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California Student Aid Commission Approves Strategy to Reform Cal Grant

Major overhaul of California's higher education financial aid system is endorsed

Sacramento, CA (2018) – The California Student Aid Commission (Commission) voted to take the bold step of establishing the policies to govern an overhaul of the \$2 billion Cal Grant program. The 15-member Commission adopted a slate of policy positions that will allow it to begin making recommendations on legislative changes and working with partners and financial aid stakeholders to reshape the Cal Grant Program to best meet the needs of today's students.

The policy positions articulated and adopted by the Commission for reforming the Cal Grant programs are to:

- 1. Remove or reduce eligibility and access barriers in the current Cal Grant program;*
- 2. Change the model of the Cal Grant program to focus on total cost of attendance, including maintaining full coverage of tuition and systemwide fees for public colleges and university students;*
- 3. Reinstate a formula for an annual maximum Cal Grant for students attending private nonprofit institutions; and*
- 4. Support additional Cal Grant eligibility for students taking summer coursework.*

"I am enthusiastic about the conceptual framework that the Commission adopted as we begin the process of addressing the affordability of higher education in California," said Dr. Lande Ajose, Chair of the California Student Aid Commission. "Articulating these policy principals will allow the Commission to fully engage with our legislative partners and all financial aid stakeholders as together we carefully think through the changes that will be made to the Cal Grant program."

The Commission voted to focus on removing or reducing the barriers students face in obtaining Cal Grants. The barriers to be reexamined include current restrictions based on a student's age, when they graduated from high school, and the requirement to meet a minimum high school Grade Point Average.

"As the demographics of the average California college student have changed, our financial aid system has not kept up," added Ajose. "More students than ever are attending college later in life or are working the equivalent of a full-time job just to keep up with the rising cost of living. Our financial aid system needs to eliminate barriers and reduce the out-of-pocket cost for students wherever possible."

In recognition of the high cost of living in California, the Commission approved plans to consider a restructure to the state financial aid eligibility so that it focuses on the total cost of attendance of students. Existing Cal Grant programs cover the costs of tuition and fees as well as some funding for additional educational expenses, such as books and supplies. However, the California housing crisis and the increasing prevalence of food insecurity and homelessness among college students has led to a greater focus on the overall cost of attending college – tuition plus books and supplies, room and board, and other expenses such as transportation and medical costs. Earlier this year, recognizing the need for addressing the high cost of living in California, the Commission has requested a modest increase to the Cal Grant B access award.

The Commission voted to move forward with developing and recommending a formula that would increase the amount of Cal Grant aid to students attending private nonprofit colleges and universities, acknowledging play in educating California students. The current maximum Cal Grant award for students attending private institutions of higher education has been set at a fixed amount – and has been reduced once – for nearly 20 years.

Additionally, the Commission expressed support for the concept of expanding Cal Grant eligibility for students who take summer coursework. Currently, students who elect to use their award during the summer term are using up their lifetime eligibility of Cal Grant aid, and many will not have sufficient eligibility remaining when they reach their senior year. Adding supplemental eligibility for summer courses will help ensure that many students have sufficient financial aid to graduate in a timely manner and aligns with the recent federal expansion of Pell Grant aid to summer coursework, also known as “Year Round” Pell Grant.

The Commission looks forward to working with stakeholders, such as the public and private segments of higher education, student organizations, the Legislature, and Governor-elect Newsom’s incoming Administration to craft financial aid reform legislation that meets the needs of 21st-century California students.

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The California Student Aid Commission is the state’s policy leader in the administration of financial aid for higher education, making education beyond high school financially accessible to all Californians. California Student Aid Commission serves the needs of not only today’s college students but tomorrow’s students, guiding them through the application process. Information and tools are available online for the parents of tomorrow’s college and career technical students, a fully staffed call center answers questions and the California Student Aid Commission provides workshops and funds grants to organizations that provide access opportunities for students who are first in their family to attend institutions of higher education. For more information on how the California Student Aid Commission serves to educate, inform, and support students, their educational institutions, and the professionals who assist them please visit our website at <https://www.csac.ca.gov> or follow us on [Twitter](#) @castudentaid and [Facebook](#) <https://www.facebook.com/CSAC.StudentAidCommission/>.