



## BOARD COMMUNICATIONS - JANUARY 23, 2026

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

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**Tami Lundberg, Chief Officer**

Board Communications Approved by:

Mao Misty Her, Superintendent

A handwritten signature in blue ink, appearing to read 'Mao Misty Her', is positioned below the text '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: January 23, 2026  
Phone Number: (559) 457-3884

Regarding: Superintendent Calendar Highlights

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

- Presented at the Future Leaders of the Valley Kick Off event
- Attended the United Way Board Meeting
- Held listening sessions with teachers from Birney, Ericson, Ewing, Norseman, Manchester GATE, Turner and Wishon
- Participated in webinar *2026 Review of the Reduction of Force Process and Best Practices*

If you have any questions pertaining to the information in this communication, or require additional information, please contact Misty Her at (559) 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: January 23, 2026  
Phone Number: (559) 457-3907

Regarding: School Services Weekly Update Reports for January 15, 2026

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 January 15, 2026, are attached and include the following articles:

- Themes for the 2026-27 Governor's Budget – January 15, 2026
- Betting on the Bubble: Legislative Analysts Say Newsom Overestimating AI Revenue – January 15, 2026
- Schools Chief was Caught Off Guard by Newsom's Plan to Pare Down the Future Scope of His Job – January 08, 2026

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



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DATE: January 15, 2026

TO: Misty Her  
Superintendent

AT: Fresno Unified School District

FROM: Your SSC Governmental Relations Team

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

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### **Governor Newsom Releases 2026-27 State Budget Proposal**

Following a preview of the 2026-27 State Budget during his State of the State address on Thursday, January 8, 2026, Governor Gavin Newsom released his proposed Budget through a media briefing led by Department of Finance (DOF) Director Joe Stephanshaw on Friday, January 9, 2026.

The Governor states that the primary goal of the 2026-27 State Budget proposal is to “honor the commitments we have already made—to educate our children, care for the vulnerable, protect public safety—and preserve the long-term health of our finances.” This proposal is presented against a backdrop of surging—but potentially one-time—revenues, added fiscal pressures stemming from federal actions, and a stated desire to leave the state’s finances on solid footing as the Governor approaches the end of his tenure.

Unfortunately, once again, the Governor proposes to appropriate significantly less in Proposition 98 funding than his Administration itself calculates is required, deferring a substantial portion of education funding to a future year. This approach was first used in January 2025 due to “inherent risk in revenue projections,” with the expectation that it would be resolved at the May Revision. Instead, this strategy ultimately resulted in \$1.9 billion being withheld from TK-14 education in the 2025 Budget Act.

Despite these concerns, there is positive news for TK-12 education in the proposal, including: a funded and stable statutory cost-of-living adjustment, albeit slightly lower than projected last summer; continued progress toward equalization in special education funding; increased stability for Tier 2 Expanded Learning Opportunities Program local educational agencies (LEAs); significant discretionary funding for all LEAs; and no new categorical programs.

School Services of California Inc. has released a comprehensive *Fiscal Report* article detailing the Governor’s education proposals, which can be found [here](#).

### **Next Steps**

The release of the 2026-27 Governor's Budget proposal formally kicks off the monthslong State Budget process. The Assembly Budget Committee, chaired by Assemblymember Jesse Gabriel (D-Encino), will meet on Tuesday, January 20, 2026, for an overview hearing on the proposed Budget. The Senate Budget and Fiscal Review Committee, chaired by Senator John Laird (D-Santa Cruz), will hold its overview hearing on Wednesday, January 21, 2026. During these hearings, committee members will receive high-level presentations from the DOF and reactions from the Legislative Analyst's Office.

State Budget trailer bills, which provide the statutory detail and implementation mechanics of the Budget proposals, are typically released by the DOF in early February. Budget subcommittee hearings generally begin shortly thereafter. The subcommittees responsible for education-related issues are the Assembly Budget Subcommittee No. 3 on Education Finance, chaired by Assemblymember David Alvarez (D-San Diego), and the Senate Budget Subcommittee No. 1 on Education, chaired by Senator Lena Gonzalez (D-Long Beach).

Over the coming months, the Legislature will review the Governor's proposal and advance its own funding priorities. Governor Newsom is required to release the May Revision by May 14, the Legislature must pass its version of the State Budget by June 15, and legislative leadership will then negotiate with the Governor to finalize the 2026-27 State Budget.

*Leilani Aguinaldo*

## **Themes for the 2026-27 Governor's Budget**

By SSC Team  
School Services of California Inc.'s *Fiscal Report*  
January 15, 2026

The term “profligacy” denotes extravagant or wasteful spending.

Californians would be hard pressed to point to any investments Governor Gavin Newsom has made over his time at the helm that could be described as profligate. In fact, few, if any, governors have had to confront the magnitude and types of crises that he has faced since assuming the state's top post in 2019—not the least among them, a global health pandemic, violent atmospheric rivers that caused unprecedented damage throughout communities in California, and most recently, at this time last year, wind-whipped fires that ravaged parts of Los Angeles County still struggling to recover.

No one envies the difficult choices Governor Newsom has had to make amid a tenure plagued by crises to maintain California's vibrancy, strengthen its economy, and ensure stable and prosperous lives for its 39 million inhabitants. In both good and not-so-good ways, the California Governor will leave behind is vastly different from the one he inherited.

Under his California for All initiative, Governor Newsom has championed efforts that will accrue benefits well beyond his time in office. These include key climate investments, partnering with legislative leaders to remove barriers to providing affordable housing, and his landmark effort to establish the nation's largest universal prekindergarten program, ensuring every child—regardless of means—receives a quality preschool experience.

While we laud these efforts for their impacts on Californians, it is difficult to ignore the reality that Governor Newsom's tenure also has been fraught with deepening budget deficits that have inspired innovations in budgeting never before seen. Like the infamous *maneuver* committing future state revenues from yesterday's costs. The Legislative Analyst's Office estimates that over the last four years, the state has had to address chronic deficits totaling \$125 billion. These shortfalls have occurred amid rising revenues and strong, stable economic growth, which suggests that the state is overcommitting itself to investments it cannot afford. This is a long way from Governor Newsom's first budget when he proposed finally eliminating the last brick in the state's wall of debt. In fact, as the Governor prepares to leave office, he will do so leaving Californians with nearly 75 billion new bricks of debt.

Despite these challenges, Governor Newsom deserves to be recognized for the ways in which his leadership has transformed the lives of so many Californians. His approach to preparing the state for tomorrow's economy by investing in our children and young adults, who will be its engine one day, is arguably unrivaled. He has mastered the art of *strategic dominance*. His commitment to programs like preschool for all, universal before and after school programs, and schools that provide critical wraparound support and services demonstrate this mastery, as they not only reap advantages to the students they serve, they also benefit their families, their local communities, and the larger economy. And this gives us something to celebrate in his final proposed education budget.

Unfortunately, the Governor's approach to Proposition 98's traditional settle-up mechanism sobers our enthusiasm. Like last year, he proposes temporarily withholding \$5.6 billion owed to public education as enshrined in the California Constitution. While we are not credentialed to weigh in on the legal merits of this

novel use of settle-up, we fervently believe that it violates the *spirit* of Proposition 98 and the obligation to which voters believed they would be holding the state to ensure that education remains among its highest priorities. Our students, teachers, and staff deserve better.

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*Note: Both the California School Boards Association and the California Teachers Association are threatening to file a new lawsuit over the Governor's proposed \$5.6 billion settle-up for the 2025-26 fiscal year.*

## **Betting on the Bubble: Legislative Analysts Say Newsom Overestimating AI Revenue**

By John Fensterwald  
*EdSource*  
January 15, 2026

In its initial assessment of the governor's 2026-27 state budget this week, the Legislative Analyst's Office chided Gov. Gavin Newsom for ignoring a likely stock market decline that could implode state revenues. It also warned that Newsom's failure to confront a growing state deficit could compound the state's fiscal challenges.

"These risks are severe enough that not incorporating them into this year's budget, as the Governor proposes, would put the state on precarious footing," wrote Legislative Analyst Gabriel Petek. The independent research office provides budget and policy advice to the Legislature.

TK-12 schools and community colleges would see significant funding reductions if the LAO's pessimism is accurate, since their constitutionally guaranteed minimum annual funding is tied to the overall state budget.

In its budget forecast in November, the LAO projected an \$18 billion budget deficit for 2026-27, assuming that income and capital gains tax receipts, generated primarily by AI entrepreneurs, would decline in the 2026-27 fiscal year. Newsom's budget assumes the bonanza will continue after he leaves office at the end of the year.

Schools and community colleges receive a guaranteed minimum portion of the general fund, generally about 40%, through Proposition 98, which voters passed in 1988. The California State University and University of California systems compete with other state functions, social services, and entitlements over the remaining 60% of the budget.

Steadily rising Medi-Cal costs and pay raises for state workers are contributing to what Newsom and the LAO project will be \$25 billion to \$30 billion in annual state deficits in the next several years, despite record post-Covid revenues, the LAO said.

"Deficits have persisted even as the state's economy and revenues have grown, underscoring that the problem is structural rather than cyclical," the LAO wrote.

### **Lawsuit over Prop. 98 maneuver?**

The budget picture will become clearer as more revenues are collected ahead of the May budget revision, but education advocates are furious about the one hedge against a revenue setback that Newsom included in his proposed budget.

Newsom projects that schools and community colleges will be entitled to \$6.9 billion in revenues for 2025-26 beyond what the Legislature budgeted in June, but he wants to withhold \$5.6 billion of it. He'd use that money to shore up the rest of the budget instead of giving it to schools and community colleges to fulfill the Prop. 98 obligation.

The state would be legally bound to repay the full amount, although it could defer the repayment until 2027-28. The state Department of Finance argues this wait-and-see set-aside is legal and appropriate to ensure the state neither shorts nor over-appropriates what schools are entitled to after the revenues are accounted for.

However, David Goldberg, president of the California Teachers Association, characterized the move as a "shell game" to fill holes elsewhere in the general fund. Districts, on the other hand, will use the lower Prop. 98 estimate with "devastating" results this spring when creating local budgets, Goldberg said in a statement. They will "issue unnecessary layoff notices, justify cutting programs and the closure of beloved neighborhood schools, and refuse to make investments to recruit and retain educators," he said.

The California School Boards Association sued the state in September 2024, charging that it used a similar tactic in the 2024-25 budget. Newsom has included a \$1.9 billion repayment in the 2025-26 budget but is continuing with the lawsuit to persuade a judge to strike down what CSBA regards as a bad precedent that violates a state mandate, said Troy Flint, chief spokesperson for CSBA.

Both CSBA and CTA are also threatening to file a new lawsuit over the proposed \$5.6 billion withholding.

"The whole purpose of Prop. 98 is to establish funding stability, not to use it as a safety valve to solve volatile revenues," Flint said. "The Department of Finance has been using it that way to normalize these maneuvers."

Unlike CSBA, the LAO doesn't object to withholding the \$5.6 billion, but it suggests stashing the money in an education reserve account instead of backfilling a shortfall in the general fund. Doing so, it indicated, would add to the state's growing deficit rather than solve an overspending problem.

*Note: State Superintendent of Public Instruction (SSPI) Tony Thurmond said he was blindsided by Governor Newsom's proposal to curtail the SSPI's duties and he disagrees with it.*

## **Schools Chief was Caught Off Guard by Newsom's Plan to Pare Down the Future Scope of His Job**

By Carolyn Jones  
*EdSource*  
January 8, 2026

State Superintendent of Public Instruction Tony Thurmond said he was blindsided by Gov. Gavin Newsom's proposal Thursday to curtail the superintendent's duties and he disagrees with it, although it's unclear what he can do to stop it.

"Tony Thurmond is proud and grateful to work with Gov. Newsom. They're both champions of public education," said Elizabeth Sanders, spokeswoman for the California Department of Education, which Thurmond heads. Sanders was speaking on behalf of the superintendent.

"Unfortunately, on this particular issue they are not aligned."

In his State of the State address on Thursday, Newsom proposed shifting oversight of the Department of Education, a 2,000-employee state agency, from the superintendent to the State Board of Education. The move would concentrate more power over K-12 schools with the governor, who appoints the school board.

The superintendent would remain an elected position, but with diminished and less defined duties.

Referencing a December report from Policy Analysis for California Education, Newsom's aim is to simplify California's convoluted system of K-12 school governance. Currently, education leadership comes from the governor, the Legislature, the State Board of Education, the superintendent and the Department of Education — who may or may not have the same vision for how to best run schools and teach children. At the local level, school boards and county offices of education also have a good deal of power over budgets and day-to-day school operations.

The result of the many-headed leadership structure is that schools often don't know which policies to follow, according to the PACE report. Guidelines can be contradictory, redundant or just plain incoherent, researchers found.

A slew of education advocacy groups have supported Newsom's proposal, saying it will clarify a system that's been confusing and inefficient for a century. California is one of only a handful of states with such an education governance model.

### **'Unnecessary disruption'**

Thurmond's staff had a few hints that an announcement might be forthcoming, but otherwise was caught off guard by Newsom's proposal, Sanders said. They also hadn't talked to PACE researchers about their report, although PACE staff said they reached out to the department prior to the report's publication.

Thurmond questions the point of the change, Sanders said.

“It’s unclear how this would benefit students and families,” Sanders said. “It’s an unnecessary disruption. ... We should be staying focused on creating results for students.”

If the governor really wanted to help schools, he should pour more money into K-12 education. The Department of Education has been underfunded for years, she noted, and schools could use more funds for initiatives like tutoring and mandatory kindergarten.

John Affeldt, managing attorney at Public Advocates, a nonprofit law firm focused on education, also questioned the value of Newsom’s proposal. It would take power away from the voters and give it to the governor, which might be great if the governor supports public education but may backfire if a governor doesn’t, he said.

“It might improve the governance structure a bit, but I’m not sure it’s worth the tradeoff,” Affeldt said. “It might be a lot of political theater for not much real change.”

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: January 23, 2026  
Phone Number: (559) 457-3934

Regarding: January Legislative Committee Meeting

The purpose of this communication is to provide the Board with information shared at the January 15, 2026, Legislative Committee Meeting.

At the regular meeting of the Legislative Committee of the Fresno Unified School District the following were present: District Staff: Adela Duncan, Chief Information Officer, Patrick Jensen, Chief Financial Officer; Jonie Difilippo, Assistant Superintendent, Human Resources; Ashlee Chiarito, Executive Officer, State and Federal, and Teresa Plascencia, Executive Director, Constituent Services. In attendance online were Board of Education members Veva Islas and Andy Levine and Director and Governmental Relations, Leilani Aguinaldo.

### **Budget and Economic Update**

Ms. Aguinaldo provided a budget update.

The Governor's 2026/27 budget proposal reflects stronger-than-expected tax revenue growth, driven largely by increased personal income, capital gains, and corporate tax collections. These gains have raised the overall General Fund revenue forecast by \$42.3 billion across the budget window, though much of this growth is considered potentially one-time. As a result, concerns remain about the sustainability of funding tied to market performance, particularly in the technology sector. Despite higher revenues, the Governor again proposes appropriating less than the full Proposition 98 minimum guarantee, delaying \$5.6 billion in education funding to a future year through a settle-up mechanism. While the Proposition 98 guarantee is projected to increase to \$125.5 billion in 2026/27, the year-over-year fluctuations and reliance on deferrals create uncertainty for local educational agencies. These decisions occur alongside required deposits into the Proposition 98 Rainy Day Fund, which trigger local reserve caps and limit districts' fiscal flexibility.

Within the Proposition 98 framework, the budget includes several investments supporting schools and students. The Local Control Funding Formula (LCFF) is fully funded, including a 2.41% statutory cost-of-living adjustment (COLA), resulting in an estimated \$2.0 billion increase despite declining enrollment. Special education receives significant attention, with a 2.41% COLA and an additional \$509 million to equalize base rates statewide, an important step toward addressing funding inequities. The budget stabilizes expanded learning through ongoing investments in the Expanded Learning Opportunities Program. The Governor is proposing \$1 billion in ongoing Proposition 98 funding to expand community schools, building on \$4.1 billion in prior one-time investments. This expansion aims to improve attendance, student well-being, and academic outcomes, particularly in high-need communities.

The Governor's budget projects a smaller deficit than the Legislative Analyst's Office (LAO), largely due to differing assumptions about revenue growth. The Administration relies on stronger recent tax

receipts and expects continued moderate economic performance, while the LAO assumes current gains, especially those tied to the AI-driven stock market, which are temporary, resulting in a multibillion-dollar larger deficit estimate. These contrasting views reflect uncertainty about the sustainability of capital gains revenue. Separately, California's Master Plan for Education focuses on aligning early learning, K–12, and higher education systems to create clear pathways from school to career. The plan emphasizes coordinated governance, improved accountability, and better alignment of state education investments.

At a high level, there is limited support for shifting California to an enrollment-based funding model despite growing interest in stabilizing district finances. The Legislative Analyst's Office found that enrollment-based funding could cost nearly \$6 billion and benefit districts with low attendance, often higher-need districts. It could also weaken incentives to improve student attendance, which remains strongly linked to academic outcomes. As a result, the LAO recommends maintaining attendance-based funding and instead addressing equity concerns within the existing Local Control Funding Formula (LCFF). Rather than replacing ADA, both the LAO and policy researchers point toward investing in a revised LCFF that increases overall funding and better targets student need. Proposed approaches include strengthening base grants, increasing supplemental and concentration grants, refining how high-need students are identified, and smoothing funding thresholds to improve equity while preserving accountability and fiscal stability.

