



# THE GOLDEN SLATE

The official newsletter of the California  
Agricultural Teachers' Association

## Sacramento Scene: Key Updates for California's Future

By Matt Patton, Executive Director

As the year comes to an end, things in Sacramento continue to move forward. The biggest scuttlebutt in town centers around the [2025-26 California State Proposed Budget](#) and the potential impact of November's election results on California's future. Below are the key developments around the state capital in November and December.

### California's Projected 2025-2026 Budget

The Legislative Analyst's Office (LAO) released its highlights report on California's 2025-26 Budget in November. The key points are summarized below in four bullets:

- 1. Nearly Balanced Budget:** The 2025-26 budget is projected to be nearly balanced, with a modest \$2 billion deficit (in California a \$2 billion deficit is considered modest). This outcome reflects decisive actions during the 2024-25 budget cycle, which included \$26 billion in solutions, such as temporary revenue increases and withdrawals from reserves like the Rainy-Day Fund.
- 2. Revenue Trends:** State revenues are slightly ahead of projections thanks to improved income tax collections driven by higher earnings among wealthy Californians and a strong stock market. However, concerns still need to be addressed about the sustainability of these gains.
- 3. Increased Spending Requirements:** Rising costs, especially for education and other state programs, offset the revenue gains. For instance, due to higher general fund revenues, additional funding is required under Proposition 98 for K-14 education.
- 4. No Capacity for New Commitments:** While the current budget is stable, long-term challenges loom, including potential double-digit operating deficits in future years. The report advises against making new, ongoing financial commitments.

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## **Proposition 2 Facilities Bond Details**

Proposition 2, approved by California voters in November 2024, allocates \$10 billion to modernize, repair, and construct public school and community college facilities. Of this amount, \$8.5 billion is allocated for K-12 schools, and \$1.5 billion is reserved for community colleges. Before funds can be distributed, the measure must be certified by the California Secretary of State, a process anticipated to conclude by mid-December 2024.

Following certification, districts can begin applying for funds. Allocation will follow the established procedures under the School Facility Program (SFP), prioritizing projects that align with key requirements, such as addressing health and safety issues, modernization needs, or lead remediation in drinking water. An estimated \$2 billion may be distributed for qualifying projects in the first year.

Funds will become accessible based on project approvals and matching fund availability, with wealthier districts generally required to contribute local matches. Smaller or lower-income districts can qualify for enhanced support through specific provisions, including technical assistance and expanded financial hardship eligibility.

California's Proposition 2 funds can retroactively provide state matches for eligible school construction or modernization projects completed under Proposition 51 guidelines. These projects must have initially been submitted under the Prop 51 framework, with costs covered by local funding due to prior shortages of state funding.

## **Legislative Special Session**

Governor Gavin Newsom convened a special session of the California Legislature on December 2 to proactively "safeguard California values" in response to potential challenges posed by the upcoming Trump administration. The session focused on protecting civil rights, reproductive freedom, climate policies, and support for immigrant families. Key measures included bolstering the state's legal defenses and ensuring sufficient resources for litigation against federal actions that may conflict with California's progressive policies.

