

# AGENDA

**ASSEMBLY BUDGET SUBCOMMITTEE NO. 2  
ON EDUCATION FINANCE  
Assembly Member Kevin McCarty, Chair**

**ASSEMBLY HIGHER EDUCATION COMMITTEE  
Assembly Member Jose Medina, Chair**

**Tuesday, February 26, 2019**

**9:30 AM - State Capitol, Room 447**

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## Financial Aid Reform

### I. Opening Remarks

- Assembly Member Kevin McCarty, Chair, Budget Subcommittee No. 2
- Assembly Member Jose Medina, Chair, Higher Education Committee
- Committee Members

### II. Moving Beyond the Current Cal Grant Model

- David O'Brien, Director of Government Affairs, California Student Aid Commission
- Robert Shireman, Senior Fellow, The Century Foundation
- Debbie Cochrane, Executive Vice President, The Institute for College Access and Success

### III. Segments' Perspectives

- Yvette Gullatt, Interim Vice President of Student Affairs, University of California Office of the President
- Noelia Gonzalez, Director, Admissions and Financial Aid, California State University, Stanislaus
- Laura Metune, Vice Chancellor for External Relations, California Community College Chancellor's Office
- Thomas McWhorter, Dean of Financial Aid, University of Southern California

### IV. Students' Perspectives

- Caroline Siegel Singh, President, UC Student Association
- Mia Kagianas, President, CSU Student Association
- Danny Thirakul, Legislative Affairs Director, Region II, Student Senate for California Community Colleges
- Nathan Nunez, Azusa Pacific University

### V. Public Comment

### VI. Closing Remarks



**FINANCIAL AID REFORM**

California’s financial aid system supports hundreds of thousands of needy students seeking postsecondary education and a better life. It is a key component of the state’s longstanding commitment to accessible, affordable higher education. But there are signs that the current structure is outdated. Many low-income students are left out and state programs have not adapted to meet the needs of today’s students. Student debt is rising, food and housing insecurity is more common, and achievement gaps for low-income students exist on nearly every campus.

This hearing is intended to explore ideas for major reform. Numerous higher education stakeholders – including a coalition of student groups from the University of California, California State University, and the California Community Colleges – are all pushing for significant change. There is widespread consensus on the problems with current financial aid policy and investment, and consensus on some solutions: eliminate barriers to aid, better address the real costs of living around most college campuses, and simplify unnecessarily complicated programs. There remain significant questions, however, about how to move forward and how much it will cost. Discussion today on the challenges and opportunities of financial aid reform can help shape future policy and budget decisions.

**COLLEGE COSTS AND CURRENT FINANCIAL AID PROGRAMS**

**College costs include tuition and other expenses.** College costs include the tuition and fees that pay for a student’s education. In addition, students incur costs for books and supplies to complete their coursework. While they attend college, students also incur living expenses, such as housing, food, and transportation. Below are estimated annual costs for the University of California, California State University, California Community Colleges, and California non-profit colleges and universities for the 2018-19 academic year, based on differing student living situations.

UC (Systemwide Average)	On Campus	Off Campus	CSU (Systemwide Average)	At Home	On Campus	Off Campus
Tuition/Fees	\$13,900	\$13,900	Tuition/Fees	\$7,303	\$7,303	\$7,303
Books/Supplies	\$1,200	\$1,200	Books/Supplies	\$1,881	\$1,881	\$1,881
Health Insurance	\$2,400	\$2,400	Housing/Food	\$5,369	\$13,762	\$14,072
Housing/Food	\$15,800	\$12,400	Transportation	\$1,394	\$1,179	\$1,408
Personal/Transportation	\$2,000	\$2,500	Personal	\$1,475	\$1,475	\$1,475
<b>Total</b>	<b>\$35,300</b>	<b>\$32,400</b>	<b>Total</b>	<b>\$17,422</b>	<b>\$25,600</b>	<b>\$26,139</b>

