July 2026 and \$531.6 million in Student Centered Funding Formula apportionments for community colleges from 2025-26 to 2026-27.

Proposition 98 Rainy Day Fund and Local Reserves

The May Revision maintains the full withdrawal of the \$8.4 billion balance from 2023-24. Due to changes in capital gains revenues, the May Revision reduces the mandatory deposit into the Public School System Stabilization Account (PSSSA) in 2024-25 from \$1.2 billion to \$540 million. In 2025-26, rather than deposit an additional \$376 million, the drop in the Proposition 98 guarantee triggers a mandatory withdrawal from the PSSSA, which will completely deplete the PSSSA.

With the PSSSA balance of \$540 million in 2024-25, the 10% school district reserve cap will not be operative in 2025-26.

COLA

As noted above, the May Revision fully funds the statutory cost-of-living adjustment (COLA) of 2.30% for the LCFF, which is slightly lower than the January estimate of 2.43%.

The statutory COLA is proposed to be applied to other education programs funded outside of the LCFF, including the Equity Multiplier, Special Education, Child Nutrition, Foster Youth, Mandate Block Grant, Adults in Correctional Facilities Program, Charter School Facility Grant Program, American Indian Education Centers, and the American Indian Early Childhood Education Program.

The State Preschool Program rates are not adjusted by the statutory COLA (see the Early Childhood Education section below).

LCFF Entitlements for School Districts and Charter Schools

The LCFF will receive the statutory COLA of 2.30%. When taking into consideration the statutory COLA and adjustments due to population growth, the May Revision proposes an increase of approximately \$2.1 billion to the LCFF. (Once again, one-time monies are being proposed to support ongoing costs—\$481 million from the Rainy Day Fund is being used to support LCFF costs in 2025-26.)

Therefore, the base grants by grade span for 2025-26 are increased over 2024-25 by the statutory COLA of 2.30%.

Grade Span	2024-25 Base Grant per ADA	2.30% COLA	2025-26 Base Grant per ADA
TK-3	\$10,025	\$231	\$10,256
4-6	\$10,177	\$234	\$10,411
7-8	\$10,478	\$241	\$10,719
9-12	\$12,144	\$279	\$12,423

The TK-3 base grant increase for the class-size reduction (CSR) grade span adjustment is \$1,067 per average daily attendance (ADA) in 2025-26 and the grades 9-12 base grant per ADA is increased by \$323 in recognition of the need for career technical education (CTE) courses provided to students in the secondary grades.

School districts and charter schools are entitled to supplemental grant increases equal to 20% of the adjusted base grant (including CSR and CTE funding) for the percentage of enrolled students who are English learners, eligible for the free or reduced-price meals program, or in foster care. An additional 65% per-pupil increase is provided as a concentration grant for each percentage of eligible students enrolled beyond 55% of total enrollment, with 15% of the concentration grant to be used to increase the number of adults providing direct services (nurses, teachers, counselors, paraprofessionals, and others) to students.

There are two other LCFF-related funding sources included in the May Revision. First is the Equity Multiplier to which COLA is also applied. The 2.30% statutory COLA results in a total investment of \$310.2 million in 2025-26 and a minimum per-school site allocation of \$51,697. Second, the May Revision includes \$7.5 million in one-time funding through 2026-27 to backfill for the loss of LCFF supplemental and concentration grant funds attributable to transitional kindergarten (TK) students who would have been identified as English learners through the administration of the English Language Proficiency Assessments for California (ELPAC). Signed into law in 2024, Assembly Bill 2268 (Muratsuchi, Statutes of 2024) excludes TK from the definition of kindergarten for the purposes of the ELPAC.

UTK

The state's 2025-26 investment in UTK totals \$2.1 billion ongoing, an amount that includes prior-year investments and funding to support all children who turn four years old by September 1 of the school year to enroll in TK. The Governor's Budget originally included \$2.4 billion for this purpose but has reduced the investment due to revised ADA estimates and the lower COLA. In addition, \$1.2 billion ongoing is provided for the lower 10:1 student-to-adult ratio that is required under current law starting in 2025-26. The new per-pupil rate for the TK student-to-adult ratio is \$5,545.00 at the May Revision, a lower amount than originally proposed in January.

