Testimony of Debbie Cochrane, Research Director
The Institute for College Access & Success
As Prepared for Delivery on February 3, 2016

California Senate Budget and Fiscal Review Committee, Subcommittee 1 on Education
Assessing Community College Affordability: Financial Aid Programs, Free Community College and Options Moving Forward

Thank you for inviting me to join you today. The Institute for College Access & Success (TICAS) is a nonpartisan, nonprofit research and policy organization based in Oakland. I serve as the organization’s Research Director and also lead its California policy work. Our mission is to improve both educational opportunity and outcomes, nationally and in California, so that more students complete meaningful post-secondary credentials without burdensome debt.

How Financial Aid Supports Access and Success in California

The role of financial aid in helping with access to and success in college is well documented. Many studies on the effectiveness of federal, state, and institutional grant programs have found that grant aid increases students’ likelihood of enrolling in college: on average, each $1,000 of grant aid a student receives increases his or her likelihood of enrollment by about four percentage points.1 Studies of need-based grant programs have also found that grants help students persist and succeed, with one study documenting that an increase of $1,000 in grant aid in a Pell recipient’s first year was associated with a two- to four-percentage-point increase in enrollment in the second year.2

Beyond the research, it is easy to understand why aid is critical to student access and success. If you can’t pay the tuition bill, you can’t step foot in the classroom. That is how financial aid supports access to college – by helping students cover the tuition charges that allow them to enroll. California supports affordable access to community college by keeping fees the lowest in the nation, and through a fee waiver program that eliminates fee costs for 70 percent of full-time students.3

The Board of Governor’s fee waiver is simply the most progressive statewide “free tuition” plan in the country. It is funded solely by the state, not through students’ other financial aid. It is not limited to recent high school graduates, or to students whose high school grades are up to snuff, or to students in certain degree programs. Practically the only limitation of the fee waiver is that it only goes to students who need it.

3 Personal communication in January 2016 with the California Community Colleges Chancellor’s Office.
However, textbooks, transportation, food, and housing are all costs of attending college. If you only have resources to cover the tuition bill and not these other costs, then you may not be able to keep coming back to that classroom, day after day and week after week. You may not be able to spend time in the library, or visit the tutoring center or professors’ office hours. For financial aid to support student success and not simply access, it needs to facilitate students’ ongoing attendance and participation, and that means helping students cover non-tuition costs. For California community college students, non-tuition costs make up more than 90 percent of students’ total cost of attendance, and relatively little state aid is available to help with those costs. This is California community college students’ affordability challenge.

What College Costs for Low-Income Students

I’m happy to share with you all today a new TICAS analysis (see page 7) that compares what college truly costs for low-income students at public colleges across the state. The net prices shown – for each of the nine undergraduate-serving campuses of the University of California and nearby California State University and community college campuses – reflect the colleges’ own estimates of what low-income students have to pay, after subtracting available grant aid, to cover total college costs. This is for a student from a family of four, with a family income of under $30,000. Our sample student lives off campus, independent from their parents, as that is how the majority of students across all three segments resides.

This analysis focuses on low-income students for several reasons. One reason is that the large and stubborn income gaps in college-going and college completion require we pay particular attention to low-income students. Further, the burden of college costs falls most heavily on the lowest income students, as several TICAS prior analyses have documented. Finally, and despite myths to the contrary, the burden of student loan debt in California is borne most heavily by low-income students.

5 Calculations by TICAS on data from the U.S. Department of Education, 2008 National Postsecondary Student Aid Study.
8 University of California. 2015. *Annual Accountability Report 2015*. Indicator 2.5.3: Student loan debt burden of graduating seniors by parent income, Universitywide. [http://accountability.universityofcalifornia.edu/2015/chapters/chapter-2.html#2.5.3](http://accountability.universityofcalifornia.edu/2015/chapters/chapter-2.html#2.5.3). 2013-14 graduates from the lowest income bracket ($0-$53K) were about three times as likely to borrow as their peers from the highest income bracket ($159K+).
These data flip common assumptions about college affordability on their head. As you can see, in none of the nine regions shown does the lowest tuition school – the community college – have the lowest net price, and in six regions the community college is more expensive than either public university option. All of these net price figures can be found in Table 1 (see page 9).

