

May 9, 2022

The Honorable Chris R. Holden
Chair, California State Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 94249

Re: Support for AB 1746

Dear Assembly Member Chris R. Holden:

On behalf of UnidosUS (formerly the National Council of La Raza), I write in strong support of AB 1746 (Medina, McCarty, Leyva), the Cal Grant Reform Act. AB 1746 builds upon last year's historic budget investments that expanded access to the Cal Grant program to create a more inclusive financial aid system by streamlining and simplifying the program; supporting the tuition and nontuition costs for students with demonstrated need; and ensuring that California's least-resourced students continue to be supported.

UnidosUS, the nation's largest Hispanic civil rights and advocacy organization, has worked for more than 50 years to build a stronger country by creating opportunities for Latinos. Through its unique combination of expert research, advocacy, programs, and an Affiliate Network of nearly 300 community-based organizations across the United States and Puerto Rico, UnidosUS simultaneously challenges the social, economic, and political barriers at both the national and local level. The UnidosUS California-based Affiliates include 63 community-based organizations that invest more than \$1.8 billion in the state and employs more than 15,000 staff who provide direct services to millions of Californians annually. UnidosUS is headquartered in Washington, DC, and has an office in Los Angeles and staff in Sacramento. Through partnerships, community investments, and state research and advocacy on housing, health, and education, UnidosUS advances opportunities for the more than 15 million Latinos who call California home.

Higher education is a path toward economic and social mobility, which unfortunately remains out of reach for far too many Latino students. In California, nearly 55% of the K-12 student population is Latino, and 80% of Latino students are socioeconomically disadvantaged.*¹ Since the 2000–2001 school year, Latinos' enrollment in California's public colleges and universities increased by 91%, yet they are still enrolling in college at lower rates than their white peers.² For Latino students, choices on where to enroll are often influenced by their family's economic status; therefore, many of them make decisions about higher education based on cost and proximity to their parents' home to save on expenses. Although California has made substantial strides to increase Latino college enrollment rates, there is still room for improvement, and access to financial aid plays a key role. And implementing AB 1746—a meaningful, student-centered financial aid reform—is needed to create a more equitable higher education system.

* Socioeconomically disadvantaged students are those for whom neither of their parents received a high school diploma and/or those who are eligible for free and reduced-price lunch.

Specifically, AB 1746 will:

1. Streamline and simplify the Cal Grant program by condensing the program into two awards and aligning Cal Grant eligibility to the Federal Pell Grant. This will enable clearer communication to families and greatly reduce a student's burden when it comes to applying for college.
2. Take important steps to better address non-tuition cost. It will ensure that the Cal Grant 2 award keeps pace with the annual growth in inflation, thus addressing the issue of the access award losing a significant portion of its purchasing power.
3. Remove barriers for students to get the aid they need to pursue their college and workforce training goals, such as removing GPA verification requirements for community college students which has prevented older students from accessing Cal Grant dollars. Considering that California community colleges serve the majority of the state's students of color and that the majority of Latino college students attend community college, making them accessible plays a critical role in closing racial and ethnic equity gaps.

The Cal Grant program was designed six decades ago to serve students throughout California; however, it has not kept up with the needs of our students. Prior to the COVID-19 pandemic, California college students were already struggling to pay for their basic needs, such as food and housing, because they lacked nontuition assistance through financial aid. According to an UnidosUS survey, in September 2020, 45% of current California Latino students with college loans relied increasingly on credit cards, 35% took additional loans to pay for unanticipated expenses, and 41% had to get a job to help family with basic living expenses.³ The lack of college affordability, combined with the impacts of the pandemic, has resulted in students being forced to find alternative ways to fund their education, which is likely to impact their academic and financial well-being.

Additionally, enrollment in California community colleges, saw a significant drop. From fall 2019 to fall 2020 there was a drop of 16.8% in student enrollment⁴ and from fall 2020 to fall 2021 there was additional drop of 9.9%.⁵ This is alarming and consequential for the Latino community given that majority of California Latino undergraduates; 72% of Latinos in 2018-19, enroll at a California community college.⁶ Students of color have been among the hardest hit by the pandemic; therefore, it is critical that permanent structural changes are made to support equitable education opportunities, and thus, an equitable recovery for California.

California's current approach to financial aid and investments in college affordability leaves too many students without state financial aid every year. Last year's state budget made historic investments toward the Cal Grant program, by expanding access to over 150,000 more students, specifically targeting some of our most vulnerable students, and AB 1746 takes critical steps to further that impact.

