SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2440 (Muratsuchi) - Arts and Music in Schools—Funding Guarantee and Accountability Act: allowable uses: pooled funding: funding certifications

Version: June 8, 2026
Urgency: No
Hearing Date: June 29, 2026
Policy Vote: ED. 6 - 0
Mandate: No
Consultant: Lenin Del Castillo

Bill Summary: This bill makes various changes to the Arts and Music in Schools (AMS) Funding Guarantee and Accountability Act (Proposition 28), including the authorization for local educational agencies (LEAs) to pool allocated funds across schoolsites and establishing a statutory methodology for demonstrating compliance with the supplement-not-supplant requirement.

Fiscal Impact:

- The California Department of Education (CDE) estimates ongoing General Fund costs of $581,000 and 3.2 positions to implement the bill's requirements.

- The bill's changes to the AMS program would not result in additional costs and could possibly reduce workload for LEAs by revising various compliance requirements for the program.

Background: Existing law establishes the AMS Funding Guarantee and Accountability Act (Proposition 28) which provides ongoing funding to supplement arts education programs in K-12 public schools. It continuously appropriates an amount equal to 1 percent of the total state and local revenues received by LEAs in the preceding fiscal year that are included in the Proposition 98 minimum funding guarantee calculation for allocation pursuant to the AMS Act. The law requires AMS Act funds to be allocated by the CDE to LEAs and subsequently distributed to schoolsites based on a statutory formula.

Existing law requires the principal or program director of each schoolsite to develop an expenditure plan for AMS Act funds. It requires LEAs to annually certify that AMS Act funds are used to supplement, and not supplant, existing funding for arts education programs. The law also requires LEAs with more than 500 pupils to expend at least 80 percent of AMS Act funds on certificated or classified employees providing arts education instruction, unless waived by CDE.

Proposed Law: This bill authorizes LEAs to pool Proposition 28 funds across schoolsites, provided the LEA complies with all applicable requirements of the Act; ensures expenditures for each schoolsite remain proportional to that school's allocation; and complies with expenditure plans adopted for participating schoolsites.

This bill revises annual supplement-not-supplant certifications by requiring LEAs to calculate “existing funds available for arts education programs” and “current-year expenditures for arts education programs” using a specified methodology.

This bill requires LEAs, when calculating existing funds available for arts education programs, to begin with prior-year arts education expenditures; exclude Proposition 28 expenditures and expenditures from resources that are no longer available in the current year; include newly available resources for arts education programs; and account for specified personnel-related cost savings.

This bill specifies that resources no longer available in the current year may include expired, reduced, discontinued, exhausted, or one-time private contributions, parent fundraising revenues, and federal or state funding sources.

This bill deems an LEA to be in compliance with the supplement-not-supplant requirement if current-year arts education expenditures, excluding Proposition 28 funds, equal or exceed the calculated amount of existing funds available for arts education programs.

This bill expands the definition of an “arts education program” to include curriculum, instructional materials, and professional development, and requires arts education programs funded pursuant to Proposition 28 to be consistent with specified state arts standards, frameworks, and preschool learning foundations, as applicable.

This bill expands annual reporting requirements by requiring LEAs to report schoolsite expenditure plans and information regarding waivers granted by the CDE. It also requires CDE to post approved waivers on its internet website.

Staff Comments: Proposition 28, approved by voters in 2022, created an ongoing funding stream dedicated to expanding arts education opportunities in California public schools. The measure directs approximately 1 percent of annual Proposition 98 funding levels or roughly $1 billion per year to support arts education programs at schoolsites throughout the state. However, there have been implementation questions regarding how certain provisions of the initiative should be interpreted. Specifically, there is uncertainty regarding whether schoolsites may combine or pool allocations to support shared staffing arrangements and how LEAs should demonstrate compliance with the initiative’s supplement-not-supplant requirements. This bill seeks to codify implementation practices, establish clearer compliance standards, and expand certain reporting and transparency requirements in order to provide greater certainty regarding how the initiative’s requirements should be applied.

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