

# MURDOCH WALRATH & HOLMES

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## MEMORANDUM

Date: June 3, 2025

To: CABE Board Members  
Dr. Edgar Lampkin, CABE CEO

From: Jennifer Baker, Legislative Advocate

Subject: Sacramento Update

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The 2025 Legislative Session has been economically and politically complex as the Governor and the California Legislature have adjusted current and future expectations to face the current political and fiscal maelstrom emanating from the federal government. As the Legislature prepares to pass the budget, likely around June 13<sup>th</sup>, capitol insiders have already begun exploring an additional mid-year budget package should federal cuts ensue.

Coupled with the instability emanating from the economic impacts of the most recent tariffs created by President Trump, are the increased deportations taking place, impacting many of the families which CABE serves. Many of the CABE-supported bills discussed below are seeking to provide as many protections as possible for California's undocumented student population.

I will be providing a presentation for the Board meeting which will further delve into legislative positions. I will additionally be providing a macro analysis of the May Revision or final Budget Act, should the Legislature release the details prior to the Board meeting.

### **Governor Releases May Revision**

Governor Gavin Newsom issued the May Revision to his proposed fiscal year (FY) 2025-26 State Budget. Budgets are built on assumptions about the future and the latest information about revenues. The volatile economic climate resulting from evolving federal policies, delayed tax collections for residents of Los Angeles County, and potential reductions in federal programs combine to produce a high level of uncertainty.

The January Budget proposal contained \$322.3 billion of state spending, including \$228.9 billion from the General Fund for FY 2025-26, and estimated a small surplus. The May Revision proposes \$321.9 billion of state spending, including \$226.4 billion from the General Fund. The Governor estimates a \$16 billion deficit over the next two years, including \$12 billion in fiscal year 2025-26. The Governor's May Revision highlights the economic stability of California but notes federal policies, including elevated tariffs and immigration restrictions, have led to a "growth recession" in the U.S.

The May Revision includes a total of \$137.8 billion for TK–12, including \$80.5 billion from the General Fund and \$57.3 billion from other sources. Per Pupil Funding - Total per pupil funding in the May Revision is \$25,176 per child, and Proposition 98 funding per pupil totals \$18,671.

The May Revision adjusts Proposition 98 funding levels for TK–14 schools based on revised General Fund revenue estimates. The Proposition 98 Guarantee is now projected at \$98.5 billion for 2023–24, \$118.9 billion for 2024–25, and \$114.6 billion for 2025–26—\$2.9 billion higher than the 2024 Budget Act but \$4.6 billion lower than the Governor's January Budget.

The May Revision allocates \$545.3 million for instructional materials, educator support, and evidence-based literacy programs. This includes early screening for reading difficulties and the expansion of the Literacy Coaches program, which will now also support math coaches.

The May Revision includes the following investments in literacy support:

- \$200 million one-time Proposition 98 General Fund for evidence-based professional learning for elementary educators aligned with the ELA/ELD Framework.
- \$10 million one-time Proposition 98 General Fund for a county office of education to collaborate with the UCSF Dyslexia Center to expand the Multitudes Screener, which helps identify reading difficulties in kindergarten through second-grade students.
- Authority for the Department of Education to use federal Comprehensive Literacy State Development grant funds to enhance statewide literacy infrastructure and resources, aiming to improve student outcomes over five years.

## **LAO Reviews May Revision**

The Legislative Analyst's Office (LAO) released its analysis of the [Governor's May Revision for the 2025–26 K–14 education budget](#) on May 20, 2025. The report outlines significant adjustments to the Proposition 98 guarantee and associated funding strategies for schools and community colleges.

Key highlights include a Proposition 98 guarantee adjustment, including an overall reduction by \$4.6 billion across the 2023–24 to 2025–26 budget period; A decrease of \$3.9 billion in the General Fund portion, primarily due to lower revenue estimates for 2025–26; A reduction of \$753 million in local property tax contributions; Lower TK attendance estimates have reduced the guarantee by \$411 million over 2024–25 and 2025–26; An upward adjustment of \$172 million to the General Fund portion to offset property tax reductions resulting from the January 2025 fires in Los Angeles.

Spending adjustments and deferrals include a plan to defer over \$1.8 billion for schools and \$532 million for community colleges from June 2026 to July 2026; The elimination of \$1.5 billion in reserve deposits, reducing the reserve balance to zero; The withdrawal or reduction of several proposals totaling \$394 million, including the Collaborative Enterprise Resource Planning Project and the Common Cloud Data Platform; The reduction of the delayed settle-up payment from nearly \$1.6 billion to \$1.3 billion, freeing up \$250 million for programs in 2024–25; A reduction of the statutory COLA by \$149 million.

The LAO suggests that while the Governor's adjustments address the immediate budget shortfall, the Legislature may consider alternative solutions, such as modifying the mix of program reductions and exploring different revenue options.

