

# **Making College Possible**

## **Grant and Scholarship Aid in California**

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Supported with funding from the College Access Foundation of California and the Donald Bren Foundation



# Grants and scholarships are essential to many Californians

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- College remains the best path to economic gains
  - But it has become more expensive
- The majority of California's K-12 students are poor or "near" poor
- Aid allows many students to attend and complete college



# Outline

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- Sources of grant aid
- How important is grant aid?
- Policy and program challenges



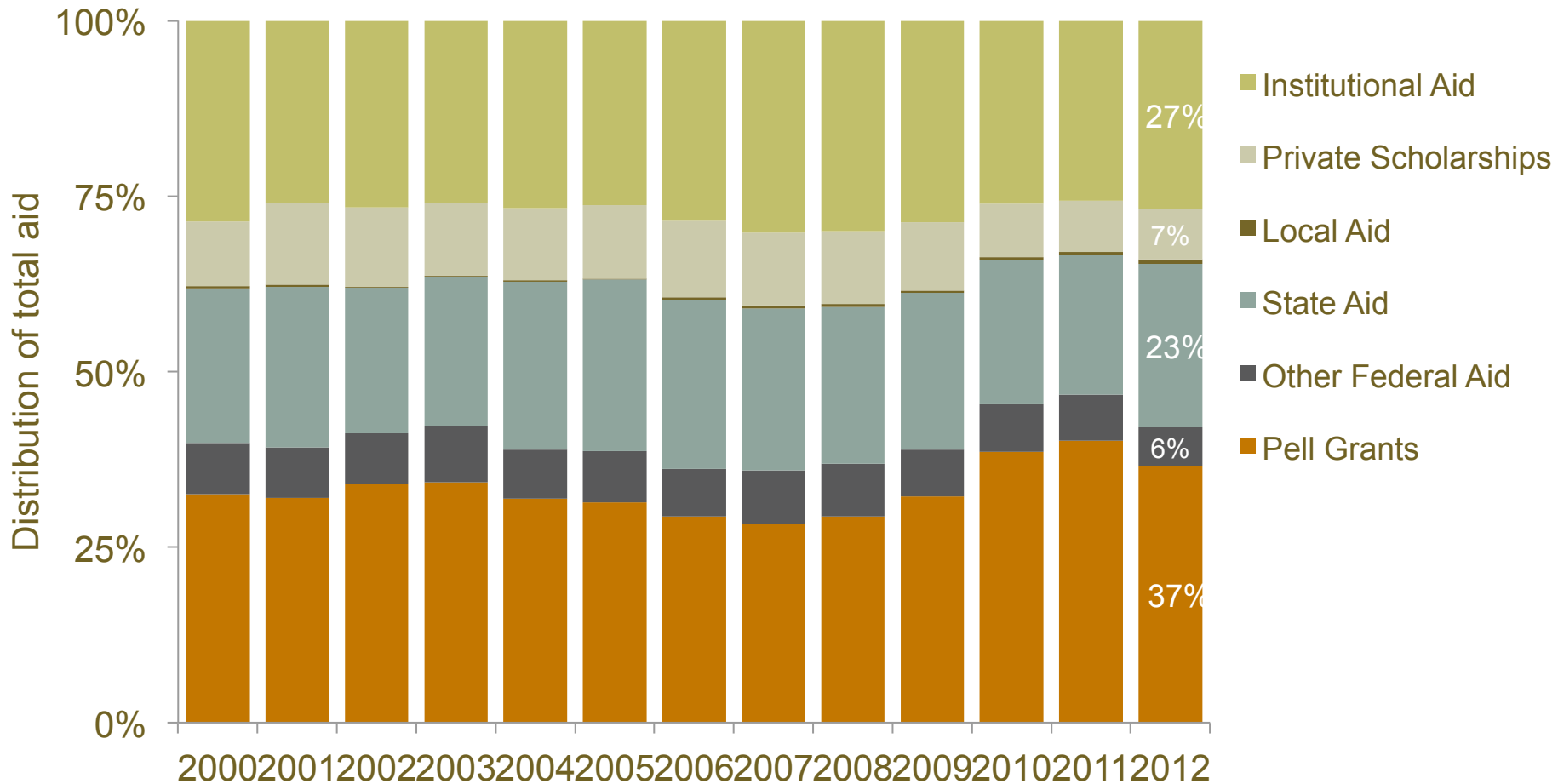
# Aid comes from various sources

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- Major sources include
  - Federal government
  - State government
  - Institutional grants offered by colleges
  - Private scholarships
- Merit scholarships vs. need-based aid



