

ANALYSIS

This bill increases the total number of competitive Cal Grant awards authorized from 25,750 to 30,000.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “the Cal Grant financial aid system is one of the most robust in the country, yet it fails to provide assistance to many applicants who are considered non-traditional. Last year 400,000 eligible students applied for 25,750 Competitive Cal Grant awards, yielding only 6.4% recipient success rate. With eligible non-recipients typically coming from very low-income disadvantage backgrounds, the very students who need financial aid the most are routinely being denied benefits because there are simply not enough awards available.”
- 2) ***Majority of Cal Grant applicants do not qualify for Entitlement program.*** Current law establishes Cal Grant A and B awards as an entitlement for students meeting certain eligibility criteria. This means the state automatically funds as many students as qualify. However, according to a 2016 report by The Institute for College Access & Success (TICAS), *How and Why to Improve Cal Grants: Key Facts and Recommendations*, the majority of Cal Grant applicants do not qualify for Entitlement awards because they are more than a year out of high school, decide to go to college after the Entitlement application deadline, or do not meet age or other requirements when they transfer. For these students, the alternative would be a Competitive Cal Grant.
- 3) ***Competitive Cal Grant program.*** According to the California Student Aid Commission, the competitive program is oversubscribed with applicants that failed to meet the Entitlement programs (High School and Transfer), in a given year, approximately 300,000 to 350,000 applicants compete for the 25,750 awards. TICAS reports, that among the eligible applicants not offered Competitive Cal Grants: 1) more than 160,000 had an “estimated family contribution,” of zero, meaning that the federal government estimated they could not afford to put any financial resources towards paying for college; 2) more than 140,000 had family incomes below the federal poverty line for their household size; and 3) more than 28,000 were single parents. These applicants appear to be among the neediest students seeking aid.

The 2015 Budget Act increased the number of competitive Cal Grants that would be funded from 22,500 to 25,750 beginning in the 2015-16 academic year. Prior to this action, the Competitive Cal Grant remained unchanged since it was established. This bill would authorize an additional 4,250 competitive awards.

- 4) ***Related legislation.***

AB 1721 (Medina, 2016) increases the total number of competitive Cal Grant awards authorized from 25,750 to 34,000, and expands the number of these awards available to, and reserved for, community college students. Existing law

reserves half of the authorized competitive Cal Grant awards for community college students. AB 1721 was held in the Senate Appropriations Committee.

SUPPORT

Bay Area Council
California Competes
California EDGE Coalition
California State Conference of the NAACP
California Student Aid Commission
Community College League of California
EARN
Foothill-De Anza Community College Districts
John Burton Advocates for Youth
Kern Community College Districts
Los Angeles Area Chamber of Commerce
Los Rios Community College Districts
MALDEF
North Orange County Community College District
Peralta Community College Districts
Public Advocates
San Diego Community College Districts
San Francisco Community College Districts
South Orange County
Southern California College Access Network
Student Senate for California Community Colleges
The Campaign for College Opportunity
The Education Trust-West
The Institute for College Access and Success
uAspire
Young Invincibles
Yuba Community College Districts

OPPOSITION

None received

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