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THE CAL GRANT ENTITLEMENT: INCREASING ACCESS TO FINANCIAL AID

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EXECUTIVE SUMMARY

September 2000 saw the expansion of California's statewide financial aid program, Cal Grant, into an entitlement program. Any student meeting basic academic and financial guidelines would receive a full-fee grant at any public or independent four-year college or university. With this momentous expansion, California legislators signaled their commitment to making college truly affordable for all California high school students.

The first year of the entitlement program, however, saw a shortfall in applications. While the Student Aid Commission projected to issue about 72,000 new entitlement grants for high school seniors, only 48,600 awards were made. Ultimately, \$35 million in funds budgeted for the Cal Grant program went unused while 76,000 older students were turned away. Observers wondered whether the problem stemmed from outreach issues, or whether there were other flaws in the program design. Why hadn't the entitlement aspect of the program inspired more high school students to apply for the grants? Were there eligible students who were not applying and, if so, why? Was there a way to estimate how many students might be eligible, even among non-applicants?

Our analysis included interviews with legislative staff members, high school guidance counselors, and officials at the University of California, California State University, the California Community Colleges, and the Association of Independent Colleges and Universities. Our analysis also explored various data that might be used to construct a reliable estimate of the population eligible for Cal Grants.

Our research resulted in several findings, including:

- The phase-in of additional elements of the entitlement program will increase costs and reduce the amount of unspent funds.
- State agencies have been unable to construct a reliable estimate of the eligible population.
- High schools lack resources to support the Cal Grant entitlement.
- Older students have been excluded from the grant program.
- Real benefits of the grant may be unclear in some educational segments.

Based on these findings, we make the following recommendations:

- Develop an estimate of the eligible population using a simplified Excel model or a survey of California high school student performance. Surveys to consider include one conducted by the California Post-Secondary Aid Commission that estimates UC and CSU eligibility rates for high school seniors.
- Promote voluntary electronic transfer of GPA information from high schools and investigate the feasibility of developing a unique student identifier to speed the process.
- Prioritize increased aid for older students when the state emerges from fiscal crisis.
- Evaluate the impact of Cal Grant on the institutional aid packages awarded to students.

I. INTRODUCTION

In 2000, the California State Legislature expanded the Cal Grant program into an entitlement. Cal Grant is a state-funded financial aid program designed to help low and middle-income students pay for college. Making it an entitlement, however, promised to dramatically expand its reach in providing financial aid to needy students. In doing so, California bucked a national trend towards merit-based aid that disproportionately benefited high-income students. California legislators instead sought to ensure the affordability of college to all low and middle-income high school students.

The first year of the entitlement program, however, saw far fewer applications from high school seniors than projected. While the Student Aid Commission expected to issue about 72,000 new entitlement grants, only 48,600 were actually awarded. At the same time, demand on the part of older students, who were not eligible for the entitlement, far exceeded the number of competitive awards available to them. Ultimately, \$35 million in funds budgeted for Cal Grants went unspent despite over 76,000 older students being denied awards. Media reports blamed the Student Aid Commission for poor implementation and inaccurate projections. The Commission's response to this criticism was that a lack of reliable data on student income and performance significantly hindered their ability to make accurate projections of the eligible population.

Legislators have since sought to identify some of the root causes behind the shortfall in applications from high school seniors. One explanation endorsed by multiple stakeholders is that a lack of information about the program prevented many eligible students from applying. To counter this problem, advocates have called for increased outreach, particularly for students from immigrant families. However, without an adequate estimate of the eligible population, it is difficult to know which students should be targeted by the outreach. Among the chief objectives of this report is to propose several methods the Student Aid Commission and other groups could employ in making reliable estimates of the eligible population.

In addition, the number of entitlement applications may have been further depressed by several well-publicized failures on the part of high schools and community colleges to provide adequate or timely assistance to students. To remedy such implementation problems, a variety of interest groups, higher education institutions, and legislative staff members have proposed a number of changes to the current Cal Grant program and other components in the state's financial aid system. This study seeks to evaluate these proposals and provide recommendations for improving and streamlining the application process.

II. BACKGROUND AND HISTORICAL CONTEXT

The Cal Grant program originated in 1955 as a state sponsored scholarship program to help academically qualified low- and middle-income Californians pay for the costs of in-state private universities. In 1960 the Master Plan for Higher Education called upon the state to ensure access to quality higher education for all qualified students. The primary vehicle for this objective was to be an extensive network of tuition-free, low-fee public colleges and universities. Although the Cal Grant program was eventually expanded to also provide grants for students attending in-state public institutions, it played only a peripheral role in California's low-fee higher education policy. Low system-wide fees reduced the need to provide financial assistance to low-income students.

Economic cycles and fiscal deficits have since forced California to reexamine its low-fee higher education policy. Beginning in the early 1990's, when the economy plunged into a recession, continued state fiscal deficits sparked debate about the sustainability of the costly low-fee policy. As a result, fees at public colleges and universities rose sharply and enrollments declined. Minority and low-income students were the most adversely impacted. Lower enrollment rates for affected groups signaled a need for student financial aid programs to play a more significant role in expanding access to higher education.

Cal Grant was expanded in 1989-90 and charged with the task of providing public and private college financial aid to the equivalent of 25 percent of California's high school graduates.¹ This was a dramatic increase over its historical totals of 11 percent of high school graduates and was designed to target aid at those hardest hit by the sharp fee increases at public universities. Cal Grant A provided grants to middle-income students going on to degree-granting programs of at least two years, while Cal Grant B was aimed at students with lower household incomes entering programs of one year or more. The former provided grants to cover tuition only, while the latter provided a living stipend of \$1,500 in the first year and both stipend and tuition in renewal years. Graduating seniors could use B stipends at community colleges, but A awards had to be deferred for up to two years if the student planned to attend community college. The number of A awards was also required by law to equal the number of B awards, thereby reducing out-year program costs. Students of all ages were eligible for the program.

Although an important source of college funding for an increasing number of needy students, the competitive nature of Cal Grant still did not *guarantee* financial aid to any of them. Through 2000-01, the number of annual new awards was determined by the availability of public funds. Qualified applicants were ranked according to GPA and a cutoff was determined based on the amount of funding available. Despite being income-eligible, a student could still be denied a Cal Grant if the applicant pool were unusually competitive or if public funds were insufficient. As a result, for the 1999-2000 academic year, over 70,000 applicants who met basic income requirements were denied Cal Grants.² The resulting uncertainty for students planning for college called into question the program's ability to ensure college affordability to *all* qualified students. It also cast doubt on whether California was achieving the broader Master Plan

¹ Assembly Committee on Higher Education, "The New Cal Grant Program," 15 January 2002.

² Legislative Analyst's Office, "Student Aid Commission (7980)," [Analysis of 2002-2003 Budget Bill](http://www.lao.ca.gov/analysis_2002/education/ed_31_7980_anl02.htm#_Toc1448356), 15 April 2002, < http://www.lao.ca.gov/analysis_2002/education/ed_31_7980_anl02.htm#_Toc1448356>.

objective of inspiring students in all grade levels to reach higher levels of academic achievement knowing that they would have access to quality, affordable higher education.

