

THE COST OF OPPORTUNITY:

ACCESS TO COLLEGE FINANCIAL AID IN CALIFORNIA



The Education Trust—West

The Cost of Opportunity:

Access to College Financial Aid in California

BY ORVILLE JACKSON

Across California, there are high school students dreaming of being the first in their families to attend college. For these students and families, college presents a life-changing opportunity. Many of these students have to work to help pay household bills, and tuition for a four-year college seems out of reach. They may know that financial aid is an option, but often the application process feels daunting. Some worry that applying for grants or loans will put their parents' legal status in jeopardy.

For these reasons, among others, tens of thousands of academically qualified high school graduates decide not to explore university programs each year. Instead, they may take a few classes at their local community college while working. These classes are affordable and can lead to a two-year degree, certificate, or transfer to a four-year college. However, few students actually complete these milestones—even six years after enrolling.¹

LOST OPPORTUNITY

Thousands of students may have made different choices if they knew they were eligible for financial aid, and that their parents' situation would not affect their eligibility. They may

have attended one of the financial aid application workshops provided by counselors at their high schools and spent roughly 30 minutes to fill out the necessary application. Had they done so, those students meeting academic and financial eligibility thresholds could have received up to \$17,000 in federal and state grants—money that could fuel their aspirations, and that they would never have to pay back.

More than 80 percent of qualified students who did not go on to college cited its cost and the need for financial aid as key barriers, according to a 2008 national survey. Few of those students actually applied for aid.² In fact, there is a strong correlation between completing the Free Application for Federal Student Aid (FAFSA)—the application needed to be considered for financial aid such as grants, work-study jobs and student loans—and attending college.^{3, 4}

While students must be academically prepared to attend college, they must also be able to afford the cost of postsecondary education. Sadly, too many students face financial barriers to pursue a college education and many do not go simply because they lack information about financial aid options.

SUMMARY OF FINDINGS

In this report, we examine the rate at which California public high school students apply for federal and state aid. We find that 54 percent of California high school seniors applied for federal aid for the 2012–13 year, and 50 percent applied for state Cal Grants, even though three-quarters of 12th-graders graduate. Academically and financially qualified students who did not apply for Cal Grants left potentially hundreds of millions of dollars in state financial aid untapped.

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Students attending California's highest poverty schools were no more likely to apply for aid than students attending other schools. This is not to say that application rates were similar across all schools: Some students, including many who are low-income, attend high schools where applying for financial aid is the norm. These diverse schools have a number of best practices in common: They closely monitor students' completion of financial aid applications; support parents and students in completing their applications; and effectively communicate with families about the application process.

We conclude this report by suggesting ways in which other schools and districts across the state can learn from these schools, then offer recommendations to state education leaders charged with expanding access to college financial aid, so that all students—especially California's low-income students, who comprise more than half of those in our public schools—have the opportunity to attend college and pursue their dreams.

APPLYING FOR FINANCIAL AID

Most students begin the process of applying for financial aid by completing the FAFSA, which is administered by the U.S. Department of Education's office of Federal Student Aid (FSA). Completing the FAFSA opens the door to numerous funding sources, such as Pell Grants. Many states, including California, use the FAFSA to determine eligibility for state financial aid; many colleges also use the FAFSA to determine eligibility for school aid.

California students must complete two additional steps, besides completing the FAFSA, to be considered for state financial aid such as a Cal Grant: They must submit their GPA to the California Student Aid Commission (CSAC), and they must verify their high school graduation. California's Cal Grant program is the largest state-funded financial aid program in the U.S. It provides awards for use in two or four-year programs (Cal Grants A and B) as well as a separate grant (Cal Grant C) for use at community colleges or qualified vocational programs. Awards are guaranteed to high school graduates with at least a 2.0 GPA, who apply by the March 2 deadline, and who meet other eligibility requirements (including financial need). A separate set of competitive Cal Grant A and B awards are available for students who are not graduating high school seniors or recent graduates.

