

College Affordability in California: The Need for Greater Investment



CCCSFAAA Annual Conference

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the institute for
college
access & success

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The Institute for College Access & Success

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In California and nationally, TICAS works to:

- Increase awareness and reduce the burden of student loan debt
- Improve access to available aid
- Strengthen need-based grant programs
- Protect students, borrowers, and taxpayers

Aid's Impact on Access and Success

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- Can a student enroll in college?
 - Aid for *tuition* facilitates college access.

- Can the student get to campus regularly, buy the required books and materials, and afford to spend their time in class and studying rather than working?
 - Aid for *non-tuition* costs facilitates college success.

Why We Focus on Low-Income Students

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College costs are the most burdensome for the lowest income students. College costs comprise the largest share of family income for the lowest income families, and low-income students are much more likely to graduate with debt.

SHARE OF TOTAL AND DISCRETIONARY INCOME REQUIRED TO PAY NET PRICES BY INCOME, BY STATE, 2014-15											
STATE	PUBLIC SECTOR	Share of Total Income Required to Pay Costs					Share of Discretionary Income Required to Pay Costs				
		\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000	\$0-\$30,000	\$30,001-\$48,000	\$48,001-\$75,000	\$75,001-\$110,000	>\$110,000
California	2-year	45%	16%	14%	11%	9%	-105%	29%	19%	14%	10%
	4-year	55%	22%	20%	20%	16%	-128%	40%	29%	25%	18%

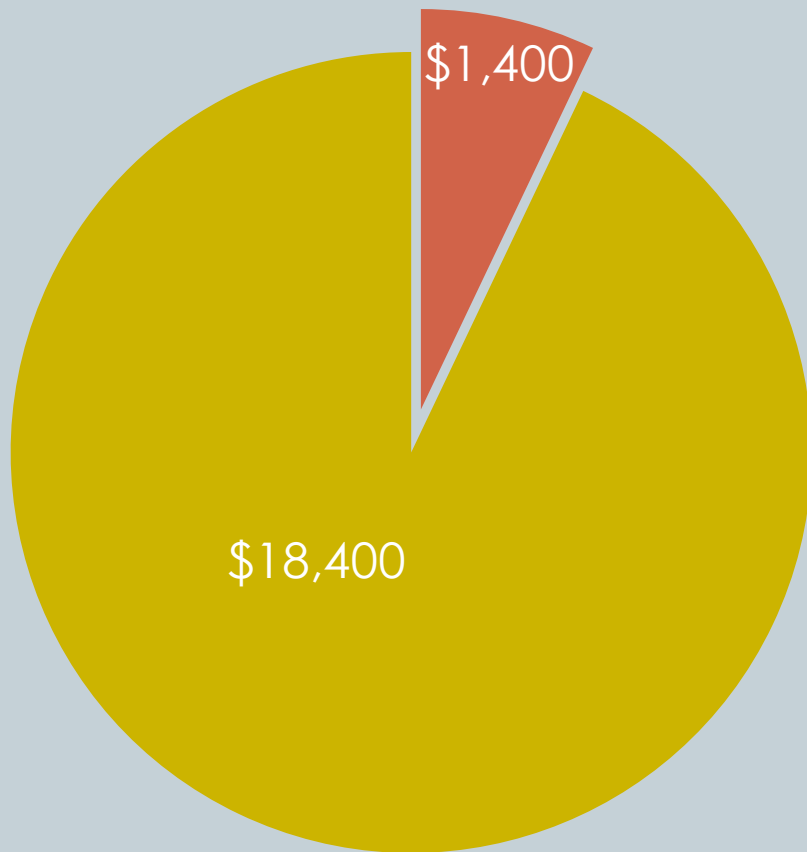
The Inequitable Burden of College Costs on Lowest Income Students Contributes to Persisting Equity Gaps

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More than half of Latino students (54%),
three in five Native-American students (60%),
and almost two-thirds of African-American students (63%)
have family incomes under \$30,000.

Costs and Available State Aid at CCCs

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■ Fees. Nearly half of all CCC students do not pay fees, including 70% of full-time students.