ELO-P

The May Revision maintains the Governor's commitment to before, after, and summer school instruction and enrichment for students in grades TK-6 by increasing the number of local educational agencies (LEAs) that must provide universal access for the Expanded Learning Opportunities Program (ELO-P). As proposed in January, LEAs with an unduplicated pupil percentage (UPP) of 55% will be required to offer and provide access to ELO-P to all students in grades TK-6, a change from the 75% UPP threshold in current law. LEAs with a UPP greater than or equal to 55% will receive \$2,750 per student under this proposal, and the May Revision includes a state investment of \$515.5 million for this purpose, an amount higher than in January because of an increase in the ADA of unduplicated students. In addition, the Governor proposes to increase the minimum ELO-P grant amount from \$50,000 to \$100,000 per LEA for an additional state ELO-P investment of \$10 million.

Student Support and Professional Development Discretionary Block Grant and LREBG

The May Revision proposes reducing the investment in the Student Support and Professional Development Discretionary Block Grant from \$1.8 billion to \$1.7 billion. The Governor maintains the flexibility of the grant to address rising costs and other state priorities. Funds are proposed to be allocated on a per-ADA basis to all LEAs, including the state special schools.

The Governor proposed no changes to his proposal to restore \$378.6 million to the Learning Recovery Emergency Block Grant (LREBG) to support learning recovery initiatives through the 2027-28 school year.

Literacy Investments

The May Revision continues the investments identified in the Governor's Budget and adds additional funds to ensure aligned implementation of California's research-based English Language Arts/English Language Development Framework, the Statewide Literacy Network, and adds a Statewide Mathematics Network. The May Revision adds \$200 million one-time funds to support evidenced-based professional learning for elementary school educators and \$10 million one-time funds for a county office of education to partner with the University of California, San Francisco Dyslexia Center to support the Multitudes screener, which is free to California public schools. The Governor noted approval for the California Department of Education to align existing statewide infrastructure, resources, and expertise in the state's system of literacy supports utilizing funds from the federal Comprehensive Literacy State Development grant.

Educator Investments

The Governor modifies the investment in supporting teachers and the educator pipeline by repurposing the January State Budget proposal for \$150 million one-time funds for the Teacher Recruitment Incentive Grant Program to instead provide \$100 million in one-time funds for student teacher stipends. Those eligible for the \$10,000 stipend will have completed 500 or more hours of student teaching and be enrolled in a program of professional preparation for a preliminary multiple subject, single subject, education specialist or PK-3 early childhood education specialist instruction credential. The program will be operated on a first-come, first-served basis. Additionally, the Governor is extending the deadline by one year for clear credential candidates who received waivers during the COVID-19 pandemic to complete an induction program or two years of service, and for teacher candidates to pass the Reading Instruction Competence Assessment.

Early Childhood Education

To help address the budget shortfall, the May Revision proposes to suspend the COLA in 2025-26 for the California State Preschool Program and child care but maintains funding for the Cost of Care Plus Rate to fund provider stipends. The May Revision includes \$7 billion (\$4.5 billion General Fund) for Department of Social Services administered child care and development programs, and maintains prior commitments for the state to move to a single-rate system based on cost of care.

Universal Meals Program

Despite the many budget solutions that the Governor is proposing in order to balance the State Budget, the Administration remains committed to fully funding universal meals. In fact, Governor Newsom is proposing \$90.7 million in additional ongoing funding to fully fund the universal school meals program in 2025-26.

Additionally, the Governor proposes \$21.9 million in additional ongoing funding to support the SUN Bucks Program. SUN Bucks provides \$120 per child (\$40 per month for June, July, and August) in federally funded food benefits to children who lose access to free or reduced-price meals during the summer.

