
Senate Budget and Fiscal Review—Scott D. Wiener, Chair

SUBCOMMITTEE NO. 1

Agenda

Senator John Laird, Chair
Senator Rosilicie Ochoa Bogh
Senator Sasha Renée Pérez



Wednesday, May 21, 2025
9 a.m.
1021 O Street, Room 2100

Consultant: Diego Emilio J. Lopez

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Public Comment

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1111 BUREAU FOR PRIVATE POST-SECONDARY EDUCATION

Issue 1: Bureau for Private Post-Secondary Education Fund Shift – May Revision**Panel.**

- John Parson, Department of Finance
- Charlene Manning, Department of Finance
- Lisa Qing, Legislative Analyst's Office
- Deborah Cochran, Bureau for Private Post-Secondary Education

Background. The Governor's May Revision includes trailer bill language that would authorize the bureau to use moneys in the Student Tuition Recovery Fund to cover the costs of Student Tuition Recovery Fund claim administration and positions of the Office of Student Assistance and Relief.

Staff Recommendation. Hold open.

6440 UNIVERSITY OF CALIFORNIA (UC)**6660 UNIVERSITY OF CALIFORNIA COLLEGE OF THE LAW, SAN FRANCISCO**

Issue 2: May Revision Proposals – UC & UC College of the Law, San Francisco
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Panel.

- Gabriela Chavez, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Kathleen Fullerton, University of California
- Seija Virtanen, University of California
- David Seward, UC College of the Law, San Francisco

May Revision.

State Operations Reduction - UC. Reduces a base reduction proposed in January from \$396.6 million ongoing General Fund to \$129.7 million ongoing General Fund. The newly proposed cut represents a reduction of about 3 percent of UC's ongoing state funding.

Higher Education Student Housing Grant Program. Reduces ongoing General Fund by \$3.6 million to reflect debt service savings from the Higher Education Student Housing Grant Program. This action leaves UC with \$2.6 million in debt service savings.

First Star Youth Cohort. Provides \$1.8 million one-time General Fund to support First Star Youth Cohorts at UC campuses.

UCLA Powell Library Seismic Renovation. Uses interest earnings from previous bond issuances to support \$5.8 million toward the seismic renovation of the Powell Library at UCLA.

State Operations Reduction – UC College of the Law, San Francisco. Reduces a proposed cut to the college from \$1.8 million ongoing General Fund to \$695,000 ongoing General Fund. The newly proposed cut represents a reduction of about 3 percent of the College's ongoing state funding.

Staff Recommendation. Hold open.

Issue 3: Legislative Proposal – UC Berkeley Local News Fellowship Program

Panel.

- Ian Klein, Legislative Analyst’s Office
- Seija Virtanen, University of California

Legislative Proposal. There is a proposal within the Legislature to provide \$15 million one-time General Fund to the UC Berkeley Journalism Fellowship Program.

Background. The Budget Act of 2022 provided \$25 million one-time General Fund for the Local News Fellowship Program at UC Berkeley.

The California Local News Fellowship program is intended to support local journalism by placing early-career reporters and editors in newsrooms for two-year fellowships. Currently, there are 75 fellows working in more than 70 newsrooms across the state. The first cohort of 39 fellows launched in fall 2023. The second cohort of 37 fellows launched in fall 2024. The third and final cohort is underway with offers being made this May 2025 and expected to launch in fall 2025. The University is expecting to expend all current funds by December 31, 2027.

Each fellow is provided with funding for two years, consisting of about \$60-65,000 with full benefits, are classified as academic personnel and are represented by the UAW Local 5810.

Staff Recommendation. Informational Item Only.

6610 CALIFORNIA STATE UNIVERSITY

Issue 4: May Revision Proposal - California State University

Panel.

- Devin Mitchell, Department of Finance
- Natalie Gonzalez, Legislative Analyst's Office
- Cheryl Ide, California State University Chancellor's Office

May Revision.

State Operations Reduction. Reduces a base reduction proposed in January from \$375.2 million ongoing General Fund to \$143.8 million ongoing General Fund. The newly proposed cut represents a reduction of about 3 percent of CSU's ongoing state funding.

Staff Recommendation. Hold open.

6870 CALIFORNIA COMMUNITY COLLEGES

Issue 5: May Revision Proposals – California Community Colleges
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Panel.

- Justin Hurst, Department of Finance
- Alex Shoap, Department of Finance
- Lisa Qing, Legislative Analyst's Office
- Ken Kapphahn, Legislative Analyst's Office
- Chris Ferguson, California Community Colleges Chancellor's Office

May Revision

Proposition 98 Split. The May Revision proposes to shift costs related to transitional kindergarten outside of split of Proposition 98 funds that are distributed to the TK-12 system and the California Community Colleges, effectively shifting more funding to TK-12 schools and less to California Community Colleges within the Proposition 98 Guarantee. This change would be retroactive to 2023-24, and would shift approximately \$492 million over the three-year budget window (\$107 million in 2023-24, \$152 million in 2024-25 and \$233 million ongoing starting in 2025-26).

Student Centered Funding Formula (SCFF) Funding. Increases support for the Student Centered Funding Formula (SCFF) by \$210.2 million one-time Proposition 98 General Fund and \$104.7 million ongoing Proposition 98 General Fund to fully fund the formula in the 2024-25 and 2025-26 fiscal years.

Enrollment Growth Funding. Provides \$139.9 million ongoing Proposition 98 General Fund to support 2.35 percent enrollment growth.

