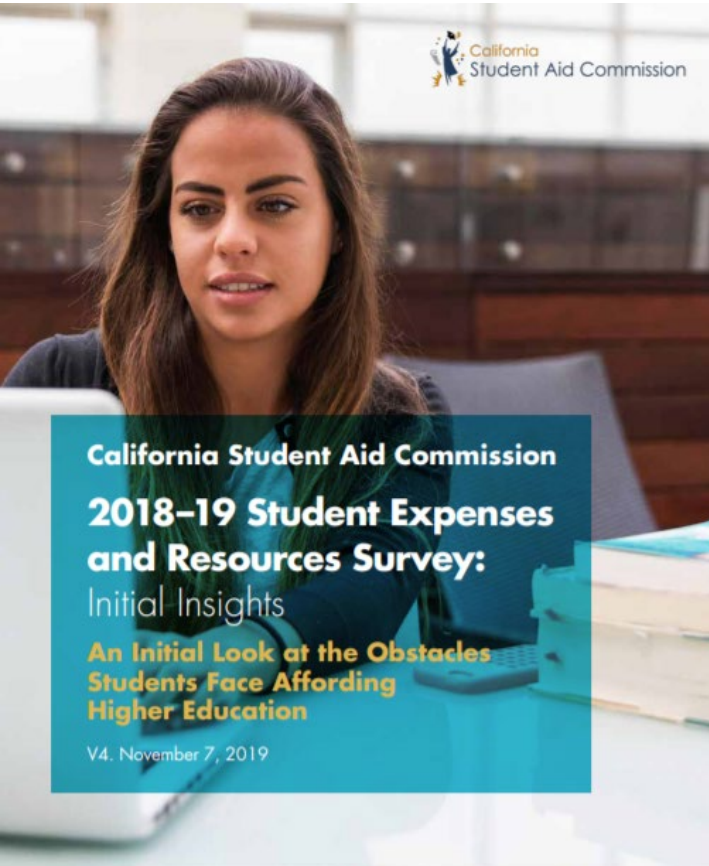


CSAC



CALIFORNIA
STUDENT AID
COMMISSION

California offers the most generous state financial aid in the country, and yet...



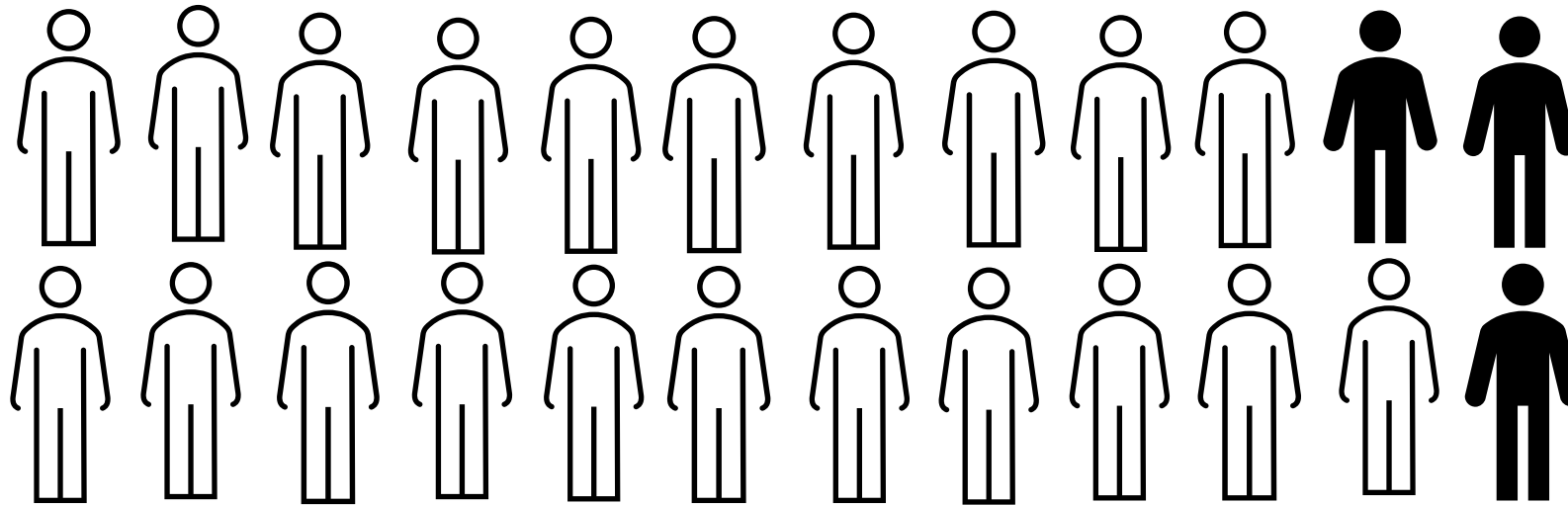
More than 3 of 10 students report being food insecure

More than 3 of 10 students report being housing insecure



California offers the most generous state financial aid in the country, and yet...

A Competitive Cal Grant “lottery” for any students applying for aid after one year of high school graduation or transferring after turning 28 years old



COVID-19 only exacerbated the basic needs challenges our college students in California are facing...

71%

of students lost some or all
of their income

46%

of students experienced
a change in their living
situation



COVID-19 has only exacerbated the basic needs challenges our college students in California are facing...