■ Non-tuition costs. 4% of CCC students receive state Cal Grants to cover non-tuition costs.

Grant Aid for Low-Income Students

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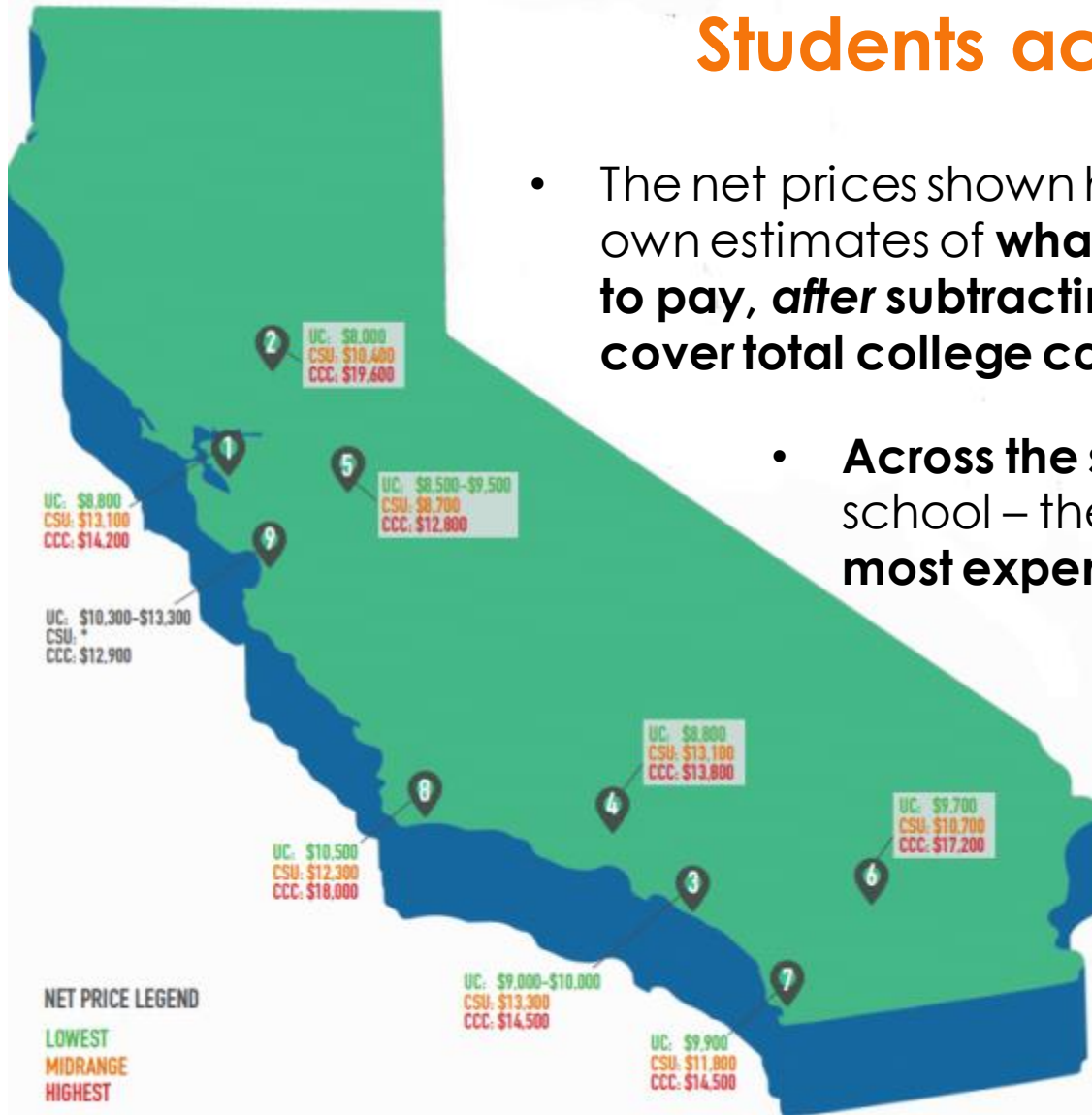
2017-18	Total Cost of Attendance for a Student Living Independently	Total Grant Aid (Federal, State, Institutional) Per Low-Income Student Enrolled
CCC	\$20,800	\$5,800
CSU	\$25,100	\$10,600
UC	\$32,000	\$27,500

- The total cost of being a UC student is 59% more than being a CCC student, but UC students receive 300%+ more grant aid.
- Working minimum wage 15 hours a week during the academic year equals ~\$7,000.

