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*Senate Budget and Fiscal Review—John Laird, Chair*

## **SUBCOMMITTEE NO. 1**

## **Agenda**

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**Senator Sasha Renée Pérez, Chair**

**Senator Bob Archuleta**

**Senator Rosilicie Ochoa Bogh**



**Thursday, May 28, 2026**  
**Upon Adjournment of Session**  
**1021 O Street, Room 2100**  
Consultant: Diego Emilio J. Lopez  
**PART B – Higher Education**

1111 Bureau of Private Postsecondary Education  
6120 California State Library  
6440 University of California  
6600 College of the Law, San Francisco  
6610 California State University  
6870 California Community Colleges  
6980 California Student Aid Commission

### **Public Comment**

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Item	Origin	Subject	Description	Staff Recommendation
<b>1111 Bureau of Private Postsecondary Education (BPPE)</b>				
1	Governor's Budget & May Revision	General Fund Backfill for Legal Costs	<p>The Governor's budget includes a \$10 million one-time General Fund appropriation for BPPE in 2025-26. These funds would be used to repay the High Polluter Repair or Removal Account loan in full in the current year. This would effectively shift the litigation costs covered by that loan to the General Fund.</p> <p>The May Revision requests provisional language to be added to item 1111-002-0305 to 1) allow for an augmentation to address legal costs related to litigation and 2) to waive interest for the special fund loan from the High Polluter Repair or Removal Account to the Private Postsecondary Education Administration Fund.</p>	Approve as budgeted and adopt placeholder budget bill language.

Item	Origin	Subject	Description	Staff Recommendation
<b>6120 California State Library</b>				
2	Governor's Budget	Increased Building Rental Expenses for Library and Courts I and II	The Governor's budget proposes \$1.1 million General Fund in 2026-27 and ongoing for the State Library to address increased building rental expenses.	Reject without Prejudice
3	May Revision	Local Library Infrastructure Grants and Community Development Support Liquidation Extension	The May Revision reappropriates up to \$94.3 million in unspent funds and extends the encumbrance and expenditure period to June 30, 2030.  The state provided \$489 million one-time General Fund across 2021-22 and 2022-23 for the Local Library Infrastructure Grant program to support local library maintenance projects, capital projects, broadband and technology upgrades, and purchasing of devices.	Approve May Revision.
4	Senate	Clarifying Funding Authority	The Senate's actions include budget bill language that clarify the funding authority for items of appropriation under the California State Library.	Adopt placeholder budget bill language as proposed.
<b>6440 University of California</b>				
5	Governor's Budget	Five Percent Base Increase	The Governor's budget includes \$254.3 million ongoing General Fund to support a five percent base increase, representing the fifth and final year payment for the MultiYear Compact.	Approve as budgeted.
6	Governor's Budget	Three Percent Base Restoration, Deferral of Repayment, and Zero-Interest Loan	The Governor's budget includes 1) restoration of \$130 million ongoing General Fund, 2) delay of the one-time repayment of \$130 million from 2026-27 to 2027-28, and 3) renewed option for a zero-interest loan in 2026-27 of \$130 million.  These actions are related to the one-time, three percent base deferral of \$130 million to the UC from the 2025 Budget Act.	Approve as budgeted.

