

Financial Aid Reform

THE FUTURE OF FINANCIAL AID

Our vision for a 21st-century financial aid system is a streamlined, single state grant aid program that makes the overall cost of attendance manageable for all students by reducing the need to rely on loan debt, increasing the amount of aid provided to students with the highest overall need, and doubling down on the state's commitment to college affordability.

CAL GRANT A/B/C + MIDDLE-CLASS SCHOLARSHIP → CAL GRANT

GAPS IN THE CURRENT FINANCIAL AID SYSTEM

- **Cal Grant B Access Award:** The major statewide grant program that provides support for non-tuition expenses (textbooks, housing, transportation, etc.) is the Cal Grant B Access Award. Currently, the Access Award provides eligible students with up to \$1,672 per academic year, but the award has not kept pace with inflation and is an insufficient amount of support in the face of rising housing costs.
 - **Solution:** Establish a uniform GPA requirement
- **Cal Grant Gap:** In the High School Entitlement program, the differing income ceilings and GPA requirements between Cal Grant A and Cal Grant B create a gap in access to Cal Grants. Students must have at least a 2.0 GPA for Cal Grant B and at least 3.0 for Cal Grant A; and the income ceiling for Cal Grant A (less than \$98,900 for a family of four) is higher than that for Cal Grant B (less than \$58,200 for a family of four).
 - **Solution:** Establish a uniform GPA requirement
- **First-Year Coverage for Cal Grant B:** Nearly all students receiving a Cal Grant B award and attending a four-year institution only get the access award (\$1,672) in their first year of attendance, with no tuition and fee award. This is due to a 1970s-era provision in law that assumed all students from a low-income background would automatically attend a community college first and thus did not “need” tuition and fees coverage.
 - **Solution:** Ensure Cal Grant B provides four years of full-time coverage
- **Competitive Cal Grant Program:** Students that do not qualify for an entitlement may still be considered for an award through the Competitive Cal Grant program, which offers up to 25,750 awards each year. However, each year, over 350,000 students fall into this category, and less than eight percent of these applicants will receive an award.
 - **Solution:** Remove administrative barriers that cause students to fall into this pool and increase the number of available awards per year
- **Middle Class Scholarship (MCS) “Cliff Effect”:** The current Cal Grant A, Cal Grant B, and Middle Class Scholarship programs have “cliffs” between each program’s award amounts: \$1,672 between Cal Grant B and Cal Grant A (the Access award) and at least 60 percent of tuition & fees between Cal Grant A and the MCS, if a student is attending a UC or CSU.
 - **Solution:** Fold MCS into a unified Cal Grant program, with award amounts scaling down as family income increases