Sources: CSAC, 2017-18 Student Expense Budget for students living off-campus plus statewide tuition and fees (fees for CCC students taking 15 credits/semester); TICAS, 2019. *What College Costs for Low-Income Californians.*

https://ticas.org/sites/default/files/pub_files/what_college_costs_for_low-income_californians_0.pdf. California minimum wage in 2019 is \$12/hour. All figures rounded to nearest \$100.

What College Costs for Low-Income Students across California



- The net prices shown here reflect the colleges' own estimates of **what low-income students have to pay, after subtracting available grant aid, to cover total college costs.**

- **Across the state, the lowest tuition school – the **community college** – is the **most expensive.****

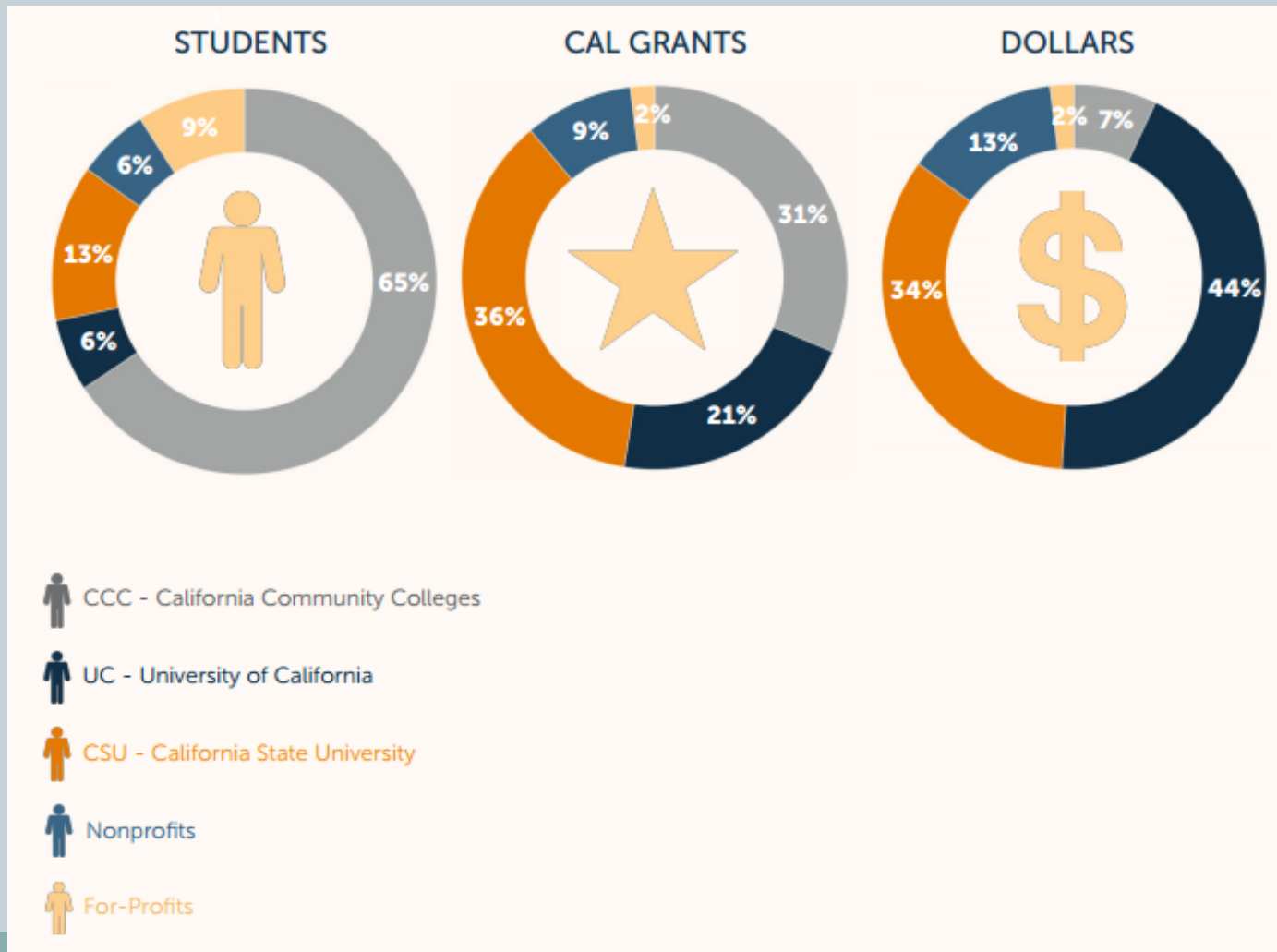
Community college students across the state would have to **work excessive hours** – at some more than 30 per week – to cover the net cost.

