



CALIFORNIA STATE ASSEMBLY
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ASSEMBLYMEMBER, DISTRICT 76

Fact Sheet

PROPOSED BILL

AB 402 will increase Cal Grants for private non-profit colleges to facilitate student agency and opportunities for upward mobility. This bill will return the grant size for Cal Grant A and B to its 2001 amount and include private non-profits in Cal Grant's transfer entitlement for those transferring from community colleges.

BACKGROUND

The Cal Grant Program is a financial aid program administered by the California Student Aid Commission. It aims to make college more affordable for middle and low-income students and to provide more agency in their higher-education journey. Since a higher education degree remains the most effective way to achieve upward mobility, Cal Grant serves to increase access for low and middle-income students to the education that can transform their futures and careers. These grants can be used at the California State University (CSU), University of California (UC), and private colleges and universities.

Cal Grant A provides recipients \$6,084 for a CSU, \$14,436 for a UC, and \$8,358 for a private non-profit. Cal Grant B provides only a living allowance of \$1,648 in a student's first year of college but allows for this award plus eligibility for Cal Grant A in subsequent years of enrollment. Students who receive either Cal Grant while attending a CC can subsequently transfer to a UC or CSU and remain eligible for their award. This transfer entitlement excludes private non-profits.

Cal Grant facilitates upward mobility beyond the state's funding for the UCs, CSUs, and CCs, funding grants that provide agency for students to choose a school that best supports their career and future goals.

PROBLEM

Since 2001, Cal Grant awards for students attending non-profit private schools have decreased by 4% while awards for UCs and CSUs have increased by 274% and 224% respectively. This decrease for private non-profits has occurred at the same time that inflation has increased by 78.75% and the cost of private school attendance has nearly doubled. Furthermore,

private non-profits are excluded from transfer entitlements, limiting the agency of non-traditional students who attend a CC before seeking to get a bachelor's degree.

Together, the grant disparity and entitlement exclusion limit the choices of low and middle-income students. With private colleges in California contributing to economic mobility—39% of low-income students who attend these schools end up in the top 20% of income distribution—limiting agency in college choice can hurt the total prospects of mobility in California. This is especially relevant given that many low-income students prefer attending private schools due to the smaller class sizes, easier path to relationship building, and career development assistance.

SOLUTION

AB 402 ensures that Cal Grant can effectively achieve its goal of helping low-income students attend higher education and achieve upward mobility. Promoting the role private schools can play in the equation of higher education for low-income students is instrumental to their futures.

AB 402 returns the maximum Cal Grant A and B funding to the 2001 grant size of \$9,708. This bill also includes private non-profits within the transfer entitlements. Altogether, AB 402 provides more agency for Cal Grant recipients.

SUPPORT

Association of Independent California Colleges and Universities (Sponsor)

OPPOSITION

None

FOR MORE INFORMATION

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