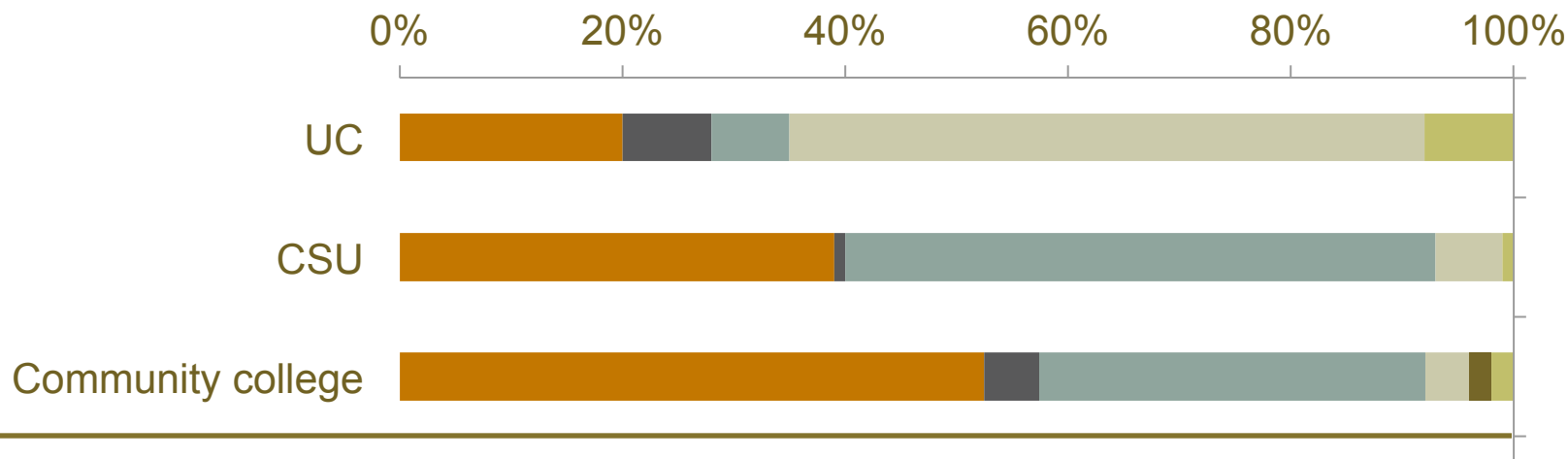
# Most aid is provided by federal and state governments



# Aid sources vary across institutions

- Pell Grants
- Other federal grants
- State grants
- Institutional grants
- Local grants
- Private scholarships

