

# California schoolnews

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## Weekly Update

January 14, 2026

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## Governor's January Budget Proposal includes Prop 98 manipulation



On Jan. 9, Department of Finance Director Joe Stephenshaw presented Gov. Gavin Newsom's January Budget Proposal, creating a juxtaposition between the positive legacy-setting narrative presented in the Governor's State of the State address with the fiscal realities of the State Budget. **On one hand, the Governor highlighted various financial investments the state has made in transformational educational programs. On the other, the budget includes another manipulation of Proposition 98 that foretells serious concerns about how the state may continue to approach public education funding.**

**Highlights of the proposal include:** Prop 98 funding level across the budget window is calculated to be \$123.8 billion in 2024–25, \$121.4 billion in 2025–26 and \$125.5 billion in 2026–27; a \$4.1 billion balance in the Prop 98 rainy day fund; a 2.41 percent cost-of-living adjustment for the Local Control Funding Formula and specified categorical programs; a 20 percent increase in Necessary Small School funding rates; an additional \$13.3 million for county offices of education; an additional \$1 billion for the California Community Schools Partnership Program and more.

While the Governor **proposes repaying the \$1.9 billion that was withheld from Prop 98 in 2023–24 in last year’s budget**, he unfortunately also **proposed to withhold \$5.6 billion from 2025–26, the third manipulation of Prop 98 in as many years**. This has the effect of reducing actual funding in 2025–26 from \$121.4 billion to \$115.9 billion. Once again, the Governor cites persistent uncertainty in revenue projects as the justification for this manipulation. [Read CSBA’s full analysis](#) | [View CSBA’s Jan. 12 webinar with staff explaining the ins and outs of the education budget proposal](#)

## Governor’s proposal to reform CDE echoes CSBA’s call for greater state alignment and accountability



The logic behind Gov. Gavin Newsom’s [proposal](#) to **unite the State Board of Education with the California Department of Education and reshape the role of the state superintendent of public instruction (SSPI) echoes the arguments CSBA has long made** for reforming the state’s education apparatus to move beyond disconnected and sometimes conflicting programs, policies and budget

decisions.

While an examination of the bill language is required before CSBA can endorse this proposal, **the association has consistently called for increased state-level accountability and a more cohesive education system aligning the Governor, Legislature and state agencies around a single goal: driving overall student performance and closing the achievement gap**. Beyond transforming the role of the SSPI, **California needs a state-level operations and support plan that establishes a dashboard for evaluating the effectiveness of the state’s systems and policies and provides clear goals, benchmarks and timelines for how state agencies will better assist local educational agencies in accelerating the performance of struggling student groups**. [Learn more »](#)

## Legal update: Preliminary injunction on AB 715 denied

On Dec. 31, a federal judge for the U.S. District Court in the Northern District of California, **issued an order denying a group of students and teachers’ request for a preliminary injunction barring Assembly Bill 715 from**



**taking effect.** As a result, AB 715 took effect on Jan. 1, 2026.

Gov. Gavin Newsom signed AB 715 into law on Oct. 7, 2025. **The bill, which is an effort to combat antisemitism in schools, creates a new Office of Civil Rights and establishes various requirements for local educational agencies.** The lawsuit, which was filed by several public school teachers and students,

aimed to prevent the law from taking effect based on the argument that it was unconstitutionally vague and overbroad. The court disagreed with the plaintiffs' arguments that the entire bill is facially unconstitutional and described the vagueness arguments as inconsistent. Further, the court found that while the teacher plaintiffs have standing, the student plaintiffs do not. The decision denying the preliminary injunction has been appealed by the plaintiffs to the Ninth Circuit.

## Stand up for California students at CSBA's Legislative Action Week



**Join CSBA March 17-19 for the flagship three-day virtual legislative advocacy event connecting local school district and county office of education board members with California legislators and their staff** to shine light on the critical issues facing the state's schools. Recognized as one of the leading statewide educational advocacy events of the year, Legislative Action Week plays a key role in

influencing vital budget and legislative issues.

**CSBA staff will schedule Zoom meetings with trustees' state legislators during regular business hours between March 17-19.** Trustees will have the chance to meet with the senators, assemblymembers and staff who represent their district or COE to discuss the most pressing issues facing their local educational agency.

[Register for Legislative Action Week »](#)

## State update: CDE releases AI guidance



The California Department of Education has released new artificial intelligence (AI) guidance for the safe and effective use of AI in schools. Developed through the collaborative work of a statewide AI in Education Working Group, the guidance offers recommendations addressing data privacy, academic integrity, educator support and human-centered learning. [Learn more »](#)

[Access useful resources from CSBA's own AI Taskforce here »](#)

**In other state news:**

- The Partnership for Student Success is now accepting applications for the **2026 Community Collaboration Challenge**, a national micro-grant opportunity supporting communities that want to expand or launch evidence-based student supports such as high-impact tutoring, mentoring, student success coaching or integrated wraparound services. Applications are due by Jan. 16.
- The California Cradle-to-Career Data System launched the **Lesson Plan Challenge**, an opportunity for teachers to support students with analytical fluency and college and career planning. Educators are encouraged to submit lesson plans that integrate the Student Pathways Dashboard into classroom instruction. Submissions are due by March 16.

## CSBA's Cash Reserve Program can help LEAs manage state deferrals



With challenging financial times ahead due to expiring or paused funding sources, the **California School Cash Reserve Program** helps guard against temporary cash flow shortages in a safe, cost-effective way by creating an additional cash reserve to the general fund. Now in partnership with the **California Association of School Business Officials**, CSBA's Cash Reserve Program has

provided local educational agencies with a **reliable and cost-effective short-term cash flow funding option** for over 30 years. Participants issue Tax and Revenue Anticipation Notes (TRANs) through a streamlined, pooled process. LEAs may request and adopt a TRAN resolution starting February 2026. [Learn more »](#)

Stay up to date with the latest news and resources on the [CSBA blog](#).

### Virtual events

**Masters in Governance (MIG) Course 2: Student Learning & Achievement/Policy & Judicial Review**  
Jan. 28-29 | [Register](#)

**Board Presidents**  
Feb. 4 | [Register](#)

**The Brown Act**

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Feb. 6 | [Register](#)

**MIG Course 3: School Finance Part 1 and Part 2**

Feb. 11-12 | [Register](#)

**Executive Assistant Tau: Governance 2A/2B**

Feb. 19-20 | [Register](#)

**MIG Course 4: Human Resources/Collective Bargaining**

Feb. 25-26 | [Register](#)

## In-person events

**MIG Course 1: Foundations of Effective Governance/Setting Direction**

Feb. 21 | Chico | [Register](#)

Feb. 21 | San Jose | [Register](#)

[View complete calendar](#)