The 2025 Kitchen Infrastructure and Training (KIT) Grant provides \$145 million in one-time funding to support Universal Meals and improve school meal quality. Funds may be used for purchasing California-grown foods, staff training, and kitchen equipment or infrastructure upgrades that expand onsite meal preparation and reduce food waste. Grant awards are competitive and based on enrollment and application criteria, with funding caps up to \$2 million per school food authority. Funds must be encumbered by June 30, 2028, with distributions tied to required progress and final reporting.

The Legislative Committee, voted to recommend that the Board of Trustees oppose the proposed Southeast Development Area (SEDA), as it is not in the best interest of our students or the long-term stability of our school district. While the need for additional housing within our region is acknowledged, the SEDA proposal presents significant and foreseeable impacts to public education, including the potential draw away of student enrollment and Average Daily Attendance (ADA) from our existing schools. Such enrollment shifts would exacerbate declining attendance trends, increasing the risk of school closures, reduced staffing, and diminished academic and student support services. Additionally, the development threatens the district's long-term financial sustainability through the loss of critical funding tied to ADA and a weakened local tax base that directly supports educational programs. As stewards of public education, the district must prioritize decisions that protect instructional continuity, preserve school communities, and ensure stable funding structures that allow our students to thrive.

The School Services Legislative Committee December 2025 report is attached. The next Legislative Committee meeting is scheduled for February 05, 2026.

If you have any questions pertaining to the information in this communication, or require additional information, please contact Ashlee Chiarito at (559) 457-3934 or Kim Kelstrom at (559) 457-3907.

Cabinet Approval: 

Name and Title: Patrick Jensen, Chief Financial Officer

# Fresno Unified School District

**LEGISLATIVE COMMITTEE MEETING  
JANUARY 15, 2026**

**2025-2026 Legislative Session**

**Prepared By:**

**Leilani Aguinaldo  
Director, Governmental Relations**



*Public Education's Point of Reference for Making Educated Decisions*



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## ***Legislative and Economic Update***

**School Services of California, Inc.**  
**Legislative and Economic Update Prepared for:**  
**Fresno Unified School District**  
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**January 14, 2026**

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# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## Overview of the Governor's Proposals for the 2026-27 State Budget and K-12 Education

By: SSC Team

January 9, 2026

### Overview of the Governor's Budget Proposals

As Governor Gavin Newsom prepares to conclude his time as California's leader, his stated goal in the 2026-27 State Budget proposal is to "honor the commitments we have already made—to educate our children, care for the vulnerable, protect public safety—and preserve the long-term health of our finances." The Governor does so on a backdrop of surging—but potentially one-time—revenues, additional costs from federal actions, and the desire to leave the state's finances in a strong position as he moves on from governorship.

Unfortunately, once again, we see the Governor propose to appropriate significantly less in Proposition 98 than his own Administration calculates, delaying a substantial portion of education funding to a future year. This strategy was deployed in January 2025 due to "inherent risk in revenue projections," that was to be addressed at the May Revision but ultimately kept \$1.9 billion from being spent on transitional kindergarten (TK)-14 education within the 2025 Budget Act.

However, there is good news for education: a funded, steady statutory cost-of-living adjustment (COLA), though marginally lower than estimated last summer; equalization in special education funding; additional stability for Tier 2 Expanded Learning Opportunities Program (ELO-P) local educational agencies (LEAs); significant discretionary funds for all; and no new categorical programs.

### The Economy and Revenues

By incorporating updated tax revenue and economic data since the May Revision, the Governor's Budget has a higher base in which to project future revenues on. This results in a significant upward revision in the near term while maintaining moderate growth in the out years. The stronger-than-expected economic performance is supported by stronger-than-expected personal income growth, on-going consumer spending, and lower-than-expected impacts due to tariff costs.

The Governor's Budget forecast assumes the U.S. Gross Domestic Product to grow 2.0% in 2025 and 2.2% in 2026, which is an upward revision of 0.7% in each year. In addition, the U.S. Consumer Price Index inflation was revised downward from 3.0% to 2.8% compared to the May Revision forecast as tariff impacts on consumer prices are projected to be lower. The May Revision assumed only one rate cut in December 2025; however, the Federal Reserve cut interest rates three times in 2025.

The Governor's Budget assumes that California job growth remains subdued with almost no payroll job growth in 2026, followed by a marginal increase in 2027 of 0.2% before increasing to 0.6% by 2030, which is lower than the May Revision projections of 0.4% and 0.7%. Leisure and hospitality jobs are the primary driver of the downgrade compared to the May Revision forecast due to federal immigration and trade policy.

The Governor's Budget projects more growth in California personal income in the near term. Personal income increased by 5.6% year over year in 2025, which is significantly stronger than the 4.1% projected in the May Revision. The Governor's Budget forecasts California personal income to grow by 5.3%, (up by 1.3%) in 2025 and to an average of 4.6% from 2026 through 2030.

Capital gains revenue is projected to increase 8% in 2025 and 1% in 2026 compared to the 15% decline in 2025 and the flat growth projected in 2026 assumed in the 2025 Budget Act. This is primarily due to the stock market outperforming the budget estimate.

The overall General Fund revenue forecast for the budget window, 2024-25, 2025-26 and 2026-27, is \$42.3 billion higher than the 2025 Budget Act. The primary drivers for the upgrade are in improved personal income tax and corporation tax projections. The improvement in corporation tax is driven primarily due to the extension of the pass-through entity elective tax. The budget forecast assumes ongoing moderate economic growth with no economic recession.

Regarding risk, the Governor's Budget notes that much of the growth has been disproportionately driven by large market gains by large technology companies benefiting from the artificial intelligence boom. If a market downturn equivalent to the one experienced in 2022 were to occur, state revenue could be up to \$30 billion below forecast within the budget window. Accompanied by an economic recession, revenue would even be lower.

### **Proposition 98 Minimum Guarantee, Reserve, and Local Reserve Cap**

#### **Proposition 98 Minimum Guarantee**

The Governor's Budget's revised estimates of the Proposition 98 minimum guarantee across the three-year budget window increases by approximately \$21.8 billion from the levels adopted in June 2025. Relative to the 2025-26 Enacted Budget, the minimum guarantee increases by \$3.9 billion, \$6.9 billion, and \$11.0 billion in 2024-25, 2025-26, and 2026-27, respectively.

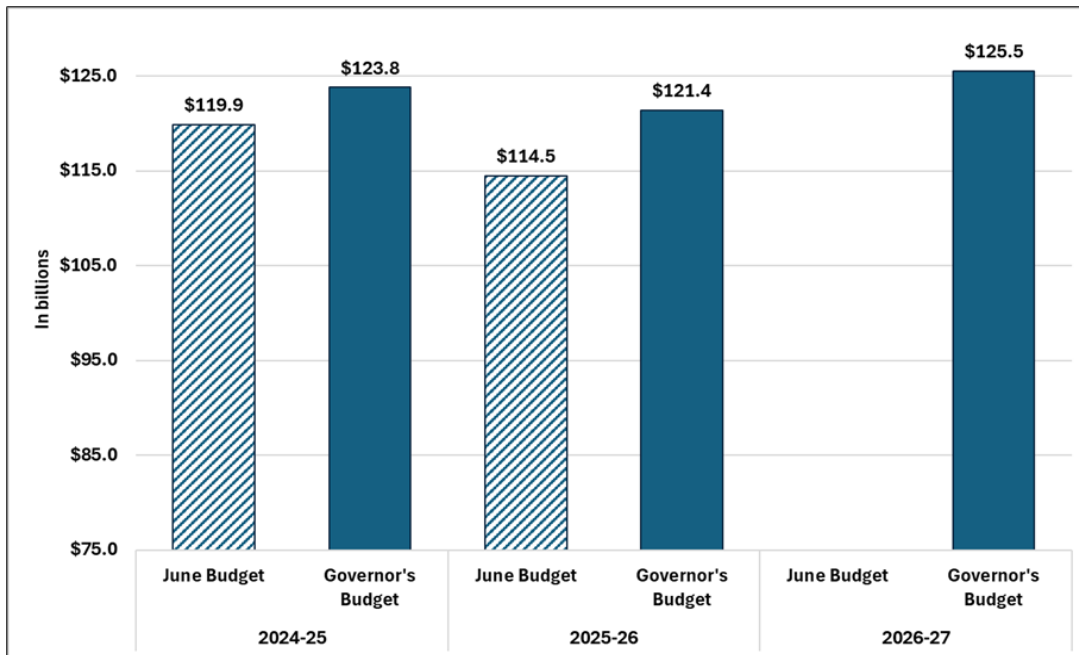
Notably, under the Governor's revised figures, Proposition 98 drops year-over-year between the prior and current fiscal years, before rebounding in the budget year, to \$125.5 billion. Equally noteworthy is the significant difference between the Governor's estimate for the 2026-27 minimum guarantee and the Legislative Analyst's Office (LAO) *Fiscal Outlook* estimates provided in November 2025. In November, the LAO estimated that the budget year guarantee would be approximately \$117.8 billion, or \$7.7 billion lower than the Governor's.

These differences are attributable in part to the additional month of state receipts (November 2025) included in the Governor's assumptions that were unavailable to the LAO when it released its *Fiscal Outlook*. The differences, however, are also attributable to underlying assumptions about the trend and timing of state revenues. Importantly, unlike the Governor's Administration, the LAO assumes that recent revenue gains from artificial intelligence will not sustain through 2026-27.

The unpredictability of state revenues—specifically, revenue generated from capital gains—is once again inspiring Governor Newsom to use last year's novel approach to Proposition 98's settle-up mechanism, or the mechanism used to reconcile Proposition 98 when actual revenue and

other factors that determine the minimum guarantee become available. The 2025-26 Enacted Budget included a \$1.9 billion settle up whereby the state refrained from fully appropriating the entire estimated minimum guarantee in 2024-25. At the same time the Governor's Budget proposes to fully appropriate the \$1.9 billion, it creates a *new, much larger* settle up in 2025-26 of \$5.6 billion, or nearly three times the size of last year's settle up!

### 2026-27 Governor's Budget Proposition 98 Estimates



### Proposition 98 Rainy Day Fund and Local Reserves

The Governor's revenue estimates also require updates to the Proposition 98 reserve account in accordance with constitutional requirements. The Governor's Budget recognizes the state's obligations to the Proposition 98 rainy day fund in both mandatory deposits and withdrawals. According to revised estimates, the Governor assumes the state is required to make a significantly higher deposit in 2024-25 than assumed last June. The Governor's Budget makes the following adjustments to the Proposition 98 reserve:

#### 2026-27 Proposition 98 Rainy Day Fund (In Billions)

|                        | 2024-25       | 2025-26       | 2026-27       |
|------------------------|---------------|---------------|---------------|
| Mandatory Deposit      | \$3.80        | \$0.42        |               |
| Discretionary Deposit  |               | \$0.24        |               |
| Mandatory Withdraw     |               |               | \$0.41        |
| <b>Account Balance</b> | <b>\$3.80</b> | <b>\$4.46</b> | <b>\$4.06</b> |

The \$3.8 billion balance in the fund at the end of 2024-25 and \$4.5 billion balance at the end of the current year makes the cap on local reserves for most LEAs operational for 2025-26 and 2026-27. Importantly, state law restricts *adopted budgets or budgets revised within 45 days after the Enacted State Budget* to contain ending fund balances in excess of 10% when the local reserve cap policy is triggered. While the Governor’s Budget assumptions make the reserve cap operative for 2025-26; the local budget benchmarks to which it applies are now in the past. Moving forward, it will be important for LEAs to be mindful of a reserve cap as they prepare and adopt their 2026-27 budgets if the final State Budget passed in June maintains the Governor’s revenue assumptions or similar estimates.

### LCFF and COLA

The Governor’s Budget proposes to fully fund the Local Control Funding Formula (LCFF) for 2026-27, inclusive the estimated statutory COLA of 2.41%, a decrease of 0.61 percentage points from what was projected at the 2025-26 Enacted Budget of 3.02%. When taking into consideration the estimated statutory COLA and adjustments due to population growth, which is negative due to declining enrollment, the Governor’s Budget proposes an increase of approximately \$2.0 billion to the LCFF.

With this funding, the base grants by grade span for 2026-27 are increased over 2025-26 by the estimated statutory COLA of 2.41%.

| <b>Grade Span</b> | <b>2025-26 Base Grant per ADA</b> | <b>2.41% COLA</b> | <b>2026-27 Base Grant per ADA</b> |
|-------------------|-----------------------------------|-------------------|-----------------------------------|
| TK-3              | \$10,256                          | \$247             | \$10,503                          |
| 4-6               | \$10,411                          | \$251             | \$10,662                          |
| 7-8               | \$10,719                          | \$258             | \$10,977                          |
| 9-12              | \$12,423                          | \$299             | \$12,722                          |

The TK-3 class-size reduction (CSR) grade span adjustment (GSA) is increased to \$1,092 per average daily attendance (ADA) in 2026-27, and the GSA for grades 9-12 is increased to \$331 per ADA in recognition of the need for Career Technical Education (CTE) courses provided to students in the secondary grades. These GSAs are then added to the base grants for the respective grade spans to arrive at the adjusted base grants. Further, the TK add-on, which supports lower student-to-adult ratios of 10:1, is also increased by COLA for a total of \$5,679 per ADA in 2026-27 and is in addition to the base, supplemental, and concentration grant funding for TK students.

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.

Additionally, estimated statutory COLA will be applied not only to the LCFF, but to other categorical programs outside of the LCFF. The Governor’s Budget proposes \$228.2 million ongoing for the estimated statutory COLA for the LCFF Equity Multiplier, State Preschool, Special Education, Child Nutrition, Youth in Foster Care, 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.

### **Expanded Learning Opportunities Program**

The 2025 Budget Act included new investments to the ELO-P and changed program requirements for certain LEAs. Under current law, LEAs with an UPP greater than or equal to 55% receive a set amount of \$2,750 per student in grades TK-6, and they must offer and provide access to all of their students in these grades. LEAs with a UPP less than 55% receive Rate 2 and must offer and provide access to their unduplicated students in grades TK-6. Rate 2 has vacillated considerably year over year, and in 2025-26, these districts are expected to receive \$1,575 per student.

The proposed State Budget invests \$62.4 million ongoing Proposition 98 funds into ELO-P to stabilize Rate 2 at \$1,800 per student. LEAs will continue to be assured a minimum amount of \$100,000 for their program.

### **Special Education**

Special education will receive the 2.41% estimated statutory COLA increase applied to all components of Assembly Bill (AB) 602, additional funds of \$509 million to accomplish equalization for Base Rates (which has not been achieved since the current funding formula was put in place nearly three decades ago), and COLA for special education adjacent, but non-restricted funding, such as the State Mental Health Services, as shown below.

| <b>Program or Funding Source</b>                      | <b>2025-26 Rate</b> | <b>2026-27 Estimate</b> |
|-------------------------------------------------------|---------------------|-------------------------|
| AB 602 Base Rate                                      | \$917.53            | \$999.00                |
| Program Specialist Regionalized Services              | \$20.46             | \$20.95                 |
| Low Incidence <sup>1</sup>                            | \$3,927.91          | \$4,022.57              |
| Special Education Mental Health Services <sup>1</sup> | \$83.31             | \$85.32                 |

<sup>1</sup> Estimates do not include impact of shifting pupil counts or ADA

### **Community Schools**

The state has invested \$4.1 billion of one-time Proposition 98 funds for the California Community Schools Partnership Program in prior years. Touting reductions in chronic absenteeism and suspensions and improved academic achievement at community schools that have benefitted from

the grants, the Governor's Budget proposes \$1 billion in ongoing Proposition 98 funds to expand the community school model further. Additional detail is needed regarding eligibility, allowable uses, and requirements associated with these funds, but the additional investment is intended to provide ongoing resources to both existing grantees and additional schools with large concentrations of students that are low-income, English learners, and in foster care.

### **Student Support and Professional Development Discretionary Block Grant**

The Governor proposes \$2.8 billion of one-time Proposition 98 funds for a discretionary block grant. The Budget Summary states that the funds will assist LEAs in managing declines in attendance and enrollment, particularly in light of federal government immigration actions. Allowable uses are consistent with the Student Support and Professional Development Discretionary Block Grant that LEAs received in the current year, but more information is needed regarding the allocation methodology and deadline for use of the funds. If the block grant is distributed using the same approach as the current-year discretionary grant, on a per-ADA basis, then we estimate an amount of \$512.48 per ADA (*this amount has been updated to reflect additional information we received after the original posting of this article on January 9, 2026*).

### **2026-27 Learning Recovery Emergency Block Grant Funding**

The Governor's Budget provides \$757.3 million to the Learning Recovery Emergency Block Grant (LREBG). The LREBG was initially established in 2022 but was cut by \$1.1 billion the following year. This repayment brings total LREBG funding to \$7.9 billion and is expected to be the final investment in the program. If this restoration is consistent with the additional LREBG funds that were provided in the 2025 Budget Act, then LEAs can expect the funds to be distributed using 2021-22 ADA and unduplicated pupil percentage (UPP), and have an expenditure deadline of June 30, 2028.

### **Nutrition**

Governor Newsom continues his commitment to fully funding the Universal Meals Program, which ensures that all TK-12 students have access to two free, high-quality school meals each school day. The 2026-27 Governor's Budget includes an ongoing reduction of \$67.9 million, reflecting updated 2025-26 participation estimates compared to the 2025 Budget Act projections, partially offset by increased meal reimbursement rates.

