

1 [Supporting California State Assembly Bill No. 288 (Calderon) - Scholarship Displacement]

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3 **Resolution supporting California State Assembly Bill No. 288 (AB 288), introduced by**
4 **Assembly Members Lisa Calderon (D-25) and Mia Bonta (D-18) on January 21, 2021; AB**
5 **288 would prohibit the displacement of financial aid awards due to receipt of private**
6 **scholarships of students who are eligible for the: 1) Federal Pell Grant and/or 2)**
7 **California Dream Act financial aid at both public and private of higher education in the**
8 **State of California.**

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10 WHEREAS, Postsecondary education is a critical factor in promoting upward
11 economic mobility, especially for poor and low-income individuals; and

12 WHEREAS, While college enrollment has increased exponentially in the last several
13 decades, the enrollment and graduation rates of poor and low-income students remain
14 significantly behind those of their middle- and upper-income peers; and

15 WHEREAS, Experts resoundingly agree that California has a college affordability
16 problem, despite the state having long prioritized keeping tuition low or even free; and

17 WHEREAS, Affordability challenges contribute to inequities in college enrollment,
18 completion, and student debt burdens, with low-income and minority students less likely to
19 enroll in or complete college, and more likely to have borrowed for college; and

20 WHEREAS, Of California's students pursuing bachelor's degrees and with family
21 incomes of less than \$50,000, 95% have unmet need even when packaged with self-help, and
22 without self-help, 97% have unmet need, thereby requiring students to come up with
23 additional money that may be covered by a private scholarship; and

24 WHEREAS, Private scholarships assist students in covering non-tuition costs, which
25 are significant and often uncovered by the Cal Grant program; and

1 WHEREAS, The City and County of San Francisco created the pioneering
2 Kindergarten to College (K2C) child savings account program to orient students and families
3 toward college and address inequities in postsecondary access and success – with the first
4 K2C class poised to graduate from high school in 2023; and

5 WHEREAS, Mayor London Breed’s Bridge to Excellence Program provides
6 scholarships to highly-motivated graduating high school seniors from low-income and under-
7 resourced communities to help overcome financial barriers they face attending college; and

8 WHEREAS, Scholarship displacement is a practice where colleges and universities
9 displace previously awarded financial aid when a student is awarded a private scholarship,
10 effectively reducing the amount of financial aid awarded and resulting in a zero net gain for
11 the student - a practice that many students are not aware of and don’t realize will impact them
12 when they receive an external private scholarship; and

13 WHEREAS, AB 288, known as the California Ban on Scholarship Displacement Act,
14 aims to ensure that private scholarships supplement, and do not supplant, gift aid, grants,
15 scholarships, tuition waivers, and fellowship stipends provided by institutions of higher
16 education to students who have financial need and are eligible for the federal Pell Grant
17 and/or California Dream Act financial aid; and

18 WHEREAS, Prohibiting the practice of scholarship displacement is essential to make
19 college more affordable, especially in light of the COVID-19 pandemic, as public and private
20 resources become even more limited for low-income students; now, therefore, be it

21 RESOLVED, That the City and County of San Francisco supports Assembly Bill No.
22 288 that would prohibit the displacement of financial aid awards due to receipt of private
23 scholarships of students who are eligible for the Federal Pell Grant and/or California Dream
24 Act financial aid at both public and private of higher education in the state of California; and,
25 be it

1 FURTHER RESOLVED, That the San Francisco Board of Supervisors supports
2 Assembly Bill No. 288, the California Ban on Scholarship Displacement Act; and, be it

3 FURTHER RESOLVED, That the Clerk of the Board of Supervisors of the City and
4 County of San Francisco transmit a copy of this Resolution to San Francisco's State
5 Legislative Delegation, City and County of San Francisco State Lobbyist, California Governor
6 Gavin Newsom and the Bill's primary sponsors Assembly Members Lisa Calderon and Mia
7 Bonta.

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