

State Financial Aid in California

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➤ California has relatively generous aid programs.

California ranks in the top ten of states in the amount of grant aid—which students don't have to pay back—it provides per student. In 2016–17, the California Student Aid Commission (CSAC) distributed just under \$1,200 per full-time equivalent undergraduate student, about \$400 more than the national average. There are several state aid programs, including the California Promise Grant and the Middle Class Scholarship, but the primary source of aid is the Cal Grant program. Between 2008 and 2016, the number of Cal Grant recipients increased by 65% (from 209,169 to 345,739), and state grant aid increased to cover tuition hikes during the Great Recession. As a result, Cal Grant spending more than doubled, from about \$1 billion to \$2.3 billion.

➤ Cal Grants help middle- and low-income students attend college.

Roughly one in five students at the University of California (UC), the California State University (CSU), or a California community college receives a Cal Grant. There are three Cal Grant programs: A, B, and C. Cal Grant A covers four years of full tuition at a California public college (or \$9,084 of non-profit private college tuition per year). Cal Grant B provides three years of tuition coverage and four years of a supplemental grant (\$1,650) to help cover non-tuition expenses. Eligible students who transfer to UC or CSU from a community college and who meet requirements can also get Cal Grants A or B. The Cal Grant C program provides tuition and non-tuition coverage to mostly community college students enrolled in career education programs. If a student meets eligibility requirements for more than one program, CSAC offers the largest award possible.

➤ Cal Grant eligibility requirements are complex and exclude many students.

The majority of Cal Grants are entitlement awards, guaranteed to students who finished high school or became eligible to transfer from a community college to a four-year school within the past year and who meet income and GPA requirements. Each Cal Grant program has a cutoff for prior GPA (3.0 for A, 2.0 for B, or 2.4 for transfer students), age (one year out of high school for A, age 28 for B and transfer entitlements), and family income and asset limits. Those who do not meet these requirements—often because they have been out of high school or community college for more than a year—are placed in a pool of about 295,000 students who compete for 25,750 “competitive” Cal Grants.

➤ Non-tuition costs are significant—and most are not covered.