ANALYSIS REVEALS UNTAPPED RESOURCES, WIDE VARIATION ACROSS SCHOOLS

Our original analysis of FAFSA and Cal Grant completion rates reveals that just half of California's public high school 12th-graders are completing financial aid applications. Overall, 54 percent of California's nearly 400,000 seniors completed the FAFSA in the 2012–13 financial aid year, and 50 percent applied for Cal Grants. Although national FAFSA rates are unavailable for comparison, some states publish their completion rates. California's application rate is similar to that of other states, such as Colorado and Illinois. FAFSA completion in Colorado was 48 percent, while in Illinois it was 59 percent over the same period.^{5,6}

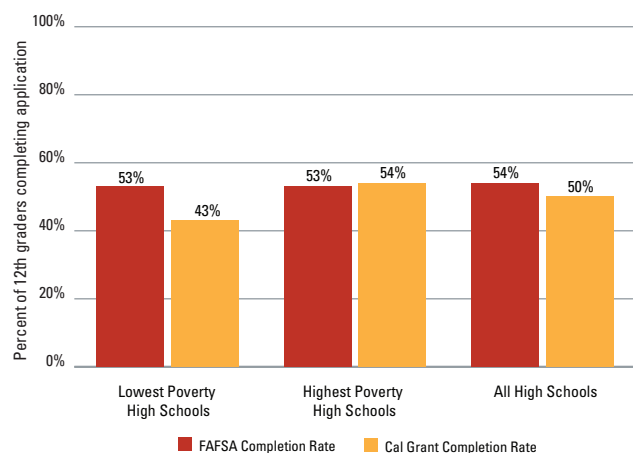
While 50 percent of high school seniors applied for Cal Grants, only 25 percent received awards. About two-thirds of these 100,000 students accessed Cal Grant B awards, which provide approximately \$1,500 for books and living expenses during the first year of college. About one-third of students received Cal Grant A awards, which provide for full systemwide fees at a California State University or University of California campus, or tuition support at another California college.⁷ These awards can provide up to approximately \$12,000. Of the 50 percent of students who did not apply for Cal Grant aid, tens of thousands would probably have met the academic and financial eligibility criteria. These students left potentially hundreds of millions of dollars in Cal Grant aid untapped.

SCHOOL VARIATIONS

We wondered how application rates varied by high school, and whether students from higher need schools were more or less likely to apply for financial aid. On one hand, these schools might post lower completion rates, as low-income students are historically underrepresented at the postsecondary level and don't have as many college-going supports in place. On the other hand, these schools serve the students who could benefit the most from financial aid.

However, when we looked at FAFSA completion by school poverty level, we found no difference between completion rates in the highest and lowest poverty schools.⁸ This suggests that many students across the state are not accessing all of the aid that is available to them. Completion rates were also similar for Cal Grants, with the exception of the lowest poverty (more affluent) schools, where completion rates were slightly lower. (See Figure 1.)

FIGURE 1: FAFSA and Cal Grant completion rates by high school poverty level (percent of students qualifying for free or reduced-price meals)



SOME HIGH SCHOOLS ENSURE BROAD ACCESS TO FINANCIAL AID

Despite enormous variation in FAFSA and Cal Grant completion rates across high schools, a diverse range of schools are doing exceptionally well in supporting all students to complete the college financial aid application process, according to our analysis. The 100 high schools with the highest FAFSA completion rates in our sample are evenly split in terms of poverty level, with about half above the state average poverty level and half below. (See Table 1 for a full list of these schools.)

High schools in the top ranks for FAFSA completion also vary when it comes to their achievement levels. A total of 49 schools in this top 100 scored in the top 30 percent, while 18 of them were in the lowest 30 percent on the Academic Performance Index (API), a statewide measure of school performance. These schools may be serving as pipelines to local community colleges or other colleges with open enrollment policies.

