



# Sacramento Update

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## Executive Summary: May Revise 2026-27 Budget

- \$349.9 billion overall budget
- \$246.6 billion General Fund
- \$16.5 billion additional revenue than projected
- \$29.9 billion in combined reserves:
  - \$15.1 billion in the Rainy Day Fund
  - \$10.3 billion in the Public School System Stabilization Account
  - \$4.5 billion in the Special Fund for Economic Uncertainties
- \$9.7 billion in the Surplus Holding Account for 2027-29
- \$3.9 billion “settle-up” in Proposition 98 for 2025-26

# Economic Outlook: Growth & Uncertainties

## Positive Projections

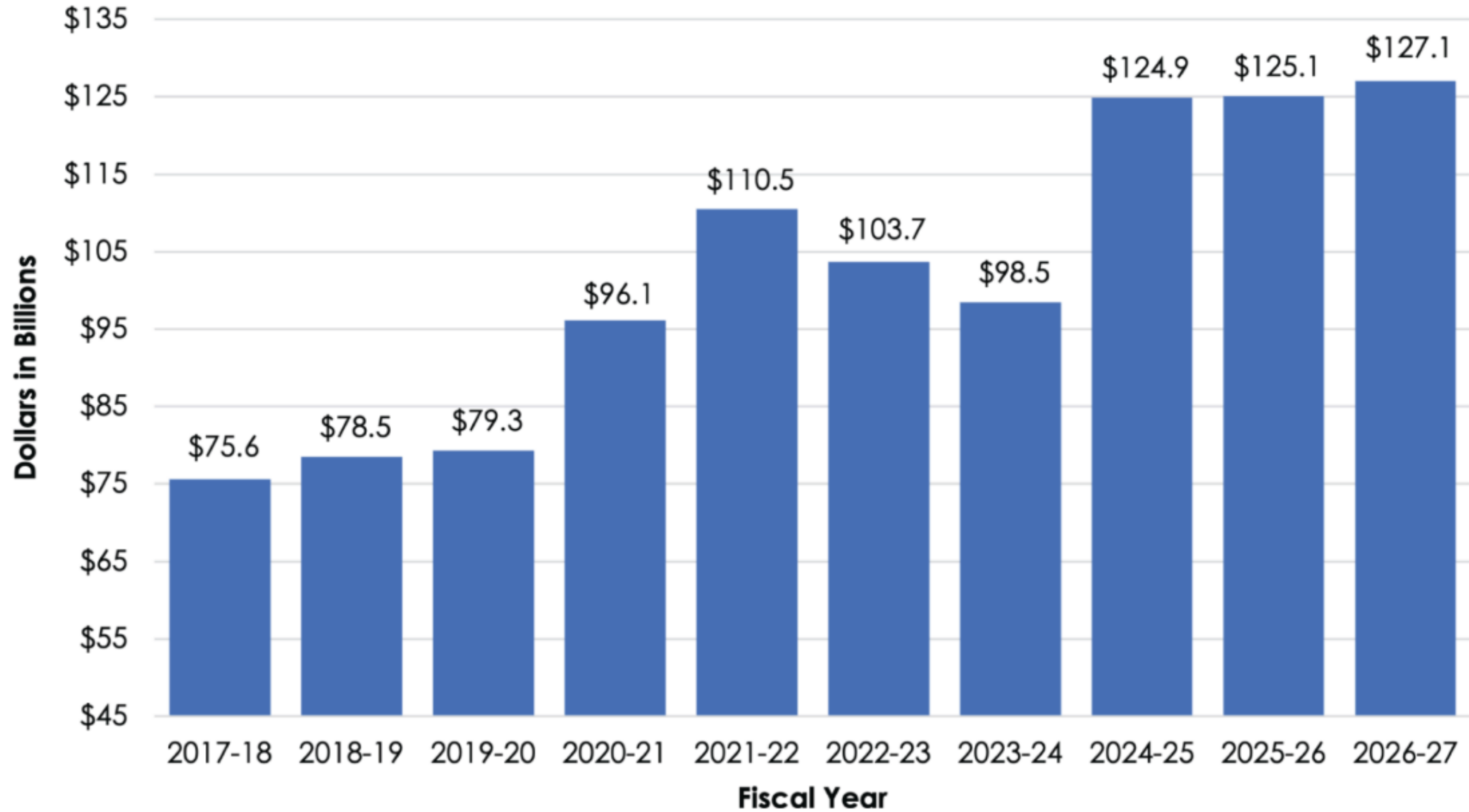
- Artificial Intelligence revenues grow
- Capital Gains are robust
- Tariff rates not as impactful
- Economic growth expected to stabilize

