

Kristen F. Soares
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May 31, 2017

The Honorable Holly Mitchell
Chair, Senate Budget and Fiscal Review Committee
State Capitol Building, Room 5080
Sacramento, CA 95814

The Honorable Phil Ting
Chair, Assembly Budget Committee
State Capitol Building, Room 6026
Sacramento, CA 95814

Subject: California Student Aid Commission – 6980; Issue 44: Cal Grants for Students
Attending Private Non-Profit and For-Profit Institutions

Dear Chair Mitchell and Chair Ting:

The Association of Independent California Colleges and Universities (AICCU) appreciates action taken by the Senate and the Assembly to protect California's low-income students by maintaining the Cal Grant award for students who attend a private, nonprofit WASC-accredited institution in the state. We respectfully request the Budget Conference Committee adopt the Senate action to reflect this commitment to California's financially needy students and reject the unprecedented proposal of tying student aid to new policy conditions only applied to the private, nonprofit sector. Additionally, we would like to work with you and your staff to develop supplemental reporting language for our sector to address the goals outlined in the governor's May Revision and those discussed by the Assembly Subcommittee on Education Finance.

AICCU is a membership organization representing 79 regionally-accredited, private, nonprofit colleges and universities, 68 of which participate in the Cal Grant program. These institutions range as far north as Redding and as far south as San Diego, serving undergraduate student bodies as small as 79 to our largest of 20,500. Our institutions graduate 22% of all bachelor's degrees each year with some of the highest four-year graduation rates, ensuring that our students enter the workforce faster.

There is great diversity in the types of institutions in the sector; they include comprehensive institutions and specialized colleges in music, the arts, health and sciences. This diversity should be recognized and respected as a core strength of the sector, and the reason why "one-size-fits-all" policies could result in negative consequences for our institutions and students.

AICCU campuses are not opposed to the broader goals the governor has set out in the May Revision—serving low-income students; providing options in the delivery of education, such as online education courses; and strengthening community college transfer pathways. The sector provides, on average, \$2 in institutional aid for every \$1 the student receives from the Cal Grant. Forty-one AICCU campuses currently provide online courses, and are among the state's pioneers in online and hybrid courses. The sector also provides a broad range of transfer programs for community college students, and utilizes the flexibility our institutions have in admissions to help ease transfer to a private, nonprofit college or university at various points of a community college student's educational pathway.

To the extent the state is calling on the nonprofit higher education sector to do more, we stand ready to work with stakeholders to achieve realistic, statewide goals. However, it is unprecedented to link Cal Grant awards for students to institutional goals for strictly one sector of higher education. AICCU agrees that as part of the state's Master Plan for Higher Education we have a role and responsibility to assist the state meet its needs for a well-prepared workforce and educated citizenry. We do not dispute the interest in holding the sector more accountable. However, we need to work together to find an approach that does not punish students.

We concur with the analysis by the Legislative Analyst's Office, which states:

"Though we think setting the award amount no lower than its existing rate is reasonable, we have concerns with placing conditions on the awards. To date, the state has not placed unique conditions on private, nonprofit Cal Grant awards (apart from institutional eligibility criteria relating to graduation rates and student loan default rates, which also apply to UC and CSU campuses). Adding such conditions therefore would reflect a substantial policy change. If the Legislature wishes to place special stipulations on private, nonprofit Cal Grant awards, we believe this is better done as part of a broader policy making process, whereby clear objectives, performance measures, and enforcement mechanisms could be established."

AICCU staff has provided committee consultants with language that we believe addresses the broader goals outlined in the May Revision and passed by the Assembly, without altering the fundamental role of the Cal Grant program. We hope this is a starting point for us to work toward statewide goals to increase opportunity and access for all California students, regardless of their background without jeopardizing the future of low-income students.

If you have any questions, please do not hesitate to contact Erica Romero, Vice President of External Relations, at erica.romero@aiccu.edu or 916-446-7626.

Sincerely,



Kristen F. Soares

cc: Members, Budget Conference Committee
Senate President Pro Tempore Kevin de León
Assembly Speaker Anthony Rendon
Senate Republican Leader Patricia Bates
Assembly Republican Leader Chad Mayes
Senate and Assembly Budget Higher Education Consultants
Senate and Assembly Higher Education Policy Consultants
Amy Costa, Office of the Governor
Jeff Bell, Department of Finance
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