

# HIGHER EDUCATION

The May Revision proposes total funding of \$45.7 billion (\$28.1 billion General Fund and local property tax and \$17.5 billion other funds) for the higher education segments and the California Student Aid Commission.

---

## UNIVERSITY OF CALIFORNIA

The 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 299,000 students and the UC extension centers register an additional 500,000 participants in continuing education programs. In 2023-24, the UC awarded more than 85,000 degrees, including more than 62,000 undergraduate degrees.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Revised Base Funding Reduction**—A revised ongoing base reduction of \$129.7 million General Fund for the UC. The Governor's Budget included a proposed ongoing General Fund base reduction of \$396.6 million, representing an ongoing 7.95 percent reduction. The revised amount reflects an ongoing reduction of approximately 3 percent to support UC in stable fiscal planning.
- **Compact Funding Deferral**—The May Revision maintains the planned deferral of the 2025-26 Compact investment of \$240.8 million, representing a five-percent base

increase in the fourth year of the Compact, to 2027-28. The May Revision also maintains the planned 2025-26 deferral of \$31 million 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, from 2025-26 to 2027-28.

- **Foster Youth Support Services**—An increase of \$1.8 million one-time General Fund to support First Star Youth Cohorts at UC campuses.

### ADDRESSING THE BUDGET PROBLEM

To address the projected budget shortfall, the May Revision includes a General Fund solution to achieve a balanced budget. This includes:

- **Debt Service Savings**—A reduction of \$3.6 million ongoing General Fund debt service savings from the Higher Education Student Housing Grant Program.

---

## CALIFORNIA STATE UNIVERSITY

The California State University (CSU) provides undergraduate and graduate instruction generally up to the master's degree. The CSU serves approximately 454,000 undergraduate and graduate students across 23 campuses and provides opportunities for students to enroll in professional and continuing education programs. In 2023-24, the CSU awarded more than 125,000 degrees.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Revised Base Funding Reduction**—A revised ongoing base reduction of \$143.8 million General Fund for the CSU. The Governor's Budget included a proposed ongoing base reduction of \$375.2 million, representing an ongoing 7.95 percent reduction. The revised amount reflects an ongoing reduction of approximately 3 percent to support CSU in stable fiscal planning.
- **Compact Funding Deferral**—The May Revision maintains the planned deferral of the 2025-26 Compact investment of \$252.3 million, representing a five-percent base increase in the fourth year of the Compact, to 2027-28.

## CALIFORNIA COMMUNITY COLLEGES

The California Community Colleges (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 2.1 million students. The CCCs provide basic skills, vocational, and undergraduate-transfer education with 73 districts, 116 campuses, and 78 educational centers. In 2023-24, the CCCs awarded over 139,000 certificates and 199,000 degrees and transferred over 97,000 students to four-year institutions.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Student Centered Funding Formula (SCFF) Base Adjustment**—One-time increase of \$210.2 million to fully fund the SCFF in 2024-25 and an ongoing increase of \$104.7 million to fully fund the SCFF in 2025-26.
- **SCFF Growth Adjustment**—An ongoing increase of \$109.5 million to fund 2.35-percent enrollment growth in the SCFF in 2025-26, which is an increase from the Governor's Budget proposal of 0.5 percent.
- **SCFF and Categorical Programs Cost-of-Living Adjustment**—To reflect a change in the cost-of-living adjustment from 2.43 percent to 2.3 percent, the May Revision includes an ongoing decrease of \$12.9 million Proposition 98 General Fund for the SCFF and an ongoing decrease of \$122,000 Proposition 98 General Fund for select categorical programs and the Adult Education Program.
- **Local Property Tax Adjustments**—An ongoing increase of \$89.6 million Proposition 98 General Fund as a result of decreased offsetting local property tax revenues.
- **Fire-Related Property Tax Backfill**—A one-time fire-related property tax backfill of \$3.8 million in 2024-25 and \$8.1 million in 2025-26 for impacted community colleges.

### ADDRESSING THE BUDGET PROBLEM

To align community college expenditures with available Proposition 98 resources, the May Revision adopts several budget solutions, including reducing or withdrawing some Governor's Budget proposals.

- **SCFF Deferral**—To fully fund the SCFF and maintain the level of 2025-26 apportionments, the May Revision proposes deferring \$531.6 million in SCFF funding from 2025-26 to 2026-27. Budgetary deferrals of \$243.7 million for the CCCs from the 2024 Budget Act are fully repaid in the three-year budget window.