Career Education

In January, Governor Newsom touted the release of the Master Plan for Career Education (Master Plan) and proposed several significant investments for its implementation (see the article “[Governor Releases the Master Plan for Career Education](#)” in the April 2025 *Fiscal Report*).

However, the Governor proposes to pare down or eliminate those investments in his May Revision. The modifications to those investments are as follows:

- Withdraws the \$5 million (ongoing, non-Proposition 98) investment to establish the California Education Interagency Council (see the article “[Will California Establish an Education and Workforce Interagency Council?](#)” in the May 2025 *Fiscal Report*)
- Reduces the \$4 million one-time funds (non-Proposition 98) proposed for the Labor and Workforce Development Agency to evaluate the expansion of regional coordination models down to \$1 million (non-Proposition 98)
- Reduces the Career Passport proposal from \$50 million to \$25 million one-time
- Reduces the Credit for Prior Learning proposal from \$50 million to \$15 million one-time and from \$7 million to \$5 million ongoing

The Governor also lists career pathways and dual enrollment expansion efforts consistent with the Master Plan as a statewide priority for use of the Student Support and Professional Development Discretionary Block Grant.

Facilities

The May Revision includes two proposals that would impact facilities funding. First, it proposes the reversion of unallocated School Facility Program (SFP) funding. As part of the 2023-24 Enacted Budget, \$2.0 billion

in one-time General Fund revenue was allocated for the SFP in the absence of a statewide facilities bond. Of that funding, \$177.5 million remains unused and was made available through August 2025 on an as-needed basis for LEAs that were impacted by the fires in Southern California. The budget summary notes that impacted LEAs have indicated that they will not be able to use these funds by the deadline.

Second, the May Revision proposes new language that would allow school districts to apply for hardship assistance in cases of extraordinary circumstances if they can demonstrate that the circumstances are beyond their control and excessive costs would need to be incurred in the construction of the school facilities.

Closing

In isolation, the 2025-26 May Revision proposals for K-12 are lack luster. As in January, COLA is funded, UTK is fully implemented, and one-time dollars provide a cushion as COVID-19-era funds expire. On the downside, one-time dollars and deferrals are needed to keep LCFF funding stable.

But taken in the context of an uncertain—and potentially contracting—state economy and significant reductions and budget solutions outside K-12, LEAs can be cautiously, mildly optimistic about the 2025-26 fiscal year, with an emphasis on *cautious*. That said, LEAs will need to be *cautious* in their planning until the Governor and Legislature come to agreement on a final 2025-26 spending plan. And *cautious* when it comes to federal education funds. With continued uncertainty for the near term, we suggest you embrace the mild optimism when you can.

LAO Reviews Governor's May Revision

By Megan Baier
School Services of California Inc.'s *Fiscal Report*
May 20, 2025

On May 17, 2025, the Legislative Analyst's Office (LAO) published its [2025-26 Budget: Initial Comments on the Governor's May Revision](#). Overall, the LAO agrees with the Administration's assessment of the state's budget condition. In January, both the LAO and the Administration believed the budget to be roughly balanced. Since then, the fiscal outlook has weakened. The May Revision lowers personal income and corporation tax revenue estimates by \$11 billion for the budget year. Coupled with higher baseline spending, in large part due to increasing costs in Medi-Cal, the budget deficit is estimated to be \$14 billion.

The May Revision proposes \$9.5 billion in spending solutions made up of \$4.9 billion in spending reductions, \$3.2 billion in fund shifts, and \$1.3 billion in funding delays. Most significantly, the Governor proposes cuts to Medi-Cal and In-Home Supportive Services. The LAO recommends the Legislature maintain the Governor's overall May Revision structure to put the state in a stronger fiscal position. Multiyear budget deficits are projected to continue in future years, with operating deficits of \$15 billion to \$20 billion annually, reaching \$42 billion by 2028-29.

