



SUMMARY OF KEY 2022-23 STATE BUDGET ACTIONS IMPACTING COMMISSION PROGRAMS

On June 30, 2022, Governor Gavin Newsom signed the 2022-23 State Budget Act, Assembly Bill 178 and several related budget “trailer bills.” This year’s state budget process was extraordinary due to the unprecedented \$308 billion budget agreement, and a surplus so large that an obscure provision called “the Gann Limit,” which limits spending and calls for taxpayer rebates in the case of an excessive surplus, complicated budget negotiations. Through it all college affordability and financial aid remained high priority issues, resulting in a funding increase to the California Student Aid Commission bringing its total appropriation to \$3.57 billion to serve an estimated 596,000 students in 2022-23. The significant investment, along with major policy reforms designed to modernize the Cal Grant, ensures that many more eligible Californians have access to postsecondary education degree and certificate programs in the year ahead and beyond.

In addition to the adoption of the Cal Grant Equity Framework, as outlined in the Commission’s sponsored legislation (Assembly Bill 1746, Medina, McCarty & Leyva) the education “trailer included several other modifications to programs administered by the Commission. One such trailer bill, Assembly Bill 183, included provisions relating to Cal Grant reform, the California Dream Act Service Incentive Grant Program, and institutional eligibility for Cal Grant participation, while Assembly Bill 181 significantly modified the Golden State Teacher Grant Program.

The table below shows a comparison of various budget proposals from the May Revision Budget, the Legislature’s Version of the budget, proposals that were ultimately included in the 2022-23 state budget, and proposals that were not adopted.

MAY REVISION	LEGISLATIVE VERSION	ENACTED BUDGET
<p>Cal Grant Reform Act: No proposal in May Revision.</p>	<p>Cal Grant Reform Act: Makes significant reforms to the Cal Grant Program as outlined in the Commission’s sponsored legislation AB 1746 (Medina, McCarty, & Leyva), including:</p> <ul style="list-style-type: none"> • Phasing-out existing programs, • Removing eligibility barriers based on age, time since high school graduation, and Grade Point Average (GPA), • Creation of the new Cal Grant 2 Program for CCC students and the Cal Grant 4 Program for students attending the 	<p>Cal Grant Reform Act: Legislative Version of proposal included in state budget, with additional language that enacts Cal Grant Reform Act provisions based on a multi-year budget projection in May 2024.</p> <p>Also includes \$500,000 in one-time General Fund to support Commission implementation of Cal</p>

	<p>UC, CSU, and eligible private institutions.</p> <p>These changes would take effect on July 1, 2024. It also adds \$315 million ongoing funding to Cal Grant Program in 2024-25.</p>	<p>Grant Reform Act provisions.</p>
<p>Cal Grant Award Amount at Private Nonprofit Institutions: In recognition of a “good faith effort” for the private nonprofit sector to admit transfer students with an Associate Degree for Transfer (ADT), modifies 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.</p>	<p>Cal Grant Award Amount at Private Nonprofit Institutions:</p> <ul style="list-style-type: none"> Adopts the May Revision proposal regarding the admittance of transfer students with an ADT. Provides \$5.5 million in ongoing General Fund to increase the maximum Cal Grant award amount for students at a private nonprofit institution to \$9,358 (from \$9,220) Provides \$10 million in ongoing general fund to extend eligibility for supplemental Cal Grant support of up to \$6,000 to eligible student-parents and current/former foster youth enrolled at private nonprofit institutions Provides \$10.4 million in ongoing General Fund to extend the portability of the Community College Cal Grant Entitlement to students transferring to a private nonprofit institution 	<p>Cal Grant Award Amount at Private Nonprofit Institutions: Legislative Version of proposal included in state budget, with additional language that extends the portability of the Community College Cal Grant Entitlement to students transferring to a private nonprofit institution based on a multi-year budget projection in May 2024.</p>
<p>Middle Class Scholarship (MCS) 2021-22 Funding Level: Reduces the MCS funding level to \$110 million (instead of \$117 million) in 2021-22 to align with</p>	<p>Middle Class Scholarship (MCS) 2021-22 Funding Level: The Legislature rejects the proposal.</p>	<p>Middle Class Scholarship (MCS) 2021-22 Funding Level: May Revision proposal included in state budget.</p>