The Governor also proposes an additional round of Kitchen Infrastructure and Training grant funds, which supports schools in purchasing specialized kitchen equipment, upgrading infrastructure, and providing staff training to expand access to freshly prepared meals using locally grown ingredients. The 2026-27 Governor's Budget proposes \$100 million one-time for this purpose.

Additionally, the Governor proposes an increase of \$24.6 million (non-Proposition 98) (\$25.2 million ongoing) with accompanying statutory changes to provide ongoing support for the Farm to School Incubator Grant program. The program expands student access to local, climate-smart, nutritious food and nutrition education, while supporting farmers in adopting climate-smart practices and accessing school food markets.

### **Early Childhood Education**

The Governor's Budget includes \$7.5 billion (\$5.1 billion General Fund) to support the Department of Social Services (DSS) administered childcare and development programs. The budget provides \$89.1 million General Fund to support a COLA for DSS administered childcare programs and \$11.5 million in one-time Proposition 64 funds to support childcare infrastructure, targeted at communities impacted by recent fires.

### **Career Technical Education**

The 2026-27 Governor's Budget includes targeted investments to strengthen CTE and college and career pathways. The proposal includes a \$100 million one-time investment to expand access to college and career pathways for high school students, with a particular emphasis on increasing dual enrollment and dual credit opportunities aligned with the Governor's Master Plan for Career Education (Master Plan). However, more information is needed about how LEAs will be able to access these funds. In addition, the proposal allows the aforementioned discretionary block grant to be used to support career pathway development and the expansion of dual enrollment programs consistent with the goals of the Master Plan.

### **Other One-Time Investments**

The Governor's Budget proposes to make the following investments using one-time Proposition 98 dollars:

- Home-to-School Transportation: \$322 million in addition to \$239.2 million in ongoing funding to support increases in the Home-to-School Transportation program.
- Teacher Preparation: \$250 million to support educator residency programs through 2029-30.
- Reading Difficulty and Risk Screening: \$40 million to continue screening students for reading difficulties. The budget also proposes changes in law to clearly explain how the screenings should be given, helping make results more consistent and reliable.
- Los Angeles County School Wildfire Recovery: \$22.9 million to support LEAs as they continue to recover from the 2025 Los Angeles County wildfires.

### **Education Governance Reform**

As announced the day before the release of the Governor's Budget proposal, and outlined in the January 2026 *Fiscal Report* article "[Education Governance Reform Key Initiative in Budget Proposal](#)," the Governor proposes new reforms to educational governance with a plan to shift oversight for the California Department of Education to the State Board of Education, which is appointed by the Governor, while separating the independently elected State Superintendent of Public Instruction to a more policy-focused role. The intention is to improve accountability, reduce policy conflicts, and make it easier for LEAs to navigate state priorities. The shifts will consolidate the way the state sets direction, provide support and intervention for LEAs, and will ensure state investments are supported by a system that is more aligned and accountable overall. Additional details will require input from the Legislature and trailer bill language for implementation.

### **In Closing**

After years of implementing significant new programs during Governor Newsom's tenure, the education community may find some comfort in the proposal's focus on continued implementation of previous investments. However, with a second year of proposed delays in Proposition 98 settle-up funds, education community members may be leery of once again waiting for the state to provide the funds owed to them, while costs continue to increase locally in real time. We look forward to diving deeper into the Governor's education budget with all of you and helping our local educational leaders and partners operationalize all of what this means for public agencies, staff, students, and local communities at our [Governor's Budget Workshop](#).

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## LAO Releases Analysis of Governor's Budget

By: Megan Baier

January 14, 2026

On January 12, 2026, the Legislative Analyst's Office (LAO) released its [analysis](#) of Governor Gavin Newsom's proposed 2026-27 State Budget. The Governor projects a \$3 billion budget deficit, significantly smaller than the \$18 billion deficit estimated by the LAO. This difference largely stems from the Administration's use of more optimistic revenue assumptions, particularly its limited incorporation of the risk of a stock market downturn.

The LAO warns that both its own forecast and the Governor's Budget reflect ongoing multiyear deficits, despite the continued economic and revenue growth in the state. This pattern, the LAO notes, signals that California's fiscal challenges are "structural rather than cyclical." The LAO highlights that while the Governor's Budget includes approximately \$9 billion in budget reductions, it also includes about 60 new spending proposals that total close to \$600 million.

On the education side of the budget, the Governor's proposal reflects an upward revision in the Proposition 98 minimum guarantee over the budget window that totals \$21.7 billion. The majority of this increase is attributed to 2026-27, with smaller portions attributed to 2024-25 and 2025-26. The LAO expresses concern over the "settle-up" proposal that appropriates \$5.6 billion less than the minimum guarantee to Proposition 98 and redirects funds to support other budget commitments.

The LAO advises the Legislature to strengthen budget resiliency by adopting its lower revenue forecast, a step that would require budget reductions. The LAO also recommends developing a plan to cut projected out-year deficits by at least half, which would involve roughly \$10 billion in spending cuts, revenue increases, or a combination of both. Finally, the LAO encourages the Legislature to fully appropriate Proposition 98 and direct the \$5.6 billion settle-up to the Rainy Day Fund.

The Senate and Assembly will respectively hold their first budget hearings next week to review the Governor's Budget, during which we will get our first insights on the Legislature's perspective of the Governor's proposals.

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## Education Governance Reform Key Initiative in Budget Proposal

By: Anjanette Pelletier

January 8, 2026

California's fragmented governance structure has been cited as a challenge for decades. Legislative reports dating back to the 1920s have identified overlapping roles among the State Board of Education (SBE), the State Superintendent of Public Instruction (SSPI), and the California Department of Education (CDE), often creating confusion rather than clarity for local educational agencies (LEAs). The 2002 [California Master Plan for Education](#) and, more recently, a December 2025 analysis from [Policy Analysis for California Education](#) both concluded that reform is long overdue.

In a press [release today](#), January 8, 2026, Governor Gavin Newsom announced an initiative to streamline and modernize education governance by aligning who sets policy with who carries it out. At the center of the proposal is a significant shift in education governance. Under the Governor's proposal, the SBE would have clearer oversight authority over the CDE, and the SSPI would coordinate policy across the education continuum—from early childhood programs to postsecondary education. Administration officials say this could improve accountability, reduce policy conflicts, and make it easier for LEAs to navigate state priorities. Educational leaders quoted in the release expressed support for the proposal and optimism about its potential impact on student outcomes.

Governance changes of this nature are less about day-to-day classroom decisions and more about how effectively the state sets direction, provides support, and responds when systems need assistance or intervention. For LEA leaders, the practical implications will depend largely on how the changes are implemented through statute and how responsibilities are clarified over time.

The press release contained messaging about sustained investment in TK-12 education. The Administration highlighted the \$137.6 billion allocated to TK-12 education in the 2025-26 Enacted Budget and investments in community schools, transitional kindergarten expansion, literacy initiatives, universal school meals, and expanded before- and after-school programs. Taken together, the Administration is framing governance reform as the next logical step—making sure the state's growing investments are supported by a system that is easier to navigate, better aligned, and more accountable to students, families, educators, and school leaders.

Governance reforms of this scale inevitably raise questions about checks and balances, local control, and the evolving roles of elected and appointed education leaders. For now, LEA leaders should expect more discussion as the Legislature weighs in and details emerge. If adopted, the reforms could affect how guidance is issued, how accountability is structured, and how statewide initiatives are coordinated across agencies. Whether the reforms deliver the promised clarity will ultimately depend not only on implementation, but also on the legislative process ahead, including budget deliberations and policy hearings that will determine the scope, timing, and structure of any changes.

## FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

### Governor Newsom Signals Opposition to Billionaire Tax Ballot Proposal

By: Kyle Hyland and Dave Heckler

December 18, 2025

Governor Gavin Newsom has come out against the proposed “2026 Billionaire Tax Act,” a ballot initiative that would impose a one-time 5% tax on the net worth of approximately 200 California billionaires. Sponsored by the Service Employees International Union, the measure is projected to raise roughly \$100 billion in revenue, with 90% dedicated to health care and 10% allocated to TK-12 education. Health care funding from the tax would serve primarily as an offset for anticipated federal cuts which will impact Medi-Cal funding and to stabilize hospitals and clinics, while the education funding would provide a one-time infusion for TK-12 schools.

The proposal does not specify a formula for how the TK-12 funding would be allocated. Instead, 10% of revenues would be placed in a new Education and Food Assistance Account, from which the Legislature could appropriate up to \$2.5 billion annually for education-related purposes. Allowable uses include addressing federal or state funding reductions and making investments in the TK-12 system, with a requirement that the funds do not supplant existing state funds for health care, education, or food assistance programs.

Governor Newsom’s opposition to the tax proposal centers on his concerns that a state-level wealth tax could encourage high-net-worth individuals and investments to leave California, potentially weakening the state’s economic base. He has also raised concerns about revenue instability, noting that a one-time wealth tax does not provide a predictable or sustainable funding source for ongoing state programs. In addition, Newsom has pointed to significant legal and administrative challenges, including the difficulty of valuing non-traded assets and determining taxpayer residency.

The proposal may also influence the political environment surrounding a separate 2026 ballot initiative to permanently extend Proposition (Prop) 30/55 income tax rates on high-income Californians (see the article “[Initiative Launched to Extend Proposition 30](#)” in the September 2025 *Fiscal Report*). Unlike the Billionaire Tax Act, the Prop 30/55 extension provides ongoing, dedicated funding for TK-12 education and helps reduce pressure on the state General Fund during economic downturns. Maintaining this revenue stream has been a key factor in supporting school funding stability and limiting the need for disruptive midyear cuts or budget adjustments.

There is concern that if both the Billionaire Tax Act and the Prop 30/55 extension appear on the same ballot, voters could experience tax-measure fatigue or confusion. Opponents may frame the combined measures as excessive taxation, while education advocates may face challenges clearly communicating that the Prop 30/55 extension—rather than the Billionaire Tax Act—provides stable, long-term funding for schools.

To further his opposition to the initiative, Governor Newsom has opened a campaign committee named “Stop the Squeeze” to help persuade voters against this measure, should it make it to the ballot. Governor Newsom is not alone in opposing the proposal as business groups, such as the

California Business Roundtable, are forming their own campaign committees to oppose the initiative.

The 2026 Billionaire Tax Act has not yet qualified for the ballot. Proponents have filed the measure with the state and received an official title and summary from the Attorney General. Once title and summary, along with a fiscal analysis from the Legislative Analyst's Office, is complete, the Secretary of State still needs to approve a signature collection petition before initiative proponents can start collecting the necessary signatures for the measure to qualify for the ballot. The deadline to qualify for the November 2026 ballot is June 25, 2026.

As required for a constitutional amendment, supporters will need to collect nearly 900,000 signatures from registered California voters for the initiative by late May in order for the collected signatures to be verified by the June deadline. Until that threshold is met and signatures are certified by the state, the proposal remains in the initiative phase and is not guaranteed to appear before voters.

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## LAO Releases Report on Enrollment-Based Funding

By: Dave Heckler

January 8, 2025

On Tuesday, January 6, 2026, the Legislative Analyst's Office (LAO) issued its analysis of the effects of shifting the state's school funding model from one based on attendance to an enrollment-based model. The report, [\*Assessing a Shift to Enrollment-Based School Funding\*](#), came directly from 2024 legislation authored by Senator Anthony Portantino (Senate Bill 98), requiring the LAO to conduct the analysis.

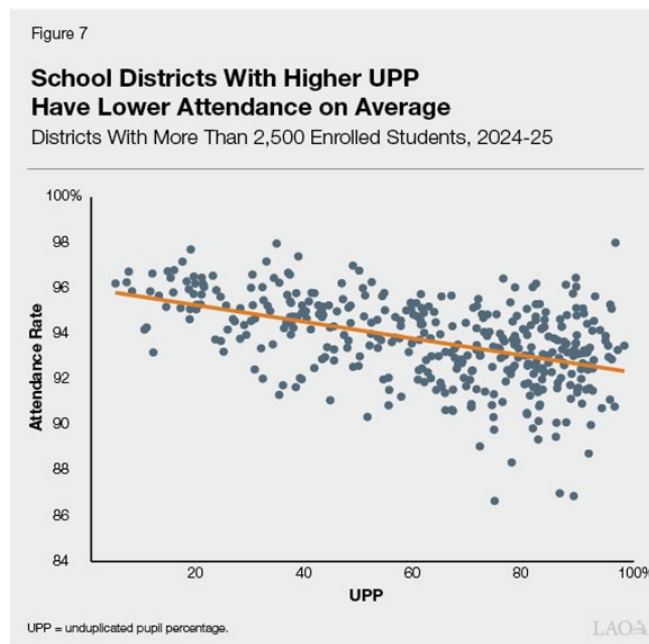
The report offers a solid primer on school funding in other states across the nation as well as an in-depth analysis of attendance rates and California's history of funding excused absences, which ended in 1997.

According to the report, California is one of only five states that uses an attendance-based model, with 30 other states, and the District of Columbia, using an enrollment-based formula. Additionally, 13 states use either a resource-based allocation model or a hybrid of resource allocation and student-centered funding. The remaining two states, Vermont and Wisconsin, use a funding model that does not fit into either a student-centered or a resource-based funding model.

All five states that use attendance in their funding model do so using average daily attendance (ADA) in some form or fashion. Missouri, one of the states that uses ADA, is moving to a model that accounts for both attendance and enrollment.

In its analysis of student attendance rates, the report highlights the importance of student attendance, noting that research consistently shows that student attendance is a solid predictor of student achievement. According to one study cited in the report, only 17% of students who were chronically absent in kindergarten and first grade were proficient at reading by third grade. By comparison, 64% of students who were not chronically absent were reading proficiently by third grade.

The analysis also demonstrates a correlation between a local educational agency's (LEA) unduplicated pupil percentage (UPP) and its overall attendance rate. Specifically, LEAs with a higher UPP have demonstrably lower attendance rates.



In conducting its assessment of a shift to enrollment-based funding, the LAO focused on four key areas:

- **Fiscal and Distributional Effects**—The LAO found that a shift to enrollment-based funding for the Local Control Funding Formula (LCFF) would cost nearly \$6 billion and would result in a statewide increase of 7.24% in LCFF funding. LEAs would see differing funding increases based on their attendance rates; those with the lowest attendance rates would experience the greatest funding increases. Higher UPP LEAs would see the greatest benefit from this change as they typically have lower attendance rates compared to lower UPP LEAs.
- **Effects on Attendance**—The report acknowledges that many lower performing LEAs suffer from attendance issues, and this has had a detrimental impact on their ADA and resulting funding. However, these LEAs, as the report notes, typically have a higher UPP, which drives additional targeted funding to support these challenges.
- **Effects on School Planning**—The report does acknowledge that an enrollment-based model would be better tied to LEAs' budget development, noting that LEAs typically allocate funding and staff to different school sites based on their enrollment.
- **Administrative Burden**—The LAO found that while there would likely be some one-time costs associated with the move from attendance-based funding to enrollment-based funding, the costs would not be substantial, nor would this change be significant given that districts already collect both attendance and enrollment throughout the school year. In addition, a move to enrollment-based funding would not reduce administrative workload associated with attendance-based funding, as LEAs would still be required to track and report absences, as required by compulsory education laws and requirements to monitor chronic absenteeism rates.

However, LEAs would experience one-time costs associated with adjusting systems to report enrollment to the California Department of Education.

The LAO ultimately recommends the state not adopt an enrollment-based funding model, citing low attendance rates that still remain below their pre-pandemic levels and the established relationship between attendance and student outcomes. The LAO expresses concerns that a move away from an attendance-based model could hamper ongoing efforts to improve attendance. Attendance rates could continue to improve over time as the ADA-based funding system provides an incentive for LEAs to increase student attendance, something that an enrollment-based model does not account for. Under an enrollment-based funding system, LEAs may not proactively cease or reduce their programs, but over time these initiatives could lose their priority given their limited impact on funding.

Should the Legislature consider adding additional funding to LEAs, the LAO proposes three different LCFF alternatives that accomplish similar goals of increasing funding for all districts with roughly the same cost to the state.

- Alternative 1: Base funding increase of 7.24%. The result would be the average increase of the enrollment-based funding proposal, with all districts receiving an increase in base, supplemental, and concentration grants.
- Alternative 2: Increase the supplemental grant from 20% to 30% and the concentration grant from 65% to 80%. By increasing the supplemental and concentration grants, the new dollars would be targeted to higher UPP districts, which typically have lower attendance rates.
- Alternative 3: Base funding increase of 3.2% along with an increase to the supplemental grant from 20% to 25% and the concentration grant from 65% to 75%. This option would provide a modest boost to the base grant, along with substantial increases to the supplemental and concentration grants, benefiting high-UPP districts.

It is important to note that the LAO did not take a position on any of these alternatives but simply offered them as options to consider if the Legislature were interested in pursuing this issue further.

To read the full report, which has additional information on the proposal's potential impact on the California School Dashboard as well as Proposition 98, please click [here](#).

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## Investing in a Revised LCFF

By: Michelle McKay Underwood

December 12, 2026

California's declining enrollment, combined with presumed growth in the Proposition 98 guarantee, creates conditions under which funding can rise by approximately \$7.5 billion in "excess" funding by 2030, equal to roughly \$1,500 per student. The Public Policy Institute of California's (PPIC) latest report, ["Updating California's School Funding Formula: Assessing Alternatives and Trade-Offs,"](#) examines how the state could utilize these funds while adjusting core components of the Local Control Funding Formula (LCFF). The report focuses specifically on three mechanisms: the structure of the base grant, the criteria used to identify high-need students, and the allocation of additional funds tied to those criteria.