The Proposition 98 minimum guarantee is \$4.6 billion lower than in the January Governor's Budget proposal across 2024-25 and 2025-26. The May Revision fully funds the cost-of-living adjustment at 2.30%, despite

the decrease in funding. In order to cover the drop in the Proposition 98 minimum guarantee, the Governor proposes:

- Deferring \$1.8 billion in payments to TK-12 schools and \$531.6 million to community colleges from the end of 2025-26 to the beginning of 2026-27
- Utilizing the entirety of the Proposition 98 reserve
- Withdrawing and reducing several community college proposals by \$400 million
- Maintaining the January proposal to under-appropriate the Proposition 98 minimum guarantee by \$1.3 billion, delaying the payment to an unspecified out-year

The LAO agrees with the Governor's revenue estimates and proposals to reduce multiyear spending. The Governor's proposed State Budget does include approximately \$2 billion new discretionary spending proposals, and the LAO recommends the Legislature scrutinize these proposals, as they increase the size of the budget deficit. Finally, the LAO encourages the Legislature to focus on the fiscal challenges the state is facing and leave other policy matters to be addressed at a later time.

This week, the Legislature began reviewing the Governor's May Revision proposals and will adopt its own budget proposals in the coming weeks. A final budget must be agreed upon and passed by the Legislature by June 15 to meet constitutional deadlines.

Note: Department of Finance Director Joe Stephanshaw says both the Trump Administration tariffs and increased state spending are significant factors to the projected \$12 billion state deficit for 2025-26.

'Trump Slump' or 'Gavin's Gap'? How California Got Into a \$12 Billion Deficit

By Nicole Nixon
The Sacramento Bee
May 16, 2025

As Gov. Gavin Newsom presented his plan to fill a \$12 billion deficit Wednesday, a large screen next to him blared two words: Trump Slump.

The governor blames — at least partially — the shortfall on President Donald Trump's tariffs, which he said cost the state \$16 billion in lost revenue, primarily from capital gains taxes.

But state spending has also ballooned in recent years, a fact Republican lawmakers are quick to point out during budget season.

"Trump slump? Frankly, I think it might be more like 'Gavin's Gap'," said state Sen. Roger Niello, R-Fair Oaks, who serves as Vice Chair of the Senate Budget Committee.

Newsom's budget proposal is nearly \$322 billion, including \$226 billion in General Fund spending, which is paid by income taxes. For comparison, the first state budget Newsom signed in 2019 was nearly \$215 billion, including \$148 billion from the General Fund.

"The governor has a convenience now to blame everything on the new federal administration but the fact of the matter is, we really don't know what the stock impact is, and there isn't even a draft of a budget" in Washington, Niello said.

So who owns the deficit?

Both the tariffs and increased spending are to blame, Newsom's Department of Finance chief said Wednesday.

"They're both factors and both significant factors," said Finance Director Joe Stephenshaw. "If it weren't for the reduction in revenue, we would be in a lot better position to — at least in the short term — handle the increase in cost that we're seeing."

Note: After several years of sharp declines, California's public school enrollment nearly leveled out this year at just over 5.8 million students after a precipitous fall from 6.2 million over the past decade.

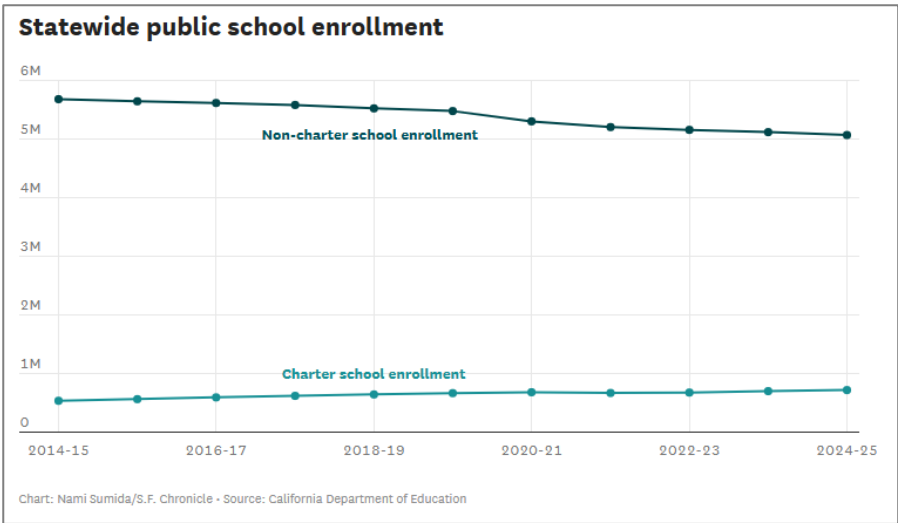
California Public Schools Stop Hemorrhaging Students