Many of our top 100 (schools with the highest state FAFSA and Cal Grant completion rates) are small schools or charter schools. More than half have fewer than 150 seniors, and 40 percent are charter schools. However, there are also many large, traditional high schools that perform well. Traditional schools with more than 500 seniors represent 16 percent of our top 100. About one-third of our top 100 schools offer educational options, such as a magnet program, smaller learning communities, or thematic schools.

These findings are important in that they demonstrate that all students from a range of high schools—whether high poverty or more affluent, low or high-achieving, small or large, traditional or offering educational options—can and should be supported to apply for financial aid to one of California’s nearly 500 degree-granting colleges or other U.S. postsecondary options.

LEARNING FROM SUCCESSFUL HIGH SCHOOLS

We learned from the high schools where applying for aid is prevalent what practices they employed to boost their students’ FAFSA and Cal Grant completion rates. They ranged from providing financial aid education as part of mandatory courses, to more traditional individual counseling strategies. Although approaches varied, many schools identified a shared set of important practices. These include:

Managing data

- Directly submitting Cal Grant GPA and graduation verifications to CSAC for all students, then following up with the ones who did not have valid information.

Providing supports

- Hosting Cash for College workshops and alternative workshops for students who are unable to attend. (See *Federal and State Efforts to Increase Access to Financial Aid* sidebar for more about Cash for College.)
- Offering language translation to families at Cash for College workshops and other financial aid events.

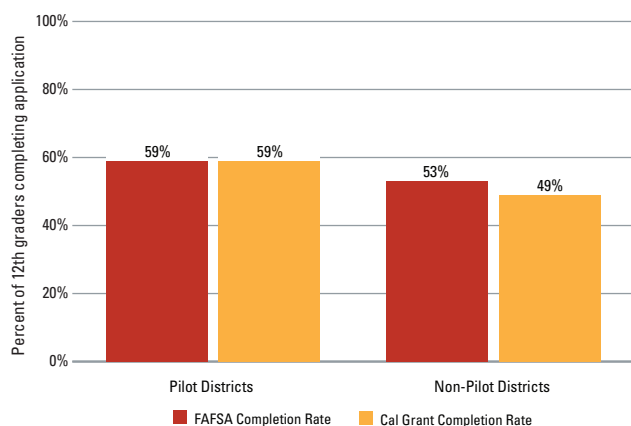
Reaching out to students and parents

- Counselor visits to senior classrooms to raise awareness and inform students of the importance of FAFSA completion and availability of supports.
- Contacting parents via e-mail and phone to remind them about the important steps required to complete the FAFSA.

While students, parents, and high school administrators are most directly responsible for applying for financial aid, districts can do more to increase application rates. Some districts already implement strategies that help a broad base of students complete the application process. For example, Los Angeles Unified and other school districts provide CSAC with GPA verifications for all their seniors, eliminating an important potential barrier to Cal Grant aid for thousands of students. Thirteen California districts have also taken part in an ongoing pilot program with the U.S. Department of Education to provide information on whether their students have completed a FAFSA.⁹ The combined FAFSA completion rate for these districts exceeds the rate for other districts by 6 percentage points, and the Cal Grant completion rate is 10 points higher. (See Figure 2.)

Many federal and state agencies are doing their part as well. Both FSA and CSAC have made important strides to increase access to aid for eligible students. (See *Efforts to Increase Access* for a summary.)

