

CSAC



CALIFORNIA
STUDENT AID
COMMISSION

Update on 2022-23 State Budget Proposals

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Cal Grant Reform & Expansion

Proposal makes significant reforms to the Cal Grant Program as outlined in the Commission's sponsored legislation AB 1746 (Medina, McCarty, & Leyva), including:

- Establishing the new **Cal Grant 2** for CCC students and **Cal Grant 4** for students attending the UC, CSU, and eligible private institutions
- **Removing eligibility barriers** based on age, time since high school graduation, and Grade Point Average (GPA) to serve an additional 150,000 students currently restricted from accessing Cal Grants
- Phasing-out existing programs following the “grandparenting” of current awards during a one-time transition

These changes would take effect on July 1, 2024. The Legislative Budget also adds **\$315 million ongoing** General Fund to support these changes to the Cal Grant Program starting in the 2024-25 budget.

May Revision

No proposal in May Revision

Legislative Version

The Legislature approves proposal and adoption of placeholder trailer bill language



Cal Grant Access Award Increases and Improvements for Students Attending Nonprofit Colleges & Universities

Proposal makes the following augmentations to Cal Grant awards:

- Increase **Cal Grant B** awards by **\$500** and increase the maximum **Cal Grant C** book and supply award would increase by **\$332 at CCC** and **\$166 at all other segments**.
- **\$5.5 million** ongoing General Fund to provide an increase in the award amount, from \$9,220 to **\$9,358** for the approximately 28,000 Cal Grant students attending a private nonprofit institution.
- **\$10 million** ongoing to extend supplemental Cal Grant support for **foster youth** and **students with dependent children** to those attending a **private nonprofit institution**.
- **\$10.4 million** ongoing General Fund to extend the **portability of the Community College Cal Grant Entitlement** to recipients transferring to a **private nonprofit institution**.

May Revision

No proposal in May Revision

Legislative Version

The Legislature approves proposal and adoption of placeholder trailer bill language

Cal Grant Award Amount at Private Nonprofit Institutions

Proposal makes two statutory changes regarding links between Cal Grant tuition award amounts for students at **private nonprofit institutions** to the number of **Associate Degree for Transfer (ADT)** students accepted within this sector:

- In recognition of a “good faith effort” for the private nonprofit sector to admit ADT students, deletes a provision that reduces the 2022-23 award amount from \$9,220 to \$8,056 if the sector admits fewer than 3,000 ADT students in 2021-22.
- Modifies a provision that reduces the 2023-24 award amount from \$9,220 to \$8,056 if the sector admits fewer than 3,500 ADT students in 2022-23. The sector instead must admit as many ADT students in 2022-23 as it did in the previous year, adjusted for changes in total transfer enrollment.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature approves as proposed



Middle Class Scholarship 2.0 (2022-23 & Beyond)

Proposal increases funding by **\$515 million ongoing** General Fund for a **combined total of \$632 million** to support a modified version of the program that focuses resources toward reducing a student's total cost of attendance.

The Legislative Version of the 2022-23 Budget also proposes an additional appropriation for 2023-24 of **\$227 million ongoing** General Fund above Governor's proposal to fund the MCS 2.0, with the intention of covering one-third of the total projected cost of the program.

May Revision

Funding level for 2022-23 included in May
Revise

Legislative Version

The Legislature approves as proposed

Middle Class Scholarship 1.0 (2021-22)

Proposal reduces the MCS funding level to **\$110 million (instead of \$117 million)** in 2021-22 to align with updated cost estimates. The cost estimates assume the maximum award would be prorated to cover an award maximum 35% of systemwide tuition at a public university (instead of 40% without proration).

May Revision

Included in May Revise Budget

Legislative Version

The Legislature rejects as proposed



Learning-Aligned Employment Program

Proposal increases funding for the program by **\$300 million one-time** General Fund for a **combined total of \$500 million one-time**, in line with the 2021 Budget agreement. These funds will be distributed to participating public colleges and universities based on the number of Pell Grant recipients they enroll to establish job placement opportunities in students' fields of studies.

Additionally, proposal clarifies that the Commission has until June 30, 2031 to encumber or expend funds appropriated for its administration of this program.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature approves as proposed

Administrative Support

Proposal **increases funding and position authority** for administrative staff to recent creation or expansion of programs from the 2021-22 Budget, as well as the new universal financial aid applications for high school seniors.

Combined with the funding and position authority included in the Governor's Budget, this augmentation provides the Commission with **\$889,000** for **eight new staff positions**.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature approves as proposed

Cash for College

Proposal provides **\$500,000 one-time** General Fund to support the creation of **Regional Coordinating Organizations for Cash for College workshops** in targeted regions to support implementation efforts involved with universal financial aid applications for high school seniors.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature approves as budgeted and adopts the Legislative Analyst's Office recommendation to include a reporting requirement on supported activities and outcomes.



California Student Opportunity and Access Program (Cal-SOAP) Inland Empire Projects

Proposal adds **\$2.4 million ongoing** General Fund to the Cal-SOAP operating budget to maintain the existing projects in the Inland Empire.

May Revision

No proposal in May Revise Budget

Legislative Version

The Legislature approves as proposed



Legal Aid Loan Repayment Assistance Program

Proposal provides **\$11 million** annually for 5 years to provide a student loan payment benefit to attorneys working in eligible organizations.

The Commission would administer the program and disburse loan forgiveness assistance awards directly to recipients. Each eligible applicant may receive up to **\$10,000 annually** in loan repayment assistance if they work full-time at specified organizations.

May Revision

No proposal in May Revise Budget

Legislative Version

The Legislature requests \$11 million per year for five years and adopt provisional budget and placeholder trailer bill language.

Golden State Teacher Grant Program

Proposal makes the following changes:

- Removes existing requirements for participants to teach in high-need fields, **expanding to serve all students in teacher credential programs.**
- **Includes the pupil personnel services credential** within the list of qualifying credentials that would enable a student to apply to participate.
- Enables applications and initial eligibility determinations to be completed prior to a student's enrollment in a credential program, as well as utilize their grants in multiple academic years.
- Extends the Commission's ability to utilize and amend emergency regulations.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature rejects eligibility expansion beyond high-need fields, while approving other proposed changes and adopting language broadening eligibility to include students in credential programs toward becoming a school counselor or mental health specialist.



Cal Grant Institutional Eligibility

Proposal requires use of the **cohort default rates** approved by the Commission in 2020 for purposes of determining institutional eligibility for Cal Grant participation for the 2023-24 award year, instead of the most recent rates that have been impacted by the **pause on federal student loan payments**.

May Revision

Included in May Revise Budget

Legislative Version

The Legislature approves as proposed

CA Dream Act Service Incentive Grant Program

Proposal makes the following changes:

- Increases the award amount for full-time enrolled students to **\$4,500** from the current \$3,000.
- Redirects any unexpended program funds to the public universities for use in the Dream Loan program.
- Extends program eligibility to include **Cal Grant A recipients who are eligible for a Cal Grant B award**. Under current law, only Cal Grant B recipients may participate.

May Revision

Included May Revise Budget

Legislative Version

The Legislature approves as proposed, with additional change to allow part-time students to receive the same award if completing all their service hours.