
**CALIFORNIA STUDENT AID COMMISSION
COMPETITIVE CAL GRANT PROGRAM
2010-11 to 2012-13**



Legislative Report Requirement

California Education Code Section 69437.7, and
Section 8 of Senate Bill 1644 (Chapter 403, Statutes of 2000)

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EXECUTIVE SUMMARY

On September 11, 2000, the Legislature and the Governor took an important step toward improving the opportunities available to California students by removing the financial barriers that could hinder the attainment of a postsecondary education. With the enactment of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act (Senate Bill 1644, Chapter 403, Statutes of 2000), California modified the existing Cal Grant Program into a two-tiered approach that:

- Guarantees an Entitlement Cal Grant to graduating high school seniors and specified transfer students who meet the program eligibility requirements; and
- Provides 22,500 Competitive Cal Grant awards to students who do not qualify for an Entitlement grant.

The California Student Aid Commission (Commission) conducts two award competitions each year. The March Competition provides 11,250 awards to students, regardless of the California college or university they choose to attend. The September Competition, which also provides 11,250 awards, is reserved for students attending a California Community College.

Since the pool of eligible applicants has always exceeded the statutory limit of 22,500 grants, the Commission must prioritize or rank each applicant on like criteria. California Education Code Section 69437(c)(1) requires the Commission to establish selection criteria for Competitive Cal Grant A and B awards that give special consideration to disadvantaged students, taking into account those financial, educational, cultural, language, home, community, environmental, and other conditions that hamper a student's access to, and ability to persist in, postsecondary education programs.

The chart below summarizes the average characteristics of the Competitive Cal Grant Program eligible new applicants for the academic years 2010-11, 2011-12 and 2012-13.

| | Offered Awardees | | Eligible Non-Awardees |
|--------------------|---------------------|---------------------|-----------------------|
| | March | September | |
| Income | \$14,000 - \$14,300 | \$13,500 - \$14,100 | \$20,100 - \$21,700 |
| GPA | 3.41 - 3.44 | 3.39 - 3.42 | 2.85 - 2.99 |
| Family Size | 3.0 | 3.1 | 2.5 - 2.9 |
| Age | 32 | 30 - 31 | 27 - 28 |

The Commission's selection criteria for the Competitive Cal Grant A and B awards continues to meet the legislative intent of awarding grants to older students who demonstrate merit along with income constraints, are entering or returning to college and do not have access to the Entitlement grants.

However, the statutory limit on the number of new Competitive Cal Grant awards has remained unchanged since the program's inception and it is currently unable to meet the rising demands for its awards. The number of applicants who met all eligibility criteria but did not receive an award because of the statutory limit reached 291,300 in 2012-13. If California wants to assure financial access to postsecondary education for non-traditional, returning, and older students, consideration should be given to

increasing the number of awards provided by the Competitive Cal Grant Program. The resources currently provided for this program are sufficient to meet the needs of the one in twelve eligible applicants the program is permitted to support, but remain inadequate to meet the challenges posed by a changing economy and the need for current workers to secure additional postsecondary education training.

SECTION I - INTRODUCTION

The Commission is the state's principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission's primary programmatic responsibilities include administration of the Cal Grant program, the Chafee Grant Program and several targeted state scholarship and loan assumption programs. The Commission administers financial aid awareness and outreach programs, such as Cal-SOAP and Cash for College, in collaboration with business, private industry, and community-based organizations.

The Commission consists of 15 appointed members. Eleven members are appointed by the Governor and represent segments of the State's higher education community, postsecondary education students, and the general public. In addition, the Speaker of the Assembly and the Senate Rules Committee each appoint two Commission members as representatives of the general public.

In its policy decision-making, the Commission receives advice and recommendations from its staff; ad hoc committees comprised of individuals that represent colleges and universities, secondary schools, student groups, the business community, lending institutions, and various levels of government. The Commission's strong tradition of public participation stems from its commitment to continuous improvement and responsiveness in the development and delivery of its financial aid programs and services.

Senate Bill 1644 (Chapter 403, Statutes of 2000)

On September 11, 2000, Senate Bill 1644 (Chapter 403, Statutes of 2000), also known as the Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Act, was signed into law. This historic bill changed the previous Cal Grant A and B programs into the Entitlement Cal Grant A and B and Competitive Cal Grant A and B programs and retained the existing Cal Grant C and T programs. As with the original Cal Grant Program, a student must submit a Free Application for Federal Student Aid (FAFSA) and a Cal Grant Grade Point Average (GPA) verification form by the statutory deadlines to be considered for a Competitive Cal Grant award.

When the Cal Grant programs were first created, the goals were to provide access to higher education and to provide a choice for college to students who might otherwise not have such an opportunity. The Cal Grant programs look different after SB 1644, but the commitment to both access and choice remains unchanged. The portability of the Cal Grant supports the State's long-standing commitment to access and choice for California's most disadvantaged students. It provides a way to choose an institution best suited to the student, not just what the student initially might think they can afford. As a result, Cal Grant awards are offered to students attending all segments of Cal Grant eligible postsecondary institutions: the California Community Colleges, the University of California, the California State University, as well as a large variety of non-profit and for-profit institutions.

The enabling legislation for the new Competitive Cal Grant Program established two separate award deadlines: March 2nd and September 2nd. The September deadline allows students who decide to apply for financial aid after March 2nd to compete for a

California Community College Competitive Cal Grant award. Each Competition has 11,250 authorized awards and both offer Cal Grant A or Cal Grant B. The major difference between the two deadlines is that to be eligible for the September Competition, a student must be currently enrolled in a California Community College for the fall term.

Reporting Requirements

The Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires that the Commission do the following:

1. California Education Code Section 69437.7

After two award cycles, the commission shall review the competitive grant program and its priorities to gain a better understanding of early participation patterns and to determine the initial level of program effectiveness. The commission shall report these findings to the Legislature and the Governor by December 31, 2003, and each year thereafter.

2. Section 8 of Senate Bill 1644 (Chapter 403, Statutes of 2000)

The Student Aid Commission shall annually report to the Legislature and the Governor on the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program from its inception on both of the following:

- (a) The number of Cal Grant applicants and new and continuing offered awardees each year. This data shall include at a minimum the following information about offered awardees: educational level, grade point average, segment of attendance, number of community college transfer students.
- (b) A longitudinal component that measures student persistence and graduation rates over time.

Chapter 7, Statutes of 2011 (Senate Bill 70) enacted on March 24, 2011, requires as a condition for its voluntary participation in the Cal Grant Program, each Cal Grant participating institution shall, beginning in 2012, annually report to the Commission, and as further specified in the institutional participation agreement, both of the following for its undergraduate programs:

- (a) Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant paid recipients.
- (b) The job placement rate and salary and wage information for each program that is either (1) designed or advertised to lead to a particular type of job; or (2) advertised or promoted with any claim regarding job placement.

SECTION II – THE APPLICATION PROCESS

To be eligible to compete for a new Competitive Cal Grant students must complete and submit two forms: a Free Application for Federal Student Aid (FAFSA) and a Cal Grant Grade Point Average (GPA) Verification Form by the March 2nd and/or September 2nd deadlines. Applicants who meet certain criteria may submit a test score (GED, SAT, or ACT) in lieu of a GPA.

Free Application for Federal Student Aid (FAFSA)

The FAFSA is the core application required to assist in determining financial eligibility for all federal, as well as many state and institutional, grant and loan programs. Students complete an online version of the FAFSA or submit a paper application to the federal government's central processor. Federal methodology prescribed by Congress is used to determine an applicant's Expected Family Contribution (EFC). The EFC is based on income, assets, family size and other factors derived from the FAFSA application. The EFC is the amount of money that the student and parent(s) of a dependent student can reasonably be expected to contribute toward the student's education.

The Commission receives these federal application data in an electronic format directly from the federal processor once the applicant's identity has been authenticated through a match with the Social Security Administration, the Department of Veteran's Affairs, and the Department of Homeland Security (formerly the Immigration and Naturalization Service). The federal processor sends data for all students who are California residents and/or nonresidents who list a California postsecondary institution on their application.

Cal Grant Grade Point Average (GPA) Verification Form

California Education Code Section 69432.9 requires students to submit a verified Cal Grant GPA for consideration in the Commission's Cal Grant Program. Students work directly with their schools to ensure that a verified GPA is submitted by the application deadline. High school and postsecondary institution administrators may report individual or large volume GPA verifications through the Commission's secure web-enabled site or via individual reporting on optical-marked Scantron forms.

Edits

After receiving FAFSA records from the federal central processor, the Commission compares each FAFSA record to the Commission's database to determine if an applicant's record is already on file and is receiving an award. If not, then the record is matched to the Commission's database of Cal Grant GPA verifications received for the forthcoming competition.

Applicants with both a FAFSA and a verified GPA on file have new electronic records established in the database which then undergo an intensive automated evaluation. This sequential evaluation is often referred to as the edit process. The edits are grouped in broad categories known by the following terms: Common Edits, Program Edits, and Financial Edits. Applicants must pass all of the edits to remain in the eligible applicant pool.