FIGURE 2: FAFSA and Cal Grant completion rates for districts in FSA pilot program versus other districts



CONCLUSION AND RECOMMENDATIONS

With nearly half a million 12th-graders, California needs to provide its students with access to rigorous college-ready curriculum and instruction as well as access to sufficient financial aid to support and encourage their postsecondary aspirations. Toward this aim, we recommend that the state:

- Broaden communication to districts, schools, students, and communities about the availability of aid and importance of applying for it. This could be achieved through expanded support of existing programs administered by CSAC, such as Cal-SOAP and Cash for College.
- Encourage schools and districts to submit Cal Grant GPA and graduation verifications for students in bulk, thereby streamlining the process for students and eliminating possibilities for errors that may render students ineligible.
- Charge CSAC with providing individualized student-level data on FAFSA and Cal Grant completion to schools and districts in a manner similar to FSA's pilot program.
- Regularly report aggregated application rate data to high schools and the public. To promote transparency, the Education Trust–West has made the data underlying this report available on the Web at <http://financialaid.edtrustwest.org>

By focusing on these key efforts, we will ensure that more students access the resources they need to take advantage of life-changing opportunities in higher education.

VIEW FAFSA AND CAL GRANTS COMPLETION RATES BY HIGH SCHOOL

Visit our website to see application rates by high school and learn more about expanding access to student financial aid in California.

<http://financialaid.edtrustwest.org>

FEDERAL AND STATE EFFORTS TO INCREASE ACCESS TO FINANCIAL AID

Recently, the U.S. Department of Education's office of Federal Student Aid (FSA) has increased efforts to make aid more accessible by simplifying the FAFSA and extending outreach and information to students and families. FSA is also piloting a program that provides districts with information on which of their students have submitted the FAFSA so that they can support the ones who have yet to complete the application. Importantly, FSA has also begun publishing school-level data on the number of high school students submitting and completing the FAFSA—data we drew upon for this report.

The California Student Aid Commission (CSAC) has streamlined applying for Cal Grants by developing an online application system (WebGrants) and providing Cash for College workshops across the state to assist low-income and first-generation college-going students in completing FAFSA and Cal Grant applications. CSAC also administers the California Student Opportunity and Access Program (Cal-SOAP), a statewide network of 15 programs that provides outreach and advising services to their local communities in order to increase access and raise achievement levels of low-income students.

NOTES

1. Colleen Moore, Nancy Shulock, "Divided We Fail: Improving Completion & Closing Racial Gaps in California's Community Colleges." (Sacramento, CA: IHELP, CSU Sacramento, 2010). Also see The Campaign for College Opportunity: www.collegecampaign.org.
2. Ryan D. Hahn and Derek Price, Ph.D., "Promise Lost: College-Qualified Students Who Don't Enroll in College" (Washington, D.C.: Institute for Higher Education Policy, 2008), <http://www.ihep.org/assets/files/publications/m-r/PromiseLostCollegeQualrpt.pdf>.
3. Jenny Nagaoka, Melissa Roderick, and Vanessa Coca, "Barriers to College Attainment: Lessons from Chicago" (Washington, D.C.: Center for American Progress; Chicago, Ill.: The Consortium on Chicago School Research, December 2008), <http://www.americanprogress.org/issues/higher-education/report/2009/01/27/5432/barriers-to-college-attainment-lessons-from-chicago>.
4. Eric P. Bettinger, Bridget Terry Long, Philip Oreopoulos, and Lisa Sanbonmatsu, "The Role of Simplification and Information in College Decisions: Results from the H&R Block FAFSA Experiment" (Cambridge, Mass.: National Bureau of Economic Research, 2009), <http://www.nber.org/papers/w15361>.
5. Colorado Department of Education, 2011–2012 "FAFSA Completion Report," available at: <http://higher.ed.colorado.gov/fafsa>.
6. Illinois Student Aid Commission, 2011–2012 "FAFSA Completions by School," (data includes private schools) available at: <http://www.isac.org/home/fafsa>
7. Data on Cal Grant awards by program and school segment are not yet available for the 2012–13 year, so these estimates are based on award patterns from the 2010–11 year. See the California Student Aid Commission, "Facts at Your Fingertips: High School Entitlement Cal Grant Program 2010–11," http://www.csac.ca.gov/facts/fayf_hsentitlementprogram_2010_11.pdf.
8. Highest poverty schools are defined as those in the top poverty quartile, based on the percentage of students that qualified for free or reduced-price lunch. Lowest poverty schools are defined as those in the bottom quartile.
9. Districts in the current FSA FAFSA completion pilot are: Elk Grove, Long Beach, San Francisco, Sacramento City, Stockton, Jurupa, and Alvorad Unified School Districts, and El Monte, Shasta, Sequoia, and Whittier Union High School Districts. Fresno and Riverside Unified School Districts began in the initial pilot cohort in the 2011–12 school year.