For details and methodology, see https://ticas.org/sites/default/files/pub_files/what_college_costs_for_low-income_californians_0.pdf

* The publicly available cost calculator for Cal State Monterey Bay does not include the net price.

CA College Students, Cal Grant Awards, and Cal Grant Dollars Are Not Distributed Evenly across Colleges

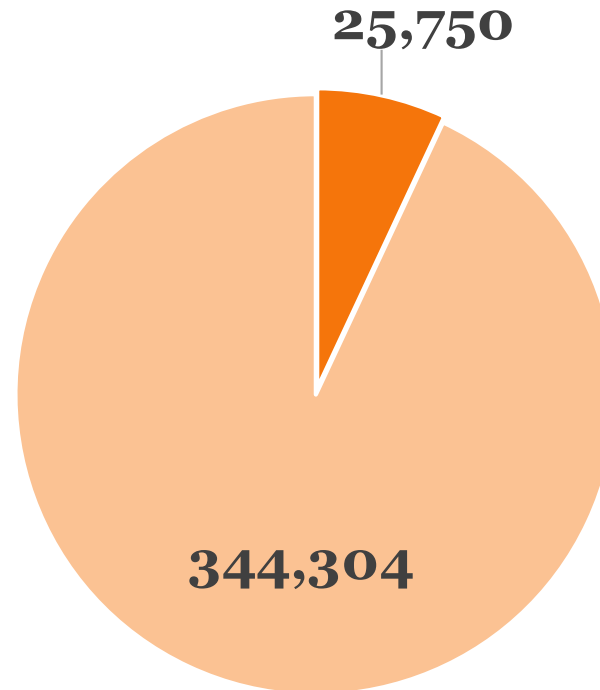
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Hundreds of Thousands of Eligible Applicants Don't Get a Cal Grant Because There Aren't Enough