CCC (Systemwide Average)	Living Independently	Non-Profits (Systemwide Average)	On Campus	Off campus (not with family)	Off campus (with family)
Tuition	\$1,380	Published in-state tuition and fees	\$36,409	\$36,409	\$36,409
Books/Supplies	\$1,791	Books and Supplies	\$1,690	\$1,690	\$1,690
Housing/Food	\$12,492	Housing/Food	\$13,036	\$13,344	\$4,435
Transportation	\$1,242	Personal/Misc.	\$2,500	\$2,500	\$2,500
Personal	\$2,916	<b>Total</b>	<b>\$53,635</b>	<b>\$53,943</b>	<b>\$45,034</b>
<b>Total</b>	<b>\$19,821</b>				

*Note: UC and CSU produce a systemwide average of costs, although each campus modifies these costs based on regional information. Community colleges produce a systemwide average for students living independently, which is the students’ predominant living status. Non-profit cost averages based on IPEDS data, except personal/miscellaneous, which is estimated by AICCU.*

Except for on-campus housing, institutions do not determine students’ living expenses. Instead, they use various methods to estimate those costs. Their estimates vary due to regional differences in cost of living as well as methodological differences in the way they make their estimates. Regarding methodology, one institution, for example, might survey students to find how much they spend on living expenses, whereas another institution might collect data on living costs in the area. The California Student Aid Commission (CSAC) is currently conducting a survey of California college students to provide an updated estimate of college costs.

**Many financial aid options available to low-income students.** Many needy California college students receive financial aid from federal, state and institutional sources. California students will receive an estimated \$10 billion in aid in 2018-19. The charts on the following pages provide information on the various programs.

Many low-income students receive a combination of aid from these and other programs, and are “packaged” by campus financial aid offices. Most federal, state and institutional aid programs require a student to demonstrate financial need based on a calculation developed by the federal government, which requires students to submit the Free Application for Federal Student Aid (FAFSA.) The FAFSA process establishes the Expected Family Contribution (EFC) toward college costs.

Some state and institutional aid programs, however, assess need using alternative methods. Moreover, even the aid programs using the federal need calculation tend to have additional eligibility criteria that distinguish them. For instance, the Cal Grant program requires students to have need based upon the federal calculation but then applies program-specific income and asset ceilings set in statute. Additionally, award amounts vary by program, with some programs only paying for a portion of tuition, some paying for full tuition, some paying for living expenses, and some paying a combination of tuition and living expenses. Finally, the Cal Grant program is an entitlement for some students – those within a year of high school graduation or under the age of 28 for community college transfer students – but others outside of these requirements must compete for a small number of awards. The number of competitive awards is set in statute.

### Recipients/Funding for Major California Financial Aid Programs, 2018-19

Program	2018-19 Recipients	2018-19 Funding (in millions)
Federal Pell Grant	731,118	\$4,186
Cal Grant	391,940	\$2,238
State University Grant (CSU)	138,000	\$702
UC Grant	102,000	\$814
Middle Class Scholarship	52,770	\$101
California Community College Promise Grant (BOG Fee Waiver)	942,940	\$741
California Community College Student Success Completion Grant	102,700	\$132
California Community College Promise (AB 19)		\$46
AICCU Institutional Aid	91,345	\$1,400
<b>Total</b>		<b>\$10,360</b>

*Note: Recipients and Funding are estimates. Federal Pell Grant numbers reflect the federal fiscal year 2018-19. Many students receive aid from more than one of these programs. AICCU figures are for 2016-17, and the number of California recipients is an estimate based on total aid amounts for California students divided by average award amounts.*