Item	Origin	Subject	Description	Staff Recommendation
7	Governor's Budget	Two Percent Base Increase	<p>The Governor's budget included \$96.3 million ongoing General Fund to support an additional two percent base increase, representing a partial payment of the fourth year of the MultiYear Compact.</p> <p>Per the 2025 Budget Act, the five percent base increase for the fourth year of the MultiYear Compact was deferred in two parts to:</p> <ol style="list-style-type: none"> <li>1) Two percent base increase in 2026-27: \$96.3 million ongoing.</li> <li>2) Three percent base increase in 2028-29: \$144.5 million ongoing.</li> </ol>	Approve as budgeted.
8	Governor's Budget & May Revision	902 Nonresident Undergraduate Enrollment Replacement	<p>The Governor's budget includes \$61 million ongoing General Fund to support the annual replacement of 902 nonresident undergraduate students with resident undergraduate students at the three high-demand campuses. This total figure includes a restoration of the \$31 million ongoing associated with a one-time deferral from the 2025 Budget Act, along with the fifth year base increase for this nonresident undergraduate replacement.</p> <p>Per the 2025 Budget Act, there is a one-time deferral of \$31 million from 2025-26 to 2027-28, associated with the fourth year base increase to support the 902 nonresident undergraduate student replacement.</p> <p>The May Revision includes budget bill language authorizing the Director of Finance, to reduce UC funding proportionally if the actual reduction in nonresident undergraduate enrollment at the three campuses falls short of the 902 full-time equivalent target.</p>	Approve as budgeted and adopt placeholder budget bill language relating to the proportional funding for nonresident undergraduate replacement targets.
9	May Revision	902 Nonresident Enrollment Replacement - One-Time Back Payment	The May Revision includes budget bill language that clarifies the intent to provide the UC with a \$31 million one-time General Fund back payment in 2027-28, related to a one-time deferral of the same amount for the 2025-26 funding for replacing 902 nonresident undergraduate students with resident undergraduate students at UC Berkeley, UCLA, and UC San Diego.	Adopt placeholder budget bill language.

Item	Origin	Subject	Description	Staff Recommendation
10	Governor's Budget & May Revision	Resident Undergraduate Enrollment Targets	<p>The Governor's budget includes an enrollment target for UC to add 2,968 Full-Time Equivalent (FTE) students (a 1.4 percent increase) in 2026-27, bringing resident undergraduate enrollment to 212,503 FTE students.</p> <p>The May Revision includes budget bill language to maintain the 2026-27 resident undergraduate growth target of 2,968 FTE students, for a total target level of 212,503 FTE students. This was inadvertently omitted from the Governor's budget.</p>	Adopt placeholder budget bill language.
11	Governor's Budget & May Revision	Research Funding and Reappropriations	<p>The Governor's budget includes \$32 million one-time General Fund for various research-related purposes, including:</p> <p>\$13 million - Jordan Syndrome research</p> <p>\$10 million - California Institutes for Science and Innovation</p> <p>\$8 million - UC and CSU Collaborative for Neurodiversity and Learning</p> <p>\$1 million - California Institute on Law, Neuroscience, and Technology</p> <p>The May Revision includes budget bill language that clarifies that these reappropriations have indefinite encumbrance and expenditure periods, consistent with Government Code 16304 (b). It also includes similar reappropriation language for the following programs for the same purpose:</p> <p>\$7.9 million - California Local News Fellowship Initiative at UC Berkeley</p> <p>\$1.3 million - UC Los Angeles CalkIDS Institute</p> <p>\$1.2 million - California Insitute on Law, Neuroscience, and Education</p>	Adopt May Revision
12	May Revision	First STAR Academies	The May Revision includes an increase of \$1.5 million one-time General Fund to support First Star Academy Youth Cohorts at UC campuses.	Adopt May Revision

<b>Item</b>	<b>Origin</b>	<b>Subject</b>	<b>Description</b>	<b>Staff Recommendation</b>
13	May Revision	Gaining Early Awareness and Readiness for Undergraduate Programs (GEAR UP)	The May Revision includes an increase of \$2 million in federal funding authority to reflect revised award amounts for the federal GEAR UP program.	Adopt May Revision
14	May Revision	Cigarette and Tobacco-Related Disease Research Resources	The May Revision includes a decrease of \$1.8 million ongoing to reflect revised estimates in the Research Account, Cigarette Tobacco Products Surtax Fund.	Adopt May Revision
<b>6600 College of the Law, San Francisco</b>				
15	May Revision	Campus Security	The May Revision includes \$1 million General Fund ongoing to support campus public safety and security programs.	Adopt May Revision
<b>6610 California State University</b>				
16	Governor's Budget	Five Percent Base Increase	The Governor's budget includes \$264.8 million ongoing General Fund to support a five percent base increase, representing the fifth and final year payment for the MultiYear Compact.	Approve as budgeted.
17	Governor's Budget	Three Percent Base Restoration, Deferral of Repayment, and Zero-Interest Loan	The Governor's budget includes 1) restoration of \$144 million ongoing General Fund, 2) delay of the one-time repayment of \$130 million from 2026-27 to 2027-28, and 3) renewed option for a zero-interest loan in 2026-27 of \$130 million.  These actions are related to the one-time, three percent base deferral of \$144 million to the CSU from the 2025 Budget Act.	Approve as budgeted.