Creation of the Entitlement

In the summer of 2000 the Legislature seized upon an unexpected opportunity to greatly expand the Cal Grant program. That year, Governor Gray Davis proposed the Merit Scholars program, which would provide a \$1,000 college scholarship to all high school seniors in the top 5 percent of their graduating class, regardless of family income. This proposal followed a nationwide trend towards merit-based financial aid that originated with Georgia's HOPE scholarship in 1993 and continued with President Clinton's federal education tax credits in 1998. Research suggests that income-blind aid programs primarily benefit affluent students and exacerbate inequalities in college enrollment rates among white and minority students.³

The leadership in the state Legislature was unenthusiastic about the Governor's program giving money to students who could otherwise afford the low fees at state universities. However, key Democrats in the Senate and Assembly saw the Merit Scholarship Program as an opportunity to increase aid for low- and middle-income students. State Senator John Burton had been developing a bill to make minor changes to Cal Grant, but the Davis proposal enabled his staff to pursue major program enhancements instead. The result was a deal where the Legislature passed the Merit Scholars Program bill and Governor Davis signed SB 1644, making Cal Grant an entitlement.

The new Cal Grant entitlement program contained a number of fundamental program changes. The original Cal Grant A and B structure was maintained in that the former targets middle-income students and the latter serves low-income students. The new entitlement nature of the program, however, shields it from budgetary fluctuations and means that *every* income-eligible student meeting the minimum academic requirements is guaranteed an award. As Table 1 shows, the new program set the minimum GPA for Cal Grant A at 3.0 and the minimum GPA at 2.0 for Cal Grant B. The Student Aid Commission projected entitlement costs to be \$221 million in 2001-02 and to increase to \$1.2 billion by the academic year 2006-07. This translated into a \$41 million cost increase for Cal Grant for 2001-02 when compared to a projection of the cost of the old Cal Grant program, and a \$586 million cost increase by 2006-07.⁴

High school seniors and younger community college students were the biggest beneficiaries of the program changes. Eligibility for the entitlement portion of Cal Grant was restricted to recent high school graduates (within one year of graduation) and current community college students in the process of transferring to a four-year college.⁵

³ Dynarski, Susan, "HOPE for Whom: The Effect of Financial Aid on Middle Income Students," NBER Working Paper #7756, June 2000.

⁴ LAO 2002-03.

⁵ Only those under age 24 who have graduated from high school in 2001 or later are eligible for the entitlement, meaning that the community college transfer entitlement will not have a significant number of applicants until 2003.

Table 1. New Cal Grant Entitlement Program Criteria Created by SB 1644

Grant Criteria	Cal Grant A	Cal Grant B	CC Transfer
Income Eligibility:			
Family of: Six or more	\$78,842	\$43,305	Within A or B limits
Five	\$73,097	\$40,113	Within A or B limits
Four	\$68,202	\$35,857	Within A or B limits
Three	\$62,776	\$32,239	Within A or B limits
Two	\$61,286	\$28,622	Within A or B limits
GPA Eligibility	3.0	2.0	2.4
Annual Award Amounts:			
Stipend	No stipend	\$1,551 stipend	Depends on A or B
Fees			
CSU	\$1,428	\$1,428 + stipend *	Depends on A or B
UC	\$3,429	\$3,429 + stipend *	Depends on A or B
Independent	Up to smaller of \$9,708 or half tuition	Up to \$9,708 + stipend *	Depends on A or B
Deadline	March 2	March 2	March 2
Age Requirement	2000-01 or beyond high school graduates under age 24	2000-01 or beyond high school graduates under age 24	2000-01 or beyond high school graduates under age 24

* Cal Grant B awardees do not receive fees or tuition in their first year, but they do receive the stipend. They receive both stipend and tuition/fees in renewal years.

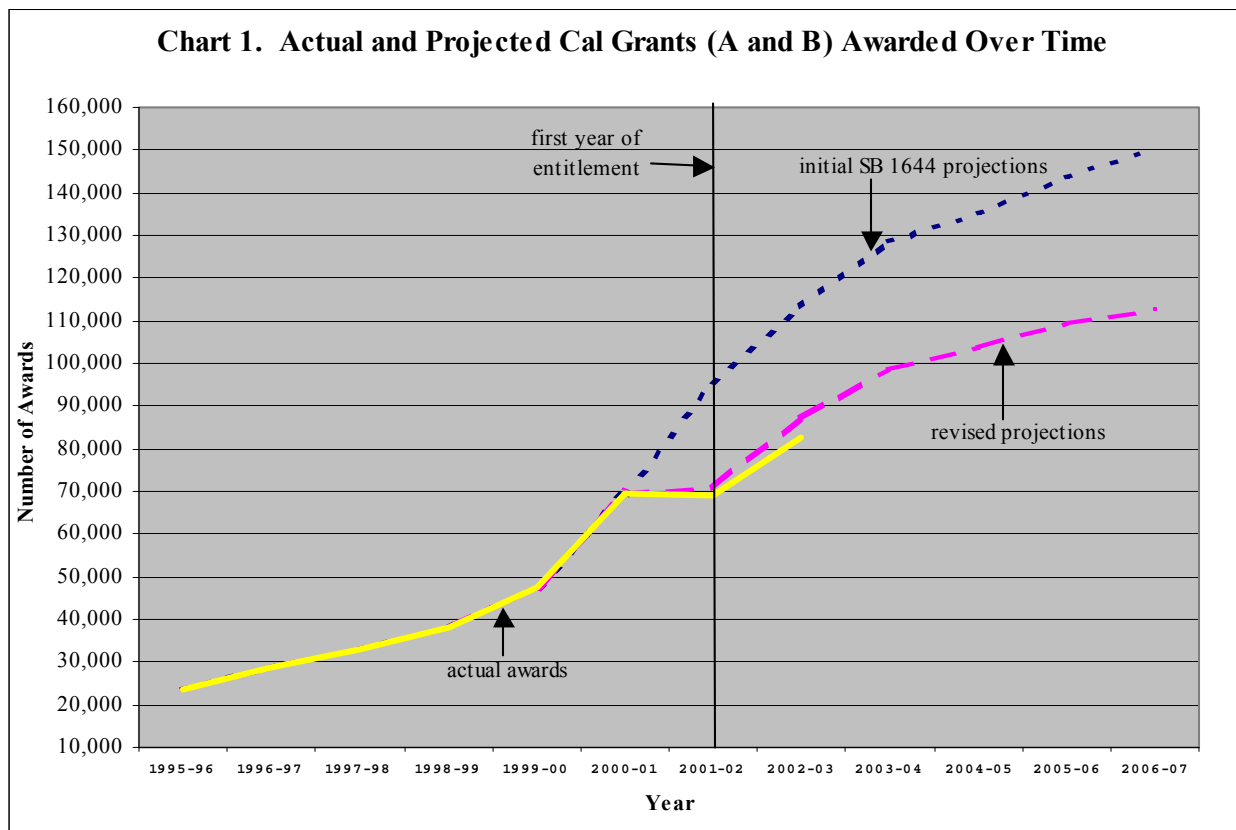
Older and non-traditional students were largely excluded from the new entitlement program. While members of the Legislature sought to provide a Cal Grant for every student with financial need and academic merit, the Department of Finance argued that such a policy would prove too costly. The Department of Finance and the Appropriations Committee staff were also concerned that a financial aid program open to anyone regardless of age would make cost projections difficult and invite unforeseen sharp increases in the number of applications from year to year. As a result, SB 1644 allocates a fixed number (22,500) of Cal Grants to older and non-traditional students under the original competitive structure of the old program. Legislative staff and other observers say the limit on competitive awards was not intended to exclude older students. It was simply the result of political compromises and the inability to accurately estimate their population size. However, a strong consensus did exist that priority should be given to high school students because the entitlement aspect of the program would remove some of the uncertainty of Cal Grant receipt and encourage more students to excel in school.

