

# Promoting Equity By Updating California's State Financial Aid System



## Educational Equity in California cannot be achieved without a modern, accessible financial aid system.

The coronavirus pandemic and its subsequent crises have left many students, particularly the state's most vulnerable, reeling and further marginalized. Our Black, Brown, low-income, and parenting students deserve more thoughtful solutions from us. Throughout this crisis, we have witnessed increasing public calls for more equitable and just systems for vulnerable communities, and higher education is a central component of this effort. Reforming our financial aid system by passing AB 1456 will make higher education more accessible for all students to make California a more equitable state in reality.



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

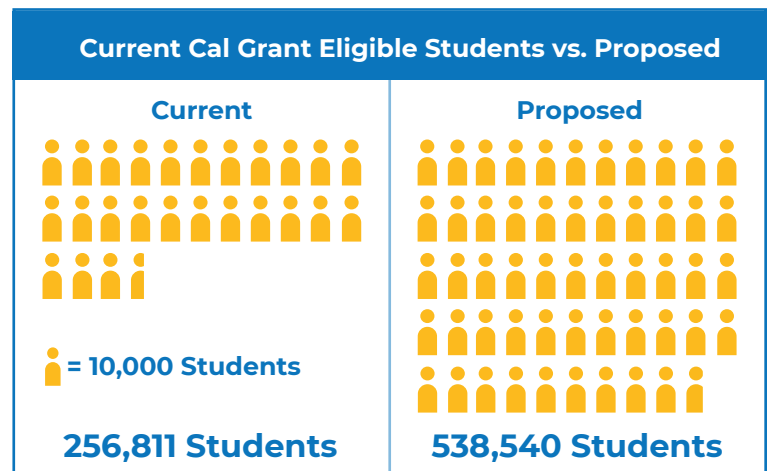
– CSAC Survey of 76,000 incoming or returning college students, May 2020

Nothing is more urgent than addressing the dire circumstances of California's college students due to the COVID-19 crisis. Emergency aid is helping, but it is not enough. Students need long term solutions. Reforming financial aid now will simplify the process and open more doors for future investment to reach even more students. Under this framework, **more students from every sector of California higher education will be eligible for aid** while maintaining current tuition and fee coverage or maximum award amounts. Aid also will become available for more than 176,000 eligible Latinx students and 24,000 additional African American students.

Cost of living and basic needs expenses have grown exponentially. Still, the state's financial aid system has not factored in the full cost of college, rendering higher education unaffordable -- and inequitably accessible -- for too many Californians. The proposed new Cal Grant Equity Framework is the first step to creating a more inclusive financial aid system now and for years to come.

## 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 economy, businesses and 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 students by reaching over **280,000 MORE students** by leveraging all parts of the financial aid system.



# Promoting Equity By Updating California's State Financial Aid System



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. 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.**

For more information, contact Jake Brymner at [jake.brymner@csac.ca.gov](mailto:jake.brymner@csac.ca.gov).

Last Updated April 2021