One major discussion area is whether LCFF funding should be based on enrollment instead of attendance. Because current allocations rely on average daily attendance (ADA), districts with high absenteeism effectively receive less funding than districts with similar enrollment but stronger attendance. The PPIC models a \$3.8 billion shift to enrollment-based funding and finds that most districts would experience changes of less than \$250 per student; however, the largest gains would accrue to districts with the highest rates of absence, which also tend to serve greater shares of high-need students. Districts with already high attendance would receive less than they would under an equivalent increase within the existing ADA-based LCFF structure.

The report also examines how regional cost adjustments could reshape the base grant. If the base grant is intended to reflect the cost of a standard education before additional resources for high-need students are layered on, an important question is whether it should be adjusted for local labor-market pressures. (It is worth noting that the report does not seek to assess whether current funding levels are adequate.) Using the Comparable Wage Index for Teachers (CWIFT), which measures geographic variation in competitive teacher wages, the PPIC models a \$2.5 billion regional cost adjustment to the base. This change would shift funding toward urban and suburban districts where teacher wage pressures are highest, while rural and high-need districts would see relatively fewer funding gains.

A third area of reform involves providing additional funding for students with overlapping high-need characteristics—these "dual-need" students comprise roughly 16% of statewide enrollment (over 880,000 students). Modeling a *duplicated*-count approach that increases funding for these students, the PPIC finds that revenues would rise for most high-need districts by about 2% on average, translating to roughly \$2.0 billion statewide. Because these districts enroll disproportionately more students with overlapping needs, the distributional impact is strongly progressive. The report also evaluates the use of direct certification, which aligns more closely with student outcomes, rather than free or reduced-price meals (FRPM) to identify low-income students and notes that the resulting funding shifts are similar.

Finally, the analysis considers alternatives for addressing concentrated need. The PPIC models a "smoothing" of the concentration grant, rather than the current sharp cutoff between districts just

below and just above the 55% threshold, that would distribute increases more gradually across the continuum of high-need shares, at an estimated statewide cost of \$1.5 billion. This approach would still deliver substantial funding to the highest-need districts while also providing meaningful gains to moderate-need districts, particularly those with an unduplicated pupil percentage of 45% to 65%.

After examining these potential adjustments and based on a projected \$7.5 billion in funding available by 2030, the PPIC provides a menu of LCFF options:

- **Baseline:** Add 11.6% to the base grant.
- **Cost-of-living adjustment + base grant:** Use the CWIFT to adjust for regional cost differences and add 7.5% to the base grant.
- **Enrollment count + base grant:** Switch to enrollment-based funding and add 5.4% to the base grant.
- **Higher supplemental grant:** Increase the supplemental grant from 20% to 42%.
- **Higher supplemental and concentration grant:** Increase the concentration grant from 65% to 91.75% and increase the supplemental grant from 20% to 35%.
- **Duplicated English learner (EL) and FRPM counts + base grant:** Replace the supplemental grant with a 20% grant on FRPM and a 20% grant on EL students. (Retain the existing concentration grant.) Add 8.8% to the base grant.
- **Duplicated EL and directly certified counts + base grant:** Replace the supplemental grant with a 33% grant on directly certified students and a 20% grant on EL students. (Retain the existing concentration grant.) Add 8.8% to the base grant.
- **Single, “smooth” grant + base grant.** Use the nonlinear “smooth” function to replace the supplemental and concentration grants. Add 9% to the base grant.

Ultimately, any shift in the funding formula would require legislative action, and policymakers will need to weigh the competing goals of equity, cost recognition, and stability as they determine how to spend the anticipated revenue gains from declining enrollment.

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## 2025 KIT and R&R Grant Applications Released

By: Kyle Hyland

December 17, 2025

The California Department of Education (CDE) has announced the release of the 2025 Kitchen Infrastructure and Training (KIT) and Retention and Recruitment (R&R) grant applications (available [here](#)). The 2025-26 State Budget appropriated \$155 million in one-time funding to support these two competitive grant programs. Additional details are provided below.

### 2025 KIT Grant

**Total Funding Available:** \$145,000,000

The 2025 KIT Grant supports the continued implementation of Universal Meals and assists School Food Authorities (SFAs) in improving meal quality within School Nutrition Programs. Allowable uses of funds include:

- Purchasing California-grown, whole or minimally processed, sustainable, and/or organic foods for reimbursable meals served through the National School Lunch Program (NSLP) and School Breakfast Program (SBP)
- Staffing costs for training and professional development to expand onsite meal preparation, reduce ultraprocessed foods, promote local and sustainable ingredients, reduce food waste, and improve the school lunchroom environment; funds may also support additional compensation related to Universal Meals service
- Kitchen equipment or infrastructure upgrades that increase capacity for freshly prepared onsite meals, improve nutritional quality, reduce food waste, and support adequate seat time; when feasible, SFAs are encouraged to purchase energy-efficient electric or induction equipment

Applications for the competitive grant will be scored based on the following criteria:

1. The SFA has received 2022 KIT funding and has obligated at least 50% of its 2022 KIT allocation
2. Participation in the Community Eligibility Provision or Provision 2
3. Compliance with federal excess net cash resources requirements
4. The SFA is transitioning from using a food vendor to self-operating
5. Funds will be used to procure California-grown, minimally processed, sustainably grown food from California producers, for inclusion in reimbursable meals
6. Strategies that will improve the quality of meals served in the School Nutrition Programs

Grant amounts will be based on a formula that includes student enrollment and the score received on the grant application. However, the following funding caps will apply:

- Enrollment up to 60,000 students—\$1.25 million
- Enrollment of 60,001-100,000—\$1.5 million
- Enrollment of 100,001 and above—\$2 million

Allocated funds must be encumbered by local educational agencies (LEAs) on or before June 30, 2028. Grant awardees will receive the initial 50% of funds, and a progress report will be required. An additional 25% of the grant award will be distributed after submission of the progress report, and the final 25% will be disbursed after the final report is submitted.

### **R&R Grant**

**Total Funding Available:** \$10,000,000

The R&R Grant supports the recruitment and retention of two to three school nutrition professionals. Funds are primarily intended for one-time costs such as signing bonuses, retention incentives, and recruitment activities. Grant funds may also be used for training and professional development or staffing costs associated with schedule changes that increase access to school meals.

In order to qualify for the grant, applicants must have a written plan to seek input from applicable unions/bargaining units, human resources, food service administrators, governing board or body members, staff, and parents on how the improved retention and recruitment initiatives will increase access to fresh, healthy school meals and address local priorities. Applicants also must identify at least two (not to exceed three) classified employees to be eligible to receive R&R funding.

Applications for the competitive grant will be scored based on the following criteria:

1. The type(s) of positions that will be affected
2. Whether R&R funds will be used for professional development
3. How the funds will be used to help improve meal service and increase capacity for food service staff
4. The types of incentives that will be used to recruit and retain qualified food service staff

Allocated funds must be encumbered by LEAs on or before June 30, 2028. The CDE will distribute the initial 90% of the grant award, and the remaining 10% will be distributed upon receipt of the final report.

### **Eligibility and Due Date**

The 2025 KIT and R&R grants are available to SFAs, defined as public school districts, county offices of education, and charter schools. Eligible SFAs must be approved to operate the NSLP

and SBP and have an approved written agreement with the CDE Nutrition Services Division, a valid Child Nutrition Information and Payment System identification number, and be fully approved and in good standing with the CDE in all Child Nutrition Programs at the time the online application is due.

Applications are due by Friday, January 30, 2026, and are available [here](#).

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## LCFF Equity Multiplier Estimates Now Available

By: Dave Heckler

January 7, 2026

As part of the 2025-26 First Principal Apportionment, the California Department of Education (CDE) will release the per-pupil amount and list of qualifying schools for the Local Control Funding Formula (LCFF) Equity Multiplier. The Equity Multiplier is based on stability rate data made available in the fall of each year. Eligible schools are those that, for the prior year, have a non-stability rate for the total school population of greater than 25% and 70% for the socioeconomically disadvantaged student population.

School Services of California Inc. estimates the per-pupil amount to be \$1,110 per pupil. But keep in mind that the official per-pupil and total amounts will be released in February by the CDE, so these estimates will change. However, these estimates can be used by local educational agencies (LEAs) to begin their Local Control and Accountability Plan development.

To review your LEA's eligible schools and estimates, click [here](#).

LCFF Equity Multiplier Estimates  
Fresno Unified  
Eligible Schools

| LEA            | School                                             | Non-Stability Rate<br>(percent) | Socioeconomically<br>Disadvantaged<br>(percent) | Adjusted Cumulative<br>Enrollment | Estimated Funding |
|----------------|----------------------------------------------------|---------------------------------|-------------------------------------------------|-----------------------------------|-------------------|
| Fresno Unified | Dewolf Continuation High                           | 66.44%                          | 91.70%                                          | 289                               | \$320,790         |
|                | Farber School of Credit Attainment                 | 64.35%                          | 95.31%                                          | 704                               | \$781,440         |
|                | Farber School of Independent<br>Studies and Online | 50.85%                          | 93.41%                                          | 1,532                             | \$1,700,520       |
|                | Fulton                                             | 62.16%                          | 86.49%                                          | 37                                | \$51,697          |
|                | Lowell Elementary                                  | 30.47%                          | 97.30%                                          | 407                               | \$451,770         |
|                | Muir Elementary                                    | 26.44%                          | 93.87%                                          | 571                               | \$633,810         |
|                | Phoenix Elementary Academy<br>Community Day        | 77.33%                          | 98.67%                                          | 75                                | \$83,250          |
|                | Phoenix Secondary                                  | 91.03%                          | 97.44%                                          | 156                               | \$173,160         |
| Grand Total    |                                                    |                                 |                                                 | 3,771                             | \$4,196,437       |

Source data: 2024-25 Stability Rate Data

Run Date: 01/07/2026

Only eligible schools are displayed. Eligible schools are those with a total non-stability rate of greater than 25% and a greater than 70% for the socioeconomically disadvantaged subgroup.

# FISCAL REPORT

PUBLIC EDUCATION'S POINT OF REFERENCE FOR MAKING EDUCATED DECISIONS

## Legislature Gavels in the 2026 Legislative Year

By: Kyle Hyland

January 6, 2026

On Monday, January 5, 2026, the California State Legislature gavelled in for the final year of the 2025-26 legislative session.

While the Assembly floor session was brief and primarily organizational, the Senate's session saw Senator Monique Limón (D-Santa Barbara) be officially sworn-in as the new President pro Tempore (see the article "[Limón Takes over as Senate Leader](#)" in the November 2025 *Fiscal Report*). Both houses will return on Thursday morning as a joint session to hear Governor Gavin Newsom deliver his State of the State address.

### Two-Year Bill House of Origin Deadline

The biggest priority for the Legislature at the beginning of the second year of the session is to consider legislation introduced in 2025 that is not already in the second house. In other words, any bill introduced in 2025 must clear its house of origin by January 31, 2026. For this reason, the Assembly Education Committee, chaired by Assemblymember Al Muratsuchi (D-Torrance), will meet Wednesday, January 7, 2026, to consider the following bills:

- **[Assembly Bill \(AB\) 68](#) (Gallagher, R-East Nicolaus)—School Safety: Armed School Resource Officers.** As amended on January 5, 2026, this bill would require rural school districts and charter schools (in counties with fewer than 40,000 students) to ensure that each eligible school (20 or more students and more than ten miles from the nearest census-designated urban area) has at least one armed school resource officer on campus during regular school hours beginning with the 2028-29 school year. Districts and charter schools that are unable to comply due to funding or staffing may adopt a good-cause exception with a plan and timeline to meet the requirement over time.
- **[AB 296](#) (Davies, R-Laguna Niguel)—Career Technical Education: Sale of Equipment: Registry.** As amended on January 5, 2026, this bill would require the California Department of Education (CDE) to create and maintain an online registry where local educational agencies (LEAs) may list career technical education equipment for sale. Listed equipment must be offered exclusively to other LEAs and remain posted for at least three months unless purchased. The program would sunset on January 1, 2032.
- **[AB 673](#) (Jackson, D-Moreno Valley)—Unaccompanied Homeless Pupils: Unaccompanied Youth Support Grant Program.** This bill would require the CDE to administer a pilot Unaccompanied Youth Support Grant Program, awarding five-year competitive grants to LEAs to provide transitional housing for unaccompanied homeless youth ages 16-17 who are not in foster care. Grant funds would support housing and related services, including referrals to social services, basic needs, financial assistance, and educational supports, with funding preference for LEAs partnering with qualified nonprofit organizations.

Participating LEAs would be required to submit annual reports detailing fund expenditures and the number and characteristics of youth served.

- **[AB 1493](#) (Ávila Fariás, D-Concord)—School District and Community College District Governing Boards: Vacancy Elections.** Existing law requires a school district or community college district governing board to fill a vacancy by election or provisional appointment, with voters able to petition for a special election, which is typically held within a specified timeframe after the petition is deemed sufficient. As amended on January 5, 2026, this bill would instead require the county superintendent of schools to consolidate a petition-triggered special election with the next regularly scheduled election if it occurs at least 88 days after the order. It would allow the provisional appointee to remain in office until the election results are certified, while maintaining existing limits on the appointee’s term.

The Senate Education Committee, chaired by Senator Sasha Renée Pérez (D-Pasadena), will meet Wednesday, January 14, 2026; however, none of the bills presently on the agenda pertain to TK-12 education.

#### **2026 Bill Introduction Deadline**

The deadline for legislators to introduce new bills for the 2026 session is Friday, February 20, 2026. As we begin this new legislative year, we would like to remind you that School Services of California Inc. will continue to keep you apprised of all the important legislative news and the implications of key education legislation introduced by lawmakers in subsequent *Fiscal Report* articles and our “Top Legislative Issues” series. Stay tuned.

## ***Bill Report***

**SCHOOL SERVICES OF CALIFORNIA INC.**

**Legislative Report Prepared for:  
Fresno Unified School District  
Status as of January 14, 2026**

| <b>Bill No./<br/>Author</b> | <b>Title</b>                                                                                                                  | <b>Position</b> | <b>Status</b>                                   | <b>Page</b> |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------------------------------------|-------------|
| AB 65<br>Aguiar-Curry       | School and Community College Employees: Paid Disability and Parental Leave                                                    | Support         | Senate Education Committee                      | 26          |
| AB 68<br>Gallagher          | School Safety: Armed School Resource Officers                                                                                 |                 | Assembly Education Committee                    | 26          |
| AB 235<br>Arambula          | Pupils: Use of Smartphones                                                                                                    | Support         | Assembly Appropriations Committee               | 26          |
| AB 327<br>Ta                | Crimes: False Reporting                                                                                                       | Oppose          | Senate Appropriations Committee—Suspense File   | 27          |
| AB 335<br>Gipson            | The Designation of California Black-Serving Institutions Grant Program                                                        | Support         | Assembly Appropriations Committee—Suspense File | 27          |
| AB 395<br>Gabriel           | Holidays                                                                                                                      | Support         | Senate Judiciary Committee                      | 27          |
| AB 401<br>Muratsuchi        | California Career Technical Education Incentive Grant Program: Annual Adjustment: Renewal Grants                              | Support         | Assembly Appropriations Committee—Suspense File | 28          |
| AB 477<br>Muratsuchi        | Fair Pay for Educators Act: Local Control Funding Formula: Base Grants: Funding Targets                                       | No Position     | Senate Appropriations Committee—Suspense File   | 28          |
| AB 731<br>Fong              | Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships                                           | Watch           | Senate Appropriations Committee—Suspense File   | 28          |
| AB 857<br>Gipson            | School Employees: Cultural Competency Training                                                                                | No Position     | Senate Appropriations Committee—Suspense File   | 29          |
| AB 865<br>González, Mark    | Dual Language Immersion Programs: Instructional Materials: Grants                                                             | Support         | Assembly Appropriations Committee—Suspense File | 29          |
| AB 887<br>Berman            | Pupil Instruction: High Schools: Computer Science Courses: California Computer Science Demonstration Grant Program: Reporting | No Position     | Senate Appropriations Committee—Suspense File   | 29          |
| AB 1025<br>Pellerin         | Standby Caretaker Act                                                                                                         | Watch           | Assembly Appropriations Committee—Suspense File | 30          |
| AB 1053<br>Zbur             | Educational Technology: Evaluation and Selection                                                                              | No Position     | Assembly Appropriations Committee—Suspense File | 30          |

| <b>Bill No./<br/>Author</b> | <b>Title</b>                                                                                                                                                                                                                 | <b>Position</b> | <b>Status</b>                                      | <b>Page</b> |
|-----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------------------------------------------|-------------|
| AB 1111<br>Soria            | Pupil Transportation: Schoolbuses:<br>Zero-Emission Vehicles: Scrapping                                                                                                                                                      | Support         | Senate Appropriations<br>Committee—Suspense File   | 30          |
| AB 1204<br>Alvarez          | Local Control Funding Formula:<br>School Districts and Charter<br>Schools: Pupils Experiencing<br>Homelessness: Supplemental and<br>Concentration Grants: Regional<br>Adjustment Factors: Grade-Span<br>Adequacy Adjustments |                 | Assembly Appropriations<br>Committee—Suspense File | 31          |
| AB 1247<br>Garcia           | Classified Employees: School<br>Districts and Community College<br>Districts: Contracting Out: Training<br>Requirements                                                                                                      | Watch           | Assembly Appropriations<br>Committee—Suspense File | 32          |
| AB 1331<br>Elhawary         | Workplace Surveillance                                                                                                                                                                                                       | No<br>Position  | Senate Floor—Inactive File                         | 32          |
| SB 12<br>Gonzalez           | State Government: Immigrant and<br>Refugee Affairs Agency: Office of<br>Immigrant and Refugee Affairs                                                                                                                        | Support         | Senate Appropriations<br>Committee—Suspense File   | 32          |
| SB 225<br>McNerney          | School Nutrition: Guardian Meal<br>Reimbursement                                                                                                                                                                             | Support         | Senate Appropriations<br>Committee—Suspense File   | 33          |
| SB 323<br>Pérez             | Student Aid Commission:<br>California Dream Act Application                                                                                                                                                                  | Support         | Assembly Appropriations<br>Committee—Suspense File | 33          |
| SB 552<br>Cortese           | Juveniles: Wards: Case Plans                                                                                                                                                                                                 | No<br>Position  | Senate Appropriations<br>Committee—Suspense File   | 34          |
| SB 685<br>Cortese           | California State University:<br>Financial Aid for Homeless<br>Students: Pilot Program                                                                                                                                        | Support         | Assembly Appropriations<br>Committee—Suspense File | 34          |
| SB 743<br>Cortese           | Education Finance: Education<br>Equalization Act: Equalization<br>Reserve Account                                                                                                                                            |                 | Assembly Appropriations<br>Committee—Suspense File | 35          |
| SB 745<br>Ochoa Bogh        | American Government and Civics:<br>Curriculum Guide: State Seal of<br>Civic Engagement                                                                                                                                       | No<br>Position  | Assembly Appropriations<br>Committee—Suspense File | 35          |

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**[AB 65](#) (Aguilar-Curry)**

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**Title:** School and Community College Employees: Paid Disability and Parental Leave

**Status:** Senate Education Committee

**Position:** Support

**Summary:**

Requires a K-14 public school employer to provide up to 14 weeks of full pay to certificated and classified employees due to pregnancy, miscarriage, childbirth, termination of pregnancy, or recovery from those conditions.

