



February 1, 2024

The Honorable Nancy Skinner
 Chair, Senate Budget and Fiscal
 Review Committee
 1020 N Street, Room 502
 Sacramento, CA 95814

The Honorable Jesse Gabriel
 Chair, Assembly Committee on Budget
 1021 O Street, Suite 8230
 Sacramento, CA 95814

The Honorable John Laird
Chair, Senate Budget and Fiscal Review
Committee, Subcommittee 1 on Education
1020 N Street, Room 502
Sacramento, CA 95814

The Honorable David A. Alvarez
Chair, Assembly Committee on Budget,
Subcommittee No. 3 on Education Finance
1021 O Street, Suite 8230
Sacramento, CA 95814

Dear Budget Committee Chairs Skinner and Gabriel, and Budget Subcommittee Chairs Laird and Alvarez,

The Cal Grant Reform Coalition writes to you today to express our desire to see the [Cal Grant Reform Act](#) implemented in the 2024-25 State Budget. The Coalition recognizes the state's potentially challenging budgetary landscape this year, and urges the Legislature to prioritize implementing the Cal Grant Reform Act, adopted in the [2022-23 State Budget](#), in this year's budget process. The goal of Cal Grant reform is to make state student financial aid more accessible and equitable by:

- removing barriers to financial aid based on age, time since high school graduation, and high school Grade Point Average;
- simplifying financial aid so that it is easier to understand by consolidating eight types of Cal Grant into a Cal Grant 2 for community college students and a Cal Grant 4 for students attending public universities or eligible private institutions;
- indexing the Cal Grant 2 access award to annual inflation to maintain its purchasing power over time; and
- aligning the Cal Grant with changes in federal financial aid under the FAFSA Simplification Act such as renaming the Expected Family Contribution (EFC) as the Student Aid Index (SAI).

We understand the Legislature needs to be responsible and realistic when crafting the budget, yet we are confident that Cal Grant reform is the strongest tool at the Legislature's disposal that will significantly impact access and affordability for tens-of-thousands of students. This is why our coalition, composed of higher education advocacy, civil rights and social justice, business and workforce, and student leadership organizations, believes that implementing the Cal Grant Reform Act is one of the wisest investments our state can make. Cal Grant reform presents a unique opportunity to improve the state's outdated financial aid system to serve current students better and create the opportunity for over 130,000 new students to benefit from the state's premier student financial aid system. These investments would be targeted to serve California's lowest-income students – with nearly 98,000 new Cal Grant awards going to Latinx students, 13,000 going to Black students, and 8,000 to Asian American and Pacific Islander students.

In recent years, California has taken important steps towards strengthening college affordability through key policies and investments. The creation of the California Community College (CCC) Expanded Entitlement Cal Grant program in 2021 allowed over 170,000 low-income CCC students to access aid – both at the community college level and if they transfer to a University of California (UC) or California State University (CSU) – without being limited by arbitrary eligibility requirements. Additionally, in 2021 the state passed a universal FAFSA/CA Dream Act

(CADAA) policy in the budget and through AB 469 (Reyes) requiring all Local Education Agencies (LEAs) to ensure that all high school senior students fill out a FAFSA or CA Dream Act Application to ensure that all eligible California students have an opportunity to access financial aid and pursue higher education. Cal Grant Reform will build upon these investments and policies and further the Legislature's education equity efforts.

Additionally, investing in the implementation of the Cal Grant Reform Act would put California on the forefront of advancing equity in higher education at both the state and federal level. At the federal level, investing in the Cal Grant program will combat the chilling effects of the U.S. Supreme Court's ban on affirmative action by making college realistic for thousands of BIPOC students who wouldn't attend college without aid. At the state level, due to the ever rising costs of living and attending college, students are choosing between buying groceries, paying rent, or paying for books and campus fees. The California Student Aid Commission (CSAC) and other researchers continue to uplift painful findings that across all segments of higher education students continue to identify as food and housing insecure. Easing a student's ability to understand, apply for, and receive a Cal Grant award will help meet their basic needs and feel more at ease knowing that they have the financial support to attend college. With your support, California can send a strong message to students and families that a college education is attainable and affordable with the state's financial support.

Furthermore, the return of investment for California when it improves access to the state's financial aid programs allows for greater economic security in the future. For every \$1 invested in higher education, the state yields [\\$4.50 in return](#). Additionally, a Californian with a Bachelor's degree earns [\\$30,000 more annually](#) than someone with a high school diploma and will contribute [\\$273,000 more in taxes](#) during their lifetime than a high school graduate. To better protect our state from future economic downturns, as well as future national and global emergencies, we must support a greater number of students to complete a college degree or credential.

The Cal Grant Reform Coalition respectfully requests that implementation of the Cal Grant Reform Act be prioritized in the 2024-25 State Budget to fulfill the promise made to students for a better Cal Grant program.

Sincerely,

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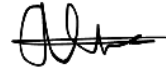
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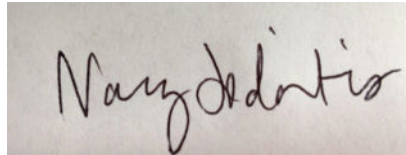
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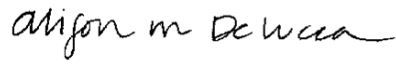
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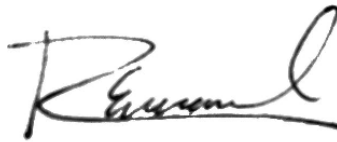
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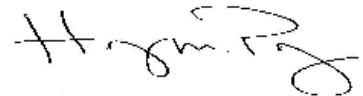
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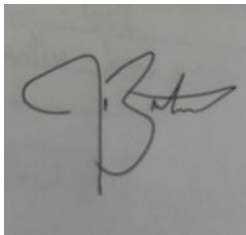
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