AB 1746 can greatly benefit Latino students, especially since the pandemic has hit the population particularly hard.⁷ Additionally, Latino students are largely first-generation students, meaning they have more difficulty navigating the Free Application for Federal Student Aid (FAFSA) and financial aid system and would benefit from a simplified and streamlined process. The current iteration of Cal Grants turns away hundreds of thousands of eligible low- and middle-income students, many of whom are Latino.⁸

Through the implementation of the Cal Grant Reform Act over 150,000 new students would receive a Cal Grant and it is estimated that 95,000 of those new students would be Latino students who are low-income and eligible for aid, but who are currently not receiving aid. Additionally, under this new framework 3,000 CA Dream act filers would be eligible for aid.

AB 1746 is needed because too many students are currently unable to complete their degrees. Only 32% of California's Latino community college students transfer to a four-year university within six years.⁹ Latinos largely cite financial insecurity and a lack of help for ancillary college costs as the reason for dropping out or taking fewer courses per semester.

The COVID-19 pandemic has disrupted students' academic trajectory—especially Latino, Black, Indigenous, Filipino students—therefore, it is critical that the state continues to strengthen and invest in the Cal Grant program.¹⁰ UnidosUS is pleased to support AB 1746 as it is critical to eliminating barriers and improving access to state financial aid, specifically for low-income students of color. If you have any questions regarding our support, please contact Viviana Martin, Policy Analyst, Policy and Advocacy at vmartin@unidosus.org.

Sincerely,



Esmeralda López
California State Director
Policy and Advocacy
UnidosUS

cc: Assemblymember Jose Medina
Assemblymember Kevin McCarty
Senator Connie Leyva

¹ UnidosUS, *California Latino Students & English Learners: Fast Facts 2020–21* (Washington, DC: UnidosUS, 2020), <http://publications.unidosus.org/handle/123456789/2098> (accessed September 15, 2021).

² UnidosUS, *California Latino Students in Higher Education* (Washington, DC: UnidosUS, 2021), <http://publications.unidosus.org/handle/123456789/2151> (accessed September 15, 2021).

³ UnidosUS, "Student Loan Debt in California: Survey of Current and Former Student Borrowers" (Washington, DC: UnidosUS, 2020), <https://www.unidosus.org/publications/2083-student-loan-debt-in-california-survey-of-current-and-former-student-borrowers/> (accessed September 14, 2021).

⁴ Michael Burke and Daniel J. Willis, "California community college enrollment plummets amid pandemic, putting some campuses at risk," *Los Angeles Times*, April 12, 2021, <https://www.latimes.com/california/story/2021-04-12/california-community-college-enrollment-plummets-amid-covid> (accessed April 2022).

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- ⁵ Colleen Shalby, "California's undergraduate enrollment dropped by about 250,000 during pandemic years," *Los Angeles Times*, January 14, 2022, <https://www.latimes.com/california/story/2022-01-14/californias-undergraduate-enrollment-dropped-by-about-250-000-during-pandemic-years> (accessed April 2022).
- ⁶ Vikash Reddy, Ph.D., and Michele Siqueiros, *The State of Higher Education for Latinx Californians*, (California: The Campaign for College Opportunity), 53, <https://collegecampaign.org/wp-content/uploads/2021/11/FINAL-SHE-Latinx-web.pdf> (accessed April 2022).
- ⁷ The Institute for College Access & Success (TICAS), *The Impact of COVID-19 on California's College Students* (Oakland, CA: TICAS, April 15, 2021), <https://ticas.org/wp-content/uploads/2021/04/The-Impact-of-COVID19-on-CA-College-Students.pdf> (accessed September 15, 2021).
- ⁸ Laura Szabo-Kubitz, "An Important, No-Cost Way to Improve Cal Grants," (blog) The Institute for College Access & Success, October 21, 2019, <https://ticas.org/california/affordability/grant-aid/an-important-no-cost-way-to-improve-cal-grants/> (accessed September 14, 2021).
- ⁹ Vikash Reddy, Ph.D., and Michele Siqueiros, *The State of Higher Education for Latinx Californians*, (California: The Campaign for College Opportunity), 43, <https://collegecampaign.org/wp-content/uploads/2021/11/FINAL-SHE-Latinx-web.pdf> (accessed April 2022).
- ¹⁰ Nancy Wong, *The Uneven Cost of COVID-19 on College Completion in California*, The Institute for College Access and Success, May 24, 2021, <https://ticas.org/california/the-uneven-cost-of-covid-19-on-college-completion-in-california/> (accessed April 15, 2022).