Common Edits

Common Edits evaluate the applications for overall Cal Grant eligibility. Applicants must:

- be California residents
- be U.S. citizens or eligible non-citizens
- meet U.S. Selective Service requirements
- not have a baccalaureate or first professional degree
- attend a qualifying California postsecondary institution
- not be in default on any student loan
- not owe any federal or state grant refund

Program Edits

An applicant's record then is reviewed on the basis of Program Edits to identify the most likely program for which an applicant may be eligible to receive further evaluation, such as a Cal Grant A or Cal Grant B. These Edits include:

- Eligible school*
- Grade Point Average (at least 2.0 GPA for Cal Grant B and 3.0 high school GPA or 2.4 college GPA for Cal Grant A).
- Remaining eligibility for the program (has not used four years of Cal Grant benefits)

At this point in the process, Competitive Cal Grant applicants who do not satisfy the Common Edits or Program Edits are flagged as ineligible.

*All eligible or qualifying schools, as defined by California Education Code (CEC) 69432.7(l)(1), must complete an Institutional Participation Agreement with the Commission and agree to comply with all current and applicable federal and state laws and regulations. Beginning in 2011-12, an additional requirement for institutional eligibility was implemented which required schools to meet a federal student loan three-year Cohort Default Rate (CDR) threshold. Beginning in 2012-13, a second requirement for institutional eligibility was implemented which required schools to meet a graduation rate threshold.

Financial Edits

Applicants are next evaluated to determine if they meet the income and asset standards, and then reviewed to determine whether they have sufficient financial need. These filters are described below:

1. Income Ceilings – Income ceilings are established and adjusted annually using the change in the California per capita income as specified in California Education Code Section 69432.7(k). Parental income is used for dependent applicants and student income is used for independent students.
2. Asset Ceilings - Asset ceilings are established and adjusted annually using the change in the California per capita income as specified in California Education Code Section 69432.7(k). Parental assets are used for dependent applicants and students assets are used for independent students.

3. Financial Need – California Education Code Section 69432.9(b)(2) defines financial need as the difference between the student’s cost of attendance as determined by the Commission and the “expected family contribution.” Because the Cal Grant program uses federal methodology as the basis of determining financial need, federal exclusions to reported income such as federal work study are observed.
4. Unmet Need – California Education Code Section 69432.9(b)(3)(A), specifies the minimum financial need required for receipt of an initial Cal Grant A or Cal Grant C award. It shall not be less than the maximum annual award value for the applicable institution, plus an additional \$1,500 of financial need. California Education Code Section 69432.9(b)(3)(B) sets the minimum financial need required for a Cal Grant B award at \$700.

Applicants who meet all of the Common Edits, Program Edits, and Financial Edits move next into the scoring phase for the Competitive Cal Grant Program. Those applicants who do not pass the Financial Edits are filtered out and notified of their ineligible status.

Selection Criteria

Since the pool of eligible applicants far exceeds the statutory limit of 22,500 grants, the Commission must prioritize or rank each applicant on like criteria. California Education Code Section 69437(c)(1) requires the Commission to establish selection criteria for Competitive Cal Grant A and B awards that give special consideration to disadvantaged students, taking into account those financial, educational, cultural, language, home, community, environmental, and other conditions that hamper a student’s access to, and ability to persist in, postsecondary education programs.

The Commission uses a 200-point scoring system for the Competitive Cal Grant Program to evaluate the socio-economic status of each eligible applicant. The selection criteria and scoring model was developed and is reviewed by Commission staff in coordination with the Commission’s Grant Advisory Committee. The maximum points for the scoring are displayed in the following table.

| Scoring Categories | Maximum Points |
|--|-----------------------|
| Family Income and Household Size | 76 |
| Grade Point Average (GPA) | 70 |
| Access Equalizer | 18 |
| Parents’ Educational Level (Mother and Father) | 18 |
| Student or Parent Household Status | 18 |
| Total Points | 200 |

Cutoff Scores

To establish a cutoff score for students who will receive a Competitive Cal Grant A or Cal Grant B award, the Commission sets the score at a number that is closest to the 11,250 awards authorized for each competition.

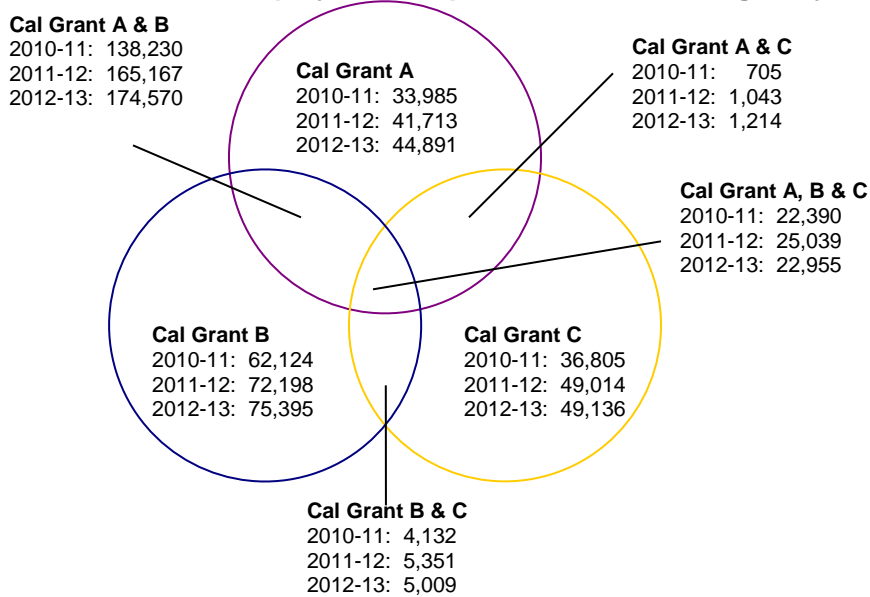
Students who scored above or within the cutoff score are offered an award and notified of their Cal Grant eligibility. Those students who fell below the cutoff score are considered eligible non-awardee. The cutoff score for each competition for the past three academic years are displayed in the following table.

| Academic Year | March | September |
|---------------|-------|-----------|
| 2010-11 | 163 | 165 |
| 2011-12 | 165 | 166 |
| 2012-13 | 165 | 166 |

Eligible Applicants

Display 1 illustrates the number of eligible applicants for the March and September Competitions, by Cal Grant program (Cal Grant A, B and C) and by academic year. Applicants who meet the eligibility criteria for more than one Cal Grant program are referred to as overlap applicants. For instance, in 2010-11, 2011-12 and 2012-13, approximately 20,000 students annually met the 3.0 merit requirement needed for a Cal Grant A, were from a very low-income family and so they qualified for a Cal Grant B, and also met the course of study requirements for a Cal Grant C. Offered awardees are placed in the program that will give them the best financial benefit.

Display 1: Competitive Cal Grant Eligibility Pool



SECTION III – COMPETITIVE CAL GRANT OFFERED AWARDEES

California Education Code Section 69437(b) authorizes the Commission to grant 22,500 Competitive Cal Grant A and B awards beginning with the 2001-02 academic year, and each academic year thereafter. One-half of the awards are distributed during the March Competition and the remaining awards are distributed during the September Competition. All eligible applicants are ranked by the score generated by the selection criteria and sorted in descending order. Beginning with those in the 200-point cohort, applicants are selected within each cohort until all of the awards are allocated.

California Education Code Section 69437(b)(3) stipulates that the Commission shall make any awards not distributed during the initial allocation to as many eligible applicants as possible, without exceeding an annual cumulative total of 22,500 awards. It also specifies that the undistributed awards shall be offered to eligible applicants with the lowest expected family contribution and highest academic merit.

MARCH COMPETITION

The Commission offered 12,964 awards in the 2012-13 March Competition. This was a 1.0 percent decrease from the 13,093 awards offered during the 2011-12 March Competition and a 1.4 percent increase from the 12,786 awards offered in 2010-11. Since less than 75 percent of the March Competitive awards offered are funded or taken by the offered awardees in their first year of the Cal Grant Program, the Commission offers more awards than the authorized number with the expectation that the number of awards paid would not exceed 11,250.

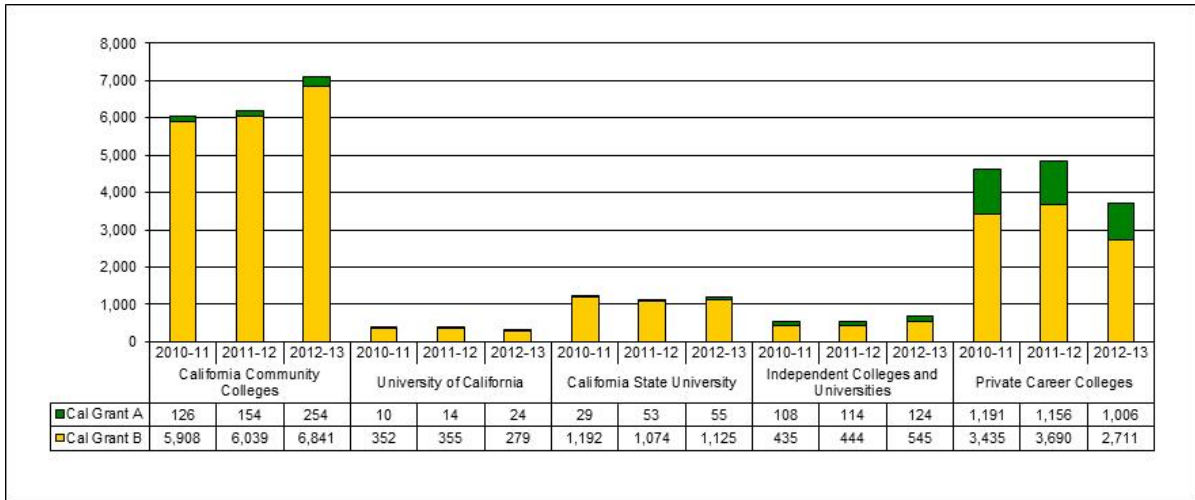
Offered Awardees by Program

Since the beginning of the program, over 90 percent of the March Competitive Cal Grant offered awardees received a Cal Grant B award with the exception of 2008-09 at 73.4%. Over time, the Cal Grant B award offers students a greater financial benefit than the Cal Grant A award, except for those attending University of California.

