



SPECIAL ALERT

STATE OF
CALIFORNIA



Update from the California Student Aid Commission

July 14, 2022

GSA 2022-46

TO: Financial Aid Administrators

FROM: Tae Kang *Tae Kang*
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SUBJECT: **2022-23 California State Budget Update**

This Special Alert from the California Student Aid Commission (Commission) announces updates related to the 2022-23 State Budget which was signed by Governor Gavin Newsom on June 30, 2022.

Cal Grant Reform

The State Budget adopts the Cal Grant Reform Act (as outlined in AB 1746) beginning with the 2024-25 academic year, unless a determination is made in the spring of 2024 that General Fund over the multiyear forecast is not available to support the necessary ongoing funding augmentation.

The Cal Grant Reform Act makes significant changes to the state's largest financial aid program, replacing the existing Cal Grant program with a new version of the program that provides a Cal Grant 2 for eligible CCC students with financial need, and provides a Cal Grant 4 for eligible four-year university students with financial need. The 2022-23 State Budget also provides the Commission with funding to begin to implement these major reforms starting this year to ensure that there is sufficient time to adapt award processing systems, as well as Commission and institutional policies in accordance with this new approach to Cal Grant aid.

Increases:

- Funding for the Middle Class Scholarship (MCS) program, for a combined total of \$632 million, to support the changes to the MCS program that will focus resources toward reducing UC and CSU students' **total cost of attendance** consistent with the 2021-22 Budget Act.
- Cal Grant access awards for students with dependent children as well as current and former foster youth attending private non-profit institutions. Eligible Cal Grant A and B students that meet these criteria, may receive an access award of up to \$6,000 and Cal Grant C students may receive an access award of up to \$4,000.
- The maximum Cal A and B tuition award for Cal Grant recipients at private non-profit institutions from \$9,220 to **\$9,358**.
- The Dream Act Service Incentive Grant program maximum annual award amount from \$3,000 to **\$4,500** and sets the minimum award amount at \$450. New formula would provide fixed award amounts, instead of proration of awards per student's enrollment status and extends eligibility to recipients of Cal Grant A awards that met the criteria for a Cal Grant B award.

- Funding for the Student Opportunity and Access Program (Cal-SOAP). Ongoing \$2.4 million to support Inland Empire Cal-SOAP projects.
- Funding for the Cash for College program. One-time funding of \$500,000 to expand and supplement existing Cash for College Regional Coordinating Organizations that offer technical assistance to help students and their families complete their financial aid application.
- The pool of applicants for the Golden State Teacher Grant Program to include students who have enrolled in or applied for enrollment in an eligible professional preparation program, including those enrolled in a professional preparation program leading to a pupil personnel services credential.
- Additional \$300 million for the Learning Aligned Employment Program, bringing the two-year total to \$500 million when combined with the funds set aside to launch the program in the 2021 Budget Act.

Maintains:

- The Cal Grant A and B tuition award for CSU mandatory systemwide tuition and fees at **\$5,742** and **\$12,570** for UC "Cohort 0" students. UC 2022 Cohort will be **\$13,104**.
- The statutory Cal Grant B access award at **\$1,648**.
- The maximum award for new Cal Grant recipients attending private, for-profit institutions that are accredited by the Western Association of Schools and Colleges (WASC) at **\$8,056**.
- The maximum award for new Cal Grant recipients at for-profit non-WASC accredited institutions at **\$4,000**.
- The Cal Grant C award for students attending eligible for-profit schools at **\$2,462** for Tuition and Fees and **\$547** for Books and Supplies.
- The Cal Grant C Books and Supplies Award for community college students at **\$1,094**.
- Cal Grant access awards for students with dependent children attending a University of California, California State University, or California Community College campus at **\$6,000** for qualifying Cal Grant A or B recipients and up to **\$4,000** for eligible Cal Grant C recipients.
- Cal Grant access awards for current or former foster youth attending a University of California, California State University, or California Community College campus at **\$6,000** for qualifying Cal Grant A or B recipients and up to **\$4,000** for eligible Cal Grant C recipients.
- The number of paid Competitive Cal Grant awards at **13,000**. The Commission is authorized to make up to 16,000 Competitive Cal Grant award offers.

Decreases:

- The number of total participants for the Dream Act Service Incentive Grant program from 2,500 to **1,667**.

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