The legislative staff working on the proposal, however, took care to address the problem of older student eligibility by focusing on community college students (a large percentage of older students are enrolled in community colleges). As a result of input from the Community College Chancellor's Office, the bill's drafters split the granting of the competitive awards evenly between two admissions deadlines. Half of the competitive awards would be available at the March 2nd deadline, but since newly matriculating community college students often don't make enrollment decisions until late in the admissions cycle, the other half of the 22,500 competitive awards were set aside exclusively for community college applicants in September.

First-Year Results

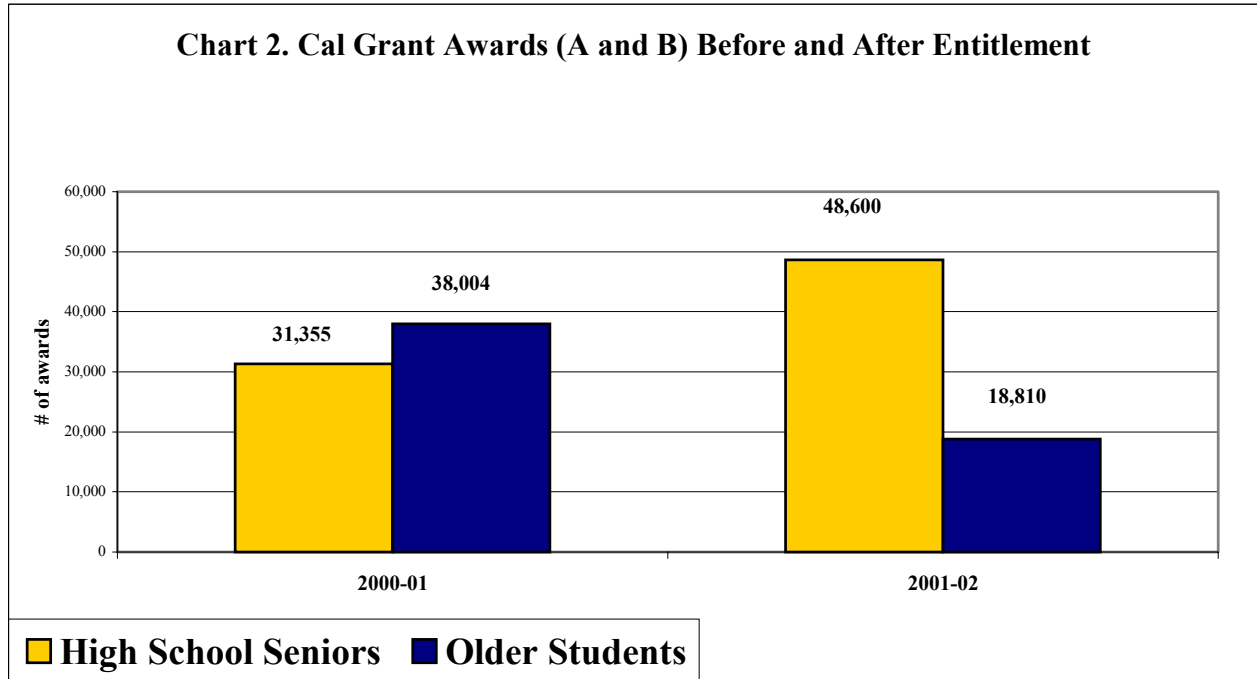
In its first year of implementation the entitlement program's new awards fell far short of the Student Aid Commission's projections (Chart 1). The new focus on high school seniors and recent high school graduates represented the main source of this disparity. New entitlement awards to high school seniors were 25,000 fewer than expected, but still grew by over 55 percent from 31,326 to 48,600.⁶ The Student Aid Commission celebrated this dramatic rise in the number of younger students going on to four-year colleges, despite the fact that applications failed to reach expected levels.

Older students as a group, however, saw their awards significantly reduced. As Chart 2 shows, this group experienced a 51 percent drop in the number of awards from 38,004 to 18,810. Over 41,000 older students competed for the 11,250 awards available by the March 2nd deadline. Their share of new awards declined from around 60 percent in 2000-01 to only 32 percent in 2001-02. For the most part, state officials and college administrators viewed this decline as an unfortunate side effect of an otherwise successful entitlement program.



⁶ LAO 2002-03.

Chart 2. Cal Grant Awards (A and B) Before and After Entitlement



The distribution of A and B awards also changed significantly during the entitlement’s first year. In previous years the number of A and B awards was required by law to be equal, but the entitlement program had no such requirement. The result of the new policy was a significant shift towards Cal Grant B awards. Around 70 percent of all Cal Grants were B awards in 2001-02. This made little fiscal difference in year one, as B recipients are awarded only a stipend of \$1,500 in their first year. In future years, however, this trend will significantly raise program costs since a larger proportion of Cal Grant recipients will be receiving both full tuition and a living stipend.

Entitlement expansion also had a significant impact on the educational sector distribution of Cal Grant awards. High school seniors were the chief targets of the new Cal Grant entitlement program. As Table 2 shows, in the pre-entitlement year of 2000-01 the number of high school senior Cal Grant recipients was more or less evenly distributed across UC, CSU, and community colleges. This was largely due to the requirement that the number of Cal Grant A and B awards be equal. After the entitlement’s removal of this requirement, however, the number of high school senior recipients who were going on to community college increased by 92 percent. This growth slightly exceeded that of CSU and far outpaced that of UC. So as a result of entitlement expansion, increasing shares of high school seniors receiving Cal Grants are going on to attend community colleges and CSU while a declining share are going on to UC.

The distributional effects of entitlement expansion were even more significant for older students. As Table 2 shows, the largest number of these students receiving Cal Grants in the pre-entitlement year went on to attend CSU. Roughly equal shares went on to UC, community college, and independent schools. But after the 2001-02 program expansion that removed older

students from entitlement eligibility, the number of them going on to UC, CSU, and independent colleges declined by 76, 71, and 81 percent, respectively. The number going on to community colleges, however, rose by nearly 57 percent to make community college awards the overwhelming majority of competitive grants going to older students. This was almost entirely because 11,250 of these grants were set aside for community college students applying in September.

Table 2. Distribution of Awards Across Sectors Before and After the Entitlement

Sector	2000-01 Awards (A and B)	2001-02 Awards (A and B)	% Change
<i>High School Seniors</i>	31,326	48,425	54.6%
UC	8,467	11,221	32.5%
CSU	8,636	14,557	68.6%
Indep. College	5,966	6,545	9.7%
Comm. College	7,750	14,846	91.6%
<i>Older Students</i>	38,004	22,500	-40.8%
UC	6,715	1,583	-76.4%
CSU	11,677	3,342	-71.4%
Indep. College	6,540	1,225	-81.3%
Comm. College	9,830	15,392	56.6%

A Rocky First Year: Is Outreach the Answer?

