

# Assembly Higher Education Committee Oversight Hearing Testimony

Presented by

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## **AFFORDABILITY AS A BARRIER TO ACCESS AND SUCCESS AT CALIFORNIA'S PUBLIC COLLEGES**

**OCTOBER 7, 2013 11:00 AM – 1:30 PM**

**U.C. SANTA BARBARA, LOMA PELONA CENTER**

# Role of the Student Aid Commission



- The Commission is the principal state agency responsible for administering financial aid programs for students attending public and private universities, colleges, and vocational schools in California. The Commission provides financial aid policy analysis and leadership, in partnership with California's colleges, universities financial institutions and financial aid associations.
- The Commission's mission is *to make education beyond high school financially accessible to all Californians.*

# Student Aid Commissioners



- The Commission consists of 15 appointed members who represent students, segments of the State's higher education community, and the general public. Eleven (11) are appointed by the Governor, two (2) are appointed by the Chair of the Senate Rules Committee and two (2) are appointed by the Speaker of the Assembly.
- The Commissioners hold public, two (2) day meetings, six (6) times per year.
- Commission members have established three (3) committees: Strategic Policy & Planning, Student Impact, and Personnel, Evaluation & Nominations.

# Student Aid Commission Operations



- The Agency operates under the Executive Director, Diana Fuentes-Michel.
- The Agency functions under three (3) Chiefs: Program Administration & Services Division, Management, Legal and Audit Services Division, Strategic Policy, Media & Communications and Information Technology Division.
- The Agency has a 2013-14 staff level of 115.5 and a budget of \$12. million, of which 75% represents direct student service delivery.

# Cal Grant Background



- Cal Grant A awards provide for full systemwide fees at the California State University and the University of California, as well as tuition support at eligible independent California colleges and universities and private career colleges to qualified low- and middle-income students.
- Cal Grant B awards provide funds to qualified low-income disadvantaged students. For first year students, Cal Grant B awards provide up to \$1,473 for books and living expenses.
- Beginning with the recipient's second year of attendance, the Cal Grant B award also helps pay for tuition and fees at eligible Cal Grant schools.
- For new and renewal recipients at the California State University, the 2012-13 systemwide fee was \$5,472. At the University of California, the 2012-13 systemwide fee was \$12,192. For new and renewal recipients at eligible independent California colleges and universities and private career colleges, both the Cal Grant A and B awards provided up to a maximum tuition and fee grant of \$9,084.\*
- Renewal recipients at ineligible independent California colleges and universities and private career colleges received up to 80 percent of the maximum tuition and fee grant of \$9,223.

• \*Certain requirements must be met by campus. Visit [www.csac.ca.gov](http://www.csac.ca.gov) for more details.



California is #1 in the United States for FAFSA Completion, according to the U.S. Department of Education.

Financial aid plays a vital role in leveling the playing field for low-income students by increasing access, retention and completion rates.

The Institute for College Access & Success (TICAS) reported that, in part because of California's Cal Grant program, student loan borrowers who earned bachelor's degrees owed on average \$18,879 compared to the national average of \$26,600 upon graduation in 2011.

