August 20, 2021

The Honorable Anthony J. Portantino
Chair, California State Senate Appropriations Committee
State Capitol Room 2206
Sacramento, CA 95814

RE: AB 1456 (Medina, McCarty, Leyva): SUPPORT AS AMENDED AUGUST 16, 2021

Dear Chair Portantino:
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 in strong support of AB 1456 (Medina, McCarty, Leyva), the Cal Grant Reform Act, as amended August 16, 2021. Now is a timely opportunity for AB 1456 to build upon the recent historic budget investments to expand access to the Cal Grant program by streamlining and simplifying it, removing barriers to Cal Grant access based on GPA, and ensuring that California’s least resourced students continue to be prioritized and supported through these investments.**

We are immensely appreciative that the state budget makes historic investments in expanding entitlement awards to all California community college (CCC) students, and we believe that AB 1456 is also needed to further address the program’s additional structural issues that have perpetuated inequities in college access and success for students at all types of colleges, both before and throughout the pandemic.

Ensuring that all students receive the awards for which they are eligible remains an urgent priority for the state, as reflected in the budget’s lifting of the time-out-of-college and age restrictions on the Cal Grant for CCC students. **AB 1456 takes this milestone budget action one step further by removing GPA limitations for the lowest income CCC students (those eligible for the maximum federal Pell Grant).** With CCCs serving the majority of the state’s students of color, these colleges play a critical role in closing equity gaps in higher education access and success. AB 1456 recognizes the racial equity imperative underlying expanding upon the state budget’s 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, AB 1456 takes important steps, including the recent clarifying amendment to 69424(c)(1), to ensure the access award does not drop below the current maximum of $1,656. This amount covers just nine percent of students’ non-tuition college costs today, which can exceed $20,000 annually for many students across all types of colleges, and at least maintaining the award’s value is a crucial step in moving towards covering students’ total college costs. **We appreciate the inclusion of a much-needed automatic annual growth factor by tying the Cal Grant 2 (now the CCC entitlement) access award to the California Consumer Price Index to avoid the further decline in value that the award has experienced over the years – had the award kept pace with inflation today it would be worth over $7,000.**

Moreover, **AB 1456 would build upon the State Budget’s historic investment and provide guidance for future investments and implementation efforts.** This bill provides an opportunity to streamline and simplify the Cal Grant program and continue efforts to close racial equity gaps by consolidating the multiple current Cal Grant awards into a Cal Grant 2 and Cal Grant 4 and aligning it with forthcoming changes to federal needs analysis.
We applaud the steps that AB 1456 takes towards dismantling long standing structural issues that have kept too many students from receiving a Cal Grant. The budget investments, combined with the supporting changes that AB 1456 offers will make the Cal Grant program easier for students and families across the state to navigate, ultimately expanding college affordability for thousands of Californians.

As conversations around Cal Grant Reform continue, we recommend including a timeline for providing Cal Grant 4 to at least all Cal Grant applicants with Pell Grant-eligible financial circumstances by adding intent language to ensure that access to this important state financial aid program expands as intended and does not erode over the years. This is particularly important because eligibility for Cal Grant 4 currently employs lower federal poverty line thresholds than will be used for Pell Grant eligibility. We also encourage consideration of an even stronger growth adjustment by tying the Cal Grant 2 access award to the actual changes in non-tuition college costs as identified by the institutions.

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 future of the Cal Grant program and are encouraged by the positive steps that the state has taken to address long standing 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 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 an AYE vote.**

Thank you for your time and consideration.

Sincerely,

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