By Jill Tucker
San Francisco Chronicle
May 21, 2025

After several years of sharp declines, California's public school enrollment nearly leveled out this year at just over 5.8 million students after a precipitous fall from 6.2 million over the past decade. Bay Area districts followed the statewide trend.

Overall, state schools saw a loss of 31,469 students in 2024-25, the equivalent of the entire population of Menlo Park, and yet just a 0.5% decline, in large part due to an expansion of transitional kindergarten programs for 4-year-olds, which grew 17% to 177,570 students.

The loss of hundreds or thousands of students in recent years has left schools across the state half empty as administrators scramble to balance budgets based on funding tied to the number of students in seats. The numbers are unlikely to rebound in the near future as the state's birth rate remains at a 100-year low.



Facing the fiscal and demographic realities, some districts have decided to close schools, while others — including San Francisco and Oakland — have faced overwhelming opposition to closures and have abandoned the idea for the foreseeable future.

For the current year at least, those districts got a bit of a reprieve.

In San Francisco, enrollment grew to 48,902, up 166 students, but still far from the 53,000 in the fall of 2014.

Oakland Unified School District’s enrollment dropped to 33,838, with a small loss of 78 students despite a 223-student increase in transitional kindergarten, known as TK.

“The overall slowing enrollment decline is encouraging and reflects the hard work of our LEAs (local education agencies) across the state,” said state Superintendent of Public Instruction Tony Thurmond. “While we have more work to do, the dramatic growth in TK is inspiring and shows that providing rigorous and quality programs can be a key ingredient to bringing more families back to our schools.”

Public school enrollment changes			
Number of students in a sampling of Bay Area school districts this school year and the change from the previous year			
School district	2024-25 enrollment	Change since prior year	Percent change
Pleasanton	13.3K	-358	-2.6%
San Jose	24.5K	-606	-2.4%
Hayward	17.4K	-254	-1.4%
West Contra Costa	25.2K	-331	-1.3%
Oakland	33.8K	-78	-0.2%
Fremont	32.7K	+79	+0.2%
San Francisco	48.9K	+166	+0.3%
Mt. Diablo	29.2K	+129	+0.4%
Berkeley	9.2K	+85	+0.9%
Statewide	5.1M	-50K	-1.0%

Data does not include charter school students.

Table: Nami Sumida/S.F. Chronicle - Source: California Department of Education

While overall enrollment was stable, state schools saw large fluctuations among some of their most vulnerable students.

The number of homeless students grew 9% this year, to more than 230,000 students. Student homelessness is defined as those living in shelters, hotels, vehicles or other unsheltered situations, and those temporarily doubled up in homes or apartments, which historically encompasses the largest share.

San Francisco recorded 2,794 homeless students this school year, by far the highest number in a decade, and up from 1,343 last year.

District officials said they now provide families with ways to complete a housing questionnaire, including online during enrollment, with emergency forms or on paper, making it more accessible and easier to complete, allowing each school to identify students who are eligible for homeless support.

“While the increase in homeless students is concerning, it also shows the success of our outreach efforts to connect students and families with the support they need,” said district spokesperson Laura Dudnick.

Whether districts were better at identifying homeless students or there were significantly more students without stable housing this year was not clear. Possibly it was a combination of both.

