Sacramento Scene: May Revision Impacts K-12 and Higher Education

By Matt Patton, CATA Executive Director

The 2025–26 May Revision reflects a cautious fiscal approach in response to a projected \$12 billion state budget shortfall. Despite the financial constraints, the state preserves key investments in education.

K-12 Education

- The Proposition 98 guarantee is set at \$118.9 billion, with total proposed K-12 funding at \$137.8 billion.
- Expanded Learning Opportunities Program funding increases to \$515.5 million, with broader student eligibility and higher minimum grants for schools.
- A 2.3% cost-of-living adjustment (COLA) to the Local Control Funding Formula provides an additional \$2.1 billion.
- To manage cash flow, \$1.8 billion in payments are deferred.
- The Proposition 98 Rainy Day Fund is fully drawn down, with \$540 million allocated to support ongoing K-12 funding.

Higher Education

- Community colleges receive a 2.3% COLA for both base funding and categorical programs. However, enrollment-related funding shortfalls remain unresolved.
- Proposed funding reductions for the California State University (CSU) and University of California (UC) systems are lowered from 8% to 3%.
- Total funding for higher education is proposed at \$45.1 billion.

California CTE Legislative Update

Several bills currently under consideration aim to strengthen Career Technical Education (CTE) across the state:

• <u>SB 612 (Valladares)</u> - Requires one semester of CTE for high school graduation beginning in the 2031-32 school year.

CALIFORNIA AGRICULTURAL TEACHERS' ASSOCIATION





- <u>SB 845 (Perez)</u> Mandates that CTE curriculum standards be updated every five years with input from industry leaders.
- AB 821 (Gipson) Removes the sunset clause allowing CTE courses to fulfill graduation requirements.
- <u>AB 291 (Gipson)</u> Authorizes the issuance of apprenticeship credentials to educator candidates enrolled in approved programs.
- AB 296 (Davies) Promotes apprenticeship fairs to connect students with industries.
- AB 323 (Fong) Expands work-based learning through the Strong Workforce Program.
- <u>AB 401 (Muratsuchi)</u> Establishes a four-year CTE grant funding cycle beginning in 2026–27 to provide more stable support.
- <u>AB 731 (Fong)</u> Expands dual enrollment opportunities in college-level CTE courses through high school-college partnerships.

This combined update highlights California's commitment to maintaining education funding and strengthening career pathways amid economic challenges.