Item	Origin	Subject	Description	Staff Recommendation
18	Governor's Budget	Two Percent Base Increase	<p>The Governor's budget included \$100.9 million ongoing General Fund to support an additional two percent base increase, representing a partial payment of the fourth year of the MultiYear Compact.</p> <p>Per the 2025 Budget Act, the five percent base increase for the fourth year of the MultiYear Compact was deferred in two parts to:</p> <p>1) Two percent base increase in 2026-27: \$100.9 million ongoing.</p> <p>2) Three percent base increase in 2028-29: \$151.4 million ongoing.</p>	Approve as budgeted.
19	Governor's Budget	CSU Undergraduate Enrollment Target	The Governor's budget includes an enrollment target for the CSU to increase resident undergraduate enrollment by an additional 10,161 FTES in 2026–27 for total resident undergraduate enrollment of 360,160 FTES.	Adopt placeholder budget bill language.
20	Governor's Budget	Retiree Health Benefits Cost Increase	The Governor's budget includes \$60 million ongoing General Fund to address adjustments to CSU retiree health benefits costs.	Approve as budgeted.
21	Governor's Budget	Pension Cost Adjustment	The Governor's budget includes a reduction of \$17 million ongoing General Fund to reflect an adjustment in CSU pension costs.	Approve as budgeted.
22	May Revision	Higher Education Student Housing Grant Program - Debt Service	The May Revision includes budget bill language specifying that \$52 million ongoing General Fund is being provided for debt service payments associated with student housing projects at the CSU.	Adopt placeholder budget bill language.
23	Senate	CSU Turnaround Plans Update	The Senate's actions include budget bill language to require annual reporting by the CSU Chancellor's Office and low or declining enrollment campuses on progress made on implementing their turnaround plans.	Approve placeholder budget bill language as proposed.
<b>6870 California Community Colleges</b>				
24	Governor's Budget & May Revision	Increased Current Year Apportionment Costs	The Governor's budget proposes \$89 million Proposition 98 General Fund for increased apportionment costs in 2025-26 than projected at budget enactment.	Approve as budgeted.

Item	Origin	Subject	Description	Staff Recommendation
25	Governor's Budget & May Revision	Cost-of-Living Adjustment for Apportionments	<p>The Governor's budget proposes \$241 million ongoing Proposition 98 General Fund to provide for a 2.41 percent Cost-of-Living-Adjustment for apportionments.</p> <p>The May Revision increases the statutory COLA for apportionments from 2.41 percent (\$241 million) in January to 2.87 percent (\$292 million) at the May Revision.</p> <p>The May Revision also includes an additional 1.44 percent (\$146 million) increase for apportionments above the statutory COLA. Trailer bill language directs districts to use these funds to cover the costs of a proposed new requirement to provide up to 14 weeks of paid pregnancy disability leave to employees.</p>	Approve as budgeted and adopt May Revision.
26	Governor's Budget	Enrollment Growth Funding in 2025-26	The Governor's budget proposes \$55 million Proposition 98 General Fund for an additional one percent systemwide enrollment growth in 2025-26, increasing the current year growth target from 0.57 percent to 1.57 percent. This equates to an estimated 10,970 additional Full-Time Equivalent (FTE) students.	Modify to include an additional \$132.1 million ongoing Proposition 98 General Fund to support a total of 3.5% enrollment growth across 2025-26 and 2026-27.
27	Governor's Budget & May Revision	Enrollment Growth Funding in 2026-27.	<p>The Governor's budget proposes \$32 million ongoing Proposition 98 General Fund for systemwide enrollment growth of 0.5 percent in 2026-27. This equates to an estimated 5,484 FTE students in 2026-27.</p> <p>The May Revision adjusts the cost estimate for funding 0.5 percent enrollment growth in 2026-27 from \$32 million in January to \$34 million at the May Revision.</p>	Modify to include an additional \$132.1 million ongoing Proposition 98 General Fund to support a total of 3.5% enrollment growth across 2025-26 and 2026-27.
28	Governor's Budget	Calbright College Ongoing Funding	The Governor's budget includes \$38 million ongoing Proposition 98 General Fund to support the college's operating costs as it transitions out of its startup period.	Approve as budgeted.