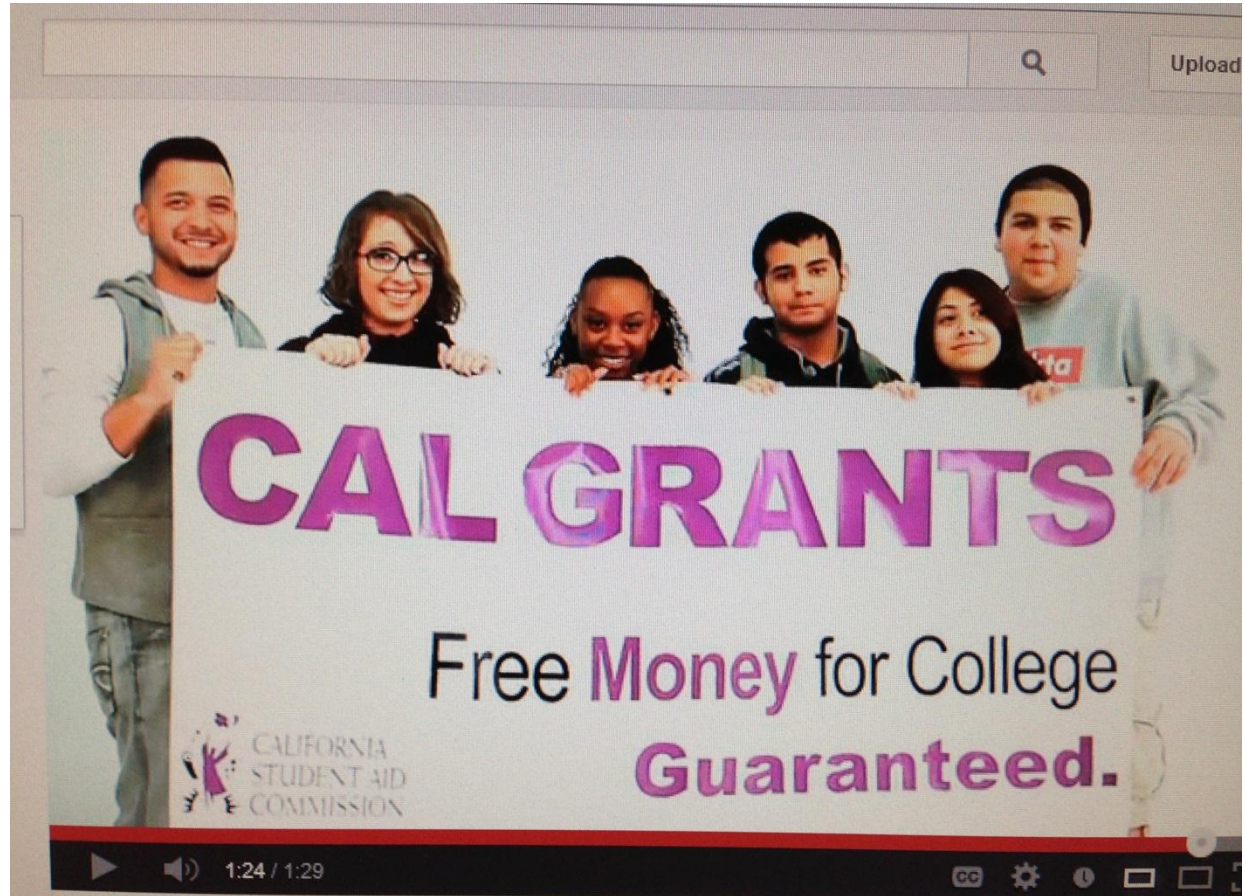


**In the 2012-13 academic year, 685,000 new and renewal students qualified for a Cal Grant award.**



In average income of a Cal Grant recipient in the 2012-13 academic year was \$24,522.

A Cal Grant student attending a University of California campus will receive a larger grant than his peer attending a California State University or Community College campus because Cal Grants are based on public college and university fees and tuition.



**In the 2012-13 academic year 394,249 students received a Cal Grant award offer.**



# 2013 Legislative Session

Bills and Budget proposals seek to restore or expand the Cal Grant program.

*Other important issues include:*

*- Avoiding Student Debt*

*- Unmet Need for CA Dream Act Students*

*- Financial Literacy*

*- Financial Aid Disbursement via Debit Cards*

## On the Governor's Desk

- SB 285 (de León) – uses funding from the College Access Tax Credit Fund (created in SB 284) to supplement the Cal Grant B Access award.
- AB 1287 (Quirk-Silva) – Commencing in 2014-15, renewals failing to meet financial eligibility requirements established in the 2011 Budget Act will be placed on unpaid reserve status for up to four years rather than be disqualified outright. Any year during that time that the renewal again meets financial eligibility requirements, his/her Cal Grant can be paid. Those renewals disqualified in the last 3 years will have the opportunity to reinstate their lost Cal Grants if they again meet financial eligibility requirements and continue to meet all other Cal Grant eligibility requirements.

## In Legislative Committee

- AB 1241 (Weber) – increases the Cal Grant Entitlement application eligibility from one year after high school graduation to two years after high school graduation. In Senate Appropriations Committee.
- AB 1285 (Fong) – expands the Cal Grant B program to pay tuition/fees as well as Access all four years. In Senate Education Committee.
- AB 1318 (Bonilla) – creates a formula in statute for determining the private, WASC accredited Cal Grant maximum award amount. In Senate Education Committee.
- AB 1364 (Ting) – increases the Cal Grant B Access award slightly and ties it to the CA Consumer Price Index. In Senate Appropriations.
- State Budget Proposal (Assembly) Restore the 2012-13 five percent veto to Cal Grant B and C maximum award amounts. Not approved by Budget Conference Committee.
- State Budget Proposal (Assembly) Repeal the private nonprofit and WASC-accredited for-profit Cal Grant maximum award reductions (2% in 2013-14 and 11% in 2014-15). Not approved by Budget Conference Committee.
- State Budget Proposal (Assembly) Repeal 2011 Budget Act renewal financial eligibility requirements. Not approved by Budget Conference Committee.



