

On July 12, 2021, Governor Gavin Newsom, Senate President pro Tempore Toni G. Atkins (D-San Diego) and Assembly Speaker Anthony Rendon (D-Lakewood) came to a “three-party agreement” regarding the 2021-22 State Budget. Because the Legislature already passed their version of a balanced budget, reflected in AB 128, before the June 15 constitutional deadline, this final agreement was enacted in SB 129, a “Budget Bill, Jr.” that amended the earlier budget bill and provides the overall architecture of the 2021-22 State Budget. The higher education budget “trailer bill” further outlining higher education provisions was signed by Governor Newsom on July 27, 2021.

The 2021-22 State Budget includes transformative investments for students and the largest economic recovery package in California’s history – the \$100 billion “California Comeback Plan.” The enacted Budget addresses many long-standing policy challenges within state financial aid programs and provides immediate financial aid relief to a wide range of students including, but not limited to:

- Low-income community college students, who for the first time in the 2021-22 academic year will receive newly established California Community College Expanded Cal Grant Entitlement Awards, without any barriers based on their age or when they graduated from high school.
- Displaced workers, who benefit from targeted support to help them access education or training programs.
- Underrepresented students, who will gain meaningful work experience that provides additional financial support, as well as aligns with their academic and career goals.
- Graduating high school seniors, who will benefit from a systemic approach to financial aid application completion in which public schools are required to confirm students either submit applications for financial aid or complete an opt-out waiver

As occurs every year, budget “clean-up” legislation is currently being considered to address any technical issues or clarification required to ensure the successful implementation of newly established programs in the State Budget. Commission staff anticipate that several clarifying modifications will be made around Commission administered programs, but that the overall investments, new programs, and expansions will not be significantly amended. Commission staff have already been moving to swiftly implement these new provisions, particularly to ensure that students will benefit from the greater support through the Cal Grant program in the academic year already underway.

The actions taken in the 2021-22 State Budget make clear that college affordability and financial aid were high priority issues for the Governor and Legislature. The summary below presents key features and differences between budget

proposals by the Governor and Legislature and the enacted 2021-22 State Budget for programs administered by the Commission.

ISSUE	GOVERNOR'S MAY REVISION BUDGET	LEGISLATURE'S PROPOSED BUDGET	ENACTED 2021-22 STATE BUDGET
Cal Grant Expansion	\$35 million ongoing General Fund to add 9,000 Competitive awards, increasing the total number of awards to 50,000.	<p>For 2021-22: \$155.4 million ongoing General Fund to remove barriers to Cal Grant entitlements based on age and time out of high school for CCC students.</p> <p>\$44.6 million in ongoing General Fund to increase the Cal Grant B Access Award for CCC students to \$1,879.</p> <p>For 2022-23: \$487 million ongoing General Fund to remove barriers to Cal Grant entitlements based on age and time out of high school for all eligible students.</p> <p>\$125.2 million ongoing General Fund to increase the Cal Grant B Access Award for all recipients to \$2,000.</p>	<p>\$155.4 million ongoing General Fund to remove barriers to Cal Grant entitlements based on age and time out of high school for CCC students. These new CCC Cal Grant recipients will also be permitted to retain their Cal Grant when transferring to a UC or CSU, regardless of their age.</p> <p>\$80 million ongoing General Fund to increase funding for the Students With Dependent Children Grant Program in order to maintain full maximum award amounts while serving more students under the CCC Cal Grant expansion.</p> <p>Reduces of the number of Competitive Cal Grant awards to 16,000 for students attending four-year institutions.</p>

Cal Grant Access Awards for Current/Former Foster Youth	<p>\$15.1 million ongoing General Fund to increase access awards for former or current foster youth (January Proposal included \$20 million). 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.</p>	<p>Approves the May Revision proposal.</p>	<p>\$15.1 million ongoing General Fund to increase access awards for former or current foster youth (January Proposal included \$20 million). 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.</p>
Cal Grant Awards at Private, Non-Profit Institutions	<p>Maintain the maximum Cal Grant tuition award of \$9,084 for students attending private, nonprofit institutions.</p> <p>Trailer bill language to delay the requirement that these institutions offer admission to at least 2,000 ADT students to maintain the maximum Cal Grant award. The delay shifts the requirement from applying in 2021-22 to fiscal year 2022-23.</p>	<p>\$5.4 million ongoing to increase the Cal Grant maximum award amount for students attending private, non-profits to \$9,220.</p> <p>Trailer bill language to delay the requirement that these institutions offer admission to at least 2,000 ADT students to maintain the maximum Cal Grant award. The delay shifts the requirement from applying in 2021-22 to fiscal year 2022-23.</p>	<p>\$5.4 million ongoing to increase the Cal Grant maximum award amount for students attending private, non-profits to \$9,220.</p> <p>Trailer bill language to delay the requirement that these institutions offer admission to at least 2,000 ADT students to maintain the maximum Cal Grant award. The delay shifts the requirement from applying in 2021-22 to fiscal year 2022-23.</p>

