March 15, 2024

The Honorable Scott Wiener  
Chair, Senate Budget and Fiscal Review Committee  
1021 O Street, Suite 8620  
Sacramento, CA 95814

The Honorable Jesse Gabriel  
Chair, Assembly Committee on Budget  
1021 O Street, Suite 8230  
Sacramento, CA 95814

The Honorable John Laird  
Chair, Senate Budget and Fiscal Review Committee, Subcommittee 1 on Education  
1021 O Street, Suite 8720  
Sacramento, CA 95814

The Honorable David A. Alvarez  
Chair, Assembly Committee on Budget, Subcommittee 3 on Education Finance  
1021 O Street, Suite 5320  
Sacramento, CA 95814

RE: College Affordability and the 2024-25 State Budget Proposal

Dear Chairs Wiener, Gabriel, Laird, and Alvarez,

Californians for College Affordability is a diverse coalition of higher education advocacy, civil rights and social justice, business and workforce, and student leadership organizations working to ensure that all Californians can earn an affordable, high-quality postsecondary education credential without having to work or borrow excessively. **Today, we write to acknowledge Governor Newsom’s efforts to balance the state’s current fiscal reality and higher education priorities through his 2024-25 budget proposal and respectfully request the Legislature to protect the key investments that will advance college affordability for students across the state.** As the cost of living continues to hinder students’ ability to afford and enroll in college, California’s leaders must ensure that the state budget sufficiently supports students’ success in higher education and the workforce to help strengthen the state’s future economic prospects.

While the Governor’s January budget proposal was a good starting point, we have all heard clearly that our fiscal situation is rapidly changing, and that our statewide deficit may grow. Given that we will have this uncertainty all spring until the May Revision, we would like to express our appreciation for specific education investments in the Governor’s 2024-25 budget proposal that we hope the Legislature can
maintain. Specifically, we appreciate the $5 million ongoing support for the California College Guidance Initiative (CCGI). CCGI’s work will help create a smooth path for students, parents, educators, and K-12 districts towards their college and career goals and supplement the critical work of the state’s Cradle-to-Career Data System (C2C). Next, we appreciate that the Governor proposes to use portions of K-14 Rainy Day Fund to give California Community Colleges (CCCs) a cost-of-living adjustment and enrollment growth funding. Finally, we look forward to engaging with the Administration's 13-month planning process to inform the California Master Plan for Career Education. We appreciate the centralized goal of ensuring that all Californians can access and afford a quality education throughout life and believe that our coalition can help uplift ideas to flesh out this plan and, in turn, make progress towards the statewide postsecondary attainment goal of 70 percent by 2030.

As the 2024-25 Budget continues to develop, we respectfully ask the Legislature to consider the following recommendations from our coalition so that we maintain the progress we have made over the past few years on investing in need-based financial aid programs for the state’s low-income college students, addressing key underlying drivers of college costs, and increasing intersegmental coordination to improve equitable college access and student outcomes statewide.

**Cal Grant Reform:** We are grateful that the Governor and the Legislature adopted the Cal Grant Reform Act in the 2022-23 budget, which — pending a revenue trigger in May of this year — would simplify the Cal Grant program, streamline eligibility requirements, and better address students’ total college costs by indexing the access award for non-tuition college costs to annual inflation. According to the California Student Aid Commission, a fully funded and implemented Cal Grant Reform would expand eligibility to about 137,000 more low-income students. Students across all of California’s higher education systems will see benefits from the resulting changes of this investment, especially for those identifying as BIPOC, women, student-parents, and CA Dream Act filers. Nonetheless, given the state’s current fiscal condition, we are mindful that full implementation may be difficult. Therefore, we respectfully urge the Legislature to advance Cal Grant Reform in the 2024-25 state budget by making a meaningful first step toward its implementation.

**Student Housing:** The 2024-25 budget outlines significant reductions to the Student Housing Revolving Loan Fund Program for all three higher education public segments, which is alarming given that this would further jeopardize students’ ability to access affordable housing when they are already experiencing heightened basic needs insecurities. Affordable student housing and financial aid are two essential facets of college affordability; without adequate investments in both areas, students are struggling to afford the ever-increasing costs of attending college. Therefore, aligned with the California Affordable Student Housing (CASH) Coalition, we urge the Legislature to protect the Higher Education Student Housing Grant program, fund all viable housing projects that applied for funding with available resources this year, and prioritize meeting the housing needs of the least-resourced students.

**UC and CSU Compact Funding Deferrals:** We appreciate that the Governor has proposed to defer the five percent funding growth to the University of California (UC) and California State University (CSU) systems instead of reducing the promised funding in the 2024-25 budget. That said, given the current and impending fiscal uncertainty, we are concerned that the state may not be well-positioned next year to supply the UC and CSU systems with the full repayment that they need to sustain ongoing efforts to meet their systemwide goals as outlined in the Compacts. Therefore, we respectfully recommend that the Governor and the Legislature create a clear and realistic plan of action to repay the deferred
funding for the UC and CSU systems and in the meantime, ensure the protection of core programs that advance student access, success, and close equity gaps. Such programs include, but are not limited to, the CSU Black Student Success Initiative, the UC’s Student Academic Preparation and Educational Partnerships (SAPEP), and various student basic needs programs.

As California continues to navigate through current and future budget deficits and uncertainties, it is critical that Governor Newsom and legislative leaders protect key investments in programs and initiatives that support our most vulnerable students in getting to and through college without having to borrow or work excessively. We look forward to working with our state’s leaders on the 2024-25 budget to maintain the momentum that California has built in higher education access, equity, and success over the past several years.

Sincerely,

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