<b>Program</b>	<b>Description</b>
Pell Grant	Federal program which provides up to \$6,095 in 2018-19 to needy students. Aid can be used for any purpose, and per-student amount is based on a sliding scale that accounts for the student's need and college cost of attendance.
Cal Grant A	Provides full tuition coverage for students enrolled at public universities and partial tuition coverage for students enrolled at private colleges and universities. Available for up to four years of full-time study (or its equivalent) for students who earned a high school GPA of over 3.0 or community college GPA of 2.4 with need and specific income/asset levels. For example, in 2018-19, a student from a family of four with family income of \$98,900 or less would qualify.
Cal Grant B	Provides full tuition coverage for students enrolled at public universities and partial tuition coverage for students enrolled at private colleges and universities. Tuition coverage is not available to students in their first year of college. Provides an additional annual stipend (currently \$1,672) for non-tuition costs for up to four years. Students must have earned at least a 2.0 GPA and meet specific income/asset levels. For example, in 2018-19, a student from a family of four with family income of \$52,000 or less would qualify.
Cal Grant C	Provides tuition coverage for students enrolled in career technical education programs no shorter than 4 months or longer than 2 years. Available for up to two years of full-time study (or its equivalent). Also provides a stipend for non-tuition costs (currently \$1,094 for community college students and \$547 for students attending a private school.) Income and asset levels are the same as Cal Grant A.
Middle Class Scholarship	Provides undergraduate students, including students pursuing a teaching credential, with family incomes and assets up to \$171,000 in 2018-19 with aid of no less than 10% and no more than 40% of the mandatory system-wide tuition and fees at the University of California or the California State University. The award amount is determined after other aid is calculated.
UC Grant	Institutional aid offered by the University of California for needy students. Money can be used for tuition or non-tuition costs, as packaged by the campus.
State University Grant	Institutional aid offered by California State University for needy students. This program is used only to offset tuition costs; it is not available for non-tuition costs.
CCC Promise Grant (BOG Fee Waiver)	Waives tuition for needy community college students who have financial need based on the FAFSA, are receiving support from federal programs such as TANF, or meet specific income levels.
CCC Student Success Completion Grant	Provides aid for non-tuition costs for students who receive the Cal Grant B or Cal Grant C. Provides up to \$1,298 annually for students attending 12-14 units per semester or up to \$4,000 annually for students attending 15+ units per semester.
CCC Promise (AB 19)	Waives tuition for first-time community college students who take at least 12 units per semester and who do not already qualify for the Promise Grant.

**PROBLEMS WITH THE CURRENT SYSTEM**

The Legislature appropriates more than \$2 billion annually toward financial aid. Nearly 400,000 students are expected to receive a Cal Grant this year. Financial aid is critical to providing access to higher education for low-income students, and research continues to underscore the importance of the Cal Grant program: a study published this month in the *American Economic Journal* found that Cal Grant increases persistence in college, degree attainment, and post-college earnings.

Despite the state's significant investment and strong evidence of the benefits of financial aid, there is significant consensus among higher education stakeholders that California's aid programs are too complicated, exclude too many needy students, and do not adequately address the costs that today's students face.

The result is rising student debt and suboptimal outcomes.

All three public segments report slower time-to-degree and lower graduation rates for low-income students, compared to their peers. California college students now graduate with an average debt of \$22,785, according to research by The Institute for College Access and Success (TICAS.) There is evidence that low-income students borrow more: At UC for example, nearly 60 percent of students with \$56,000 to \$112,000 in household income borrow, and at CSU, nearly 8 in 10 graduates with debt are from households with family incomes of \$54,000 or less.

Among the problems to consider are:

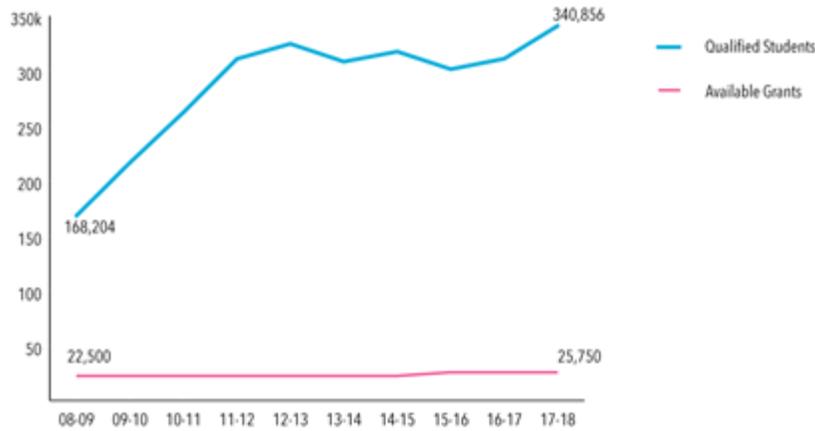
***Cal Grant program excludes hundreds of thousands of needy students.*** Cal Grant eligibility rules are geared toward "traditional" college students, who are 18- to 24-years old and are attending college directly after finishing high school. Students within one year of high school or community college graduation are automatically awarded a Cal Grant if they meet income/asset and GPA requirements. Students ineligible for the entitlement program must compete for a limited number of Cal Grant awards through the competitive Cal Grant program.

