

California Must Invest in Need-Based Financial Aid Programs in the FY 2026-27 State Budget

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California's largest financial aid programs, the Cal Grant and the Middle Class Scholarship (MCS), serve hundreds of thousands of under-resourced students each year. As state leaders weigh a proposed reduction to the MCS and an investment to strengthen the Cal Grant B access awards, they should consider that these programs play complementary roles in helping Californians afford college.

Both the MCS and the Cal Grant B program, specifically, provide support for critical non-tuition college costs, which can exceed \$33,000 annually for many of the state's students. While there is overlap in recipients, each program predominately serves different student populations. For example, nearly all MCS recipients attend a CSU or UC while the majority of Cal Grant B recipients attend community colleges. State leaders do not have to choose one or the other. **Investing in both programs will ensure that Californians have the support they need to afford, access, and succeed in higher education as living costs increase, bringing the state closer to its 2030 attainment goal of 70 percent.**

The following table highlights who benefits from each program and underscores the importance of serving all under-resourced Californians:

Comparing Recipients, AY 2023-24 ¹	Middle Class Scholarship	Cal Grant B Access Award
New & Renewal Headcount ²	277,500	274,800
Maximum Income Ceiling ³	\$217,000	\$79,700
Maximum Asset Ceiling ⁴	\$217,000	\$97,200
Average Income ⁵	\$52,000	\$26,000
Share with Income Under \$60K ⁶	58%	95%
Share Attending CCCs ⁷	<1%	55%
Share Attending CSUs ⁷	70%	38%
Share Attending UCs ⁷	30%	4%
Share Attending Other Higher Ed Institutions ⁷	0%	3%
Share of Recipients Who Are African American, American Indian, Hispanic, and Pacific Islander ⁸	50%	51%
Estimated First-Year Cost (for AY 2026-27)⁹	\$600 Million	\$22.1 Million

Data Notes:

- ¹ Using AY 2023-24 data, which is the most recent complete and publicly available data for this analysis. Throughout this analysis, recipient populations may differ (e.g., only new, or new and renewal) based on publicly available data.
- ² All figures in analysis rounded to nearest 100 or whole percentage point. Data from CSAC MCS Paid Awards and Cal Grant Paid Awards dashboards: <https://www.csac.ca.gov/post/middle-class-scholarship-paid-awards> and <https://www.csac.ca.gov/post/cal-grant-paid-awards>.
- ³ For MCS, income ceiling is based on dependency status; for Cal Grant B, it is based on dependency status and family size. Sources: https://www.csac.ca.gov/sites/default/files/file-attachments/2023-24_mcs_income_and_asset_ceilings.pdf and https://www.csac.ca.gov/sites/default/files/file-attachments/2023-24_income_and_asset_ceilings.pdf.
- ⁴ For MCS and Cal Grant B, asset ceiling is based on dependency status. Sources: https://www.csac.ca.gov/sites/default/files/file-attachments/2023-24_mcs_income_and_asset_ceilings.pdf and https://www.csac.ca.gov/sites/default/files/file-attachments/2023-24_income_and_asset_ceilings.pdf.
- ⁵ For MCS, weighted average based on new and renewal paid recipients and calculated using lowest end of each income range (most conservative). For Cal Grant B, weighted average based on all Cal Grant B new offered awardees. Sources: <https://www.csac.ca.gov/post/middle-class-scholarship-paid-awards> and https://www.csac.ca.gov/sites/default/files/file-attachments/cal_grant_program_averages_2023-24.pdf.
- ⁶ MCS based on new and renewal paid recipients; Cal Grant B based on new paid recipients. Sources: <https://www.csac.ca.gov/post/middle-class-scholarship-paid-awards> and <https://www.csac.ca.gov/post/cal-grant-paid-awards>.
- ⁷ For MCS and Cal Grant B, based on new and renewal paid recipients. Sources: <https://www.csac.ca.gov/post/middle-class-scholarship-paid-awards> and <https://www.csac.ca.gov/post/cal-grant-paid-awards>.
- ⁸ CSAC's race/ethnicity classifications. MCS based on new and renewal paid recipients; Cal Grant B based on new paid recipients. There is no race/ethnicity data provided for 15 percent of MCS recipients and 30% of Cal Grant B recipients. Sources: <https://www.csac.ca.gov/post/middle-class-scholarship-paid-awards> and <https://www.csac.ca.gov/post/cal-grant-paid-awards>.
- ⁹ For MCS, see: <https://democrats.senate.ca.gov/sites/democrats.senate.ca.gov/files/iu/FINAL-FFTF-Budget.pdf>. For Cal Grant B, there are multiple ways to strengthen access awards, including indexing them annually to inflation as SB 1006 would have done. Source: https://leginfo.legislature.ca.gov/faces/billAnalysisClient.xhtml?bill_id=202520260SB1006.