



The Education Trust-West



June 11, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol, Suite 1173
Sacramento CA, 95814

The Honorable Toni G. Atkins
President pro Tempore,
California State Senate
State Capitol, Room 205
Sacramento, CA 95814

The Honorable Anthony Rendon
Speaker of the Assembly,
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

The Honorable Nancy Skinner
Chair, Budget and Fiscal Review Committee,
California State Senate
State Capitol, Room 5019
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Committee on Budget,
California State Assembly
State Capitol, Room 6026
Sacramento, CA 95814

RE: Critical Cal Grant Investments in Final 2021-22 California State Budget Agreement

Dear Governor Newsom, Pro Tem Atkins, Speaker Rendon, Chair Skinner, and Chair Ting:

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, **we write to strongly urge your inclusion of the legislative budget committees’ historic investments in Cal Grants in the final 2021-22 California budget agreement by removing age and time out of high school barriers to entitlement awards and increasing access awards for low-income students’ non-tuition costs.** Our organizations are deeply committed to ensuring equitable, affordable college opportunity, and we are grateful for your leadership in the pursuit of strengthening college affordability and addressing underlying cost drivers, so that low-income students’ higher education success is not curtailed by unaffordable costs and burdensome debt, both of which the COVID-19 pandemic threatens 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 decades have also laid bare two key 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 make more urgent the imperative of providing robust financial aid for vulnerable students to enable their higher education success.

Even before the onset of COVID-19, 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 Furthermore, the majority of California students now expect to receive their degree later than planned as a result of the pandemic’s impact on their budget, with community college students, older students, and Filipino, Black, Indigenous/Native American, and Latinx students more likely to report expecting degree delays.³ We have long supported meaningful structural changes to and investments in state need-based financial aid to support vulnerable students, in particular those who

¹ California Student Aid Commission and California Education Lab, UC Davis School of Education. 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. May 24, 2021. Blog post. “The Uneven Cost of COVID-19 on College Completion in California.” <https://ticas.org/california/the-uneven-cost-of-covid-19-on-college-completion-in-california/>.

are lower income and students of color, and the ongoing crisis only underscores the urgency for movement on both today.⁴

We are grateful that the legislative budget committees have advanced proposals that address both of these structural issues that have perpetuated inequities in college access and success for students at all types of colleges,⁵ both before and throughout the pandemic. Addressing the structural limitations of the current Cal Grant program are of particular importance for 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 and the majority of the state's students of color.⁶ While college costs are burdensome for most students, they fall most heavily on low-income Californians, many of whom are students of color. The least resourced Californians attending public colleges and universities must put about half of their income towards covering higher education costs *after* available grant aid, compared to about one-quarter or less of the income for students in other income groups.⁷ This has significant racial equity implications, with the majority of the state's Black, Latinx, and Native American students coming from families who make less than \$30,000 annually.⁸

As you work to finalize the 2021-22 state budget, we applaud your efforts to prioritize the most equitable path forward to guarantee access to robust financial aid that sufficiently covers students' total college costs and ensure all California students, with the lowest income afforded highest priority, are awarded the financial aid they need to succeed. While not exhaustive of all that can and should be done to meaningfully reform the state Cal Grant program, we are grateful for the well targeted and historic investments to Cal Grants included in the legislative budget committees' agreement, and urge you to ensure that the following remain in the final budget agreement:

Extend an Entitlement Award to All Low-Income Californians - SUPPORT

We strongly support the legislative budget committees' prioritizing the need for all under-resourced students to receive the awards for which they are eligible by proposing to *remove age and time-specific barriers to Cal Grant receipt*. Eligible students across all types of colleges currently go without a Cal Grant simply because they are more than one year out of high school, leaving many older and non-traditional students without the financial supports they need to succeed in college. Students at CCCs, which serve two-thirds of the state's college students, are particularly hard hit,

⁴ For example, see: 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; TICAS. May 28, 2021. Coalition letter. "Equitable Investments in and Meaningful Reform of State Financial Aid in the 2021-22 California State Budget." https://ticas.org/wp-content/uploads/2021/06/Cal-Grant-Reform_Affordability-Coalition-Support-Letter_May-Revise_052821.pdf.

⁵ See [AB 1456](#) (Medina, McCarty, Leyva), Cal Grant Reform Act; and [Build Back Boldly: Senate Democrats Budget Priorities for 2021-22 and Beyond](#).

⁶ 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.

⁷ TICAS. 2017. *College Costs in Context: A State-by-State Look at College (Un)Affordability*. https://ticas.org/files/pub_files/college_costs_in_context.pdf.

⁸ TICAS calculations on data from the National Postsecondary Student Aid Study, 2015-16.

with less than ten percent currently receiving a Cal Grant. Extending the Cal Grant entitlement to low-income college students, regardless of age or time out of high school, would be a major policy milestone that would ensure tens of thousands more Californians have access to financial resources they need to support them on their higher education paths. Moreover, with CCCs serving the majority of the state's students of color,⁹ this reform is critical for closing the state's equity gaps in higher education access and success.