This leaves hundreds of thousands of needy students out of the Cal Grant system: only about 10% of students who were eligible for a Cal Grant based on income/asset levels and GPA are typically awarded a Cal Grant through the competitive Cal Grant system. Most of these students are from households living below the federal poverty line, and their average age is 27. According to the Student Aid Commission, about 76% of the students who are income- and GPA-eligible for a Cal Grant but do not receive one are community college students.

This issue has increased in magnitude in recent years, as more Californians are seeking higher education. The chart on the next page, created by the California Budget and Policy Center, shows soaring demand and need for Cal Grants, with virtually no change in the number of competitive Cal Grants available.

### The Number of Students Who Qualify for a Competitive Cal Grant Has Doubled in the Past 10 Years

Number of Students Who Qualify Far Exceeds Number of Available Grants



Note: Competitive Cal Grant Awards provide aid to low- and middle-income students who meet certain GPA and income requirements, and apply to attend college more than one year after high school graduation. The Legislature establishes the number of awards available each year.  
Source: California Student Aid Commission



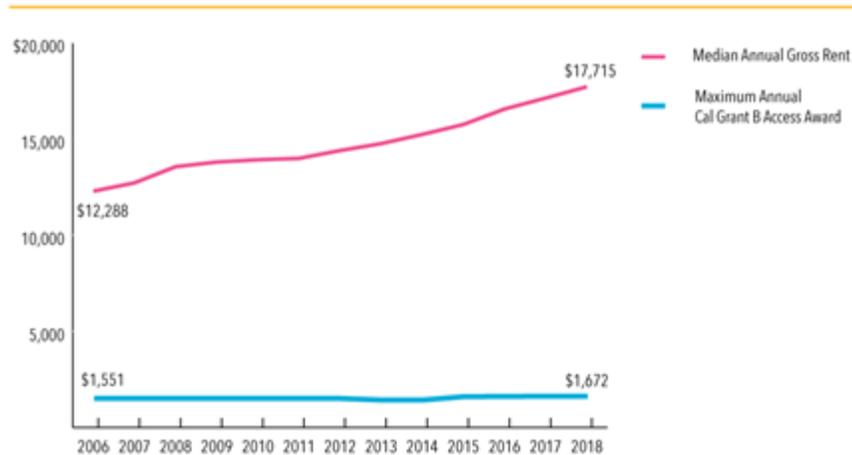
**Non-tuition costs are not adequately addressed.** Much of the state financial aid program was created in a time when housing costs were lower, part-time jobs were more easily available to college students and the minimum wage had more buying power. Today’s college students face significant costs, particularly housing: all three public segments and the private non-profits indicate many students will spend at least \$12,000 annually on room and board in 2018-19, which is about the same cost as UC tuition and far higher than CSU and community college tuition.

The maximum Cal Grant B Access Award -- which helps students pay for these non-tuition costs -- is just one-quarter the amount of what the award would have been if it had kept up with inflation since it was created in 1969.

The chart on the next page, created by the California Budget and Policy Center, compares soaring rental prices with the access award amount for low-income students.

## Student Aid Has Not Kept Pace With Rising Housing Costs in California

Student Aid for Living Allowance Compared to Median Annual Rent



Note: Figures are not adjusted for inflation. Rent reflects gross rent, which includes utilities. For 2017 and 2018, rents are estimated based on the compound annual growth rate between 2011 and 2016. The Cal Grant B Access Award provides low-income students aid for basic living expenses. Source: California Student Aid Commission and US Census Bureau, American Community Survey



**State aid programs are too complex.** Complicated eligibility and application requirements limit students' access to aid.

