

MAY 2, 2019

Overview of Cal Grants

PRESENTED TO:

Senate Budget and Fiscal Review Subcommittee No. 1
On Education
Hon. Richard D. Roth, Chair



LEGISLATIVE ANALYST'S OFFICE

Background

State Has a Long History of Providing Financial Aid

- In 1955, the Legislature established the State Scholarship Program, which provided grants to students meeting certain financial need and academic merit criteria.
- In 1977, the state consolidated the State Scholarship Program and other aid programs into the Cal Grant program.
- In 2000, the state restructured the Cal Grant program into its current form, which includes a large entitlement program.

Cal Grants Are State's Primary Form of Financial Aid

- In 2018-19, Cal Grant spending is an estimated \$2.3 billion. This accounts for about 95 percent of the California Student Aid Commission's total spending on grants and scholarships.
- California Community Colleges, California State University, and University of California also have segment-specific institutional aid programs.



Award Amounts

State Offers Multiple Types of Cal Grant Awards

- Cal Grant A covers full systemwide tuition and fees at public universities and provides a fixed amount of tuition aid at private universities.
- Cal Grant B provides the same tuition assistance as Cal Grant A (except in the first year of college), in addition to a fixed amount of nontuition aid.
- Cal Grant C provides a fixed amount of tuition and nontuition aid for students in career technical education.

Cal Grant Award Amounts

Maximum Annual Award for Full-Time Students, 2018-19

Cal Grant A

Tuition awards for up to four years.

Full systemwide tuition and fees (\$12,570) at UC.

Full systemwide tuition and fees (\$5,742) at CSU.

Fixed amount (\$9,084) at nonprofit colleges.

Fixed amount (\$8,056) at WASC-accredited for-profit colleges.

Fixed amount (\$4,000) for other for-profit colleges.

Cal Grant B

Tuition coverage comparable to A award for all but first year.

\$1,648 toward nontuition expenses for up to four years.^a

Cal Grant C

\$2,462 for tuition and fees at private colleges for up to two years.

\$1,094 for nontuition expenses at CCC for up to two years.

\$547 for nontuition expenses at private colleges for up to two years.

^a Excludes \$24 add-on from College Access Tax Credit.

WASC = Western Association of Schools and Colleges.



Eligibility Criteria

Entitlement and Competitive Programs Have Certain Eligibility Criteria

- Students must meet certain income and asset criteria to qualify.
- Recent high school graduates and transfer students under age 28 are guaranteed Cal Grants through the entitlement program.
- For students not meeting entitlement program criteria, the state issues a limited number of Cal Grant awards (currently 25,750 new awards per year) through a competitive process.
- The state also issues a limited number of Cal Grant C awards each year. In recent years, all eligible applicants have been offered awards.

Cal Grant Eligibility Criteria

2018-19

Financial Criteria^a

Cal Grant A and C

Family income ceiling: \$88,900 to \$114,300, depending on family size.
Asset ceiling: \$76,500.

Cal Grant B

Family income ceiling: \$41,500 to \$62,800, depending on family size.
Asset ceiling: same as A and C.

Other Major Criteria

High School Entitlement (A and B)

- High school senior or graduated from high school within the last year.
- Minimum high school GPA of 3.0 for A award and 2.0 for B award.

Transfer Entitlement (A and B)

- CCC student under age 28 transferring to a four-year school.
- Minimum community college GPA of 2.4.

Competitive (A and B)

- An individual ineligible for one of the entitlement awards, typically due to age or time out of high school.
- Minimum GPA requirements same as for entitlement awards.

Cal Grant C

- Must be enrolled in career technical education program at least four months long.
- No minimum GPA.

^a Reflects criteria for dependent students. Different criteria apply to independent students (generally those over age 24).
GPA = grade point average.

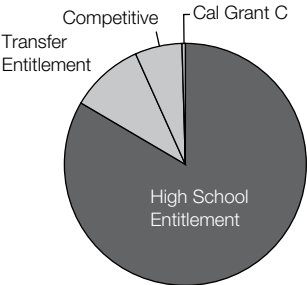


Expenditures

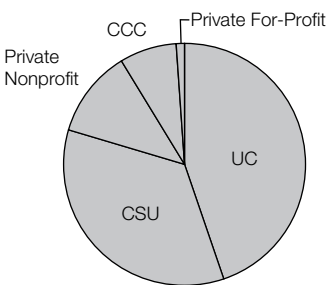
Cal Grant Spending Concentrated on Recent High School Graduates, Tuition Assistance

2018-19

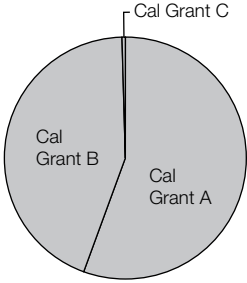
By Program



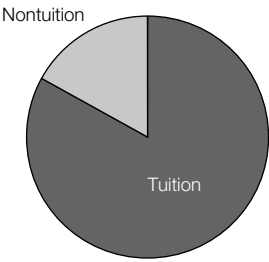
By Segment



By Award Type



By Award Component



LAOA