AY 2018-19

- Available annual grants
- Eligible applicants without grants in 2018-19

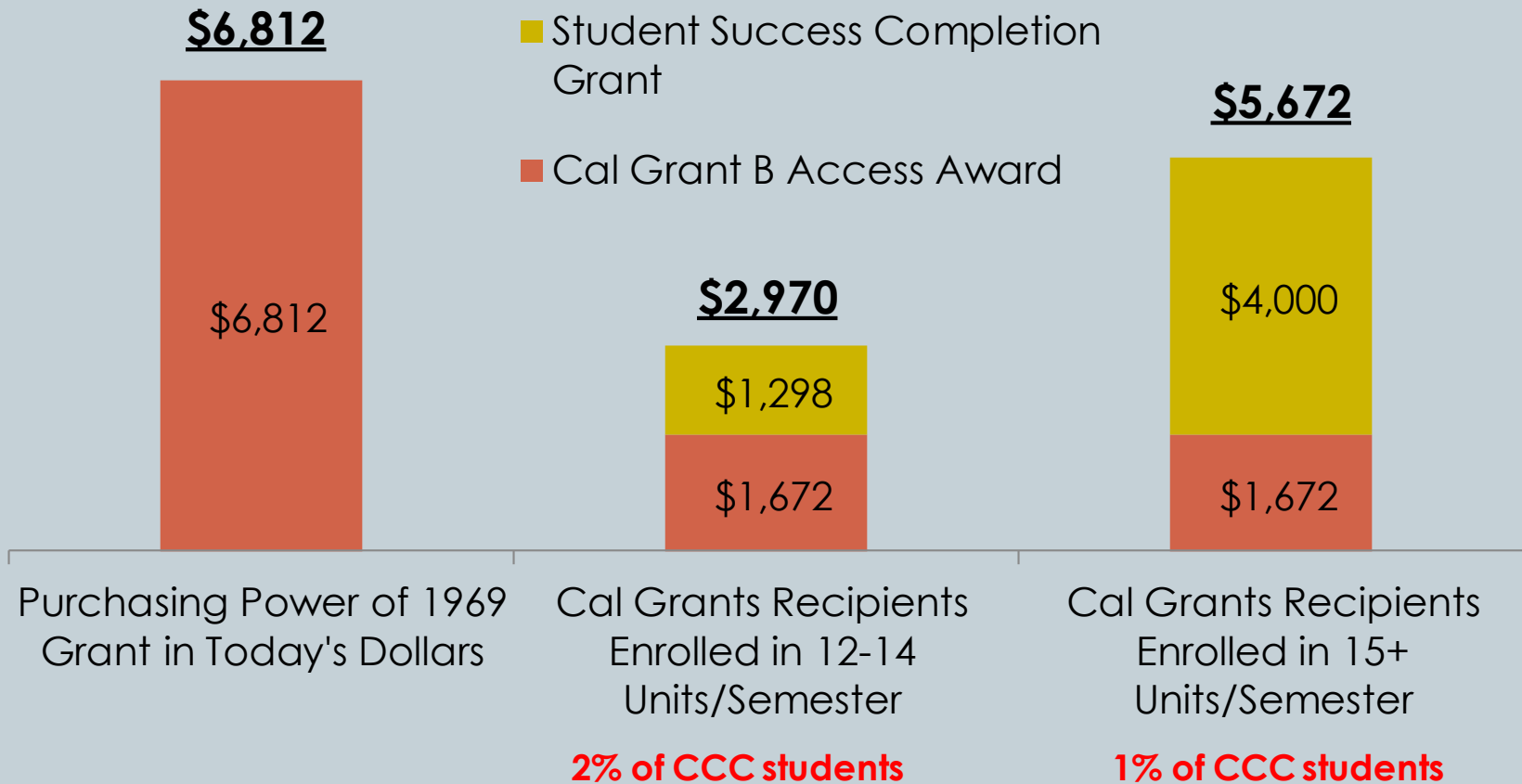


The majority of eligible applicants turned away are living in poverty.

Estimates of the number of eligible applicants without grants are based on CSAC reports for the 2018-19 award year: CSAC. Operations Memos. April 13, 2018. https://www.csac.ca.gov/sites/main/files/file-attachments/gom_2018-08.pdf; and September 25, 2018. https://www.csac.ca.gov/sites/main/files/file-attachments/gom_2018-31.pdf.

CCC Students' Cal Grant Award Value

While important gains have been made in recent budgets, CCC students' Cal Grant awards (for those fortunate enough to get one) have not retained their purchasing power.



Notes: Calculations based on data from the 2018-19 California State Budget, California Consumer Price Index, California Department of Finance, CCCCCO Data Mart.

Implications of Insufficient Need-Based Aid

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- **Borrowing to buy more time to study**
 - After grant aid has been exhausted, federal loans are the safest form of student borrowing
- **Excessive work hours**
 - Research finds that working more than 15-20 hours/week can be detrimental to student success.
- **Low rates of full-time attendance**
 - Students who enroll full time are more likely to be successful.