Offered Awardees by Segment

Display 2 illustrates the segmental distribution of new offered awardees from the March Competition for the latest three years of the Competitive Cal Grant Program¹. As in previous years, California Community Colleges continue to account for the largest number of offered awardees. In 2012-13, over 7,000 or 54.7 percent of the March Competitive offered awardees indicated that they would attend a California Community College. In 2011-12, over 6,100 or 47.3 percent of the March Competitive offered awardees indicated that they would attend a California Community College and in 2010-11, over 6,000 or 47.2 percent of the March Competitive offered awardees indicated that they would attend a California Community College. Additionally, Private Career Colleges continued to be the second choice for the March Competitive offered awardees. In 2012-13, over 3,700 or 28.7 percent of the offered awardees indicated that they would attend Private Career Colleges.

Display 2: Segmental Distribution of March Competitive Offered Awardees

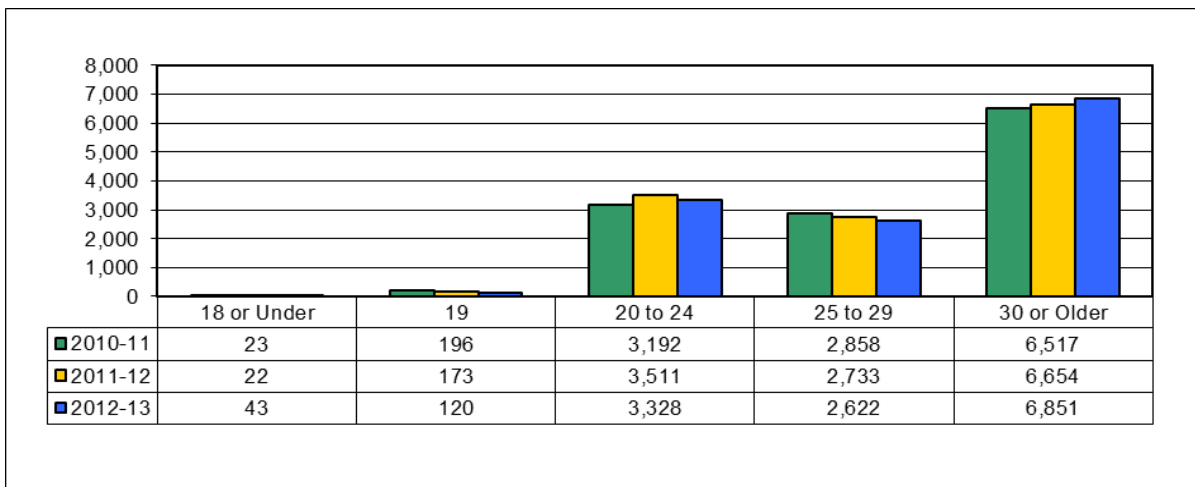


¹ This is calculated using the first eligible Cal Grant participating institution listed on the financial aid application (FAFSA).

Offered Awardees by Age

Display 3 illustrates the age distribution of new offered awardees for the March Competition. As in previous years, over 65 percent of the offered awardees were age 25 years or older.

Display 3: Age Distribution of March Competitive Offered Awardees

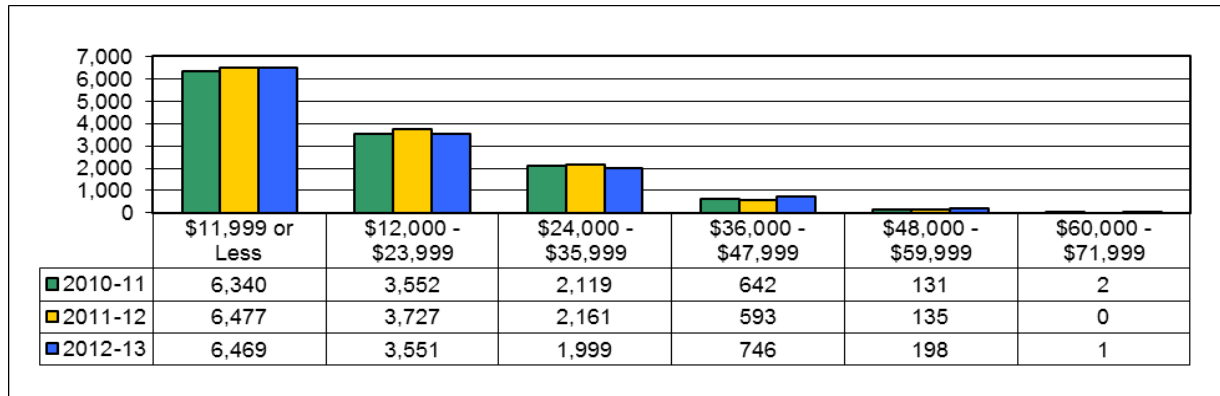


Offered Awardees by Income

Display 4 illustrates that in 2010-11, 2011-12 and 2012-13, new offered awardees from families with incomes of less than \$12,000 continue to account for the largest number of awards. Offered awardees with incomes less than \$12,000 annual income accounted for 6,469 or 49.9 percent of the 2012-13 March Competitive awards. Offered awardees

with incomes of less than \$12,000 accounted for 6,477 or 49.5 percent of the 2011-12 March Competitive awards. The second largest category continued to be comprised of new offered awardees with incomes of \$12,000 to \$23,999. These offered awardees accounted for 27.4 percent of the 2012-13 March Competitive awards. As in past years, new offered awardees with incomes of more than \$24,000 accounted for the fewest number of awards. In 2012-13, these offered awardees accounted for only 22.7 percent of the March Competitive awards. The data reflects the objective of the program, which is to serve students from disadvantaged and low-and middle-income families.

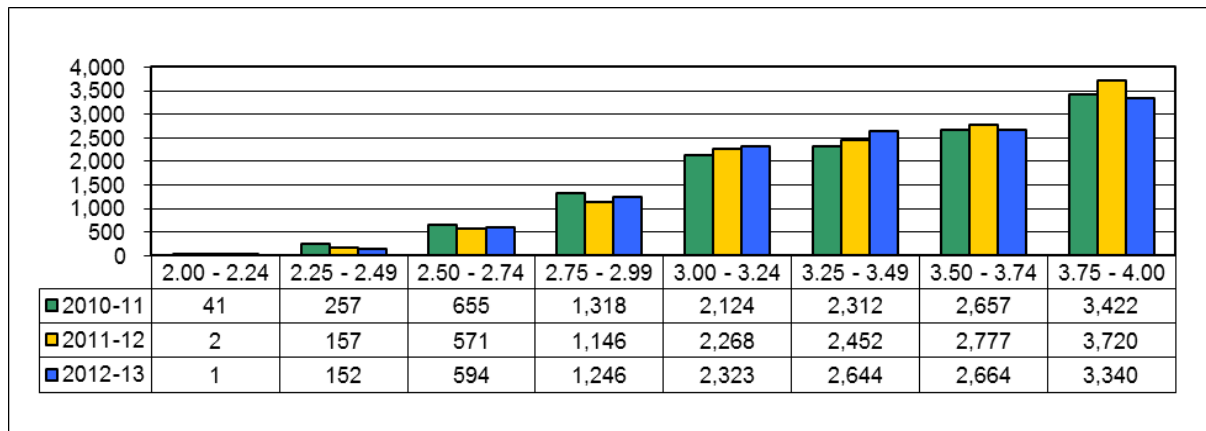
Display 4: Income Distribution of March Competitive Offered Awardees



Offered Awardees by Grade Point Average (GPA)

Display 5 illustrates the shift in the academic achievement of new offered awardees during the past three years of the Competitive Cal Grant Program. In 2010-11, 2011-12 and 2012-13, students with a GPA of 3.75 or higher accounted for over 25 percent of March Competitive offered awardees. Additionally in 2010-11, 2011-12 and 2012-13, as in previous years, the majority of students had a GPA of 3.00 or higher. For instance, in 2012-13, 10,971 offered awardees, or over 84 percent, had a GPA of 3.00 or higher. From 2011-12 to 2012-13, the number of offered awardees with a GPA below 2.50 had been stable at 6 percent.

Display 5: GPA Distribution of March Competitive Offered Awardees



Participation Patterns

SB 1644 required that the Commission review the Competitive Cal Grant Program to gain a better understanding of early participation patterns. For this report, the Commission looked at the number of March Competitive Cal Grant paid recipients for whom at least one payment transaction was reported to and reconciled by the Commission (paid) against the number of offered awardees. The payment transaction may have occurred during the year the applicant was offered a Cal Grant award, for one or more subsequent year(s), or for all three years.

