

Item 14

Information Item

Update on the Middle Class Scholarship

This item provides updated information on the Middle Class Scholarship (MCS) program. The MCS program provides an eligible undergraduate student at the University of California or the California State University with a scholarship amount that, combined with other publicly funded financial aid received by the student, is up to 40 percent of the institution’s mandatory system-wide tuition and fees.

MCS applicant and award information

Table 1a below shows the final numbers for the 2014-15 year. The 2014-15 year-end reconciliation, initially scheduled for November 19, 2015 was extended twice to allow institutions additional time to process payments, corrections and adjustments. The extensions were also necessary as this was the pilot year of the program and unforeseen reconciliation issues surfaced. The final reconciliation date for the 2014-15 award year was on Tuesday, December 15.

**Table 1a
MCS Applicants¹ and Awards
2014-15 Academic Year (closed)***

Segment	Applicants¹	Awards	% Awarded of Applicants¹	Offered Award Amount
UC	135,250	15,788	12%	\$16,608,690
CSU	303,366	66,402	22%	\$37,651,844
TOTAL	438,616	82,190	19%	\$54,260,734

**Data as of 12/31/2015*

1. An “applicant” is any potentially eligible student who completed a FAFSA application by March 2nd, has income less than \$150,000 and is in an undergraduate program. Applicants are reported to CSAC by a UC or CSU campus through an “enrollment file” process in WebGrants. The campuses also provide information about other financial aid, including the Pell Grant and institutional aid, that applicants are receiving for that academic year. An applicant must be on an enrollment file to be considered for the MCS award.

The primary reason applicants do not qualify for an MCS award is that they will receive other financial aid that already covers 40% or more of the mandatory tuition/fees. In the 2014-15 year, 335,374 applicants identified on the UC and CSU enrollment files were not eligible for MCS awards for this reason.

Table 1b

California Student Aid Commission

MCS Applicants¹ and Awards 2015-16 Academic Year (current year)*

Segment	Applicants ¹	Awards	% Awarded of Applicants ¹	Offered Award Amount
UC	121,374	8,948	7%	\$12,202,052
CSU	258,027	44,413	17%	\$37,850,544
TOTAL	379,401	53,361	14%	\$50,052,596

**Data as of 12/31/2015*

1. An “applicant” is any potentially eligible student who completes a FAFSA application by March 2nd, has income less than \$150,000 and is in an undergraduate program. Applicants are reported to CSAC by a UC or CSU campus through an “enrollment file” process in WebGrants. The campuses also provide information about other financial aid, including the Pell Grant and institutional aid, that applicants are receiving for that academic year. An applicant must be on an enrollment file to be considered for the MCS award.

Table 2 below reflects the income level comparison for MCS awarded students for the 2014-15 and 2015-16 award years. There are no major changes from November’s update.

**Table 2
MCS-Awarded Students
Income Level Comparison**

Household Income	2014-15					2015-16				
	UC		CSU		TOTAL	UC		CSU		TOTAL
\$0 or Less	221	23%	743	77%	964	97	19%	418	81%	515
\$1-10,000	218	15%	1,199	85%	1,417	98	13%	636	87%	734
\$10,001-20,000	299	15%	1,676	85%	1,975	91	10%	780	90%	871
\$20,001-30,000	250	5%	4,612	95%	4,862	97	4%	2,227	96%	2,324
\$30,001-40,000	314	8%	3,796	92%	4,110	95	4%	2,184	96%	2,279
\$40,001-50,000	317	10%	2,935	90%	3,252	90	5%	1,693	95%	1,783
\$50,001-60,000	365	9%	3,733	91%	4,098	124	6%	2,073	94%	2,197
\$60,001-70,000	470	9%	4,646	91%	5,116	136	5%	2,833	95%	2,969
\$70,001-80,000	575	9%	5,574	91%	6,149	160	4%	3,640	96%	3,800
\$80,001-90,000	1,146	15%	6,452	85%	7,598	520	10%	4,537	90%	5,057
\$90,001-100,000	1,636	20%	6,655	80%	8,291	1,020	17%	4,959	83%	5,979
\$100,001-110,000	2,076	25%	6,255	75%	8,331	1,277	21%	4,787	79%	6,064
\$110,001-120,000	2,029	27%	5,615	73%	7,644	1,421	25%	4,370	75%	5,791
\$120,001-130,000	2,083	30%	4,774	70%	6,857	1,339	27%	3,563	73%	4,902
\$130,001-140,000	1,986	32%	4,134	68%	6,120	1,279	29%	3,089	71%	4,368
\$140,001-150,000	1,803	33%	3,603	67%	5,406	1,104	30%	2,624	70%	3,728
TOTAL	15,788	19%	66,402	81%	82,190	8,948	17%	44,413	83%	53,361

**Data as of 12/31/2015*

California Student Aid Commission

Phase-in of the maximum MCS award

The MCS program is being phased in over four years. Education Code section 70022(a)(4) provides: “For the 2014-15, 2015-16, and 2016-17 academic years, the maximum amount of a student’s scholarship award shall be 35 percent, 50 percent, and 75 percent of the total scholarship award amount that the student would otherwise be eligible to receive.” Thus, for example, the maximum scholarship award in 2014-15 was actually 14%, rather than 40%, of the mandatory system-wide tuition. Table 3 below indicates the year of the MCS program, academic year, the various percentages during the phase in period and the maximum award amount for that year. The table assumes no increases in tuition, so award amounts for the 2016-17 and 2017-18 could change if tuition and fees increase at the UC or CSU.

**Table 3
Maximum MCS Award Amount by Year**

	Percent of mandatory system-wide tuition and fees ultimately to be covered by MCS	Authorized % of MCS during 4-year phase-in period	Effective % of mandatory system-wide tuition and fees covered by MCS during phase-in	UC Maximum Award ¹ during phase-in	CSU Maximum Award ² during phase-in
2014-15	40%	35%	14%	\$1,704	\$768
2015-16	40%	50%	20%	\$2,448	\$1,092
2016-17	40%	75%	30%	\$3,672	\$1,641
2017-18	40%	100%	40%	\$4,896	\$2,189

**Data as of 12/31/2015*

¹ UC Mandatory System-wide tuition = \$12,192 for 2014-15 and \$12,240 for all other years

² CSU Mandatory System-wide tuition = \$5,472 for all years

Funding for the MCS Program

The funding for the MCS Program is established in statute. Funding for 2014-15 was \$107 million. As a result of amendments during the 2015 budget process, funding for 2015-16 is \$82 million, and for 2016-17 and each following year is \$116 million.

Staff will be available at the meeting to discuss this item and respond to questions.

Responsible Person(s): Catalina Mistler, Chief
Program Administration and Services Division

Tae Kang, Senior Manager
Program Administration and Services Division