Homeless students			
Number of homeless students in a sampling of California public school districts this school year and the change from the previous year			
School district	2024-25 enrollment	Change from prior year	Percent change
San Francisco	2,759	+1,427	+107%
Sacramento City	1,568	+753	+92%
Jefferson Union	64	+29	+83%
Novato	268	+120	+81%
Palo Alto	76	+18	+31%
Berkeley	192	+42	+28%
Los Angeles	10,819	+2,308	+27%
Fremont	270	+52	+24%
Oakland	2,248	-54	-2%
Hayward	281	-282	-50%
Statewide	210,027	+16,047	+8%

Data does not include charter school students.

Table: Nami Sumida/S.F. Chronicle • Source: California Department of Education

“We are monitoring this annual data closely as students experiencing homelessness are not only impacted personally, but a larger population of students experiencing homelessness can require increased resources and have educators increase their capacity to work to meet both academic and basic needs in the classroom,” said state Department of Education spokesperson Scott Roark.

Homeless students typically lag behind the vast majority of their peers academically and are far less likely to graduate, according to recent data. The large increase in those identified as homeless might be reflected this year or in future years in test scores, graduation rates and absenteeism.

In 2022-23, homeless students had the highest rate of chronic absenteeism and 21% dropped out of school, significantly higher than their peers from low-income families, according to researchers at the Public Policy Institute of California.

“The trends in California mirror national findings,” the researchers said. “Homeless students across the country have lower graduation rates, higher chronic absenteeism rates, and higher dropout rates than other students, even other low-income students.”

Fresno Unified School District
Board Communication

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Ashlee Chiarito, Ed.D., Executive Officer

Date: May 30, 2025
Phone Number: 457-3934

Regarding: School Plans for Student Achievement

The purpose of this communication is to provide the Board information regarding the upcoming approval of the School Plans for Student Achievement (SPSAs) for the 2025/26 school year. This item is on the June 04, 2025, Board agenda for approval. The development of SPSAs is an ongoing cycle of reflection, undertaken by each school, that includes reviewing student outcomes, identifying disproportionate performance, and directing resources towards improvement.

Each plan is aligned with the Local Control and Accountability Plan (LCAP) and utilizes the \$36.7 million of recommended resources for school level planning. The proposed State and Federal funds are listed below:

- Local Control Funding Formula (LCFF) Supplemental and Concentration Funds – \$28.9 million
- Federal Title I Funds – \$7.8 million

This is a collaborative process between departments, schools, and educational partners. The Office of State and Federal Programs provided training and support to schools. The Department of Analysis, Measurement, and Accountability assists with metric identification for each school's needs assessment. School Leadership guided site leaders and provided feedback in the development of the SPSAs. Educational partners at each site, including the School Site Council (SSC), provided feedback.


As in previous years, equity-based funding principles are utilized based on the individual school's population of low-income, foster youth, and English learners to determine allocations. Trends demonstrate investment in academic supports for students and teachers, including school staff, and resources to connect with parents and families.

The district is required to set aside a minimum of 1% of the Title I allocation for Family and Community Engagement. Schools value family engagement by programming over 6.0% of funding. The attached chart summarizes investments made by school sites through this process.

Schools and departments worked collaboratively to support a successful SPSA process. It is recommended that the Board approve the 2025/26 School Plans for Student Achievement (SPSAs) on June 04, 2025.

Drafts of each School's Plan for Student Achievement can be found on the [Office of State and Federal's public website](#) prior to the Board Meeting on June 4. In addition, each school has a copy.

