



Mountain View
Whisman
School District

Governor's Proposals for the 2025-2026 State Budget

February 13, 2025



Mountain View
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Strategic Plan 2027

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Goal Area 5

- Equitable distribution of resources that support student success.
- Goal 5a: Ensure facilities and resources equitably serve all students.



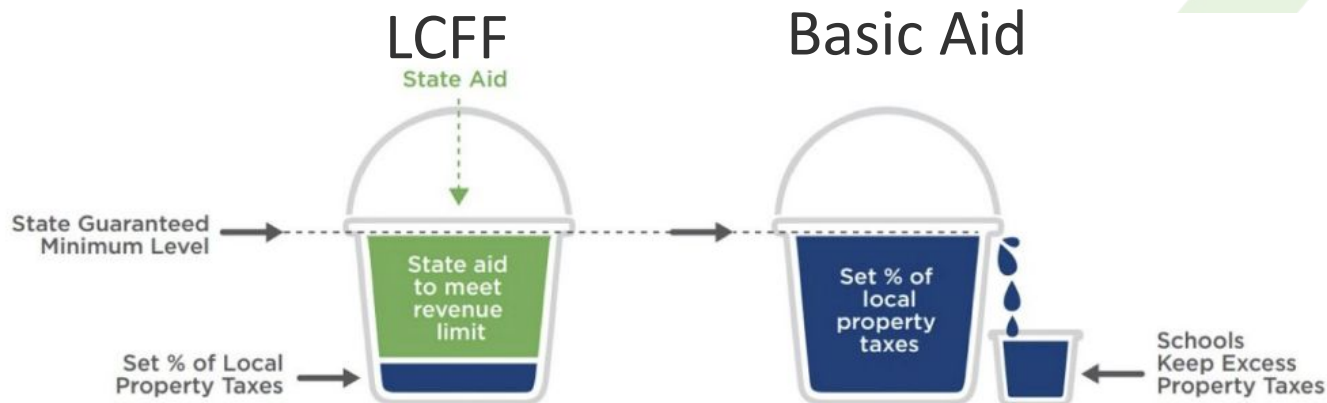
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Community Funded

Understanding Community Funded Districts

Definition: A basic aid district (or community-funded district) is a school district where local property tax revenues exceed the amount required to fund the state-mandated per-pupil funding level.

Importance: These districts are less reliant on state funding and more dependent on local property taxes.



