CALIFORNIA STUDENT AID COMMISSION

CALIFORNIA STUDENT AID COMMISSION 1955—2005 50 YEARS SERVING STUDENTS

Testimony before the Joint Committee on the Master Plan for Higher Education
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Good morning, Chairs Assembly Member Ruskin and Senator Negrete-McCleod and members of the Joint Committee on the Master Plan for Higher Education. My name is Diana Fuentes-Michel and I am the executive director of the California Student Aid Commission. Thank you for the opportunity to address you today as you begin your review of the State's Master Plan for Higher Education.

2010 marks the tenth year in which the State of California has provided a guarantee of Cal Grant aid to low-and middle income California high school graduates who are financially eligible and admissible to our public and private colleges, universities and career technical schools. Even in the midst of the current state budget crisis, the Legislature has prioritized Cal Grant funding. The Commission urges you to maintain that policy and fiscal priority. The Cal Grant program allows thousands of students statewide to enroll in education and career training to prepare to enter the workforce. In these difficult economic times, this is an essential investment of the State resources to ensure that California's future workforce needs will be met.

The Cal Grant Entitlement, Competitive and Cal Grant C program serves over 300,000 new and continuing students who attend over 430 public and private institutions across the State of California. The program provides partial tuition coverage at our private institutions and statewide fee coverage for those attending our public universities. The Cal Grant B "access" grant of up to $1551 assists low-income students with their cost of attendance. The Cal Grant C program provides up to $3168 in assistance for career technical students to meet the cost of tuition, training equipment and materials.

The Cal Grant program is an efficient and effective way of increasing the numbers of students who can gain access to education and training. The Cal Grant program increases the likelihood of low and middle-income students to enroll and successfully complete their education and training and reduces their student debt.

The program's design provides that the grant is portable—the grant follows the student to his/her institution of choice. The grant's portability is important to a student's ability to enroll because it allows students to determine whether it is affordable to attend their college of choice. Grant aid, and the amount of the grant,

significantly matters to students who can not afford to attend college without financial aid.

In addition, a student's ability to enroll is also a matter of how much loan debt will need to be carried to attend college. A recent study completed by the Project on Student Debt found that California has consistently ranked in the bottom 10 percent of postsecondary institutions nationally on the average debt of their graduates. In 2008, an estimated 48 percent of students graduating from four-year public and private schools in California had debt. Their loan debt averaged $17,795 per graduate compared to $23,200 nationally. Debt at California's public universities ranges from roughly $11,000 to $18,000.

The Project on Student Debt has attributed the lower debt of California students to our State's fee and aid policies which have retained Cal Grant aid as a State General Fund priority.

Another important priority in your policy discussions is how to ensure that students are aware of the availability of financial aid so that cost of a college education does not constitute a barrier. President Obama has established a goal of every student completing at least one year of postsecondary education or training beyond high school. It is important that all youth, particularly those who are underserved, get help in applying for aid and receive what they are eligible for to enable them to earn a college degree or certificate. It is important that they not give up on going to college or gaining the career education and training they need.

The Commission's Cash for College and California Student Access and Opportunity Program (known as Cal-SOAP) work with the high schools, community colleges, public and private colleges, universities, career technical schools, foundations, business and community-based groups, to provide public awareness and financial application assistance. The Commission believes that this help is essential to ensuring that potential students are aware that financial assistance is available.

And finally, we are committed to work with the Joint Committee and your staff as you determine how best to retain educational opportunity for all students. Since 1955, the California Student Aid Commission has been the primary state agency for the administration of state-authorized student financial aid programs available to all students attending all five sectors of postsecondary education in California. The Commission administers over $1 billion in financial aid with a civil service staff who share in the vision that California invests in educational opportunity, fosters an active, effective citizenry and provides for a higher quality of social and economic life for its people. We stand ready to work with you and look forward to participating in this process...