Borrowing to Cover College Costs

Table 3: Share of Undergraduates Borrowing Federal Student Loans, 2016-17

Region	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	Santa Barbara	Santa Cruz
UC	24%	36%	36%	33%	50%	50%	36%	36%	46%
CSU	37%	36%	30%	33%	37%	35%	31%	41%	45%
CCC	2%	0%	1%	1%	0%	2%	1%	9%	2%

Notes: Figures from the U.S. Department of Education, College Navigator for 2016-17, the most recent data available.

- **Across the CCCs, few community college students borrow federal student loans.**
- **Nine CCCs, serving over 100K students, continue to choose not to offer federal student loans:**

Barstow

Imperial Valley

San Bernardino Valley

Crafton Hills

Mt. San Jacinto

Taft College

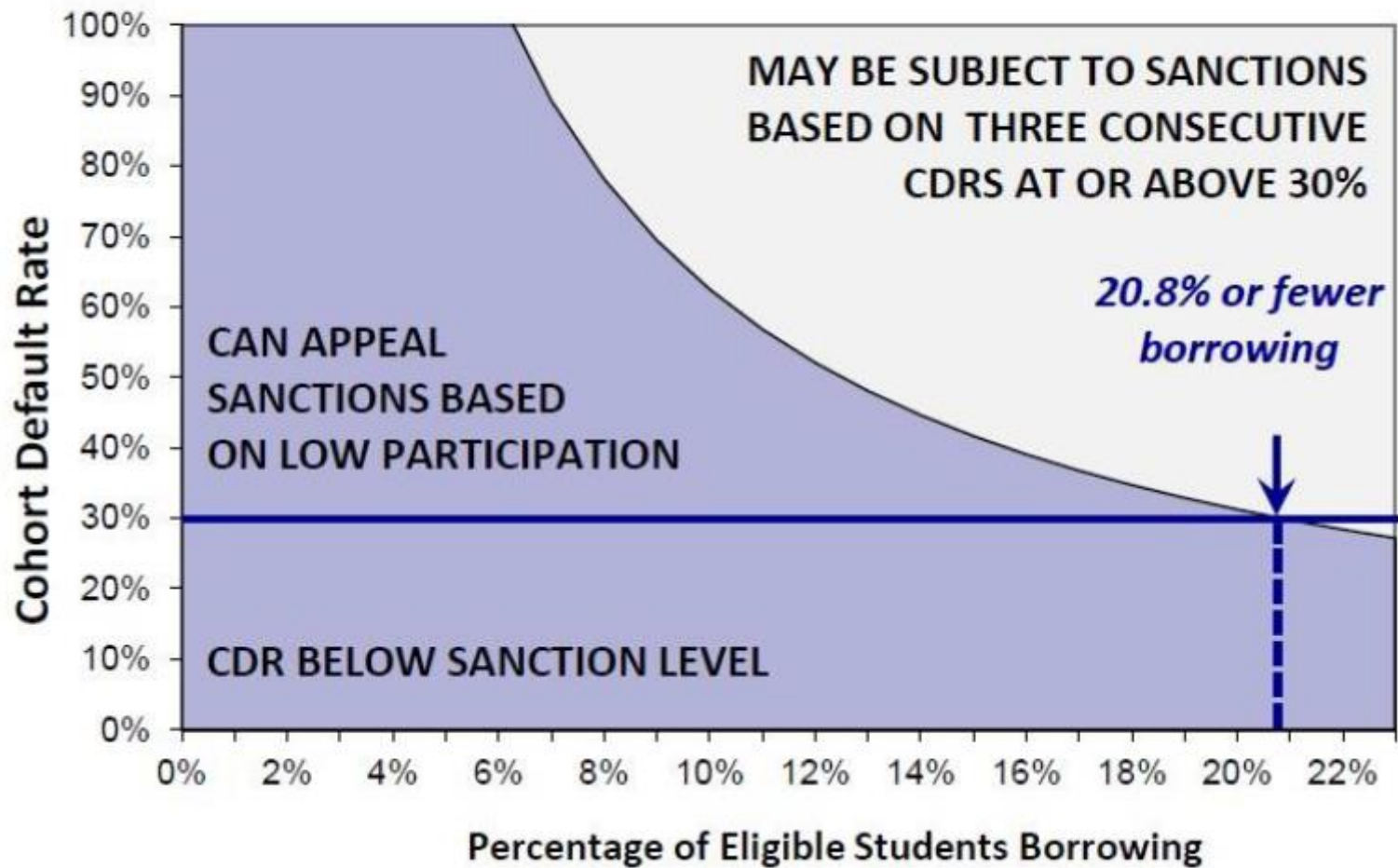
College of the Desert

Palo Verde College

Victor Valley College

The Participation Rate Index (PRI): A Sliding Scale

CDR Participation Rate Index Graph



Access Denied: When Federal Loans Are Not Available

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I wish federal student loans were available to us. I am in the nursing program and working 30+ hours by necessity. I am struggling to be successful. Had I known loans were unavailable here, I would have started in another nursing program. Since I was unsuccessful in my second semester in our nursing program, I am ineligible to transfer to other nearby nursing programs, and I have one more chance in this nursing program to make it through. **I am doing everything in my power, but a loan would just make it more easily attainable.** - *Female, 33, part time*

Not offering federal loans required me to work more and spend more time applying for scholarships, which resulted in less time to complete homework. At times I chose to work less in order to complete my assignments successfully, which increased my financial stress level. - *Female, 38, part time*

Spring 2019 GA Resolution

S19-A-02.04 Financial Aid That Supports College Access and Success

Author: Juan Hernandez and Laura Szabo-Kubitz

Sponsor: Moreno Valley College

Disposition: System Affairs, Legislative Affairs

WHEREAS, California Community College students' total costs of attendance can exceed \$21,000 annually even with comparatively low fees; even after grant aid many low-income students attending California community colleges would have to work more than 30 hours per week to cover total college costs;

