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Improving the Cal Grant Program for Community College Career Technical Education Students

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Career technical education (CTE) students attending California community colleges pay the lowest tuition and fees in the nation. Yet the cost of attending college is extremely high given the expense of housing, food, books, supplies and transportation. There also is evidence that the Cal Grant program – California’s financial aid program – is not working well for students pursuing vocational and technical degrees and certificates. To understand why, it is necessary to know how the Cal Grant program works. This policy brief describes Cal Grants and suggests ways to make the program more useful to CTE students.

Cal Grants: An Overview

The Cal Grant program is complex and confusing. There are both “entitlement” and “competitive” awards, with different target populations, eligibility requirements, and award levels. Cal Grant A and C awards have income ceilings targeted for middle income students, while Cal Grant B is designed for low-income students and therefore has a lower income ceiling.

2015-16 Award Amounts

Cal Grant A provides tuition awards for up to four years, for an academic program from two to four years in length. Cal Grant A provides the following awards:

- \$12,240 at UC to cover full systemwide tuition and fees.
- \$5,472 at CSU to cover full systemwide tuition and fees.
- \$9,084 at nonprofit or WASC-accredited for-profit colleges.
- \$4,000 at other for-profit colleges.

Cal Grant B provides up to \$1,656 toward books and living expenses for up to 4 years, for an academic program at least one year in length. It also provides tuition coverage at the same level as the Cal Grant A in the second, third, and fourth years of a program.

Cal Grant C provides up to \$2,462 for tuition and fees for up to two years, for a career technical program at least four months in duration and provides up to \$547 for training-related costs for up to two years. Students attending private technical colleges receive both portions of the award, while community college students are only eligible for the \$547 award and can apply for a Board of Governor’s fee waiver.

Eligibility Criteria

Student eligibility for entitlement or competitive awards is dependent upon a variety of factors.

High School Entitlement (A and B) awards are provided to high schools seniors or students who graduated from high school within the last year and have a minimum high school grade point average (GPA) of 3.0 for an A award or 2.0 for a B award.

Transfer Entitlement (A and B) awards are for community college students under the age of 28 transferring to a four-year school with a minimum college GPA of 2.4.

Competitive (A and B) awards are for students who are not eligible for an entitlement award and have a minimum high school GPA of 3.0 (for A award) and 2.0 (for B award). These awards are limited in number with only 25,750 new awards per year. Half of these awards are reserved for community college students. However, due to the limited funding of the competitive grant program, it is estimated that fewer than one in ten eligible applicants receives a competitive award and only 16% of B awardees in 2014-15 were community college CTE students.

Competitive (C) awards are for students enrolled in CTE programs at least four month long. There is no minimum GPA requirement. State law authorizes 7,761 new awards per year.

Community College Students and Cal Grant C

Few community college CTE students receive the competitive B award and data suggest that Cal Grant C has also not worked well for them. While community college students received 77% of all Cal Grant C awards, they have historically received only 29% of all awarded funds (see Table 1 below). Also, the average “take-up” rate for Cal Grant C is low, that is, many students who are awarded Cal Grant C do not use the grant.

Cal Grant C Awards			
Award Year 2014-15 (as of 12/15)			
Dollar Amounts in thousands			
Segment	Awardee	Recipient	Dollars
California Community Colleges	13,715	6,535	\$2,421
Public - Other	46	41	\$67
Independent Institutions	155	138	\$353
Private Career Colleges – WASC Accredited	2,921	2,184	\$4,440
Private Career Colleges – Not WASC Accredited	900	512	\$1,176
TOTAL	17,737	9,374	\$8,457

There are multiple factors that may be driving the limited extent to which community college CTE students take advantage of Cal Grant C. These include the low value of the award, a cumbersome award process, and little assistance by some colleges in helping CTE students access financial aid.

Limited Financial Assistance

Despite the Board of Governor's fee waiver, low-income community college students face significant financial barriers to college attendance. In fact, because University of California and California State University students on average receive richer financial aid packages, attending a community college can be even more expensive than attending a four-year school. Recent research by The Institute for College Access & Success (TICAS) finds that while California community colleges have the lowest tuition of the public higher education segments, the estimated net cost of attendance, after subtracting grant aid, is often highest in the community colleges.

What this means is that given that California community colleges are the largest CTE provider in the state, there is limited financial aid to help ensure students can complete career-focused certificates and degrees. Instead, many CTE students work long hours to support themselves while they are in school, which often negatively impacts their success rates. Research indicates that students who work over 20 hours a week have poorer educational outcomes, including weaker academic performance, longer time to degree, and lower completion rates.

A Cumbersome Cal Grant C Award Process

The application process for Cal Grant C is more cumbersome than for the other Cal Grant programs. Like all Cal Grant applicants, CTE students must first complete the Free Application for Federal Student Aid (FAFSA) form by March 2. Their application is then considered for a Cal Grant B Competitive award, though they are only eligible if their program of study is one year or more in length. CTE students who do not receive a Cal Grant B award – and fewer than 10% of *all* applicants receive a competitive Cal Grant B – are sent an additional application form in April specifically for Cal Grant C.