- **Proposition 98 Rainy Day Fund**—To fully fund the SCFF, the May Revision uses \$59 million from the Proposition 98 Rainy Day Fund to support SCFF costs in 2025-26.
- **Collaborative Enterprise Resource Planning (ERP) Project**—Withdrawal of a one-time investment of \$168 million one-time Proposition 98 General Fund for the Collaborative ERP Project, which would have funded the procurement of an ERP platform to upgrade outdated systems that aimed to standardize student and staff experience throughout the CCC system.
- **Common Cloud Data Platform**—A \$150.5 million reduction to a one-time investment of \$162.5 million, of which \$29 million was ongoing, for the Common Cloud Data Platform, which will leverage existing local districts' student data systems to provide near real-time data reporting. When accounting for this reduction, the May Revision provides \$12 million one-time Proposition 98 General Fund for this initiative.
- **Career Passport and Credit for Prior Learning**—The May Revision reduces the Career Passport proposal from \$50 million to \$25 million one-time and the Credit for Prior Learning proposal from \$50 million to \$15 million one-time and from \$7 million to \$5 million ongoing. These proposals are part of the Administration's investments in the Master Plan for Career Education. See the Labor and Workforce Development and General Government and Statewide Issues Chapters for more information on investments in the Master Plan for Career Education.
- **Rising Scholars**—The May Revision reduces the proposed \$30 million ongoing augmentation for the Rising Scholars Network to \$10 million ongoing.

---

## PROPOSITION 98 FUNDING SPLIT

The May Revision includes a shift in how TK expansion funds were distributed between TK-12 schools and community colleges. Specifically, the May Revision shifts the full amount of funding for TK expansion to the TK-12 education side of the Proposition 98 budget, reducing resources for community colleges by \$492.4 million over the three-year budget window. For more information about the Proposition 98 funding split and TK expansion, see the TK-12 Education Chapter.

---

## CALIFORNIA STUDENT AID COMMISSION

The California Student Aid Commission administers California's postsecondary financial aid programs, primarily the Cal Grant program. The Cal Grant program is estimated to provide nearly 492,000 financial aid awards to students who meet specified eligibility criteria in fiscal year 2025-26.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Cal Grant Program Caseload Adjustments**—Estimated Cal Grant expenditures of approximately \$2.3 billion in 2023-24, \$2.5 billion in 2024-25, and \$2.8 billion in 2025-26 based on the latest estimates of enrollment of Cal Grant-eligible students. These estimates reflect an increase of \$94.7 million one-time General Fund in 2024-25 and \$228.7 million ongoing General Fund in 2025-26. These costs are driven largely by an unexpected number of eligible students attending Cal Grant awarding institutions.
- **Middle Class Scholarship Program**—A one-time General Fund increase of \$77 million in 2024-25 to support unanticipated caseload increases in the Middle Class Scholarship Program.
- **Golden State Teacher Grant Program**—The May Revision reflects total available one-time funding of \$64.2 million for the Golden State Teacher Grant Program, up from \$50 million at Governor's Budget. This increase reflects carryover of unused funds from 2024-25.

---

## 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 2023-24, College of the Law, San Francisco enrolled 1,166 full-time equivalent students. Of these, 1,107 were Juris Doctor students.

### SIGNIFICANT BUDGET ADJUSTMENT

- **Revised Base Funding Reduction**—A revised ongoing base reduction of \$695,000 General Fund for the College of the Law, San Francisco. The Governor's Budget included a proposed ongoing base reduction of \$1.8 million, representing an ongoing 7.95 percent reduction. The revised amount reflects an ongoing reduction of approximately 3 percent to support College of the Law, San Francisco in stable fiscal planning.

---

## 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 BUDGET ADJUSTMENT

- **CalKIDS Program Information**—The May Revision includes statutory language that requires LEAs to include information about the CalKIDS program to students along with already required Federal Application for Federal Student Aid information.

---

## STATE LIBRARY

The California State Library serves as the central reference and research library for the Governor and the Legislature. The Library collects, preserves, generates, and disseminates information and provides critical assistance to libraries across the state. The Library administers programs funded by state and federal funds to support local and public library programs.

---

## LOSS OF FEDERAL GRANT FUNDS

In April 2025, the State Library received a notice from the acting director of the federal Institute of Museum and Library Services (IMLS) informing them that their federal grant through the IMLS was terminated. As a result of this mid-year action, the State Library was forced to forego \$3.4 million of an expected \$15.7 million in federal grant support

for 2024-25. The grant funds supported both State Library personnel and grants to local libraries to promote resource sharing across diverse populations within communities and the implementation of equitable programming.

Prior to the federal grant elimination, the State Library estimated the federal allocation to California to be \$16 million in 2025-26. In recognition of the uncertainty created by the proposed grant elimination, the May Revision removes the ongoing authority for these funds beginning in 2025-26.

To provide resources to support federally funded positions at the State Library, the May Revision reallocates \$4.3 million one-time General Fund from a 2022 Budget allocation for the Comprehensive Digitization Strategy Initiative to augment resources for Library personnel in 2024-25 and 2025-26.