



May 23, 2025

The Honorable John Laird
Chair, Senate Subcommittee 1 on Education Finance
1020 N. Street, Room 502
Sacramento, California 95814

The Honorable David A. Alvarez
Chair, Assembly Subcommittee No. 3 on Education Finance
1020 O Street, Suite 8230
Sacramento, California 95814

RE Proposed 2025-26 State Budget for Higher Education - May Revision Adjustments

Dear Chairs Laird and Alvarez,

As an organization committed to advancing policies and practices that dismantle the racial and economic barriers embedded in California's education system, EdTrust-West asks that you and your colleagues on the budget subcommittees for education consider the following perspectives and recommendations for the 2025-26 Higher Education budget proposals.

UC and CSU - Proposed Cuts and Compact Deferrals: OPPOSE

While we appreciate the Governor's reduction in the proposed 7.95% cut to a 3% cut in ongoing General Fund (GF) support for the University of California (UC) and the California State University (CSU), EdTrust-West remains **deeply concerned** about the harmful impact the proposed cuts and deferrals will have on all students, but especially students of color living in poverty. These cuts will further compound the squeeze that students living in poverty already acutely experience from the exorbitant high cost of living. Budget shortfalls are already causing [significant strain](#) at CSU campuses with the elimination of course sections and degree programs as well as faculty layoffs and job reductions. Facing cuts to critical programs and faculty layoffs, existing equity gaps may widen, reversing what little progress California has made. This strain will inevitably lead the segments to [tuition increases](#) in an effort to mitigate budget shortfalls, further compounding the harm to low-income students. At a time where federal deregulation and disinvestment continues to threaten students and campus resources, *now is the time to double down* on the state's investments in higher education to build a stronger and more resilient economy. **We respectfully urge the Legislature to REJECT the proposed cuts and deferrals.** If avoiding cuts and deferrals altogether is not possible, we recommend lawmakers target cuts to systemwide administration to minimize the impact to critical student services and academic programs on campuses.



CCC Roadmap, COLA, and Enrollment Growth: SUPPORT

The May Revise updates the proposed cost-of-living-adjustment (COLA) for Student Centered Funding Formula apportionments and select categorical programs to 2.3% and increases the proposed enrollment growth funding to 2.35% (\$109.5M). We appreciate the state's commitment to providing predictable operating increases for the CCC (including the use of Prop 98 reserves) that helps colleges address local spending priorities and incentivize campuses to make strides toward equity for their students, pursuant to the Vision 2030 goals. Similarly, increases in enrollment growth funding are critical to supporting districts as they return to pre-pandemic enrollment levels, especially as they engage in efforts to expand dual enrollment partnerships with local high schools. It is critical that the Legislature continue to protect and grow CCC funding as this segment serves the largest share of low-income students and students of color.¹ **We respectfully urge the Legislature to APPROVE these proposals and continue to emphasize the importance of accountability and oversight to ensure campuses are making progress on student success and equity.**

Financial Aid – RECOMMEND additional strategic investments

The May Revise makes one-time increases to the Cal Grant Program to account for unanticipated caseload increases. We applaud the state for protecting investments in financial aid for low-income students amidst a challenging fiscal environment. We also applaud the California Student Aid Commission (CSAC) for taking swift action to delay the statewide application priority deadline to April 3rd, which resulted in an additional [57,000 financial aid applications](#). As advocates of college affordability, we are encouraged by the recent [news](#) of a notable increase in financial aid applications compared to last year's application declines, but understand that work remains to support high school seniors in completing applications before the next September deadline.

While we are excited about progress in financial aid application rates among high school seniors, we know that many community college students still miss out on state and federal financial aid.² Furthermore, fear and uncertainty regarding federal actions on immigration, data privacy, and potential budget action impacting lifeline financial aid programs like Pell Grants continue to permeate higher education and threaten California's gains in college affordability. Going forward, **we urge the Legislature to consider these additional strategic investments** to mitigate the negative impacts on low-income students who need financial support to enroll and succeed in college:

- Provide ongoing funding and adopt a universal financial aid application completion requirement (as proposed by [SB 305 \(Reyes\)](#)) to support CCC financial aid offices in increasing financial aid application and award take-up rates among community college students. The [2024-25 Budget](#) included \$20 million in one-time funds to assist community college financial aid offices with supporting students who had not completed a financial aid application. Turning this into ongoing funding OR providing

¹ California Community Colleges (2025). www.cccco.edu/About-Us/Key-Facts

² UC Davis Wheelhouse (2018). [Money Left on the Table: An Analysis of Pell Grant Receipt Among Financially-Eligible Community College Students in California](#).



a COLA for the Student Financial Aid Administration (SFAA) funding³ would provide CCC financial aid offices with the necessary resources to assist students in applying and would likely draw down additional federal aid to improve college affordability.

