

in concert with the LAO, estimates an ongoing cost of \$314.7 million to \$374.2 million above the Governor's budget proposal for the 2022-23 fiscal year. Actual costs would depend on the amount appropriated for this purpose.

Significant one-time and ongoing cost pressure to the General Fund for administration. CSAC estimates a one-time cost of \$1.1 million and ongoing costs of \$375,261 to adapt new technology and support new permanent positions. Actual costs would depend on the amount appropriated for this purpose.

Unknown, minor costs to CSU, UC, and the CCCs to prepare and submit the required reports. According to CSAC, the reporting requirements imposed by this bill will incorporate data that are already collected by the institutions. If the Commission on State Mandates determines that this bill imposes a mandated local program on the CCCs, those costs would be reimbursable.

COMMENTS:

Background. Cal Grant is California's primary state-funded student financial aid program. The Governor's budget proposal includes nearly \$2.8 billion in ongoing state General Fund (GF) and federal funds for the 2022-23 fiscal year.

There are currently three kinds of Cal Grants: A, B and C. Students are considered for a Cal Grant A, B, or C after they either establish eligibility for an entitlement award (if they graduated from high school less than one year ago or transferred from a community college before age 28) or secure one of a limited number of competitive awards (for any student that does not qualify for an entitlement). This bill eliminates Cal Grants A, B, and C and replaces them with Cal Grant 2 and Cal Grant 4 programs. These programs would increase the amount of aid that recipients may receive and increase the number of recipients by raising the income threshold for eligibility.

Need for the bill. According to the author, the current Cal Grant program excludes hundreds of thousands of the most financially vulnerable students and fails to address non-tuition costs for recipients. Some of these costs, especially housing, were much lower when the Cal Grant program was established. This bill is intended to provide aid to more students and cover more of their costs of education.

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