Tables 1, 2, and 3 look at the 2010-11, 2011-12 and 2012-13 March Competitive Cal Grant offered awardees by the educational level in which they were initially offered an award. The educational level is the self-reported grade level the offered awardee indicates on the FAFSA.

2010-11 March Competition

Table 1 provides information about the 2010-11 March Competitive offered awardees who were paid in their first and/or second and/or third year(s) in the Competitive Cal Grant Program. Overall, 58 percent of the Cal Grant A offered awardees and 72 percent of the Cal Grant B offered awardees were paid during their first year in the Competitive Cal Grant Program. In their second year, 36 percent of Cal Grant A offered awardees and 39 percent of Cal Grant B offered awardees were paid. During their third year in the Competitive Cal Grant Program, 19 percent of the Cal Grant A offered awardees and 19 percent of the Cal Grant B offered awardees were paid.

Table 1
2010-11 March Competitive Offered Awardees
Paid in 2010-11, 2011-12 and 2012-13
by Initial Educational Level

| | 2010-11 Offered Awardees | | Paid Recipients in 2010-11 | | | Paid Recipients in 2011-12 | | | Paid Recipients in 2012-13 | | |
|----------------------------|--------------------------|---------------|----------------------------|---------------|------------|----------------------------|---------------|------------|----------------------------|---------------|------------|
| | # | % | # | % | % Paid | # | % | % Paid | # | % | % Paid |
| Cal Grant A | | | | | | | | | | | |
| Freshman | 854 | 6.7% | 357 | 4.0% | 42% | 207 | 4.1% | 24% | 121 | 5.0% | 14% |
| Sophomore | 423 | 3.3% | 331 | 3.7% | 78% | 209 | 4.2% | 49% | 146 | 6.0% | 35% |
| Junior | 119 | 0.9% | 106 | 1.2% | 89% | 105 | 2.1% | 88% | 8 | 0.3% | 7% |
| Senior | 68 | 0.5% | 59 | 0.7% | 87% | 8 | 0.2% | 12% | 3 | 0.1% | 4% |
| Total | 1,464 | 11.5% | 853 | 9.5% | 58% | 529 | 10.6% | 36% | 278 | 11.4% | 19% |
| Cal Grant B | | | | | | | | | | | |
| Freshman | 2,862 | 22.4% | 1,831 | 20.4% | 64% | 1,177 | 23.6% | 41% | 681 | 28.0% | 24% |
| Sophomore | 5,649 | 44.2% | 3,959 | 44.2% | 70% | 2,385 | 47.8% | 42% | 1,347 | 55.5% | 24% |
| Junior | 1,552 | 12.1% | 1,235 | 13.8% | 80% | 804 | 16.1% | 52% | 111 | 4.6% | 7% |
| Senior | 1,259 | 9.8% | 1,083 | 12.1% | 86% | 94 | 1.9% | 7% | 11 | 0.5% | 1% |
| Total | 11,322 | 88.5% | 8,108 | 90.5% | 72% | 4,460 | 89.4% | 39% | 2,150 | 88.6% | 19% |
| Cal Grant A & B | | | | | | | | | | | |
| Freshman | 3,716 | 29.1% | 2,188 | 24.4% | 59% | 1,384 | 27.7% | 37% | 802 | 33.0% | 22% |
| Sophomore | 6,072 | 47.5% | 4,290 | 47.9% | 71% | 2,594 | 52.0% | 43% | 1,493 | 61.5% | 25% |
| Junior | 1,671 | 13.1% | 1,341 | 15.0% | 80% | 909 | 18.2% | 54% | 119 | 4.9% | 7% |
| Senior | 1,327 | 10.4% | 1,142 | 12.7% | 86% | 102 | 2.0% | 8% | 14 | 0.6% | 1% |
| Total | 12,786 | 100.0% | 8,961 | 100.0% | 70% | 4,989 | 100.0% | 39% | 2,428 | 100.0% | 19% |

See notes at end of Table 3.

2011-12 March Competition

Table 2 provides information about the 2011-12 March Competitive offered awardees who were paid in their first and/or second year(s) in the Competitive Cal Grant Program. During their first year in the Competitive Cal Grant Program, 32 percent of the Cal Grant A and 65 percent of the Cal Grant B offered awardees were paid. Also, 25 percent of the Cal Grant A offered awardees and 35 percent of the Cal Grant B offered awardees were paid during their second year in the Competitive Cal Grant Program.

Table 2
2011-12 March Competitive Offered Awardees
Paid in 2011-12 and 2012-13
by Initial Educational Level

| | 2011-12 Offered Awardees | | Paid Recipients in 2011-12 | | | Paid Recipients in 2012-13 | | |
|----------------------------|--------------------------|---------------|----------------------------|---------------|------------|----------------------------|---------------|------------|
| | # | % | # | % | % Paid | # | % | % Paid |
| Cal Grant A | | | | | | | | |
| Freshman | 1,059 | 8.1% | 223 | 2.8% | 21% | 139 | 3.2% | 13% |
| Sophomore | 249 | 1.9% | 114 | 1.4% | 46% | 119 | 2.7% | 48% |
| Junior | 113 | 0.9% | 93 | 1.2% | 82% | 98 | 2.2% | 87% |
| Senior | 70 | 0.5% | 53 | 0.7% | 76% | 10 | 0.2% | 14% |
| Total | 1,491 | 11.4% | 483 | 6.1% | 32% | 366 | 8.4% | 25% |
| Cal Grant B | | | | | | | | |
| Freshman | 2,998 | 22.9% | 1,663 | 20.9% | 55% | 1,042 | 23.8% | 35% |
| Sophomore | 5,937 | 45.3% | 3,741 | 47.0% | 63% | 2,202 | 50.3% | 37% |
| Junior | 1,420 | 10.8% | 1,024 | 12.9% | 72% | 688 | 15.7% | 48% |
| Senior | 1,247 | 9.5% | 1,056 | 13.3% | 85% | 84 | 1.9% | 7% |
| Total | 11,602 | 88.6% | 7,484 | 93.9% | 65% | 4,016 | 91.6% | 35% |
| Cal Grant A & B | | | | | | | | |
| Freshman | 4,057 | 31.0% | 1,886 | 23.7% | 46% | 1,181 | 27.0% | 29% |
| Sophomore | 6,186 | 47.2% | 3,855 | 48.4% | 62% | 2,321 | 53.0% | 38% |
| Junior | 1,533 | 11.7% | 1,117 | 14.0% | 73% | 786 | 17.9% | 51% |
| Senior | 1,317 | 10.1% | 1,109 | 13.9% | 84% | 94 | 2.1% | 7% |
| Total | 13,093 | 100.0% | 7,967 | 100.0% | 61% | 4,382 | 100.0% | 33% |

See notes at end of Table 3.

2012-13 March Competition

Table 3 provides information about the 2012-13 March Competitive offered awardees who were paid during their first year in the Competitive Cal Grant Program. During their first year in the Competitive Cal Grant Program, 12 percent of the Cal Grant A offered awardees and 52 percent of the Cal Grant B offered awardees were paid.

Table 3
2012-13 March Competitive Offered Awardee
Paid in 2012-13
by Initial Education Level

| | 2012-13 Offered Awardees | | Paid Recipients in 2012-13 | | |
|----------------------------|--------------------------|---------------|----------------------------|---------------|------------|
| | # | % | # | % | % Paid |
| Cal Grant A | | | | | |
| Freshman | 1,012 | 7.8% | 65 | 1.1% | 6% |
| Sophomore | 284 | 2.2% | 35 | 0.6% | 12% |
| Junior | 98 | 0.8% | 39 | 0.6% | 40% |
| Senior | 69 | 0.5% | 34 | 0.6% | 49% |
| Total | 1,463 | 11.3% | 173 | 2.8% | 12% |
| Cal Grant B | | | | | |
| Freshman | 3,087 | 23.8% | 1,577 | 25.9% | 51% |
| Sophomore | 6,137 | 47.3% | 3,124 | 51.2% | 51% |
| Junior | 1,212 | 9.3% | 549 | 9.0% | 45% |
| Senior | 1,065 | 8.2% | 677 | 11.1% | 64% |
| Total | 11,501 | 88.7% | 5,927 | 97.2% | 52% |
| Cal Grant A & B | | | | | |
| Freshman | 4,099 | 31.6% | 1,642 | 26.9% | 40% |
| Sophomore | 6,421 | 49.5% | 3,159 | 51.8% | 49% |
| Junior | 1,310 | 10.1% | 588 | 9.6% | 45% |
| Senior | 1,134 | 8.7% | 711 | 11.7% | 63% |
| Total | 12,964 | 100.0% | 6,100 | 100.0% | 47% |

Notes for Tables 1, 2, and 3:

1 Source of the educational level is the self-reported grade level the student indicates on the Free Application for Federal Student Aid (FAFSA).

2 "2010-11 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2010.

3 "2011-12 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2011.

4 "2012-13 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2012.

5 "Paid Recipients in 2010-11" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2011.

6 "Paid Recipients in 2011-12" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2012.

7 "Paid Recipients in 2012-13" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2013.