## Potential Risks

- Iran conflict
- Inflation increasing
- Increased energy/gas prices
- Federal funding shifts, such as H.R.1
- Market AI correction



## Proposition 98 Funding 2026-27 May Revision



# Significant Adjustments

## Local Control Funding Formula COLA Adjustment

- The LCFF includes a super cost-of-living adjustment of 4.31 percent (statutory of 2.87 percent)

## Special Education

- Maintains \$509 million January discretionary increase
- Addition ongoing base-rate adjustment of \$1.8 billion

## Student Support and Professional Development Block Grant

- \$5 billion for statewide priorities

## Paid Pregnancy Leave

- Up to 14 weeks of paid pregnancy disability leave, starting in 2026-27
- Absorbable within the 1.4 percent LCFF COLA

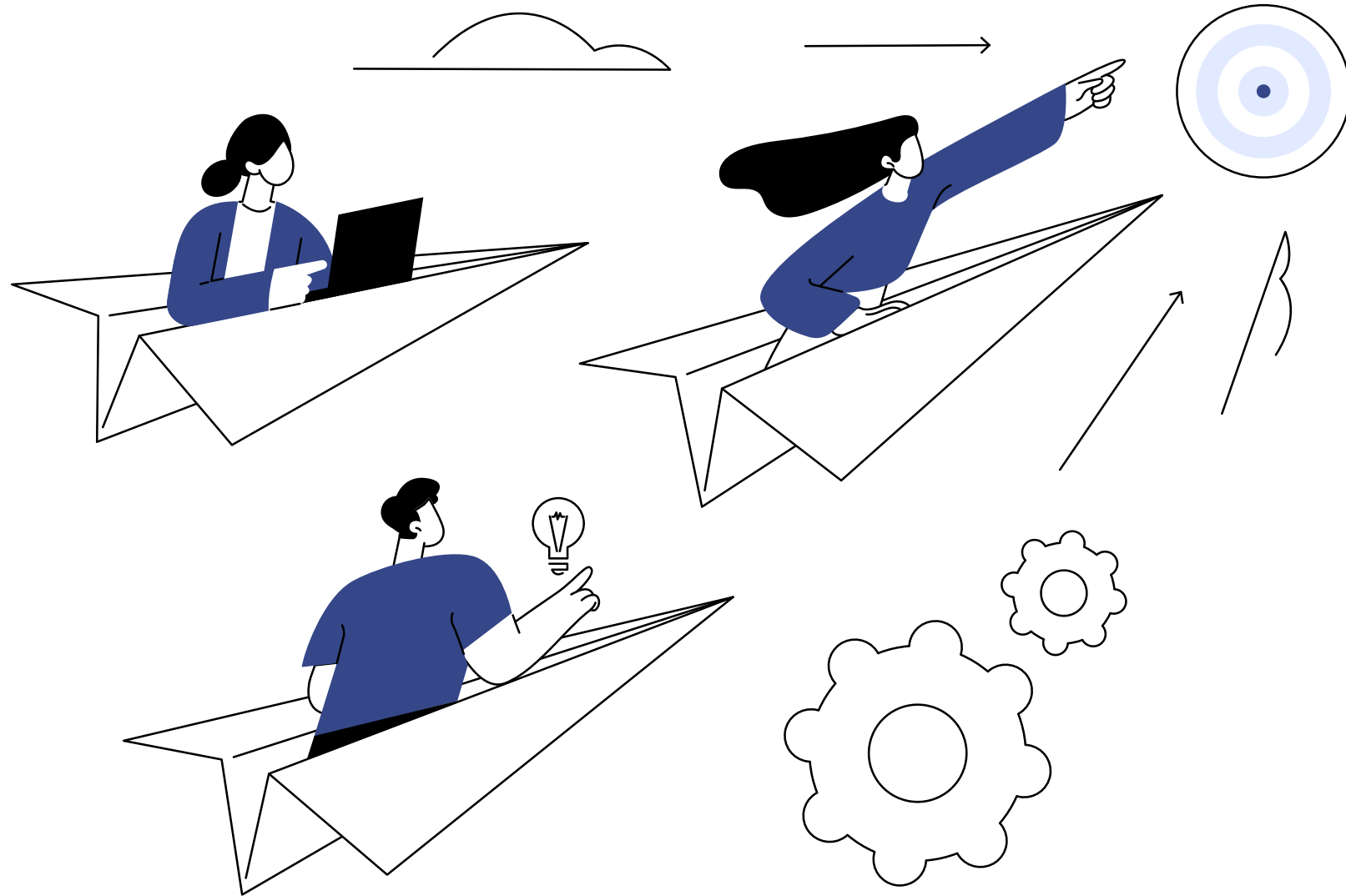




## Executive Summary: Legislative 2026-27 Budget

- \$355.9 billion overall budget