In the fall of 2001, the news media began to reveal many of the pitfalls that occurred in the implementation of the new Cal Grant program. Coverage focused on the fact that older students saw their share of new awards decline sharply despite the fact that unused high school senior awards resulted in over \$35 million in unspent funds. Attention was also focused on how high schools and community colleges across the state were negligent in transmitting eligible students' GPA certification forms on time or at all. Some legislators confirmed the media reports by saying that "everything that could go wrong did go wrong." Both the Student Aid Commission and the architects of SB 1644 acknowledged the program's shortcomings but contended that any program would suffer glitches in its first year. As several legislative staff members explained to the Sacramento Bee and to us, many people understood all along that the projections of awards were rough estimates rather than precise targets.

However, politicians and the media generally agreed that a key problem behind the shortfall in applications was a lack of effective outreach to high school students. As a result, a massive outreach campaign was launched in 2001 to increase students' awareness of the new Cal Grant program. The Irvine Foundation funded general outreach efforts through radio and television advertising as well as events targeted to high schools. The Lumina Foundation, based in Indiana,

also contracted with the financial aid office at Occidental College to stage and promote a statewide event called “College Goal Sunday.” The event coordinates high schools, colleges, and community centers by offering joint workshops one Sunday per year where students can be guided through the Cal Grant application process. State legislators have also joined the effort, providing services on College Goal Sunday to help constituents complete the Free Application for Federal Student Aid (FAFSA) form and learn about Cal Grants and other financial aid programs.

III. FINDINGS

1. Present trends will reduce the gap between actual and expected awards

Even without major changes to the Cal Grant program it is likely that the number of applicants and awards will increase steadily over the next few years. This will occur as more students learn about Cal Grant and as additional components of the program, such as the transfer entitlement, begin to incur substantial costs.

First, it appears likely that more students will apply for the program as awareness of the program grows. Since Cal Grant became an entitlement program, the Student Aid Commission has significantly stepped up its outreach efforts and additional outreach has been implemented with supplemental funding from the Irvine and Lumina Foundations. Word-of-mouth among students, families, and siblings could also significantly affect applications, as more high school seniors are awarded Cal Grants and see the benefits of increased aid.

In addition, several components of the new Cal Grant program have yet to go into effect. SB 1644 stipulates that students who graduate from high school in 2001 or beyond are eligible for an entitlement award in the year they graduate or in the following year. Since 2001-02 was the first year of the new entitlement program, no students who were one year out of high school qualified for the entitlement. Instead, students who had graduated the year before and applied for Cal Grant were part of the overwhelming pool of applicants for the 22,500 competitive grants. But beginning this past application season, students who graduated from high school the year before they apply can enter the program through the entitlement route, lessening some of the pressure on the competitive program and increasing the number of entitlement grants awarded.

Another component of the new Cal Grant program that will be implemented after a short delay is the Cal Grant community college transfer entitlement. Under SB 1644, the entitlement is also extended to community college students under age 24 who are transferring to 4-year colleges in California. However, only students who graduated from high school in 2001 or later are eligible for any of the entitlement programs. Therefore, the 2003-04 school year will probably be the first year that a significant number of students will have completed basic requirements at community colleges and be eligible for the Cal Grant community college transfer entitlement.

In addition, the number of students transferring from community colleges to 4-year institutions is expected to grow over the next few years. Community colleges are currently making special efforts to increase transfer rates, which were once high but have fallen steadily for the past decade. In order to bring up transfer rates, the University of California has signed a Memorandum of Understanding with the community college system to increase annual transfers from 10,600 to 14,500 by 2005-06.⁷ Part of this increase will come from the University of California's dual admissions program, in which high school graduates are admitted provisionally to the University of California, providing they first complete two years at a community college.

⁷Academic Affairs, Office of the President, University of California, "Educating the Next Generation of Californians in a Research University Context: University of California Graduate and Undergraduate Enrollment Planning Through 2010," 1999.

The University of California has also increased outreach to community college students. In 2001, UC president Richard Atkinson sent a letter to more than 22,000 community college students identified as high achieving, encouraging them to apply to the University of California and providing answers to frequently asked questions such as those regarding financial aid. This increase in outreach could lead to higher transfer rates, and higher Cal Grant take-up rates for entitlement awards, again possibly reducing some of the pressure on the 22,500 competitive awards.

Increased out-year program costs will also significantly reduce the amount of unspent Cal Grant funds in future years. In 2001-02 Cal Grant B comprised over 80 percent of total new entitlement awards. Because Cal Grant B only provides a living stipend of \$1,500 in the first year, the additional full-fee grant that Cal Grant B recipients receive in their second year and thereafter was not reflected in first year program costs. More than 19,000 of these awards were made in the 2001-02 academic year. In all subsequent years, students who remain enrolled will receive full-fee grants in addition to the stipend. These out-year costs could add nearly \$40 million to program costs, which will likely cause any future surplus of unspent funds to dwindle significantly.

The most recent data on new Cal Grant awards indicate that the gap between actual and projected awards has already narrowed considerably. For 2002-03, about 60,000 new entitlement awards were made to high school seniors. This is compared to the roughly 65,000 new awards projected by the Student Aid Commission (based on revised projections in light of the shortfall in applications in the entitlement's first year).

2. State agencies have been unable to estimate the population of high school students eligible for Cal Grant

During the course of our analysis, we found that the Student Aid Commission and other agencies have been unable to construct a reliable estimate of the number of Cal Grant eligible high school students. This lack of a reliable estimate generated much of the media attention faced by the Student Aid Commission in the first year of the entitlement program. In addition, it continues to hinder future outreach and evaluation.

While drafting SB 1644 in 2000 the Legislature relied on Student Aid Commission projections of the number of eligible high school seniors who would apply for the Cal Grant entitlement program. These projections, however, were imprecise for several reasons. First, it is difficult to acquire reliable information about the distribution of grade point averages in high schools. Second, very little information exists about the family incomes of high school students and none of it is connected to information about grade point average or other indicators of school performance. Instead, the Student Aid Commission made projections based on average family income and the number of applicants in past years.

In August 2000 the Student Aid Commission projected it would award 72,568 new entitlement grants to high school seniors in the first year. This number would have represented a 132 percent increase for that group over the pre-entitlement awards.⁸ The Student Aid

⁸ California Student Aid Commission, "Cal Grant Entitlement Cost and Award Projections," August 2000.

Commission and legislative staff have explained that this estimate for high school seniors was never intended to be a precise target. Therefore a shortfall from that projected number does not necessarily mean that eligible students failed to apply. In fact, the Student Aid Commission and the Department of Finance were *over*-estimating in order to ensure that every eligible student would receive an award. Since the first year of the Cal Grant entitlement, the Student Aid Commission has revised these estimates downward, using data from the first year and thereby more closely aligning actual and expected awards for 2002-03.

Despite these improved projections, we found that a reliable estimate of the total eligible high school population, including non-applicants, would still be useful for effective planning and evaluation of the Cal Grant program. With a reliable estimate of eligible non-applicants, the Student Aid Commission would know if there was a large population of eligible students who were not applying, and could then begin to explore the reasons. A reliable estimate compared to current application rates would also allow the Commission to highlight gaps in the Cal Grant application process or identify special populations that might benefit from increased outreach.

