



May 14, 2021

The Honorable Lorena Gonzalez
 Chair, California State Assembly Committee on Appropriations
 State Capitol Room 2114
 Sacramento, CA 95814

RE: AB 1456 (Medina, McCarty, Leyva): SUPPORT AS AMENDED APRIL 12, 2021

Dear Chair Gonzalez:

As a diverse coalition of higher education advocacy, civil rights and social justice, business and workforce, and student leadership organizations united in strengthening state need-based financial aid so that all Californians can afford to successfully earn a higher education credential, **today we write in strong support of AB 1456 (Medina, McCarty, Leyva), the Cal Grant Reform Act, as amended April 12, 2021.** We also offer additional recommendations to strengthen the proposal as it moves forward through the legislative process. Our organizations are deeply committed to ensuring equitable, affordable college opportunity, and we are grateful for your leadership in the pursuit of a

stronger Cal Grant program, so that low-income students' higher education success is not curtailed by unaffordable costs and burdensome debt, which the financial impacts of the COVID-19 pandemic threaten to exacerbate.

The creation of the Cal Grant entitlement was a crowning achievement in its time and it remains a leading state grant program today. Yet the intervening two decades have also laid bare its structural limitations: eligible applicants outside of the “entitlement” window have had to compete for a very limited number of awards, and the value of students' stipends for non-tuition costs – without being pegged to a meaningful threshold – has fallen dramatically. The impacts of the ongoing pandemic on students' budgets only underscore the importance of providing robust financial aid for vulnerable students. Even before its onset, many California students struggled to afford their basic needs, and just two months into the global crisis a substantial seven in ten students reported losing some or all of their income.¹ By January 2021, a majority of students continued to report reduced income, with students of color among those hardest hit – over half of Black and Latinx students report increased symptoms of food insecurity, and half of Black students report challenges with paying for housing.² We are immensely appreciative that the amendments to AB 1456 aim to address both of these structural issues that have perpetuated inequities in college access and success for students at all types of colleges, both before and throughout the pandemic, and, in particular, for those attending California community colleges (CCC) whose students currently receive just seven percent of Cal Grant dollars despite serving two-thirds of the state's college students.³

Ensuring that all students receive the awards for which they are eligible remains an urgent priority and a key reform reflected in AB 1456. With less than ten percent of CCC students currently receiving a Cal Grant, the bill's extension of the Cal Grant entitlement to the lowest income CCC students (those eligible for the maximum federal Pell Grant), regardless of age or prior academic merit, is a major policy milestone that ensures tens of thousands more Californians have access to financial resources they need to support them on their higher education paths. With CCCs serving the majority of the state's students of color,⁴ these colleges play a critical role in closing equity gaps in higher education access and success. AB 1456 recognizes the racial equity imperative behind immediate and intentional Cal Grant Reform, and targeted investment in the new Cal Grant Equity Framework will ensure California's underserved students receive the supports they need to successfully earn a higher education credential that will facilitate their ability to thrive.

Additionally, we are grateful for the recent amendment to protect the access award from dropping below the current maximum of \$1,656. This amount currently covers just nine percent of students'

¹ California Student Aid Commission (CSAC). 2020. *COVID-19 Student Survey*.

https://www.csac.ca.gov/sites/main/files/file-attachments/2020_covid19_student_survey.pdf?1594172054.

² The Institute for College Access & Success (TICAS). 2021. *The Impact of COVID-19 on California's College Students*. <https://ticas.org/wp-content/uploads/2021/04/The-Impact-of-COVID19-on-CA-College-Students.pdf>.

³ TICAS. 2016. *How and Why to Improve Cal Grants: Key Facts and Recommendations*. https://ticas.org/wp-content/uploads/legacy-files/pub_files/how_and_why_to_improve_cal_grants.pdf.

⁴ The Campaign for College Opportunity. 2021. *Follow the Money*. https://collegecampaign.org/wp-content/uploads/2021/02/Follow-the-Money-8_5x11-Update.pdf.

non-tuition college costs, which can exceed \$20,000 annually for many students across all types of colleges, and maintaining the award's value is a crucial step in moving towards covering students' total college costs.⁵ We also appreciate the inclusion of a much-needed automatic annual growth factor by tying the Cal Grant 2 access award to the California Consumer Price Index to avoid the further decline in value that the award has experienced over the years.

