

# HIGHER EDUCATION

The Budget reflects a continued focus toward achieving the goals of the multiyear compacts with the University of California (UC) and the California State University (CSU), and the multiyear roadmap with the California Community Colleges (CCCs), which outline shared goals that include increasing access to the UC and CSU, improving student success while advancing equity, increasing the affordability of higher education, increasing intersegmental collaboration, and supporting workforce preparedness and high-demand career pipelines.

The Budget proposes total funding of \$44.6 billion (\$28.3 billion General Fund and local property tax and \$16.3 billion other funds) for the higher education segments and the California Student Aid Commission.

---

## UNIVERSITY OF CALIFORNIA

UC offers formal undergraduate and graduate education. The UC is authorized to independently award doctoral degrees and is designated as the state's primary academic agency for research. Its 10 campuses enroll approximately 294,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2022-23, the UC awarded more than 86,000 degrees, including more than 62,000 undergraduate degrees.

## SIGNIFICANT ADJUSTMENTS

- **Base Adjustments**

- An increase of approximately \$227.8 million ongoing General Fund for operating costs, representing a five-percent base increase in ongoing General Fund resources.
- An increase of \$31 million ongoing General Fund to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses in 2024-25.
- A one-time reduction of \$125 million General Fund for UC's operating costs.

- **Medical School Project at UC Merced**—An increase of \$14.5 million ongoing General Fund to support a Medical School Project at UC Merced beginning in 2024-25.

- **Future Planning**

- Commencing in 2025-26, the UC should plan for an ongoing base General Fund reduction of 7.95 percent.
- For the 2025-26 fiscal year, the UC should plan for a one-time deferral of approximately \$240.8 million General Fund, which represents the 2025-26 five-percent General Fund resource adjustment pursuant to the Compact. In addition to the planned 2026-27 Compact investment, in 2026-27 the UC should plan for both the repayment of this one-time deferral and the approximately \$240.8 million ongoing General Fund to be included within its base budget.
- For the 2025-26 fiscal year, the UC should plan for a one-time deferral of \$31 million General Fund, to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses. In addition to the planned 2026-27 investment to offset revenue reductions associated with the replacement of nonresident undergraduate students at three UC campuses, in 2026-27 UC should plan for both the repayment of this one-time deferral and the \$31 million ongoing General Fund to be included within its base budget.
- For the 2026-27 fiscal year, the UC should plan for a one-time deferral of approximately \$240.8 million General Fund, which represents a significant proportion of the 2026-27 five-percent General Fund resource adjustment

pursuant to the Compact. In 2027-28 the UC should plan for both the repayment of this one-time deferral and the approximately \$240.8 million ongoing General Fund to be included within its base budget.

- For the 2026-27 fiscal year, the UC should plan for a one-time deferral of \$31 million General Fund, to offset revenue reductions associated with the replacement of 902 nonresident undergraduate students enrolled at three campuses with an equivalent number of California resident undergraduate students at these campuses. In 2027-28 UC should plan for both the repayment of this one-time deferral and the \$31 million ongoing General Fund to be included within its base budget.

### ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the Budget includes General Fund solutions to achieve a balanced budget. These include:

- **Adjustment in Capital Outlay Support**—Forgoes a planned investment of \$300 million one-time General Fund support for the construction of an Institute for Immunology and Immunotherapy at UC Los Angeles.
- **Graduate Medical Education Backfill**—A reduction of approximately \$13.5 million ongoing General Fund to suspend the state's practice of providing General Fund to backfill declining Proposition 56 revenue and maintain \$40 million in total funding for graduate medical residency slots.
- **Equal Opportunity Practices and Professional Development for UC Faculty**—A one-time reversion of \$5 million General Fund previously provided to support the Equal Opportunity Practices and Professional Development for UC Faculty in the 2021 Budget Act.

---

## CALIFORNIA STATE UNIVERSITY

The CSU provides undergraduate and graduate instruction generally up to the master's degree. The CSU serves approximately 457,000 undergraduate and graduate students across 23 campuses, and also provides opportunities for students to enroll in professional and continuing education programs. In 2022-23, the CSU awarded more than 127,000 degrees.

