

November 28, 2018

Ms. Lande Ajose
Chair
California Student Aid Commission
lajose@californiacompetes.org

Ms. Lupita Cortez Alcalá
Executive Director
California Student Aid Commission
lupita.alcala@csac.ca.gov

Dear Commissioner Ajose and Executive Director Cortez Alcalá:

In advance of tomorrow's California Student Aid Commission meeting where the Commission intends to take action on *Item 4, Consideration of a Cal Grant reform proposal*, we write to provide the perspectives of the California State University and the University of California.

Without hesitation, we state that Cal Grants are the most successful state financial aid programs in the country, and we are grateful for the State investment and the work of the Student Aid Commission, which greatly benefits our students. We view affordability as tantamount to the UC's and CSU's goals of providing access to a high-quality higher education where students can succeed, graduate in a timely fashion, and progress to meet California's 21st century workforce needs.

With these fundamental beliefs and the well-being of our students as the overarching guide, we would like to provide the attached *Principles to Guide Cal Grant Reform: Build on Success*, which, we believe, should serve as the basis for any consensus on Cal Grant reforms.

We are pleased that the Commission brought together many higher education stakeholders on Monday, November 26, to provide an overview of some of the reforms under consideration. Although we are grateful to have a better understanding of the proposals and the associated costs, we also believe that additional analysis is required to truly understand how adoption of any of these programs will interact with the existing, robust institutional financial aid programs we currently provide at CSU and UC.

We also ask that the broader context of higher education investment be considered when evaluating proposals for student financial aid reforms. Investments in financial aid that jeopardize the operating budgets of UC and CSU could threaten

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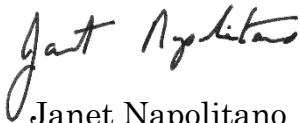
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our ability to graduate students in a timely fashion, which could drive upward students' debt and defer their ability to contribute to California's prosperity. In order for CSU and UC to continue to grow enrollment and graduate our students in an equitable and timely manner, renewed investment in faculty, student support, and facilities are essential. Without these investments, goals of affordability will be thwarted by lack of access and student success. Therefore, significant, sustainable investments in financial aid would best be advanced through phased-in, tactical approaches. Nonetheless, we believe Cal Grant reforms are laudable and can be a cornerstone of further student achievement at CSU and UC.

We respectfully urge you and the Commission to consider the following principles, grounded in a "do no harm" approach, by maintaining the focus on full tuition coverage but also including an expansion of Cal Grant benefits to address the total cost of attendance for students of all segments of higher education.

Sincerely,



Janet Napolitano
President
University of California



Timothy White
Chancellor
California State University

Attachment

Principles to Guide Cal Grant Reform: Build on Success

Cal Grants are the largest and most successful state financial aid programs in the country. The strength of Cal Grants is reflected in the rates at which students from across the family income spectrum attend and graduate from all segments of California higher education.

Therefore, it is vitally important that the State build on the success of the Cal Grant program as it considers proposals to reform them. The California State University and University of California propose the following five principles to guide any 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.