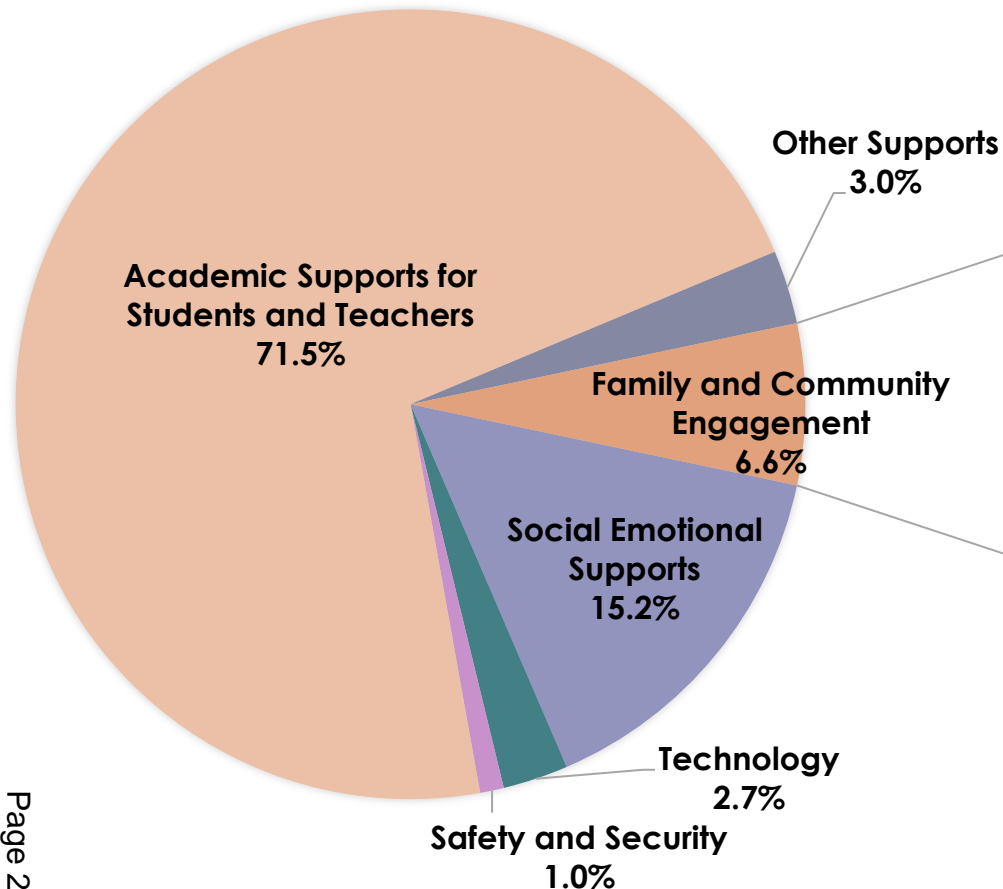
If you have any questions pertaining to the information in this communication, or require additional information, please contact Ashlee Chiarito at (559) 457-3934.

Cabinet Approval: 

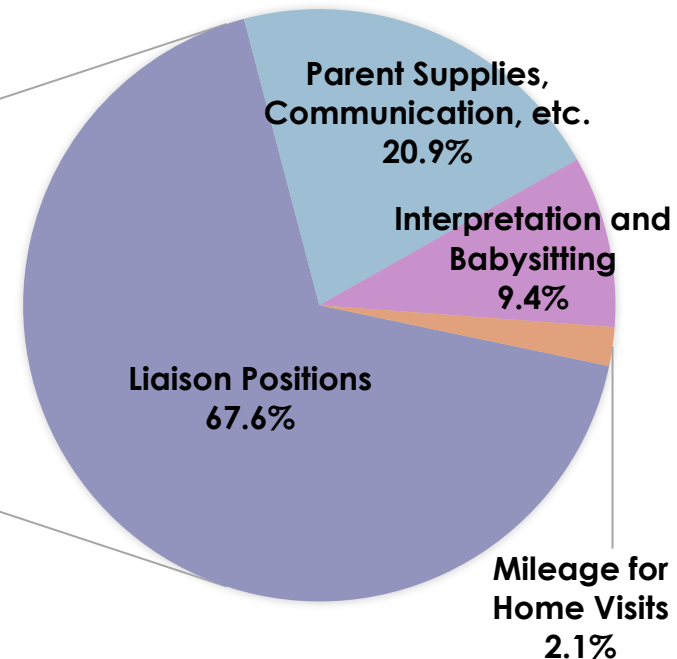
Name and Title: Patrick Jensen, Chief Financial Officer

School Site Councils Prioritize Site Funds

\$36.7 million School Site Funds



\$2.4 million Family and Community Engagement



Exceeding 1% Parent Involvement Requirement

FY 2025/26

Fresno Unified School District
Board Communication

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Marie Williams, Ed.D.