## **CABE-Supported Legislation**

Both the Senate and Assembly Appropriation Committees held their Suspense File hearings on May 23<sup>rd</sup>, which included the review of 1,098 bills. Bills that were not released from this infamous hearing are now two-year bills. While some bills did come out of this hearing in their current form, a number of them have been amended. Those changes will be updated in the bill descriptions as the amendments are made public. The following bills are supported by CABE:

AB 49 (Muratsuchi): Immigration Enforcement: Would prohibit local educational agency school officials and employees from allowing Federal Immigration and Customs Enforcement officials from entering a school site for any purpose without providing valid identification, a written statement of purpose, a valid judicial warrant, as well as receiving approval from the superintendent of the district, the county, or the principal of the charter school or their designee. Further, AB 49 requires the local education agency (LEA) to limit access to school facilities. This measure is referred to Senate Rules.

AB 243 (Ahrens): Student Financial Aid Dependency Status: Would require financial administrators of the California Community Colleges, California State University, or University of California, or the Student Aid Commission, to accept a sworn statement signed under penalty of perjury by a representative of a LEA, county welfare department, or probation department as sufficient document for student aid. This measure has been referred to the Senate Education Committee and the Senate Judiciary Committee.

AB 419 (Connolly): Education Equity: Immigration Enforcement: Would require schools to post guidelines on educational rights related to immigration-enforcement actions in English and Spanish. CABE is working with the author to amend the bill to ensure these materials would be translated into every language spoken at a school site, despite whether they have achieved 15 percent of the student population. This measure is on the Assembly Floor.

AB 421 (Solache): Immigration Enforcement: Prohibitions on Access, Sharing Information, and Law Enforcement Collaboration: Would prohibit California law enforcement agencies from collaborating with or providing information to immigration authorities within a one-mile radius of any childcare or daycare facility, religious institution, place of worship, hospital, or medical office. The measure has been referred to the Assembly Public Safety Committee and is a two-year bill.

AB 695 (Fong): California Community Colleges Access and Continuity for Deported Students: Would ensure community college students who have been involuntarily removed do not have to pay nonresident tuition. This important measure will assist students wishing to pursue higher education in continuing to pursue their goals. The measure is on the Assembly Floor.

AB 833 (Alvarez): Teacher Exchange Program: Would require the State Board of Education's rules and regulations regarding teacher exchanges with Mexico to be reported to the Legislature, including the number of teachers participating, disaggregated by home country. The measure is on the Assembly Floor.

AB 857 (Gipson): Cultural Competency Training: Would require the State Department of Education to create an online cultural competency training program and curriculum by 2027 and requires local education agencies to provide training to all school employees on this new curriculum. CABE believes

cultural competency training is imperative to support the growing, diverse student population. The measure was held in the Assembly Appropriations Committee Suspense File.

AB 1348 (Bains): Average Daily Attendance: Immigration Enforcement Activity: Would protect school funding from declining due to immigration enforcement activities. The measure is on the Assembly Floor.

AB 1454 (Rivas): Pupil Literacy: Administrative Services Credential Program standards and professional Development: Instructional Materials: Would support California's efforts to improve student literacy for all students through the strengthening of professional development, updating professional materials, and ensuring training that incorporates evidence-based instructional strategies that will also support English Learners in language development and literacy. This bill is on the Assembly Floor.

SB 12 (Gonzalez): Immigrant and Refugee Affairs Agency: Would create the Immigrant and Refugee Affairs Agency headed by a secretary appointed by the Governor, subject to Senate confirmation, who would reduce obstacles and enhance immigration integration into California. The measure was held in the Senate Appropriations Committee Suspense File.

SB 48 (Gonzalez): Immigration Enforcement at School Sites: Would prohibit school districts, county offices of education, or charter schools and their personnel, from allowing Immigration and Customs Enforcement to access a school campus without a judicial warrant. To the extent possible, SB 48 would require local education agencies and their personnel to document and have a witness present when denying such access. Additionally, the bill would prohibit LEAs and their personnel from disclosing or providing education records about a pupil, pupil's family, school employees, or teachers, without a judicial warrant. The measure is on the Senate Floor.

SB 98 (Pérez): Immigration Enforcement Notification: Would require school districts, county offices of education, charter schools, and postsecondary educational entities to immediately notify all pupils, parents, faculty, staff, and other school community members of the presence of immigration officers on the schoolsite. The measure is on the Senate Floor.

## **Legislative Calendar**

June 15 – Budget bill must be passed by midnight.

July 18 – Last day for policy committees to hear bills. Summer Recess begins.

August 18 – Legislature reconvenes from Summer Recess.

August 29 – Last day for fiscal committees to hear bills.

September 2-12 – Floor session only.

September 5 – Last day to amend a bill on the Floor.

September 12 – Last day for each house to pass bills. Interim Recess begins.