TABLE 1: TOP 100 SCHOOLS WITH HIGHEST FAFSA COMPLETION RATES STATEWIDE (SORTED ALPHABETICALLY)

School	District	12th Grade Enrollment	Free or Reduced Price Meals	FAFSA Completion Rate	Cal Grants Completion Rate
Academia Avance Charter	Los Angeles County Office of Education	28	88%	79%	79%
Alameda Community Learning Center	Alameda City Unified	37	--	70%	51%
Alhambra High	Alhambra Unified	736	72%	71%	68%
Alliance College-Ready Academy High No. 5	Los Angeles Unified	162	1%	72%	53%
Alliance Gertz-Ressler High	Los Angeles Unified	123	90%	77%	85%
Alliance William and Carol Ouchi Academy High	Los Angeles Unified	102	96%	70%	80%
American Indian Public High	Oakland Unified	21	85%	81%	95%
Anderson W. Clark Magnet High	Glendale Unified	254	46%	73%	85%
Animo Leadership High	Lennox	136	99%	81%	79%
Animo Locke Technology High	Los Angeles Unified	124	92%	82%	85%
Animo South Los Angeles Charter	Los Angeles Unified	126	93%	71%	68%
Arleta High	Los Angeles Unified	361	90%	71%	80%
Aspire California College Preparatory Academy	Alameda County Office of Education	44	48%	75%	--
Bell Senior High	Los Angeles Unified	793	86%	70%	70%
Benjamin Franklin Senior High	Los Angeles Unified	293	69%	78%	86%
Big Pine High	Big Pine Unified	17	70%	71%	59%
Big Valley Jr. Sr. High	Big Valley Joint Unified	17	65%	71%	82%
Bright Star Secondary Charter Academy	Los Angeles Unified	16	83%	75%	113%
CA Academy for Liberal Studies Early College High	Los Angeles Unified	63	7%	87%	102%
California Academy of Mathematics and Science	Long Beach Unified	152	49%	78%	86%
Carson Senior High	Los Angeles Unified	527	52%	73%	67%
Chula Vista Senior High	Sweetwater Union High	574	63%	74%	75%
CIVITAS School of Leadership	Los Angeles Unified	54	87%	70%	91%
Coleville High	Eastern Sierra Unified	20	38%	80%	65%
Community Charter Early College High	Los Angeles Unified	101	63%	73%	79%
Delhi High	Delhi Unified	150	88%	69%	69%
Dunsmuir High	Dunsmuir Joint Union High	16	68%	88%	94%
Edison High	Fresno Unified	481	72%	75%	83%
Erma Duncan Polytechnical High	Fresno Unified	214	89%	74%	86%
Etna Union High	Scott Valley Unified	38	63%	79%	79%
Fairfax Senior High	Los Angeles Unified	457	68%	74%	84%
Firebaugh High	Firebaugh-Las Deltas Joint Unified	157	93%	88%	93%
Franklin High	Elk Grove Unified	642	32%	69%	74%
Gabrielino High	San Gabriel Unified	427	52%	75%	73%
Global College Prep Charter High	Center Joint Unified	14	63%	79%	79%
Gretchen Whitney High	ABC Unified	171	17%	89%	91%
Harbor Teacher Preparation Academy	Los Angeles Unified	94	65%	79%	81%
Harmony Magnet Academy	Porterville Unified	108	54%	81%	88%
Hawthorne Math and Science Academy	Hawthorne	140	82%	74%	76%
Health Sciences High	San Diego Unified	103	72%	76%	55%
Hemet Academy for Applied Academics and Technology	Hemet Unified	26	73%	135%	96%
High Tech High	San Diego Unified	126	30%	76%	79%
High Tech High Chula Vista	SBC - High Tech High	131	40%	73%	72%
High Tech High International	San Diego Unified	93	35%	74%	84%
High Tech High Media Arts	San Diego Unified	96	38%	77%	83%
High Tech LA	Los Angeles Unified	84	50%	71%	86%
Imperial High	Imperial Unified	188	36%	72%	81%
International Polytechnic High	Los Angeles County Office of Education	106	37%	78%	76%
John F. Kennedy High	Los Angeles Unified	522	59%	70%	75%
KIPP King Collegiate High	San Lorenzo Unified	87	66%	80%	90%