- \$253 billion General Fund
- \$16.5 billion additional revenue than projected + \$7 billion from LAO assumptions
- \$29.9 billion in combined reserves:
  - \$15.1 billion in the Rainy Day Fund
  - \$9.5 billion in the Public School System Stabilization Account
  - \$4.5 billion in the Special Fund for Economic Uncertainties – still uncertain
- \$7.4 billion in the Surplus Holding Account for 2027-29
- \$3.9 billion “settle-up” in Proposition 98 for 2025-26

# CABE Budget Priorities




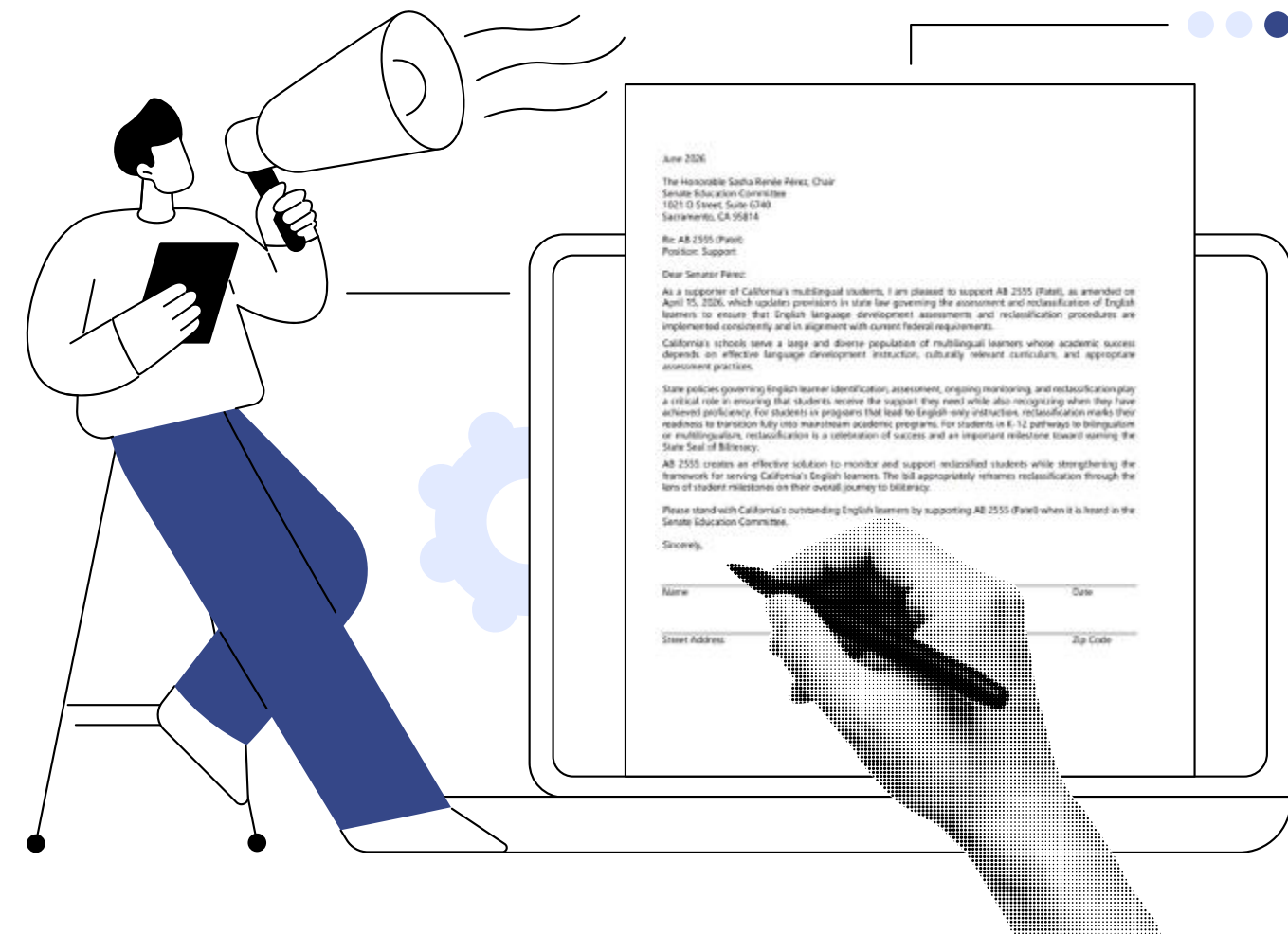
- **Settle-up Funds:** \$3.9 billion 2025-26 Prop. 98 Funding
- **Student Support and Professional Development Discretionary Block Grant:** \$5 billion: Includes ELA/ELF Framework professional development.
- **LCFF Super COLA:** 4.31 percent: seek flexibility in additional 1.4 percent
- **Teacher Preparation and Professional Development:** \$61.2 million

