



# OPERATIONS MEMO

STATE OF  
CALIFORNIA



## Update from the California Student Aid Commission

August 17, 2023

GOM 2023-29

TO: Financial Aid Administrators

FROM: Tae Kang *Tae Kang*  
Deputy Director, Program Administration & Services Division

SUBJECT: **2024-25 Cal Grant Update and Student Expense Budget / Income and Asset Ceilings**

This Operations Memo from the California Student Aid Commission (Commission) announces the release of the 2024-25 Student Expense Budgets, Cal Grant Income and Asset Ceilings, and Middle Class Scholarship (MCS) Income and Asset Ceilings.

### Student Expense Budgets

[Student Expense Budgets](#) were calculated using the prescribed methodology from the 2021-22 Student Expenses and Resources Survey (SEARS) and adjusted using the California Consumer Price Indices (CCPI). The CCPI adjustment accounts for all projected inflation from 2021-22 to 2024-25. The 2024-25 budgets reflect an increase from 8.8% to 13.6% from the prior year and include standardized allowances for food, housing, books, supplies, transportation, and personal/miscellaneous expenses based on a nine-month academic year.

### Cal Grant

- The [2024-25 Cal Grant Income and Asset Ceilings](#) are available on the Commission's website.
- Actual campus budget information provided by the institutions on WebGrants, or on a College Cost Estimate form, will be used for Cal Grant awarding.
- [California Education Code section 69432.7\(k\)](#) states that the maximum household Income and Asset Ceilings applicable for a renewing recipient be the higher of:
  - The adjusted ceilings for the year; **or**
  - The ceilings at the time of the renewing recipient's initial Cal Grant award.
- The 2024-25 Income and Asset Ceilings will be the same for new and renewal Cal Grant students under the Legacy Cal Grant Model.

As communicated in [GSA 2022-46](#), the State Budget adopted the Cal Grant Reform Act beginning with the 2024-25 academic year, unless a determination is made in the spring of 2024 that General Fund over the multiyear forecast is not available to support the necessary ongoing funding augmentation.

- Under the Cal Grant Reform model which utilizes the new Cal Grant 2 and Cal Grant 4 structure, Cal Grant eligibility would no longer determine financial eligibility based on income and asset ceilings but align to the new federal aid methodology using the proportion of federal poverty by household type, minimum Pell eligibility cut-off and minimum financial need using the new Student Aid Index.
- With the 2024-25 Free Application for Federal Student Aid (FAFSA) delayed until late December 2023 and the timing of the multiyear forecast determination not available until May 2024, the Commission intends to run the legacy High School Entitlement Award program (E1). However, the 2024-25 E1 will only award applicants that are dually eligible for the legacy E1 and Cal Grant 2 and 4 award programs. The tentative date for the first award cycle is February 2024.
- As such, the 2024-25 Income and Assets ceilings will be used in the High School Entitlement Award processing.
- If funding is provided in the 2024-25 Annual Budget to implement the Cal Grant Reform Act, then Cal Grant 2 and 4 awards would replace the previously awarded E1 awards.
- Renewal Cal Grant students or students awarded a Cal Grant before the 2024-25 award year would remain subject to the income and asset ceilings under either program.

### **Middle Class Scholarship**

- The [2024-25 Middle Class Scholarship Income and Asset Ceilings](#) are available on the Commission's website.
- MCS awards are determined based on a prescribed formula, using information reported by institutions via MCS enrollment files.

The 2024-25 Cal Grant and Middle Class Scholarship Income and Asset Ceilings were adjusted using the cost-of-living factor based on the percentage change in California per capita personal income from the prior year.

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