

## **AB 1456: Cal Grant Equity Framework Frequently Asked Questions**

AB 1456 (Medina & McCarty) will create a Cal Grant Equity Framework that better meets the financial needs of California's college students by simplifying, streamlining and expanding eligibility for Cal Grant aid. Below are some frequently asked questions about the bill.

### **Q: How does the Cal Grant Modernization proposal address equity and accessibility concerns within California's higher education system?**

**A:** Modernizing our Cal Grant system will create more inclusive financial aid programs that will better serve the needs of the students of today. The Cal Grant Equity Framework included in AB 1456 would expand financial aid access to more student parents, adult learners, CA Dream Act filers, veterans and returning learners than are currently being served. The framework also would address the ongoing basic needs crisis for students, helping meet the non-tuition costs of attending college by expanding student eligibility to critical programs like CalFresh.

### **Q: Why is it important to introduce this legislation now, given the budget constraints brought on by the COVID-19 pandemic?**

**A:** The COVID-19 pandemic hit California's college students especially hard. In May 2020, CSAC conducted a student survey that laid bare the devastating effects the pandemic had on students: over 70 percent of current or incoming students lost some or all of their income as a result of the COVID-19 pandemic. Financial aid is a lifeline for these struggling students and can help keep them on their educational journey. AB 1456 will ensure Cal Grant reaches students who need it most. Today's students need affordable access to higher education pathways to join our state's workforce and attain economic stability. California needs AB 1456 to fuel the state's workforce pipeline, stimulate the economy, and revitalize businesses working to recover from the pandemic, not only for today but for the long term.

### **Q: How would this proposal change the financial aid application and disbursement process?**

**A:** Right now, financial aid is complicated and hard to navigate. This bill will streamline the state's process by aligning the state's requirements with those of federal applications. AB 1456 would remove age and time out of high school requirements, as well as lower GPA requirements and eliminate them for community college applicants to help make applications simpler for students and their families. These changes will eliminate barriers to aid that have left hundreds of thousands of deserving students without financial support.

### **Q: Under the new Cal Grant framework, will students have access to any other basic needs benefits?**

**A:** Under AB 1456, more Cal Grant 4 recipients – those attending four-year institutions – would be eligible to apply for CalFresh, a program providing monthly benefits to help students pay for food and essential goods. Cal Grant 4 provides 38,646 more financial aid awards that qualify as a Temporary Assistance for Needy Families (TANF) funded benefit & enable recipients to apply for CalFresh. As California college students struggle with food insecurity amidst the pandemic, AB 1456 will ensure more students at colleges and universities have access

to basic needs support like CalFresh. By covering the tuition and fees for more students at California's public universities, AB 1456 will also free up significant resources that institutions could use to help provide more support to students to cover their non-tuition costs.

**Q: How many more students will be eligible to receive financial aid under this framework?**

**A:** In total, the Cal Grant Equity Framework would make financial aid accessible for an additional 280,000 students in the first year. AB 1456 would make Cal Grant eligibility more equitable by serving an additional 165,000 Latinx students and nearly 23,000 African American students throughout the state. Additionally, over 65,000 more student-parents, 177,000 more first-generation students and 5,600 more CA Dream Act Application filers will be made eligible for a Cal Grant under this new framework.

**Q: How does this bill affect students who are already eligible and receiving a Cal Grant?**

**A:** The proposal applies a grandfather clause, where any students currently receiving a Cal Grant will retain their current levels of awards until their eligibility expires. Few students will be made ineligible for state financial aid under this new framework, and other sources of financial assistance - like federal and institutionally awarded financial aid - will still be available to them.

**Q: What will be the cost of implementing the Cal Grant Equity Framework?**

**A:** 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 Grant program 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.

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

