

## Item 5

### (Information Item)

#### Update on Governor's proposed 2021-22 State Budget and recently enacted federal legislation

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##### **SUMMARY:**

This item provides an update on the Governor's proposed 2021-22 State Budget. The Governor's Budget Proposal for Fiscal Year 2021-22 includes the following proposals related to financial aid and college affordability:

- An increase of **\$58.2 million ongoing General Fund** to restore Cal Grant A eligibility for students impacted by a change in living status due to COVID-19 and might have otherwise lost eligibility.
- An increase of **\$35 million ongoing General Fund** to add 9,000 Cal Grant Competitive Awards, increasing the total to 50,000 new awards each year
- An increase of **\$20 million ongoing General Fund** to provide current or former foster youth with an increased Cal Grant Access Award of up to \$6,000 (both Cal Grant A and Cal Grant B recipients, new or renewal)
- An increase of **\$100 million one-time General Fund** to restore funding to the Golden State Teacher Grant program to support students in teacher preparation programs
- An increase of **\$1.8 million one-time General Fund** for the Grant Delivery System Modernization (GDSM) project and **\$719,000 ongoing General Fund** for maintenance and operations
- An increase of **\$295 million in one-time funding** for emergency financial assistance for low-income students; \$250 million Prop 98 allocated to the California Community Colleges, \$30 million General Fund allocated to the California State University, and \$15 million General Fund allocated to the University of California for this purpose.
- A delay (to fiscal year 2022-23) in the requirement that private, nonprofit institutions offer admission to at least 2,000 Associate Degree for Transfer students for the 2020-21 academic year in order to maintain the maximum Cal Grant tuition award for these students at **\$9,084** in 2021-22
- A new requirement that local educational agencies confirm all high school seniors completed a FAFSA or CADAA, beginning in the 2021-22 academic year

This item also provides an update on the second round of federal COVID-19 relief, which includes changes to the FAFSA, federal financial aid programs, emergency financial aid provisions, and changes to student eligibility for the Supplemental Nutrition Assistance Program (SNAP), also known as CalFresh in California.

##### **RECOMMENDATION:**

This is an information item; no action is required.

# California Student Aid Commission

## **BACKGROUND:**

The Overview of the 2021-22 Governor's January Budget Proposal attachment provides a robust summary of Governor Newsom's proposals related to financial aid and college affordability. The next two attachments are budget documents submitted by Governor Newsom to the Legislature on January 8, 2021 including a summary of the Higher Education budget proposals and a detailed overview of the CSAC budget. COVID-19 response and recovery are the main themes highlighted throughout the Governor's proposed 2021-22 Budget.

Legislative budget subcommittees will consider the issues proposed by the Governor, and others, throughout the spring, and in May the Governor will issue a revised version of his Budget Proposal based on updated revenue totals (known as the May Revise or May Revision). The Legislature has until midnight on June 15 for to pass a comprehensive Budget Bill and send it to the Governor for his consideration. As with policy legislation, the Governor may choose to sign or veto the entire Budget Bill, or he may veto individual spending items (known as a line-item veto, or "blue pencil"). The Governor has until midnight on June 30 to act on the Budget Bill.

The attachment entitled, "Overview of Federal COVID-19 Relief" provides a summary of recently enacted federal legislation affecting financial aid and college affordability.

## **RESPONSIBLE PERSON(S):**

Jake Brymner, Director  
Government and External Relations

Melissa Bardo, Legislative Analyst  
Government and External Relations

## **ATTACHMENT(S):**

Overview of the Governor's January Budget Proposal (2021-22)  
Higher Education Budget Summary  
CSAC Budget Detail  
Overview of Federal COVID-19 Relief  
State Budget and Federal Legislation Update Presented on January 21, 2021