Share of aid 2011-12

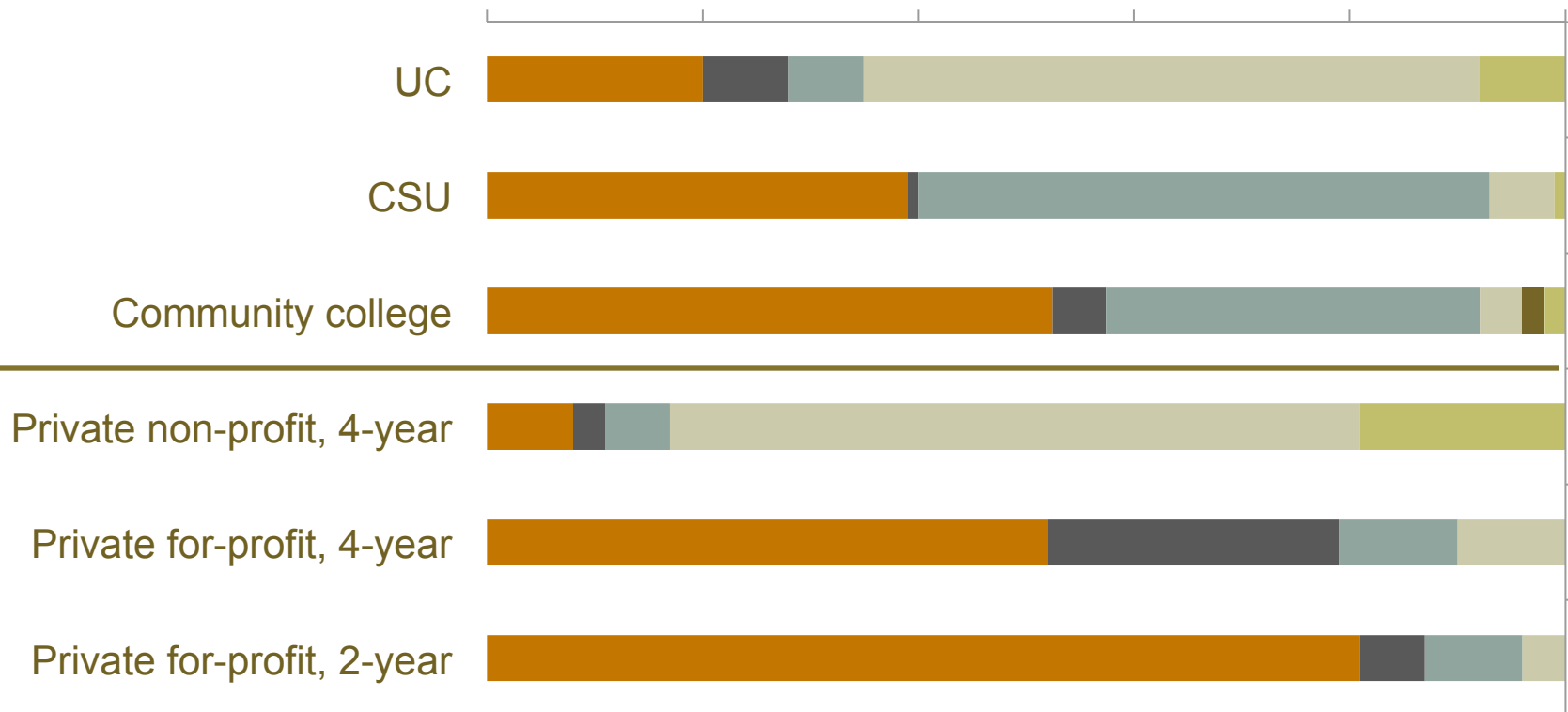


# Aid sources vary across institutions

- Pell Grants
- Institutional grants
- Other federal grants
- Local grants
- State grants
- Private scholarships

Share of aid 2011-12

0% 20% 40% 60% 80% 100%