## SIGNIFICANT ADJUSTMENTS

- **Base Adjustments**

- An increase of approximately \$240.2 million ongoing General Fund for operating costs, representing a five-percent base increase in ongoing General Fund resources.
- A one-time reduction of \$75 million General Fund for CSU's operating costs.
- An increase of \$5.5 million to support expanded university fee waiver costs per Chapter 695, Statutes of 2023.

- **Supporting Intersegmental Partnerships in Historically Underserved Areas of the State**—An increase of \$5 million one-time General Fund to support intersegmental partnerships in historically underserved areas of the state.

- **Future Planning**

- Commencing in 2025-26, the CSU should plan for an ongoing base General Fund reduction of 7.95 percent.
- For the 2025-26 fiscal year, the CSU should plan for a one-time deferral of approximately \$252.3 million General Fund, which represents the 2025-26 five-percent General Fund resource adjustment pursuant to the Compact. In addition to the planned 2026-27 Compact investment, in 2026-27 the CSU should plan for both the repayment of this one-time deferral and the approximately \$252.3 million ongoing General Fund to be included within its base budget.
- For the 2026-27 fiscal year, the CSU should plan for a one-time deferral of approximately \$252.3 million General Fund, which represents a significant proportion of the 2026-27 five-percent General Fund resource adjustment pursuant to the Compact. In 2027-28 the CSU should plan for both the repayment of this one-time deferral and the approximately \$240.8 million ongoing General Fund to be included within its base budget.

---

## CALIFORNIA COMMUNITY COLLEGES

The CCCs are the largest system of higher education in the country, serving roughly one out of every four of the nation's community college students, or approximately 1.9 million students. The CCCs provide basic skills, vocational, and undergraduate transfer education with 73 districts, 116 campuses, and 78 educational centers.

In 2022-23, the CCCs awarded over 109,000 certificates and 187,000 degrees and transferred over 97,000 students to four-year institutions.

## SIGNIFICANT ADJUSTMENTS

- **Base Adjustments**
  - **Apportionments Cost-of-Living Adjustment and Growth**—An increase of approximately \$100.2 million ongoing Proposition 98 General Fund to reflect a cost-of-living adjustment for apportionments of 1.07-percent, and an increase of approximately \$28.1 million ongoing Proposition 98 General Fund to support 0.5-percent enrollment growth.
  - **Budget Year Student-Centered Funding Formula (SCFF) Apportionments Costs**—An increase of approximately \$22.1 million one-time Proposition 98 General Fund to support SCFF costs in 2024-25.
  - **Current Year SCFF Apportionments Costs**—An increase of approximately \$545.8 million one-time Public School System Stabilization Account to support SCFF costs for 2023-24.
  - **SCFF Deferrals**—The Budget reflects SCFF apportionment deferrals from 2023-24 to 2024-25 of approximately \$446.4 million and from 2024-25 to 2025-26 of approximately \$243.7 million. Additionally, the Budget reflects approximately \$241.8 million in categorical program deferrals from 2022-23 to 2023-24, with the deferred amounts being repaid using Public School System Stabilization Account resources; \$217.7 million of the repayment will support the SCFF in 2023-24.
- **CCC Categorical Program COLA**—An increase of \$13.1 million ongoing Proposition 98 General Fund to provide a 1.07-percent COLA for select categorical programs and the Adult Education Program.
- **Apprenticeships**—A one-time increase of approximately \$1.1 million Proposition 98 General Fund to support prior years' apprenticeships program costs.
- **Local Property Tax Adjustment**—A decrease of \$256.7 million ongoing Proposition 98 General Fund as a result of increased offsetting local property tax revenues.
- **Higher Education Student Housing**—Establishes a statewide lease revenue bond program to support the construction of 13 community college affordable student housing facilities.

- **One-time and Limited-Term Investments**

- **Nursing Program Support**—\$60 million one-time Proposition 98 General Fund per year for five years to support the CCC Strong Workforce Program to expand nursing programs and Bachelor of Science in Nursing partnerships to develop, educate, and maintain the next generation of registered nurses through the community college system.
- **Support for Financial Aid Offices**—\$20 million one-time Proposition 98 General Fund to support campus financial aid offices.
- **E-Transcript California**—\$12 million one-time Proposition 98 General Fund to support the continued development of e-Transcript California and to provide grants to districts to support local costs related to one-time connectivity, setup, and integration of the e-Transcript platform.
- **Mapping Articulated Pathways for Credit for Prior Learning**—\$6 million one-time Proposition 98 General Fund to support a demonstration project that will embed credit for prior learning policies into educational pathways that provide support for working adults seeking to improve their economic mobility through community college educational programs.
- **Pathways for Low-Income Workers for Demonstration Project**—\$5 million one-time Proposition 98 General Fund provided to support the CCC Strong Workforce Program shall be used for a demonstration project that would support the development of educational pathways for low-income working learners.