We applaud the steps that AB 1456 takes towards dismantling longstanding structural issues that have kept too many students from receiving a Cal Grant, and we offer below key recommendations that would strengthen the proposal, further align it with stated intent, and ensure its equitable implementation:

1. Access Award. On March 10, 2021, we noted that the bill as introduced would have cut CCC students' Cal Grant access award amounts to \$1,250, worsening some students' affordability struggles and reducing the share of non-tuition costs covered by a Cal Grant, and we strongly support the recent amendment that aims to protect the Cal Grant 2 from dropping below the current maximum of \$1,656. To meet the stated intent of this provision, legislative language should clarify that the access award is "*no less than the maximum per-student amount provided in the 2020-21 award year*" in section 70215(c)(1).

Moving forward, we also encourage consideration of an even stronger growth adjustment by tying the award to the actual changes in non-tuition college costs as identified by the institutions.⁶

2. Equitable Eligibility Phase-In. In March, we recommended addressing the disparity in financial eligibility thresholds between the proposed Cal Grant 2 and Cal Grant 4 programs by, at a minimum, articulating a policy goal of reaching equal standards over time. We appreciate that AB 1456 now includes intent language to phase-in eligibility so that all Pell Grant eligible students eventually receive a Cal Grant. Including a timeline for doing so in the intent language would help ensure that access to this important state financial aid program expands as intended and does not erode over the years. This is particularly important in light of recent amendments that restrict Cal Grant 4 eligibility by using lower federal poverty line thresholds than are used for Pell Grant eligibility. Without a clear timeline for full parity, this delinking may make Cal Grant 4 more vulnerable to further eligibility reductions, especially during economic downturns.

As organizations that have been invested for many years in meaningfully strengthening and equitably reforming state need-based financial aid, we are excited for the positive steps that AB 1456 takes to

⁵ TICAS. 2020. *What College Costs for Low-Income Californians: 2020*. <https://ticas.org/wp-content/uploads/2020/08/what-college-costs-for-low-income-californians-2020.pdf>.

⁶ For more on different approaches to maintaining and increasing the award's value, please see: TICAS. January 19, 2021. Memo. "Ensuring Cal Grant Reforms Support Meaningful Coverage of Students' Non-Tuition College Costs." <https://ticas.org/wp-content/uploads/2021/01/TICAS-Access-Award-Memo.pdf>.

address longstanding structural inequities within the Cal Grant program, which have long impacted our state's most vulnerable students and perpetuated disparities in college enrollment and completion. We are grateful to the authors and the California Student Aid Commission for their commitment to making college in California affordable and for championing Cal Grant reform that supports the needs of California's low-income, underrepresented, older, and non-traditional students across all types of colleges, and in particular community colleges which serve most of the state's low-income students and students of color. **We are pleased to support AB 1456, which is vital to eliminating barriers to state financial aid and ensuring the state's economic path out of the pandemic is equitable, and respectfully urge the Assembly Committee on Appropriations to consider our recommendations and take the bill off suspense so it can be moved to the Assembly floor for a vote.**

Thank you for your time and consideration, and for all that you do to ensure all Californians have the support they – and the state – need to thrive.

Sincerely,



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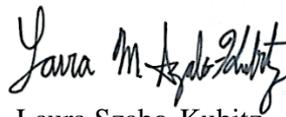
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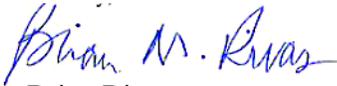
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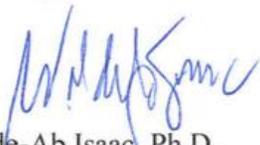
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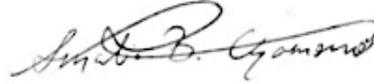
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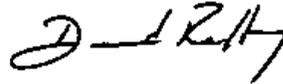
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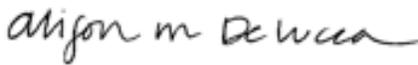
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This letter was updated with an additional cosignatory on May 19, 2021.