8 Paid data excludes Cal Grant A Reserve awards because they have no monetary value at a California Community College.

SEPTEMBER COMPETITION

Prior to SB 1644, the Cal Grant B program required that a majority of all Cal Grant B awards be given to students planning to attend a California Community College. SB 1644 demonstrated a continued financial commitment to community college students, especially disadvantaged students who make late enrollment decisions, by establishing a second Competition with a filing deadline of September 2nd each year.

The Commission offered 13,273 awards in the 2012-13 September Competition. This was a 7.3 percent increase from the 12,366 awards offered in the 2011-12 September Competition and a 5.1 percent increase from the 12,628 awards offered in 2010-11. Since less than 75 percent of the September Competitive awards offered are funded or taken by the offered awardees in their first year of the Cal Grant Program, the Commission offers more awards than the authorized number with the expectation that the number of awards paid would not exceed 11,250.

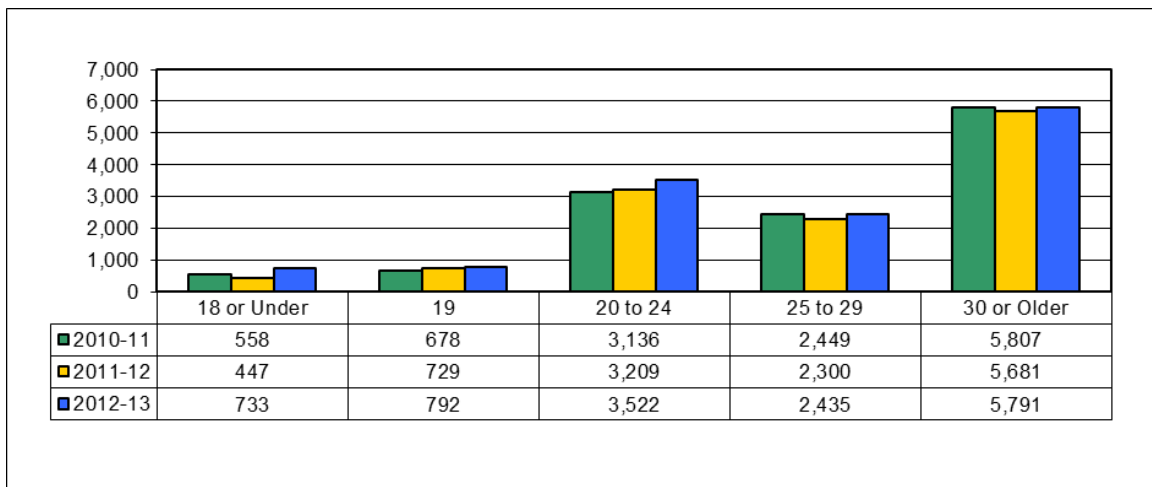
Offered Awardees by Program

As in the past, Cal Grant A fee awards have no monetary value at a California Community College. This is due to the low fees charged at the community colleges and the availability of a Board of Governor's fee waiver to all financially eligible students. The award is held in reserve until the offered awardee transfers to a tuition or fee charging institution. Since the beginning of the program, over 95 percent of September Competitive Cal Grant offered awardees received a Cal Grant B award. This was also true for academic years 2010-11, 2011-12 and 2012-13.

Offered Awardees by Age

Display 6 illustrates the age distribution of new offered awardees for the September Competition. In 2010-11, 2011-12 and 2012-13, over 60 percent of the offered awardees were age 25 years or older.

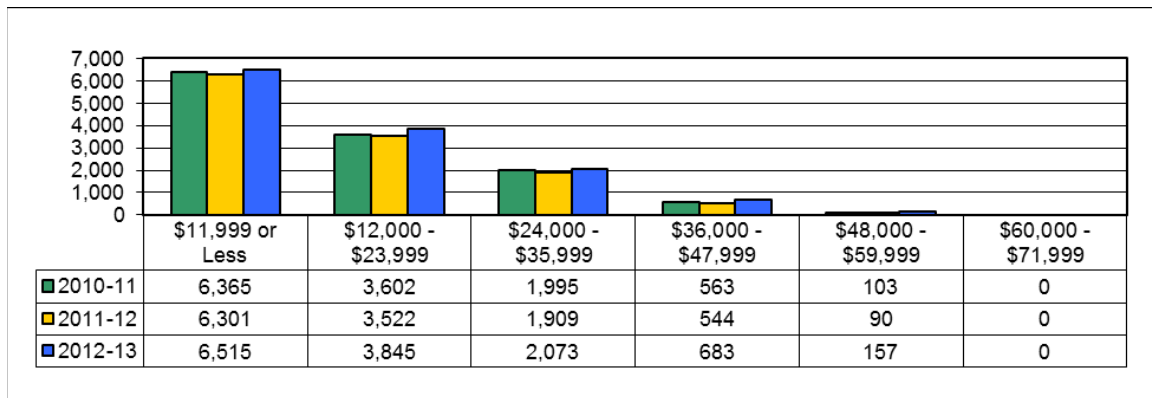
Display 6: Age Distribution of September Competitive Offered Awardees



Offered Awardees by Income

Display 7 illustrates that for all three years, new offered awardees from families with incomes of less than \$12,000 continued to account for the largest number of awards as in past years. Offered awardees with incomes of less than \$12,000 accounted for 6,515 or 49.1 percent of the 2012-13 September Competitive awards. Offered awardees with incomes of less than \$12,000 accounted for 6,301 or 51.0 percent of the 2011-12 September Competitive awards. The second largest category continued to be comprised of new offered awardees with incomes of \$12,000 to \$23,999. For instance, in 2012-13 these families accounted for 3,845 or 29.0 percent of the September Competitive awards, and had slightly increased from 2010-11 and 2011-12. As in past years, offered awardees with incomes of more than \$24,000 accounted for the fewest number of awards. In 2010-11, 2011-12 and 2012-13, these families accounted for about 21, 21 and 22 percent of the September Competitive awards, respectively.

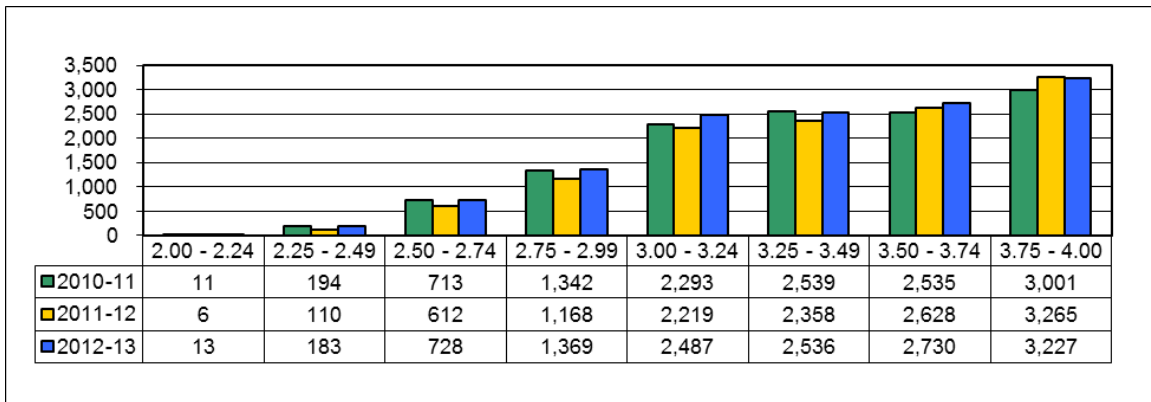
Display 7: Income Distribution of September Competitive Offered Awardees



Offered Awardees by Grade Point Average (GPA)

Display 8 illustrates the academic achievement of new offered awardees during the past three years of the Competitive Cal Grant Program. For all three years, students with a GPA of 3.00 or higher accounted for most of the September Competitive awards. For instance, in 2012-13, 10,980 offered awardees or 82.7 percent had a GPA of 3.00 or higher. The number of offered awardees with a GPA below 2.50 remained steady at around 1 to 2 percent from 2010-11 to 2012-13.

Display 8: GPA Distribution of September Competitive Offered Awardees



Participation Patterns

Using the same method as for the March Competition, the Commission looked at the number of September Competitive Cal Grant paid recipients for whom at least one payment transaction was reported to and reconciled by the Commission (paid) against the number of offered awardees. The payment transaction may have occurred during the year the applicant was offered a Cal Grant award, for one or more subsequent year(s), or for all three years.

Tables 4, 5, and 6 display the 2010-11, 2011-12 and 2012-13 September Competitive Cal Grant offered awardees by the educational level in which they were initially offered an award. The educational level is the self-reported grade level the offered awardee indicates on the FAFSA.

2010-11 September Competition

Table 4 provides information about the 2010-11 September Competitive offered awardees who were paid in their first and/or second and/or third year(s) in the Competitive Cal Grant Program. In 2010-11, 69 percent of the Cal Grant A and B offered awardees were paid during their first year in the Competitive Cal Grant Program. Additionally, 46 percent of the Cal Grant A and B offered awardees were paid during their second year. During their third year in the Competitive Cal Grant Program, 28 percent of the Cal Grant A and B offered awardees were paid.