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**[AB 68](#) (Gallagher)**

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**Amended Date:** 01/05/2026

**Title:** School Safety: Armed School Resource Officers

**Status:** Assembly Education Committee

**Position:**

**Summary:**

As amended on January 5, 2026, requires rural school districts or charter schools to determine the appropriate number of armed school resources officers (SROs) for each school and to ensure that at least one armed SRO is present at each school during regular school hours.

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**[AB 235](#) (Arambula)**

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**Amended Date:** 04/21/2025

**Title:** Pupils: Use of Smartphones

**Status:** Assembly Appropriations Committee

**Position:** Support

**Summary:**

A prior version of this bill required local educational agencies to adopt a schedule-based policy or full-day restriction policy to limit or prohibit the student use of smartphones while at school or under the supervision of a school employee. As amended April 21, 2025, this bill expressly authorizes the policy to be a schedule-based or full-day restriction policy. A "full-day restriction policy" would prohibit the use of smartphones during the school day, including during instructional time, lunch or free periods, and passing time. A "schedule-based restriction policy" would prohibit the use of smartphones at certain times of the school day, such as during instruction, and permits the limited use of smartphones by pupils at other times of the school day, such as during breaks or lunch periods.

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**[AB 327](#) (Ta)**

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**Amended Date:** 07/16/2025

**Title:** Crimes: False Reporting

**Status:** Senate Appropriations Committee—Suspense File

**Position:** Oppose

**Summary:**

Increases the punishment for a second or subsequent offense of “swatting” which results in an unnecessary emergency response, from a misdemeanor to an alternate felony-misdemeanor. However, the increased penalties for a second or subsequent offense for swatting does not apply to a person who was under 18 years of age at the time they committed the prior offense or offenses.

**SSC Comment:** Assembly Bill 327 is supported by various school districts and law enforcement agencies around the state, though none are in the Fresno vicinity. Among the opponents of the bill are the American Civil Liberties Union, California Action, and the California Public Defenders Association.

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**[AB 335](#) (Gipson)**

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**Amended Date:** 03/20/2025

**Title:** The Designation of California Black-Serving Institutions Grant Program

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

Establishes the Designation of California Black-Serving Institutions Grant Program as a competitive grant program to develop and implement new, or expand existing, academic resources and student support services for underserved students, including Black and African American students. The bill would designate the California State University Statewide Central Office for the Advancement of Black Excellence as the managing entity for the grant program and would require it to act as a neutral administrative body tasked with, among other duties, developing the grant application processes and processing and presenting grant applications to the governing board. The bill appropriates \$75,000,000 to the program for purposes of awarding grants to California State University campuses and community college districts that apply.

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**[AB 395](#) (Gabriel)**

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**Amended Date:** 06/26/2025

**Title:** Holidays

**Status:** Senate Judiciary Committee

**Position:** Support

**Summary:**

Requires public schools to consider making efforts to avoid scheduling the first day of class and high school graduation on a date for which the governing board knows, or has reason to know, that members of the public would be unable to participate or be present due to the ritual observance of a religious, cultural, or ancestral holiday.

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**[AB 401](#) (Muratsuchi)**

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**Amended Date:** 02/25/2025

**Title:** California Career Technical Education Incentive Grant Program: Annual Adjustment: Renewal Grants

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

Starting in 2025-26, recipients of the Career Technical Education Incentive Grant (CTEIG) in the prior year shall receive a renewal grant for three additional years if the career technical education program meets specified criteria. Up to 90% of state CTEIG funds shall be designated for renewal grants and 10% shall be reserved for new applicants. Also starting in 2025-26, an annual cost-of-living adjustment shall be applied to the total state investment for CTEIG.

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**[AB 477](#) (Muratsuchi)**

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**Amended Date:** 06/23/2025

**Title:** Fair Pay for Educators Act: Local Control Funding Formula: Base Grants: Funding Targets

**Status:** Senate Appropriations Committee—Suspense File

**Position:** No Position

**Summary:**

This bill would establish new Local Control Funding Formula base grant targets to be reached in 2036-37 and state the intent of the Legislature to use those funds to increase school site staff salaries. Despite the “increase school site staff salaries” being intent language, the bill’s title was recently amended to the “Fair Pay for Educators Act.”

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**[AB 731](#) (Fong)**

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**Amended Date:** 07/01/2025

**Title:** Pupil Instruction: Dual Enrollment: College and Career Access Pathways Partnerships

**Status:** Senate Appropriations Committee—Suspense File

**Position:** Watch

**Summary:**

Amends the College and Career Access Pathways (CCAP) program to streamline access to dual enrollment by doing the following:

- Removes the requirement for a principal’s recommendation in order to participate in a CCAP dual enrollment program
- Requires CCAP agreements to authorize a student to complete a single community college application for the duration of their participation in the program
- Removes the four-course-per-term cap for CCAP students, while retaining the 15-unit maximum per term

July 1, 2025, amendments remove the bill language regarding online coursework using either synchronous or asynchronous modalities and removed the requirement for community colleges to provide comprehensive support services to high school students dually enrolled in asynchronous courses.

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**[AB 857](#) (Gipson)**

**Amended Date:** 03/28/2025

**Title:** School Employees: Cultural Competency Training

**Status:** Senate Appropriations Committee—Suspense File

**Position:** No Position

**Summary:**

Commencing with the 2027-28 school year, requires a local educational agency (LEA) to provide a California Department of Education-developed online cultural competency to support pupils of color to all school employees. The bill would also require LEAs to provide a proof of completion to school employees that complete the training and to ensure that all school employees complete the required training on paid time during the employees' regular work hours or designated professional development hours. Recent amendments make the training an annual requirement through the 2031-32 school year.

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**[AB 865](#) (González, Mark)**

**Amended Date:** 03/28/2025

**Title:** Dual Language Immersion Programs: Instructional Materials: Grants

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

In 2026-27, establishes the Dual Language Immersion Education Instructional Materials Grant Program and appropriates \$5,000,000 to the superintendent for purposes of providing one-time grants of \$100,000 to local educational agencies to increase available instructional materials in partner languages for dual language immersion programs at one or more schools.

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**[AB 887](#) (Berman)**

**Amended Date:** 07/17/2025

**Title:** Pupil Instruction: High Schools: Computer Science Courses: California Computer Science Demonstration Grant Program: Reporting

**Status:** Senate Appropriations Committee—Suspense File

**Position:** No Position

**Summary:**

As completely rewritten on July 7, 2025, this bill establishes the California Computer Science Demonstration Project to increase the number of public high schools offering computer science and to increase the computer science course access of low-income students and students that are underrepresented in the field of computer science. The pilot program shall be funded through contributions from nonprofit organizations or private entities. Public high schools that do not offer any computer science courses may voluntarily participate in the pilot program. Funding entities, in coordination with the California Computer Science Demonstration Project Working Group, shall select the public high schools to participate in the pilot program.

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**[AB 1025](#) (Pellerin)****Amended Date:** 05/01/2025**Title:** Standby Caretaker Act**Status:** Assembly Appropriations Committee—Suspense File**Position:** Watch**Summary:**

As amended May 1, 2025, this bill authorizes a custodial parent to nominate a standby caretaker for their child who, after going through a court appointment process, may act as the child's temporary guardian while the custodial parent is unavailable. The bill would prescribe the requirements for the nomination of a standby caretaker or alternate standby caretaker, including a required statutory form.

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**[AB 1053](#) (Zbur)****Amended Date:** 04/21/2025**Title:** Educational Technology: Evaluation and Selection**Status:** Assembly Appropriations Committee—Suspense File**Position:** No Position**Summary:**

As amended April 21, 2025, this bill requires local educational agencies to provide for substantial teacher and paraprofessional involvement in the selection of educational technology they are required to use and to promote the involvement of parents and other members of the community in the selection process. The bill also requires the State Superintendent of Public Instruction to develop best practices and resources on the evaluation and selection of educational technology.

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**[AB 1111](#) (Soria)****Amended Date:** 07/22/2025**Title:** Pupil Transportation: Schoolbuses: Zero-Emission Vehicles: Scrapping**Status:** Senate Appropriations Committee—Suspense File**Position:** Support**Summary:**

The bill changes the parameters of the State Air Resources Board California Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project grant program, eliminating the requirement that school districts scrap an existing bus if it is less than 25 years old and ownership of the schoolbus has been transferred to another local educational agency that either qualifies for or has been approved for an extension from the January 1, 2025, requirement to only purchase zero-emission vehicles in order to access the funds.

#### **AB 1204 (Alvarez)**

**Amended Date:** 05/05/2025

**Title:** Local Control Funding Formula: School Districts and Charter Schools: Pupils Experiencing Homelessness: Supplemental and Concentration Grants: Regional Adjustment Factors: Grade-Span Adequacy Adjustments

**Status:** Assembly Appropriations Committee—Suspense File

**Position:**

#### **Summary:**

This bill makes a number of changes to the Local Control Funding Formula (LCFF), phasing the changes in beginning in 2025-26 and fully funding them by 2030-31 as follows:

- Provides a minimum 4% annual cost-of-living adjustment (COLA) for the LCFF, if the calculated COLA is lower
- Requires the California Department of Education (CDE) to establish regional COLAs in addition to the statewide COLA
- Adds students experiencing homelessness to the categories of students who generate supplemental and concentration grants
- Raises the supplemental grant add-on from 20% to 35% of a local educational agency's (LEA) base grant
- Lowers the threshold for LEAs to be eligible for concentration grants from those with 55% of unduplicated students to 45% of unduplicated students
- Requires the CDE to develop recommendations by January 1, 2028, on how grade span funding levels should be adjusted to account for their unique costs

The May 5, 2025, amendments remove the provisions that would have allowed for duplicated counts of students that are low-income, foster youth, and English learner.

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**[AB 1247](#) (Garcia)**

**Title:** Classified Employees: School Districts and Community College Districts: Contracting Out: Training Requirements

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Watch

**Summary:**

Amends existing laws relating to contracts for personal services by school districts and community college districts by adding certain prescribed conditions:

- Contracts must guarantee contributions to any bona fide fringe benefit programs providing health care or retirement benefits to a direct hire that are equivalent to the amount that would be contributed if the contracted worker was a direct hire.
- Contracted workers must meet or exceed the minimum qualifications and standards required of direct hires who perform the same job functions, including required level of academic attainment, required years of experience, mandated reporter status, required scores on assessment exams, and ongoing performance standards.

In addition, the bill requires districts to compensate classified employees at their regular rate of pay for the time necessary to complete the required training. The required training must allow for the classified employee to ask questions and have them answered by a natural person in real time during training, and training regarding child abuse reporting, suicide prevention, sexual harassment, or discrimination must be conducted in person.

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**[AB 1331](#) (Elhawary)**

**Amended Date:** 09/04/2025

**Title:** Workplace Surveillance

**Status:** Senate Floor—Inactive File

**Position:** No Position

**Summary:**

Prohibits employers from using a workplace surveillance tool to monitor workers in the following employee-only areas: bathrooms, locker rooms, changing areas, and lactation spaces.

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**[SB 12](#) (Gonzalez)**

**Amended Date:** 04/10/2025

**Title:** State Government: Immigrant and Refugee Affairs Agency: Office of Immigrant and Refugee Affairs

**Status:** Senate Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

Creates the Immigrant and Refugee Affairs Agency with duties that include establishing a permanent structure within the state to service immigrants and refugees and to assist other state agencies in effectively providing services to immigrants and refugees. The purpose of the agency is to enhance and reduce obstacles to immigrant and refugee inclusion into the social, cultural, economic, and civic life of the state.

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**[SB 225](#) (McNerney)**

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**Amended Date:** 02/27/2025

**Title:** School Nutrition: Guardian Meal Reimbursement

**Status:** Senate Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

Contingent upon an appropriation and to the extent authorized by federal law, requires the California Department of Education to establish a process for state reimbursement for federal summer meal program operators for meals served to guardians of eligible pupils receiving a meal pursuant to a summer meal program. A guardian of an eligible pupil must be present at the summer meal program site in order for the summer meal program operator to receive state-funded reimbursement for that meal, unless noncongregate rules are in place.

**SSC Comment:** In 2024, Fresno USD supported a similar bill, AB 2595 (L. Rivas), which failed to pass the Senate Appropriations Committee.

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**[SB 323](#) (Pérez)**

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**Amended Date:** 07/10/2025

**Title:** Student Aid Commission: California Dream Act Application

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

By the start of the 2026-27 financial aid cycle, the California Student Aid Commission (CSAC) shall amend the California Dream Act Application (CADAA), and any of its grant processing systems, to clarify and ensure that the application can be used by any student eligible for state financial aid programs, regardless of their eligibility for federal financial aid. The bill would also require CSAC to consult with California's public and private colleges and universities to effectively promote the CADAA and inform students and their families of their available financial aid application options.

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**[SB 552](#) (Cortese)**

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**Title:** Juveniles: Wards: Case Plans

**Status:** Senate Appropriations Committee—Suspense File

**Position:** No Position

**Summary:**

Current law requires that the court hear evidence to determine the proper disposition of a minor who has been found to be a ward of the court. Specifically, the court is required to receive into evidence a “social study” of the minor which is prepared by the probation officer. This bill adds a case plan with the following information to the social study that is required for youth who are not in foster care:

- Goals and related services and activities designed to meet the minor’s or nonminor’s rehabilitative and accountability needs
- Input from the minor and family regarding the needs of the minor, and services and activities to enhance the minor’s satisfactory completion of probation
- Assignment of the agency responsible for carrying out the planned services and activities related to each case plan objective
- The projected date of completion of the case plan objectives
- A statement about the parent/guardian and minor’s participation in the development of the case plan

The bill also requires regular review of the case plan. Existing law already requires a similar framework for youth in foster care.

**Note:** The bill is sponsored by the California Judges Association

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**[SB 685](#) (Cortese)**

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**Amended Date:** 06/26/2025

**Title:** California State University: Financial Aid for Homeless Students: Pilot Program

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** Support

**Summary:**

Establishes the Financial Assistance for Students Experiencing Homelessness Pilot Program to provide financial assistance at four California State University campuses to California residents who (1) have been accepted for enrollment at one of those campuses, (2) were homeless at any time during high school, and (3) will be between 17 and 26 years of age upon receipt of assistance. Commencing with the 2026-27 academic year, each participating campus shall provide financial assistance for the balance of the qualifying student’s cost of attendance that exceeds the financial aid the qualifying student receives during the first four years the student participates in the pilot program. The qualifying student must meet certain requirements to receive financial assistance under the pilot program.

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**[SB 743](#) (Cortese)**

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**Amended Date:** 07/07/2025

**Title:** Education Finance: Education Equalization Act: Equalization Reserve Account

**Status:** Assembly Appropriations Committee—Suspense File

**Position:**

**Summary:**

Subject to a voter-approved constitutional amendment, this bill would require deposits into a newly established "Equalization Reserve Account" whenever the state deposits funds in the Proposition 98 rainy day fund, and funds in the "Equalization Reserve Account" would be available to increase per-pupil funding in nonbasic aid school districts in a manner prescribed by the Legislature.

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**[SB 745](#) (Ochoa Bogh)**

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**Amended Date:** 07/07/2025

**Title:** American Government and Civics: Curriculum Guide: State Seal of Civic Engagement

**Status:** Assembly Appropriations Committee—Suspense File

**Position:** No Position

**Summary:**

As amended May 7, 2025, this bill requires the California Department of Education to develop a curriculum guide for a one-year course in American government and civics. The bill also provides that a student's completion of the one-year course satisfies the applicable criterion for the State Seal of Civic Engagement.

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: January 23, 2026  
Phone Number: (559) 457-3907

Regarding: Joint Health Management Board Financial Updates

The purpose of this board communication is to provide the Board the financial updates reported at the January 15, 2026, meeting of the Joint Health Management Board (JHMB).