# Outline

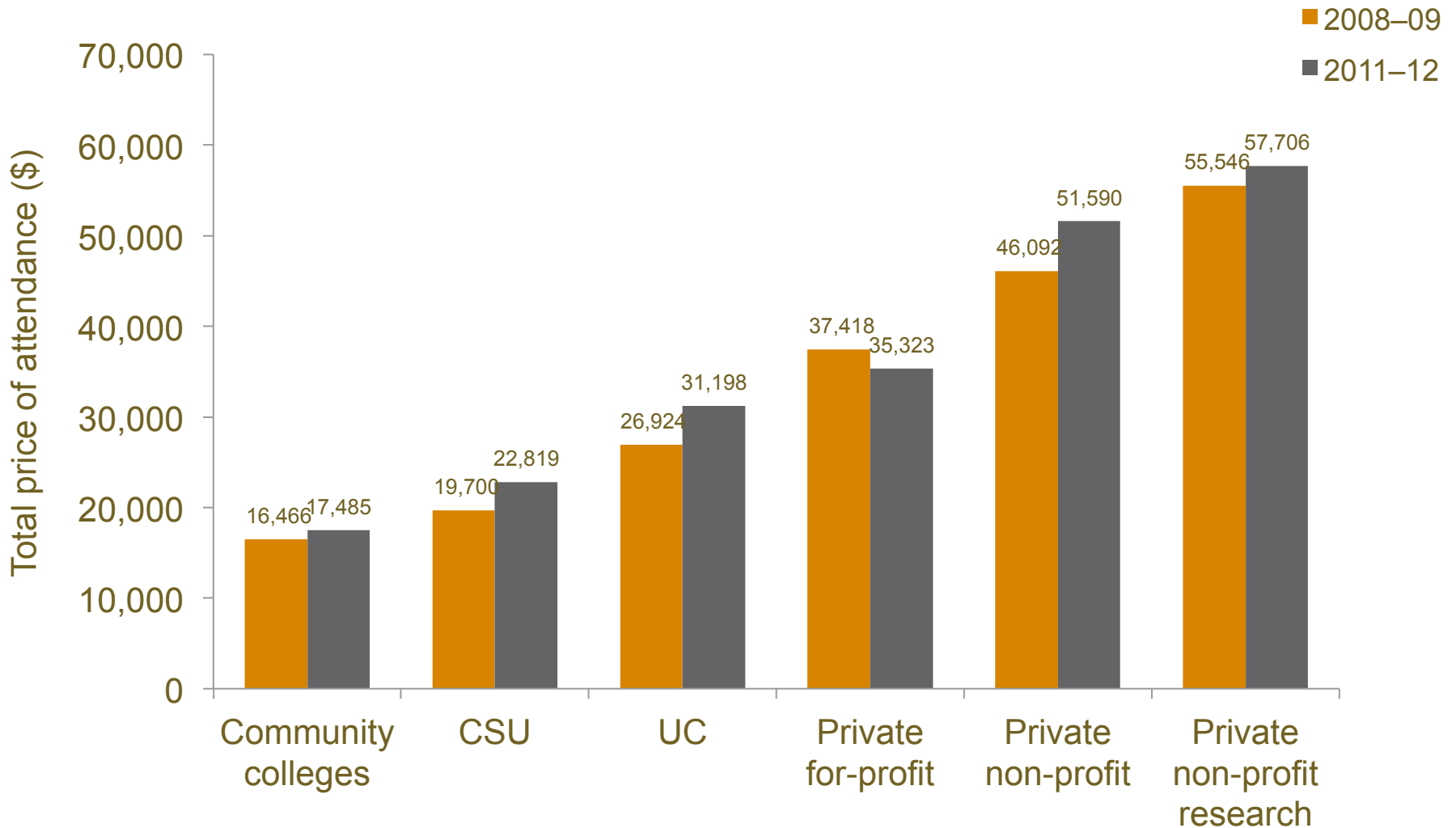
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- Sources of grant aid
- How important is grant aid?
  - Affordability
  - Accessibility
  - Completion
- Policy and program challenges