3. High schools lack the resources needed to support the Cal Grant entitlement

When it comes to educating students about colleges and financial aid, California high schools face extraordinary challenges. California high schools are often large and lack sufficient numbers of guidance counselors to effectively serve their students. The average student-counselor ratio in California schools is 945 to 1, compared to a national average of 490 to 1.⁹ California schools have an average of only 1.7 counselors (including guidance counselors, psychologists and school nurses).¹⁰ California students are also often poor; in the 1998-99 school year, almost half of all students qualified for a free or reduced-price lunch. High levels of poverty are indicative of families with low levels of literacy and low rates of college attendance among parents. Because a large number of students have parents who didn't attend college or don't speak English, many families are unable to assist their children with the college application process. As a result, counselors must often fill in these gaps and provide the bulk of college guidance.

High school counselors take a variety of approaches in informing their students about college and financial aid opportunities. These range from educating parents through PTA newsletters and college nights to targeting students with class presentations and assemblies. However, it is rare that college counselors have the ability to provide services on an individual basis. Often the best they can do, given their limited time and resources, is a blanket approach. Unfortunately, under this approach the students who need the most help often benefit the least. Poor and minority students as well as those with limited English proficiency often require more extensive intervention to begin to see college as a viable option. Though these students may have numerous financial aid opportunities available to them, they are often unaware of the programs or face cultural barriers in accessing them.

⁹ Counseling and Student Support Services, California Department of Education, Research on School Counseling Effectiveness, November 2001.

¹⁰ Education Data Partnership, "Spending California's Education Dollars," April 2001.

The insufficient resources devoted to increasing awareness of college and financial aid may also curtail student participation in the Cal Grant entitlement program. First, as previously discussed, many poor, minority and limited English proficiency students require more encouragement to see college as an option and Cal Grant as a way of financing it. As a result, they are less likely to apply for Cal Grant by the March 2nd entitlement deadline.¹¹ Second, language barriers are significant obstacles, as well. One Southern California high school college counselor indicated that up to 50 percent of students at her school would prefer to complete application forms in Spanish if they were available.

Other factors contribute to the lack of Cal Grant applications. Some students feel that their family incomes are too high to qualify for the program. Others initially plan to attend college out of state, but then decide to stay in California after the March 2nd priority deadline. Still others don't think their GPA is high enough to qualify for an award. Lastly, some students who intend to go to a community college do not complete any financial aid forms because they assume they can afford community college without financial assistance.

Given the widespread difficulty in targeting students who might need Cal Grants the most, college counselors are seeking ways to streamline and simplify the Cal Grant application process. To apply for a Cal Grant, a student must submit a FAFSA to the U.S. Department of Education and then submit a school-validated GPA verification form to the California Student Aid Commission. Many counselors we spoke to indicated they would appreciate an electronic GPA submission process, similar to the one currently used by most community colleges. This process would eliminate the need for students to submit a GPA verification form because schools would automatically send all eligible GPAs to the Commission.

Three major obstacles have hampered the development of the electronic GPA submission process. First, high schools are unsure about students' right to privacy. Second, some high schools do not have adequate technology to submit GPAs electronically. Third, high schools generally do not collect Social Security Numbers for students, which are needed to link data from the FAFSA to data from the GPA verification form.

Even with these obstacles, schools have found ways to employ electronic submission. This year, one school with a small number of graduating seniors had those students submit their Social Security Numbers to their counselors. They were linked to GPAs and electronically submitted. The college counselor at this school preferred this new process because it led to more students applying for and receiving a Cal Grant award. However, the process to collect Social Security Numbers was even more time-intensive for her office than the previous process of validating the GPA verification forms. For any larger school with more graduating seniors, this process would probably not be feasible. And even with this streamlined process, less than half of the graduating seniors in the class turned in Social Security Numbers.

¹¹ Gloria Archer, College Counselor, Cabrillo High School, Personal Interview, 1 May 2002. Robin Sroka, College Counselor, Wilson High School, Personal Interview, 22 April 2002.

4. The Cal Grant entitlement excludes older students

Although SB 1644 greatly expanded the Cal Grant program, the new entitlement program excluded older students. While \$35 million in unused high school senior awards remained after the first year, thousands of older students were denied competitive grants. These otherwise eligible students (meaning they would have qualified for Cal Grant on the basis of income and GPA eligibility) were forced to compete for a fixed number of awards because they were over age 23.

This exclusion was not an intentional shift away from providing aid to older students. In framing the Cal Grant entitlement, legislators operated under the assumption that freed-up institutional aid would compensate older students for their losses in Cal Grant funding. However, no research has been conducted into whether this has actually occurred.

The targeting of Cal Grant entitlement eligibility to high school seniors belies the fact that older students make up a significant proportion of California's higher education population. Students above 25 years of age make up 44 percent of all college students in California and nearly 25 percent of all full-time students in California colleges. The majority of older students are found at CSU and community colleges, and they are more likely than their younger counterparts to be part-time students. For full-time students, the average age of undergraduate students at UC is 22, while it is 23 at CSU and 25 at CCC. For part-time undergraduates, the average age is 24 at UC, 29 at CSU and 30 at community colleges.¹² The significant presence of older students in California's college student population implies that their financial need should receive a higher priority than it currently does in state-funded programs such as Cal Grant.

5. Real benefits of a Cal Grant may be unclear to some students

The new Cal Grant entitlement was intended to simplify the financial aid process, increase funding available for student aid, and ensure that students could attend the college of their choice regardless of costs. In addition, legislative and Commission staff saw the entitlement as a powerful incentive for students to reach higher levels of academic achievement while aspiring to attend college. But the complex ways in which universities respond to increases in the provision of state-funded financial aid may inhibit the entitlement's ability to achieve these goals.

Anecdotal evidence suggests that some students may see very little change in their financial aid packages as a result of Cal Grant. Interviews with financial aid counselors at UC and CSU indicate that schools reduce the financial aid packages offered to Cal Grant-eligible students by the amount they receive from the award. These reductions occur in different ways in the various educational sectors. At CSU, the reductions result in fewer loans for eligible students, but at UC Cal Grant awards replace funding that would have been awarded in university grants.¹³ While this institutional response to financial aid results in a transfer from state coffers to some colleges and universities, individual students in some sectors may see little benefit. The student who fails to apply for Cal Grant but goes on to attend UC may not suffer a direct consequence in their own

¹² 1997-98 Student Expenses and Resources Survey. California Student Aid Commission. Policy, Research, and Legislative Division.

¹³ Financial Aid Counselor, UC Davis and Vicki Takeuchi, Cal Grant Coordinator, CSU Fullerton, Personal Interviews, 30 April 2002.

package—UC may provide institutional aid to ensure the student can meet all costs without going above manageable loan and work levels. This lack of consequences for some students (possibly a very small number of students) could limit the power of the entitlement as an inspirational tool. Of course, as a group, students in each sector who receive institutional aid see a benefit, as Cal Grant provides schools with additional funding.

Empirical evidence also lends support to the claim that colleges and universities tend to absorb increases in financial aid. McPherson and Schapiro found that public universities raise tuition by about \$50 for every \$100 increase in federal and state-supported student aid spending.¹⁴ Again, the increased tuition revenue realized by schools is the result of a transfer from state financial aid funds. These conflicting trends often add up to few net benefits for students, but they can also have adverse impacts on their enrollment. Heller shows that a 10 percent increase in tuition combined with an equal increase in state-funded financial aid results in a net *drop* in enrollment of 0.2 percentage points.¹⁵ So while the intent of state-funded financial aid programs such as Cal Grant is to boost college enrollment levels, the institutional responses to financial aid provision could instead cause the opposite effect. Even if abundant need-based aid exists, students may perceive high tuition levels and experience “sticker shock,” thereby preventing them from applying and learning about financial aid available to them.