The First Quarter Health Fund Report for the 2025/26 fiscal year provides a review of actual JHMB income and expenditures from July 01, 2025, through September 30, 2025. It also provides projected income and expenditures for the entire fiscal year 2025/26 compared to the budget for the same time period (Attachment I). Per the language in each of the district's collective bargaining agreements, the attached is provided by the health plan consultant.

For 2025/26, the report further shows a year-end deficit of \$39.8 million, an increase compared to the approved budget of 18.3 million deficit mainly due to increased large medical claims and prescription claims.

If you have any questions pertaining to the information in this communication, or require additional information, please contact either Kim Kelstrom at (559) 457-3907 or Patrick Jensen at (559) 457-6226.

Cabinet Approval:   
Name and Title: Patrick Jensen, Chief Financial Officer

## MEMORANDUM

**TO:** Joint Health Management Board – Employee Unit Representatives  
**FROM:** Giovanni Pacheco, Principal  
**DATE:** January 15, 2026  
**RE:** Quarterly Health Fund Report for July 1, 2025 through September 30, 2025

Attached is the Quarterly Health Fund Report for the first quarter of the 2025/26 fiscal year for the JHMB. This report provides a review of Income and Expenditures compared to Budget for the 2025/26 fiscal year. The Plan is managed by the Joint Health Management Board. We continue to modify and update the format as we work through all the aspects of managing the coverage and funding the Plan.

Adjusting for the tenthly District contributions, the first three months of the year are showing a deficit of \$7,894,703 compared to the budget deficit of \$18,326,397 for the fiscal year. Plan income is projected to be 0.58% lower than the annual budgeted amount per Active for the full fiscal year, while plan expenses are expected to be 7.78% above budget on a per capita basis at the end of the year. The attached exhibit provides detailed information and is summarized in the table below.

Please note that the figures contained in this report are based on data available to the JHMB. Audited figures may differ from those set forth in this report.

|                         | <b><u>First Quarter of 2025/26<br/>Fiscal Year (Actual)</u></b> | <b><u>Budget<br/>(Projected Period)</u></b>    |
|-------------------------|-----------------------------------------------------------------|------------------------------------------------|
|                         | <b><u>July 1, 2025 –<br/>September 30, 2025</u></b>             | <b><u>July 1, 2025 –<br/>June 30, 2026</u></b> |
| Income <sup>1</sup>     | \$59,560,896                                                    | \$239,348,733                                  |
| Expenditures            | \$67,455,603                                                    | \$257,675,130                                  |
| Surplus / (Deficit)     | (\$7,894,703)                                                   | (\$18,326,397)                                 |
| Transfer of Reserves    | \$0.00                                                          | \$0.00                                         |
| Net Surplus / (Deficit) | (\$7,894,703)                                                   | (\$18,326,397)                                 |
| Encumbered Reserves     | \$120,761,425                                                   | \$118,761,031                                  |
| Unencumbered Reserves   | \$95,836,516                                                    | \$85,404,825                                   |
| Total Reserves          | \$216,597,941                                                   | \$204,165,856                                  |

<sup>1</sup>Income amount has been annualized to account for the tenthly District contributions

Please note that expenses shown in the vendor reports can differ slightly from the paid amounts shown in the District's Monthly Financial Report, as adjustments, credits, and delayed postings on the vendor side result in differences in the monthly costs compared to the amounts shown as paid by the District. The annual costs shown in this report have been adjusted to account for these differences and match the audited year-end financial report prepared by the District.



**Definitions**

**Encumbered Reserves:** A part of the Total Reserves amount that includes money held to cover the Incurred But Not Reported (IBNR) liability as well as assets held in the OPEB Irrevocable Trust.

**Unencumbered Reserves:** A part of the Total Reserves amount and is money that is available to pay claims in excess of Encumbered Reserves. This reserve covers the claim fluctuation and unexpected contingencies and is available to cover future cost increases to the Plan.

**Total Reserves:** represents the combination of Encumbered and Unencumbered Reserves. This is the amount that represents the Plan's ability to meet future contingencies and obligations.

Ends.

# Fresno Unified School District

## Exhibit I: YTD Income and Expenditures with Projected Budget Period



|                                                      | Current Period        |                              |                            |                           | Current + Projected Period |                              |                            |                           | Budget                |                              |                            |            |
|------------------------------------------------------|-----------------------|------------------------------|----------------------------|---------------------------|----------------------------|------------------------------|----------------------------|---------------------------|-----------------------|------------------------------|----------------------------|------------|
|                                                      | Jul-25 -<br>Sep-25    | Tentative Cost<br>per Active | Monthly Cost<br>per Active | Difference<br>from Budget | Jul-25 -<br>Jun-26         | Tentative Cost<br>per Active | Monthly Cost<br>per Active | Difference<br>from Budget | Jul-25 -<br>Jun-26    | Tentative Cost<br>per Active | Monthly Cost<br>per Active | Difference |
|                                                      | (A)                   | (B)                          | (C)                        | (D)                       | (E)                        | (F)                          | (G)                        | (H)                       | (I)                   | (J)                          | (K)                        | (L)        |
| <b>Number of Employees</b>                           | Employees             | Dependents                   | Members                    |                           | Employees                  | Dependents                   | Members                    |                           | Employees             | Dependents                   | Members                    |            |
| 1. Actives                                           | 28,064                | 42,120                       | 70,184                     |                           | 112,025                    | 167,724                      | 279,749                    |                           | 111,888               | 166,200                      | 278,088                    |            |
| 2. Retirees                                          | 14,680                | 9,108                        | 23,788                     |                           | 59,266                     | 33,822                       | 93,088                     |                           | 59,408                | 36,640                       | 96,048                     |            |
| 3. <b>Total Annual</b>                               | <b>42,744</b>         | <b>51,228</b>                | <b>93,972</b>              |                           | <b>171,291</b>             | <b>201,546</b>               | <b>372,837</b>             |                           | <b>171,296</b>        | <b>202,840</b>               | <b>374,136</b>             |            |
| <b>Number of Employees</b>                           | Employees             | Dependents                   | Members                    |                           | Employees                  | Dependents                   | Members                    |                           | Employees             | Dependents                   | Members                    |            |
| 1. Actives                                           | 9,355                 | 14,040                       | 23,395                     |                           | 9,335                      | 13,977                       | 23,312                     |                           | 9,324                 | 13,850                       | 23,174                     |            |
| 2. Retirees                                          | 4,893                 | 3,036                        | 7,929                      |                           | 4,939                      | 2,818                        | 7,757                      |                           | 4,951                 | 3,053                        | 8,004                      |            |
| 3. <b>Monthly Average</b>                            | <b>14,248</b>         | <b>17,076</b>                | <b>31,324</b>              |                           | <b>14,274</b>              | <b>16,795</b>                | <b>31,070</b>              |                           | <b>14,275</b>         | <b>16,903</b>                | <b>31,178</b>              |            |
| <b>INCOME</b>                                        |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 4. Employer Contributions <sup>1</sup>               | \$20,528,200          | \$877.77                     | \$731.48                   | -60.10%                   | \$205,242,400              | \$2,198.53                   | \$1,832.11                 | -0.07%                    | \$205,128,000         | \$2,200.00                   | \$1,833.33                 |            |
| 5. Employee Contributions                            | 4,934,024             | 210.98                       | 175.81                     | -16.13%                   | 23,476,402                 | 251.48                       | 209.56                     | -0.03%                    | 23,454,671            | 251.55                       | 209.63                     |            |
| 6. Retiree Contributions                             | 1,330,623             | 56.90                        | 47.41                      | -10.10%                   | 5,371,890                  | 57.54                        | 47.95                      | -9.08%                    | 5,901,143             | 63.29                        | 52.74                      |            |
| 7. COBRA Contributions                               | 178,611               | 7.64                         | 6.36                       | -28.72%                   | 712,972                    | 7.64                         | 6.36                       | -28.72%                   | 999,083               | 10.72                        | 8.93                       |            |
| 8. Insurance Revenue                                 | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 9. Low Income Premium Subsidy                        | 490,285               | 20.96                        | 17.47                      | -42.64%                   | 1,518,058                  | 16.26                        | 13.55                      | -10.64%                   | 1,370,364             | 14.70                        | 12.25                      |            |
| 10. Other Income                                     | 0                     | 0.00                         | 0.00                       | -100.00%                  | 165,251                    | 1.77                         | 1.48                       | -25.05%                   | 220,217               | 2.36                         | 1.97                       |            |
| 11. Interest                                         | 27,576                | 1.18                         | 0.98                       | -94.95%                   | 1,659,489                  | 17.78                        | 14.81                      | -23.83%                   | 2,175,884             | 23.34                        | 19.45                      |            |
| 12. Investment Increase/Decrease                     | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 13. Zells Credit Rebates                             | 22,594                | 0.97                         | 0.81                       | -9.35%                    | 97,123                     | 1.04                         | 0.87                       | -2.38%                    | 99,371                | 1.07                         | 0.89                       |            |
| 14. Active Reserve Assessment <sup>6</sup>           | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 15. Retiree Reserve Assessment <sup>6</sup>          | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 16. Authorized Transfer to Reserves <sup>2</sup>     | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 17. Inter-District Transfer                          | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 18. <b>Total Income</b>                              | <b>\$27,511,913</b>   | <b>\$1,176.39</b>            | <b>\$980.33</b>            | <b>-54.17%</b>            | <b>\$238,243,585</b>       | <b>\$2,552.04</b>            | <b>\$2,126.70</b>          | <b>-0.58%</b>             | <b>\$239,348,733</b>  | <b>\$2,567.02</b>            | <b>\$2,139.18</b>          |            |
| <b>EXPENSES</b>                                      |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| <b>Benefits</b>                                      |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 19. Active Medical Claims                            | \$29,766,629          | \$1,272.80                   | \$1,060.67                 | 5.30%                     | \$120,823,298              | \$1,294.25                   | \$1,078.54                 | 7.07%                     | \$112,702,909         | \$1,208.74                   | \$1,007.28                 |            |
| 20. Retiree Medical Claims                           | 3,062,698             | 130.96                       | 109.13                     | -2.70%                    | 13,840,125                 | 148.25                       | 123.54                     | 10.15%                    | 12,549,556            | 134.59                       | 112.16                     |            |
| 21. Kaiser Health Plan                               | 6,279,372             | 268.50                       | 223.75                     | 1.04%                     | 24,743,448                 | 265.05                       | 220.87                     | 0.33%                     | 24,630,726            | 264.16                       | 220.14                     |            |
| 22. Aetna MAPPO Premium                              | 6,754,040             | 280.80                       | 240.67                     | -25.28%                   | 36,614,158                 | 392.21                       | 326.84                     | 0.80%                     | 36,278,674            | 389.09                       | 324.24                     |            |
| 23. Active Prescription Drug                         | 10,074,075            | 430.76                       | 358.97                     | 41.84%                    | 35,359,228                 | 378.76                       | 315.64                     | 24.40%                    | 28,388,703            | 304.47                       | 253.72                     |            |
| 24. Retiree Prescription Drug                        | 1,486,035             | 63.54                        | 52.95                      | 10.14%                    | 5,602,930                  | 60.02                        | 50.01                      | 4.03%                     | 5,379,394             | 57.69                        | 48.08                      |            |
| 25. EGWP Premium                                     | 0                     | 0.00                         | 0.00                       |                           | 0                          | 0.00                         | 0.00                       |                           | 0                     | 0.00                         | 0.00                       |            |
| 26. Prescription Drug Fee                            | 25,326                | 1.08                         | 0.90                       | 7.55%                     | 141,888                    | 1.52                         | 1.27                       | 50.96%                    | 93,878                | 1.01                         | 0.84                       |            |
| 27. Blue Cross/Aetna PPO Fee                         | 742,783               | 31.76                        | 26.47                      | 98.01%                    | 1,860,055                  | 19.92                        | 16.80                      | 24.22%                    | 1,495,557             | 16.04                        | 13.37                      |            |
| 28. Delta Health Admin                               | 660,482               | 28.24                        | 23.53                      | -10.30%                   | 2,654,132                  | 28.43                        | 23.69                      | -9.70%                    | 2,935,646             | 31.48                        | 26.24                      |            |
| 29. Claremont EAP                                    | 78,361                | 3.35                         | 2.79                       | 1.85%                     | 311,271                    | 3.33                         | 2.78                       | 1.35%                     | 306,739               | 3.29                         | 2.74                       |            |
| 30. Simple Behavioral <sup>7</sup>                   | 1,777,487             | 76.00                        | 63.34                      | 75.11%                    | 7,204,227                  | 77.17                        | 64.31                      | 77.80%                    | 4,046,893             | 43.40                        | 36.17                      |            |
| 31. Simple MSK <sup>8</sup>                          | 172,423               | 7.37                         | 6.14                       | 12.08%                    | 575,727                    | 6.17                         | 5.14                       | -6.24%                    | 613,324               | 6.58                         | 5.48                       |            |
| 32. Standard Life Insurance                          | 113,363               | 4.85                         | 4.04                       | 4.02%                     | 466,605                    | 5.00                         | 4.17                       | 7.26%                     | 434,498               | 4.66                         | 3.88                       |            |
| 33. Delta Dental Claims                              | 3,414,514             | 146.00                       | 121.67                     | 2.30%                     | 13,800,387                 | 147.83                       | 123.19                     | 3.58%                     | 13,306,875            | 142.72                       | 118.93                     |            |
| 34. Delta Dental Admin Fees                          | 202,946               | 8.68                         | 7.23                       | 2.28%                     | 820,100                    | 8.78                         | 7.32                       | 3.55%                     | 791,054               | 8.48                         | 7.07                       |            |
| 35. Pacific Union Dental                             | 184,225               | 7.88                         | 6.56                       | 17.73%                    | 396,204                    | 4.24                         | 3.54                       | -36.57%                   | 623,863               | 6.69                         | 5.58                       |            |
| 36. VSP Vision                                       | 589,753               | 25.22                        | 21.01                      | 0.66%                     | 2,383,370                  | 25.53                        | 21.28                      | 1.91%                     | 2,335,929             | 25.05                        | 20.88                      |            |
| 37. Stop Loss Premium                                | 237,301               | 10.15                        | 8.46                       | -1.22%                    | 949,293                    | 10.17                        | 8.47                       | -1.01%                    | 957,776               | 10.27                        | 8.56                       |            |
| 38. Community Medical Provider                       | 172,440               | 7.37                         | 6.14                       | -28.48%                   | 893,386                    | 9.57                         | 7.97                       | -7.17%                    | 961,261               | 10.31                        | 8.59                       |            |
| 39. WellPATH                                         | 8,066                 | 0.34                         | 0.29                       | -86.79%                   | 190,768                    | 2.04                         | 1.70                       | -21.74%                   | 243,469               | 2.61                         | 2.18                       |            |
| 40. Transfer out to OPEB                             | 875,000               | 37.41                        | 31.18                      | 16.28%                    | 3,000,000                  | 32.14                        | 26.78                      | -0.12%                    | 3,000,000             | 32.18                        | 26.81                      |            |
| 41. Transfer out to IBNR                             | 0                     | 0.00                         | 0.00                       | -100.00%                  | 1,987,361                  | 21.29                        | 17.74                      | -0.12%                    | 1,987,361             | 21.31                        | 17.76                      |            |
| 42. ACA PCORI Fee                                    | 0                     | 0.00                         | 0.00                       | -100.00%                  | 0                          | 0.00                         | 0.00                       | -100.00%                  | 74,155                | 0.80                         | 0.66                       |            |
| 43. <b>Total Benefits, Premiums &amp; Fees</b>       | <b>\$66,677,319</b>   | <b>\$2,851.08</b>            | <b>\$2,375.90</b>          | <b>4.60%</b>              | <b>\$274,617,959</b>       | <b>\$2,941.68</b>            | <b>\$2,451.40</b>          | <b>7.93%</b>              | <b>\$254,138,240</b>  | <b>\$2,725.64</b>            | <b>\$2,271.36</b>          |            |
| <b>Operating Expenses</b>                            |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 44. Salaries                                         | \$201,072             | \$8.60                       | \$7.16                     | 23.42%                    | \$688,227                  | \$7.37                       | \$6.14                     | 5.83%                     | \$649,540             | \$6.97                       | \$5.81                     |            |
| 45. Staff Benefits                                   | 90,686                | 3.88                         | 3.23                       | -7.28%                    | 383,139                    | 4.10                         | 3.42                       | -1.86%                    | 389,938               | 4.18                         | 3.49                       |            |
| 46. Supplies                                         | 0                     | 0.00                         | 0.00                       | -100.00%                  | 2,048                      | 0.02                         | 0.02                       | -25.10%                   | 2,731                 | 0.03                         | 0.02                       |            |
| 47. Auditor                                          | 0                     | 0.00                         | 0.00                       | -100.00%                  | 9,955                      | 0.11                         | 0.09                       | -25.09%                   | 13,273                | 0.14                         | 0.12                       |            |
| 48. Delta Fund Administrator Fees                    | 85,982                | 3.68                         | 3.06                       | -0.88%                    | 346,503                    | 3.71                         | 3.09                       | 0.27%                     | 345,161               | 3.70                         | 3.08                       |            |
| 49. MMA Consultant Fees                              | 112,500               | 4.81                         | 4.01                       | -1.80%                    | 456,750                    | 4.89                         | 4.08                       | -0.12%                    | 456,750               | 4.90                         | 4.08                       |            |
| 50. Delta Team Care Fees                             | 15,698                | 0.67                         | 0.56                       | -68.36%                   | 164,039                    | 1.76                         | 1.46                       | -17.17%                   | 197,789               | 2.12                         | 1.77                       |            |
| 51. Claremont Partners: General                      | 123,413               | 5.28                         | 4.40                       | -16.31%                   | 964,608                    | 6.05                         | 5.04                       | -4.08%                    | 987,916               | 6.31                         | 5.25                       |            |
| 52. Legal Fees - Kraw Law Group                      | 30,000                | 1.28                         | 1.07                       | -34.84%                   | 168,000                    | 1.80                         | 1.50                       | -8.31%                    | 183,000               | 1.96                         | 1.64                       |            |
| 53. KHK Law: Outside Counsel                         | 0                     | 0.00                         | 0.00                       | -100.00%                  | 35,000                     | 0.37                         | 0.31                       | -0.12%                    | 35,000                | 0.38                         | 0.31                       |            |
| 54. JHMB Training / Education Expenses               | 1,372                 | 0.06                         | 0.05                       | -94.22%                   | 72,405                     | 0.78                         | 0.65                       | -23.64%                   | 94,710                | 1.02                         | 0.85                       |            |
| 55. Other Operating Expenses                         | 114,840               | 4.91                         | 4.09                       | -20.43%                   | 546,372                    | 5.85                         | 4.88                       | -5.16%                    | 575,376               | 6.17                         | 5.14                       |            |
| 56. Communications                                   | 2,721                 | 0.12                         | 0.10                       | 80.14%                    | 7,001                      | 0.07                         | 0.06                       | 22.54%                    | 5,706                 | 0.06                         | 0.05                       |            |
| 57. <b>Total Operating Expenses</b>                  | <b>\$778,284</b>      | <b>\$33.28</b>               | <b>\$27.73</b>             | <b>-12.27%</b>            | <b>\$3,444,047</b>         | <b>\$36.89</b>               | <b>\$30.74</b>             | <b>-2.74%</b>             | <b>\$3,536,890</b>    | <b>\$37.93</b>               | <b>\$31.61</b>             |            |
| 58. <b>Total Expenses</b>                            | <b>\$67,455,603</b>   | <b>\$2,884.36</b>            | <b>\$2,403.63</b>          | <b>4.37%</b>              | <b>\$278,062,006</b>       | <b>\$2,978.57</b>            | <b>\$2,482.14</b>          | <b>7.78%</b>              | <b>\$257,675,130</b>  | <b>\$2,763.57</b>            | <b>\$2,302.97</b>          |            |
| 59. <b>Surplus / (Deficit) <sup>4</sup></b>          | <b>(\$39,943,690)</b> | <b>(\$1,707.97)</b>          | <b>(\$1,423.31)</b>        | <b>245.19%</b>            | <b>(\$39,818,421)</b>      | <b>(\$426.53)</b>            | <b>(\$355.44)</b>          | <b>116.71%</b>            | <b>(\$18,326,397)</b> | <b>(\$196.95)</b>            | <b>(\$163.79)</b>          |            |
| <b>Beginning Reserve Balance</b>                     |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 60. Encumbered Reserves                              |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 61. OPEB Irrevocable Trust                           | \$91,142,862          |                              |                            |                           | \$91,142,862               |                              |                            |                           | \$91,142,862          |                              |                            |            |
| 62. Reserve Liability for IBNR                       | \$29,618,563          |                              |                            |                           | \$29,618,563               |                              |                            |                           | \$29,618,563          |                              |                            |            |
| 63. Total Encumbered Reserves                        | \$120,761,425         |                              |                            |                           | \$120,761,425              |                              |                            |                           | \$120,761,425         |                              |                            |            |
| 64. Unencumbered Reserves                            | \$103,731,222         |                              |                            |                           | \$103,731,222              |                              |                            |                           | \$103,731,222         |                              |                            |            |
| 65. <b>Total Reserves</b>                            | <b>\$224,492,647</b>  |                              |                            |                           | <b>\$224,492,647</b>       |                              |                            |                           | <b>\$224,492,647</b>  |                              |                            |            |
| 66. Operating Surplus / (Deficit)                    | (\$39,943,690)        |                              |                            |                           | (\$39,818,421)             |                              |                            |                           | (\$18,326,397)        |                              |                            |            |
| 67. Transfer In from Reserves                        | \$0                   |                              |                            |                           | \$0                        |                              |                            |                           | \$0                   |                              |                            |            |
| 68. Adjusted Unencumbered Reserves                   | \$63,787,532          |                              |                            |                           | \$63,912,801               |                              |                            |                           | \$85,404,825          |                              |                            |            |
| 69. <b>Target Unencumbered Reserves <sup>5</sup></b> | <b>\$44,970,402</b>   |                              |                            |                           | <b>\$46,343,668</b>        |                              |                            |                           | <b>\$42,945,855</b>   |                              |                            |            |
| <b>Ending Reserve Balance</b>                        |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 70. Encumbered Reserves                              |                       |                              |                            |                           |                            |                              |                            |                           |                       |                              |                            |            |
| 71. OPEB Irrevocable Trust                           | \$91,142,862          |                              |                            |                           | \$94,642,862               |                              |                            |                           | \$87,155,107          |                              |                            |            |
| 72. Reserve Liability for IBNR                       | \$29,618,563          |                              |                            |                           | \$31,605,924               |                              |                            |                           | \$31,605,924          |                              |                            |            |
| 73. Total Encumbered Reserves                        | \$120,761,425         |                              |                            |                           | \$126,248,786              |                              |                            |                           | \$118,761,031         |                              |                            |            |
| 74. Unencumbered Reserves                            | \$63,787,532          |                              |                            |                           | \$63,912,801               |                              |                            |                           | \$85,404,825          |                              |                            |            |
| 75. <b>Total Reserves</b>                            | <b>\$184,548,957</b>  |                              |                            |                           | <b>\$190,161,587</b>       |                              |                            |                           | <b>\$204,165,856</b>  |                              |                            |            |

