

June 3, 2015

The Honorable Mark Leno
Chair, Conference Committee on the Budget
State Capitol, Room 5100
Sacramento, CA 95814

The Honorable Shirley Weber
Vice Chair, Conference Committee on the Budget
State Capitol, Room 6026
Sacramento, CA 95814

RE: Strengthening Financial Aid for Community College Students through the 2015-16 California State Budget

Dear Senator Mark Leno and Assemblymember Shirley Weber:

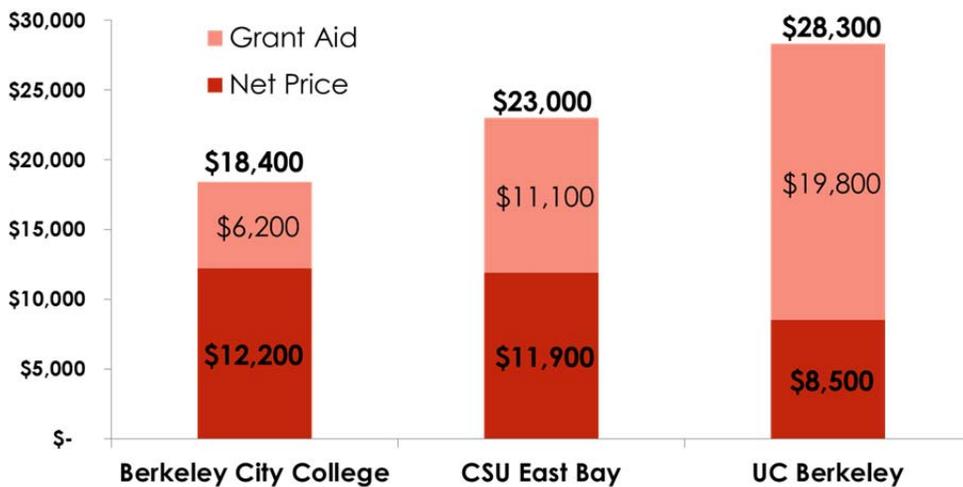
The Institute for College Access & Success (TICAS) is a nonprofit, nonpartisan organization working to ensure affordable, equitable, and meaningful college access and success. As a member of Californians for College Affordability, a coalition of student, civil rights, and business groups and other higher education advocates, TICAS, in a letter dated June 3, 2015, voiced strong support for recent actions taken by both the Assembly and Senate Budget subcommittees to strengthen Cal Grants. In that letter we and coalition partners urged the Conference Committee on the Budget to increase the number of Cal Grants authorized and increase the Cal Grant B access award. These actions would help students get to and through all types of colleges, and are the most important Cal Grant changes the Conference Committee could adopt.

In addition, TICAS strongly supports the Assembly's Proposition 98 proposals to provide a supplemental access grant to Cal Grant B recipients at the California Community Colleges (CCCs) to more fully cover the costs of books, supplies, and transportation; and to increase categorical program spending on CCC financial aid administration.

While the CCCs charge very low fees, total college costs – including textbooks, transportation, and living costs – can exceed \$18,000 for a community college student living off-campus. Board of Governors' Fee Waivers are widely available to help students with fee costs, but fees make up, at most, 10 percent of total college costs. For the remaining 90 percent of costs, available state and institutional grant aid is extremely limited. The Cal Grant B access award provides grant aid to very low-income students at all types of colleges to help cover those costs. But relatively few community college students receive Cal Grant awards and, despite recent increases, the current expected 2015-16 maximum access award of \$1,656 remains woefully insufficient. At other types of colleges, students' access awards may be supplemented with institutional grant aid, or even additional state grant aid, but institutional grant aid at the CCCs is scarce.

As a result, low-income students at the California State University and the University of California typically receive more total grant aid than similarly low-income students at the community colleges, leaving community college students to cover the most costs out of pocket. As demonstrated by the figure below, which uses data reported by the individual colleges via “net price calculators” available on their websites, a Berkeley City College student hailing from a family with income under \$30,000 who lives independently would receive \$6,200 in grant aid from all sources to put toward \$18,400 in total college costs, leaving the student to cover the remaining “net price” of \$12,200. At UC Berkeley, a similar student would receive \$19,800 in grant aid to cover \$28,300 in costs, leaving the student to cover \$8,500 out of pocket (including through loans). While these out-of-pocket costs at all segments are uncomfortably high, it is striking that the lowest fee college asks the student to pay the highest costs after grant aid.

Comparison of Low-Income Students' Net Price (Total Costs minus Grants)



Sources: Figures from each school's Net Price Calculator (NPC) for a dependent student with a family income under \$30,000, and rounded to the nearest \$100. NPCs accessed on November 10, 2014. Net price is what students and families have to save, earn, or borrow.

To help close gaps in available aid and promote full-time attendance and completion, the Assembly proposes an additional \$39 million in Proposition 98 funding to supplement the Cal Grant B access award for CCC recipients enrolled in at least 12 units. By itself, this proposal would increase full-time CCC students' maximum access award to \$2,106; in conjunction with the proposed Cal Grant B access award increase, this supplement would bring the total value of the access award to \$2,450. While either of these award sizes would have far less purchasing power than the original Cal Grant B access award (worth over \$6,000 in today's dollars), these resources will provide critical, targeted support to students who most need to limit their work hours and focus on their studies so that they can remain on the road to completion.

Further, the Assembly proposes to increase categorical funding for Student Financial Aid Administration (SFAA) at the CCCs by \$10 million. Students rely on help from financial aid offices to learn about and access aid dollars, but over time, categorical funding for community college aid offices has been dwarfed by the scale of the need. In the most recent year for which comparative data are available, for every \$1 per student CCCs had to spend on financial aid administration, CSU had about \$2, and UC had \$4 – and yet the CCCs enroll far more of the lowest income students who need financial aid. As a result, many community college students leave federal aid on the table, lack access to federal loans, and receive aid disbursements on debit cards saddled with high fees. Better-funded aid offices will be better positioned to help students apply for federal aid, get through the application process, and access the grants and loans that will help them succeed.

California needs an additional 2.3 million college graduates – predominantly credentials from two-year institutions – by 2025 to remain competitive. This highlights the role of CCCs as the engine of the state’s economic future, and the need to ensure that their students can afford to attend. That is exactly what the Assembly’s financial aid proposals for Cal Grants and Proposition 98 seek to achieve.

The actions detailed above are entirely compatible – and in fact complementary – with Cal Grant increases that have received broad support throughout the legislature. Together these strategies will help narrow equity gaps, bolster college completion, and position our future workforce for success in the global economy.

Thank you for your consideration and your leadership.

Sincerely,



Lauren Asher
President

CC: Members, Conference Committee on the Budget
Members, Senate Budget and Fiscal Review Committee
Members, Senate Budget and Fiscal Review Committee, Subcommittee 1 on Education
Members, Assembly Budget Committee
Members, Assembly Budget Committee, Subcommittee 2 on Education Finance
Members, Senate Education Committee
Members, Assembly Higher Education Committee
Members, Assembly Education Committee
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