

Consolidating California Community College Student Financial Aid to Better Enable Affordable, Full-Time Attendance

Nearly half of all California community college (CCC) students pay no tuition, including 70% of full-time CCC students, but there is less state financial aid available to support students' ability to pay non-tuition costs of college. Yet CCC students' ability to pay for textbooks, transportation, and living costs, which comprise over 90% of their total college costs, is a key factor in their ability to transfer or graduate.

California's Cal Grant program provides limited support to CCC students, because the program is primarily designed to address tuition costs faced by a traditionally aged student population. Whereas eligible students transitioning quickly from high school to college are guaranteed a Cal Grant, other students – including over two thirds of eligible Cal Grant applicants at CCCs – have just a 1-in-16 chance of receiving one. Further, the grants CCC students do receive have lost most of their purchasing power over recent decades.

In an effort to address CCC students' affordability challenges, California's 2015-16 Budget Act created the Full-Time Student Success Grant (FTSSG), a financial aid program that increased the amount of grant aid available for Cal Grant recipients at CCCs who enrolled full time (at

least 12 credits per term). The 2017-18 Budget Act created a second financial aid program, the Community College Completion Grant (CCCG), targeted at a similar population: Cal Grant recipients at CCCs who enrolled in at least 15 credits per term, or 30 credits per year.

The sustained commitment of the Legislature and Governor to addressing the needs of this population is laudable. Yet as a result of these gains, the state now has a patchwork of aid programs designed to achieve similar purposes, which can be complicated for students to understand and for schools to administer. As a result, the Governor's 2018-19 budget proposal consolidates the FTSSG and CCCG into one combined program to supplement students' Cal Grant awards, and recommends total funding of \$124M for the new program, a \$33M increase. Efforts to streamline these programs and provide additional funds are welcome, but the Governor's proposal does not go far enough.

Outlined in the table below is an alternative approach for allocating the \$124M in a way that better addresses concerns with current programs and better supports the goals of enabling affordable, full-time attendance for California community college students.

KEY QUESTIONS	STATUS QUO	GOVERNOR'S PROPOSAL	TICAS PROPOSAL	RATIONALE
What are the amounts students may be eligible for (in addition to Cal Grant and other aid)?	<p>12-14 credits per term = \$500 (\$1,000 per year)</p> <p>15 credits per term = \$1,250 (\$2,500 per year)</p>	<p>12 credits per term = \$500 (\$1,000 per year)</p> <p>13 credits per term = \$625 (\$1,250 per year)</p> <p>14 credits per term = \$950 (\$1,900 per year)</p> <p>15 credits per term = \$2,000 (\$4,000 per year)</p>	<p>12-14 credits per term = \$900 (\$1,800 per year)</p> <p>15 credits per term = \$1,300 (\$2,600 per year)</p> <p>Students who receive less than \$2,600 in fall and spring terms may receive balance during summer enrollment.</p> <p>If additional funds are available, all grant recipients should be eligible for aid to support summer enrollment.</p>	<p>The TICAS proposal provides approximately the same amount of per-credit funding to Cal Grant recipients enrolled in 12 credits as those enrolled in 15. Because lower income students and students of color are less likely to enroll in 15 credits per term, evening out these per-credit award amounts results in a more equitably distributed grant program.</p> <p>In contrast, the status quo and Governor's proposal provide substantially more per-credit funding to students who enroll in 15 credits.</p> <p>Additionally, for the vast majority of CCC students who take a part-time credit load, enrollment in 12 credits per term provides a more attainable goal.</p>

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Beyond financial need, what additional requirements must students meet for initial eligibility?	FTSSG is aligned with Cal Grants. CCCG requires completion of an educational plan to earn a certificate, AA, or transfer to a university.	Retains requirement for students to complete an educational plan.	No additional requirements. The requirement for students to complete an educational plan is eliminated.	Of the \$25 million provided for CCCG grants for the 2017-18 year, colleges reported (via CCC Chancellor's Office survey) having disbursed only \$3.4 million as of February 2018. The primary explanations for this low utilization rate are (1) that students either cannot receive the support needed to complete an educational plan, or (2) financial aid offices are not able to verify whether students have the required educational plan. This requirement is clearly burdensome for both colleges and students, and should not stand between low-income students and the financial aid needed to succeed.
Beyond financial need, what additional requirements must students meet in order to remain eligible?	FTSSG is aligned with Cal Grants. CCCG requires that students be on track to earn a certificate, degree, or transfer on time (typically two years).	Retains requirement for students to be on track to earn a certificate, degree, or transfer on time.	No additional requirements. The requirement for students to be on track for on-time completion is eliminated.	The TICAS proposal determines continued eligibility for the grant based on whether students are making Satisfactory Academic Progress, as defined under federal law and as used for Pell Grants and Cal Grants, rather than using a separate, more stringent definition for this program only. Providing additional support during summer term (as recommended above, and not typically available from the Cal Grant or FTSSG programs) will also aid in timely completion.

NOTE ON LAO PROPOSAL

In its analysis of the Governor's budget proposal, the Legislative Analyst's Office proposed its own alternative: a broader financial aid program consolidation that would include Cal Grant awards as well as the FTSSG and CCCG programs. The LAO's goal in designing this alternative is to provide aid sufficient for CCC students to attend full time without requiring them to juggle long work hours at the same time. Importantly, it would provide aid to students beyond those currently receiving Cal Grants, a critical feature given that fewer than 5 percent of CCC students receive Cal Grants.

While commendable, by shifting all financial aid spending for CCC students into Proposition 98, the LAO's proposal would unintentionally heighten risks to college affordability rather than put it on more stable footing, as well as further fragment CCC students from broader state financial aid policy conversations. Further, the level of spending proposed by the LAO is only about half the amount needed to fund the types and numbers of grants proposed, and with little direction given for how the Legislature should ration insufficient funding. As a result of these factors, the LAO's proposal poses serious risks to individual students' financial aid awards as well as CCC students as a whole. We recommend the Legislature reject the LAO's aid consolidation recommendations for the 2018-19 budget.