

Updating California's Financial Aid System Will Advance Equity & Accessibility Among Private, Nonprofit Colleges



A modernized, more equitable and accessible financial aid system will give more Californians the opportunity to graduate from private, nonprofit colleges.

California's private, nonprofit colleges and universities are a crucial part of our state's higher education and workforce pipeline. As COVID-19 has put so many students in financial and academic jeopardy, sweeping actions are needed to ensure students can stay on a path to success. Remodeling our financial aid system is a necessary first step in ensuring students who wish to attend private institutions will also be supported as California recovers from COVID-19.



**262,566 OF
MORE THAN
2.7 MILLION**

California college students
attend private colleges.

As we work to recover from this pandemic, enrollment growth must continue in all higher education systems so that more Californians can access higher education and contribute to our state's economic recovery. Streamlining state aid, like the Cal Grant 4 can make higher education accessible to more students looking to continue their educational journeys at a private institution.

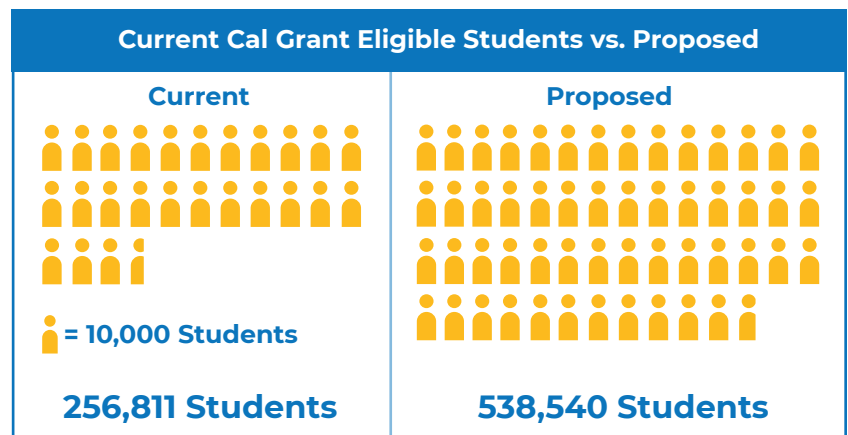
It is also imperative that our private, nonprofit institutions have the financial stability to support students' needs. Through AB 1456, Cal Grant 4 will be expanded to cover more students' tuition and fees costs, allowing colleges' institutional resources to be redirected to support assistance for non-tuition costs. In a time where both students and colleges are struggling to make ends meet, AB 1456 will offer financial flexibility as institutions work to serve their highest-need students.

California's private colleges are a key partner in addressing student needs and fueling our state's college to career pipeline. In fact, 262,566 of the more than 2.7 million California college students attend private colleges or universities. Private institutions serve students who may need a more flexible model, and remodeling our financial aid system can help reach more of these students.

Together we can remodel our financial aid system and lift up California.

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

Modernizing California financial aid system will also help address California's student basic needs crisis. Updates to the Cal Grant system will 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 more 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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Last Updated April 2021