



Appendix C: Maximizing the Impact of California's TANF Dollars Allocated to Financial Aid Programs

OCTOBER 29, 2020 – PETER GRANVILLE

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This report has argued that the TANF dollars allocated by the California budget to the Cal Grant program can be allocated differently to maximize impact on students' CalFresh eligibility. This appendix outlines the parameters of such a change.

In the current fiscal year, the allocation to California's TANF block grant is \$435,739,000, applied to the tuition portion of qualifying Cal Grants. According to data provided by the California Student Aid Commission (CSAC), 121,885 Cal Grants were funded by TANF in 2018–19. Presuming that the number of TANF-funded Cal Grants is roughly the same this year, the TANF funding per TANF-funded Cal Grant is roughly \$3,575.¹ The remainder of each award is supported by General Fund dollars.

If we were to allocate the TANF funding to a greater number of awards, how many awards could be funded this way? CDSS staff have told the author that \$5 per award, for example, would not be sufficient for the TANF exemption. As a point of reference, we can consider \$50 per month for six months, which is the amount proposed by the USDA in July 2019 as a minimum monthly TANF benefit necessary to qualify a TANF recipient for categorical eligibility. In the context of a financial aid award, this would be \$300

per semester or \$600 per academic year.² Theoretically, \$435,739,000 could support a maximum of 726,232 awards of exactly \$600.

The first proposal included in the report is to adjust (or remove) the age limit on TANF-funded Cal Grant awards. According to data provided by CSAC, this would increase the number of TANF-funded Cal Grants by up to 12,709 awards.

The second proposal in the report is to redirect some of the TANF funding from CSAC to the CCC System, in order to partially fund the California College Promise Grant using TANF dollars. In 2018–19, 931,396 students received the Promise Grant, which exceeds our theoretical limit of 726,232: some rationing is necessary, ideally a rationing based on financial need. For example, limiting the TANF-funded Promise Grant to zero-EFC students enrolled full-time would limit the pool of eligible students to roughly 250,000 students, according to estimates from the NPSAS 2015–16 survey and IPEDS enrollment totals.³

If these two proposals were enacted, then the current level of TANF funding could support roughly 135,000 Cal Grants at \$2,000 per year, plus 250,000 Promise Grants at roughly

This report can be found online at: <https://tcf.org/content/report/pathways-simplify-expand-snap-access-california-college-students/>

\$660 per year. Each award would clear the minimum of \$600 per year identified above.

Notes

1 The current allocation of \$435 million represents a decrease from \$1.08 billion in 2019–20, the result of increased need for funding in the CalWORKs cash assistance program. CSAC staff have confirmed for the author that the number of TANF-funded Cal Grants was not reduced as a result of the decrease in TANF funding this fiscal year: rather, the TANF dollars per award were reduced.

2 Financial awards used for additional terms, such as the Summer Cal Grant, would need to be accounted for prior to implementing these proposals.

3 Importantly, these criteria would not lead to more students qualifying than our limit of 726,232, only an estimated 246,877. Adjusting the enrollment criterion down to “at least half-time” would lead to more than 726,232 students likely qualifying.