Date: May 30, 2025

Phone Number: 457-3750

Regarding: K-2 Reading Screener Selection Committee Process

The purpose of this communication is to provide the Board with information regarding the Fresno Unified process for selecting a reading screener in alignment with Senate Bill 114 (SB 114), which requires screening for reading difficulties, including the risk of dyslexia, in kindergarten, first, and second grades.

In December 2024, an independent panel of experts appointed by the California State Board of Education created a list of pre-approved screening instruments in alignment with SB 114. To ensure a comprehensive and inclusive selection process, Fresno Unified convened a Universal Screener Selection Committee composed of 23 kindergarten through second grade classroom teachers and site-based Reading Specialists/Teachers Under Special Assignment (including representatives from the Dual Language Immersion and Special Education programs); seven elementary school leaders; seven school psychologists and department staff from English Learner Services, School Leadership, Special Education, Assessment, Measurement & Accountability, Information Technology, and Curriculum, Instruction and Professional Learning.

The committee evaluated two pre-approved screeners, Amira and mCLASS, using DIBELS (Dynamic Indicators of Basic Early Literacy Skills). The team met four times from March 04 to April 22, 2025. The committee reviewed and discussed the legislative framework and the role of universal screeners within a Multi-Tiered System of Support. The committee then received training, piloted both screening instruments, and gave feedback before engaging in a consensus-building protocol.

The kindergarten through second grade Reading Screener Selection Committee recommends adopting mCLASS with DIBELS.

If you have any questions pertaining to the information in this communication or require additional information, please contact Pam Taylor at (559) 457-3874.

Cabinet Approval: 
Carlos Castillo (May 29, 2025 10:03)

Name and Title: Interim Chief Academic Officer, Carlos Castillo, Ed.D.

Fresno Unified School District
Board Communication

From the Office of the Superintendent
To the Members of the Board of Education
Prepared by: Marie Williams, Ed.D.

Date: May 30, 2025
Phone Number: 457-3750

Regarding: The Center for Advanced Research and Technology Enrollment Data

The purpose of this communication is to inform the Board of application and enrollment data by high school region for the Center for Advanced Research and Technology (CART). The CART application process begins annually during the fall semester with classroom presentations at each high school for all students in grades 10 and 11. Prior to the application deadline in February, students are also invited to visit CART during a school day field trip to experience CART programs.

The chart below provides the grades 10 and 11 application and enrollment data for the past three academic years by high school region.

High School	Applications for 2022/23	Enrollment in Spring Semester of 2022/23	Applications for 2023/24	Enrollment in Spring Semester of 2023/24	Applications for 2024/25	Enrollment in Spring Semester of 2024/25
Bullard	125	67	106	64	82	45
Edison	156	87	135	96	132	77
Farber	12	2	4	2	5	2
Fresno	130	76	141	102	140	107
Hoover	131	64	84	54	78	42
McLane	80	29	59	31	76	35
Roosevelt	75	30	72	47	78	38
Sunnyside	155	69	109	60	101	61
Total	864	424	708	456	690	407

Students who choose not to participate in the CART program—despite having been accepted or attending for a period of time—frequently cite factors such as the commuting distance from their home high school, the earlier start and later end to the school day, a desire to participate in athletics or other after-school activities, and a preference to remain socially connected with peers at their home campus.

A total of 867 applications were submitted earlier this semester for the 2025/26 school year. Student enrollment for the 2025/26 school year will be completed by June 30, 2025.

If you have any questions pertaining to the information in this communication or require additional information, please contact Jeremy Ward at (559) 248-7534.

Cabinet Approval: 
Carlos Castillo (May 29, 2025 10:52 PDT)

Name and Title: Interim Chief Academic Officer, Carlos Castillo, Ed.D.