

**CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY  
(CEFA)**

College Access Tax Credit Fund

Taxable Year 2025

April 30, 2026

**Background:**

The College Access Tax Credit Fund (CATCF or the Fund) was enacted with the passage of Senate Bill 798 in 2014 and amended by Senate Bill 81 in 2015. The CATCF allowed individuals, insurance companies, and businesses to claim a tax credit equal to a certain percentage of cash contributions made to the Fund in Taxable Year (TY) 2014-2017. The tax credit was based on an annual sliding scale, from 60% in TY 2014 to 50% in TY 2017, and the maximum aggregate of tax credits allowable was \$500 million each year, in addition to the amount of unallocated and uncertified tax credits from the previous TY. CEFA administers the Fund and is responsible for allocating and certifying the tax credits for individuals, insurance companies, and businesses, and providing copies of the certifications to the Franchise Tax Board (FTB) and the Department of Insurance.

Under the original legislation, the CATCF was set to expire after TY 2017. Assembly Bill 490, passed in 2017, extended the Fund through TY 2027. All of CEFA's responsibilities remain unchanged, and CEFA continues to allocate and certify tax credits equal to 50% of the amount contributed by the taxpayer to the Fund; however, the maximum aggregate of tax credits CEFA can allocate and certify cannot exceed a total cumulative amount of \$500 million for TYs 2017 – 2027 combined.

Up through TY 2023, moneys collected by the Fund were distributed by the California Student Aid Commission (CSAC) to Cal Grant B recipients. However, the amount of contributions collected by the Fund have not been significant enough to provide Cal Grant B recipients a meaningful award, due to the large number of recipients. In September 2023, Assembly Bill 1400 (AB 1400) was passed, which changed the target population benefitting from CATCF contributions to California community college student transfers to regionally accredited Historically Black Colleges and Universities (HBCUs) that have an associate degree for transfer memoranda of understanding on file with the office of the Chancellor of the California Community Colleges. Based on previous years' data of the number of California community college transfer students enrolled at HBCUs, AB 1400 contemplated the pool of eligible CATCF recipients to be less than 100 students, enabling CATCF awards of up to \$5,000 per student.

Subsequent to the passing of AB 1400, CSAC developed the Cal-HBCU Transfer Grant Program for community college students who've completed the Associate's Degree for Transfer pathway, enrolled or plan to enroll at an eligible HBCU, demonstrated unmet financial need, and intend to return to California after graduating from the eligible HBCU. There are currently nine eligible HBCUs associated with the Cal-HBCU Transfer Grant Program, see Attachment A.

### **Contributions to the Fund**

For TY 2025, CEFA received \$987,600 in contributions across 62 taxpayers. The table below reflects a summary of contributions and tax credit data for TY 2025.