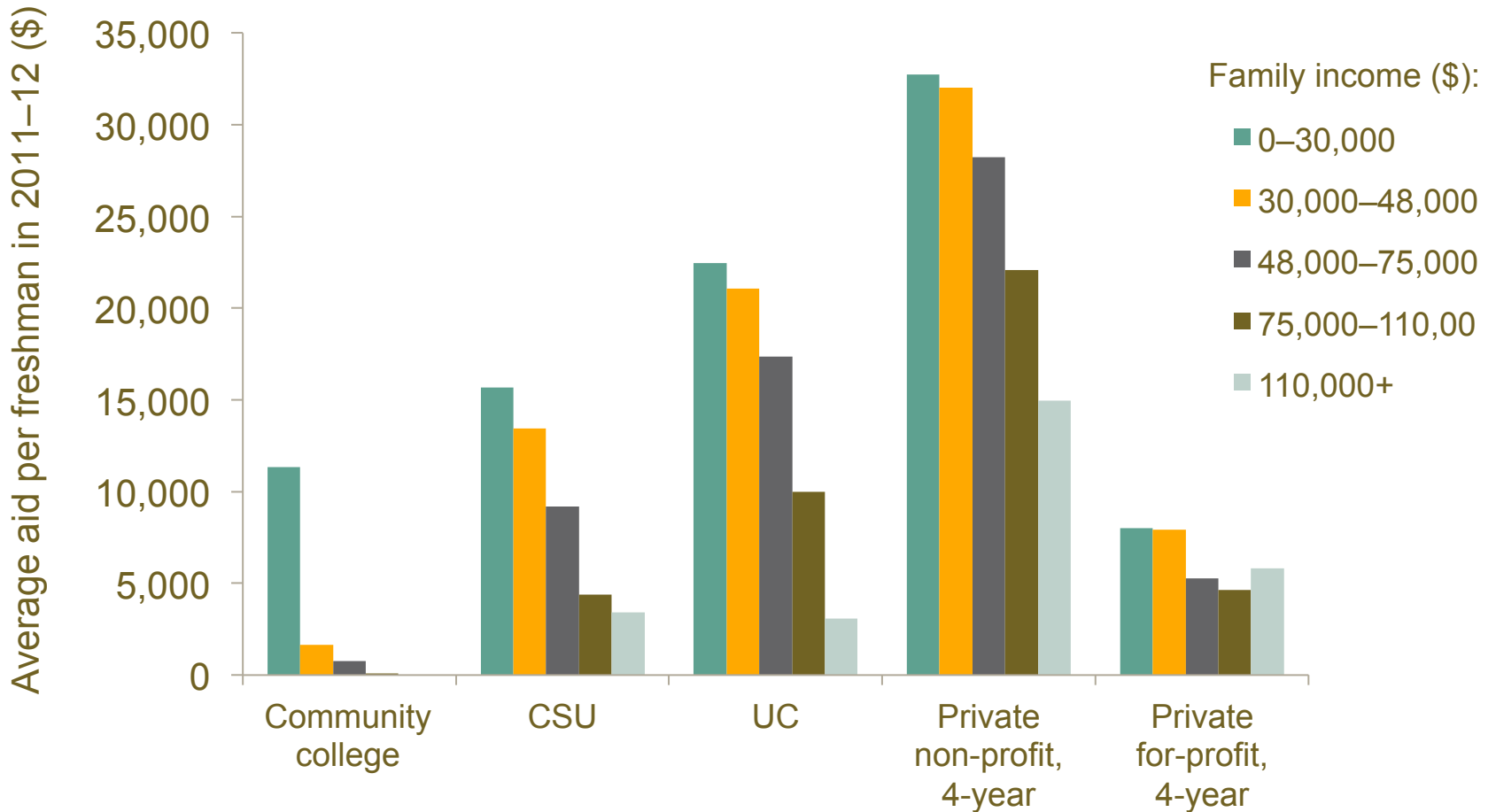


# Public colleges are more affordable than private colleges...



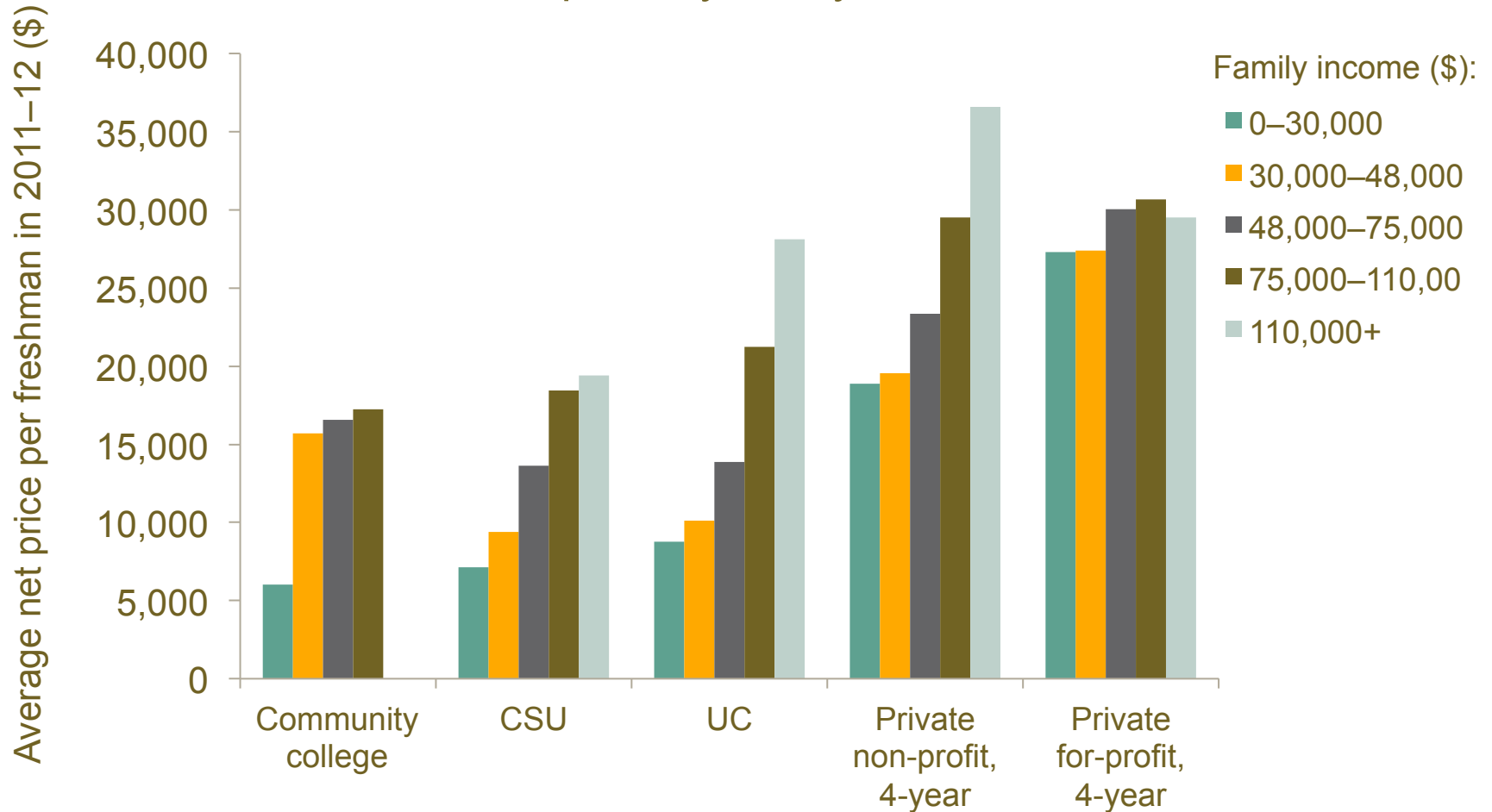
# ...but private colleges offer the most aid

