Making College Possible
Grant and Scholarship Aid in California

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Supported with funding from the College Access Foundation of California and the Donald Bren Foundation
Grants and scholarships are essential to many Californians

- College remains the best path to economic gains
  - But it has become more expensive
- The majority of California’s K–12 students are poor or “near” poor
- Aid allows many students to attend and complete college
Outline

- Sources of grant aid
- How important is grant aid?
- Policy and program challenges
Aid comes from various sources

- Major sources include
  - Federal government
  - State government
  - Institutional grants offered by colleges
  - Private scholarships

- Merit scholarships vs. need-based aid
Most aid is provided by federal and state governments.
Aid sources vary across institutions

- UC
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

- CSU
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

- Community college
  - Pell Grants
  - Other federal grants
  - State grants
  - Institutional grants
  - Local grants
  - Private scholarships

Share of aid 2011-12
Aid sources vary across institutions

- Pell Grants
- Other federal grants
- State grants
- Institutional grants
- Local grants
- Private scholarships
- Institutional grants

Share of aid 2011-12

- UC
- CSU
- Community college
- Private non-profit, 4-year
- Private for-profit, 4-year
- Private for-profit, 2-year
Outline

- Sources of grant aid
- How important is grant aid?
  - Affordability
  - Accessibility
  - Completion
- Policy and program challenges
Public colleges are more affordable than private colleges...

<table>
<thead>
<tr>
<th>Total price of attendance ($)</th>
<th>2008–09</th>
<th>2011–12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community colleges</td>
<td>16,466</td>
<td>17,485</td>
</tr>
<tr>
<td>CSU</td>
<td>19,700</td>
<td>22,819</td>
</tr>
<tr>
<td>UC</td>
<td>26,924</td>
<td>31,198</td>
</tr>
<tr>
<td>Private for-profit</td>
<td>37,418</td>
<td>35,323</td>
</tr>
<tr>
<td>Private non-profit</td>
<td>46,092</td>
<td>51,590</td>
</tr>
<tr>
<td>Private non-profit research</td>
<td>55,546</td>
<td>57,706</td>
</tr>
</tbody>
</table>
...but private colleges offer the most aid

Amount of aid by family income

- Community college
- CSU
- UC
- Private non-profit, 4-year
- Private for-profit, 4-year

Average aid per freshman in 2011–12 ($)

Family income ($):
- 0–30,000
- 30,000–48,000
- 48,000–75,000
- 75,000–110,000
- 110,000+
Even so, net prices are lowest at public colleges...

Net price by family income

<table>
<thead>
<tr>
<th>Family income ($)</th>
<th>Community college</th>
<th>CSU</th>
<th>UC</th>
<th>Private non-profit, 4-year</th>
<th>Private for-profit, 4-year</th>
</tr>
</thead>
<tbody>
<tr>
<td>0–30,000</td>
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<tr>
<td>30,000–48,000</td>
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<td>48,000–75,000</td>
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<tr>
<td>75,000–110,000</td>
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<tr>
<td>110,000+</td>
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</tr>
</tbody>
</table>
...with one exception

Net Price for Low-income Freshmen at California Colleges

2011-12 ($)

Public colleges
Private colleges

Santa Clara Univ.
Loyola Marymount Univ.
Saint Marys College of California
Biola Univ.
Chapman Univ.
Azusa Pacific Univ.
Univ. of San Francisco
Point Loma Nazarene Univ.
Univ. of the Pacific
California Lutheran Univ.
California Baptist Univ.
Univ. of San Diego
Univ. of Redlands
Pepperdine Univ.
Univ. of La Verne
Univ. of Southern California
Occidental College
San Jose State Univ.
UC-Santa Cruz
Cal Poly -San Luis Obispo
Humboldt State Univ.
Sonoma State Univ.
CSU-Channel Islands
CSU-Chico
UC-Davis
CSU-Northridge
UC-San Diego
San Francisco State Univ.
UC-Merced
UC-Santa Barbara
UC-Irvine
UC-Los Angeles
CSU-East Bay
UC-Riverside
UC-Berkeley
CSU-Sacramento
CSU-San Marcos
CSU-Long Beach
Cal Poly-Pomona
San Diego State Univ.
CSU-San Bernardino
CSU-Bakersfield
Stanford Univ.
CSU-Monterey Bay
CSU-Fullerton
CSU-Stanislaus
CSU-Fresno
CSU-Los Angeles
CSU-Dominguez Hills

[Bar chart showing the net price for low-income freshmen at various California colleges, with a note indicating one exception]
Public universities enroll three of every four low-income students

Share of low-income freshmen

- CSU: 47%
- UC: 26%
- Private non-profit, 4-year: 12%
- Private for-profit, 4-year: 15%
Just three public universities enroll more low-income freshmen than all the private universities combined.

Number of Low-income Freshmen at California Colleges, 2011-12

Public

Private
Grant aid improves completion

- Students who receive aid are more likely to graduate
- Aid enables some to attend four-year colleges
  - These colleges have much higher completion rates
- Performance-based grants do not lead to large increases in completion
Outline

- Sources of grant aid
- How important is grant aid?
- Policy and program challenges
Summary

- For many, college would probably not be possible without grant aid
- Aid is linked to higher rates of college completion
- Aid can encourage attendance at four-year colleges
- Performance-based grants do not appear to be more effective
Grant aid has not kept pace with rising costs

Net price for low-income students receiving Title IV funds

<table>
<thead>
<tr>
<th></th>
<th>In January 2012 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2008–09</td>
</tr>
<tr>
<td>Community colleges</td>
<td>$ 5,759</td>
</tr>
<tr>
<td>CSU</td>
<td>7,047</td>
</tr>
<tr>
<td>UC</td>
<td>8,795</td>
</tr>
<tr>
<td>Private for-profit</td>
<td>29,676</td>
</tr>
<tr>
<td>Private non-profit</td>
<td>20,190</td>
</tr>
<tr>
<td>Private non-profit research</td>
<td>10,874</td>
</tr>
</tbody>
</table>
Recommendations

- Help more students complete financial aid forms
- Direct additional funding to low-income students
- Make more institutions ineligible for state and federal grants
- Ensure aid does not exacerbate higher education cost inflation
- Avoid attaching more performance requirements to grant eligibility
SB 15 (Block) – Senate Democrats
Higher Education Funding Plan

- Eliminate 5% tuition increase at UC
- Repeal the 11% planned cut to Cal Grants A Maximum Award for Private Non-Profits
- Fund 7,500 additional Cal Grant A Competitive Awards and increase enrollment in 2015-16 by 5,000 for UC and 10,500 for CSU
- Establish Completion Incentive Grants to incentivize completion for low-income CSU students
  - $1,000 grant for 30 units
  - $1,500 grant for 60 units
  - $2,000 grant for 90 units
- Plan paid for by raising tuition for out of state students, eliminating Middle Class Scholarship Fund, and tapping the new College Access Tax Credit Fund
Notes on the use of these slides

These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.