Community Colleges and Financial Aid

April 2018 Webinar
Today’s Discussion

• Budget Proposals

• Cal Grants and Community Colleges

• Legislative Update

• Expanding Opportunity, Reducing Debt

• Q & A
Financial Aid Consolidation

Proposal to Align CCC Financial Aid Programs

Prop 98 financial aid program of $124 million

Pool of Eligible Students:
Cal Grant B or C award recipients estimated at 60,000 students or about 6% of the total community college student population.

Conditions for a Student Receiving Grants:
Receive a Cal Grant B or C Award
Complete an Education Plan
California Resident, including AB 540
### Grant Amounts by Units Taken

<table>
<thead>
<tr>
<th>Units Per Semester/Year</th>
<th>Proposed Annual Grant Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 per semester/24 per year</td>
<td>$1000</td>
</tr>
<tr>
<td>13 per semester /26 per year</td>
<td>$1,250</td>
</tr>
<tr>
<td>14 per semester /28 per year</td>
<td>$1,900</td>
</tr>
<tr>
<td>15+ per semester /30+ per year</td>
<td>$4,000</td>
</tr>
</tbody>
</table>

**Other Criteria:**
- Awards cannot exceed a student’s financial need per Cal Grant application
- Enroll full-time in fall and spring to qualify for annual maximum
- Requires students to complete an educational plan.
## Grant Amounts by Units Taken

<table>
<thead>
<tr>
<th>Units Per Semester/Year</th>
<th>Proposed Annual Grant Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>12 - 14 per term / 24 - 28 per year</td>
<td>$1,800</td>
</tr>
<tr>
<td>15 per term / 30 per year</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

### Other Criteria:
- Awards cannot exceed a student’s financial need per Cal Grant application
- Enroll full-time in fall and spring to qualify for annual maximum
- Does not require students to complete an educational plan
Financial Aid Consolidation: Legislative Analyst Office

Combine all non tuition community college financial aid programs: Prop 98, Cal Grant B and C Access Awards

<table>
<thead>
<tr>
<th>Program</th>
<th>Total Community College</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prop 98</td>
<td>$124 Million</td>
</tr>
<tr>
<td>Cal Grant B Access Award</td>
<td>$158 Million</td>
</tr>
<tr>
<td>Cal Grant C Access Award</td>
<td>$5 Million</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$287 Million</strong></td>
</tr>
</tbody>
</table>

Other Criteria:
- Does not combine California Promise Grants or AB 19 funds
- Make all low income student eligible for awards
- Meet unmet financial need after work expectation
- $500 million to fully fund
League Priority: Financial Aid Streamlining For Student Success

Under Resourced Financial Aid Offices: Impediment to Students Success

– Current processing process is long, labor intensive and can take up to four weeks to process financial aid applications.
– New initiatives increase administrative burden for financial aid offices.
  • FASFA Completion
  • AB 19
  • Student Success Incentive Grants

Solution:

– Financial aid software that streamlines financial aid verification process.
– Cuts processing time from four weeks to three days.
– Allows more time for financial aid advising.
Cal Grants and Community College

Community College League of California
Cal Grants and Community Colleges: Serious Problem

Cal Grants do not serve community college students:
- Program focuses on tuition.
- Ignores high cost of living in California.

<table>
<thead>
<tr>
<th>System</th>
<th>Cal Grant B Award</th>
</tr>
</thead>
<tbody>
<tr>
<td>Community Colleges</td>
<td>$1,656</td>
</tr>
<tr>
<td>California State University</td>
<td>$7,128</td>
</tr>
<tr>
<td>University of California</td>
<td>$13,896</td>
</tr>
<tr>
<td>Nonprofit Colleges</td>
<td>$10,740</td>
</tr>
<tr>
<td>For-profit Colleges</td>
<td>$5,656</td>
</tr>
</tbody>
</table>

It is more expensive for a low income student to attend a community college than a UC or CSU.
Cal Grants and Community Colleges:
Unequitable Distribution

Graphic created by The Institute for College Access and Success
Cal Grants and Community Colleges: Why?

Graphic created by The Institute for College Access and Success
Cal Grants and Community Colleges: Solutions

• Increase Cal Grant B Access Award level.

• Increase number of competitive Cal Grants.

• Increase allowable use of time for a student to utilize Cal Grants.

• Increase window of time a student can apply for and receive Cal Grant entitlement.
Legislative Update
Community College League of California
Legislative Update: Financial Aid Bills Impacting Students

Cal Grants:

AB 2248 (McCarty) – Cal Grants: Full Time
AB 2306 (Santiago) – Cal Grants and Community Colleges – Support
AB 3153 (Levine) – Cal Grants and Summer Session
SB 940 (Beall) - Cal Grants: Foster Youth - Support
SB 1471 (Hernandez) – Competitive Cal Grants - Support

Higher Education Affordability:

AB 1307 (Limon) – Work Study and AB 540 Students - Support
AB 2563 (Patterson) – Book Stores
SB 1227 (Skinner) – Housing
SB 1275 (Stern) – Meal Plans
AB 2248 (McCarty): Student Financial Aid: Cal Grant Program

Would increase the amount of units needed to qualify as full time in order to receive a Cal Grant from 12 to 15 units. Does not apply to community college students in recognition of unique challenges our students face.

