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Governor's May Revise 2026

On May 14, Governor Newsom released the May Revision of the 2026-27 state budget. The proposal is favorable to community colleges relative to the January Governor's Budget, though several provisions warrant some attention as we plan the district's 2026-27 budget.

The total California Community Colleges budget would rise to $16.0 billion, an increase of approximately $300 million over the January proposal. The most consequential change is the Student-Centered Funding Formula cost-of-living adjustment (COLA), which increases from 2.41% to 4.31%. That figure combines a 2.87% statutory COLA with a 1.4% discretionary COLA. The discretionary portion is conditioned on districts implementing Assembly Bill 65, which requires up to 14 weeks of paid pregnancy disability leave for employees beginning in 2026-27. Failure to implement creates risk to the 1.4% discretionary portion, and trailer bill language specifies that this discretionary COLA is not included in the district's SCFF funding "floor." Implementation planning is underway in coordination with Human Resources and Business Services.

The proposal also fully repays the $408.4 million apportionment deferral from 2025-26 and provides $120.7 million one-time for deferred maintenance, the first such allocation since 2022-23. Systemwide enrollment growth is funded at 1.5% over two years (1% retroactive to 2025-26 and 0.5% in 2026-27). The system's request to lift the 10% growth cap and to fund credit FTES at the higher of the three-year average or current-year reported amount was not adopted.

Additional one-time investments continue: $100.6 million for the Student Support Block Grant, $35 million for Credit for Prior Learning, and $36 million to scale the Common Cloud Data Platform. Selected categorical programs (EOPS, DSPS, CARE, CalWORKs, Adult Education) receive the 2.87% statutory COLA. No CLPCCD capital outlay projects appear on the 2026-27 Proposition 2 project list.

The Legislative Analyst's Office has cautioned that the revenue increases underlying the May Revision, driven largely by AI-related stock market gains, are likely unsustainable, and structural deficits remain in outyears. The Legislature must enact a budget by June 15. Staff will provide an updated analysis following enactment.