May 30, 2019

The Honorable Holly J. Mitchell  
Chair, 2019-20 Conference Committee on the Budget  
State Capitol, Room 5019  
Sacramento, CA 95814

The Honorable Philip Y. Ting  
Vice Chair, 2019-20 Conference Committee on the Budget  
State Capitol, Room 6026  
Sacramento, CA 95814

RE: Making a Down Payment Towards College Affordability in the 2019-20 State Budget

Dear Chair Mitchell and Vice Chair Ting:

Californians for College Affordability is a diverse coalition of higher education advocacy, civil rights, student leadership, workforce and business organizations that works to strengthen California’s need-based financial aid programs so that all students – regardless of income – can afford to attend and complete college. We are writing to urge the 2019-20 Conference Committee on the Budget to adopt in the 2019-20 state budget the Assembly budget subcommittee’s action to increase the number of annually available new competitive Cal Grants by 44,250 to 70,000 and allow AB
540 students to compete on equal footing; and to adopt the Senate budget subcommittee’s action to increase the size of the base Cal Grant B access award by $188. Together, these investments will mean that more students across all types of colleges will receive funds that they desperately need to help cover their total college costs and successfully earn a higher education credential.

Experts and legislative leaders know that California has a serious college affordability problem, and one that has a wide range of negative implications for California students, particularly for low-income and underrepresented students. Ongoing work by legislative leaders to craft broader financial aid reforms are essential to California’s future, but today’s students need a down payment on that reform now. Currently, more eligible students are turned away than are served by the Cal Grant program, and many recipients are starkly underserved. Unaffordable college costs are slowing down and even thwarting students’ ability to graduate, worsening equity gaps in college enrollment and completion, and leaving students – particularly low-income students and students of color – with burdensome debt.

In his January budget proposal for 2019-20, Governor Gavin Newsom included an investment of approximately $130 million to start closing affordability gaps, including serving more Cal Grant-eligible applicants, as a down payment towards future reform efforts designed to eliminate eligibility barriers and ensure students can afford their entire cost of attendance. Subsequently, the Senate Committee on Budget & Fiscal Review, Subcommittee 1 on Education voted to increase the number of new competitive Cal Grants by 18,250 and the size of the Cal Grant B access award by $188; and the Assembly Committee on Budget, Subcommittee 2 on Education Finance voted to increase the number of new competitive Cal Grants by 44,250 and allow AB 540 students to compete on equal footing. With the Governor and both legislative chambers supporting an increase to the number of competitive Cal Grants, we respectfully urge you to adopt the Assembly’s investment in 44,250 new competitive Cal Grants and remove restrictions so that AB 540 students can access grants, as well as adopt the Senate’s investment in increasing the size of the base Cal Grant B access award. Together, these changes will help hundreds of thousands of needy California students, many of them parents of dependent children, attending all types of colleges receive more of the aid they need to cross the academic finish line without burdensome levels of debt.

These investments would be:

- **Squarely in line with ongoing financial aid reform efforts led by leaders in both the Senate and Assembly.** With financial aid reform efforts focused on reducing or removing eligibility barriers that keep students from receiving Cal Grants, and providing financial aid to cover total college costs, funding additional awards and strengthening the access award are the most straightforward ways to begin to do that.
- **An effective way of supporting student parents.** Based on California Student Aid Commission data, 87% of the nearly 32,000 current Cal Grant recipients with dependent children receive a Cal Grant B, which helps the lowest income recipients pay for non-tuition college costs. Increasing the size of the Cal Grant B access award, as the Senate budget subcommittee has voted to do, would provide nearly 28,000 student parents with additional financial aid to help cover living expenses and other critical non-tuition costs. Moreover, approximately 16,000 (or 40 percent) of the new competitive Cal Grants authorized by the Assembly budget subcommittee would reach student parents. These are students who are among the hundreds of thousands currently eligible for Cal Grants each year who do not receive one given how few awards are available.

- **Leveraged to create access to greater financial aid availability.** In recent years, full-time California community college (CCC) students who receive Cal Grants can receive up to $4,000 annually in financial aid to help cover non-tuition expenses through the Student Success Completion Grant. With non-tuition college costs expected to exceed $20,000 in 2019-20, these are essential resources for the students who receive them, but just five percent of CCC students receive Cal Grants. With most competitive Cal Grant recipients enrolled at community colleges, increasing the number of Cal Grants available would enable more students – including those with dependent children – to access the Student Success Completion Grant as well.