---

## CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission administers financial aid programs, primarily the Cal Grant program. The Cal Grant program is estimated to provide nearly 406,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2024-25.

### SIGNIFICANT ADJUSTMENTS

- **Cal Grant Program Caseload Adjustments**—Estimated Cal Grant expenditures of approximately \$2.2 billion in 2022-23, \$2.3 billion in 2023-24, and \$2.4 billion in 2024-25 based on the latest estimates of enrollment of Cal Grant-eligible students.

- **Middle Class Scholarship Program**—A one-time General Fund increase of \$289 million to support the Middle Class Scholarship program.
- **Golden State Teacher Grant Program**—Support for the Golden State Teacher Grant program of \$110.2 million General Fund and \$1.5 million federal funds. Additionally, the Budget includes statutory changes that are designed to sustain the program through the 2024-25 fiscal year.
- **Learning Aligned Employment Program**—Reversion of approximately \$485 million one-time General Fund provided to support the Learning Aligned Employment Program through the 2021 and 2022 Budget Acts.

---

## COLLEGE OF THE LAW, SAN FRANCISCO

College of the Law, San Francisco is affiliated with the UC system, but is governed by its own Board of Directors. Located in San Francisco, it primarily serves students seeking a Juris Doctor degree, but also offers programs leading to Master of Laws; Master of Studies in Law; and Master of Science, Health Policy and Law degrees. In 2022-23, UC College of the Law, San Francisco enrolled 1,155 full-time equivalent students. Of these, 1,103 were Juris Doctor students.

### SIGNIFICANT ADJUSTMENTS

- **Base Growth**—An increase of \$2.2 million ongoing General Fund to support operating costs. This represents a 3-percent base increase.
- **Future Planning**—Commencing in 2025-26, the College of the Law San Francisco should plan for an ongoing base General Fund reduction of 7.95 percent.

---

## SCHOLARSHARE INVESTMENT BOARD

The ScholarShare Investment Board administers the Golden State ScholarShare College Savings Trust Program (ScholarShare 529) and the California Kids Investment and Development Savings Program (CalKIDS).

The CalKIDS program funds college savings accounts targeted to low-income and underrepresented public school students, in addition to establishing college savings accounts for all newborns.

## SIGNIFICANT ADJUSTMENT

- **CalKIDS Financial Literacy Outreach**—To address the projected budget shortfall, the Budget reflects a reduction of \$5 million ongoing General Fund previously provided to support financial literacy outreach efforts through the CalKIDS program. Additionally, the Budget reverts \$9.5 million one-time General Fund previously provided to support financial literacy outreach efforts through the CalKIDS program.

---

## CALIFORNIA STATE LIBRARY

### SIGNIFICANT ADJUSTMENT

- **Lesbian, Gay, Bisexual, Transgender, and Queer Historical Archives Preservation**—\$750,000 one-time General Fund to support Lesbian, Gay, Bisexual, Transgender, and Queer historical archives preservation.

### ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the Budget includes General Fund solutions to achieve a balanced budget. These include:

- **Support for Local Library Infrastructure**—A reversion of approximately \$4.4 million one-time General Fund previously provided for the Local Library Infrastructure Grant Program in the 2021 Budget Act, and forgoing planned one-time General Fund investments of \$33 million in 2024-25, \$33 million in 2025-26, and \$34 million in 2026-27.
- **Statewide Library Broadband Services**—A reversion of \$34 million previously provided to expand broadband access to isolated and underserved communities.
- **Lunch at the Library**—An ongoing reduction of \$2.5 million for the Lunch at the Library program, which adjusts ongoing General Fund support for the program from roughly \$5.5 million to \$3 million.
- **California Library Services Act**—An ongoing reduction of \$1.75 million for the California Library Services Act, which adjusts ongoing General Fund support for the program from roughly \$4.6 million to approximately \$2.9 million.