Ninety Percent of our Revenue Comes From Property Taxes and Other Local Revenue

Revenue Sources

Community Funded District



Total Budget Per Student



Expenditures by Student

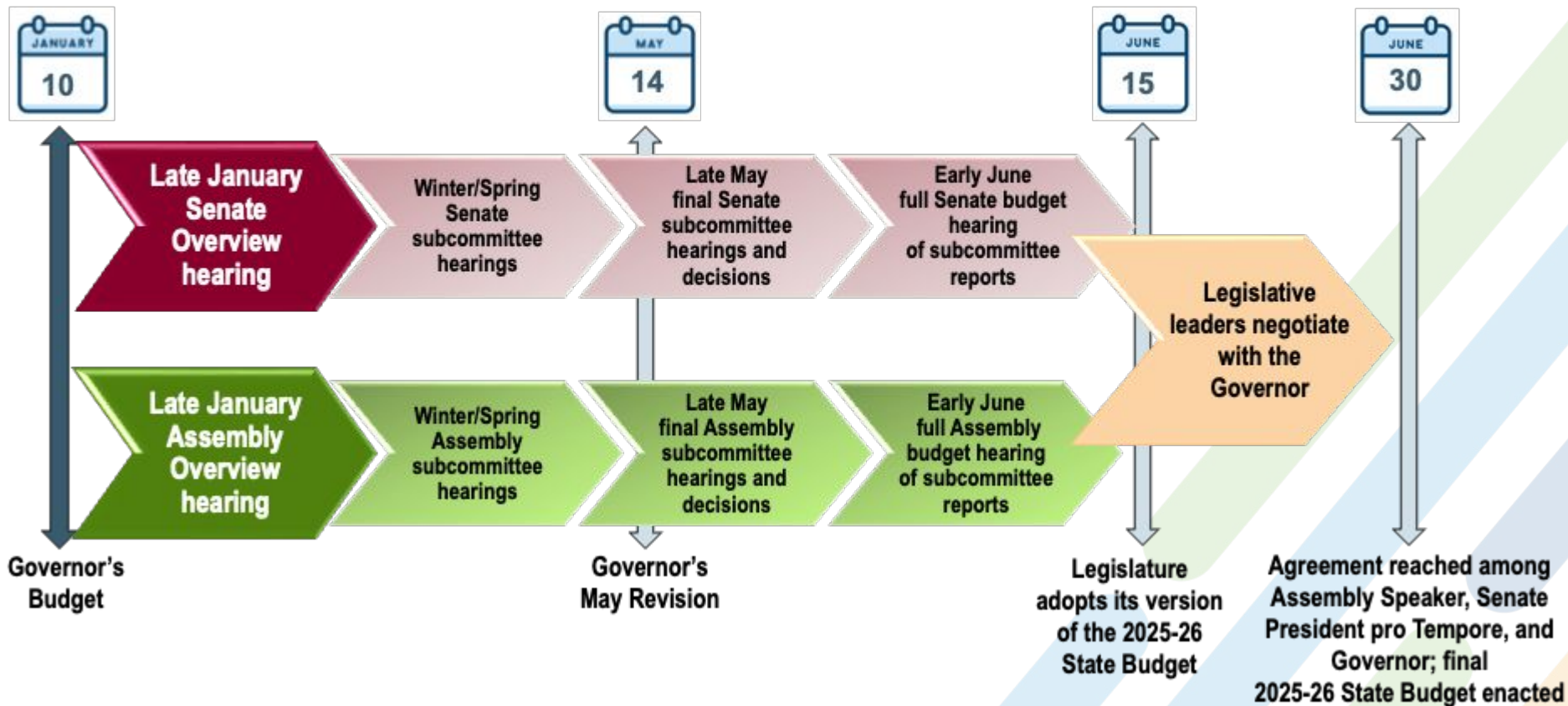
\$26,289



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Governor's January Budget

State Budget Process—From January to June



Themes for the 2025-25 Governor's Budget



- **Governor Gavin Newsom released his 2025-26 proposal amidst one of California's most devastating natural disasters**
 - **Employs the tenets of stability and resilience to protect California residents and the state's economy**
 - **Budget resilience is confronted by calls to expand essential services in an increasingly unaffordable state**
- **Following last year's proposed Proposition 98 "maneuver" to reduce education funding in the long term, his current proposal appears to under-appropriate the 2024-25 minimum guarantee by \$1.6 billion**
- **Amidst stable Proposition 98 funding, the Governor proposes an education budget that invests in core instruction and learning**
- **The protection of every Proposition 98 dollar is critical to ensure local leaders can provide high-quality education and services to their students**

The Governor's Budget and the Economy

- **The California economy is continuing to grow with mixed signals for the road ahead**
 - **Inflation is persistent and the slowing of interest rate reductions by the Federal Reserve is impacting the state's housing market**
 - **With increased economic uncertainty, there are notable risks to Governor Newsom's 2025-26 State Budget and economic forecast**
- **The Governor's Budget projects a \$17 billion surplus and healthy reserves**
 - **The Governor presents a balanced budget that assumes steady, stable national growth**
 - **One of the greatest risks to the California economy and the Governor's budget assumptions is the state's vulnerability to the impacts of tariffs and changes in immigration policy**

Proposition 98



- Proposition 98 is the bright spot of the Governor’s Budget

Within the state’s spending limit, Proposition 98 funding encumbers over half of available revenue

Eliminates reliance on one-time funding to support the Local Control Funding Formula (LCFF) and other ongoing costs

Provides significant one-time discretionary resources to help local educational agencies (LEAs) with rising costs and other liabilities

Fully funds the estimated cost-of-living adjustment (COLA)