Item	Origin	Subject	Description	Staff Recommendation
29	Governor's Budget	COLA for Select Categorical Programs	<p>The Governor's Budget proposes \$31 million ongoing Proposition 98 General Fund to provide seven CCC categorical programs with a 2.41 percent COLA. These programs include:</p> <ul style="list-style-type: none"> <li>Adult Education Program</li> <li>Extended Opportunity Programs and Services</li> <li>Disabled Student Programs and Services</li> <li>Apprenticeship Programs</li> <li>CalWORKs Student Services</li> <li>Mandates Block Grant</li> <li>Campus Child Care Support</li> </ul> <p>The May Revision increases the COLA for seven categorical programs from 2.41 percent (\$31 million) in January to 2.87 percent (\$36 million) at the May Revision.</p>	Adopt May Revision
30	Governor's Budget	Healthy School Foods Pathway Program	The Governor's budget proposes \$14 million ongoing Proposition 98 General Fund to support the Healthy School Foods Pathway Program.	Reject and instead adopt placeholder budget bill language to include additional reporting requirements to evaluate program success.
31	Governor's Budget	Common Cloud Data Platform	The Governor's Budget proposes \$36 million one-time Proposition 98 General Fund, and \$5 million ongoing Proposition 98 General Fund for the Common Cloud Data Platform.	Approve as budgeted.
32	Governor's Budget	Credit for Prior Learning	The Governor's budget proposes \$35 million one-time Proposition 98 General Fund and \$2 million ongoing Proposition 98 General Fund to support Credit for Prior Learning (CPL).	Approve as budgeted.
33	Governor's Budget	Deferred Maintenance & Trailer Bill Language	The Governor's Budget proposes \$121 million one-time Proposition 98 General Fund to support deferred maintenance needs at the California Community Colleges, with associated trailer bill language to implement appropriation.	Modify to increase to \$288.4 million one-time Proposition 98 General Fund.
34	Governor's Budget	Student Support Block Grant & Trailer Bill Language	The Governor's budget proposes an additional \$100 million one-time Proposition 98 General Fund to support the Student Support Block Grant established as part of the Budget Act of 2025, with associated trailer bill language for the appropriation.	Modify to increase to \$338.4 million one-time General Fund and adopt placeholder trailer bill language.

Item	Origin	Subject	Description	Staff Recommendation
35	Governor's Budget & May Revision	Apprenticeship Related and Supplemental Instruction (RSI) Costs Backfill & Trailer Bill Language	<p>The Governor's budget includes \$13.4 million one-time Proposition 98 General Fund to backfill apprenticeship RSI costs in 2024-25 and 2025-26. This includes trailer bill language associated with the appropriation.</p> <p>The May Revision increases one-time funding for related and supplemental instruction (RSI) from \$13 million \$16 million, including corresponding changes to trailer bill.</p>	Adopt May Revision and adopt placeholder trailer bill language.
36	Governor's Budget	2024-25 Proposition 98 Funding Shift.	The Governor's budget includes a one-time shift of \$391 million Proposition 98 General Fund to the Community Colleges and away from TK-12 schools in 2024-25.	Approve as budgeted.
37	Governor's Budget & May Revision	Proposition 2 Capital Outlay Projects.	<p>The Governor's budget includes \$28 million Proposition 2 bond funds for the preliminary plans and working drawings phases of 10 projects selected by the California Community College Chancellor's Office.</p> <p>The Governor's budget also includes \$709 million Proposition 2 bond funds for the construction phase of 29 capital outlay projects initiated in 2025-26.</p> <p>The May Revision reappropriates 2025-26 funding for the working drawings phase of 23 projects and the performance criteria phase of 1 design-build project.</p>	Adopt May Revision
38	Governor's Budget & May Revision	Fund SCFF with Public School System Stabilization Account (PSSSA) Deposit	<p>The Governor's budget included trailer bill language to reflect a one-time withdrawal of \$44.5 million from the Public School System Stabilization Account to fund 2026-27 SCFF apportionment costs.</p> <p>The May Revision withdraws this trailer bill proposal.</p>	Adopt May Revision
39	Governor's Budget	Chancellor's Office Positions for Increase Capacity	The Governor's budget includes \$614,000 Proposition 98 General Fund to support four additional positions at the Chancellor's Office related to legal counsel.	Approve as budgeted.
40	May Revision	Adult Learner Demonstration Project	The May Revision includes \$9.7 million for an initiative focused on education pathways for low-income workers.	Adopt May Revision
41	May Revision	Economic and Workforce Development	Amends budget bill language (BBL) to clarify the uses of state-level technical assistance funds and other program funds.	Adopt May Revision
42	May Revision	Umoja Program	Amends BBL to clarify the amount of funds set aside for certain administrative purposes.	Adopt May Revision
43	May Revision	Various Reappropriations	The May Revision includes various reappropriations to reflect an increased adjustment of \$117.4 million to support deferred maintenance.	Adopt May Revision

