

Make the California State University More Equitable And Accessible By Updating State Financial Aid System



A modern, accessible financial aid system will give even more of California's diverse and talented students the ability to graduate from a California State University.

Remodeling our financial aid system will enable more students to attend California state colleges and universities, fuel our workforce and contribute to economic recovery. As we enter the second year of the COVID-19 pandemic, supporting California State University (CSU) students remains key to building the workforce of tomorrow.

California State University students need more support than ever and modernizing our financial aid system is the first step in securing the resources necessary for them to succeed. California State Universities maintain some of our state's most utilized transfer pathways, putting students on the road to attaining a degree and entering our state's workforce. As a result of the pandemic, many students attending the CSU have grappled with income insecurity and uncertainty in their path toward earning their degrees.



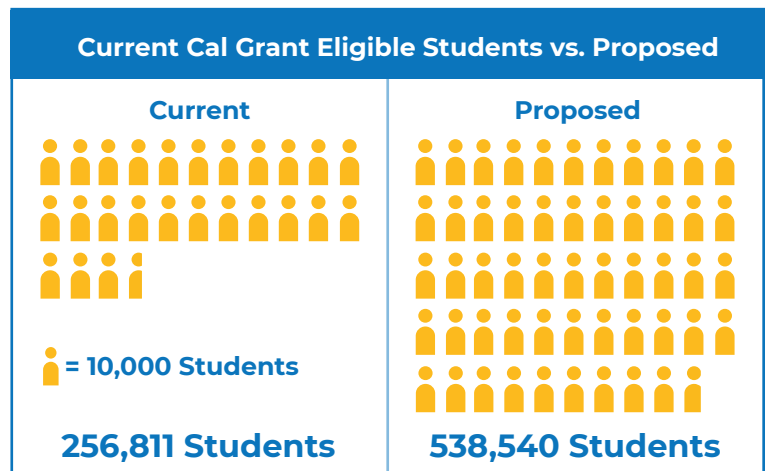
More than 7 of 10 students had lost some or all of their income due to the COVID-19 pandemic.

– CSAC Survey of 76,000 incoming or returning college students, May 2020

Right now, nothing is more urgent than addressing the dire circumstances that students are in due to the COVID-19 crisis and making financial aid more accessible is the best way to do so. Under this new proposal, an additional 28,000 CSU students would qualify for a Cal Grant while keeping the current tuition and fee coverage or maximum award amounts and many more would qualify for nutritional assistance through CalFresh. Streamlining and simplifying the financial aid system will provide higher education opportunities for more students than ever before, better addressing the unique needs of today's students.

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. Making more CSU 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 CSU 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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