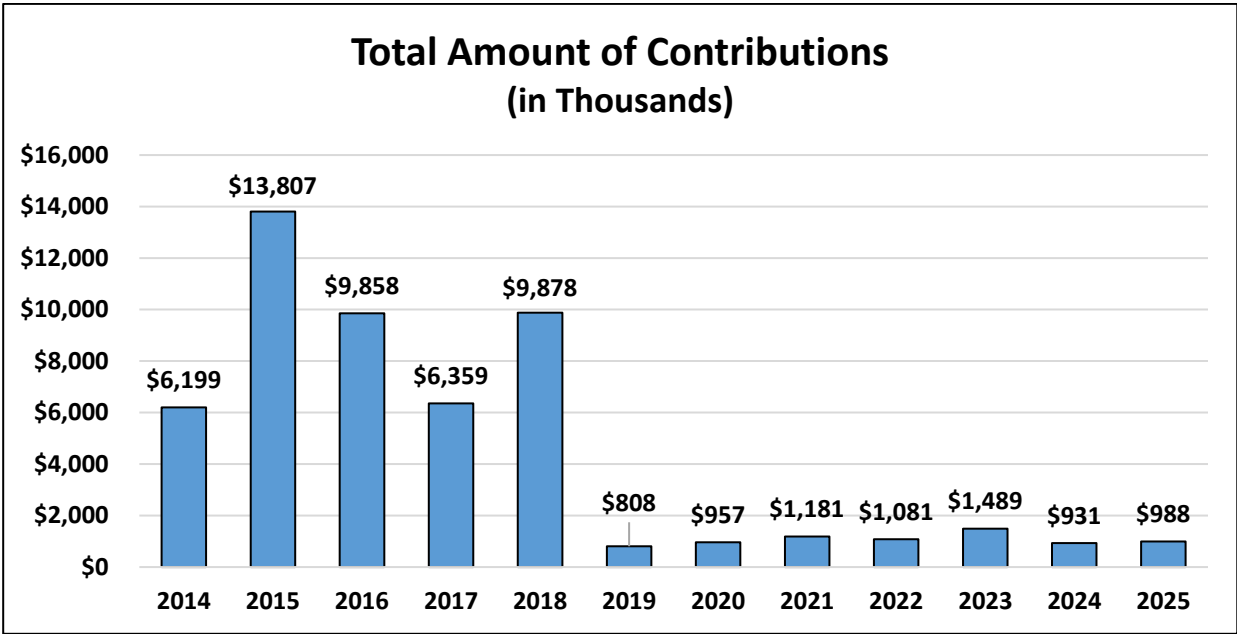
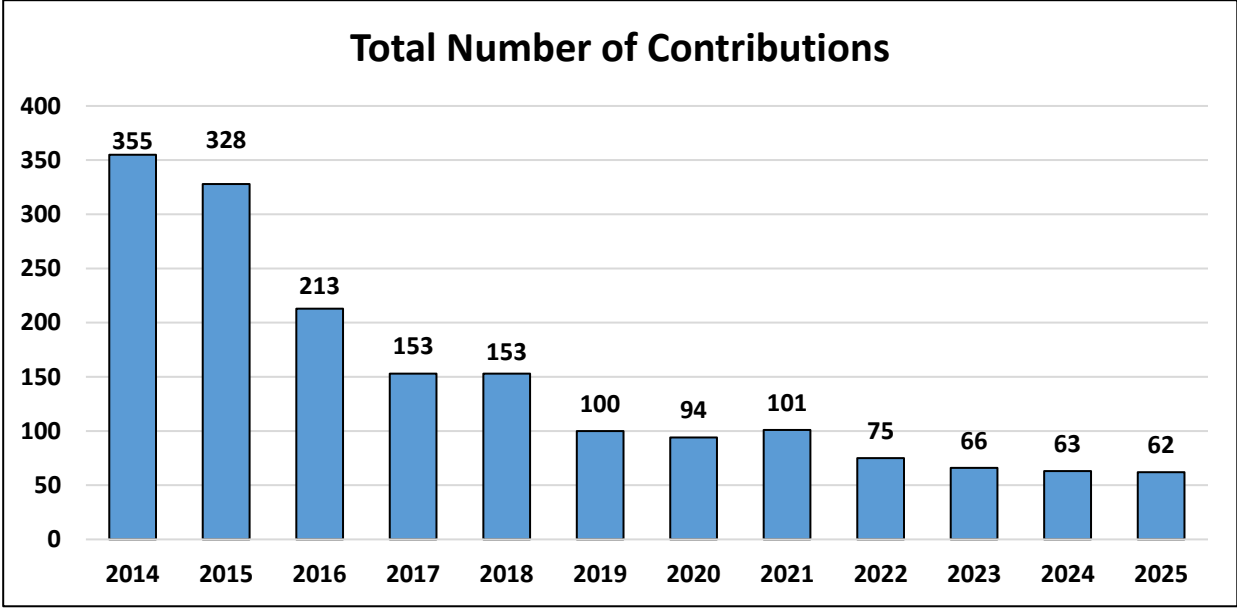
	<u>2025</u>
<b>Total Number of Contributions</b>	62
<b>Total Amount of Contributions</b>	\$987,600
<b>Tax Credits Allocated and Certified</b>	\$495,050
<b>Largest Contribution</b>	\$100,000
<b>Smallest Contribution</b>	\$25
<b>Average Contribution</b>	\$15,914
<b>Median Contribution</b>	\$5,012

### **Annual Trends & Program Marketing**

The total number of contributions to the Fund has steadily decreased over the years from 355 in TY 2014 to 62 in TY 2025. The total number of contributors and the dollar amount contributed in TY 2025 is still much lower when compared to TY 2018 and prior years. It is presumed that the passing of the Tax Cuts and Jobs Act (TCJA) in December 2017 is largely responsible for the reduction of contributions after TY 2018. The TCJA made several significant changes to individual income taxes, such as larger standard deductions and new limitations on itemized deductions. Additionally, much of the total dollar amount of contributions received prior to TY 2019 were made up of a single large contribution, which was no longer made after TY 2018.

CEFA, CSAC, and the State Treasurer's Office (STO) have engaged in several marketing efforts in an attempt to increase the number of contributions, including promotional efforts on social media, webinars, collaborations with FTB, and sending informational fliers to various stakeholders, interested parties, and tax associations across the state. With the new target population benefitting from the Fund contributions, CEFA, CSAC, and STO have been engaging with various HBCU alumni, fraternity, and sorority associations, looking for new opportunities to spread the word of the benefits of the Fund.

CSAC and the Cal-HBCU Transfer Grant Program has provided awards to six students in the 2024-25 academic year and expects to provide seven or eight grants for the 2025-26 academic year.



**ATTACHMENT A**

**2026-2027 Cal-HBCU Transfer Grant Eligible List**

<u>INSTITUTION NAME</u>	<u>CITY, STATE</u>
Bowie State University	Bowie, MD
Claflin University	Orangeburg, SC
Dillard University	New Orleans, LA
Fort Valley State University	Fort Valley, GA
Kentucky State University	Frankfort, KY
Morehouse College	Atlanta, GA
North Carolina Central University	Durham, NC
Virginia State University	Petersburg, VA
West Virginia State University	Institute, WV