

# HIGHER EDUCATION

The May Revision proposes total funding of \$50 billion (\$31.2 billion General Fund and local property tax and \$18.8 billion other funds) for the higher education segments and the California Student Aid Commission.

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## 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 300,000 students and the UC extension centers additionally register more than 332,000 participants in continuing education programs. In 2024-25, the UC awarded more than 89,000 degrees, including nearly 66,000 undergraduate degrees.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Base Funding Augmentation**—The May Revision maintains the proposed increase of \$254.3 million ongoing General Fund, representing a 5-percent base increase for the fifth and final year payment of the Compact. The May Revision also maintains the proposed increase of \$96.3 million ongoing General Fund to provide partial funding of the fourth year Compact payment as scheduled in the 2025 Budget Act.
- **Compact Funding Deferral**—The May Revision maintains the planned one-time deferral of the 2025-26 Compact investment of \$240.8 million, representing a

5-percent base increase in the fourth year of the Compact, to 2027-28. The May Revision also maintains the planned one-time 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.

- **One-Time Base Deferral**—The May Revision maintains the proposed delay of a one-time repayment of \$129.7 million, representing a deferral of a one-time 3-percent base increase from 2025-26, from 2026-27 to 2027-28.
- **Foster Youth Support Services**—An increase of \$1.5 million one-time General Fund to support First Star Academy Youth Cohorts at UC campuses.

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## CALIFORNIA STATE UNIVERSITY

The California State University (CSU) provides undergraduate and graduate instruction generally up to the master's degree. Its 22 campuses enroll more than 471,000 undergraduate and graduate students. In 2024-25, the CSU awarded approximately 123,000 degrees. The CSU also provides opportunities for residents to enroll in professional and continuing education programs.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Base Funding Augmentation**—The May Revision maintains the proposed increase of \$264.8 million ongoing General Fund, representing a 5-percent base increase for the fifth and final year payment of the Compact. The May Revision also maintains the proposed increase of \$100.9 million ongoing General Fund to provide partial funding of the fourth year Compact payment as scheduled in the 2025 Budget Act.
- **Compact Funding Deferral**—The May Revision maintains the planned one-time deferral of the 2025-26 Compact investment of \$252.3 million, representing a 5-percent base increase in the fourth year of the Compact, to 2027-28.
- **One-Time Base Deferral**—The May Revision maintains the proposed delay of a one-time repayment of \$143.8 million, representing a deferral of a one-time 3-percent base increase from 2025-26, from 2026-27 to 2027-28.

## CALIFORNIA COMMUNITY COLLEGES

The California Community Colleges (CCC) 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 2.2 million students. The CCCs provide basic skills, vocational, and undergraduate-transfer education with 73 districts, 116 campuses, and 83 educational centers. In 2024-25, the CCCs awarded over 154,000 certificates and 209,000 degrees.

Below are additional adjustments in the May Revision that add to, reduce, or amend proposals from the Governor's Budget.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Student Centered Funding Formula (SCFF) Cost-of-Living Adjustment (COLA)**—An ongoing increase of \$197.7 million Proposition 98 General Fund to reflect a change in the cost-of-living adjustment from 2.41 percent to 4.31 percent, of which 1.4 percent is discretionary (the statutory COLA at May Revision is 2.87 percent). This increases the total proposed cost-of-living SCFF adjustment in 2026-27 to \$438.3 million.
- **Paid Pregnancy Leave**—The May Revision requires all community colleges, as well as TK-12 public schools, to provide all employees with up to 14 weeks of paid pregnancy disability leave beginning in 2026-27. Costs of this benefit are absorbable within the 1.4 percent discretionary SCFF COLA.
- **Local Property Tax Adjustments**—An ongoing increase of \$122.8 million Proposition 98 General Fund as a result of decreased offsetting local property tax revenues.
- **Adult Learner Demonstration Project**—A one-time increase of \$9.7 million Proposition 98 General Fund, available for use over three years, to support the Adult Learner Demonstration Project. This program provides comprehensive services to assist low-income adult workers move into stable and higher-paying jobs.
- **Categorical Programs Cost-of-Living Adjustment**—To reflect a change in the cost-of-living adjustment from 2.41 percent to 2.87 percent, the May Revision includes an ongoing increase of \$6.1 million Proposition 98 General Fund for select categorical programs and the Adult Education Program.

- **SCFF Growth Adjustment**—An ongoing increase of \$2 million Proposition 98 General Fund to maintain the Governor’s Budget proposal to fund 0.5 percent enrollment growth. The May Revision also maintains the addition of 1 percent ongoing growth beginning in 2025-26.
- **Student Support Block Grant**—A one-time increase of \$607,000 Proposition 98 General Fund for a flexible block grant for the community colleges. This increases the total amount proposed for 2026-27 to \$100.6 million.

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## 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 548,000 new and renewed financial aid awards to students who meet specified eligibility criteria in fiscal year 2026-27.

Below are additional adjustments in the May Revision that add to, reduce, or amend proposals from the Governor’s budget.

### SIGNIFICANT BUDGET ADJUSTMENTS

- **Cal Grant Program Caseload Adjustments**—Estimated Cal Grant expenditures of approximately \$2.5 billion in 2024-25, \$2.9 billion in 2025-26, and \$3.2 billion in 2026-27 based on the latest estimates of enrollment of Cal Grant-eligible students. These estimates reflect an increase of \$4.8 million one-time General Fund in 2025-26 and \$31.5 million ongoing General Fund in 2026-27.
- **Middle Class Scholarship Program**—A one-time net decrease of \$90.5 million General Fund to reflect the revised estimate for Middle Class Scholarship Program awards issued in the 2025-26 academic year as costs are paid in arrears in accordance with the 2025 Budget Act.
- **Golden State Teacher Grant Program (GSTG)**—The May Revision withdraws the Governor’s Budget proposal to reappropriate \$14.4 million General Fund to support the GSTG. Revised program estimates reflect the full expenditure of these funds in 2025-26. Alternatively, as referenced in the TK-12 Education Chapter, the May Revision includes an ongoing increase of \$16.2 million in federal special education (IDEA) funds to support the GSTG, with grant awards for prospective special education teachers of up to \$20,000. Additionally, the May Revision includes

\$1.6 million one-time federal Title II funds for 2026-27, with grant awards for prospective teachers in other subject matter areas of up to \$10,000.

- **Workforce Pell Implementation**—A one-time increase of \$664,000 General Fund to support Commission implementation activities to enable California to participate in the new federal Workforce Pell Grant program as authorized under the House of Representatives (H.R.) 1 of 2025.

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## 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 2025-26, College of the Law, San Francisco enrolled 1,138 full-time equivalent students. Of these, 1,064 were Juris Doctor students.

### SIGNIFICANT BUDGET ADJUSTMENT

- **Campus Safety and Security Resources**—An ongoing increase of \$1 million General Fund to support campus public safety and security programs.