<sup>1</sup> Current + Projected Period amount calculated based on tentative budget amounts, not monthly

<sup>2</sup> District contribution subject to final negotiations

<sup>3</sup> Difference from Budget percentages calculated based on Monthly Cost per Active

<sup>4</sup> Surplus / (Deficit) percentage calculated as Total Expenses (row 58) divided by Total Budgeted Income (row 18)

<sup>5</sup> Target Unencumbered Reserves calculated as 2.0 months of total annual expenses.

<sup>6</sup> Active and Retiree Assessments were suspended beginning in May 2023

<sup>7</sup> Switched from Halo/Mental Health to Simple Behavioral July 2025

<sup>8</sup> Switched from Physmetrics to Simple MSK July 2025

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: January 23, 2026  
Phone Number: (559) 457-3934

Regarding: Local Control and Accountability Plan Educational Partner Feedback

The purpose of this communication is to provide the Board a summary of the feedback gathered from Educational Partners during outreach activities for the 2025/26 school year.

State and Federal is providing an update of the results of the 2025/26 Local Control and Accountability Plan (LCAP) Educational Partner Feedback. In accordance with Education Code Sections 52060(g) and 52066(g), school districts are required to consult with parents, students, teachers, principals, administrators, other school personnel, and local bargaining units of the district in developing the LCAP. Fresno Unified School District staff conducted an LCAP Community Meeting and various other methods of family, student, and staff outreach.

The Climate and Culture Survey was used to gather feedback. The Office of State and Federal Programs partnered with the department of Analysis, Measurement, and Accountability and (AMA), the districts climate and culture team, and the Communications Department to streamline this new process. Over 41,000 responses were collected through the Climate and Culture Survey, which included an open-ended LCAP question to streamline data collection. Survey data will be shared to support the planning and budget development for the 2026/27 school year.

In the Fall of 2025, State and Federal hosted several LCAP engagement opportunities; this includes a districtwide LCAP Community Meeting held at Faber Educational Center. Participation was supported through dinner, childcare and translation. A virtual LCAP engagement was held with Community Based Organizations.

The first LCAP focus group was hosted on November 6<sup>th</sup> at Fort Miller Middle School. We are collaborating with our Community School Coordinators to continue a focus group model to illicit in-depth feedback from families and others from the school community. Additionally, State and Federal will continue to partner with Parent University, Advancing Academic Acceleration & Achievement (A4), and school sites to gather feedback to support the development of the LCAP.

Ongoing collaboration with Parent Advisory Committee (PAC), District English Learner Advisory Committee (DELAC), and the Community Advisory Committee (CAC) ensured feedback from key advisory groups and localized school contexts.

Details from the Educational Partner Feedback are provided in the backup to this Board Communication. 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



# Local Control and Accountability Plan (LCAP) Educational Partner Feedback



ACHIEVING OUR *GREATEST* POTENTIAL

# WHAT WE WILL COVER

- LCAP Timeline
- Opportunities for Engagement
- Educational Partner Feedback
- LCAP Documents and Resources
- Next Steps



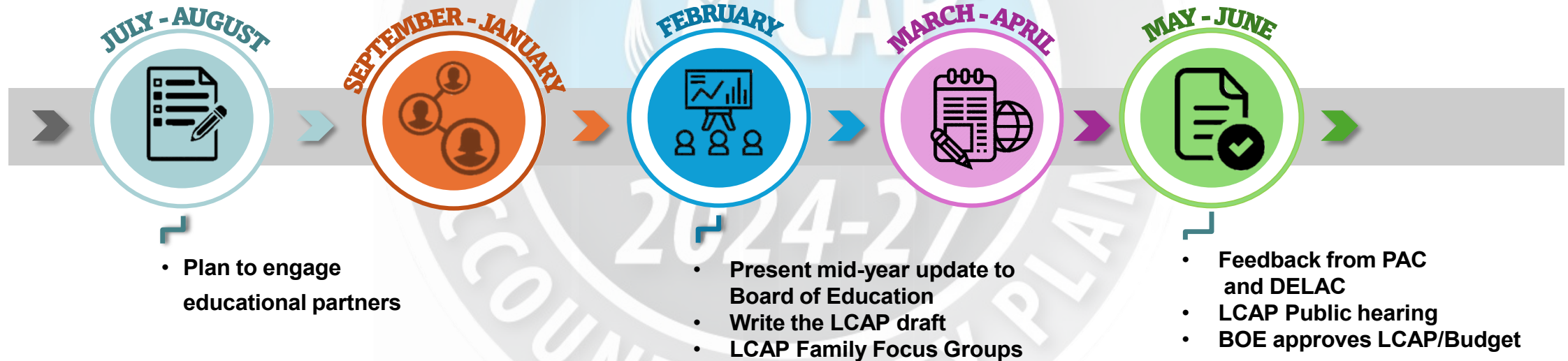
# CAP PLANNING AND ENGAGEMENT TIMELINE

## **Key Point:**

*The final authority for all budget decisions at Fresno Unified School District is the Board of Education*

- Collect community feedback
- Begin LCAP Family Focus Groups
- Climate and Culture Survey
- Districtwide Community Meeting

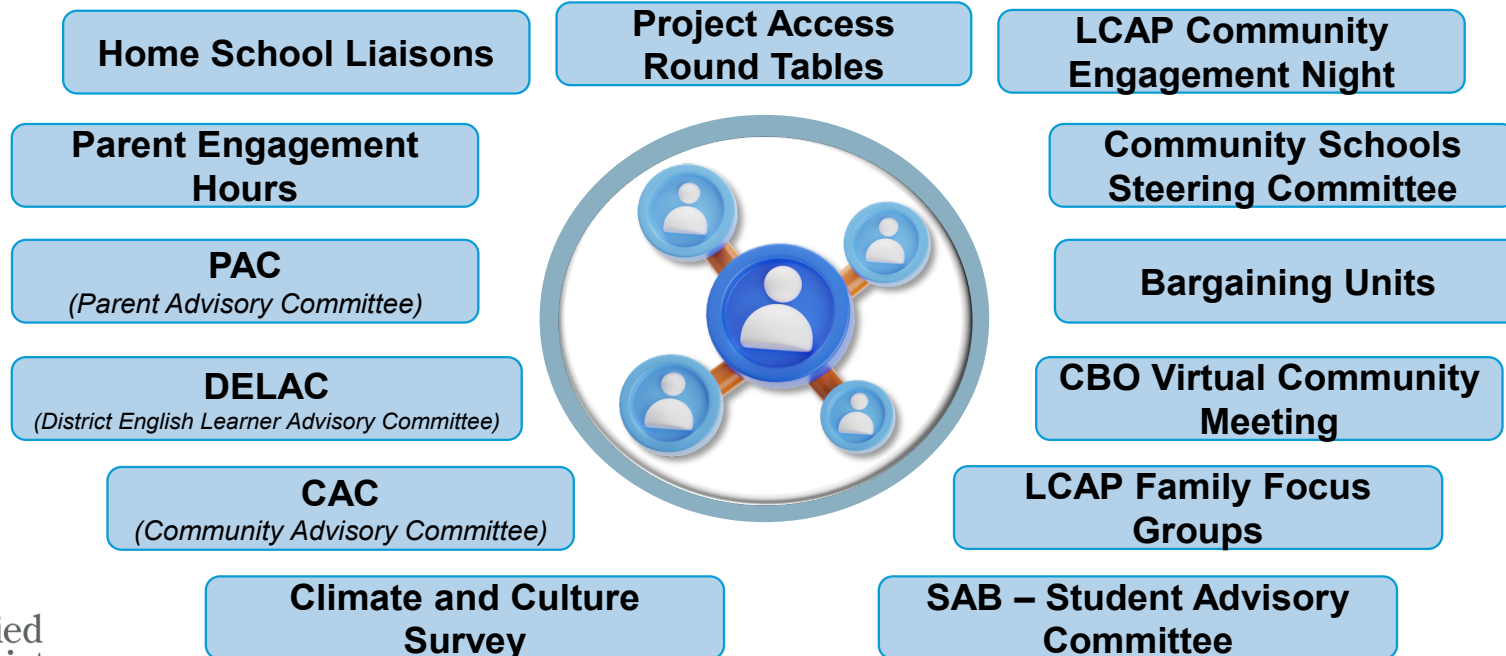
- Receive Input on the Draft
- Update and revise the Draft
- LCAP Family Focus Groups



# OPPORTUNITIES FOR ENGAGEMENT

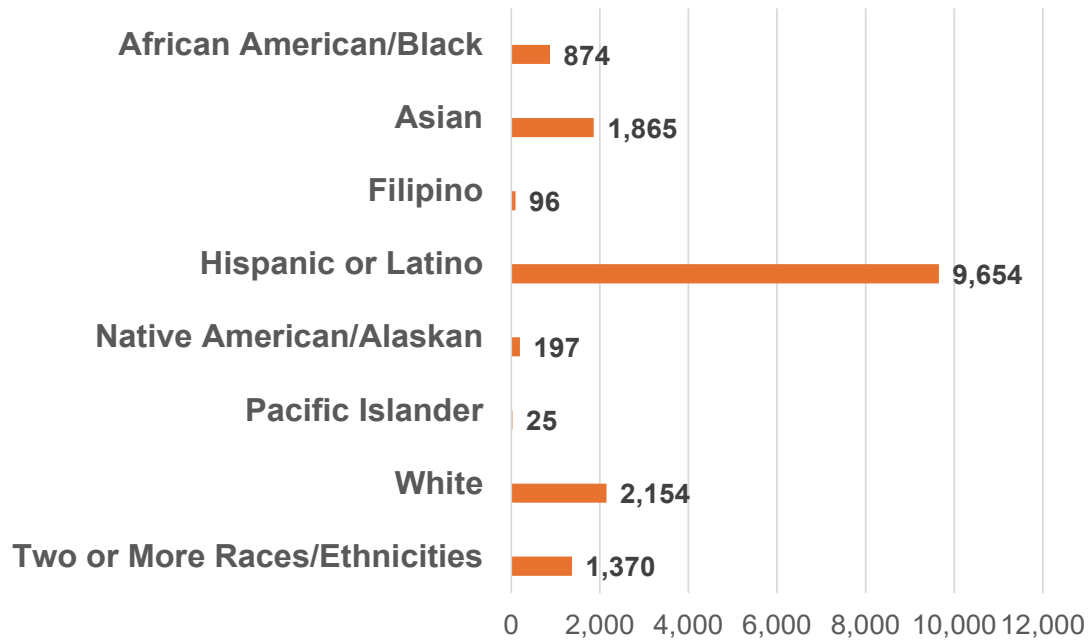


## LCAP COMMUNITY ENGAGEMENT



# OPPORTUNITIES FOR ENGAGEMENT

## DEMOGRAPHICS



## CULTURE AND CLIMATE SURVEY LCAP FEEDBACK



**6,615**  
FAMILIES



**34,068**  
STUDENTS



**2,483**  
SCHOOL STAFF

# LCAP TOP THEMES – CLIMATE AND CULTURE SURVEY

| DISTRICTWIDE | TOP THEME | SECOND HIGHEST | THIRD HIGHEST          | FOURTH HIGHEST             | FIFTH HIGHEST |
|--------------|-----------|----------------|------------------------|----------------------------|---------------|
| 2022/23      | ACADEMICS | NUTRITION      | MENTAL/PHYSICAL HEALTH | ENGAGEMENT/ SCHOOL CLIMATE | SAFETY        |

| DISTRICTWIDE | TOP THEME | SECOND HIGHEST         | THIRD HIGHEST              | FOURTH HIGHEST | FIFTH HIGHEST |
|--------------|-----------|------------------------|----------------------------|----------------|---------------|
| 2023/24      | ACADEMICS | MENTAL/PHYSICAL HEALTH | ENGAGEMENT/ SCHOOL CLIMATE | SAFETY         | STAFF SUPPORT |

| DISTRICTWIDE | TOP THEME | SECOND HIGHEST | THIRD HIGHEST              | FOURTH HIGHEST | FIFTH HIGHEST |
|--------------|-----------|----------------|----------------------------|----------------|---------------|
| 2024/25      | ACADEMICS | SAFETY         | ENGAGEMENT/ SCHOOL CLIMATE | STAFF SUPPORT  | NUTRITION     |

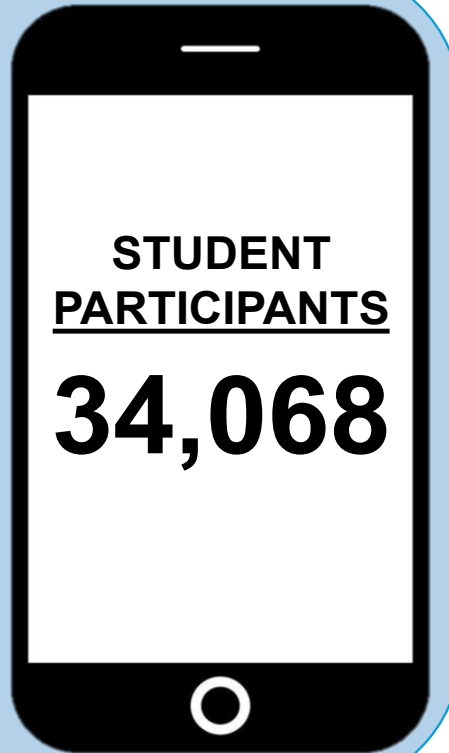
| DISTRICTWIDE | TOP THEME | SECOND HIGHEST | THIRD HIGHEST          | FOURTH HIGHEST | FIFTH HIGHEST |
|--------------|-----------|----------------|------------------------|----------------|---------------|
| 2025/26      | SAFETY    | NUTRITION      | MENTAL/PHYSICAL HEALTH | STAFF SUPPORT  | ACADEMICS     |

# TOP THEMES - STUDENTS



## TOP THEMES:

- SAFETY/BULLYING
- NUTRITION
- MENTAL/EMOTIONAL SUPPORT



## STUDENT COMMENTS:

- “They could do a daily check-in to check how we’re feeling. That helped me with my emotions.”