League Position: Watch
AB 2306 (Santiago) Student Financial Aid: Cal Grant Program

• Extends allowable use of Cal Grants by community college students from the equivalent of four years of full time enrollment to six.
• Many community college students decline to utilize Cal Grant award while enrolled in community colleges because:
  – The awards are significantly more valuable at four year institutions.
  – Student believes their education will take longer than four years to complete.
• Sponsored by the Los Angeles Community College District

League Position: Support
AB 3153 (Levine) Cal Grants: Summer Term Students

Would expand Cal Grant eligibility to include two additional summer sessions, allowing students to receive a larger amount of financial aid.
Cal Grants: SB 940 (Beall)

SB 940 (Beall): Student Financial Aid: Cal Grant Program: Foster Youth

- Increases allowable use of Cal Grants for foster youth from the equivalent four years of full time enrollment to eight.
- Increases the amount of time a former foster youth is eligible for the Cal Grant entitlement by permitting them to apply if they are under the age of 26.

League Position: Support
Cal Grants:
SB 1471 (Hernandez)

SB 1471 (Hernandez): Cal Grant Program Competitive Cal Grant A and B Awards

- Increases the current total number of competitive Cal Grant awards from 25,750 to 30,000.
- Competitive awards overwhelmingly go towards community college students.
- Over 300,000 qualified applicants compete for 25,750 awards.

League Position: Support
Affordability:
AB 1037 (Limon)

AB 1037 (Limon) Service Incentive Grant Program

• Intended to be a substitute for federal work-study programs for which undocumented students are ineligible.
• Provide access to financial aid grants to undocumented students in return for community service or volunteer work.
• Individual grants of up to $1,500 depending on income and amount of hours worked.
• 2,500 total grants.
• Sponsored by the California Student Aid Commission

• League Position: Support
Affordability:
AB 2563 (Patterson) Campus Book Stores

AB 2563 (Patterson): Financial Aid Book Advance Program

Would require colleges with campus bookstores to provide credit for textbooks for students receiving either a Cal Grant B Access Award or Pell Grant.
Affordability: SB 1227 (Skinner)

Would allow developers of housing projects to build additional housing units regardless of zoning rules if:

• At least 20% of those units are utilized by low income students at affordable rates.
• Project is located within one mile of college accredited by the Western Association of Schools and Colleges.
• Author is open to adding schools accredited by the Accrediting Commission for Community and Junior Colleges.
SB 1275 (Stern) Plan Against College Hunger Act of 2018

Would establish a program within the California Student Aid Commission that would:

• Provide awards equivalent of 10 meals a week at a campus cafeteria.
• Will not be operable unless funded via 2018-19 budget.
Expanding Opportunity, Reducing Debt:
Reforming California Student Aid

Community College League of California
Total Cost of Attendance: Equitable Approach to Financial Aid

CSAC Report intended to:
• Simplify financial aid programs
• Focus on total cost of attendance.

Key Recommendations:
• Decouple Cal Grants from tuition.
• Pay student’s Expected Family Contribution (EFC).
• Combine Cal Grant A, B and C programs.

Significant Increase in Financial Aid for Community College Students
Total Cost of Attendance: Equitable Approach to Financial Aid

Current Structure: Focused on Tuition
- 94% of Cal Grant funds go towards tuition.
- Significant inequity among systems.
- Designed for tuition that was half of what it is today.
- More expensive for a financially needy student to attend community college than UC or CSU.

Proposed Structure: Expected Family Contribution (EFC)
- Treats students across all systems equitably
- Accounts for total cost of attendance:
  - Tuition
  - Living Expenses
- Simplifies financial aid programs by consolidating Cal Grants A, B and C.
**Additional Steps Needed to Improve Cal Grants**

**Revise eligibility requirements:**
- Remove age limits.
- Remove time out of high school requirements.
- Make Cal Grants available for students in programs as short as one semester.

**Update Expected Family Contribution (EFC)**
- Up to each college to determine EFC.
- Proposes creating standard methodology that takes into regional living costs

**Increase State Appropriations to Cal Grant System**
- Significant funding increase needed to implement provisions.
- $1 – $2 billion if fully implemented.
Other Recommendations: Spurring Innovation and Choices

• Provide adults with reliable information that compares expense and aid information across each system and college.

• Test and evaluate different approaches to financial aid such as purchasing textbooks, emergency grant aid or free meals for low income students.

• Allow short term Cal Grants.

• Expand Cal Grant availability.

• Broaden and strengthen the Cal Grant
Other Recommendations:
Provide Better and Earlier Information

• Provide families with early and reliable information regarding financial aid.

• Develop a web-based award comparison tool.

• Upgrade website to make personalized information available to students and expand CSAC financial aid advising capacity.

• Reach out to families with young children to encourage them to save for college.
Email us your feedback on legislation!

Lizette Navarette
Vice President
lizette@ccleague.org

Ryan McElhinney
Legislative Advocate
ryan@ccleague.org

Thank You!