

Cal Grant Reform Overview

The Cal Grant program is the state's largest financial aid program, providing more than 400,000 California college students with tuition coverage and/or some support for other college-related costs. Eligibility criteria include income and asset ceilings, which can vary by family size, and high school GPA.

The 2022 budget package adopted a restructuring of the Cal Grant program, known as the Cal Grant Equity Framework and commonly referred to as "Cal Grant Reform." Cal Grant Reform would replace the existing award types with a Cal Grant 2 award that provides nontuition coverage to community college students and a Cal Grant 4 award that provides tuition coverage at all other segments. Cal Grant Reform would also make several key changes to program eligibility, including:

- (1) removing grade point average requirements for community college recipients,
- (2) removing age and time out of high school requirements for recipients at all other segments, and
- (3) aligning income ceilings with the generally lower ceilings used in the federal Pell Grant program.

Under the enacted trailer legislation, Cal Grant Reform would be triggered in 2024-25 if the state determines in spring 2024 that sufficient General Fund is available to support it over a multiyear period.

The new program would add more than 137,000 recipients. The reform would also change some characteristics of Cal Grant recipients, shifting aid toward older, lower-income, and more racially diverse students. The reform would double the number of student-parents receiving aid, increase the number of first-generation students by 38%, and increase the number of female recipients by 36%. The reform would also shift more resources toward community college students. For example, total spending on community college students would grow from 10% of the current program to 18% under the reform, and the number of recipients who are community college students would grow from 36% of the program to 50% of the program.