# Universe of California Students



## Colleges in California

- There are 460 Degree-granting institutions in California, according to the Digest of Education Statistics 2012.  
• [www.nces.ed.gov](http://www.nces.ed.gov)
- There are approximately 271 Cal Grant participating institutions.

## High Schools in California

- There are 1,304 public high schools in California, according to the Department of Education Statistics 2011-12.
- About 46% of African-American boys and 45% of Latino boys fail to graduate from high school, resulting in young men of color facing the highest unemployment rates in the state.

• [www.cde.ca.gov](http://www.cde.ca.gov)  
• \* California Assembly Select Committee on Boys and Men of Color

# 28% of 2011-12 California Public High School Graduates Received a Cal Grant



## Total Graduates

In the 2011-12 academic year, total graduates was 418,598.

- ([www.cde.ca.gov](http://www.cde.ca.gov))

## Total Cal Grant Entitlement Award

In the 2011-12 academic year, total new Cal Grant Entitlement Award recipients was 113,600.

([www.csac.ca.gov](http://www.csac.ca.gov))

# Cal Grant Competitive Award Student Recipients



**20% attended a UC, CSU, AICCU, or Proprietary**

- For 2012-13, Competitive Cal Grant Program awards account for about 6%, or \$100 million, of the \$1.6 billion in total Cal Grant Program expenditures. This student pool is typically older students - those beyond 1 year outside high school graduation.

**80% attended a California Community College**

- State law authorizes 22,500 competitive awards to be paid. In 2012-13 the pool of qualified students exceeded 317,500. To date, 19,400 or about 86% of the authorized awards have been utilized.

# California Community Colleges



- Higher Fee/higher financial aid model
- For example, California's community colleges may soon be able to charge higher fees for certain high-demand classes, after both houses of the California State Legislature passed AB authored by Assembly member Das Williams.
- AB 955: Community Colleges: Intersession Extension Programs, waiting to be signed or vetoed by Gov. Jerry Brown, would implement a pilot program allowing six community colleges across California to offer additional classes during summer and winter sessions at a cost of about \$200 per unit.

# 2014-15 Middle Class Scholarship



- This program serves the needs of eligible undergraduate students with family incomes up to \$150,000 who attend a University of California or California State University campus.
- The procedures to identify eligible students, process necessary data, determine scholarship amounts, communicate to eligible students, develop payment rosters and disperse scholarships to schools is underway.
- The Commission is partnering with the California Legislature, Cash for College, Cal SOAP, the University of California and California State Universities to communicate to students and parents about the Middle Class Scholarship.
- Commission Staff is engaged in bi-weekly meetings with institutional financial aid directors from all segments, representatives from the Office of the U.C. President, and representatives from the California state university Chancellor's Office.

# California Dream Act



- For the 2013-14 academic year, the Commission received 29,200 California Dream Act Applications.
- Out of the 29,200 applications, 6,014 Cal Grant High School Entitlement Award offers were made and 1,275 Cal Grant Community College Transfer Entitlement, and 176 Cal Grant C Award offers were made for a total of 7,465.
- These outcomes demonstrate that 36% of all California Dream Act applicants were offered a Cal Grant and resulted in disbursement of \$32 million in Cal Grants awarded to California Dream Act students during the first year of the program (2013-14).
- Forty-three percent (43%) of California Dream Act applicants received a Cal Grant to attend a California Community College.

# Private, Independent, & Proprietary Colleges



**VOCATIONAL, TECHNICAL, CAREER**

**STANDARDS FOR PARTICIPATION IN THE CAL  
GRANT PROGRAM RELATING TO COHORT  
DEFAULT RATES, GRADUATION & CAMPUS  
ELIGIBILITY ARE PROVING SUCCESSFUL**

**NEW FORMULA FUNDING PROPOSALS  
REMAIN ACTIVE IN THE STATE LEGISLATURE**