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California Student Aid Commission Takes Action on Streamlining Cal Grants

Sacramento, CA (2018) – The California Student Aid Commission (Commission) voted to move forward with the concept of developing a single and more streamlined Cal Grant program. Specific legislative and programmatic change proposals with budget options will be presented at the next Commission meeting on September 13 and 14, 2018. This will be the first proposed major redesign of the Cal Grant program since 2001.

At this meeting, the Commission agreed to move forward with seeking to consolidate the entitlement Cal Grant A and B awards, along with the Middle Class Scholarship (MSC) program into a single Cal Grant program. This consolidation approach would encompass developing a single GPA standard applied to both Cal Grant A and Cal Grant B programs. Currently, Cal Grant A awards are provided only to students who receive a 3.0 GPA, while students with a 2.0 are eligible for Cal Grant B awards.

It would also seek to provide Cal Grant students full tuition and fees for four years, instead of allowing the Cal Grant B to cover only “the access” award in the first year of the student’s four year college experience. At a UC, for example, that could mean the difference between covering \$14,356 (tuition, fees and access costs) or only receiving \$1,672 (access award). Although institutions and students may fill those gaps with institutional aid or student loans in that first year, the discrepancy in amounts funded between A and B could result in changing early decisions by students during their college selection process.

The Commission’s decision to revamp Cal Grant and Middle Class Scholarship also acknowledges the need to taper the “cliff effect” that occurs for those students whose families earn just over the Cal Grant A/B income eligibility ceiling and qualify for MCS, which pays only 40% of the student’s tuition. Incorporating the MSC into the consolidated program also will address the administrative challenges presented by the “last dollar” funding formula. MSC kicks in only after institutions have fully packaged the student, which can delay the scholarship funding reaching the student until later in their academic career.

Items that will be considered by the Commission in a later phase include:

- whether the age and time out of high school limits on the Cal Grant should be changed or eliminated.
- Whether a change in the application deadlines should be made.
- Whether to address Cal Grant C, which assists students seeking for Career Technical Education.

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