

Despite Progress, Hundreds of Millions of Federal Pell Grant Dollars Remain Untapped by California Community College Students

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At \$46 per unit, California community college (CCC) system fees are among the lowest, both throughout the nation and within California, but the total cost of attending a CCC, which includes books, housing, transportation, and food, is much higher – with non-tuition costs alone exceeding \$22,000 annually for many students.¹ While there is now widespread awareness of the need for financial aid to sufficiently cover students’ total college costs, the relatively low cost of CCC fees may lead some students to forgo valuable grants that could help them work less, study more, and complete a degree, certificate, or transfer in a timely manner. In 2020-21, the Pell Grant provided up to \$6,345 to help low- and moderate-income students cover college costs, including their basic living expenses while enrolled. Pell Grants are key to helping community college students succeed, and because institutional waivers cover lower income CCC students’ fees, the use of Pell Grants to pay for textbooks, rent, gas, food, and other necessities also supports economic growth in California. Unlocking the hundreds of millions of dollars per year in federal grant aid resources starts with filing the Free Application for Federal Student Aid (FAFSA).

INCREASED APPLICATION RATES AMONG CCC STUDENTS HAVE HELPED UNLOCK ABOUT \$1 BILLION MORE IN PELL GRANT AID.

A decade ago, just one-third of CCC students filed a FAFSA, compared to nearly half of their peers in other states.² Application rates have since increased across the board, and thanks in large part to efforts by the CCC system office to encourage and support students in FAFSA filing, the gap between filing rates among CCC students and the rest of the nation is closing. In 2015-16, 58% of CCC students applied for federal aid compared to 64% of their peers in the rest of the country; among full-time students specifically, 72% of CCC students filed a FAFSA compared to 77% of their peers in other states.³ Substantially higher application rates, alongside modest annual increases in the maximum Pell Grant award, contributed to about \$1 billion more Pell Grant dollars flowing to CCC students in 2015-16 than in 2007-08. Average Pell Grant awards for CCC students also increased by more than a third.⁴

Academic Year	CCC Student FAFSA Application Rate	Total Pell Grant Dollars Received by CCC Students	Average Pell Grant Award Received by CCC Students
2007-08	33%	\$668,724,505	\$2,502
2015-16	58%	\$1,620,350,136	\$3,434

DESPITE THESE STRIDES, LIKELY ELIGIBLE CCC STUDENTS CONTINUE TO LEAVE HUNDREDS OF MILLIONS IN PELL GRANT DOLLARS ON THE TABLE.

In 2015-16, nearly 200,000 CCC students were likely eligible for Pell Grants but did not apply for federal financial aid. If all likely Pell Grant-eligible CCC students had applied for and received federal financial aid at their current receipt rate, approximately \$430 million more in Pell Grant dollars could have flowed into California during 2020-21. And if all likely Pell Grant-eligible CCC students had applied for *and* received an award, close to \$750 million more in Pell Grant dollars could have gone to CCC students today.⁵ While there are several reasons why eligible applicants may not receive financial aid, including the decision not to enroll, verification processes that require many Pell Grant-eligible students to provide additional documentation after submitting the FAFSA can keep some students from the financial aid for which they are eligible.

STATE POLICYMAKERS CAN HELP GET MORE PELL GRANT DOLLARS TO STUDENTS.

A 2021 state budget proposal and corresponding legislation would require local education agencies throughout the state to support students in filling out FAFSA and California Dream Act Applications (CADAA), the access points for most financial aid.⁶ Dedicated efforts to support students in filing financial aid applications can have a major impact on students’ application rates. For example, Val Verde Unified School District’s program increased FAFSA/CADAA completion rates from 69 to 83 percent in just the first year of implementation.⁷ A statewide policy to expand and support these efforts would help ensure all students have support to complete the applications that provide access to needed financial aid.

ENDNOTES

1. California Student Aid Commission. 2019. *2020-21 Student Expense Budgets*. <https://bit.ly/3f8DWzX>. The majority of students attending California's public colleges and universities, which serve the vast majority of the state's college students, live off campus independently.
2. The Institute for College Access and Success (TICAS). 2010. *Financial Aid Facts at California Community Colleges*. <https://bit.ly/3fcCVqg>.
3. TICAS calculations on the most recent federal data publicly available from the National Postsecondary Student Aid Study (NPSAS) 2015-16, conducted by the National Center for Education Statistics, a division of the U.S. Department of Education.
4. Pell Grant dollar figures are from the California Community Colleges Chancellor's Office, Management Information Systems Data Mart, Financial Aid Summary: <https://bit.ly/3o9cfv1>. We compare 2007-08 and 2015-16 because these are the academic years that correspond with the NPSAS data for our original and current analyses.
5. To estimate the rate at which likely Pell Grant-eligible students in California community colleges (CCCs) do not apply for federal financial aid, and the amount of federal Pell Grant funds likely left untapped as a result, we use data from NPSAS: 2015-16, the most recent available. To model likely Pell Grant eligibility, we use citizenship status, enrollment status, and Pell Grant-eligible expected family contribution (EFC). The sum of total dollars from separate data calculations for full-time and half-time enrollment accounts for differences in aid eligibility for students at different levels of enrollment; less-than-half-time students are excluded from this analysis because, while they can also be eligible for Pell Grants, their eligibility is more difficult to determine, and the grants they receive are small. Other variables used include attended college in state of residence, state of residence, college sector, whether the student applied for federal financial aid, and the average amount of Pell Grant dollars received. The estimated total amount of untapped Pell Grant dollars includes a ten percent increase over the amount derived from 2015-16, to reflect the percent change in the maximum Pell Grant award amount from 2015-16 to 2020-21.
6. For more detail, see: Office of Governor Gavin Newsom. January 8, 2021. *Governor's Budget Summary 2021-22*. <https://bit.ly/3o7QmMi>; and California Assembly Bill 469 (Reyes, McCarty, Quirk-Silva), amended March 29, 2021. "Pupil instruction: financial aid applications." <https://bit.ly/3y1u3fX>.
7. The Education Trust – West (ETW). February 5, 2021. Coalition letter. "2021-22 Higher Education State Budget, Support the proposal that ensures LEA's confirm completion of FAFSA or CADAA." <https://bit.ly/3tlplee>. For more on advocacy efforts to increase FAFSA/ CADAA completion, please see ETW's All In For Financial Aid resource page: <https://bit.ly/3hfnDUB>.