

Increase Equity & Access At The University Of California By Updating State Financial Aid System



A modern, accessible financial aid system will provide California's diverse and talented students the chance to graduate from the University of California.

Remodeling our financial aid system will enable more students to attend California colleges and universities, fuel our workforce and help lead the state's economic recovery. As we approach the second year of the pandemic, increasing educational access has become a rallying cry to help support the millions of people affected by the economic devastation COVID-19 has caused and ensure an educated workforce for recovery.

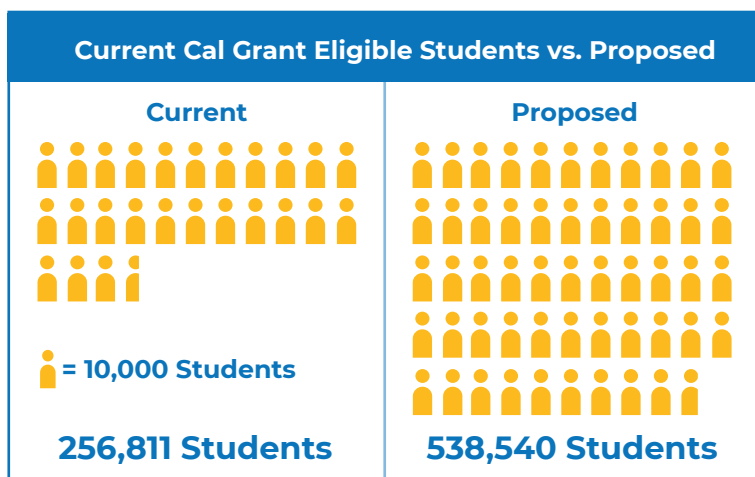
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California's primary state-funded student financial aid program, Cal Grant, was designed six decades ago. But the student makeup has changed, and the program no longer meets the needs of the state's struggling college students. As California grows, its student population grows with it. For instance, over 100,000 more students were enrolled in the UC system in 2020 than in 2000. As we work to recover from this pandemic, we must continue to drive these enrollment gains so that more Californians can access higher education to create a more equitable state. More UC students will be eligible for aid under this proposal while maintaining current tuition and fee coverage.

Right now, addressing the dire circumstances that students are in due to the COVID-19 crisis must be a top priority for California. Streamlining and simplifying the application process and requirements for state financial aid can expand the applicant pool for the University of California and contribute to our state's economic recovery.

HOW WILL CAL GRANT MODERNIZATION WORK?

Modernizing the Cal Grant system will streamline our current financial aid system to serve more students and revitalize California's 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 populations while serving **280,000 MORE students.**



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Under the modernization proposal, barriers to Cal Grant eligibility based on age and time since high school graduation will be eliminated and replaced with awards that better assess:

- Student income, rather than Expected Family Contribution (EFC), specifically capturing the need of lower-income students
- Family need, supporting student-parents with dependents under 18

Grants like the Students with Dependent Children (SWDC) award will be updated to reach more student parents and uplift more families. As higher education has become more accessible and the number of student parents has grown exponentially in the last two decades, updating the SWDC award will help keep more students on track to support their families, pursue their higher education and contribute to California's workforce.

Programs like the Middle Class Scholarship and existing institutional aid will be maintained and will be conformed to the new Cal Grant system ensuring a fair distribution of funds among as many students as possible. Making more UC students eligible for a Cal Grant would free up resources in their institutional aid that could be redirected to increase funds available for basic needs support for UC students. The updated financial aid system will also enable more students to apply for CalFresh, a federally-funded benefit that helps recipients afford regular meals, to help better meet their basic needs.

An initial down-payment toward the Cal Grant Equity Framework will allow California to expand access to financial aid for more than **280,000 more students in just the first year of applications** under the new system, removing the eligibility barriers that restrict access to aid for many of the most financially vulnerable students. For a combined \$232 million (ongoing) and \$220.7 million (one-time), California could adopt the Cal Grant Equity Framework and maintain the maximum awards for the Cal Grant 2 and Students with Dependent Children Grant while exponentially increasing the number of students receiving financial aid.

An additional one-time investment of \$216.9 million would cover the transition costs associated with implementing the new Cal Grant system over the next three years while still maintaining award amounts for current "grandfathered" students. It has been two decades since significant reforms have been made to Cal Grant. Change is overdue. An investment in our students is an investment in our state's economic and social vitality that will pay dividends for decades to come.

Connecting students with resources through updated comprehensive eligibility assessments will enable our state to reach the most vulnerable students while continuing to serve middle-class families. The Cal Grant Equity Framework works to make higher education accessible for all.

Simplifying and expanding the Cal Grant will help students today and our state tomorrow. None of us can afford to wait.

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