



July 1, 2022

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: Key Affordability and Accountability Investments in the Final 2022-23 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 high-quality postsecondary education credential, we write to express our appreciation for the potential to implement the transformative Cal Grant Reform Act, as well as crucial immediate investments in the Student Success Completion Grant (SSCC), the Cradle to Career (C2C) data system, the Department of Financial Protection and

Innovation (DFPI), and the Bureau for Private for Postsecondary Education (BPPE), in the final 2022-23 California budget agreement. Our organizations are deeply committed to ensuring high quality, equitable, affordable college opportunity, and we are grateful for your ongoing leadership in the pursuit of robust state need-based financial aid programs as well as data transparency, and postsecondary accountability so that low-income students' higher education success is not curtailed by unaffordable costs and burdensome debt.

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 significant structural limitations that have prevented eligible applicants from receiving awards, and for those who do, the value of the access award for critical non-tuition costs continues to decline. We are incredibly grateful for your creation last year of the California Community College (CCC) Expanded Entitlement Cal Grant, which ensures over 100,000 more financially struggling Californians receive an award to help them succeed in college.¹

We applaud Governor Newsom and the Legislature for reaching a final 2022-23 state budget agreement that embraces the Cal Grant Reform Act, which addresses structural issues within the current Cal Grant program including removing barriers to receipt for many of the state's lowest-income students and employing an ongoing cost of living adjustment (COLA) for the Cal Grant access award.² If implemented in 2024, these changes will move California closer to covering growing non-tuition costs that have only been worsened by the impacts of the ongoing pandemic and by the record-high inflation that our students are experiencing every day. Addressing the structural limitations of the current Cal Grant program is of particular importance for the lowest-income Californians, as college costs demand the largest share of their family income compared to those in higher-income groups.³ We appreciate your commitment to easing vulnerable Californians' college cost burdens and hope to have your continued leadership in further investing in our students and our state by increasing the base Cal Grant access award amount that has dramatically lost value over the last half century, so that our low-income students can get dollars in their pockets to cover their rising non-tuition costs now.⁴

Additionally, we are grateful that the 2022-23 state budget also includes key higher education investments in CCC student success, critical data infrastructure, and funds for two critical government entities that provide consumer protection, especially for students, and college accountability. Specifically, we support:

¹ California Student Aid Commission. April 2022. *Cal Grant Equity Framework: The Next Steps Needed to Fixing Financial Aid Shortfalls For Students*. https://www.csac.ca.gov/sites/main/files/file-attachments/cal_grant_equity_framework_memo.pdf?1652125341

² Assembly Bill 1746 (Medina, McCarty, Leyva), 2022. <https://bit.ly/3laOFYR>.

³ TICAS. June 2022. *Bearing The Burdens of College Costs: A Look at College Affordability by Student Race and Income at California's Public Two- and Four-Year Colleges and Universities*. <https://ticas.org/california/bearing-the-burdens-of-college-costs-a-look-at-college-affordability-by-student-race-and-income-at-californias-public-two-and-four-year-colleges-and-universities/>.

⁴ In 1969, the year of its inception, the Cal Grant access award was \$900; had it kept pace with inflation it would be worth more than \$7,400 today (see: <https://ticas.org/california/bearing-the-burdens-of-college-costs-a-look-at-college-affordability-by-student-race-and-income-at-californias-public-two-and-four-year-colleges-and-universities/>). For many college students across California, non-tuition college costs can exceed \$23,000 annually (see: https://www.csac.ca.gov/sites/main/files/file-attachments/2021-22_student_expense_budget.pdf?1597790393).

- **\$200 million** to increase the Community College Student Success Completion Grant. The purpose of the Student Success Completion Grant is to provide students with additional financial aid to help offset the non-tuition costs of community college attendance, which comprise over 90 percent of CCC students’ total college costs, to support full-time attendance and successful on-time completion.⁵
- **\$13.9 million** to implement the Cradle-to-Career (C2C) Data System and to increase intersegmental collaboration to benefit students. This budget investment in C2C will create data-informed tools to help students reach their college and career goals as well as deliver information on education and workforce outcomes to support more effective and equitable policies at the state, system, and college level throughout California.
- **\$23.5 million** over three years to support the Bureau for Private Postsecondary Education (BPPE). This investment will allow the BPPE to address an existing budget gap and give the agency financial support while it develops and implements a new fee model that supports long-term stability. The BPPE is the first line of defense for students who enroll in private postsecondary programs and the primary state-level regulator of private colleges and institutions in California.
- **\$10 million** for the Department of Financial Protection and Innovation (DFPI) to support education efforts to student borrowers throughout the state. With this investment, DFPI will be able to conduct outreach to California student borrowers relating to federal student loan programs, as well as provide information about California specific laws and borrower rights.

We applaud your leadership and sustained commitment to higher education equity, affordability, accountability, access, and success, and greatly appreciate your prioritization of this key funding in the final 2022-23 state budget to implement major policy milestones. Thank you for all you have already done and will continue to do to support underserved Californians’ success in the college classroom and beyond as they achieve the upward mobility that will allow them and the state to thrive.

Sincerely,

Vincent W. Stewart
Vice President, Policy & Programs
Children Now

Darcel Sanders
Chief Executive Officer
GO Public Schools




Debbie Raucher
Director of Education
John Burton Advocates for Youth

Eddie Kaufman
CEO
Mission Graduates

⁵ To read about TICAS’ suggestion to provide approximately the same amount of per-credit funding to Cal Grant recipients enrolled in 12 credits as those enrolled in 15, see TICAS’ 2018 proposal: https://ticas.org/files/pub_files/ticas_p98_aid_program_consolidation.pdf.



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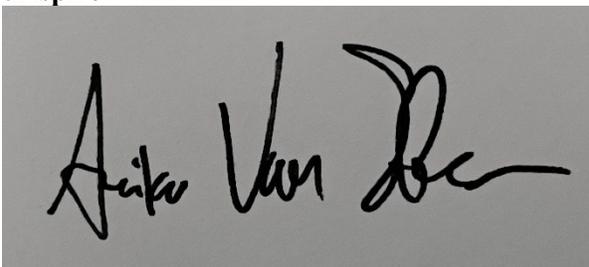


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CC: Senator John Laird, Chair, California State Senate Budget and Fiscal Review Committee,
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