Cost-of-Living Adjustment (COLA) Update. Decreases support for a Cost-of-Living Adjustment (COLA) to the SCFF and some categorical programs to reflect a revised COLA of 2.3 percent. Reductions include \$12.9 million ongoing Proposition 98 General Fund for SCFF and \$122,000 for categorical programs. The May Revision provides \$217.4 million ongoing Proposition 98 to support the SCFF COLA.

Fire-Related Property Tax Backfill. Provides \$3.8 million one-time Proposition 98 General Fund in 2024-25 and \$8.1 million one-time Proposition 98 General Fund in 2025-26 to support a fire-related property tax backfill.

Property Tax Backfill. Provides \$89.6 million ongoing Proposition 98 General Fund to backfill a decline in property tax revenue.

SCFF Deferral. Defers \$531.6 million in SCFF funding from 2025-26 to 2026-27.

Rainy Day Fund Utilization. Uses \$59 million from the Proposition 98 Rainy Day Fund to support SCFF costs in 2025-26.

Collaborative Enterprise Resource Planning Project Withdrawal. Withdraws a Governor's Budget proposal to provide \$168 million one-time Proposition 98 General Fund for the Collaborative ERP Project.

Common Cloud Data Platform Project. Reduces support for the Common Cloud Data Platform Project to \$12 million one-time Proposition 98 General Fund. The Governor's Budget provided \$162.5 million Proposition 98 General Fund.

Career Passport. Reduces support for the Career Passport proposal to \$25 million one-time Proposition 98 General Fund. The Governor's Budget provided \$50 million one-time Proposition 98 General Fund.

Credit for Prior Learning. Reduces support for the Credit for Prior Learning proposal to \$15 million one-time and \$5 million ongoing Proposition 98 General Fund. The Governor's Budget provided \$43 million one-time and \$7 million ongoing Proposition 98 General Fund.

Rising Scholars Program. Reduces support for the Rising Scholars proposal to \$10 million ongoing Proposition 98 General Fund. The Governor's Budget provided \$30 million ongoing Proposition 98 General Fund.

Capital Outlay. Modifies the January capital outlay proposals by withdrawing support for the Golden West College Fine Arts Renovation project and the Grossmont College Gymnasium Replacement Project, adding support for the American River College Davies Hall Replacement project and making technical adjustments to two other projects.

e-Transcript California. Provides \$6.6 million one-time Proposition 98 General Fund to support e-Transcript California to replace funds that were anticipated but did not materialize.

Staff Recommendation. Hold open.

6980 CALIFORNIA STUDENT AID COMMISSION

Issue 6: May Revision Proposals – California Student Aid Commission
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Panel.

- Amanpreet Singh, Department of Finance
- Natalie Gonzalez, Legislative Analyst's Office
- Catalina Mistler, California Student Aid Commission

May Revision.

Cal Grant Adjustment. Increases support for the Cal Grant program by \$94.7 million one-time General Fund in 2024-25 and \$228.7 million ongoing General Fund in 2025-26 to reflect increased Cal Grant participation. Total Cal Grant expenditures as proposed would be \$2.5 billion in 2024-25 and \$2.8 billion in 2025-26.

Middle Class Scholarship Adjustment. Increases support for the Middle Class Scholarship program by \$77 million one-time General Fund in 2024-25 to support an unanticipated increase in participation. Total Middle Class Scholarship expenditures as proposed would be \$1 billion in 2024-25 and \$513 million in 2025-26.

Golden State Teacher Grant Program. Increases support for the Golden State Teacher Grant Program by \$14.2 million to reflect unused funds from 2024-25. Total support for the program as proposed in 2025-26 would be \$64.2 million.

Staff Recommendation. Hold open.

6440 CALIFORNIA STATE LIBRARY

Issue 7: May Revision Proposals – California State Library

Panel.

- Devin Mitchell, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Greg Lucas, California State Librarian

May Revision.

Braille Institute. Includes budget bill language that \$500,000 ongoing General Fund in the State Library budget shall be provided to support the Braille Institute.

Federal Grant Termination. Makes changes to the State Library budget in anticipation of reduced federal funding. Decreases federal funding by a combined \$15.7 million to reflect the federal Institute of Museum and Library Services terminating a Library Services and Technology Grant and reappropriates \$4.3 million one-time General Fund from the Comprehensive Digitization Strategy Initiative to general library support to help offset the reduced federal funding.

Staff Recommendation. Hold Open.

Issue 8: State Operations Reductions

Panel.

- Devin Mitchell, Department of Finance
- Ian Klein, Legislative Analyst's Office
- Greg Lucas, California State Librarian

Background. The 2024 Budget Act included two control sections—Control Section 4.05 and Control Section 4.12—that aimed to identify and implement efficiencies across nearly all state entities to produce ongoing budgetary savings without adverse effects on state services. Both control sections established statewide administrative exercises led by the Department of Finance (DOF) to (1) identify efficiencies and (2) eliminate vacant positions and related funding.

On May 14, 2025, the Department of Finance provided updated figures for savings assumed pursuant to Control Sections 4.05 and 4.12 for fiscal years 2024-25 and 2025-26.

The proposed reductions for the California State Library are \$1.9 million in 2024-25 and ongoing and a reduction of authority for 10 positions. Impacts to programs at the State Library, include:

- California Newspaper Project – Reduction of \$430,000 ongoing.
- California Local Documents Digitization Project – Reduction of \$460,000 ongoing.
- Oral History Program – reduction of \$100,000 ongoing.

Staff Recommendation. Hold Open.