Amount of aid by family income



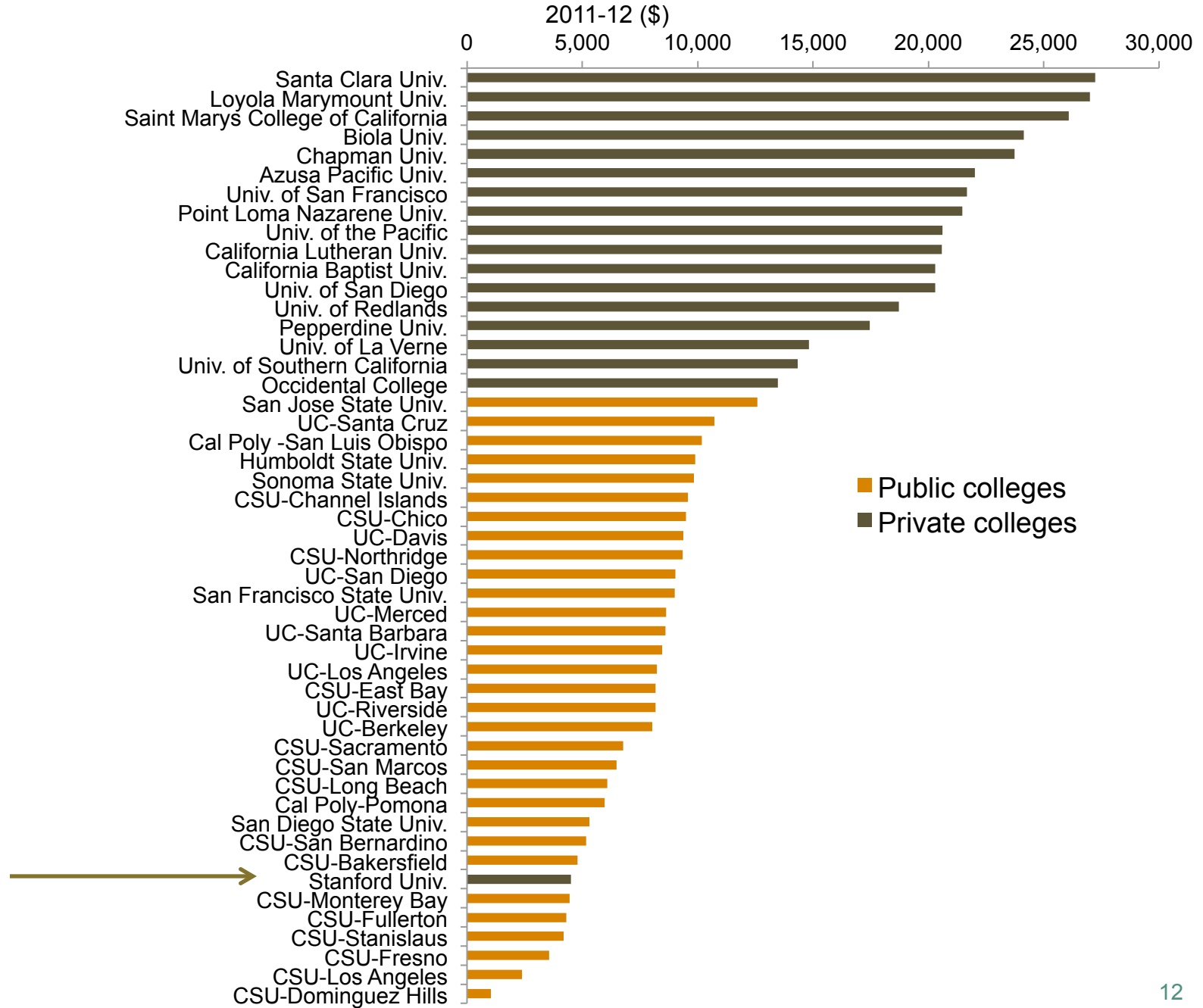
# Even so, net prices are lowest at public colleges...

