

April 15, 2021

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

RE: Assembly Bill 1456 (Medina & McCarty) Cal Grant Reform Act - SUPPORT

Dear Chair Medina,

NextGen California writes to express our strong support for your AB 1456, which would convert the Cal Grant program into a state aid model based on student need rather than simply using outdated criteria such as age and time out of high school. As a result, AB 1456, with its recent amendments, would create a much more inclusive and comprehensive financial aid system.

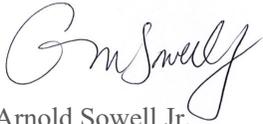
California's primary state-funded student financial aid program, the Cal Grant, was designed six decades ago and no longer meets the financial needs of today's struggling college students. Prior to the onset of the pandemic, California students in need of financial aid were already finding it difficult to pay for their most basic necessities – food and housing – as well as other non-tuition expenses. Unfortunately, the current financial aid structure has contributed to the state's current student debt crisis -- nearly four million Californians collectively carry more than \$135 billion in student debt. COVID-19 and the ensuing economic recession have only increased the financial pressures facing today's college students. According to a recent survey conducted by the California Student Aid Commission (CSAC), more than 7 out of 10 students lost some or all of their income due to the pandemic.

Although California has long prided itself on developing innovative approaches to its financial aid system and focusing on college affordability, the current financial aid structure prevents tens of thousands of students from qualifying for appropriate levels of financial aid due solely to their age or when they graduated from high school. These eligibility barriers hurt adult learners, student-parents, and others that could benefit from a reconstructed Cal Grant "entitlement" financial aid program. Each year, between 250,000 to 300,000 students meeting income and academic standards for state financial aid are referred to the "Competitive Cal Grant" program, which only offers 41,000 new awards to students that do not qualify for an entitlement award. The state must revamp this program, eliminate barriers to financial aid, and better serve students whose educational opportunities have been adversely affected due to COVID-19.

The Cal Grant Equity Framework proposed in AB 1456 was developed after years of consultation with students, the various segments, and other key higher education stakeholders. AB 1456 puts California on the path to fix its financial aid system and ensure that all students can truly access the opportunities that higher education provides. In adopting this new framework, policymakers can extend eligibility for state financial aid to thousands of additional students, simplify an overly complicated system, and remove eligibility barriers. Given the impact of COVID-19 on California and its economy, we simply cannot afford to lose an opportunity to invest in our state's most important asset – our students.

NextGen California prioritizes policies and programs that support student access and educational equity. Addressing college affordability, reforming the state's financial aid system, and improving the regulatory environment around student loans are all part of this equation to strengthen California's higher education system. For the above reasons, we thank you for carrying this important piece of legislation and are in strong support of AB 1456.

Sincerely,



Arnold Sowell Jr.

Executive Director, NextGen California

cc: Assemblymember Kevin McCarty