At each of these colleges, low-income students receive total grant aid that’s larger than their tuition and fees, so financial aid is making access to college possible. In other words, none of these students are paying tuition, thanks to a state Cal Grant program and Board of Governor’s fee waiver program, both of which help students from families that have incomes well beyond the median household income for the state.9

But financial aid supports low-income students’ success to vastly different extents depending on the type of college students attend. The student at UC Berkeley gets about $6,000 in grants to help with non-tuition costs, compared to less than $4,000 for the student at Berkeley City College. As a result, the Berkeley City College student must pay for far more out of pocket.10

### How Students Cover College Costs

Students at all types of schools typically cover their net costs through a combination of family resources, work, and student loans. In many cases, students and their parents have resources from earnings and savings to contribute toward paying for college – called an Expected Family Contribution, or EFC – but the students reflected on this map have an EFC of zero, meaning the U.S. Department of Education considers their income to be so low that they cannot afford to contribute anything.

After student and family contributions, many students work to earn money to cover their costs. While there is some research that suggests working a modest amount while enrolled is not harmful, and may indeed be helpful, the research is very clear that working too much is detrimental to student success. More specifically, students who work more than 20 hours per week are much less likely to graduate than those who work less.11

Table 2 (see page 9) shows how many hours of work it would take each week throughout the academic year to cover those net prices. There is not a single public college in the state at which low-income

---

9 According to the U.S. Census Bureau, QuickFacts, available at: [http://quickfacts.census.gov/qfd/states/06000.html](http://quickfacts.census.gov/qfd/states/06000.html), median household income 2009-2013 was $61,094.

10 Figures are from each school’s Net Price Calculator (NPC) for a dependent student from a family of four (with one child in college) with an income of $18,000 (or under $30,000 at the community colleges), living independently off-campus.


students can cover their net price while working less than 20 hours per week. At the majority of community colleges, the number of work hours needed each week is 35 or more.

Another option students have to cover their net cost is student loans. At the public universities, many students reduce their need to work by borrowing. This is very rarely the case at the community colleges in California, as shown in Table 3 (see page 9). While these are the best data available on annual borrowing rates, it’s important to realize that these are for all undergraduates, not low-income students. Since all available data show that low-income students are the most likely to borrow, the figures almost certainly understate the shares of low-income student borrowing at these colleges. In any case, few community college students borrow, which means they are not using loans to reduce their need to work.

Students for whom family resources, student loans, and a modest amount of work are still not sufficient are in a tough spot. They can work longer hours than is best, but that may backfire and lead them to drop out. Indeed, college students who drop out typically cite financial struggles as the reason, and to challenges balancing work and school specifically.\(^\text{12}\) Alternatively, they can take fewer classes. That requires less study time and allows for more time to work, but decreases their chances of graduating.

Table 4 (see page 9) shows the share of college students at each of these campuses that was enrolled full time in Fall 2013. Full-time enrollment rates at the community colleges are much, much lower than at the universities. To be clear, many community college students choose to enroll part time, and we should enable them to do so. But it is not a real \textit{choice} if we require students who want to enroll full time to be full-time employees at the same time. These low rates of full-time enrollment are an affordability problem in disguise.

National survey data show that community college students care just as much as four-year college students about graduating as soon as possible.\(^\text{13}\) However, community college students are twice as likely as four-year students to say they’re taking fewer classes per term in order to work more.\(^\text{14}\) In fact, among working students, 76 percent of those at community colleges work more than 20 hours per week, compared to less than half at four-year schools.\(^\text{15}\) Not surprisingly, community college students are more likely than four-year students to say that their employment is the primary way they pay for housing, food, and transportation.\(^\text{16}\)

These higher levels of college funding stress come on top of higher levels of financial stress generally. Community college students are more likely than other students to \textit{provide} financial support to their


\(^\text{14}\) Ibid.

\(^\text{15}\) Ibid, p. 24.