- Leverage current state financial aid options (e.g. Cal Grant B Access Award or emergency financial aid allocations) to cover any lost federal aid for [vulnerable students](#) who make the difficult decision to forgo federal financial aid in the interest of protecting their family's privacy.
- Allocate additional resources for CSAC's financial aid outreach programs ([Cash for College](#) and [Cal-SOAP](#)), to support coordinated communication to high-touch regions, and increase outreach for the California Dream Act Application (CADAA), [students from mixed-status families](#), and low-income, students of color.

Proposed TBL on A-G Credit for Dual Enrollment Courses – SUPPORT

New trailer bill language (TBL) in the May Revise (Section 66205.5 of the [Education Omnibus Trailer Bill](#)) proposes to address an ongoing issue whereby students that participate in dual enrollment – when high school students take college coursework – might receive college credit towards their bachelor's degree, but often do not necessarily receive credit towards admission to that degree program (even when the courses would qualify for A-G). While UC and CSU have published guidance on how dual enrollment courses might receive A-G credit varies by system and relies on campus-specific determinations of eligible coursework. This TBL would clarify that college coursework taken while simultaneously enrolled in high school (dual enrollment) should be included in the model uniform set of academic standards that the CSU and UC develop. This would then allow for electronic data transmission whereby student-friendly tools like CaliforniaColleges.edu could more accurately assist in determining students' eligibility for admission to the CSU and UC. As the cost of higher education continues to rise, this cost-neutral change could save students time and money while pursuing degrees and enhance student participation in dual enrollment.

Funding for the Designation of California Black-Serving Institutions (BSI) Grant Program - SUPPORT

While not included in the Governor's Budget or May Revise, EdTrust-West supports funding to establish the Designation of California BSI Grant Program, as proposed by [AB 335 \(Gipson\)](#). California is home to the sixth-largest Black population in the United States, more than 2 million individuals including 150,000 students who attend college in California. However, when Black Californians seek access to our state's colleges and universities, they face undue bureaucratic and financial barriers. In 2024, EdTrust-West was proud to support SB 1348 by Senator Bradford, which enacted the [Black-Serving Institutions \(BSI\) designation](#), which we believe will be a valuable tool for amplifying Black student success. However, California must commit to sustained investments in BSIs to drive progress in college access, affordability, and persistence for Black students. In our [Black Minds Matter: Building Bright Black Futures](#) report, we

³ California Community Colleges (2024). [Advancing Career Opportunities for Students: A Framework for California's Future \(2025-26 Shared Advocacy Request\)](#).



respectfully urge the state to direct funding to colleges and universities designated as Black-Serving Institutions to support evidence-based programs and practices that will move the needle on Black student success.

Thank you for considering our views.

Sincerely,



Melissa Bardo
Associate Director of Policy & Government Relations
EdTrust-West

cc: Members of the Senate Subcommittee 1 on Education Finance
Members of the Assembly Subcommittee No. 3 on Education Finance
Elisa Wynne, Staff Director, Senate Budget and Fiscal Review Committee
Diego Emilio J. Lopez, Consultant, Senate Subcommittee 1 on Education Finance
Andrew Medina, Policy Consultant, Office of the President pro Tempore
Kirk Feely, Fiscal Director, Senate Republican Caucus
Christian Griffith, Chief Consultant, Assembly Committee on Budget
Mark Martin, Consultant, Assembly Subcommittee No. 3 on Education Finance
Mónica Henestroza, Special Assistant, Assembly Speaker's Office
Robert Becker, Chief Consultant, Assembly Republican Caucus
Jennifer Pacella, Deputy Legislative Analyst, Legislative Analyst's Office
Michael Wiafe, Assistant Deputy Cabinet Secretary, Governor's Office
Nichole Murillo, Chief Deputy Legislative Secretary, Governor's Office
Jessica Holmes, Education Program Budget Manager, Department of Finance