Cal Grant A and B have significant eligibility and benefit differences: Cal Grant B requires a lower GPA – 2.0 – and lower income/asset levels, while Cal Grant A requires a higher GPA – 3.0 – and is available to students with higher income levels. According to CSAC, more than 9,000 students are ineligible for a Cal Grant because they have a family income higher than the Cal Grant B limit but a GPA lower than the Cal Grant A requirement. For example: a student from a family of four with a family income of \$53,000 and a GPA of 2.9 would receive no Cal Grant at all; the same student with a family income of \$52,000 and a GPA of 2.4 would receive a Cal Grant B award worth thousands of dollars annually.

Cal Grant C, which is available for students in career technical education programs, requires students to submit a subsequent application after fulfilling all other Cal Grant paperwork. Take-up rates for this award vary widely, with students in private, for-profit programs receiving the award at much higher rates than students in community college programs. This may be an indicator of the extent to which campuses provide information and support to students in accessing financial aid.

The Middle Class Scholarship provides tuition discounts of up to 40% off of UC or CSU students based on income levels and other aid the student receives. The program is targeted at students with family incomes higher than Cal Grant levels and is designed as “last-dollar” financial aid, which means students are eligible for the program once other aid is factored in. Campus administrators suggest the Middle Class Scholarship is difficult to administer, because students cannot access MCS funding until all other aid funding is considered. Changes in other aid amounts lead to changes in MCS amounts, which leaves counselors and students unclear as to how much MCS funding will be available to them.

***Cal Grant for students attending private, non-profit schools has remained stagnant.*** About 28,000 Cal Grant recipients attend private, non-profit colleges and universities. Current law allows these students to receive up to \$9,084 in Cal Grant funding, as long as this sector meets specified goals for accepting community college transfer students. The Cal Grant amount for these students has essentially remained the same for 20 years, reducing its value by almost 50%. Perhaps as a result of this, the number of Cal Grant recipients at these schools has remained relatively flat as well.

***Despite state and segment focus on quicker time-to-degree, state aid does adequately cover summer school costs.*** Cal Grant is limited to four academic years, requiring students who wish to take summer school to forego Cal Grant support, or receive less funding in the spring and fall to use some money in the summer. This limit does not support current efforts to encourage more students to use summer courses to graduate within four years. Increasing the number of students who graduate within four years is beneficial to the student, who can begin earning money in the workforce sooner, the state, and the segments. Demand for summer school is clear: in the first year that the federal government again offered additional Pell Grant funding to support summer school attendance, 83% of community colleges across the country reported increased summer-school enrollment, according to a survey conducted by the American Association of Community Colleges.

**PROPOSED SOLUTIONS**

The Legislature and higher education stakeholders are pursuing major financial aid reform. Below are some proposals:

**Century Foundation Report.** The 2017 Budget Act called for CSAC to provide a report to the Legislature to identify “options for improving affordability at California colleges and universities,” and ways to streamline and consolidate existing programs “to reduce current students’ cost of attendance, thus reducing or eliminating the need to rely on student loan debt.”

The Commission hired the Century Foundation to conduct the report, which was released in April 2018. The report proposed a three-step process to simplify the program, allow more students access to aid, and increase spending to address students’ non-tuition costs:

**1. Consolidate the Cal Grant and connect award level to the Expected Family Contribution (EFC).** In Step 1, the Legislature would broaden Cal Grant eligibility by combining all versions of the grant and eliminating current restrictions based on age, time out of high school, and GPA. A student’s amount of aid would take into consideration all college expenses rather than just tuition and fees. Institutional aid would supplement the Cal Grant at the University of California (UC) and the California State University (CSU) system and at many private colleges. We project Step 1 would begin to reduce students’ need for excessive work or loans at CSU campuses and community colleges. To ensure that students continue to have quality choices, students could use a Cal Grant at any private college that can meet quality assurance standards.

**2. Using updated EFC and cost of attendance methodology, set the Cal Grant award level to meet affordability targets.** In Step 2, CSAC would address the mismatch between the high cost of living in California and the federal EFC assumptions that low- and middle-income families face. Additional grant aid would make it possible for more students to focus on their education rather than on work, or risk their future by taking on problematic forms of debt.