WHEREAS, For students who need to borrow, federal student loans are the safest and most affordable form of borrowing with consumer protections and benefits including fixed interest rates, Income-Driven Repayment plans, and Public Service Loan Forgiveness;

WHEREAS, California Community Colleges enrolling more than 100,000 students continue to choose not to make federal student loans available to any of their students; and;

WHEREAS, Without access to federal student loans students may instead turn to riskier forms of debt like credit cards or private loans, or work excessive hours to cover college costs;

RESOLVED, That the Student Senate for California Community Colleges advocate for financial aid that supports college access and success;

RESOLVED, That the Student Senate for California Community Colleges affirm that students deserve a full range of choices when it comes to making decisions about how to finance college;

RESOLVED, That the Student Senate for California Community Colleges urges all California Community Colleges to make federal student loans available to their students by participating in the federal student loan program.

RESOLVED, That the Student Senate for California Community Colleges urges the Legislature, the California Community Colleges Chancellor's Office, and the California Community Colleges to provide resources to support financial education for students including information about federal student loans, repayment options, and default prevention.

Working to Cover College Costs

At every public college in our analysis, low-income students would need to work more than 15 hours per week to cover their net price, and at more than half at least 25 hours are needed.

Table 2: Number of Weekly Work Hours Needed for Low-Income Students to Earn the Net Cost

Region	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	Santa Barbara	Santa Cruz
UC	19	17	20	19	19	21	21	22	25
CSU	28	22	28	28	19	23	25	26	*
CCC	30	42	31	29	27	37	31	38	28

Notes: Assumes the student is working 39 weeks out of the year (the number of weeks in a nine month academic calendar) for \$12.00 per hour in order to meet the costs shown in the map. Figures are rounded to the nearest hour.

*Publicly available cost calculator does not include net price.