**Table 4
2010-11 September Competitive Offered Awardees
Paid in 2010-11, 2011-12 and 2012-13
by Initial Educational Level**

| | 2010-11 Offered Awardees | | Paid Recipients in 2010-11 | | | Paid Recipients in 2011-12 | | | Paid Recipients in 2012-13 | | |
|----------------------------|--------------------------|---------------|----------------------------|---------------|------------|----------------------------|---------------|------------|----------------------------|---------------|------------|
| | # | % | # | % | % Paid | # | % | % Paid | # | % | % Paid |
| Cal Grant A | | | | | | | | | | | |
| Freshman | 144 | 1.1% | 10 | 0.1% | 7% | 20 | 0.3% | 14% | 26 | 0.7% | 18% |
| Sophomore | 162 | 1.3% | 3 | 0.0% | 2% | 25 | 0.4% | 15% | 57 | 1.6% | 35% |
| Junior | 0 | 0.0% | 0 | 0.0% | - | 0 | 0.0% | - | 0 | 0.0% | - |
| Senior | 0 | 0.0% | 0 | 0.0% | - | 0 | 0.0% | - | 0 | 0.0% | - |
| Total | 306 | 2.4% | 13 | 0.1% | 4% | 45 | 0.8% | 15% | 83 | 2.3% | 27% |
| Cal Grant B | | | | | | | | | | | |
| Freshman | 6,145 | 48.7% | 4,409 | 50.4% | 72% | 2,964 | 50.9% | 48% | 1,825 | 51.1% | 30% |
| Sophomore | 6,161 | 48.8% | 4,313 | 49.3% | 70% | 2,808 | 48.3% | 46% | 1,661 | 46.5% | 27% |
| Junior | 15 | 0.1% | 9 | 0.1% | 60% | 1 | 0.0% | 7% | 2 | 0.1% | 13% |
| Senior | 1 | 0.0% | 1 | 0.0% | 100% | 1 | 0.0% | 100% | 0 | 0.0% | 0% |
| Total | 12,322 | 97.6% | 8,732 | 99.9% | 71% | 5,774 | 99.2% | 47% | 3,488 | 97.7% | 28% |
| Cal Grant A & B | | | | | | | | | | | |
| Freshman | 6,289 | 49.8% | 4,419 | 50.5% | 70% | 2,984 | 51.3% | 47% | 1,851 | 51.8% | 29% |
| Sophomore | 6,323 | 50.1% | 4,316 | 49.4% | 68% | 2,833 | 48.7% | 45% | 1,718 | 48.1% | 27% |
| Junior | 15 | 0.1% | 9 | 0.1% | 60% | 1 | 0.0% | 7% | 2 | 0.1% | 13% |
| Senior | 1 | 0.0% | 1 | 0.0% | 100% | 1 | 0.0% | 100% | 0 | 0.0% | 0% |
| Total | 12,628 | 100.0% | 8,745 | 100.0% | 69% | 5,819 | 100.0% | 46% | 3,571 | 100.0% | 28% |

See notes at end of Table 6.

2011-12 September Competition

Table 5 provides information about the 2011-12 September Competitive offered awardees who were paid in their first and/or second year(s) in the Competitive Program. In 2011-12, 69 percent of the Cal Grant A and B offered awardees were paid during their first year in the Competitive Cal Grant Program. Also, 46 percent of the Cal Grant A and B offered awardees were paid during their second year in the Competitive Cal Grant Program.

Table 5
2011-12 September Competitive Offered Awardees
Paid in 2011-12 and 2012-13
by Initial Educational Level

| | 2011-12 Offered | | Paid Recipients in 2011-12 | | Paid Recipients in 2012-13 | | | |
|----------------------------|-----------------|---------------|----------------------------|---------------|----------------------------|--------------|---------------|------------|
| | # | % | # | % | % Paid | # | % | |
| Cal Grant A | | | | | | | | |
| Freshman | 167 | 1.4% | 9 | 0.1% | 5% | 19 | 0.3% | 11% |
| Sophomore | 204 | 1.6% | 5 | 0.1% | 2% | 32 | 0.6% | 16% |
| Junior | 0 | 0.0% | 0 | 0.0% | - | 0 | 0.0% | - |
| Senior | 1 | 0.0% | 1 | 0.0% | 100% | 0 | 0.0% | - |
| Total | 372 | 3.0% | 15 | 0.2% | 4% | 51 | 0.9% | 14% |
| Cal Grant B | | | | | | | | |
| Freshman | 6,109 | 49.4% | 4,418 | 51.6% | 72% | 3,023 | 53.1% | 49% |
| Sophomore | 5,878 | 47.5% | 4,119 | 48.1% | 70% | 2,615 | 45.9% | 44% |
| Junior | 4 | 0.0% | 4 | 0.0% | 100% | 2 | 0.0% | 50% |
| Senior | 3 | 0.0% | 3 | 0.0% | 100% | 0 | 0.0% | 0% |
| Total | 11,994 | 97.0% | 8,544 | 99.8% | 71% | 5,640 | 99.1% | 47% |
| Cal Grant A & B | | | | | | | | |
| Freshman | 6,276 | 50.8% | 4,427 | 51.7% | 71% | 3,042 | 53.5% | 48% |
| Sophomore | 6,082 | 49.2% | 4,124 | 48.2% | 68% | 2,647 | 46.5% | 44% |
| Junior | 4 | 0.0% | 4 | 0.0% | 100% | 2 | 0.0% | 50% |
| Senior | 4 | 0.0% | 4 | 0.0% | 100% | 0 | 0.0% | 0% |
| Total | 12,366 | 100.0% | 8,559 | 100.0% | 69% | 5,691 | 100.0% | 46% |

See notes at end of Table 6.

2012-13 September Competition

Table 6 provides information about the 2012-13 September Competitive offered awardees who were paid in their first year in the Competitive Cal Grant Program. In 2012-13, 67 percent of the Cal Grant A and B offered awardees were paid during their first year in the Competitive Cal Grant Program.

Table 6
2012-13 September Competitive Offered Awardees
Paid in 2012-13
by Initial Educational Level

| | 2012-13 Offered Awardees | | Paid Recipients in 2012-13 | | |
|----------------------------|--------------------------|---------------|----------------------------|---------------|------------|
| | # | % | # | % | % Paid |
| Cal Grant A | | | | | |
| Freshman | 228 | 1.7% | 9 | 0.1% | 4% |
| Sophomore | 265 | 2.0% | 3 | 0.0% | 1% |
| Junior | 0 | 0.0% | 0 | 0.0% | - |
| Senior | 1 | 0.0% | 0 | 0.0% | 0% |
| Total | 494 | 3.7% | 12 | 0.1% | 2% |
| Cal Grant B | | | | | |
| Freshman | 6,405 | 48.3% | 4,494 | 50.7% | 70% |
| Sophomore | 6,370 | 48.0% | 4,362 | 49.2% | 68% |
| Junior | 2 | 0.0% | 2 | 0.0% | 100% |
| Senior | 2 | 0.0% | 2 | 0.0% | 100% |
| Total | 12,779 | 96.3% | 8,860 | 99.9% | 69% |
| Cal Grant A & B | | | | | |
| Freshman | 6,633 | 50.0% | 4,503 | 50.8% | 68% |
| Sophomore | 6,635 | 50.0% | 4,365 | 49.2% | 66% |
| Junior | 2 | 0.0% | 2 | 0.0% | 100% |
| Senior | 3 | 0.0% | 2 | 0.0% | 67% |
| Total | 13,273 | 100.0% | 8,872 | 100.0% | 67% |

Notes for Tables 4, 5, and 6:

1 Source of the educational level is the self-reported grade level the student indicates on the Free Application for Federal Student Aid (FAFSA).

2 "2010-11 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2010.

3 "2011-12 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2011.

4 "2012-13 Offered Awardees" reflect the number of competitive offered awardees notified as of December 31, 2012.

5 "Paid Recipients in 2010-11" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2011.

6 "Paid Recipients in 2011-12" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2012.

7 "Paid Recipients in 2012-13" reflects those paid recipients for whom at least one payment transaction was reported and reconciled as of December 31, 2013.

8 Paid data excludes Cal Grant A Reserve awards because they have no monetary value at a California Community College.

CHARACTERISTICS OF NEW OFFERED AWARDEES

Table 7 illustrates the Average Income, GPA, Family Size and Age of the new offered awardees for the past three academic years of the Competitive Cal Grant A and B Program. The data demonstrates that the Commission has met the legislative intent of the revised program. Awards were offered to students who demonstrated merit along with income constraints and were older, late-entry students who do not have access to the Entitlement Cal Grant Program. The age and income characteristics are revealing and reinforce the need to continue supporting this student population. GPAs earned by

these students demonstrate excellent potential for success in achieving their educational goals.

