



April 15, 2021

The Honorable Jose Medina  
Chair, Assembly Higher Education Committee  
California State Assembly  
1020 N Street, Room 173  
Sacramento, CA 95814

**Subject: Assembly Bill 1456 (Medina) - Student financial aid: Cal Grant Reform Act  
Support if Amended**

Dear Assembly Member Medina:

On behalf of the Association of Independent California Colleges and Universities (AICCU), I write to share our *Support if Amended* position on your legislation, AB 1456, which outlines multiple policies that will improve the Cal Grant program by simplifying the program in a manner that should expand eligibility.

AICCU is the collective voice for over 80 independent, nonprofit colleges and universities throughout the state, collectively educating almost 200,000 undergraduate students. Approximately one-quarter of the undergraduate students we serve are Pell grant recipients, and nearly 29,000 are Cal Grant recipients. Our institutions make significant investments in our Cal Grant students, providing over \$23,000, on average, in institutional grant aid per year to these students. Our small classes and robust student supports and services help promote timely graduation, with 65% of Cal Grant recipients graduating in four years or less.

AB 1456 provides several significant improvements to the Cal Grant program. The consolidation of various awards with different eligibility criteria into a Cal Grant 2 and Cal Grant 4 award structure will simplify the program for students and families. The elimination of age and time out of high school rationing mechanisms will expand access to those who are adult learners and those who do not enter college within a year of high school graduation, both of which should benefit the 32,000+ adult learners enrolled in undergraduate programs at AICCU institutions. Based on these changes, we anticipate that some of our institutions will see an increase in the number of Cal Grant eligible students.

Conversely, the alignment with federal methodology, while understandable, does present a challenge for some of our institutions. Currently, some institutions offer specific financial aid guarantees to Cal Grant eligible students who have a certain grade point average. For example, the University of Redlands currently offers a Cal Grant Guarantee to all Cal Grant A students who enter with a high school GPA of 3.5 or higher. The guarantee ensures that 100% of the student's tuition is covered by a combination of state, federal, and institutional grant aid.

Under the new framework, they estimate that approximately 20% of the students who currently receive that would no longer be Cal Grant eligible. While AB 1456 would grandfather in current students, if the student population entering Redlands remains similar, this would strain their ability to offer the same guarantee to future students.

We believe that this legislation could be improved to better serve Cal Grant students attending our institutions in two ways:

- **Expand eligibility for the student with dependent children supplemental award to include those attending independent, nonprofit colleges**

Section 69465 of the statute outlines eligibility for the supplemental Cal Grant support for students with dependent children. This award is currently only available for those attending a California Community College, California State University, or University of California institution. We estimate there are approximately 1,500 students attending our institutions who would be eligible for this award if it were available to them. This is budgeted at a fixed amount in the annual Budget Act of no more than \$125,000,000, meaning that expansion of this to students in the independent sector does not necessitate increased costs.

In the interest of equity and simplicity, we request that subsection (b)(2) be amended to read:

The student will attend a University of California, California State University, ~~or~~ California Community College campus, **or an independent institution of higher education as defined in Education Code 66010.**

- **Provide a Consumer Price Index adjustment for the Cal Grant award amount for students attending independent, nonprofit colleges and universities**

Section 70215(c)(1) proposes an outyear policy of a growth mechanism for the Cal Grant 2 award amount for community college students, utilizing a Consumer Price Index (CPI) adjustment.

For all the justifiable reasons to grow this award for community college students, AICCU respectfully requests a similar approach for the maximum award for Cal Grant students attending our institutions, given the following:

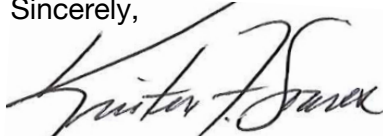
- Since 2000, the maximum award has decreased from \$9,708 to \$9,084, a 6% decrease.
- In the 2000-01 academic year, the Cal Grant award covered 56% of the average tuition and fees at AICCU institutions. As of 2018-19, it covered just 25%.
- 47% of AICCU Cal Grant students are first-generation college students.
- 47% of AICCU Cal Grant students are Latino.

We request this policy to address long-standing stagnation of the Cal Grant award for our students, decreasing the purchasing power of the award for students throughout the state who could benefit from attendance at one of our many institutions. As the state's public institutions continue to grapple with high demand and limited seats, it is critical that our low-income and place bound students are financially supported and encouraged to access regional independent, nonprofit universities, that serve these students well throughout the state.

This is a potentially transformative moment for the state to dramatically improve its Cal Grant program, which is an exemplary state financial aid program. As we think about how to make these changes to financially support students to access and persist through college, we must ensure that we do so in a way that equitably supports students with financial need, no matter where they choose to attend. We believe that both of the amendments proposed above improve the legislation in a manner that is consistent with the goals of both the Legislature and the administration.

With these changes, AICCU would proudly support AB 1456.

Sincerely,



Kristen F. Soares  
President

CC: Assembly Member Jose Medina  
Assembly Member Kevin McCarty  
Senator Connie Leyva  
Members, Assembly Higher Education Committee  
Jeanice Warden-Washington, Chief Consultant, Assembly Higher Education Committee  
Lyndsay Mitchell, Consultant, Assembly Republican Caucus

The California Association of Student Financial Aid Administrators

Supports and also requests the amendments outlined and contained here in this letter.



Veronica Basadre  
Vice President of State Issues  
CASFAA 2021

