

(Without Reference to File)

SENATE THIRD READING

SB 135 (Committee on Budget and Fiscal Review)

As Amended June 26, 2026

Majority vote. Budget Bill Appropriation Takes Effect Immediately

SUMMARY

This is the Higher Education trailer bill associated with implementing the statutory provisions necessary to implement the June 2026 budget agreement.

Major Provisions

Specifically, *this bill*:

- 1) Requires the California State University Chancellor's office to develop annual enrollment targets and report them to the Legislature and Department of Finance, among other conforming changes;
- 2) Includes provisions associated with Proposition 98 funding of California Community Colleges (CCC), including:
 - a) Appropriates \$147.2 million Proposition 98 General Fund for the Student Support Block Grant;
 - b) Appropriates \$141 million Proposition 98 General Fund for apportionment costs in 2025-26;
 - c) Includes \$159.7 million ongoing Proposition 98 General Fund representing a discretionary 1.44% Cost-of-Living adjustment to apportionments, from which costs related to providing employees with up to 14 weeks of paid pregnancy disability leave shall be reimbursable. This amount is inclusive of an additional \$13.3 million ongoing to provide districts on the Hold Harmless funding level with resources to cover costs associated with the aforementioned paid pregnancy disability leave benefit;
 - d) Applies \$405.4 million in deferred apportionment payments to the 2024-25 fiscal year;
 - e) Appropriates \$55.3 million Proposition 98 General Fund to support 1% enrollment growth in 2025-26;
 - f) Appropriates \$16 million Proposition 98 General Fund to support increased related and supplemental instruction hour costs to apprenticeship programs for the 2024-25 and 2025-26 fiscal years;
 - g) Appropriates \$3.3 million Proposition 98 General Fund to support deferred maintenance needs;
 - h) Reduces the appropriation made for apportionments to the California Community Colleges for apportionments in 2025-26 by \$455.4 million;

- i) Appropriates \$15 million one-time Proposition 98 General Fund to support LGBTQ+ Resource Centers at the CCC;
 - j) Authorizes the reimbursement of dental and vision benefits under the Part-Time Faculty Health Insurance Program at the CCC;
 - k) Appropriates \$5 million one-time Proposition 98 General Fund to support Pierce College Family Resource Center;
 - l) Appropriates \$1.2 million one-time Proposition 98 General Fund to support Cal-Bridge First Academic Scholar Training;
- 3) Changes the reporting cadence of various CCC reports to be on a triennial basis;
 - 4) Requires the California Community College Chancellor's Office (CCCCO) to establish the Credit for Prior Learning Initiative as a systemwide initiative to award credit for prior learning opportunities at community colleges, among other conforming changes;
 - 5) Requires the CCCCCO to establish the Common Cloud Data Platform to create a unified, modern data infrastructure to enhance statewide reporting, data sharing, and available analytical tools across participating community college districts and the chancellor's office, among other conforming changes;
 - 6) Requires community college districts to provide employees with up to 14 weeks of paid pregnancy disability leave benefits, among other conforming changes;
 - 7) For purposes of calculating the base calculation a CCC district's funded credit shall be the greater of the three-year rolling average or the district's current year credit FTES;
 - 8) Requires the governing boards of community colleges that provide existing tuition exemptions for students related to nonresident students living along the California-Mexico border to jointly plan how to distribute the authorized 1,350 FTES for these purposes, among other conforming changes;
 - 9) Requires the CCCCCO to develop recommendations related to enrollment in competency-based education programs and alternate funding models, in relation to Calbright College, among other changes;
 - 10) Increases the age for Cal Grant eligibility to 30 years, beginning in 2026-27 through 2030-31;
 - 11) Codifies in statute reporting requirements related to basic need, mental health and rapid rehousing programs at the University of California and California State University;
 - 12) Technical and conforming changes to align the California Native American Graves Protection and Repatriation Act (CalNAGPRA) with federal requirements;
 - 13) Clarifies that representatives of UC, CSU, and CCCCCO leadership are authorized to report on Title IX activities during legislative budget committee hearings;

- 14) Codifies in statute reporting requirements for the Student Housing Grant programs at UC, CSU, and CCC as well as for student housing data collection, and allows both reports to be consolidated into one annual report;
- 15) Requests that the UC to enter into a memoranda of understanding for data sharing purposes related to the Cradle-to-Career Data System; and
- 16) Establishes the California Early College Demonstration Initiative related to dual enrollment.

COMMENTS

This bill accompanies AB 109 (Gabriel) and two anticipated budget bill amendments to implement the statutory changes in higher education necessary to implement the budget agreement. Because higher education includes Proposition 98 funding for Community Colleges, this trailer bill contains many of the key funding provisions for that system.

According to the Author

This bill is necessary to implement statutory provisions of the 2026 June budget agreement related to higher education.

Arguments in Support

None on file.

Arguments in Opposition

None on file.

FISCAL COMMENTS

This bill contains key Proposition 98 appropriations for Community Colleges and other investments contained in the 2026 June budget package.

VOTES

SENATE FLOOR: 28-10-2

YES: Allen, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Grayson, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Richardson, Rubio, Smallwood-Cuevas, Umberg, Wahab, Weber Pierson, Wiener
NO: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

ABS, ABST OR NV: Reyes, Stern

UPDATED

VERSION: June 26, 2026

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