Table 7
Average Income, GPA, Family Size and Age of the New Competitive Cal Grant A and B Offered Awardees

| Academic Year | Program | | Competition | | |
|---------------|---------------------------------------|---------------------|-------------|-----------|----------|
| | | | March | September | Total |
| 2010-11 | Cal Grant A Recipients | | 1,464 | 306 | 1,770 |
| | | Average Income | \$21,466 | \$43,802 | \$25,327 |
| | | Average GPA | 3.49 | 3.61 | 3.51 |
| | | Average Family Size | 3.1 | 3.4 | 3.1 |
| | | Average Age | 32 | 36 | 33 |
| | Cal Grant B Recipients | | 11,322 | 12,322 | 23,644 |
| | | Average Income | \$13,155 | \$13,074 | \$13,113 |
| | | Average GPA | 3.40 | 3.38 | 3.39 |
| | | Average Family Size | 3.0 | 3.1 | 3.1 |
| | | Average Age | 32 | 31 | 31 |
| | Cal Grant A & B Recipients | | 12,786 | 12,628 | 25,414 |
| | | Average Income | \$14,107 | \$13,818 | \$13,963 |
| | Average GPA | 3.41 | 3.39 | 3.40 | |
| | Average Family Size | 3.0 | 3.1 | 3.1 | |
| | Average Age | 32 | 31 | 31 | |
| 2011-12 | Cal Grant A Recipients | | 1,491 | 372 | 1,863 |
| | | Average Income | \$21,786 | \$42,895 | \$26,001 |
| | | Average GPA | 3.54 | 3.61 | 3.56 |
| | | Average Family Size | 3.1 | 3.4 | 3.1 |
| | | Average Age | 31 | 36 | 32 |
| | Cal Grant B Recipients | | 11,602 | 11,994 | 23,596 |
| | | Average Income | \$13,030 | \$12,648 | \$12,836 |
| | | Average GPA | 3.43 | 3.42 | 3.42 |
| | | Average Family Size | 3.0 | 3.1 | 3.0 |
| | | Average Age | 32 | 31 | 31 |
| | Cal Grant A & B Recipients | | 13,093 | 12,366 | 25,459 |
| | | Average Income | \$14,027 | \$13,558 | \$13,799 |
| | Average GPA | 3.44 | 3.42 | 3.43 | |
| | Average Family Size | 3.0 | 3.1 | 3.1 | |
| | Average Age | 32 | 31 | 31 | |
| 2012-13 | Cal Grant A Recipients | | 1,463 | 494 | 1,957 |
| | | Average Income | \$25,683 | \$43,589 | \$30,203 |
| | | Average GPA | 3.49 | 3.54 | 3.50 |
| | | Average Family Size | 3.2 | 3.4 | 3.2 |
| | | Average Age | 33 | 36 | 34 |
| | Cal Grant B Recipients | | 11,501 | 12,779 | 24,280 |
| | | Average Income | \$12,911 | \$13,036 | \$12,977 |
| | | Average GPA | 3.41 | 3.39 | 3.40 |
| | | Average Family Size | 3.0 | 3.1 | 3.0 |
| | | Average Age | 32 | 30 | 31 |
| | Cal Grant A & B Recipients | | 12,964 | 13,273 | 26,237 |
| | | Average Income | \$14,352 | \$14,173 | \$14,262 |
| | Average GPA | 3.42 | 3.40 | 3.41 | |
| | Average Family Size | 3.0 | 3.1 | 3.1 | |
| | Average Age | 32 | 30 | 31 | |

Table 8 shows the highest school completed by the father and/or mother of the new Competitive Cal Grant A and B offered awardees for the 2010-11, 2011-12, and 2012-13 academic years. In 2012-13, 60 percent of the Cal Grant A and B offered awardees had a father and/or mother who completed high school or less and 16 percent had a father and/or mother who completed college or beyond.

Table 8
Highest School Completed by Father and/or Mother of Competitive Offered Awardees

| Academic Year | Program | Competition | | |
|-------------------|---------------------------------------|-------------|-----------|--------|
| | | March | September | Total |
| 2010-11 | Cal Grant A recipients | 1,464 | 306 | 1,770 |
| | High School or less | 61% | 67% | 62% |
| | College or beyond | 18% | 8% | 16% |
| | Unknown | 21% | 25% | 22% |
| | Cal Grant B recipients | 11,322 | 12,322 | 23,644 |
| | High School or less | 60% | 61% | 60% |
| | College or beyond | 18% | 16% | 17% |
| | Unknown | 22% | 23% | 23% |
| | Cal Grant A & B recipients | 12,786 | 12,628 | 25,414 |
| | High School or less | 60% | 61% | 60% |
| College or beyond | 18% | 15% | 17% | |
| Unknown | 22% | 24% | 23% | |
| 2011-12 | Cal Grant A recipients | 1,491 | 372 | 1,863 |
| | High School or less | 61% | 61% | 61% |
| | College or beyond | 17% | 10% | 15% |
| | Unknown | 22% | 29% | 24% |
| | Cal Grant B recipients | 11,602 | 11,994 | 23,596 |
| | High School or less | 60% | 60% | 60% |
| | College or beyond | 17% | 16% | 16% |
| | Unknown | 23% | 24% | 24% |
| | Cal Grant A & B recipients | 13,093 | 12,366 | 25,459 |
| | High School or less | 60% | 60% | 60% |
| College or beyond | 17% | 16% | 16% | |
| Unknown | 23% | 24% | 24% | |
| 2012-13 | Cal Grant A recipients | 1,463 | 494 | 1,957 |
| | High School or less | 61% | 64% | 62% |
| | College or beyond | 17% | 10% | 16% |
| | Unknown | 22% | 26% | 22% |
| | Cal Grant B recipients | 11,501 | 12,779 | 24,280 |
| | High School or less | 61% | 60% | 60% |
| | College or beyond | 16% | 16% | 16% |
| | Unknown | 23% | 24% | 24% |
| | Cal Grant A & B recipients | 12,964 | 13,273 | 26,237 |
| | High School or less | 61% | 61% | 60% |
| College or beyond | 16% | 15% | 16% | |
| Unknown | 23% | 24% | 24% | |

SECTION IV - ELIGIBLE NON-AWARDEES

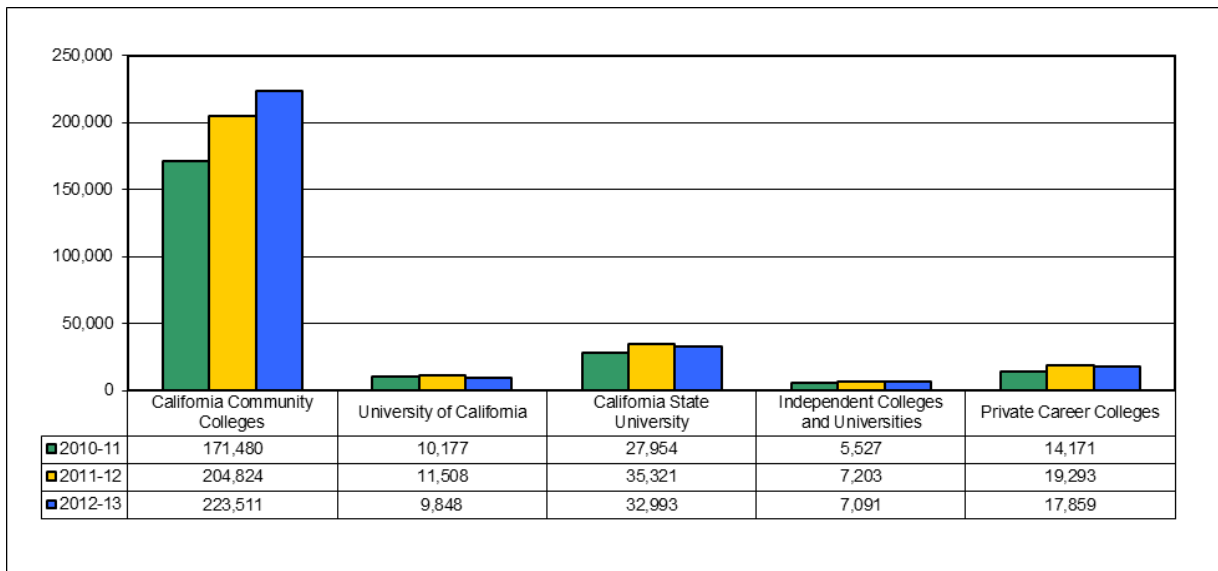
Eligible non-awardees are those applicants, from the March and September Competitions, who successfully passed the common, program, and financial edits (described in Section II) but did not receive an award because their scores were below the cutoff point. Had more awards been available, the number of eligible non-awardees within this pool would be lower.

The displays and tables below show characteristics of the eligible non-awardees in 2010-11, 2011-12 and 2012-13. Demographically, there is no discernable difference. From 2010-11 to 2012-13, there was a dramatic increase of over 61,900, or 27.0 percent, applicants who met all eligibility criteria but did not receive an award because of the statutory limit.

Eligible Non-Awardees by Segment

Display 9 illustrates segmental distribution of the eligible non-awardees for the latest three years of the Competitive Cal Grant Program. From 2010-11 to 2012-13, the University of California had a decrease of 3.2 percent; the California State University segment had an increase of 18.0 percent; Private Career Colleges were up by 26.0 percent; the Independent Colleges and Universities increased by 28.3 percent; and the California Community Colleges increased by almost 30.3 percent.