In addition, some independent colleges, including USC, now offer to match the amount of money a student brings in with a Cal Grant (up to \$9,708 or half of tuition). Some of the institutions making this offer already provide considerable institutional aid for any student with unmet need. In that case, the amount of the Cal Grant and the matching amount could be equal to the amount that the college would have otherwise contributed for someone at that income level—largely because the college might well have contributed whatever wasn’t met by family and student contribution. We might see this matching advertisement as further simplification that helps students and parents view both public and private colleges as affordable options because they will have up to \$19,000 of tuition covered by Cal Grant and the match. Alternatively, we might ask if it further complicates the whole process, especially if one institution is offering to “match” the Cal Grant while another is not.

¹⁴ McPherson, Michael and Morton Schapiro, *Paying the Piper: Productivity, Incentives, and Financing in U.S. Higher Education*, Ann Arbor, MI: University of Michigan Press, 1993.

¹⁵ Heller, Donald E, *The Effects of Tuition Prices and Financial Aid on Enrollment in Higher Education: California and the Nation*, EdFund 2001.

IV. CURRENT PROPOSALS TO ALTER THE CAL GRANT PROGRAM

1. Alternative delivery of Cal Grants

Alternative delivery is a proposal to have universities, rather than the Student Aid Commission, determine eligibility for Cal Grants and issue the awards in tandem with institutional aid. The schools currently make these calculations in order to determine institutional aid; they could continue to make the same calculations in preparing each student's financial aid package. This could reduce redundancy and free up the Student Aid Commission to provide other services.

Considerable drawbacks to this suggestion remain. Staff from the Student Aid Commission fear that individual institutions, particularly independent schools, could use Cal Grant as a marketing mechanism to draw more students to their campuses without revealing that a Cal Grant could be used at any number of institutions. While the Student Aid Commission is eager to collaborate with private institutions that conduct marketing and outreach to students, Cal Grant's priority is to provide students with educational choices. Additionally, some small community colleges and proprietary schools may not have the resources in their financial aid offices to administer the Cal Grant program. The Student Aid Commission and others have also raised concerns that different institutions could find some students eligible for Cal Grants while other institutions may not, leading to complications that could deny some students Cal Grants outright or call for the Student Aid Commission to mediate. Reporting about grant recipients from each institution to the state would also be costly and difficult to monitor. Finally, an award letter from the Student Aid Commission (instead of from individual colleges) could better inform community college students about their transfer entitlement. The Commission's letter could ensure that those students entering community colleges know there is an award waiting for them when they transfer to any four-year institution (within three years), and propel more students to transfer.

2. Shift institutional aid from UC and CSU to the Cal Grant program

Every year, University of California and Cal State campuses draw on almost \$300 million in funds to provide need-based financial aid to their students. At the University of California, the program is known as the University Student Aid Program and at the California State University campuses the program is called the State University Grant program. These institutional aid programs allow the UC and CSU campuses to supplement Cal Grants, federal aid, and private resources to provide financially needy students with additional funds.

In their analysis of the 2002-03 budget bill, the Legislative Analyst's Office suggested shifting some of the \$294 million in institutional aid from UC and CSU to Cal Grant. These monies, the LAO suggested, could then be used to fund the competitive Cal Grant program (i.e., increase the number of competitive Cal Grants above 22,500 to a number closer to meeting demand). The LAO was responding to concerns that as many as 50,000 students who met general eligibility requirements for Cal Grant were denied an award because they either exceeded the age limit of 23 or did not have an index score high enough to win a competitive award. The LAO's suggestion is compelling because it would allow the state to fund more competitive grants while keeping the entitlement for high school seniors intact.

The University of California and California State University, however, have strenuous objections to this proposal. First, there are equity concerns, as the institutional aid is at least in part derived from student fees at University of California and California State University campuses. Since the 1980's, University of California and California State University students have chosen to "tax themselves" in order to provide financial aid for other students. As a result, institutional aid derives largely from a fund made up of 1/3 of tuition increases over the past twenty years. To divert these funds to students at other institutions, including independent and proprietary schools, would be unfair to UC and CSU students. In addition, the University of California projects that only \$23 million of their current \$172 million in institutional aid will flow back to UC students.

Perhaps most importantly, the University of California and CSU project that reducing their institutional aid in order to provide more competitive grants will hamper the ability of lower income students to attend UC or CSU. Cal Grants only cover tuition and fees. Traditionally UC and CSU have used institutional aid to provide supplemental grants to students to ensure that they maintain a manageable level of work and borrowing. As a result, the University of California reports that supplemental UC aid is awarded to 66 percent of Cal Grant recipients at UC campuses. Without institutional aid, UC and CSU would be unable to provide these funds. In addition, UC and CSU would be unable to make needed changes to individual aid packages in special circumstances, such as when a student becomes disabled or has a parent die or become unemployed mid-year. The UC Office of the President also argues that aid drawn from these institutional aid pools is "essential to attracting top-notch graduate students, the loss of whom would devastate the University's research capabilities and graduate education programs." In regards to older students, UC and CSU argue that many of the older students denied Cal Grants last year received institutional aid to make up the difference.

The reasons for maintaining the institutional aid programs are compelling. At the same time, we also suggest that further study investigate the ways in which institutional aid interacts with Cal Grant in each of the different educational segments.

V. RECOMMENDATIONS

We have both short-term and long-term recommendations. The short-term recommendations are largely intended for the Student Aid Commission, while the long-term recommendations are more general in nature.

Short-Term Recommendations

1. Construct an estimate of the eligible population

We found that state agencies have been unable to reliably estimate the population of high school seniors eligible for Cal Grant. A better estimate of the population eligible for Cal Grants (including students who do not apply) would enable the Student Aid Commission to make even more reliable projections. While the Student Aid Commission has been able to improve their projections based on application data from the first year of the Cal Grant entitlement, the number of applications could rise as the number of high school students increases or as word of mouth increases awareness about the grant program. Improved estimates would allow the Student Aid Commission and others to project these possible changes.

A better estimate would also help the Student Aid Commission plan for and evaluate outreach to students who are not applying for Cal Grants. If an accurate estimate showed that the Student Aid Commission's projection was far below the number of eligible students, the Commission could turn towards developing extensive outreach programs. If it showed that the majority of the eligible population is applying for the grants (or, for instance, going out of state for school), then the Legislature could increase the number of competitive grants. Below we describe several quantitative models that could be useful in estimating the number of eligible students and, consequently, planning for outreach efforts or program changes.

- **Simplified model**

The first model the Student Aid Commission could use to estimate the entire eligible population is a simplified model using Excel or similar spreadsheet software. It would include a series of basic calculations based on school district demographic data resulting in an estimate of the eligible high school population.

Variables used in the calculations could include, among other things:

- Graduation rates
- Average SAT scores and percent of students taking the SAT
- The percent of students who are UC-CSU eligible
- The percent of families reporting below \$78,000 in family income. Since family income data is rarely collected by school district, this might require looking at Franchise Tax records or average family income by county or another geographic area.
- Projected growth in enrollment in different school districts

The Student Aid Commission would need to gather data from a variety of sources, such as the California Department of Education, the California Post-Secondary Education Commission, the Demographic Research Unit of the Department of Finance, and the Census Bureau.