The Burden of Excessive Work Hours

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*“I only take a couple classes a semester because that is all I can afford at the time, and **I have to keep working 30-40 hours a week to pay for everything else.**”*

*“**I pay for all of my bills, school, and personal needs with the hours I work.** Because of this, it’s taking me much longer to get through school than I would like, and I struggled a lot my first two years with the balance of work and school.”*

On the Verge: Costs and Tradeoffs Facing Community College Students

- Nearly 12K students from 22 CCCs responded
- 61% had a family income less than \$30k
- 3 in 10 students surveyed were solely personally responsible for their housing costs

Students Who Enroll Full-Time Are More Likely to Be Successful in College

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Table 4: Share of Undergraduates Enrolled Full Time, 2016-17

Region	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	Santa Barbara	Santa Cruz
UC	96%	97%	98%	98%	99%	98%	98%	98%	97%
CSU	86%	83%	81%	85%	84%	89%	89%	83%	90%
CCC	18%	21%	36%	37%	43%	28%	18%	40%	35%

Notes: Figures from the U.S. Department of Education, College Navigator for Fall 2017, the most recent data available.

Key Implications for Financial Aid Policy

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State student financial aid must:

- Enable students to attend full time and complete a meaningful credential
- Protect those with the least resources from shouldering the biggest burden of college costs and debt

CALIFORNIANS FOR COLLEGE AFFORDABILITY



The Coalition of Californians for College Affordability works to strengthen need-based financial aid in California so that all students can afford to attend and complete college, allowing the state's workforce to remain competitive.

Coalition Recommendations

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Increase the Cal Grant B access award, which helps low-income recipients limit work hours and focus on studies.

Serve more of the state's Cal Grant eligible students.

- Helps students at *all types of colleges* and across program types
- Helps recipients cover *non-tuition* college expenses
- Prioritizes students by *financial need*
- Improves college access *and completion rates*

CA Higher Education Basic Needs Alliance

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Financial Aid

To ensure all Californians have the opportunity to attend college full time, be successful students and complete a meaningful degree, California must strengthen its need-based financial aid programs to account for total college costs, including basic needs, and target this aid to those students who can least afford the total cost of attendance. The state can immediately address students' basic needs and critical college costs (including housing, food, books, transportation and child care) by:

- Increasing the number of financial aid grants that support all low-income students attending public institutions, including students more than one year out of high school, as hundreds of thousands of low-income students currently go unserved.
- Increasing the size of the Cal Grant access award, whose value has stagnated and is currently worth just one quarter its original value.

Emerging Consensus on a CA Pledge

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- CSAC, CCCs, LAO, and TICAS have all proposed financial aid reforms akin to a pledge.
- A California Affordability Pledge would:
 - Expect students could contribute a reasonable amount from work and/or loans
 - Expect parents would pay a reasonable amount based on their ability to pay
 - Cover with grants and scholarships any college costs beyond student and parent contributions

2019-20 CA Budget & Legislative Session

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PROPOSED BUDGET

- Modest increase to the number of annually available competitive Cal Grants
- Increased access award for parent Cal Grant recipients at public institutions
- Additional funding for the new California College Promise Program
- Proactive outreach to students about their financial aid and student loan repayment options.

RELATED LEGISLATION:

- Assemblymembers Medina and McCarty held a joint hearing on financial aid reform in late February. They have introduced AB 1314: Cal Grant Reform Act.
- Senator Leyva introduced SB 291, a bill that would institute pledge-like financial aid reforms for community college students.

2019 Goals

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- Take steps towards reform by serving more students and supporting them to a greater extent
- Dig into focused policy questions to hone financial aid reform proposals
- Promote administrative and operational improvements that enhance college affordability

Questions for Continued Discussion

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- How should an affordability pledge account for different living statuses (off-campus, on-campus, with family)?
- What should the expectations be for schools and for students?
- Should college costs and/or ability to pay be regionally adjusted?

Opportunities for Advocacy & Collaboration

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Importance of personal stories describing burdens of non-tuition college costs/basic needs insecurity, paired with data

- Identify students willing to share their stories
- Write/call/visit legislators and caucus members
- Write letters to editor of local and college newspapers
- Testify at legislative and budget hearings

Open Discussion & Thank You!

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