Net price by family income



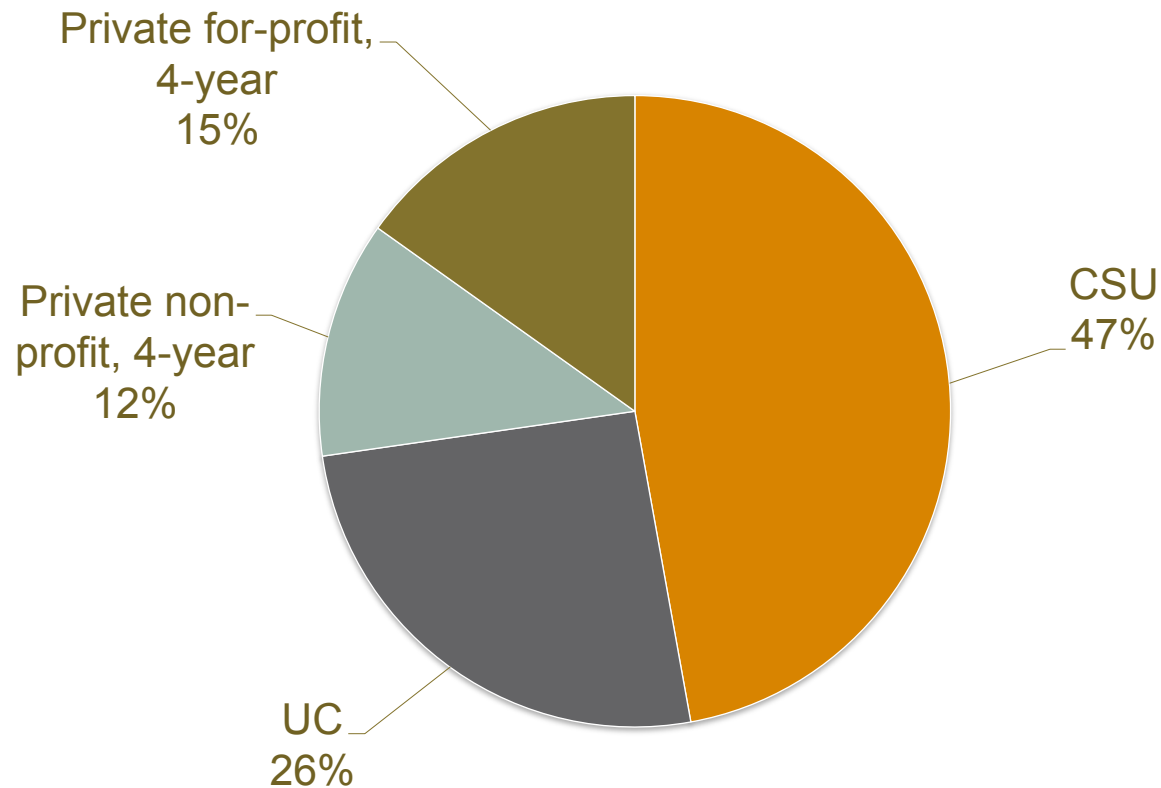
# ...with one exception

## Net Price for Low-income Freshmen at California Colleges



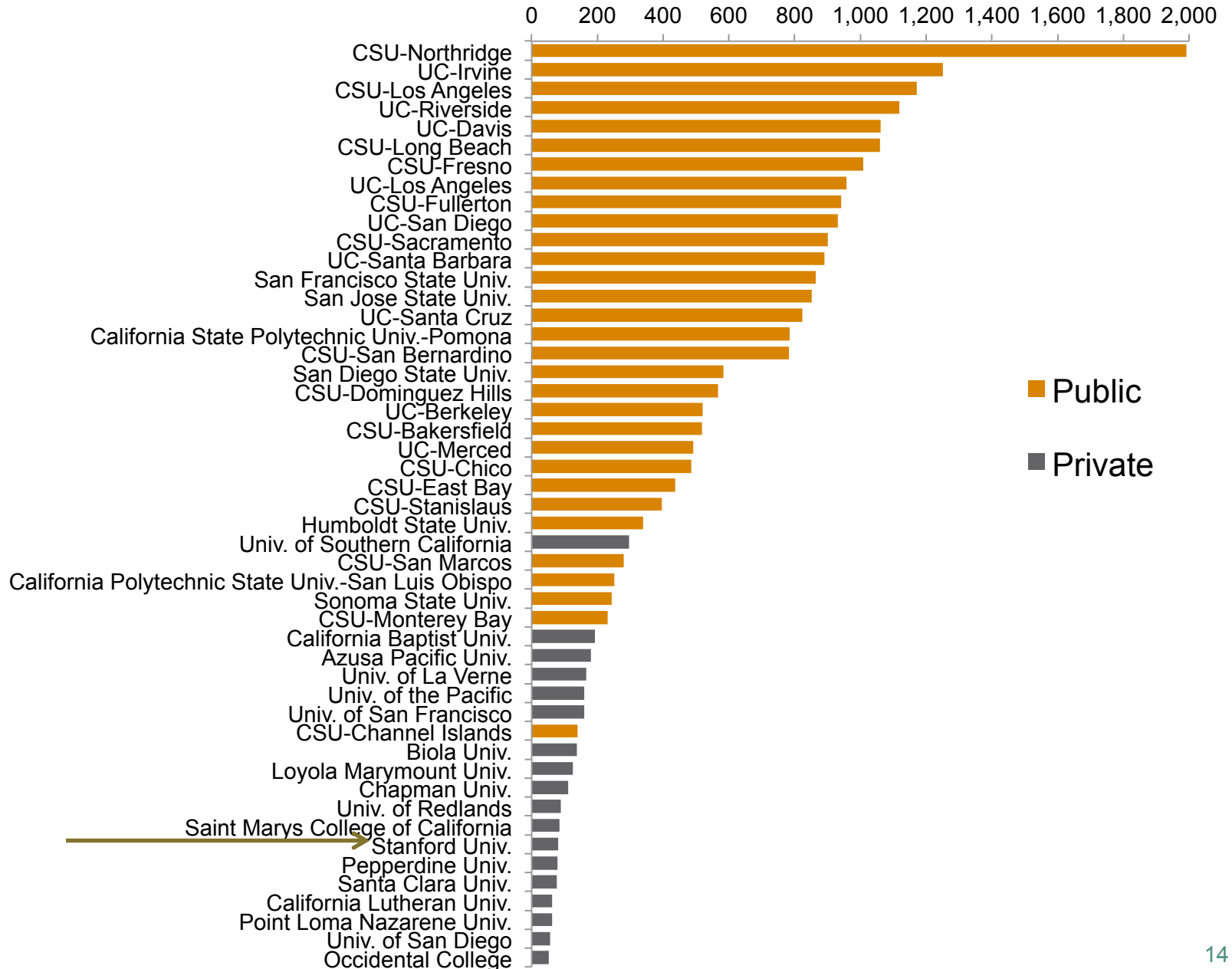
# Public universities enroll three of every four low-income students

Share of low-income freshmen



# Just three public universities enroll more low-income freshmen than all the private universities combined

## Number of Low-income Freshmen at California Colleges, 2011-12



# Grant aid improves completion

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- Students who receive aid are more likely to graduate
- Aid enables some to attend four-year colleges
  - These colleges have much higher completion rates
- Performance-based grants do not lead to large increases in completion



# Outline

- Sources of grant aid
- How important is grant aid?
- Policy and program challenges





# Summary

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- For many, college would probably not be possible without grant aid
- Aid is linked to higher rates of college completion
- Aid can encourage attendance at four-year colleges
- Performance-based grants do not appear to be more effective



# Grant aid has not kept pace with rising costs

Net price for low-income students receiving Title IV funds

	In January 2012 \$	
	2008–09	2011–12
<b>Community colleges</b>	<b>\$ 5,759</b>	<b>\$ 6,091</b>
<b>CSU</b>	<b>7,047</b>	<b>7,473</b>
<b>UC</b>	<b>8,795</b>	<b>8,746</b>
Private for-profit	29,676	24,190
Private non-profit	20,190	19,216
Private non-profit research	10,874	11,191



# Recommendations

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- Help more students complete financial aid forms
- Direct additional funding to low-income students
- Make more institutions ineligible for state and federal grants
- Ensure aid does not exacerbate higher education cost inflation
- Avoid attaching more performance requirements to grant eligibility



# SB 15 (Block) – Senate Democrats Higher Education Funding Plan

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- Eliminate 5% tuition increase at UC
- Repeal the 11% planned cut to Cal Grants A Maximum Award for Private Non-Profits
- Fund 7,500 additional Cal Grant A Competitive Awards and increase enrollment in 2015-16 by 5,000 for UC and 10,500 for CSU
- Establish Completion Incentive Grants to incentivize completion for low-income CSU students
  - \$1,000 grant for 30 units
  - \$1,500 grant for 60 units
  - \$2,000 grant for 90 units
- Plan paid for by raising tuition for out of state students, eliminating Middle Class Scholarship Fund, and tapping the new College Access Tax Credit Fund





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**PPIC**



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# Notes on the use of these slides

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These slides were created to accompany a presentation. They do not include full documentation of sources, data samples, methods, and interpretations. To avoid misinterpretations, please contact:

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Thank you for your interest in this work.