\(^\text{16}\) Ibid, pp. 9-10.
family, and less likely to *receive* financial support from family.\(^{17}\) Community college students are also less likely to be able to afford to participate in the same activities as their peers, and they’re less confident in their ability to pay their monthly bills.\(^{18}\)

To make college more affordable for community college students, and help them succeed once they are enrolled, the state must focus on enabling low-income students to take more courses per term and complete their degrees faster.

**Recommendations to Improve Community College Affordability and Success**

Within the realm of existing California state policy, there are several fronts through which grant aid for non-tuition costs could be improved for community college students:

1. **Increase the Cal Grant B Access Award,** which helps low-income recipients limit their work hours and focus on their studies. This access award was increased in the 2014-15 state budget and through legislation authored by Senator De León and signed into law in 2014. Yet the current grant amount of $1,656 holds just one-quarter of the purchasing power the grant had at its inception. With $300 million, the state could increase the access award to $3,000.\(^{19}\)

2. **Serve more of the state’s eligible Cal Grant applicants.** Hundreds of thousands of students who meet the financial and merit criteria set by the state for Cal Grants are turned away each year, most of whom either are currently or would like to be community college students. The 2015-16 budget agreement increased by 3,250 the number of awards available annually, but far more needs to be done.

While both of these recommendations would help community college students, both would also help low-income students across all types of colleges, and both are widely endorsed by student, civil rights, workforce and business groups across the state.

To provide further help to community college students specifically, the state could:

3. **Strengthen the Board of Governor’s Fee Waiver** so that it helps all financially needy students with not only tuition charges, but also non-tuition costs of attendance. For not much more than $300 million, the state could provide every full-time community college student who needed help paying for college with $1,000 on top of their fee waiver.\(^{20}\) Providing some or all waiver

---

\(^{17}\) Ibid, p. 10 and 7, respectively.  
\(^{18}\) Ibid, p. 5 and 16, respectively.  
\(^{19}\) TICAS analysis based on 2015-16 Cal Grant recipients, provided by the California Department of Finance; estimate conservatively assumes that all Cal Grant B recipients are enrolled full-time.  
\(^{20}\) TICAS analysis based on $500 per semester grants to fall and spring BOG recipients enrolled full time, using Fall 2014 and Spring 2015 enrollment headcounts from the California Community Colleges Chancellor’s Office (CCCCO) Data Mart and financial aid receipt shares provided by the CCCCO.
recipients with additional funds, through a cash grant or a book voucher, would help students focus on their studies.

4. Deepen investment in the Full-Time Student Success Grant. The 2015-16 budget agreement provided for a $600 supplement for Cal Grant B recipients at the community colleges who enroll full time, with a goal of targeting assistance on the students who most need to minimize the need to work. Additional funds could mean bigger grants for each student, or expand eligibility to students who meet Cal Grant financial and merit requirements but are turned away because there aren’t enough grants.

5. Deepen investment in student financial aid administrative funding at the community colleges. Since 2003, the state has provided the community college system $38 million for the purposes of staffing up financial aid offices, so students could get the help they need in accessing aid. A small portion of that money each year has been earmarked for a statewide media campaign about the availability of financial aid at community colleges. However, community college financial aid offices still run on relative fumes, with far less per-student funding than UC or CSU campuses. 21 More administrative funding from the state would help with both statewide and local outreach, and help the students who need assistance get not just their fees waived but also tap into other available aid.

Any and all of these recommendations would help to increase affordability for community college students, and would be worthwhile investments for the Senate Budget Subcommittee to consider. Thank you for your time and attention.

21 Student financial aid administrative funding figures from Governor Brown’s 2015-16 budget detail; CCC System Office MIS Data; and CCC expenditures which include the ongoing BFAP-SFAA Allowance, the new Financial Aid Outreach and Administrative Capacity augmentation, and the reported expenditures from institutional and federal funds that support financial aid administration.
The total cost of college includes far more than tuition and fees. Textbooks, transportation, food, and housing are all costs of attending college.

