

CSAC



CALIFORNIA
STUDENT AID
COMMISSION



Update on the 2021-22 State Budget

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Current Status of the State Budget process

Legislature passed a Budget (AB 128) reflecting the “two-party agreement” between the Senate and Assembly

- Satisfies Constitutional deadline that the Legislature pass a balanced budget bill before June 15
- Does not reflect the final agreement with Governor Newsom and the operative 21-22 State Budget

Negotiations between the Governor and legislative leaders continue

- Financial aid investments one of several areas of significant differences in approach between the Governor’s proposed Budget and that of the Legislature.

The 2021-22 fiscal year begins on July 1

- The “72 hour rule” will require that a budget bill be in print for at least 3 days before its final vote by the Legislature.
- Announced on a Budget agreement within several days will allow passage of a bill that can be signed by the Governor before July 1



Cal Grant Expansion

Governor's Proposed Budget

\$35 million in ongoing General Fund to add 9,000 Competitive awards, increasing the total number of awards to 50,000.

Legislature's Proposed Budget

For 2021-22:

\$155.4 million in ongoing General Fund to remove barriers to Cal Grant entitlements based on age and time out of high school for CCC students.

\$44.6 million in ongoing General Fund to increase the Cal Grant B Access Award for CCC students to \$1,879.

For 2022-23:

\$487 million in ongoing General Fund to remove barriers to Cal Grant entitlements based on age and time out of high school for all eligible students.

\$125.2 million in ongoing General Fund to increase the Cal Grant B Access Award for all recipients to \$2,000.



Access Awards for Current & Former Foster Youth

Governor's Proposed Budget

\$20 million in ongoing General Fund to increase access awards for former or current foster youth. New and renewal Cal Grant A students who are current or former foster youth would receive an access award of up to \$6,000, while new and renewal Cal Grant B students who are current or former foster youth would see their access award increase from \$1,648 to \$6,000.

Legislature's Proposed Budget

Approve and adopt placeholder trailer bill language.



Cal Grant A Restoration

Governor's Proposed Budget

\$14.8 million in ongoing General Fund and trailer bill language to restore Cal Grant A eligibility for students impacted by a change in living status due to COVID-19. These students might have otherwise lost eligibility for their award for at least the full 2020-21 academic year.

Legislature's Proposed Budget

Approve as proposed.



Cal Grant Awards for Private, Non-Profit Institutions

Governor's Proposed Budget

Maintains the maximum Cal Grant tuition award (\$9,084) for students attending private, nonprofit institutions with trailer bill language to delay the requirement that private, nonprofit institutions offer admission to at least 2,000 ADT students in order to maintain the maximum Cal Grant award. The delay shifts the requirement from applying in 2021-22 to fiscal year 2022-23.

Legislature's Proposed Budget

\$5.4 million in ongoing General Fund to increase the award amount for Cal Grants to students enrolled at private, non-profit institutions.

Approves Administration proposal to delay the requirement that private, non-profit institutions offer admission to at least 2,000 ADT students.



College Access Tax Credit Supplement

Governor's Proposed Budget

\$760,000 in one-time General Fund to ensure that the College Access Tax Credit supplement of \$8 is maintained for the 2020-21 award year due to a shortfall in revenue derived through the College Access Tax Credit program.

Legislature's Proposed Budget

Approve as proposed.



Middle Class Scholarship Expansion

Governor's Proposed Budget

No proposal outside cost adjustments for updated caseload estimates for 2020-21 and 2021-22.

Legislature's Proposed Budget

\$542 million in ongoing General Fund to phase-in expansion of the Middle-Class Scholarship starting in 2022-23 to support the total cost of attendance for low income and middle-income students at UC and CSU, including Cal Grant recipients.

This appropriation would fund the expanded "MCS 2.0" at 33% of the target for full funding of the program. The Legislature estimates that this would support 380,000 students in 2022-23.



Golden State Education, Entrepreneurship, and Training Program

Governor's Proposed Budget

\$1 billion in one-time federal funds to be administered by the Commission to award grants to displaced workers seeking educational opportunities, skills development, or assistance for costs to start a business.

Legislature's Proposed Budget

Rejects administration proposal.



Golden State Teacher Grant Program

Governor's Proposed Budget

\$500 million in one-time General Fund and trailer bill language to expand the students in teacher preparation programs eligible to receive a grant award of up to \$20,000.

Trailer bill language also includes several modifications, including allowing students in kinder teacher preparation programs to be eligible for an award, expansion of the teacher development programs in which students could receive a grant, and modifications to the definition of “priority school” where participants would teach.

Legislature’s Proposed Budget

Reduces to \$200 million one-time General Fund and rejects trailer bill language changes that modify the definition of "high-needs schools."



Californians For all College Service Program

Governor's Proposed Budget

\$245.8 million in a combination of federal funds and General Fund to provide part-time service opportunities to college students in critical issue areas opportunities to college students in critical issue areas like climate action, education, and youth development.

This program would be administered by California Volunteers in partnership with the Commission, and public higher education segments.

Legislature's Proposed Budget

Rejects administration proposal.



Child Savings Accounts

Governor's Proposed Budget

\$2 billion in one-time, federal funds to provide \$500 college savings accounts for every low-income public school student, as defined under the Local Control Funding Formula, with supplemental funding for homeless students and foster youth to receive an additional \$500. This program would be administered by the ScholarShare Investment Board.

\$170 million in ongoing, General Fund allocated beginning in 2022-23.

Legislature's Proposed Budget

Approve an amended proposal and placeholder trailer bill language to reduce the amount of budget year funding to \$1.05 billion and provide funds to supplement the existing California Kids Investment and Development Savings (CaKIDS) Program. Provide ongoing funds to CaKIDS for future cohorts of children.

\$50 million in one-time funding for the Commission to provide grants to local child savings accounts programs.



Grant Delivery System Modernization

Governor's Proposed Budget

\$1.8 million in one-time General Fund for the fourth and final year of Grant Delivery System Modernization (GDSM) project costs, fully funding the last phase of GDSM.

After FY 2021-22, provides \$719,000 in ongoing General Fund for maintenance and operations costs.

Legislature's Proposed Budget

Approve as proposed.



Receipt of Philanthropic Funds

Governor's Proposed Budget

Trailer bill language to allow the Commission to receive philanthropic funding.

Legislature's Proposed Budget

Rejects administration proposal.



Financial Aid Application Completion Requirement

Governor's Proposed Budget

Trailer bill language that would require local education agencies (LEAs) confirm that all high school seniors complete a financial aid application, unless they opt out, beginning in the 2021-22 academic year.

Legislature's Proposed Budget

Placeholder trailer bill language to delay implementation by one-year (until 2022-23 academic year) and require the Commission to develop regulations and standardized forms, require schools to use standardized opt-out form, allow legal services organizations and immigrant resource centers to aid schools, allow a student to opt out for any reason, and ensure that students are not penalized.