# CABE-Co Sponsored AB 2555 (Patel)

Updates provisions in state law governing the assessment and reclassification of English learners to ensure that English language development assessments and reclassification procedures are implemented consistently and in alignment with current federal requirements.


 In the Senate Education Committee, set for hearing on June 24<sup>th</sup>.

 Please help advance this important measure by submitting a support letter through CABE's Legislative Action Alert.



# CABE-Supported Legislation

**AB 1851 (Gipson): Social-emotional, behavioral, and mental health support.**

 In the Senate Education Committee.

**AB 2056 (Alvarez): Teacher exchange programs.**

 In the Senate Appropriations Committee.

**AB 2107 (Pellerin): Expanded Learning Opportunities Program: unduplicated pupils.**

 On the Senate Floor



# CABE-Supported Legislation



**AB 2294 (Ta): State holiday: Sylvia Mendez Day.**

📍 On the Senate Floor.



**AB 2332 (González): Dual language immersion coordinator.**

📍 In the Senate Education Committee.

# CABE Supported Legislation: Held in Appropriations

**AB 1631 (Muratsuchi): Mandatory kindergarten.**

**AB 2019 (Gipson): Deported or detained faculty at community colleges.**

**AB 2114 (Bryan): Nonresident tuition fee exemption: educational asylum program.**

**AB 2430 (Muratsuchi): Expanded learning programs: middle and high school students.**



# Gubernatorial Candidates



**Steve Hilton,**  
*Political Commentator*



**Xavier Becerra,**  
*Former CA Attorney  
General*

# State Superintendent of Education Candidates



**Sonja Shaw,**  
*Chino Valley Unified  
School Board President*



**Richard Barrera,**  
*San Diego  
School Board President*



# California Legislative Calendar 2026

June 15	Budget bill must be passed by midnight.
June 25	Last day for a legislative measure to qualify for the November election.
July 2	Last day for policy committees to meet. Legislative Summer Recess begins.
Aug. 3	Legislature Reconvenes.
Aug. 14	Last day for fiscal committees to report bills.
Aug. 17-31	Floor Session only.
Aug. 31	Last day for each house to pass bills.
Sept. 30	Last day for Governor to sign bills.
Nov. 3	General Election