

March 7, 2012

Overview of State Financial Aid Programs

LEGISLATIVE ANALYST'S OFFICE

Presented to:

Assembly Budget Subcommittee No. 2 on Education Finance

Hon. Susan Bonilla, Chair





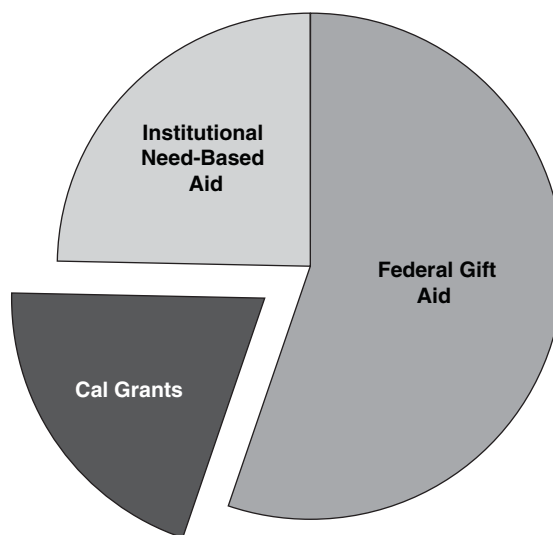
State Aid Programs in Context



Statewide Programs Complement Federal and Institutional Aid Programs

Sources of Financial Aid Grants for Undergraduates

2011-12 Estimates (Total = \$7.3 billion)





Background on California Student Aid Commission



Administers State-Authorized Financial Aid Programs

- Cal Grant entitlement and competitive programs.
- Targeted grant, scholarship, and loan assumption programs.
- Student information and outreach programs.

Student Aid Commission Programs	
Cal Grant Programs	Loan Assumption Programs
Cal Grant High School Entitlement A and B	Assumption Program of Loans for Education (APLE)
Cal Grant Transfer Entitlement A and B	State Nursing APLE (SNAPLE)
Cal Grant Competitive A and B	Graduate APLE
Cal Grant C (Occupational or Technical)	National Guard APLE
	Physician Assistant Loan Assumption Program
Student Information and Outreach Programs	Other Grant and Scholarship Programs
Student Opportunity and Access Program (SOAP)	Programs for honors students, foster youth, child development teachers, National Guard members, law enforcement personnel dependents, public defenders and prosecutors.
Cash for College	



Cal Grant Recipients Meet Academic, Financial, and General Eligibility Criteria

Entitlement Program Requirements—New Applicants

Dependent Students

Program	Criteria
High School Entitlement Cal Grant A	3.0 high school grade point average (GPA) \$80,100 income ceiling (family of four) Application by March 2 of year graduated high school or following year
High School Entitlement Cal Grant B	2.0 high school GPA \$42,100 income ceiling (family of four) Application by March 2 of year graduated high school or following year
Transfer Entitlement Cal Grant A and B	2.4 college GPA Income ceilings correspond to A and B above Transfer from CCC to baccalaureate institution Under age 28 as of December 31 of first award year

Note: In addition to the entitlements described in the figure, Cal Grant programs include a competitive award program for students who meet general eligibility criteria but do not qualify for entitlement awards and Cal Grant C awards for students enrolled in occupational, technical, or vocational programs.



To Qualify for a Cal Grant, a Student Must:

- Be a California resident.
- Be a U.S. citizens or eligible noncitizen.
- Meet U.S. Selective Service requirements.
- Attend a qualifying postsecondary institution.
- Be enrolled at least half-time.
- Maintain satisfactory academic progress.
- Not be in default on any student loan.
- Not owe any federal or state grant refund.
- Not have assets in excess of \$62,000.



Public College Students Receive Majority of Cal Grants

Cal Grant Recipients and Funding Amounts by Segment, 2011-12 Estimates

(Dollars in Millions)

	Recipients		Funding	
	Number	Percent	Amount	Percent
California State University	74,524	31%	\$382	25%
California Community Colleges	72,248	30	87	6
University of California	55,759	23	680	45
Private nonprofit institutions	26,854	11	246	16
Private for-profit institutions	14,664	6	112	7
Totals	244,049	100%	\$1,506	100%



Grants Cover Tuition and Fees, Some Other Costs

- Full systemwide tuition and fees for most recipients at the University of California and the California State University.
 - Cal Grant A: full tuition coverage for up to four years.
 - Cal Grant B: \$1,551 stipend for up to four years, and full tuition coverage after first year.
- Support toward tuition and other costs for students at nonpublic institutions.
 - Cal Grant A: up to \$9,708 toward tuition for up to four years.
 - Cal Grant B: \$1,551 stipend for up to four years, and up to \$9,708 toward tuition after first year.
- Grants for career and technical training provide \$576 for supplies and up to \$2,592 toward tuition.



Only Qualified Private Institutions Can Participate



Nonprofit and For-Profit Institutions Must Meet Federal Standards

- Federal approval to participate in Pell Grant program and two of three campus-based student aid programs, **or** Western Association of Schools and Colleges accreditation, institutional financial aid commitment, and nonprofit status.
- Federal standards for administrative capability and financial stability.



Chapter 7, Statutes of 2011 (SB 70) Added State Requirements

- Maximum cohort default rate on federal student loans for institutions where more than 40 percent of students borrow federal loans:
 - 24.6 percent for 2011-12.
 - 30.0 percent for 2012-13.
- Report enrollment, persistence and graduation data for all students.
- Report job placement rate and salary and wage information for occupational programs.



Cal Grant Growth Accelerated in Recent Years