Item	Origin	Subject	Description	Staff Recommendation
44	May Revision	Various Technical Adjustments	The May Revision includes various technical adjustments related to:  Net Offsetting Education Protection Account (EPA) Revenue Offsetting Student Fee Revenue Student Financial Aid Administration and Board Financial Assistance Program Funding  Net Offsetting Property Tax Revenue Hold Harmless and Stability Funding for Student Centered Funding Formula	
45	Senate	Strong Workforce Program Backfill	The Senate's actions include \$60 million one-time Proposition 98 General Fund to be expended over three years for the Strong Workforce Program at the California Community Colleges.	Approve as Proposed.
46	Senate	Dream Resource Centers	The Senate's actions include an increase of \$150 million Proposition 98 General Fund, of which \$15 million is ongoing to support Dream Resource Centers at the California Community Colleges.	Approve as Proposed.
47	Senate	LGBTQ+ Resource Centers	The Senate's actions include an increase of \$30 million Proposition 98 General Fund annually for three years, beginning in 2026-27 through 2028-29.	Approve as Proposed.
48	Senate	Greater of 3-Year Average or Current Year Full-Time Equivalent Student (FTES) Credit.	Beginning in 2026-27 and ongoing, includes \$38.8 million ongoing Proposition 98 General Fund to allow credit FTES to be calculated using the higher of the three-year average or the amount in the current year.	Approve as Proposed and Adopt placeholder Trailer Bill Language.
49	Senate	Restoration of Transitional Kindergarten (TK) Split.	The Senate's actions include, beginning in 2026-27 and ongoing, costs for TK will be included as a TK-12 cost after the Proposition 98 TK-12/California Community Colleges split is calculated. This will correct a structural deficit that was inadvertently created for the California Community Colleges when the 2025 Budget shifted TK costs outside of the split – restores \$241 million to the California Community Colleges.	Approve as Proposed.
50	Senate	Student Equity and Achievement Program COLA	The Senate's actions include \$30.1 million ongoing Proposition 98 General Fund to provide a 5.74 percent COLA to the Student Equity and Achievement Program.	Approve as Proposed.
51	Senate	Financial Aid Administration Support.	The Senate's actions include \$10 million ongoing Proposition 98 General Fund to provide additional support to CCC financial aid offices.	Approve as Proposed.
<b>6440 University of California (UC)</b>				

