



Boost California's Economy with the Cal Grant Equity Framework

After pandemic setbacks, our businesses, workforce and economy cannot afford to lose a generation of California's college students.

California's business community is vital to the prosperity and wellbeing of our state's economy. But our state's business community has been hit hard over the course of the pandemic and the Great Resignation, undergoing drastic changes to the workforce pipeline. Simultaneously, a significant number of California's college students have had no choice but to drop out of school due to economic uncertainty and financial hardship, reducing the number of eligible graduates entering the workforce.

Right now, nothing is more urgent than helping more students pursue their college dreams so that they can succeed in and contribute to our economic recovery. Business groups, equity leaders and student organizations are standing together to combat our economic crisis and address immediate and future workforce needs. California must remodel its financial aid system to ensure it is accessible for all Californians, from the poorest to the middle-class.



Currently ineligible students that will be served under the Cal Grant Equity Framework have an **average income of \$36,000**. Many of these students that would become eligible for a Cal Grant are **adult learners**, with an average age of 26.

The Cal Grant Equity Framework provides a solution that will reform California's outdated financial aid system and build on the tremendous investments already made by the Newsom Administration and Legislature. The Framework, outlined in AB 1746 (Medina, McCarty, & Leyva) will shift California to a state-aid model based on student need—rather than outdated rationing devices like age and time out of high school – that will create a more inclusive financial aid system. If adopted and funded through this year's budget, the Framework will ensure thousands more student parents, adult learners, California Dream Act filers and returning learners will receive Cal Grant awards than are currently being served, helping bridge the gap between the massive economic and educational losses created by the COVID-19 pandemic.



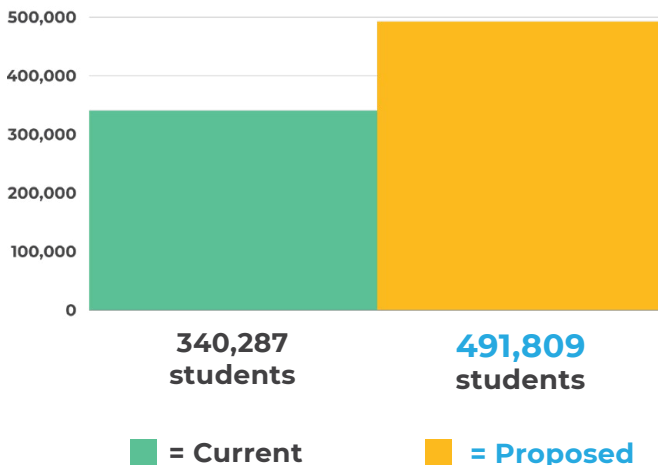
California is on track to close its degree gap of approximately 1 million highly educated workers by 2030, **if higher education and financial aid investments continue**, according to the [Public Policy Institute of California](#).

The Governor is calling for more higher education investments to reach critical attainment goals, and the Cal Grant Equity Framework provides a perfect vehicle to reach those goals via this year's budget. As the economic and educational impacts of COVID-19 persist, the time for policymakers to act is now; students and families across our state cannot afford to wait. We must continue to sustain and stabilize our middle class and in turn, fuel the health of our future workforce and state economy, especially in industries with the greatest need.

Boost California's Economy with the Cal Grant Equity Framework

HOW WILL THE CAL GRANT EQUITY FRAMEWORK WORK?

Cal Grant Student Eligibility



The Cal Grant Equity Framework will streamline our current financial aid system to serve more students and revitalize California's economy, businesses and workforce. The remodeled program would align eligibility of state-based financial aid with federal policy, eliminate eligibility barriers and target state resources for the most financially vulnerable students by reaching over **150,000 MORE** students by leveraging all parts of the financial aid system.

Fully modernizing California's state financial aid system under the Cal Grant Equity Framework and building off last year's investments would:

- Address gaps in the current Cal Grant program by removing barriers that keep out talented students who make an average income of \$36,000.

- Streamline the eight current Cal Grant programs into two programs - Cal Grant 2 for community college students and Cal Grant 4 for students at four-year colleges.
- Align eligibility with the federal Pell Grant to enable earlier and clear communication with students and families about how much aid they can expect to receive.
- Expand access to awards for foster youth and student parents to use for non-tuition expenses, helping address the student basic needs crisis.

As higher education has become more accessible, talented students from diverse backgrounds have pursued college, and they need financial aid support to succeed. The new Cal Grant Equity Framework will:

- Provide additional grants like the Students with Dependent Children (SWDC) to reach more than 44,000 new student parents and uplift more families.
- Work in alignment with other forms of financial aid including the Middle Class Scholarship and institutional aid.
- Enable more students to apply for CalFresh, a federally-funded benefit that helps recipients afford regular meals to help better meet their basic needs.

The Cal Grant Equity Framework will provide a workable, equitable financial aid system that meets the needs of students of color and lower-income students. The Framework must be adopted and funded through this year's budget if the state is to meet the needs of students seeking higher education as well as the Governor's ambitious degree and certificate attainment goals.

California leaders have an unparalleled opportunity to address college affordability and decisively close attainment gaps by simplifying the Cal Grant system. California has what it takes to create the most equitable system in the nation by prioritizing its students and removing remaining barriers.

Last Updated May 2022