School	District	12th Grade Enrollment	Free or Reduced Price Meals	FAFSA Completion Rate	Cal Grants Completion Rate
KIPP San Jose Collegiate	East Side Union High	57	66%	81%	84%
La Quinta High	Garden Grove Unified	523	66%	75%	83%
Lennox Mathematics, Science and Technology Academy	Lennox	122	82%	74%	79%
Life Learning Academy Charter	San Francisco Unified	16	40%	81%	88%
Los Angeles High School of the Arts (LAHSA)	Los Angeles Unified	79	91%	92%	51%
Los Angeles Leadership Academy	Los Angeles Unified	50	97%	74%	80%
Lowell High	San Francisco Unified	648	40%	80%	72%
Lynbrook High	Fremont Union High	423	4%	70%	58%
Mar Vista Senior High	Sweetwater Union High	384	63%	69%	68%
Mark Keppel High	Alhambra Unified	573	61%	70%	63%
Marshall Fundamental	Pasadena Unified	236	69%	72%	66%
Marysville Charter Academy for the Arts	Marysville Joint Unified	39	38%	77%	87%
Maywood Academy High	Los Angeles Unified	223	1%	72%	79%
Metropolitan Arts & Technology High	San Francisco Unified	15	18%	80%	80%
Middle College High	Lodi Unified	56	47%	77%	84%
Middle College High	West Contra Costa Unified	64	49%	89%	80%
Middle College High	Los Angeles Unified	102	72%	79%	85%
Miguel Contreras Learning Complex	Los Angeles Unified	161	84%	73%	73%
Mira Mesa High	San Diego Unified	581	53%	71%	72%
Monterey Trail High	Elk Grove Unified	508	62%	70%	73%
Montgomery Senior High	Sweetwater Union High	374	69%	72%	69%
Moreno Valley Community Learning Center	Moreno Valley Unified	10	43%	90%	--
Natomas Pacific Pathways Prep	Natomas Unified	85	39%	74%	79%
New Village Charter High	Los Angeles Unified	23	3%	70%	87%
Northridge Academy High	Los Angeles Unified	188	67%	85%	82%
Nuview Bridge Early College High	Nuview Union	84	56%	75%	88%
Oakland Military Institute, College Preparatory Academy	Oakland Unified	51	79%	71%	86%
Oakland School for the Arts	Oakland Unified	74	20%	73%	85%
Oxford Academy	Anaheim Union High	173	28%	80%	69%
Pacific Collegiate Charter	Santa Cruz County Office of Education	77	5%	75%	75%
Phineas Banning Senior High	Los Angeles Unified	508	70%	69%	75%
Pioneer High	Whittier Union High	335	79%	70%	69%
Preuss School UCSD	San Diego Unified	93	100%	83%	86%
Sacramento Charter High	Sacramento City Unified	178	68%	70%	76%
San Diego International Studies	San Diego Unified	122	54%	72%	82%
San Gabriel High	Alhambra Unified	558	83%	77%	79%
Santa Paula High	Santa Paula Union High	292	74%	73%	70%
Segerstrom High	Santa Ana Unified	529	71%	70%	75%
Southern Trinity High	Southern Trinity Joint Unified	12	97%	75%	58%
Temple City High	Temple City Unified	491	38%	72%	81%
Tulelake High	Tulelake Basin Joint Unified	33	81%	73%	94%
University High	Fresno Unified	109	4%	73%	79%
University Preparatory	Victor Valley Union High	151	19%	89%	90%
University Preparatory	Shasta Union High	75	26%	77%	81%
View Park Preparatory Accelerated High	Los Angeles Unified	97	47%	75%	91%
Wallenberg (Raoul) Traditional High	San Francisco Unified	127	62%	72%	82%
Walnut High	Walnut Valley Unified	737	13%	72%	44%
Washington (George) High	San Francisco Unified	658	56%	71%	73%
WESM Health/Sports Medicine	Los Angeles Unified	272	50%	72%	75%
West Campus	Sacramento City Unified	195	46%	73%	71%

