



Financial Aid Reform

Problem: California State University (CSU) students' ability to afford the total cost of college continues to be a challenge. Much of our research and data shows that while systemwide tuition and fees are relatively low compared to similar institutions, students still struggle to afford their education.

The CSU reports that over 60% of undergraduates have their tuition fully covered by financial aid and yet CSU students report challenges in meeting their basic needs, including high rates of food insecurity (41.6%) and homelessness (10.9%). Additionally, while student debt has become a national issue, in the CSU the vast majority of those who borrow are low income, racially diverse students. 65% of students who borrowed in the CSU come from families with total incomes of \$27,000 or less. These issues show the symptoms of a broken financial aid system that, while generous in some regards, fails too many of our low income students.

Thus, CSU students are looking toward four solutions to help fix what is broken in our state's financial aid system, and to help all college students in California succeed.

Solution: Short-term solutions such as funding for basic needs projects are critical for current students, and restructuring the current Cal Grant program to better address the total cost of attendance for low income students is a priority that will largely negate the need for further basic needs projects and assist the success of low income students across the state and across all systems.

1. Immediate Funding of Institutional Basic Needs Request

- a. Too many students, as a symptom of a broken financial aid system, struggle to meet even their basic needs. This means college students are not in a position to truly succeed in their coursework, and optimize their time to degree. As the state works to fix the current financial aid system, our leaders need to fund solution to address all college students' basic needs, now. This means the state must, at minimum, do the following:
 - i. Fund the CSU's \$15 million basic needs request
 - ii. Fund the UC's \$4 million basic needs request, and consider a \$7.5 million in ongoing funding for basic needs programs
 - iii. Allocate \$20 million to the CCC to address basic needs
 - iv. Support legislation that helps support student's basic needs



2. Financial aid reform that accounts for total cost of attendance at all California colleges and universities
 - a. Given the amount of students that have their tuition fully covered, and the existing rates of homelessness and food insecurity, we believe a financial aid model that more fully accounts for students' non-tuition costs is needed. This can be done in the following ways:
 - i. Increasing the Cal Grant B Access Award from \$1,672 to \$6,000 (to account for inflation).
 - ii. Changing the Cal Grant program to cap, for low income students, their total financial contribution each year. Instead of giving an award to a student based on their tuition, assessing their capacity to pay for college, and setting a cap on what they must contribute. The California Student Aid Commission suggested a model that sets a cap at \$7,000.
 - iii. Within the California Community Colleges, only 4% of students receive a Cal Grant. Any model that accounts better for the total cost of attendance must enable more community college students, who largely already have their tuition paid for, to gain a Cal Grant to address the other costs of attendance.
3. Summer Cal Grant
 - a. In an effort to give more students access to financial aid through the summer, beginning and funding a Summer Cal Grant program will enable more students to take summer courses, hopefully accelerating their time to degree and reducing their total cost of attendance.
4. Expand Access to Cal Grant
 - a. Many college students, across all segments, do not meet the current requirements to receive a Cal Grant as a part of their current entitlement program. This places these students in the competitive Cal Grant pool, which awards approximately 25,750 a year. This leaves thousands of students without access to state financial aid. In 2017-18 alone, 221,000 students who were eligible for a Cal Grant financially and academically did not receive one due to these restrictions. In the pursuit of a more fair and equitable state financial aid system, that finally prioritizing need above all else, these antiquated requirements must be reduced or eliminated to enable fair access to these students.