**3. Expand the Cal Grant to reduce or eliminate the need for loans.** In Step 3, the State would continue to use reformed estimated cost of attendance and financial need calculations and provide adequate funding to reduce or eliminate students’ need for loans or excessive work. Depending on a students’ ability or desire to work, Step 3 would provide most students with a pathway to a debt-free degree.

**Community College Board of Governors.** At its September 2018 meeting, the Community College Board of Governors voted to advocate for reforming the Cal Grant program to better serve community college students. The Board noted that while about 43 percent of the State’s 2.3 million community college students meet the income requirements to qualify for a fee waiver, only 213,750 (about 9 percent) received a Cal Grant award. In terms of total Cal Grant funding, community college students receive about 7 percent. The Board voted to advocate for the following reforms, which they estimated could cost \$1.5 billion:

- 1) Redesign the Cal Grant program to link the maximum awards to the total cost of attendance (rather than tuition).
- 2) Entitle students to awards based on the student’s financial need as defined by the expected family contribution (rather than how old they are, how recently they graduated from high school, or what their grade point average was).

3) Extend the Cal Grant to all certificate and associate degree programs offered at community colleges, regardless of whether the programs are oriented to transfer to four-year universities or to careers.

**California Student Aid Commission.** During two hearings in Fall 2018, the Student Aid Commission voted to advocate for the following reforms:

- Consolidate Cal Grant A, B and C, and Middle Class Scholarship into one program;
- Remove or reduce eligibility and access barriers in the current Cal Grant program;
- Change the model of the Cal Grant program to focus on total cost of attendance, including maintaining full coverage of tuition and systemwide fees for public college and university students;
- Reinstate a formula for an annual adjustment to the maximum Cal Grant for students attending private nonprofit institutions;
- Support additional Cal Grant eligibility for students taking summer coursework.

**UC and CSU, and their students.** In a joint letter to CSAC in November, UC and CSU offered support for financial aid reform but also cautioned that major new investments could jeopardize the operating budgets of both segments. The segments suggested a phased-in approach and offered the following principles to guide reform:

**1. Build on success and do no harm.** Changes to the Cal Grant program should not result in a redistribution of resources away from categories of students who already qualify. Furthermore, the Cal Grant awards should continue to be viewed as an entitlement to the student and not to the segment of higher education he or she attends. In this way, financial aid to students should not be viewed as competing with State funding for its public colleges and universities.

**2. Maintain Cal Grants' core focus on tuition coverage.** Tuition increases at UC and CSU result when the State is forced to cut its support. This makes the current Cal Grant focus on covering tuition for low- and middle-income students an appropriate role for the programs. Furthermore, a core focus on tuition coverage provides a clear and powerful message to prospective students: If you qualify for a Cal Grant, you will have your public university tuition covered at minimum.

**3. Expand the reach of Cal Grants.** The current programs include eligibility criteria that limit the cost of the program by excluding otherwise needy students seeking a college degree. For example, the High School entitlement program requires students to begin college no more than one year after graduating and the Transfer Entitlement requires students be under the age of 28. Eliminating unnecessary barriers for nontraditional students would help potential transfer students enrolled at California community colleges in particular.

**4. Establish supplemental summer Cal Grant eligibility.** Facilitating summer enrollment will help students graduate faster, thereby lowering the total cost and student borrowing associated with achieving a degree, and open enrollment capacity for additional new Californians. This should be supported through an expansion of funding.

**5. Maintain colleges and universities' focus on the total cost of attendance.** The total cost of attendance (including books, room and board, etc.) is the appropriate context for good financial aid and college affordability policy. However, colleges and universities are the only entities where all the pieces fit together: federal, state, and college financial aid. The State can help by increasing the availability and size of what is currently known as the Cal Grant B Access Award, but campuses should continue to be the hub for coordinating aid and responding to students' shifting needs.