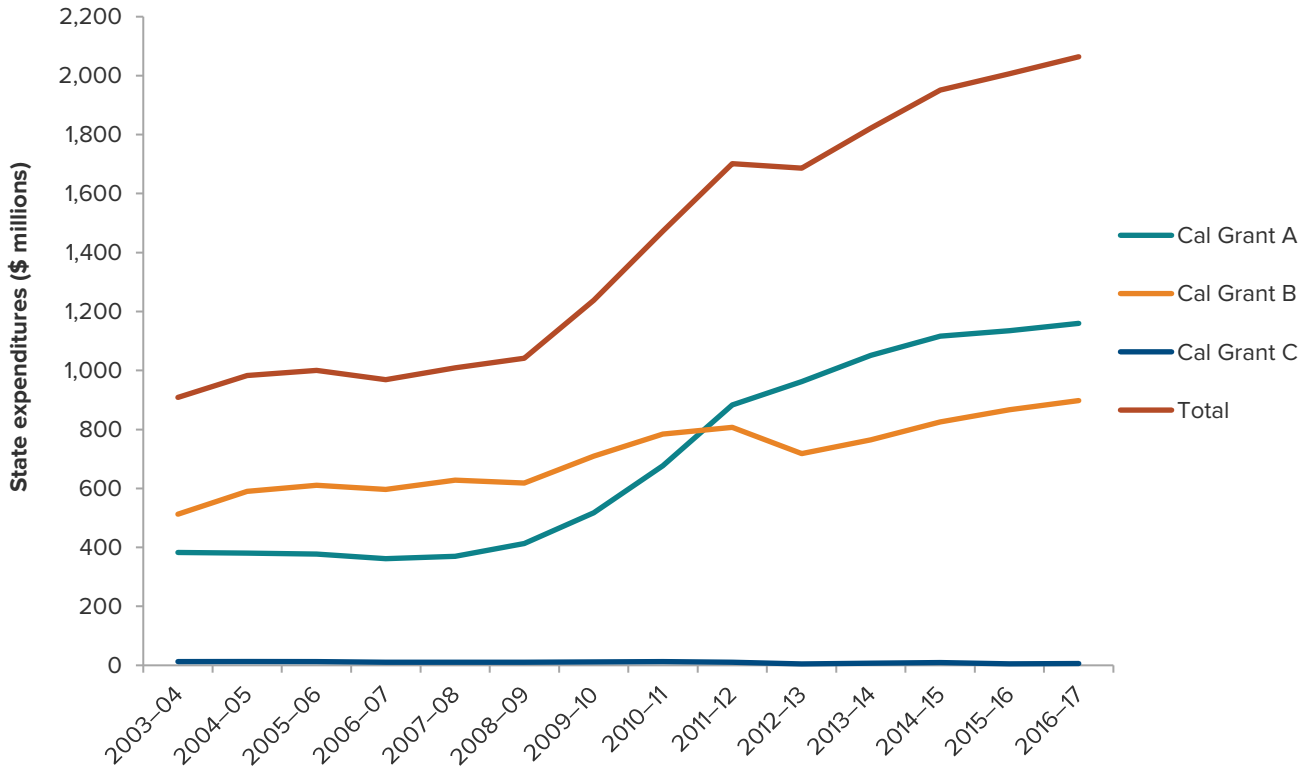
Non-tuition costs associated with college—such as books, room and board, and transportation—are estimated to range from about \$8,900 per year at community college (compared to \$1,100 for tuition) to about \$18,600 at the University of California (compared to \$13,900 for tuition). Many of the lowest-income students (those from families making less than \$30,000 a year) can cover tuition and some non-tuition costs through a combination of state, local, and/or federal aid. But even when all grant aid is considered, the state's poorest students are, on average, still paying more than \$5,000 per year to attend a community college and more than \$9,000 to attend a UC school.

➤ The Cal Grant could change to serve significantly more students and cover more costs.

The state legislature is considering proposals to consolidate Cal Grant programs, reduce or remove eligibility barriers, and increase grant amounts to address the non-tuition costs of college attendance. The 2019–20 budget allocates an additional \$87 million to increase the number of competitive Cal Grants to 41,000; the larger changes being discussed would probably require much greater increases in state funding.

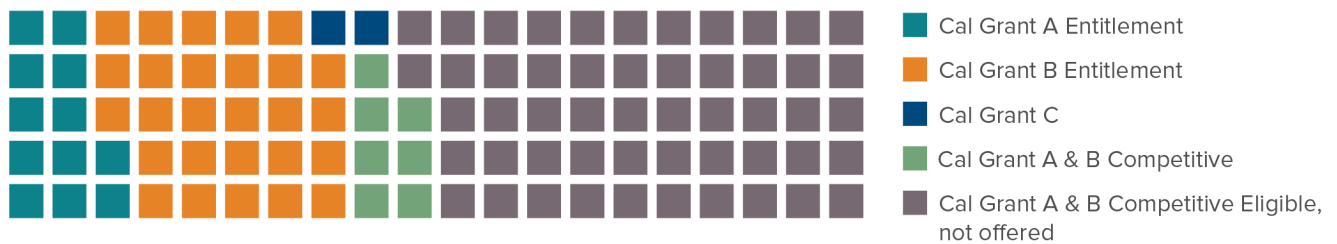


State expenditures on Cal Grants have increased significantly



Sources: National Association of State Student Grant and Aid Programs; California Student Aid Commission.

Most students who are eligible for competitive Cal Grants do not receive awards



Source: Cal Grant Program Offered Awardees.

Note: The figure includes all offers of Cal Grants and all students eligible for competitive grants but not offered a grant in 2018-19; it does not include renewal awards.

Sources: College Board, "Trends in Student Aid 2018;" National Association of State Student Grant and Aid Programs; California Student Aid Commission; Cal Grant Program Offered Awardees.

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