Lower enrollment rates for this Fall →

potential that more students will be redirected to the Competitive Cal Grant pool when attempting to re-enter postsecondary education



December 2020 “FAFSA Simplification Act” & opportunity for California to maximize federal investments in financial aid for students

- Simplifies the FAFSA & creates new “look up tables” to understand federal aid eligibility
- Replaces the “Expected Family Contribution” with the “Student Aid Index” in the FAFSA opening on October 1, 2022
- More students will receive a federal Pell Grant, and more students will qualify for a maximum Pell award

The Cal Grant 2

All CCC students with incomes qualifying for a maximum Pell Grant guaranteed eligibility for a stipend (\$1,656), tied to the California Consumer Price Index to maintain its purchasing power over time

- No GPA verification required
- Eliminate time out of high school and age requirements
- Application deadline moved back to September 2

Increases students eligible from **124,227** under current Cal Grant programs to **367,318** under Cal Grant 2 (**295%↑**)

Cal Grant 2 - Key changes in distribution

Relative to those eligible for today's Cal Grant programs, eligible students under Cal Grant 2 are more likely to be:

- Lower-income (average income = \$18,598)
- Older (average age = 25.2)
- Student-parents (22.0%)



Cal Grant 2 - Key changes in distribution

By removing barriers to students' access to financial aid, the Cal Grant 2 would see the below counts of **additional students eligible for aid** compared to today's program by race/ethnicity:

- Latinx: 155,000
- African-American: 22,000
- Asian/Pacific Islander: 17,000
- Filipino: 4,500
- American-Indian: 1,500

Students With Dependent Children Grants

All eligible student-parents attending a CCC, CSU, or UC and receiving a Cal Grant 2 or 4 eligible for a \$6,000 grant

- Eligible student-parents would receive a SWDC grant in addition to their Cal Grant 2 and Cal Grant 4
- Over three times as many student-parents eligible (**89,565**) than under current Cal Grant model (**26,623**)

Students With Dependent Children Grant – Award Amounts & Costs

Student population served	Number of students	Award Amount	Total funds required	Additional funds required
Student-parents at CCC, CSU, or UC qualifying for a Cal Grant 2 or 4	89,565	\$4,200 for all recipients	\$125 million	\$0
Student-parents at CCC, CSU, or UC qualifying for a Cal Grant 2 or 4	89,565	\$6,000 for all recipients	\$201 million	\$76 million

Note: over 80,000 of eligible student-parents are enrolled at CCC

The Cal Grant 4

Eligibility based on new income ceilings for the minimum Pell Grant

- No age/time out of high school requirements.
- GPA cutoff lowered from 3.0 to 2.0.
- Covers full tuition & fees at a UC or CSU; maintains existing award amounts for students at eligible private institutions
- Institutional aid programs would be expected to provide \$0 EFC students with a stipend to support their basic needs expenses

Increases students eligible from **132,584** under current Cal Grant programs to **171,222** under modernization

The Cal Grant 4 & CalFresh – More federal resources to address food insecurity

Offering more tuition & fee based awards yields more students eligible to apply for CalFresh

- Cal Grant 4 provides **38,646 more awards** that qualify as a “TANF-funded benefit” & enable recipients to apply for CalFresh
- Potential to access up to **\$108.5 million** in federal funds for students through CalFresh benefits

Cal Grant 4 - Key changes in distribution

Relative to those eligible for today's Cal Grant programs, eligible students under Cal Grant 4 are more likely to be:

- Lower-income (average income = \$26,292)
- Independent students (47.9%)
- Older (average age = 22.6)
- Student-parents (8.2%)



Cal Grant 4 - Key changes in distribution

By removing barriers to students' access to financial aid, the Cal Grant 4 would see the below counts of **additional students eligible for aid** compared to today's program by race/ethnicity:

- Latinx: 17,500
- Asian/Pacific Islander: 8,000
- African-American: 2,500
- Filipino: 700
- American-Indian: 90

Recommendations for Phasing of Investments

Phase 1: Adoption of the Cal Grant Equity Framework

- **\$157 million:** extend a Cal Grant 2 award of \$1,656 to all CCC students with incomes that would qualify for a maximum Pell Grant award.
- **\$76 million:** increase the Students with Dependent Children award to \$6,000 for all student-parents receiving a Cal Grant 2 or 4 at a UC, CSU, or CCC

Phase 2: Extension to all students with incomes qualifying for Pell

- **\$306 million:** extend eligibility for a Cal Grant 2 or 4 award to all students with incomes that would qualify for a Pell Grant award.

Recommendations for Phasing of Investments

Phase 3: Increase Cal Grant 2 Award Amounts

- **\$274 million:** increase the Cal Grant 2 award from \$1,656 to \$2,500 for all CCC students with incomes qualifying for a Pell Grant award.

Phase 4: Adopt other key policies that will promote college affordability

- Establish a formula for determining the award amount for students enrolled at eligible private, non-profit institutions.
- Revise standards for Cal Grant lifetime eligibility such that students can receive aid for two Summer periods without impacting their awards during the traditional academic year.



Key Outcomes of Adopting the Cal Grant Equity Framework and under “Phase 1”

- ✓ **Streamlines Cal Grants** to be more easily understood by students and families or communicated by educators
- ✓ **Aligns eligibility** of state-based aid with federal policy
- ✓ **Eliminates eligibility barriers** for state aid that are not connected to financial need
- ✓ **Targets state resources** on the most financially vulnerable students



Key Outcomes of Adopting the Cal Grant Equity Framework and under “Phase 1”

- ✓ Opportunity to serve more than 280,000 additional students than under the current program
- ✓ More Cal Grant 4 awards → more federal resources to help address food insecurity for California students
- ✓ Improved access for student-parents, adult learners, & CA Dream Act Application filers
- ✓ More inclusive Cal Grant programs –more African-American and Latinx students eligible to receive an award