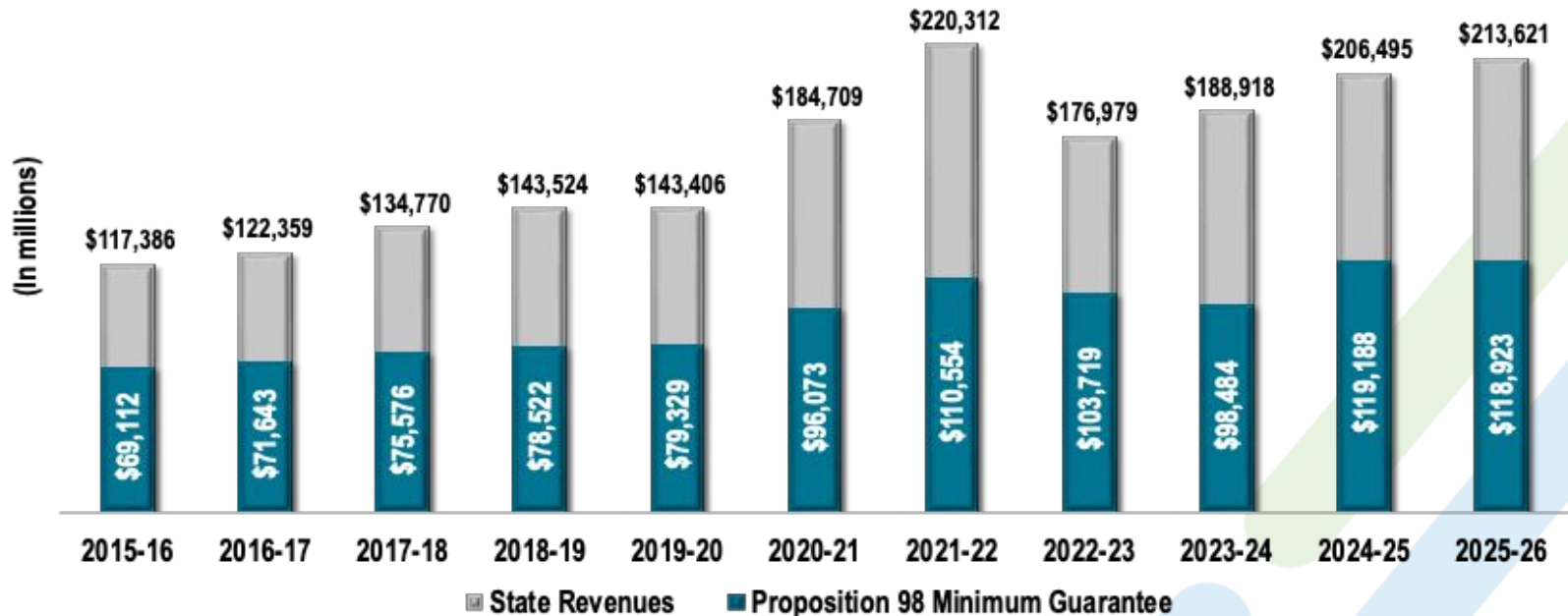
- Must be mindful that the state meets its minimum funding obligation to public education every year—including 2024-25