The net prices shown here - for each of the nine undergraduate-serving campuses of the University of California and nearby California State University and community college campuses - reflect the colleges’ own estimates of what low-income students have to pay, after subtracting available grant aid, to cover total college costs.

Colleges with low tuition may not have low net prices, and colleges with high tuition may not have high net prices. In none of the nine regions shown here does the lowest tuition school - the community college - have the lowest net price, and in six regions the community college is more expensive than either public university option.
Notes:

Figures are from each school’s Net Price Calculator (NPC) for a dependent student from a family of four (with one child in college) with an income of $18,000 (or under $30,000 at the community colleges), living independently off-campus. Among dependent students attending California public colleges with family incomes between $0 and $30,000, $18,000 is the median family income (from the U.S. Department of Education, National Postsecondary Student Aid Study, 2008). NPCs were accessed in January 2016; figures are rounded to the nearest $100.

Each of the nine undergraduate-serving University of California (UC) campuses is paired with a local California State University (CSU) and the nearest California Community College (CCC) campus. The colleges in the nine regions numbered on the map are as follows:

1: UC Berkeley, CSU - East Bay, Berkeley City College
2: UC Davis, CSU - Sacramento, Woodland College
3: UC Irvine, CSU - Fullerton, Irvine Valley College
4: UC Los Angeles, CSU - Los Angeles, Santa Monica College
5: UC Merced, CSU - Stanislaus, Merced College
6: UC Riverside, CSU - San Bernardino, Riverside City College
7: UC San Diego, CSU - San Diego, San Diego Miramar College
8: UC Santa Barbara, CSU - Channel Islands, Santa Barbara City College
9: UC Santa Cruz, CSU - Monterey Bay, Cabrillo College

For more information, contact us at 510-318-7900 or california@ticas.org
Supplemental Tables

Assessing Community College Affordability
Senate Budget Subcommittee on Education
February 3, 2016

Table 1: Net Cost for Low-Income Students at Public California Colleges

<table>
<thead>
<tr>
<th>UC Campus Region</th>
<th>Berkeley</th>
<th>Davis</th>
<th>Irvine</th>
<th>Los Angeles</th>
<th>Merced</th>
<th>Riverside</th>
<th>San Diego</th>
<th>Santa Barbara</th>
<th>Santa Cruz</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>$8,000</td>
<td>$8,500</td>
<td>$9,300</td>
<td>$8,700</td>
<td>$9,000</td>
<td>$9,800</td>
<td>$13,000</td>
<td>$9,700</td>
<td>$14,300</td>
</tr>
<tr>
<td>CSU</td>
<td>$10,800</td>
<td>$9,900</td>
<td>$11,700</td>
<td>$11,600</td>
<td>$9,900</td>
<td>$9,200</td>
<td>$10,600</td>
<td>$11,800</td>
<td>$11,800</td>
</tr>
<tr>
<td>CCC</td>
<td>$13,500</td>
<td>$15,400</td>
<td>$13,400</td>
<td>$13,700</td>
<td>$12,400</td>
<td>$15,200</td>
<td>$12,600</td>
<td>$11,300</td>
<td>$13,700</td>
</tr>
</tbody>
</table>

Table 2: Number of Weekly Work Hours Needed for Low-Income Students to Earn the Net Cost

<table>
<thead>
<tr>
<th>UC Campus Region</th>
<th>Berkeley</th>
<th>Davis</th>
<th>Irvine</th>
<th>Los Angeles</th>
<th>Merced</th>
<th>Riverside</th>
<th>San Diego</th>
<th>Santa Barbara</th>
<th>Santa Cruz</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>21</td>
<td>22</td>
<td>24</td>
<td>22</td>
<td>23</td>
<td>25</td>
<td>33</td>
<td>25</td>
<td>37</td>
</tr>
<tr>
<td>CSU</td>
<td>28</td>
<td>25</td>
<td>30</td>
<td>30</td>
<td>25</td>
<td>24</td>
<td>27</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td>CCC</td>
<td>35</td>
<td>39</td>
<td>34</td>
<td>35</td>
<td>32</td>
<td>39</td>
<td>32</td>
<td>29</td>
<td>35</td>
</tr>
</tbody>
</table>