- **A restoration of the odds for eligible Cal Grant applicants.** When the competitive grant program was created in 2001, eligible applicants had a one-in-four chance of getting an award. Over the intervening years, eligible applicants’ chance of receiving a grant has fallen to a current low of one in fourteen. Increasing the number of new awards available to 70,000 annually would bring applicants’ odds close to where they were at the start of the program, a critical stepping stone towards broader reform efforts in which eligibility barriers no longer hold students back.

- **In line with ongoing efforts to close persisting equity gaps.** Whereas Cal Grants covering statewide tuition costs have increased in lockstep with public university tuition over the decades, the Cal Grant B access award designed to help low-income students pay for non-tuition college costs now holds just one-quarter its original purchasing power. The current maximum award is $1,672, yet it would be over $6,800 today had its value kept pace with inflation. With low-income students and students of color much more likely to graduate with debt than their better represented peers, providing additional need-based aid will also help to reduce the inequitable burdens of student loan debt on California’s underserved students, most of whom already attend public colleges tuition-free.

We thank you for your sustained commitment to increasing college affordability and decreasing reliance on student loan debt and excessive work hours for California’s students, including the substantial work your members have put into crafting financial aid reform legislation to this effect.
As that work continues, we urge the 2019-20 Conference Committee on the Budget to take key first steps through the 2019-20 state budget by (1) increasing the number of new competitive Cal Grants to 70,000 annually and allowing AB 540 students to compete on equal footing; and (2) increasing the size of the base Cal Grant B access award to $1,836.

Should you have questions about our Coalition of Californians for College Affordability or these priorities, please contact Laura Szabo-Kubitz at Laura@ticas.org.

We appreciate your consideration and support of these budgetary actions, and your continued efforts on behalf of all of California’s students.

Sincerely,

Victoria “Nikki” Dominguez
Education Equity Director
Asian Americans Advancing Justice – Los Angeles

John Grubb
Chief Operating Officer
Bay Area Council

Ria Sengupta Bhatt
Interim Executive Director
California Competes

Barbara Baran
Co-Director
California EDGE Coalition

Rona Sherriff
Co-Director
California EDGE Coalition

Shahera Hyatt
Director
California Homeless Youth Project

Alice Huffman
President
California State Conference of the NAACP
Vincent Stewart  
Executive Director  
California STEM Network

Mia Kagianas  
President  
Cal State Student Association

Jessie Ryan  
Executive Vice President  
The Campaign for College Opportunity

Vincent Stewart  
Executive Director, California STEM Network  
Children Now

Kristen Connelly  
President & CEO  
East Bay Leadership Council

Dr. Elisha Smith Arrillaga  
Executive Director  
The Education Trust – West

Debbie Cochrane  
Executive Vice President  
The Institute for College Access & Success

Debbie Raucher  
Project Director  
John Burton Advocates for Youth

Alma Salazar  
Senior Vice President, Center for Education Excellence & Talent  
Los Angeles Area Chamber of Commerce

Arnold Sowell Jr.  
Executive Director  
NextGen California
Magali Kincaid  
Policy Advocate, Higher Education  
Public Advocates

Alison De Lucca  
Executive Director  
Southern California College Access Network

Iiyshaa Youngblood  
President  
Student Senate for California Community Colleges

Laura Keane  
Chief Policy Officer  
uAspire

Caroline Siegel-Singh  
President  
University of California Student Association

Kristin McGuire  
Western Regional Director  
Young Invincibles

Danny Thirakul  
President  
Student Trustee Caucus of the Student Senate for California Community Colleges

CC: Members, 2019-20 Conference Committee on the Budget  
Senator Toni Atkins, Senate President pro Tempore  
Megan Baier, Consultant, Office of Senate President pro Tempore Toni Atkins  
Anita Lee, Consultant, Senate Budget & Fiscal Review Committee,  
Subcommittee 1 on Education  
Shannon Grove, Republican Leader, California State Senate  
Assemblymember Anthony Rendon, Speaker of the Assembly  
Monica Henestroza, Special Assistant, Office of Assembly Speaker Anthony Rendon  
Mark Martin, Principal Consultant, Assembly Committee on Budget,  
Subcommittee 2 on Education Finance  
Marie Waldron, Republican Leader, California State Assembly  
Chris Ferguson, Assistant Program Budget Manager, California Department of Finance  
Jennifer Kuhn, Deputy Legislative Analyst, Legislative Analyst’s Office