

Unpacking California College Affordability



CCC Basic Needs Summit

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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**.

UNPACKING CALIFORNIA COLLEGE AFFORDABILITY:

Experts Weigh in on Strengths,
Challenges, and Implications

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Successes & Failures of the Existing Financial Aid System

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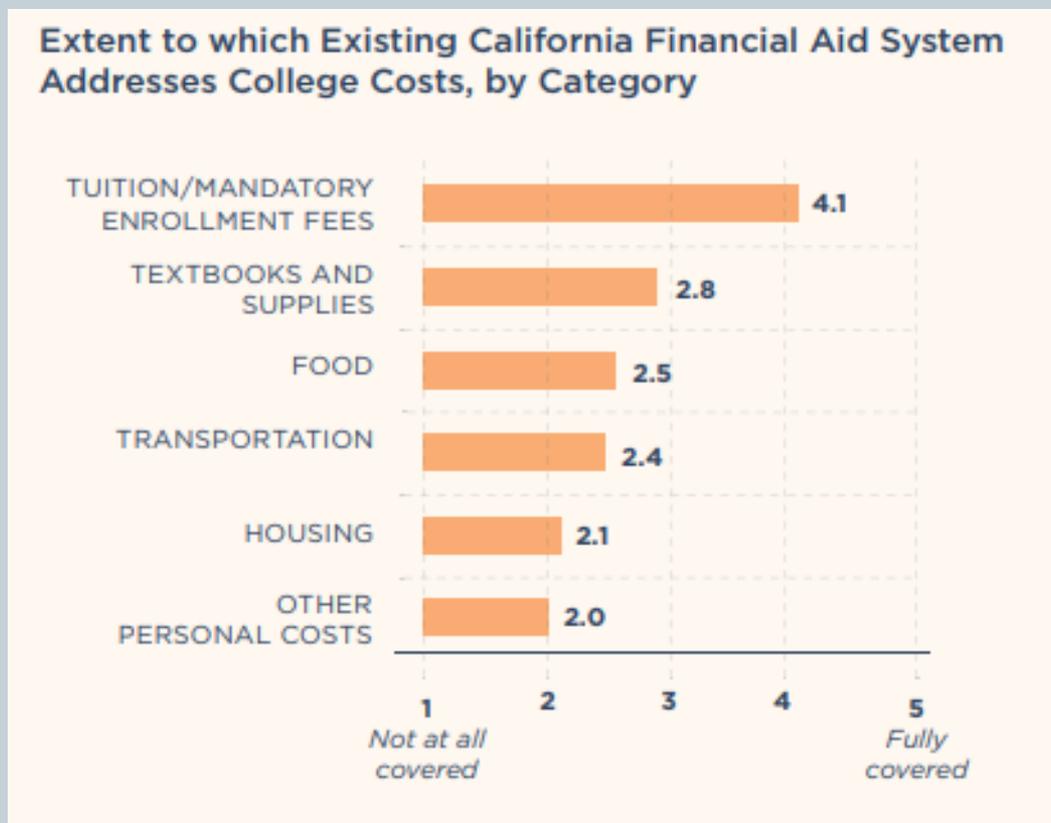
“There is a public perception that college is costly beyond a family’s ability to pay and student needs. In reality, in California, tuition fees are among the lowest in the country, and **focusing on free college alone does not do away with the real costs of college and what truly prohibits students from being able to progress and graduate in a reasonable timeframe.**”

— JESSIE RYAN Executive Vice President,
The Campaign for College Opportunity

Extent to which Existing California Financial Aid System Addresses College Costs, by Category