In addition, a coalition of the University of California Student Association, the Cal State Student Association, and the Student Senate for the California Community Colleges is advocating for the state to address food and housing insecurity among students, create a summer Cal Grant program, use total cost of attendance in determining financial aid for students, and increasing the number of competitive Cal Grants.

***Private, non-profits.*** Via proposed legislation, the Association of Independent California Colleges and Universities is seeking changes to the Cal Grant for students attending private, non-profit colleges. Initial language calls for the maximum Cal Grant award for a student attending a private nonprofit postsecondary educational institution to be set and maintained at 75 percent of the total of General Fund support per undergraduate student at the California State University, plus the maximum Cal Grant award at the California State University system.

**ISSUES TO CONSIDER**

While there is significant consensus on the problems with the current state financial aid system, and similar proposals from many stakeholders on how to address those problems, there are many complex details to resolve and decisions to be made before major reform is implemented. Among the issues to consider are:

***How could total cost of attendance be used to set aid levels?*** State aid programs have largely focused on tuition. As housing and other costs have risen dramatically, however, most agree that low-income students need more aid to cover rent, food, textbooks and other expenses. The State could shift its model to address the so-called “total cost of attendance.” The federal Pell Grant, for example, uses total cost of attendance, combined with an assessment of family need, in a chart that determines the exact amount of aid the student will receive. While the formulas used are somewhat complex, the policy of assessing need and factoring in cost is straightforward and relatively easy for students to understand.

A move by the State to consider total cost of attendance raises significant policy and implementation questions. While campuses would logically have the best insight into area costs and may be the most appropriate arbiter of individual students’ total cost of attendance, the State may wish to develop a more formalized method for determining college costs if it creates a policy that uses total cost of attendance in some way to set aid levels.

***The importance of covering tuition.*** As the Legislature considers focusing more on the total cost of attendance, it must not lose sight of the role tuition plays in college-going. In their joint letter to CSAC, UC and CSU note the importance and simplicity of the Cal Grant’s main message to students, which is that at a minimum, tuition will be covered. Tying state aid to tuition levels at UC and CSU helps shield low-income students from tuition increases, an important policy that should be considered as the state’s aid program expands. De-linking state aid from tuition poses some risk that aid levels could ultimately decrease for some students.

***How can we tailor the federal needs assessment to California’s cost of living?*** Many agree that any system that begins to rely more heavily on the federally-determined Expected Family Contribution may need to be refined to reflect California costs. Calculations could be made to include a housing adjustment by region, for example, to address the fact that a much higher percentage of family income must go to housing costs in many areas of the state.

***Changes in state aid programs would likely impact institutional aid.*** Campuses routinely combine federal, state and institutional aid to best support individual students. While there is no real statutory relationship between state and institutional aid, the two are clearly intertwined. For example, CSU’s State University Grant program covers tuition for many needy students who are excluded from the entitlement Cal Grant program. The Legislature must coordinate with the segments to ensure that changes at the state level are workable for campuses and that state and institutional aid continue to marry for the betterment of students.

***Students should contribute something, but how much?*** Most stakeholders agree that any new financial aid model include some requirement that students contribute some amount of funding for their education, either through work or loans. UC’s current aid model requires every student to contribute the same amount, regardless of need, and assumes specific work/loan expectations. Others suggest an appropriate student contribution could shift depending on student need. Charlie Eaton, an assistant professor of sociology at UC Merced, and an affiliated faculty member of UC Berkeley’s Center for Studies in Higher Education, analyzed student contribution level issues in a paper published as part of a state financial aid conference

last year and suggested student contribution levels of \$4,700 to \$7,600 for students from households with less than \$112,000 in annual income.

***What will all of this cost?*** While there are many policy decisions required for major financial aid reform, the hard truth is that effective reform will require more funding. The Community College Board of Governors estimates that its proposal could cost \$1.5 billion in additional state funding. Analysis conducted by the California Budget and Policy Center on a potential state model that would use total cost of attendance, expected family contribution and a student contribution showed a potential state increase of more than \$2.1 billion; a number that is not significantly different than an estimate developed by the Legislative Analyst's Office in a 2017 report. Given these costs, any major expansion would likely require a phase-in period to allow the state to grow investment incrementally.