



California School Boards Association

## **CSBA issues official challenge to Proposition 98 certification to ensure schools receive full allocation**

*Hope remains that upcoming budget trailer bills resolve concerns about Prop 98 compliance without litigation*

Even as Gov. Gavin Newsom considers the budget passed by the State Legislature on June 13, CSBA continues to fight to for the funding California students deserve and to see that our schools receive every penny due them under the law — especially where Proposition 98 is concerned. The latest example of this advocacy comes in the form of **CSBA's official objection** to the Department of Finance's proposed Proposition 98 certification.

CSBA's objection is rooted in the Department of Finance's plans to exclude \$2.6 billion in unallocated Prop 98 funds from the 2022–23 allocations to school districts and community colleges, reallocating it to the 2023–24 fiscal year. This decision is not only contrary to the State Constitution, it also undermines the intent of Prop 98 by artificially lowering future funding guarantees.

CSBA insists all allocated funds should be included in the certification calculations to maintain the integrity of Proposition 98 and ensure consistent and adequate funding for education. To this end, we are calling for immediate publication of the Department's calculations as well as the underlying data, a demand supported by the constitutional requirement for transparency and accuracy in making financial determinations related to Prop 98. It is further supported by Prop 98 implementing legislation that requires the Department of Finance to follow a process for certification of the minimum guarantee for each fiscal year.

While CSBA remains hopeful that upcoming budget trailer bills will alleviate all concerns about compliance with Prop 98 without litigation, challenging the certification leaves the door open for legal action — should the Association deem it necessary — to ensure schools receive full Prop 98 funding as required by law.

Prop 98 is a voter-approved constitutional measure designed to stabilize education funding and ensure that TK-12 public schools and community colleges receive a guaranteed minimum level of funding that grows over time. CSBA has a long track record of aggressively defending Prop 98 and successfully challenging the state when it attempts to manipulate Prop 98 calculations so it can sidestep its constitutional obligations to fund public schools.

Starting in early 2024, CSBA sounded the alarm about a **dubious Proposition 98 maneuver** that would deviate from the State Constitution, violate the spirit of the law and reduce school funding for years to come. CSBA led the charge immediately after the Governor included the provision in his January Budget Proposal and intensified its opposition after the Governor doubled down on the manipulation in his May Revise. This advocacy, aided by efforts from the California Teachers Association, produced substantial concessions from both the Governor and the Legislature in their latest budgets. Both parties **abandoned the maneuver to reclassify \$8.8 billion in Prop 98 funding as non-Prop 98 money**, an approach that would have shortchanged students by lowering the base for calculating future years' school funding.

For more information on Proposition 98 and the details of this year's budget negotiations, please **visit CSBA's Budget Resources webpage**.

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