

April 11, 2012

The Honorable Marty Block
Chair, Assembly Higher Education Committee
State Capitol, Room 3091
Sacramento, CA 94249-0078

Re: AB 1637 (Wieckowski) - SUPPORT

Dear Assembly Member Block:

As advocates for students, teachers, civil rights, and consumers, we strongly support AB 1637, which would better target Cal Grant dollars towards colleges where students have a greater chance of success and less chance of being saddled with debts they cannot repay.

The Cal Grant Program offers over 300,000 Californians the opportunity to attend and complete college when they otherwise might not be able to. When grant aid and family support are not enough to cover total college costs, federal student loans may bridge the gap.

The federal government makes student loans widely available with the expectation that students will be able to use the education and skills gained to secure jobs with sufficient earnings to cover their loan payments. The U.S. Department of Education calculates the share of each college's borrowers who default on their student loans, and uses that cohort default rate (CDR) to assess colleges' continuing eligibility for federal grants and loans.

Since last year, so does the state of California: for 2011-12, of colleges where more than 40 percent of students borrow, only institutions where fewer than one in four borrowers default (24.6%) can receive Cal Grants.

AB 1637 would improve the current California law by using a metric, applied to colleges of all types, that better measures a student's risk of default. It does this by basing a college's eligibility for Cal Grants on a combination of its default rate and its federal student loan borrowing rate. Specifically, it would limit Cal Grants to colleges where no more than 15 percent of their *students* default. This is important because a CDR is more telling at a college where most or all students borrow than at a college where very few do.

By accounting for both the share of students who borrow *and* the share of borrowers who default, AB 1637 would better target Cal Grant dollars to support student access and

success. We strongly support AB 1637, which sends a strong message that access to an affordable *and* quality college education is a priority for the state.

Sincerely,

California Civil Rights Coalition

California Federation of Teachers

California State Student Association

Consumer Federation of California

Consumers Union

The Education Trust - West

The Institute for College Access & Success

Public Advocates Inc.

University of San Diego School of Law's Center for Public Interest Law

University of San Diego School of Law's Children's Advocacy Institute

cc: Assembly Member Wieckowski
Members, Assembly Higher Education Committee
Laura Metune, Consultant, Assembly Higher Education Committee