Barriers to Community College Students Using Cal Grant C Awards

Take-up rates for Cal Grant C are both low and vary widely among postsecondary institutions. Private for-profit institutions, for example, have considerably higher take up rates (76 percent for WASC-accredited career colleges and 56 percent for other private career colleges) compared to community colleges (48 percent on average). But there is also a wide range among community colleges, from 25% at San Joaquin Delta College to 73% at Santa Barbara City College. One important factor is probably the extent to which the institution provides information and support to students in accessing financial assistance.

Other factors likely explaining low take-up rates include the fact that community college students receive such a small grant and the late notice they receive about an offered award. Students are not notified of a Cal Grant C award until late May or early June and by that time their plans may have changed due to financial necessity. And while community students can apply for a Cal Grant B competitive award again in September, Cal Grant C is only awarded during the first grant cycle.

Entitlement Awards Not Available to Many CTE Students

Finally, a great many CTE students coming right out high school are not eligible for entitlement awards since Cal Grant B is restricted to programs of study of one year or more. This is true despite the fact that many lower-unit

certificate CTE programs have real labor market value, lead to immediate employment, are credit-bearing, and are part of a career pathway into other certificate and degree programs. (See Table 2).

TABLE 2
Examples of CTE Certificate Programs Not Qualifying for Entitlement Award

Community College Certificate Programs	Units
Certified Nurse Assistant Certificate of Specialization	6
E-Commerce: Business Certificate of Specialization	15
E-Commerce: Technology Certificate of Specialization	15
Early Childhood Education Certificate of Specialization	21
Emergency Medical Technician I Certificate of Specialization	8
Finance Certificate of Specialization	12
International Trade-Finance Certificate of Specialization	15
International Trade-Marketing Certificate of Specialization	15
Mechanical Drafting Certificate of Specialization	9
Medical Office Administrative Assistant Certificate of Specialization	17
Network Associate Certificate of Specialization	14
Restaurant Entrepreneur Certificate of Specialization	15
Robotic Welding Automation Certificate of Specialization	16.5
Shielded Metal Arc Welding (SMAW) Certificate of Specialization	16.5
Solar Energy Technician Certificate of Specialization	8
Website Development Certificate of Specialization	15

Recommendations for Cal Grant C Program

California faces a significant challenge in addressing the projected shortfall – estimated at 1.5 million by 2025 - in workers with some postsecondary education but less than a four-year degree. Only by increasing the number of workforce-relevant certificate and associate degree completions will California close this gap. The cost of college attendance is a major barrier to college completion. Financial aid programs help offset the cost of college attendance. The Cal Grant C program is designed to support low and middle-income students pursuing a CTE program, but it is undersubscribed, provides minimal support for community college students, and is administratively complex. The following recommendations would modernize the current program; make it relevant to the financial needs of today’s CTE students; and support California’s goal of increasing the number of industry-valued credentials, certificates, and degrees.

1. Provide Access Award

Living expenses are a significant barrier to the completion of a CTE certificate or degree for many students who often work in excess of 20 hours per week to meet their basic needs. Access awards help ensure that students have the resources to attend school, reduce their hours of work, and complete their course of study. Community college recipients of a Cal Grant B award receive a \$1656 access award for books and living expenses, while Cal Grant C recipients only receive \$547 for training-related costs. The Legislative Analyst's Office in *Review of Recent Changes to the Cal Grant Program* found that Cal Grant C recipients who complete a certificate or degree program are more likely to find higher-skilled employment, yet only about half the Cal Grant C recipients complete their course of study. Increasing both the amount of the Cal Grant C award and allowing funds to be used for living expenses would help ensure that more Cal Grant C recipients successfully complete their program and obtain self-sustaining employment.

2. Create an Entitlement Award for Lower- Unit CTE Programs

In recent years California has ramped up its investment in CTE in both high school and community colleges, created career pathways to facilitate easy transition to capstone CTE courses, and supported other strategies like dual enrollment to facilitate the transition of students into CTE certificate and degree programs. California community colleges are the primary provider of postsecondary CTE training in the state. The one-year limitation on the Cal Grant B entitlement award is both confusing and contrary to the goal of providing more students access to CTE programs. Many CTE certificate programs with labor market and societal value are offered for less than 24 units, which is considered a one-year program. This restriction may also inadvertently send the message that the Cal Grant Competitive B and C programs are not designed for CTE students.

3. Simplify the Cal Grant C Award Process

The current multi-step award process for Cal Grant C results in a program that is often not understood by financial aid advisers in high schools and postsecondary institutions. Requiring a supplemental application reduces the number of students who apply. Inconsistent financial aid support among institutions and late award notices impact the take-up rate. The California Student Aid Commission (CSAC) should modernize their grant delivery system so the Cal Grant C award process is on the same timeline as the other competitive grant programs.

4. Improve Marketing and Outreach

Applying for college financial aid can be complicated and intimidating. Students need assistance from high school counselors and college financial aid officers to understand how to navigate this complex terrain. Yet, because of limited counseling and financial aid resources many CTE students do not get the help they need. Historically, the private career colleges have done a better job than either high schools or community colleges in helping students understand and apply for financial aid. Many high school seniors and returning students who intend to enroll in community college CTE programs are not aware that the Cal Grant program can provide financial assistance for CTE. They may not apply for Cal Grants because they don't think that CTE is "college". CSAC should increase their marketing and outreach to CTE students so they know that Cal Grants are available for career-focused certificates and degrees.

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