Item	Origin	Subject	Description	Staff Recommendation
<b>6610 California State University (CSU)</b>				
<b>6870 California Community Colleges (CCC)</b>				
52	May Revision	<u>UC, CSU, CCC</u> : Student Housing Data Collection	The May Revision includes trailer bill language that amends Education Code Section 66014.6 to require that this annual report be released together with the annual reports on Higher Education Student Housing Grant program.	Adopt placeholder trailer bill language
53	May Revision	<u>UC, CSU, CCC</u> : Higher Education Student Housing Grant Program	The May Revision includes trailer bill language that amends Education Code Section 17201 to require that this annual report be released together with the student housing data collection report.	Adopt placeholder trailer bill language
54	May Revision	<u>UC and CSU</u> : Basic Needs, Mental Health, and Rapid Rehousing	The May Revision includes trailer bill language that makes three changes: (1) moves from budget bill language to trailer bill language, (2) changes the frequency of reports from annual to biennial, and (3) consolidates the existing reports.	Adopt placeholder trailer bill language and retain annual reporting cadence.
55	May Revision	<u>UC and CSU</u> : Campus Capacity, Instructional and Faculty Office Space	Changes frequency of reports from annual to biennial.	Reject without Prejudice.
56	May Revision	<u>CSU</u> : Acquisition of Real Property Using Parking and Housing Revenues	Changes frequency of report from annual to biennial.	Reject without Prejudice.
57	May Revision	<u>CSU</u> : Sale or Exchange of Real Property Report	Changes frequency of report from annual to biennial.	Reject without Prejudice.
<b>6980 California Student Aid Commission</b>				
58	Governor's Budget & May Revision	Middle Class Scholarship (MCS) Program Caseload Adjustment for 2025-26	The May Revision adjusts MCS funding downward by \$95.5 million in 2025-26, bringing total program funding to \$959 million, to reflected adjusted caseload.	Adopt May Revision
59	Governor's Budget & May Revision	Middle Class Scholarship Program Estimated Caseload and Funding Levels for 2026-27	The Governor's budget included \$513.4 million for MCS to support award levels that meet 17.5 percent of a student's unmet need in 2026-27.  The May Revision adjusts MCS funding upward by \$10.6 million in 2026-27, bringing total program funding to \$524 million, to reflect estimated caseload for 2026-27.	Adopt May Revision and include an additional \$532.6 million for estimated program funding in 2026-27 to support award levels that meet 35 percent of a student's unmet need.
60	Senate	Middle Class Scholarship Program - Foster Youth Trailer Bill Language  (Senate Proposal)	The Senate's actions include trailer bill language to maintain full Middle Class Scholarship awards for former foster youth students that receive additional aid during the school year.	Approve placeholder trailer bill language as proposed.

Item	Origin	Subject	Description	Staff Recommendation
61	Governor's Budget & May Revision	Cal Grant Caseload Adjustment for 2025-26	The May Revision adjusts Cal Grant funding upward by \$4.8 million in 2025-26, bringing total program funding to \$2.9 billion, to reflect adjusted caseload.	Adopt May Revision
62	Governor's Budget & May Revision	Cal Grant Caseload Adjustment for 2026-27	The May Revision adjusts Cal Grant funding downward by \$31.5 million in 2026-27, bringing total program funding to \$3.2 billion, to reflect estimated caseload in 2026-27.	Adopt May Revision
63	Governor's Budget & May Revision	Golden State Teacher Grant Program Reappropriation	The Governor's budget included a reappropriation of \$14.4 million one-time General Fund for the same purpose.  The May Revision withdrew the reappropriation to reflect full expenditure of funds.	Adopt May Revision
64	May Revision	Administrative Support for CalKIDS Program	The May Revision includes an increase of \$10,000 in reimbursement authority to reflect available General Fund to promote and support CalKIDS award recipients in accessing student financial aid.	Adopt May Revision
65	May Revision	Department Vacancy Savings and Position Elimination Reductions	The May Revision includes an ongoing reduction of \$164,000 and 0.5 position in 2025-26 related to the position sweep under Control Section 4.12 of the 2024-25 Budget Act.	Adopt May Revision
66	May Revision	Workforce Pell Grant Program Implementation Workload	The May Revision includes \$664,000 one-time General Fund to support implementation of Workforce Pell Grants.	Adopt May Revision contingent on passage of associated trailer bill.
67	May Revision	Workforce Pell Grant Program Trailer Bill Language	Proposes TBL allowing CSAC to approve short-term programs eligible for Workforce Pell Grants.	Adopt placeholder trailer bill language.
68	May Revision	Middle Class Scholarship Program - Arrears Budget Bill Language	Adds BBL specifying the intent of the Legislature to pay for the program one year in arrears. The language also specifies that a short-term General Fund loan be provided to fund awards issued in 2026-27.	Adopt placeholder budget bill language.
69	May Revision	Various Technical Adjustments	The May Revision includes various technical adjustments related to the following programs:  Golden State Teacher Grant Program Chafee Grant for Foster Youth Award John R. Justice Grant Program Law Enforcement Personnel Dependents Scholarship Awards Cal-HBCU Transfer Grant Program Public Interest Attorney Loan Repayment Program	Adopt May Revision