# TOP THEMES - FAMILIES



## TOP THEMES:

- **CLEAR COMMUNICATION BETWEEN SCHOOL AND HOME**
- **SAFETY/BULLYING**
- **LANGUAGE/BILINGUAL SUPPORT**

FAMILIES  
PARTICIPANTS

**6,615**

## FAMILY COMMENTS:

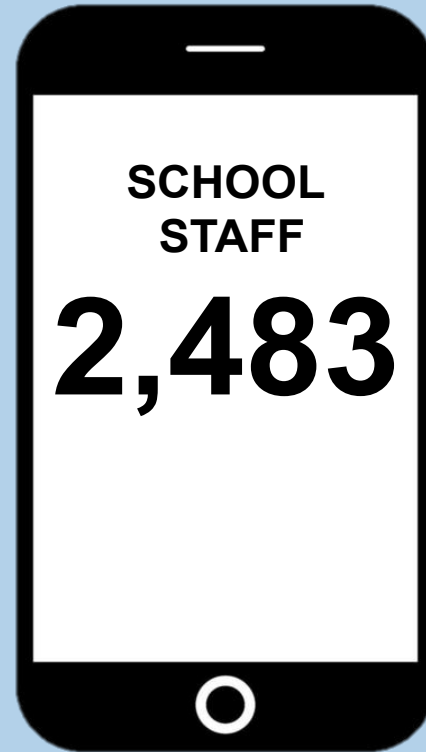
- “Stop the school bullying immediately.”
- “Offer more teachers’ assistants to support students who don’t understand a subject.”

# TOP THEMES – SCHOOL STAFF



## TOP THEMES:

- STUDENT BEHAVIOR
- STAFF SUPPORTS
- MENTAL/EMOTIONAL SUPPORTS



## SCHOOL STAFF COMMENTS:

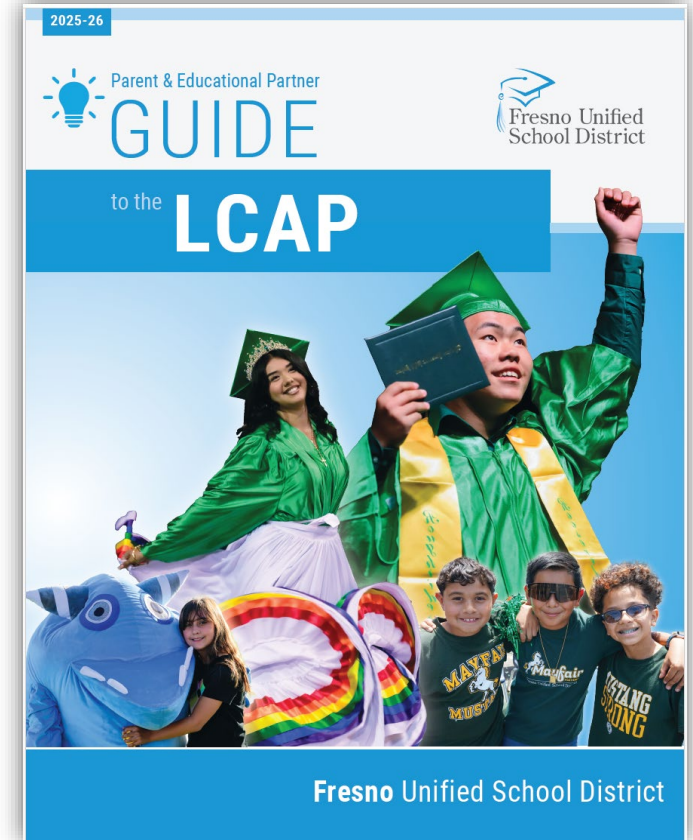
- “We need more mental health resources.”
- “Enforce district policy so learning is a priority.”

# LCAP DOCUMENTS AND RESOURCES

- A complete copy of the approved 2025/26 LCAP
- LCAP Survey Reports
- LCAP Presentations Materials
- 2025/26 LCAP Parent and Educational Partner Guide
- Prior Year LCAP's

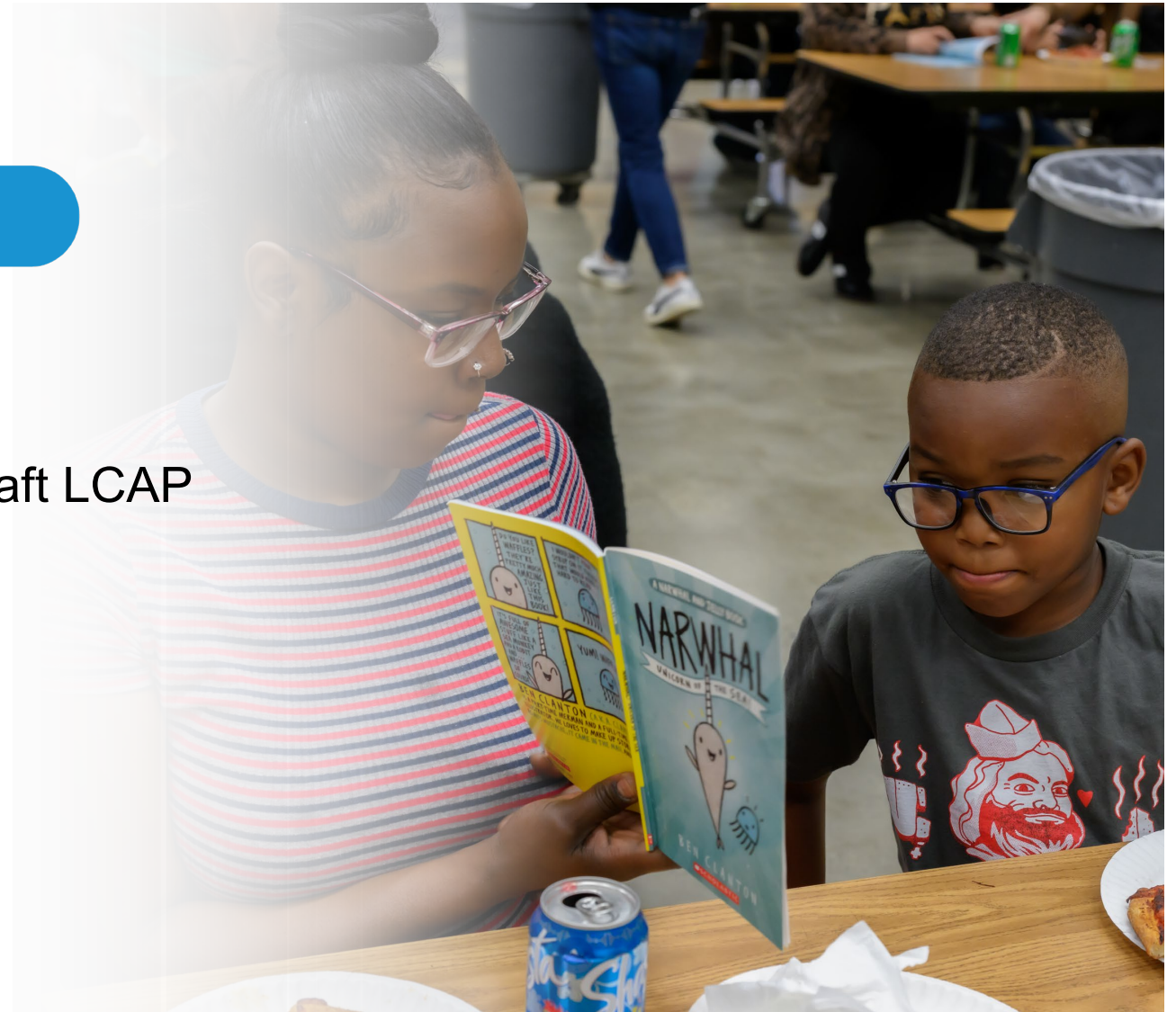
To view all documents please visit:

<https://stafed.fresnounified.org/lcap/>



## NEXT STEPS

- Draft LCAP
- Governor's May Revise
- Education Partner Input on the Draft LCAP
- LCAP Public Hearing
- LCAP Adoption



Fresno Unified School District  
Board Communication

From the Office of the Superintendent  
To the Members of the Board of Education  
Prepared by: Linda Laettner, Executive Officer

Date: January 23, 2026  
Phone Number: (559) 457-3885

Regarding: Monthly Update – January

The purpose of this board communication is to provide the Board an update about the Foundation for Fresno Unified Students.

The Foundation recently hosted the first of three Suit Drive collection windows for its fourth annual Suit Drive and is supporting Suited for Success events at multiple High Schools. Farber High had a successful event on December 04, 2025, where 82 students took home approximately 323 items of professional attire. The next Suited for Success event will occur at Edison High School on February 19–20, 2026. This event reflects the Foundation's ongoing commitment to removing barriers and promoting student confidence and career readiness. The next collection window will take place January 26 through February 06, 2026. Please see attached flyer for more information.

Through the Foster Futures Fund, the Foundation provided direct support to 34 foster youth across Fresno Unified. These funds were used to address immediate student needs and support stability, enrichment, and academic success for some of the district's most vulnerable students. This work aligns with the Foundation's focus on equity and targeted student support.

We received a significant in-kind donation of Smart Strength Balls valued at \$137,774. These tools are designed to support student wellness, focus, and sensory regulation, and will be distributed to benefit classrooms and programs across the district and multiple neighboring districts in the Central Valley.

The Green Energy Academy at Edison High School received \$7,000 in donations from PG&E and the community to support student recruitment efforts. This contribution will help expand awareness of career pathways in green energy and sustainability while increasing access to specialized learning opportunities for Fresno Unified students.

Following the recent Fresno Unified eSports Tournament for Fall 2025 and in partnership with the IT Department, we facilitated six \$500 stipends to be awarded to competition winners from Edison High School. These stipends recognize student achievement and encourage participation in emerging academic and career-aligned activities.

In addition, the Foundation hosted a virtual Tech Convening on December 16, 2025. This online convening brought together partners, educators, and stakeholders to discuss technology, innovation, and opportunities to strengthen student learning and workforce readiness through strategic collaboration.

The Foundation's Adopt-A-School program continues to grow and evolve through meaningful community partnerships. Recently, financial gifts were made in honor of a former student to support Hoover High School and Roosevelt High School. These contributions demonstrate the lasting impact of alumni and community connections and provide additional resources to support site-specific needs and student success.

If you have any questions pertaining to the information in this communication, or require additional information, please contact Linda Laettner at (559) 457-3885.

Cabinet Approval:   
Name and Title: Linda Laettner, Executive Officer



THE FOUNDATION  
FOR FRESNO UNIFIED STUDENTS



4th Annual

# SUIT DRIVE

January 26, 2026  
through February 6, 2026



## Donation Locations

|                                                                                               |                                                                                            |                                                                                                                                                                             |                                                                                               |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| <p><b>Neighborhood Thrift</b></p> <p>353 E. Olive<br/>10 a.m. - 4 p.m.<br/>Open every day</p> | <p><b>J. Crew Factory</b></p> <p>RiverPark<br/>7786 N. Blackstone<br/>10 a.m. - 7 p.m.</p> | <p>Clothing Donation Bin<br/>Powered by:<br/>FUSD Community Schools<br/>&amp;<br/>Neighborhood Thrift</p> <p>Bullard High School<br/>W. Browning Ave<br/>Open every day</p> | <p><b>Neighborhood Thrift</b></p> <p>3139 W. Shaw<br/>10 a.m. - 4 p.m.<br/>Open every day</p> |
|-----------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|

Fresno Unified School District  
Board Communication

From the Office of the Superintendent  
To the Members of the Board of Education

Date: January 23, 2026

Prepared by: Marie Williams, Ed.D., Associate Superintendent

Phone Number: (559) 457-3750

Regarding: Preschool and Transitional Kindergarten Enrollment Update

The purpose of this communication is to provide the Board with information regarding Preschool and Transitional Kindergarten enrollment in Fresno Unified School District.

Over the past four years, Transitional Kindergarten (TK) enrollment has increased from approximately 1,009 students to 2,574 students. This growth reflects California's TK expansion efforts and the district's commitment to providing all four-year-old children with access to a high-quality TK program prior to kindergarten entry.

TK students are demonstrating strong progress in foundational academic skills, as evidenced by TK Foundational Skills Assessment (FSA) results. In 2024/25, TK FSA data indicated that 80% of students achieved Sustaining or Exceeding in Language and Literacy. These areas directly support readiness for reading by the end of first grade, and these outcomes underscore the effectiveness of the TK program in supporting age-appropriate developmental milestones and preparing students for future academic success.

The expansion of TK has correspondingly resulted in a decline in preschool enrollment. The California State Preschool Program (CSPP) is currently protected under a state "hold harmless" provision through fiscal year 2025/26. This provision allowed districts to receive full contract funding for preschool programs despite enrollment declines; however, this provision will expire on June 30, 2026, and CSPP funding will return to standard reimbursement practices based on actual enrollment levels in 2026/27. As such, preschool program adjustments are anticipated to ensure the continued delivery of a high-quality preschool program aligned to projected contract earnings.

Fresno Unified remains committed to ensuring that every child has access to a high-quality early learning experience prior to kindergarten entry—whether through TK or preschool. Providing a strong, developmentally appropriate program for all four-year-old children continues to be a district priority.

If you have any questions pertaining to the information in this communication or require additional information, please contact Maria Ceballos Tapia at (559) 457-3623.

Cabinet Approval:   
Carlos Castillo (559) 457-3623

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

Fresno Unified School District  
Board Communication

From the Office of the Superintendent  
To the Members of the Board of Education  
Prepared by: Lisa Mitchell, Ed.D., Executive Director  
Advancing Academic Acceleration & Achievement

Date: January 23, 2026  
Phone Number: (559) 457-3728

Regarding: Historically Black Colleges and Universities Step-Up Enrichment Trip 2026

The purpose of this communication is to inform the Board of an upcoming out-of-state, overnight educational enrichment trip for 55 students to visit twelve Historically Black Colleges and Universities (HBCUs) in North Carolina, South Carolina, Alabama, and Georgia. This experience is designed to inspire students' future college aspirations and deepen their understanding of higher education opportunities.

On March 25, 2026, HBCU teachers and support staff will accompany our Junior HBCU Step-Up students on an educational visit to our dual-enrollment partners, Benedict College, Fort Valley State University, and 10 other HBCUs. Visitations include stops at the following HBCUs: North Carolina Central University, North Carolina A&T State University, University of South Carolina, South Carolina State, Claflin University, Benedict College, Tuskegee University, Fort Valley State University, Morris Brown College, Morehouse College, Spellman University, and Clark Atlanta University.

This enrichment trip provides students with a meaningful opportunity to experience college life firsthand, explore diverse academic environments, and gain insight into the unique mission and culture of HBCUs. It is intended to:

- Expose students to higher education options at HBCUs and increase awareness of their academic programs, histories, and contributions.
- Inspire post-secondary aspirations by allowing students to envision themselves on a college campus.
- Foster cultural pride, identity, and appreciation for African American heritage within higher education.
- Encourage informed college planning and goal setting through direct engagement with institutions that support student success.

Students and staff will return on April 01, 2026.

If you have any questions pertaining to the information in this communication or require additional information, please contact Pat Riddlesprigger at (559) 457-3716.

Cabinet Approval:   
Carlos Castillo (Jan 23, 2026 12:43:07 PM)

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