

The Education Coalition

Working together to support and improve California's public schools

Association of California School Administrators (ACSA) representing more than 18,000 school administrators

California Association of School Business Officials (CASBO) representing more than 30,000 school business officials

California County Superintendents representing all 58 county superintendents throughout California

CFT represents 120,000 educational employees working at every level of public and private education from Head Start to the University of California.

California School Boards Association (CSBA) representing nearly 1,000 K-12 school districts and county offices of education throughout California

California School Employees Association (CSEA) representing more than 250,000 classified school employees

California State PTA representing more than 550,000 parents, teachers, and students in California

California Teachers Association (CTA) representing over 325,000 educators

Service Employees International Union (SEIU) representing more than 50,000 school employees in California

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Memorandum

TO: Education Policymakers

FM: The Education Coalition

RE: TK-12 Education Fall Budget Position Paper

The Education Coalition is comprised of the nine statewide TK-12 education associations to provide consensus positions protecting the integrity of Proposition 98 and funding in the budget for TK-12 public education.

The nine statewide organizations include:

- Association of California School Administrators [ACSA]
- California Association of School Business Officials [CASBO]
- California County Superintendents
- CFT, A Union of Educators and Classified Professionals
- California School Boards Association [CSBA]
- California School Employees Association [CSEA]
- California State Parent Teachers Association [PTA]
- California Teachers Association [CTA]
- Service Employees International Union [SEIU]

Each year, the Education Coalition issues budget position papers and meets with legislative members of the budget and policy committees to share our consensus position on the major budget proposals in education in the state budget.

Attached is the Education Coalition's fall position paper, stating the coalition's priorities for the upcoming 2026-27 budget year. For further information contact David Neben, the Consultant to the Education Coalition.

Protect and Respect Proposition 98

In preparation for the upcoming 2026-27 budget, we urge the Administration and Legislature to maintain its commitment to serving California students by fully funding Proposition 98.

Enacted in 1988, Proposition 98 sets an annual minimum funding requirement for schools and community colleges. Each year's minimum funding requirement is established using a set of formulas and is funded through a combination of state General Fund and local property tax revenue. Proposition 98's fundamental role in California is to provide a stable, minimum level of funding to educate California's students, support its schools, and uphold the vital work of all school staff.

Over the past two years, the state has proposed and adopted troubling manipulations of Proposition 98, which has undermined its intent and purpose. In developing the 2024-25 state budget, the state determined that it appropriated \$8 billion over the required 2022-23 Proposition 98 level. Although the state did not propose to claw back the funding, it proposed to not count the \$8 billion as an appropriation to schools, which meant the \$8 billion would not count when calculating the 2023-24 minimum funding level. The Education Coalition opposed this maneuver because it lowered the minimum guarantee in 2023-24 and beyond, shortchanging schools billions of dollars within the budget window alone. Furthermore, Proposition 98 clearly addresses this situation – if the state appropriates funding beyond the required Proposition 98 level, Proposition 98 dictates that those funds must be counted when calculating the minimum guarantee in future years and that the excess funding be credited to the year being certified. Ultimately, the budget recognized the \$8 billion within the 2022-23 Proposition 98 guarantee, as the law requires, however it spread the cost over a period of years for state accounting purposes.

A second manipulation occurred this year when the state withheld \$1.9 billion from being appropriated to schools and community colleges. The 2025-26 Proposition 98 minimum guarantee required funding at \$119.9 billion, yet the state only funded schools and community colleges at \$118 billion. Manipulations like these threaten the integrity of Proposition 98 and undermine the stability and predictability that Proposition 98 was designed to ensure.

Solutions

The Administration and Legislature must uphold and fully fund Proposition 98 as intended by California voters – without manipulation or diversion. As schools continue to face fiscal uncertainty and rising costs, they require stable and predictable resources to serve students and support educators. We recognize the importance of addressing the State's non-Proposition 98 cost pressures, but we must consider other solutions, such as additional revenue, that do not come

at the expense of our children's education. Proposition 98 funds are constitutionally dedicated to supporting students, schools, and staff, and must remain protected for that purpose. The Education Coalition respectfully insists, as part of the 2026-27 budget development and adoption, that the Administration and Legislature protect and fully fund Proposition 98, with no further manipulations. This includes the restoration of funding withheld in 2025-26.

We also remind the Administration and Legislature that Proposition 98 is intended to be a funding floor. While we recognize that the state is facing budget challenges, we also urge you to find creative solutions to generate additional dollars to fund schools and community colleges beyond the Proposition 98 funding level as those investments directly support student learning, close opportunity gaps, and improve educational outcomes for all students.

The Education Coalition remains dedicated in its purpose of protecting the integrity of Proposition 98 and urges the Administration and Legislature to uphold their constitutional obligation to Proposition 98. The Education Coalition looks forward to working with you through the 2026-27 budget process to ensure that our 5.8 million public school students receive the best educational opportunities we can provide.

Sincerely,

The Education Coalition