<p>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).</p>		
<p>Middle Class Scholarship 2.0 2022-23 and 2023-24 Funding Level: Increases funding to \$515 million ongoing General Fund, for a combined total of \$632 million, to support a modified version of the MCS Program that focuses resources toward reducing a student’s total cost of attendance.</p>	<p>Middle Class Scholarship 2.0 2022-23 and 2023-24 Funding Level: The Legislative Version adopts the May Revision proposal for 2022-23 and 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.</p>	<p>Middle Class Scholarship 2.0 2022-23 and 2023-24 Funding Level: May Revision proposal included in state budget, with an additional \$227 million one-time General Fund for 2023-24.</p>
<p>Learning-Aligned Employment Program: 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.</p> <p>Additionally, proposal clarifies that the</p>	<p>Learning-Aligned Employment Program: The Legislature approves as proposed.</p>	<p>Learning-Aligned Employment Program: May Revision proposal included in state budget.</p>

<p>Commission has until June 30, 2031 to encumber or expend funds appropriated for its administration of this program</p>		
<p>Financial Aid Expansion Administrative Support: Increases funding and position authority for administrative staff to support Cal Grant expansion and additional new programs established in the 2021-22 Budget. Combined with the funding and position authority included in the Governor’s Budget, this augmentation provides the Commission \$889,000 for eight positions beginning in 2022-23.</p>	<p>Financial Aid Expansion Administrative Support: The Legislature approves as proposed.</p>	<p>Financial Aid Expansion Administrative Support: May Revision proposal included in state budget.</p>
<p>Cash for College: Provides \$500,000 in 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.</p>	<p>Cash for College: The Legislature approves proposal and adds LAO recommendation regarding reporting.</p>	<p>Cash for College: Legislative Version of proposal included in state budget.</p>
<p>California Student Opportunity and Access Program (Cal-SOAP) Inland Empire Projects: No proposal</p>	<p>California Student Opportunity and Access Program (Cal-SOAP) Inland Empire Projects: Adds \$2.4 million ongoing General Fund to the Cal-SOAP budget to maintain the</p>	<p>California Student Opportunity and Access Program (Cal-SOAP) Inland Empire Projects: May Revision proposal included in state budget.</p>

	existing projects in the Inland Empire.	
<p>Legal Aid Loan Repayment Program: No proposal in May Revision.</p>	<p>Legal Aid Loan Repayment Program: Provides \$11 million annually for 5 years to establish the Legal Aid Loan Repayment Assistance Program 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.</p>	<p>Legal Aid Loan Repayment Program: No proposal in state budget.</p>
<p>Golden State Teacher Grant Program: Makes the following changes:</p> <ul style="list-style-type: none"> • Removes program 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 in the program. • Enables applications and initial eligibility determinations to be completed prior to a 	<p>Golden State Teacher Grant Program: The Legislature rejects provisions regarding eligibility expansion beyond high-need fields, but approves all other May Revision proposals.</p> <p>The Legislature also proposed expanding program eligibility to students programs toward becoming a school counselor or mental health specialist.</p>	<p>Golden State Teacher Grant Program: May Revision proposal included in the state budget.</p>

<p>student's enrollment in a credential program, as well as utilize their grants in multiple academic years.</p> <ul style="list-style-type: none"> • Extends the Commission's ability to utilize and amend emergency regulations. credential programs, 3. requires CSAC to develop a process for a pre-enrollment conditional award notice for applicants, 		
<p>Cal Grant Institutional Eligibility: 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.</p>	<p>Cal Grant Institutional Eligibility: The Legislature approves as proposed.</p>	<p>Cal Grant Institutional Eligibility: May Revision proposal included in state budget.</p>
<p>Dreamer Service Incentive Grant Eligibility: Makes the following changes:</p> <ul style="list-style-type: none"> • 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. 	<p>Dreamer Service Incentive Grant Eligibility: The Legislature approves as proposed.</p>	<p>Dreamer Service Incentive Grant Eligibility: May Revision proposal included in state budget.</p>

<ul style="list-style-type: none"> • 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. 		
<p>California Indian Nations College Accreditation: No proposal</p>	<p>California Indian Nations College Accreditation: No proposal</p>	<p>California Indian Nations College Accreditation: Provides \$5 million one-time General Fund for the Commission to provide the College as it seeks accreditation.</p>