Strengthen the Access Award to Better Cover Students' Total Cost of Attendance - SUPPORT

We strongly support the legislative budget committees' investments in increasing the Cal Grant access award, which will help low-income Californians better cover the non-tuition costs that make up the majority of total college costs for most students. To sufficiently support all Californians in affording a higher education credential, the state should continue to work towards creating a college affordability guarantee for all Californians, a concept that we are thrilled has been uplifted by both legislative chambers. This would ideally be in the form of a statewide pledge whereby no student has to work more than fifteen hours a week at statewide minimum wage during the academic year, with grant aid covering the remainder of students' unmet financial need for their total college costs.¹⁰ Ensuring that California's lowest income students, and those at community colleges in particular, receive sufficient financial aid to cover non-tuition costs – as both legislative budget committees' have championed – is a crucial step towards such a guarantee.

It is important to underscore that these investments in entitlement and access awards are critical in supporting vulnerable students today, yet they do not negate the need for additional structural reforms to simplify and streamline the Cal Grant program, as laid out in the Cal Grant Equity Framework through Assembly Bill 1456. Moreover, linking the access award to an automatic annual growth factor, similar to the Cal Grant's ongoing coverage of statewide tuition and fees at CSUs and UCs, is needed to avoid the decline in value that the award has experienced over the years.¹¹ While additional reforms are needed to fully transform the Cal Grant program, these Cal Grant investments advanced by the legislative budget committees are monumental and will go far in supporting California's vulnerable students.

We are very grateful to Governor Newsom, the California State Senate, and the California State Assembly for your ongoing commitment to making college in California affordable for all students, and the most vulnerable in particular. It is critical that the state ensure all low-income Californians, regardless of age or time out of high school, can receive a Cal Grant that supports their total college

⁹ The Campaign for College Opportunity. 2021. *Follow the Money*. https://collegecampaign.org/wp-content/uploads/2021/02/Follow-the-Money-8_5x11-Update.pdf.

¹⁰ TICAS. 2019. *Charting the Course for Redesigning Financial Aid in California*. <https://ticas.org/wp-content/uploads/2019/10/charting-the-course.pdf>. The state should consider lowering this contribution further for the lowest income students, such as those with Pell Grant-eligible financial circumstances.

¹¹ TICAS. 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>.

costs. With labor market outcomes notably stronger for those with college degrees,¹² it is vital to the economic health of both Californians and the state itself that Legislative leadership and Governor Newsom retain these Cal Grant investments in the final budget agreement. In order to eliminate current barriers to state financial aid, move closer towards covering students' total college costs, and ensure the state's economic path out of the pandemic is equitable, **we respectfully urge you to include full funding for the legislative budget committees' Cal Grant investments described above in the final 2021-22 state budget agreement.**

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 prosper.

Sincerely,

Asian Americans Advancing Justice – Los Angeles
Bay Area Council
California Competes
California EDGE Coalition
California STEM Network
The Campaign for College Opportunity
The Century Foundation
Children Now
The Education Trust – West
GO Public Schools
Growing Inland Achievement
The Institute for College Access & Success
John Burton Advocates for Youth
Latino Equality Alliance
Northern California College Promise Coalition
Promesa Boyle Heights
Public Advocates
Silicon Valley Leadership Group
Southern California College Access Network
Social Justice Learning Institute
uAspire
UnidosUS
UNITE-LA
Young Invincibles

¹² Johnson, Hans and Marisol Cuellar Mejia. 2020. *Higher Education and Economic Opportunity in California*. Public Policy Institute of California. <https://www.ppic.org/wp-content/uploads/higher-education-and-economic-opportunity-in-california-november-2020.pdf>.

CC: Senator John Laird, Chair, California State Senate Budget and Fiscal Review Committee,
Subcommittee 1 on Education
Assemblymember Kevin McCarty, Chair, California State Assembly Committee on
Budget, Subcommittee 2 on Education Finance
Senator Connie M. Leyva
Assemblymember Jose Medina
Members, California State Senate Budget and Fiscal Review Committee
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Megan Baier, Office of Senate President pro Tempore Toni G. Atkins
Mónica Henestroza, Office of Assembly Speaker Anthony Rendon
Anita Lee, Consultant, California State Senate Budget and Fiscal Review Committee
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Jennifer Pacella, Deputy Legislative Analyst, Legislative Analyst's Office
Lande Ajose, Senior Policy Advisor for Higher Education,
Office of Governor Gavin Newsom
Chris Ferguson, Program Budget Manager, California Department of Finance
Marlene Garcia, Executive Director, California Student Aid Commission

This letter was updated on June 15, 2021 to reflect additional cosignatories.