

Assembly Committee on Higher Education

Assembly Member Das Williams, Chair

***Affordability as a Barrier to Access and Success at
California's Public Colleges and Universities***

Oversight Hearing

Monday, October 7, 2013

11 a.m. – 2 p.m.

Loma Pelona Center

University of California, Santa Barbara

Isla Vista, CA 93117

During the 2013 Legislative Year, there were several budgetary and legislative efforts endeavoring to address the affordability and accessibility for public postsecondary education, those efforts include:

Budgetary Efforts [Assembly Bill 110 (Blumenfield), Chapter 20, Statutes of 2013]

- *Multiyear Stable Funding Plan* – the 2013-2014 Budget established the first-year investment in a multiyear stable funding plan for higher education. The plan provides new funds to reinvest in the UC and CSU, with the expectation that the universities will improve the quality, performance, and cost effectiveness of their educational systems. The plan, based on the belief that higher education should be affordable and student success attainable, has the following tenets:
 - *Funding Stability* – the 2013-2014 Budget increased the General Fund (GF) contribution to each institution's prior year funding base. Each segment received a 5 percent increase in GF appropriations (\$125.1 million each). This represents the first year of a four-year plan in which each segment will receive up to a 20 percent increase in GF appropriations (\$511 million each), representing approximately a 10 percent increase in total operating funds including tuition and fee revenues.

Budget Increases Funding Per Student			
Segment	Budget Year 2011-12	Budget Year 2016-2017	Funding Increase
CCC	\$4,893	\$6,542	\$1,649
CSU	\$5,860	\$7,803	\$1,943
UC	\$10,630	\$13,121	\$2,491

- *Affordability* – a key goal in the 2013-2014 Budget is for universities to stay affordable for students and their families and to avoid high student debt and tuition levels. The Budget freezes UC and CSU resident tuition from 2013-2014 to 2016-2017. The Budget also established the following:
 - *Middle Class Scholarship Program* - the 2013-2014 Budget included statutory appropriations of \$107 million GF in 2014-2015 growing to \$305 million GF in 2017-2018, and every year thereafter, in order to provide scholarships of up to 40 percent of tuition for UC and CSU students with annual family incomes of up to \$150,000.00. Scholarship awards will be limited to students that meet the minimum Cal Grant program requirements and have a minimum grade point average of 2.0.
 - *Cal Grant Program Growth* – the 2013-2014 Budget included an increase of \$37.4 million GF in 2012-2013 and \$119.1 million GF in 2013-2014 to reflect revised participation estimates in the Cal Grant program.
- *Student Success* – the 2013-2014 Budget included new UC and CSU reporting requirements on the specified state priorities.

2013 Legislative Measures

- AB 303 (Ian Calderon) would expand the students eligible to receive a Cal Grant A or B award under the Cal Grant High School Entitlement Program to include California residents who are current or former members of the United States Armed Forces, beginning with the 2014-15 academic year. This measure is pending in the Assembly Higher Education Committee.
- AB 1085 (Beth Gaines and Morrell) would have increased Cal Grant maximum tuition award amounts for recipients attending private for-profit and nonprofit postsecondary educational institutions to \$9,708. This measure was held on the Assembly Appropriations Committee Suspense File.
- AB 1241 (Weber) would have expanded the timeframe after high school graduation during which students are eligible for the Cal Grant Entitlement Program by one additional academic year, beginning in the 2015-16 award year. This measure was held on the Senate Appropriations Committee Suspense File.
- AB 1285 (Fong) would expand Cal Grant B funding by eliminating the 2 percent cap on the number of Cal Grant B awards that cover the first year of tuition and fees. This measure is currently pending in the Senate Education Committee.

- AB 1287 (Quirk-Silva) would establish eligibility criteria for Cal Grant award recipients to receive renewal awards who were once determined to be ineligible for a renewal award, as specified, but who subsequently meet the eligibility requirements for a Cal Grant award. This measure is awaiting action by the Governor.
- AB 1318 (Bonilla) would establish a statutory formula which increases the amount of the current Cal Grant award for students attending private colleges accredited by Western Association of Schools and Colleges and establishes an institutional aid threshold which must be met for institutional eligibility for the Cal Grant program. This measure is pending in the Senate Education Committee.
- AB 1364 (Ting) would increase the maximum amount of the Cal Grant B access award to \$1,710, beginning in the 2014-15 academic year, and provides for its annual increase based upon the California Consumer Price Index for All Urban Consumers as specified. This measure was held on the Senate Appropriations Committee Suspense File.
- SB 285 (De León) would provide for the use of funds from the College Access Tax Credit Fund (CATC) to increase the amount of the Cal Grant B Access Award up to a maximum of \$5000 per award per academic year and authorizes the California Student Aid Commission to be reimbursed from the CATC for all administrative costs incurred in connection with its duties. This measure is awaiting action by the Governor.
- HR 26 (Williams and John A. Pérez) would declare that the California State Assembly encourages public employers to take full advantage of the Public Service Loan Forgiveness Program and other available programs that are intended to help college graduates that have incurred student loan debt in their pursuit of a degree. This measure is pending in the Assembly Higher Education Committee.