Table 3: Share of Undergraduates Borrowing Federal Student Loans, 2013-14

<table>
<thead>
<tr>
<th>UC Campus Region</th>
<th>Berkeley</th>
<th>Davis</th>
<th>Irvine</th>
<th>Los Angeles</th>
<th>Merced</th>
<th>Riverside</th>
<th>San Diego</th>
<th>Santa Barbara</th>
<th>Santa Cruz</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>27%</td>
<td>42%</td>
<td>43%</td>
<td>36%</td>
<td>55%</td>
<td>55%</td>
<td>41%</td>
<td>42%</td>
<td>55%</td>
</tr>
<tr>
<td>CSU</td>
<td>39%</td>
<td>40%</td>
<td>33%</td>
<td>36%</td>
<td>40%</td>
<td>45%</td>
<td>37%</td>
<td>42%</td>
<td>48%</td>
</tr>
<tr>
<td>CCC</td>
<td>2%</td>
<td>0%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td>2%</td>
<td>10%</td>
<td>3%</td>
</tr>
</tbody>
</table>

Table 4: Share of Undergraduates Enrolled Full Time, Fall 2013

<table>
<thead>
<tr>
<th>UC Campus Region</th>
<th>Berkeley</th>
<th>Davis</th>
<th>Irvine</th>
<th>Los Angeles</th>
<th>Merced</th>
<th>Riverside</th>
<th>San Diego</th>
<th>Santa Barbara</th>
<th>Santa Cruz</th>
</tr>
</thead>
<tbody>
<tr>
<td>UC</td>
<td>97%</td>
<td>97%</td>
<td>98%</td>
<td>98%</td>
<td>99%</td>
<td>98%</td>
<td>97%</td>
<td>99%</td>
<td>98%</td>
</tr>
<tr>
<td>CSU</td>
<td>87%</td>
<td>81%</td>
<td>81%</td>
<td>83%</td>
<td>84%</td>
<td>88%</td>
<td>89%</td>
<td>86%</td>
<td>93%</td>
</tr>
<tr>
<td>CCC</td>
<td>16%</td>
<td>31%</td>
<td>34%</td>
<td>36%</td>
<td>48%</td>
<td>27%</td>
<td>19%</td>
<td>44%</td>
<td>34%</td>
</tr>
</tbody>
</table>

See reverse for college names, notes, and citations
Notes:

Table 1: Figures are from each school’s Net Price Calculator (NPC) for a dependent student from a family of four (with one child in college) with an income of $18,000 (or under $30,000 at the community colleges), living independently off-campus. Among dependent students attending California public colleges with family incomes between $0 and $30,000, $18,000 is the median family income (from the U.S. Department of Education, National Postsecondary Student Aid Study, 2008). NPCs were accessed in January 2016; figures are rounded to the nearest $100.

Each of the nine undergraduate-serving University of California (UC) campuses is paired with a local California State University (CSU) and the nearest California Community College (CCC) campus. The colleges in the nine regions are as follows:

1: UC Berkeley, CSU – East Bay, Berkeley City College
2: UC Davis, CSU – Sacramento, Woodland College
3: UC Irvine, CSU – Fullerton, Irvine Valley College
4: UC Los Angeles, CSU – Los Angeles, Santa Monica College
5: UC Merced, CSU – Stanislaus, Merced College
6: UC Riverside, CSU – San Bernardino, Riverside City College
7: UC San Diego, CSU – San Diego, San Diego Miramar College
8: UC Santa Barbara, CSU – Channel Islands, Santa Barbara City College
9: UC Santa Cruz, CSU – Monterey Bay, Cabrillo College

Table 2: Assumes the student is working 39 weeks out of the year for $10 per hour.

Table 3: Figures from the U.S. Department of Education, Integrated Postsecondary Education Data System for 2013-14, the most recent data available.

Table 4: Figures from the U.S. Department of Education, Integrated Postsecondary Education Data System for Fall 2013, the most recent data available.