The product of this Excel model would be a set of estimates of students who are eligible for Cal Grant in each school district. With sensitivity analysis, the model could produce several estimates for each district depending on how you modify the assumptions. For instance, one could make an assumption about the percentage of students likely to have a 3.0 average based on another factor, such as average SAT scores above a certain level, and then produce one set of estimates; using a different indicator, such as graduation rates, to predict the percentage of students with a GPA above 3.0 would lead to another set of estimates.

The trickiest part of defining a model will be estimating what percentage of students with a GPA above 2.0 or 3.0 fall below Cal Grant income cut-offs. To make these assumptions, the statisticians responsible might rely on available literature about the effect of family income on achievement, or might simply make estimates based on average family income in each school district.

The Commission could then compare these estimates with actual applications from each school district in order to identify underserved areas and target them. Outreach could target students in a particular area, or counseling staff in specific school districts with low application rates.

The California Post-Secondary Education Commission has considered the development of such a model but so far has found that any model would have significant flaws and limitations. Specifically, CPEC is concerned that the model would not be reliable because of the lack of data connecting student grade information with family income. The costs of this type of model would vary with the degree of precision desired, but could presumably be done using staff at CPEC or CSAC. The Student Aid Commission is also investigating data they could obtain that would make an Excel model richer and more reliable. They have investigated Franchise Tax data and other forms of income information, but it remains difficult to cross that data with student achievement.

The state is currently developing the California Student Information System (CSIS), a comprehensive K-12 database that will include information about grade point averages. This database or other similar large scale data collection activities might enable the Student Aid Commission to estimate at least the percentage of students receiving a GPA above a 2.0 or 3.0. However, the CSIS will not be completed for another two to ten years and it is not expected to include socioeconomic data.

- **Survey of high schools**

Our second proposal for modeling an estimate of the eligible population is the development of a student survey specifically designed to estimate Cal Grant eligibility. The California Post-Secondary Education Commission currently conducts a survey to determine student eligibility for the UC and CSU system. The problem of determining UC-CSU eligibility is similar to the

problem of determining Cal Grant eligibility – in both cases, the task is to identify eligible students who have not applied for or enrolled in the target program. With their eligibility survey, the California Post-Secondary Education Commission estimates the proportion of high school students who would be accepted by UC or CSU, regardless of their intent to apply.

To estimate eligibility, the California Post-Secondary Education Commission gathers a statistical sample of transcripts from each California high school. Schools are paid \$3 for each transcript. Participation rates are generally around 95 percent. Student names are removed from the transcripts, and then the transcripts are sent to UC and CSU offices. At UC and CSU, counselors determine eligibility and report results back to CPEC. Beginning this year, the transcripts will be available online so that UC and CSU offices can download batches directly. The survey is only done once every four years at a cost of \$500,000.

The CPEC study is fairly sophisticated; it not only estimates the total number of eligible non-applicants, but it also estimates the number of students who could become eligible by various methods. For instance, the CPEC study can estimate the number of students who would become eligible for UC and CSU once they take the SAT.

The Student Aid Commission could conduct a similar survey to estimate Cal Grant eligibility, although significant barriers exist to actual development. Foremost among these barriers is the need to obtain family income data. This might involve requiring schools to ask students or parents to provide such information, which would likely significantly reduce participation rates. Alternately, one could use estimates of average family income per county or city. In that case, a survey would provide the percentage of students eligible academically, but not necessarily financially.

This kind of survey could be conducted as a stand-alone survey or as part of the CPEC study. If CSAC did a separate study, there would be no need to go through UC or CSU campuses, which would cut down on costs significantly. On the other hand, using the CPEC survey would allow CSAC to take advantage of some economies of scale. In addition, it would avoid the possibility that conducting two separate surveys might reduce the participation rate for both efforts.

- **Regression model**

Another model the Student Aid Commission could use is a regression analysis. The unit of analysis would, again, be the school district and the model would forecast the number of eligible high school seniors for each district. This model would use actual applications, derived from Student Aid Commission data, as the dependent variable. Explanatory variables might include the percentage of students UC-CSU eligible, percent below \$78,000 in family income, percent minority, percent LEP, percent eligible for free and reduced-price lunch, percent on public assistance, average enrollment per school, and the average number of counselors per school. In addition to providing a benchmark estimate of the district-level eligible population, this model would identify specific characteristics or circumstances that have significant impacts on the number of applications received from each school district. Such knowledge could aid in the formation of more precise program changes.

2. Switch to a voluntary electronic transfer of GPAs for high schools and community colleges

Our analyses showed that many high schools lack the counselors and resources needed to adequately support the Cal Grant entitlement. We are recommending widespread promotion of a voluntary electronic transfer of GPA data for high schools and community colleges. An electronic transfer of GPA data should achieve two ends. First, electronic transfer should reduce the Cal Grant-specific workload for high school counselors and community college financial aid staff. Second, the transfer will eliminate one step in an already complicated financial aid process for students. In particular, this should benefit poor, minority and limited English proficiency students. However, before this plan can be adopted, the Student Aid Commission must address the three concerns that high schools have had with the plan. Those again are privacy, lack of technology, and the burden of collecting student Social Security Numbers.

Schools across the state have expressed concerns that submitting all GPAs above 2.0 for graduating students would leave the school open to lawsuits claiming invasion of students' privacy. Community colleges currently using electronic submission handle the issue of privacy by defining Memoranda of Understanding (MOU) with the Commission. These MOU outline the acceptable uses of GPA data as well as how the Commission will dispose of the data once used. The MOU model could be transferred to additional community colleges and high schools as a way for them to allay their concerns about privacy. For example, each school district could draft a MOU for the high schools in the district saying that GPA and Social Security Numbers could only be used to determine Cal Grant eligibility and must be discarded each year (or two years to factor in graduating students applying for Cal Grant the year after their graduation) after eligibility is determined.

High schools have additional technological concerns that make the GPA transfer problematic. A small number of high schools don't have adequate computer technology to assemble GPAs and transfer them electronically to the Student Aid Commission. If an electronic GPA transfer program were mandatory, technology would have to be provided to these schools so that they could participate in the program. State funds would have to be allocated for each school needing the technology, with cost estimates likely to be up to \$125,000 for the first year, and up to \$60,000 per year in subsequent years.¹⁶ However, promoting a voluntary program would allow those schools without necessary technology to remove themselves from the program, while at the same time allowing those schools that have the technology to benefit from the electronic transfer program. Schools without necessary technology could then perform their own cost-benefit analyses to determine whether the costs of investing in a new computer system outweigh the total benefits of the new system, including reduced Cal Grant workloads for school counselors.

In order for a voluntary electronic transfer program to be successful, it is crucial that the Social Security Number problem be addressed. High schools do not collect Social Security

¹⁶ Daniel Alvarez, Consultant, Assembly Appropriations Committee, Personal Interview, 3 May 2002.

Numbers (SSN) from students, and therefore cannot match GPAs to FAFSA data using SSN. While some schools simply collect the SSN from the student to electronically submit GPAs, workload and logistics make this solution unfeasible for larger high schools. We recommend that the Student Aid Commission look at creating a unique identifier that high schools can use to link the data they send to FAFSA data. This would allow high schools to send GPAs electronically without the need for Social Security Numbers.