Cal Grant A Restoration	\$14.8 million 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.	Approves the May Revision proposal.	\$14.8 million 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.
Grant Delivery System Modernization	\$1.8 million 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.	Approves the May Revision proposal.	\$1.8 million 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.
Middle Class Scholarship	No proposal.	\$542 million 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.	\$542 million 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.

Golden State Teacher Grant Program	<p>\$500 million 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.</p>	<p>\$200 million one-time General Fund and rejects trailer bill language changes that modify the definition of "high-needs schools."</p>	<p>\$500 million 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.</p>
Golden State Education and Training Grant Program	<p>\$1 billion 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.</p>	<p>Rejects the May Revision proposal.</p>	<p>\$472.5 million one-time federal funds and \$27.5 million one-time General Fund to support education grants for displaced workers wishing to enroll in a public college or university or a training program included on</p>

			<p>the Eligible Training Provider's List.</p> <p>This program will be administered by the Commission.</p>
Learning Aligned Employment Program	<p>\$1 billion one-time General Fund, allocated over two fiscal years, to establish an endowment managed by the UC to generate returns that would provide UC, CSU, and CCC campuses with funding to create partnerships with external employers to provide learning-aligned opportunities to students. These employment positions would aim to provide students with long-term career development and prioritize opportunities for underrepresented students, particularly in STEM fields.</p>	<p>Rejects the May Revision proposal.</p>	<p>\$200 million one-time General Fund in 2021-22 to the Commission and \$300 million one-time General Fund in 2022-23 to support state-funded work study programs at UC, CSU, and community college campuses. Students could work on campuses or with non-profits or private employers in jobs related to their field of study. Private employers would be required to pay at least half of the student's salary, while non-profits would be required to pay at least 10% of the student's salary.</p> <p>Funding will be distributed by the Commission, while administration will primarily be done at the campus level.</p>
Financial Aid Completion Requirement	<p>Require local education agencies (LEAs) confirm that all high school seniors complete a financial aid</p>	<p>Approves the May Revision proposal with amendments to begin implementation in the 2022-23 academic year; direct</p>	<p>Approves requirement and begin implementations in the 2022-23 academic year; directs the Commission to develop</p>

	application, unless they opt out, beginning in the 2021-22 academic year.	the Commission to develop specified forms and regulations; require LEAs to use standardized opt out form developed by CSAC and allow students to opt out for any reason; ensure there is no penalty for students who do not complete financial aid forms; and allow postsecondary immigration resource centers, college readiness organizations, community-based organizations, and legal resource organizations to assist LEAs.	specified forms and regulations; requires LEAs to use standardized opt out form developed by CSAC and allow students to opt out for any reason; ensures there is no penalty for students who do not complete financial aid forms; and allows postsecondary immigration resource centers, college readiness organizations, community-based organizations, and legal resource organizations to assist LEAs.
College Access Tax Credit	\$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.	Approves the May Revision proposal.	\$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.
Receipt of Philanthropic Funds	Trailer bill language to allow the Commission to receive philanthropic funding.	Rejects the May Revision proposal.	Proposal not included in the adopted 2021-22 State Budget.

<p>Californians For All College Service Program</p>	<p>\$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.</p>	<p>Rejects the May Revision proposal.</p>	<p>\$146.3 million (\$18.8 million General Fund and \$127.5 million in federal funds) authorized to establish the Californians For All College Service Program. No trailer bill language included for this program.</p>
<p>Child Savings Accounts</p>	<p>\$2 billion 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.</p> <p>\$170 million in ongoing, General Fund allocated beginning in 2022-23.</p>	<p>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.</p> <p>Provides \$50 million to the Commission to provide grants to local child savings accounts programs.</p>	<p>\$1.9 one-time funding (General Fund and federal funding) in 21-22 and \$170 ongoing General Fund beginning in 22-23 to establish \$500 college savings accounts for all current low-income students in public schools, with a supplemental \$500 for homeless and foster youth students.</p> <p>This program will be administered by the ScholarShare Investment Board as an expansion of the CaKIDS Program.</p>