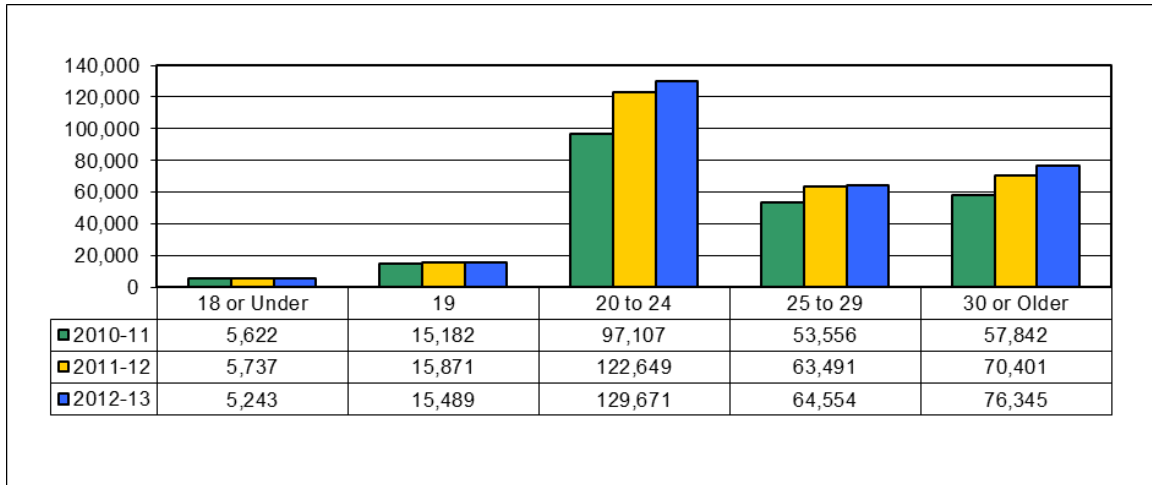
Display 9: Segmental Distribution of Eligible Non-Awardees



Eligible Non-Awardees by Age

Display 10 illustrates that the age distribution of eligible non-awardees increased over the years from 2010-11 to 2012-13. Just over 48 percent of all eligible non-awardees were 25 years of age or older and are considered non-traditional or returning students.

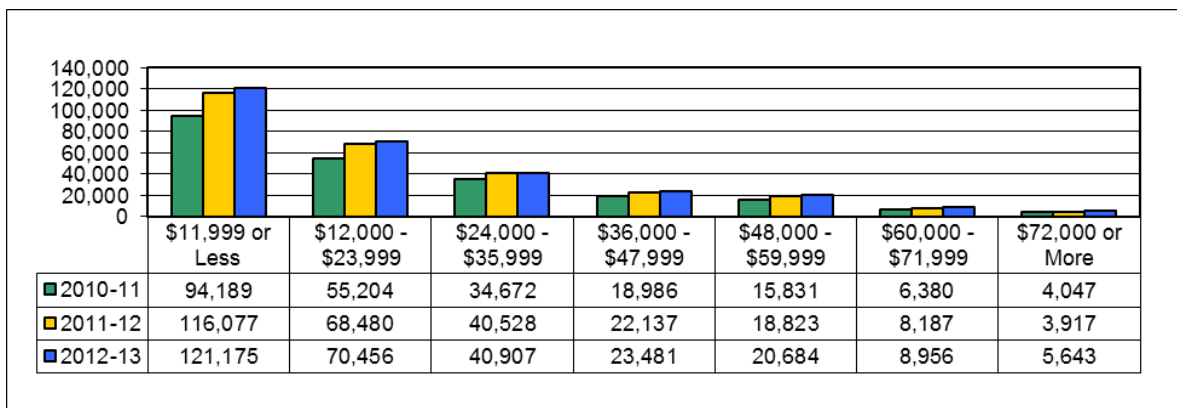
Display 10: Age Distribution of Eligible Non-Awardees



Eligible Non-Awardees by Income

The proportion of Competitive Cal Grant Program eligible non-awardees by income changed very little during 2010-11, 2011-12 and 2012-13. Display 11 illustrates that over the past three years just over 41 percent of all eligible non-awardees earned less than \$12,000 per year.

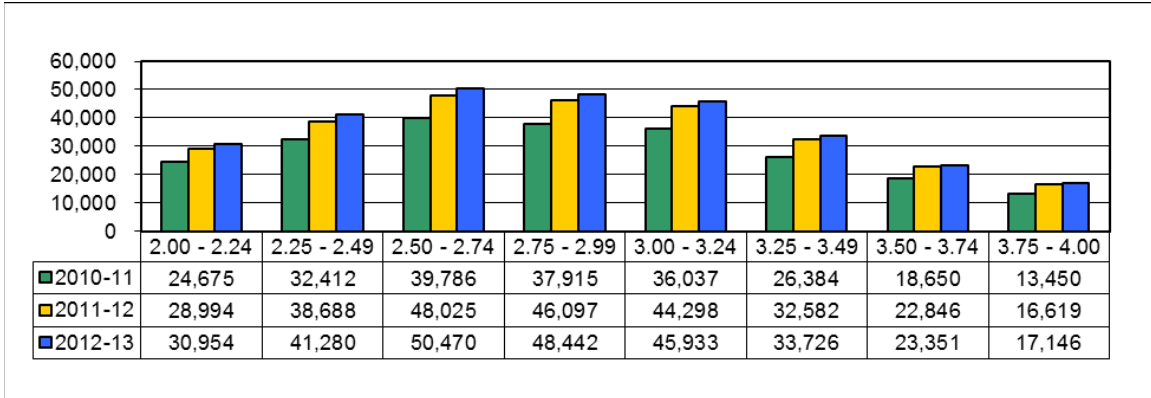
Display 11: Income Distribution of Eligible Non-Awardees



Eligible Non-Awardees by Grade Point Average (GPA)

Display 12 illustrates the GPA distribution of those students who were eligible but, due to the number of awards, were not granted an award. In 2010-11, 2011-12 and 2012-13, over 40 percent of all eligible non-awardees had a GPA of 3.00 or higher.

Display 12: GPA Distribution of Eligible Non-Awardees



Characteristics of Eligible Non-Awardees

Table 9 presents the average Income, GPA, family size and age of eligible non-awardees for the Competitive Cal Grant Program. Table 10 shows the highest school completed by the father and/or mother of the eligible non-awardees for the 2010-11, 2011-12, and 2012-13 academic years.

**Table 9
Average Income, GPA, Family Size and Age of Competitive Cal Grant Eligible Non-Awardees**

| | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------|----------|----------|----------|
| Eligible Non-Recipients | 229,309 | 278,149 | 291,302 |
| Average Income | \$20,806 | \$20,328 | \$20,861 |
| Average GPA | 2.89 | 2.90 | 2.89 |
| Average Family Size | 2.8 | 2.8 | 2.8 |
| Average Age | 27 | 27 | 27 |

**Table 10
Highest School Completed by Father and/or Mother of Eligible Non-Awardees**

| | 2010-11 | 2011-12 | 2012-13 |
|--------------------------------|---------|---------|---------|
| Eligible Non-Recipients | 229,309 | 278,149 | 291,302 |
| High School or less | 47% | 48% | 48% |
| College or beyond | 43% | 42% | 42% |
| Unknown | 10% | 10% | 10% |

SECTION V - CONCLUSION

The Competitive Cal Grant Program continues to play a vital and crucial role in making education beyond high school financially accessible to all Californians. A priority of the Commission and the State is continued advocacy for increased higher education opportunities for California students. Any funds invested in the Competitive Cal Grant Program should be considered an investment in the future of the State's economy. With California's changing labor market and fluctuating economy, an increasing number of non-traditional, returning, and older adult students are seeking education and training. To meet the demands of this group, the Competitive Cal Grant Program needs to respond effectively with more awards. Students who achieve a postsecondary education in California will increase their income potential and will contribute to the future tax base as their income increases.

The Competitive Cal Grant Program is constrained because the number of awards has remained at 22,500 since 2001-02 and the pool of eligible applicants continues to exceed this limit. For example, in 2001-02, over 98,500 were successful in meeting the financial and basic eligibility criteria for the Competitive Cal Grant Program. About one in four or 22 percent of the eligible students received awards. In comparison, in 2012-13, over 317,500 students were successful in meeting the financial and basic eligibility criteria for the Competitive Cal Grant Program. However, about one out of twelve, or 8 percent, of the eligible students received awards and more than 291,300 eligible students remained unserved.

The number of eligible non-awardees has steadily increased since 2001-02 when the Competitive Cal Grant Program began. However, the profile of those who do not receive an award remains fairly consistent. The typical eligible non-awardee in 2012-13 was 27 years old with a GPA of 2.89 and was from a family of 3 with an income of \$20,861. This student failed to receive an award because the Commission must apply scoring criteria to reduce the number of eligible students as mandated by statute. The continued rise in the number of both applicants and eligible non-awardees is attributable to the following:

- Improvements in promoting the federal electronic FAFSA on the Web filing system;
- Improvements in the Commission's Cal Grant GPA verification process;
- Improvements in the Commission's partnerships with secondary schools, postsecondary institutions, the California student financial aid associations, and members of the Legislature to promote extensive outreach efforts;
- Collaboration with business and industry to deliver focused Cal Grant financial aid outreach; and especially
- The struggling economy and the changing labor market driving increasing numbers of older workers to seek additional education to upgrade or acquire new job skills.

In summary, these findings clearly note that in the face of rising demand for enrollment, increasing fees, and economic uncertainties at colleges and universities, the California Competitive Cal Grant Program provides access and choice to a limited number of students seeking postsecondary education or job retraining. If California wants to assure financial access to postsecondary education for non-traditional, returning, and older adult students, consideration should be given to increasing the number of Competitive Cal Grant awards beyond the 22,500 currently authorized in statute [California Education Code Section 69437(b)]. Therefore, the resources currently provided for by this program will continue to

remain inadequate in meeting the challenges posed by a changing economy and the need for current workers to secure additional postsecondary education and training in California.