The process of creating a unique identifier is likely to be complicated and require at least a few years of piloting before widespread implementation is possible. An initial study by a statistician should look at data that is collected both by high schools and on the FAFSA. Since high schools collect differing kinds and amounts of data on their students, this step could require significant research. Once a list of common data fields is completed, the statistician would then have to determine the composition of the unique identifier code. The code must be one that is unique to one student applying within one Cal Grant application period. Since it is not known what common data exists, it is unclear how difficult it may be to actually devise a unique identifier that can work. Once a unique identifier code is determined, the Student Aid Commission could test the validity of the code by running it against old FAFSA data sets to see if any duplicate codes are found. The next step would likely be to pilot the program for a limited number of schools, and then expand as it was determined that the identifier system was working well. Costs to develop a study, hire a statistician and monitor the system are likely to be in the hundreds of thousands of dollars. However, most of these costs would only occur over a short, fixed period of time. To compensate, the development of a unique identifier could reduce outreach and mailing costs that are large, and would exist in perpetuity.

3. Increase early outreach about Cal Grant and other financial aid programs

If the Cal Grant is going to inspire students to finish high school, achieve at high levels, and enroll in college, outreach must begin before the senior year. The Student Aid Commission and partners should encourage and aid students to determine their eligibility before they become high school seniors. We recommend informing students in grades 9-11 not only about the existence of the entitlement, but also about their current eligibility status. The Student Aid Commission should help schools and community centers hold Cal Grant workshops in grades 9-11 to help students and parents learn about the entitlement program. The Student Aid Commission or its partners could also create an online grant calculator that would immediately determine any student's eligibility and award amount after typing in their family income and GPA.

The Student Aid Commission should also develop outreach to encourage students to complete the FAFSA, not just apply for Cal Grant. With the removal of GPA verification as an obstacle in the Cal Grant application process, the major limiting factor for Cal Grant applications will be whether students fill out a FAFSA. Students should have more incentive to fill out the FAFSA than the GPA verification form, since the FAFSA is also the application form for federal financial aid and often the form for institutional aid. However, the students least likely to fill out the FAFSA may be those who are unsure of college plans until late in the enrollment cycle, and those who have the greatest need for aid.

Outreach efforts that focus on reaching students before they are in their senior year of high school would have additional benefits. One of the legislators' arguments for the entitlement

program was that it would assure students years in advance whether they could be eligible for Cal Grant money. This allows the students to plan their academic progress toward college accordingly. In this spirit, the Commission should provide tools to younger high school students to allow them to determine the size of the grant award that they would receive, considering their family income and asset level. Knowing how much money for college is awaiting them may motivate students to choose courses more wisely, and perform better, thereby leading to a greater likelihood that they will enroll in college.

Long-Term Recommendations

4. Increase opportunity for older students

Several institutions and other interested parties have proposed ways to remedy the shortfall in competitive grants available to older and nontraditional students. They range from making changes to Cal Grant to altering California's overall financial aid system. The following is an analysis of some of these proposals:

- **Explore other ways of providing aid to older students**

Among the “clean-up” bills currently in the California State Legislature, there are several proposals to shift funding to increase the number of competitive grants. In the current fiscal crisis, however, increasing funds for competitive grants is unlikely to pass the Legislature. In particular, one proposal to increase the number of competitive grants expired in committee, and another proposal to transfer unused entitlement funds to the competitive program was sent to the suspense file in the Assembly Appropriations Committee, where it is unlikely to return. However, the legislative staff members who were instrumental in the development of SB 1644 feel strongly that once California's budget problems pass, there will be an opportunity to increase the number of competitive grants through the Legislature.¹⁷

- **Ensure that older students are indeed receiving the institutional aid that legislators intended them to receive**

The legislators who crafted SB 1644 assumed that removing older students from entitlement eligibility would not result in their exclusion from overall state financial aid policy. Instead they anticipated that freed-up institutional aid would make up the difference. We recommend that the Student Aid Commission verify the extent to which this has or has not occurred. Doing so will inform their decisions regarding the transfer of funds from the entitlement to the competitive program. If institutional aid has not responded in the way that the Legislature had intended it to, then a certain level of financial aid to older students should be mandated.

5. Conduct research about impact of the Cal Grant award on financial aid packages

The Student Aid Commission and other stakeholders should understand more fully the impact of a Cal Grant award on individual students' financial aid packages. If individual students in different segments see their financial aid affected by Cal Grant in different ways—if,

¹⁷ Terry Anderson, Office Senator Burton, California State Legislature, Personal Interview, 26 March 2002.

for instance, students at UC see very similar packages regardless of Cal Grant while students at CSU see a reduction in loans as a result of Cal Grant—we may be able to learn about the incentive for different kinds of students to apply for the grant program. Students intent on attending UC may have little incentive to apply for Cal Grant, while students in other segments, particularly students interested in independent colleges, might have greater incentive.

Research will also allow the Commission to use the understanding of the impact of a Cal Grant on a financial aid package for the purposes of other research. The Sphere Institute is currently evaluating the impact of Cal Grants (pre-entitlement) on student outcomes by comparing outcomes of those students who placed just above the GPA cutoff and received a grant with those who placed just below the cutoff and received no grant. We wonder if many of these students simply received equivalent increases in institutional aid that made up for the Cal Grant they might have just missed. This additional research could shed light on these questions.

VI. APPENDIX

Data and Methods

We chiefly employed qualitative methods in investigating the change in the Cal Grant program. We conducted in-person interviews with staff members of the Assembly Appropriations and Higher Education Committees, as well as Senatorial staff members, to better understand the program and funding details. We interviewed administrators from community colleges and area high schools to identify any possible obstacles that students faced in the Cal Grant application process. The perspectives of financial aid administrators at UC and CSU helped us gain a better understanding of the interaction between Cal Grant and institutional aid. Lastly, we interviewed representatives from the University of California Office of the President, the Chancellor's Office of California State University, the Chancellor's Office of California Community Colleges, and the Association of California Independent Colleges and Universities to understand how their institutions felt the impacts of the new entitlement program. We also gained insight into their positions on potential changes to be made to Cal Grant. These insights informed our recommendations for administrative and program changes.

Personal Interviews

Daniel Alvarez, Assembly Appropriations Committee, California State Legislature
Terry Anderson, Office of Senator John Burton, California State Legislature
Gloria Archer, Cabrillo High School, Long Beach, California
Buzz Breedlove, California Conservation Corps
Jonathan Brown, Association of Independent California Colleges and Universities
Toni Dubois, Long Beach City College
Marlene Garcia, Senate Office of Research, California State Legislature
Mary Gill, Community College Chancellor's Office
Cheryl Hickey, California Postsecondary Education Commission
Kate Jeffries, University of California Office of the President
Allison Jones, Chancellor's Office, California State University
Jill Kramer, The Lumina Foundation
Jennifer Kuhn, Legislative Analyst's Office
David Levy, California Institute of Technology, Pasadena, California
Paul Mitchell, Assembly Higher Education Committee, California State Legislature
Claire Mittler, Hillsdale High School, San Mateo, California
Marcella Muniz, Stanford University, Palo Alto, California
Marjorie Suckow, California Post-Secondary Aid Commission
Vicki Takeuchi, California State University, Fullerton
Veronica Villalobos, Association of Independent California Colleges and Universities
Stacey Wilson, California Postsecondary Education Commission
Robin Sroka, Wilson High School, Long Beach, California
Financial Aid Counselor (declined to give name), University of California, Davis, Office of Financial Aid
Patty Pinero Gutenberg, Occidental College, Los Angeles, California