

Governor's Proposed State Budget for 2022-23

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Overview

- Governor Newsom released his proposed 2022-23 Budget on January 10, 2022
- The Governor's Budget proposes total state spending of **\$286.4 billion** overall, \$213.1 billion is General Fund (GF)
- The proposed Budget projects a **\$45.7 billion surplus**, with further conversations likely around impact of the "Gann Limit"



Investments from the 2021 State Budget Act

Middle Class Scholarship

- Increase of **\$515 million ongoing** General Fund (\$632 million total) to support a modified version of the MCS program that aims to focus resources toward reducing a student's total cost of attendance

Learning-Aligned Employment Program

- Increase of **\$300 million one-time** General Fund, which provides a 2-year total of \$500 million when combined with funds provided to establish the program in the 2021 Budget Act

New Proposed Investments

Cash for College

- Increase of **\$500,000 one-time** General Fund to expand and supplement existing Cash for College Regional Coordinating Organizations (RCOs)

CSAC Staffing

- Increase of **\$479,000 ongoing** General Fund for **5 new positions** at the Commission to support financial aid programs and the implementation of the financial aid application completion requirement

New Proposed Investments

California Dream Act Service Incentive Grant Program (DSIG)

- Modification of the DSIG program to **increase participant stipends** from the equivalent of a \$10 hourly wage to the \$15 hourly wage equivalent
- Authorization for any unused program funds to be provided to UC and CSU to support the Dream Loan program

Caseload Projections for 2022-23

Program	Number of Students Served	Associated Funding
Cal Grant Entitlement	290,544	\$2.098 B
Competitive Cal Grant	35,560	\$222.9 M
CCC Cal Grant Entitlement	170,694	\$255.7 M
Cal Grant C	5,634	\$6.7 M
Middle Class Scholarship*	360,112	\$632 M

*Note: Includes Cal Grant recipients that would also begin to receive an MCS award

Caseload Projections for 2022-23

Program	Number of Students Served	Associated Funding
Golden State Teacher Grants	6,322	\$98 M
Chafee Foster Youth Program	3,482	\$17.4 M
California Military Department GI Bill	356	\$2.4 M
Law Enforcement Personnel Dependents Scholarships	13	\$94 K
TOTAL*	872,717	\$3.54 B

*Note: does not include Golden State Education & Training Grants, Learning Alignment Employment Program, or CA Dream Act Service Incentive Grants



Other Higher Education Budget Highlights

Statewide Postsecondary Degree Attainment Goal

- Statewide goal for 70% of all working adults to have a postsecondary degree or certificate by 2030
- Includes multi-year agreements with the public postsecondary education segments to help meet this goal

Annual 5% funding increases to UC and CSU for the next 5 years

- In exchange, CSU & UC would make several commitments to enrolling more students, reducing college costs, raising graduation rates, eliminating equity gaps, and preparing more students for the workforce
- Trailer Bill Language likely to include more specific metrics for these goals and commitments



Other Higher Education Budget Highlights

Additional \$1.6 billion investment for the community college segment

- Investments prioritized reflect efforts that can help advance the goals of the *Vision for Success* adopted by the CCC Board of Governors in 2017 and implement new policies adopted in 2021

Student Success Completion Grants

- Additional \$100 million in ongoing funds to support the community college Student Success Completion Grant Program for newly eligible students receiving a Cal Grant B or C award as a result of the CCC Cal Grant entitlement expansion in the 2021 Budget Act



Other Higher Education Budget Highlights

Higher Education Student Housing Grants - \$750 million in one-time funding to provide grants for public colleges and universities to construct, acquire, or renovate student housing for low-income students

- Second installment of a planned **\$2 billion** appropriation over a three year period

CalKIDS College Savings Accounts - \$170 million in ongoing funding to the CalKIDS program to provide college savings accounts for incoming first-grade cohorts of low-income public school students, with supplemental investments for foster youth and homeless students enrolled in a public school

- **Increase of \$5 million ongoing** General Fund for financial literacy outreach efforts that will inform families of the long-term benefits of savings associated with CalKIDS



Other Higher Education Budget Highlights

Student Loan Borrower Outreach & Education - \$10 million in one-time funding to support the Department of Financial Protection and Innovation's outreach and education efforts to assist student loan borrowers

Emergency Aid for AB 540 Students - \$20 million in one-time funds to support the Emergency Financial Assistance Grant program for AB 540 students

Resources for CCC Financial Aid Offices - \$10 million in ongoing funds to community college financial aid offices



Next Steps

Assembly and Senate Budget hearings on higher education items to be held in February

Continued engagement with Department of Finance and Budget Committees around proposals and trailer bill language