



BUDGET BRIEF



COMPETITIVE CAL GRANTS

Cal Grants are awards provided to low and moderate income college students in California. These awards help pay for college expenses such as tuition and fees, room and board, books and supplies, and transportation. These awards do not have to be paid back. There are two major types of Cal Grants – the entitlement program primarily aimed at recent high school graduates and the competitive program primarily aimed at students who did not finish high school within the last year. The Competitive Cal Grant program is restricted to provide only 22,500 new awards each year by statute.

The Competitive Cal Grant program serves older students, is selective, and is over subscribed. In 2008-09, over 158,000 qualified students vied for just 22,500 awards. Analyses have shown that Competitive Cal Grants recipients are older, have lower incomes, and higher grades, than students in the Cal Grant entitlement program.

The 2010-11 proposed Governor's Budget released on January 8, 2010 proposes the suspension of the competitive Cal Grant program (-\$45.5 million), with no new awards provided beginning in fall 2010.

Currently, 70 percent of Competitive Cal Grant awards are provided to community college students. However, while 70 percent of awards go to community college students, this represents only 35 percent of the total program cost. The remaining 30 percent of awards go to students attending 4 year public and private institutions that charge significantly higher tuition and fees.

The majority of Competitive Cal Grants received by full-time community college students amount to \$1,551 and may be spent on textbooks, transportation, and supplies. This award, while extremely beneficial, will only partially offset the average cost of attendance which currently stands at about \$10,100 per academic year.

Research shows that 81% of our students work an average of 32 hours per week; of our independent students, 35% work full-time while carrying a full-time course load, and these heavy workloads create significant barriers to student success; financial aid (including competitive Cal Grants) is an important means to increase student success. The Competitive Cal Grant represents essential funding for our students at a time when community colleges are being urged to concentrate on success as well as access.

We are disappointed that the governor again proposes eliminating the state's Competitive Cal Grant program, which provides over 44,600 community colleges students, with an average income of less than \$15,000, financial assistance necessary to succeed in college. While grants for some of the neediest students are proposed to be eliminated, the budget continues to fund grants for students attending more expensive institutions with lower GPAs and higher incomes.

The Governor's Budget wrongly asserts that Competitive Cal Grants are "duplicative" of other Cal Grants. In fact, the entitlement program and the competitive program are "mutually exclusive" programs. The older, nontraditional student now served by the Competitive Cal Grant does not meet the eligibility criteria for acceptance into the entitlement program.

Considering the state's significant budget deficit, virtually every program will take a hit. The Legislature should protect the most vulnerable student served by the Competitive Cal Grant system while looking for cost savings in other, more costly programs serving higher income Californians.