METHODS

For this report, we combined several data sets:

- FAFSA completion data for California schools as of Dec. 23, 2012 for the financial aid/academic year 2012–13, downloaded from the U.S. Department of Education's office of Federal Student Aid (FSA) website.
- Cal Grant application data from the California Student Aid Commission (CSAC) for the financial aid/academic year 2012–13. CSAC provided a custom extract of the Cal Grant application and award counts by school from its grant delivery database.
- 2011–12 California public schools enrollment data, downloaded from the California Department of Education (CDE) website in December 2012.

We limited our analysis to public California high schools (CDE school ownership code = 66), accounting for 90 percent of California high schools and 97 percent of its 12th-graders. We excluded most continuation and alternative schools. Similarly, we excluded a number of single-school districts and K–12 schools, many of which are charter schools.

We calculated FAFSA and Cal Grant completion and award rates by dividing the counts for FAFSA completion, Cal Grant applications, and Cal Grant awards by the 12th grade enrollment counts. Any schools missing either enrollment counts or financial aid data were excluded from the analysis. In some cases we calculated rates of greater than 100 percent. This was likely due to inclusion in the numerator of students who were not current graduates; for example, graduates from a prior year, students who misidentified their school of enrollment, or 11th grade or earlier students who applied for financial aid.

Additionally, we merged this data with Academic Performance Index (2011 Growth API) and free and reduced-price meal eligibility data for 2010–11 (the most recent year available), both downloaded from the CDE website. Throughout our analysis we defined highest poverty schools as those in the top quartile of the state for percent of students eligible for free or reduced-price meals and lowest poverty schools as those in the bottom quartile.

DIFFERENCES BETWEEN FAFSA AND CAL GRANT DATA

FSA and CSAC use different methods for identifying which students should count as part of a school's 12th grade cohort for a given year, with FSA generally identifying fewer students as part of that cohort than CSAC.

FSA attempts to restrict the reported FAFSA completion counts to high school seniors by including only students 18 years of age and under, calculated using students' date of birth. For this reason the FAFSA data may not represent an exact count. The CSAC data does not draw upon student date of birth, but instead uses verified student GPA data provided by the high school, including graduation month and year. CSAC data includes early graduates (as of December in their senior year) and students completing graduation through the summer (August 31) of their senior year.

Not all students who complete a FAFSA also complete a Cal Grant application because they may not complete the GPA and graduation verification steps required by CSAC. This would generally mean that FAFSA completion rates for a given high school should be higher than Cal Grant completion rates. However, because of the differences in the way CSAC and FSA count 12th graders, this may not always be the case.

The Education Trust–West works for the high academic achievement of all students at all levels, pre-k through college. We expose opportunity and achievement gaps that separate students of color and low-income students from other youth, and we identify and advocate for the strategies that will forever close those gaps.

ACKNOWLEDGEMENT

Funding for this research was generously provided by the College Access Foundation of California.



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