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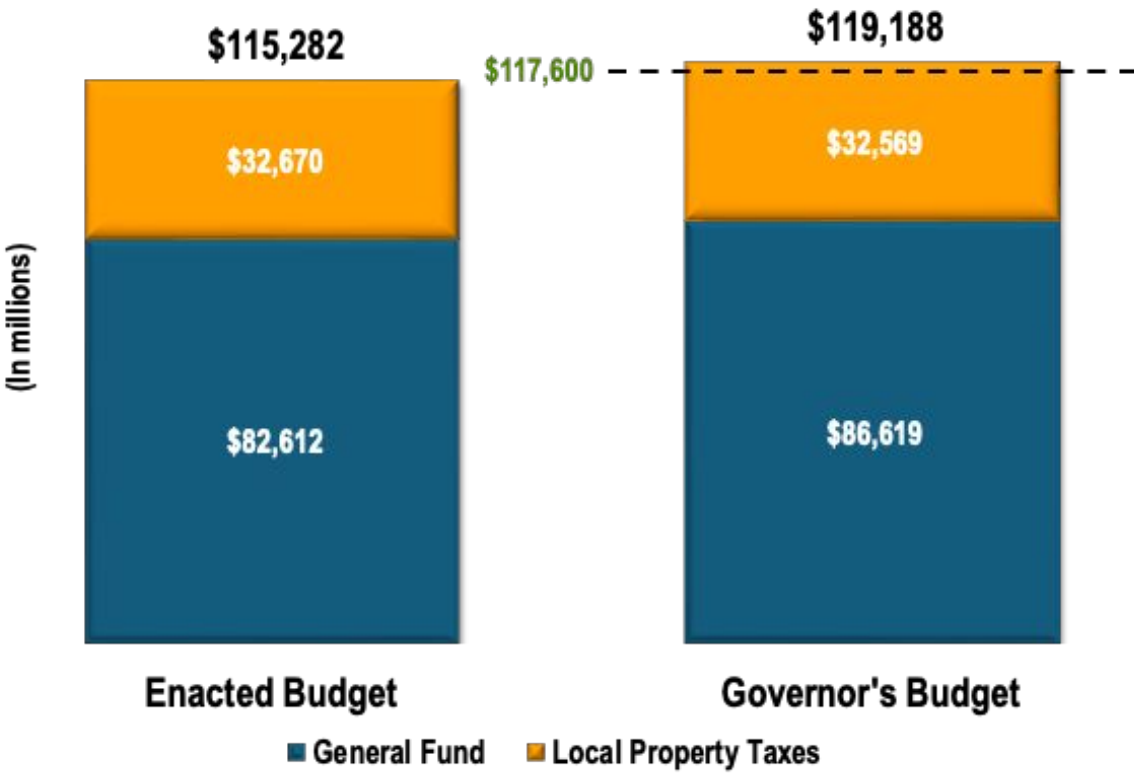
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Proposition 98 and the Education Budget

- K-14 education funding continues to encumber a significant share of California’s annual Budget
- Within the state’s spending limit, Proposition 98 funding, including local property taxes, has averaged 55% of state General Fund revenues since 2015—2025-26 is no different



2024-25 Proposition 98 Minimum Guarantee



Due to unanticipated General Fund revenues, the 2024-25 minimum guarantee is revised upward by \$3.9 billion

“[T]he Budget proposes to appropriate the Guarantee at \$117.6 billion, instead of at the currently calculated level of \$119.2 billion...”

Risks to Proposition 98 and Local Budgets

- The education community can breathe a collective sigh of relief as the Governor's Budget contains fewer risks to Proposition 98 and local budgets than recent past

Eliminates reliance on one-time funding to support the LCFF and other ongoing costs

Slowly replenishing the Proposition 98 reserve for times of uncertainty and fiscal turmoil

Fully funding COLA

- The greatest risk to local budgets are local—accounting and budgeting for enrollment changes and rising costs continue to be critical for fiscal health management



Student Support and Professional Development Discretionary Block Grant

Funds may be used to address rising costs and fund statewide priorities, including:

- Professional development on the English Language Arts/English Language Development (ELA/ELD) Framework and Literacy Roadmap or the new Mathematics Framework.
- Developing and expanding teacher recruitment and retention strategies.
- Clarity needs to be provided on how the grant is allocated

Kitchen and Infrastructure Training (KIT)

- Announced as \$150 million in funding to assist LEAs with kitchen infrastructure projects, the amount is proposed to be broken up into two pots:
 - \$100 million in competitive grants for kitchen upgrades that will increase the capacity to provide meals onsite.
 - \$50 million to LEAs to be allocated based upon the number of lunches served in October 2024 to provide in-person training and professional development for food service staff and additional compensation to help improve the provision of school meals that eliminate processed and ultra-processed foods, lower sodium and sugar levels and more freshly prepared meal options.



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Next Steps

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- Staff will continue to monitor changes
- Based on the May revision staff will work to develop a budget for the 2025-2026 year