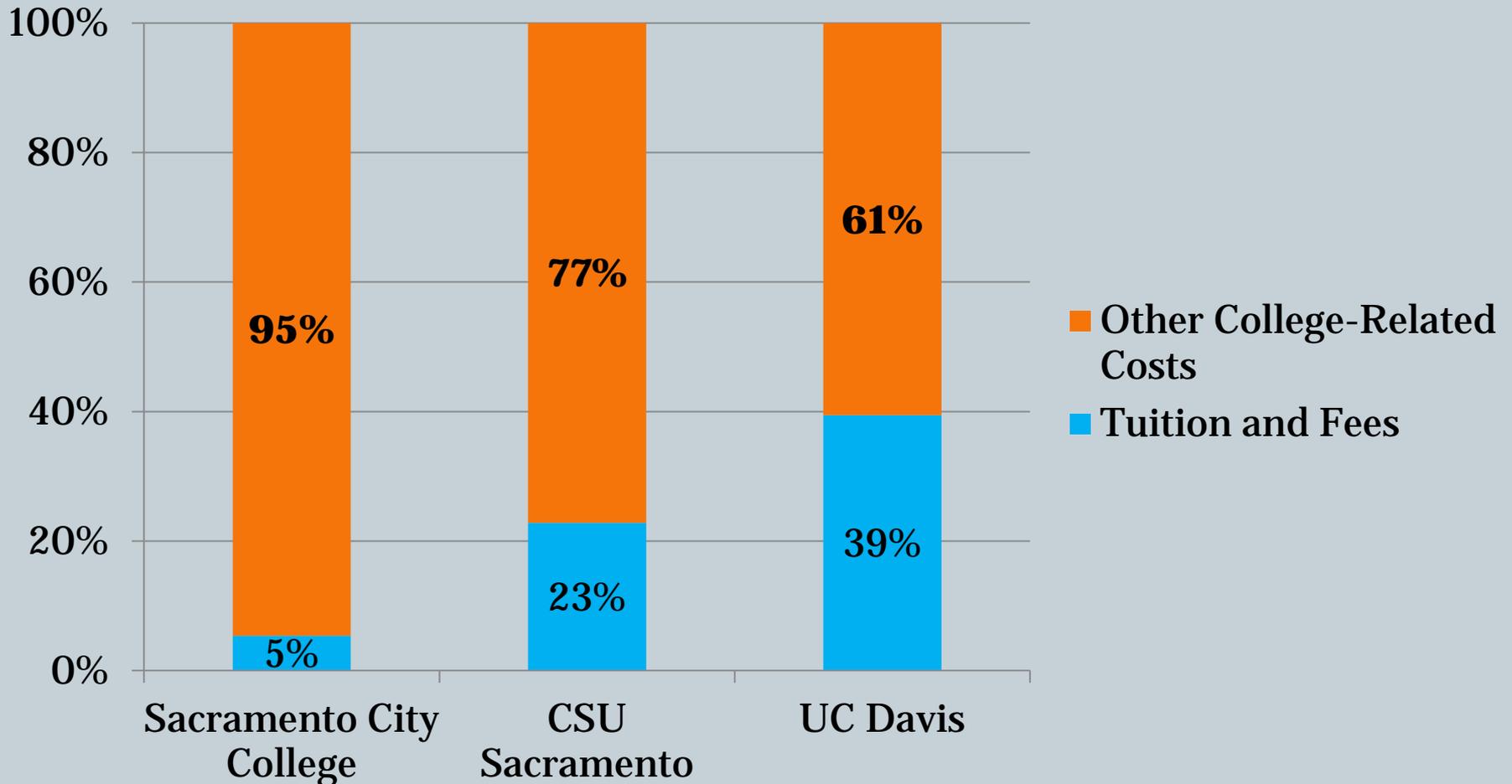
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- All 22 college affordability experts agreed that improving college affordability means focusing on covering non-tuition costs.



The Majority of Total College Costs are Those Beyond Tuition and Fees

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Sources: CSAC, 2017-18 Student Expense Budget for students living off-campus; fees for California Community College students taking 12 credits/semester for 2017-18; CSU & UC mandatory system-wide fees (more than six credits) for 2017-18.

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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2016-17	Total Cost of Attendance for a Student Living Independently	Total Grant Aid (Federal, State, Institutional) Per Low-Income Student Enrolled
CCC	\$19,800	\$5,400
CSU	\$23,900	\$10,300
UC	\$30,700	\$25,200

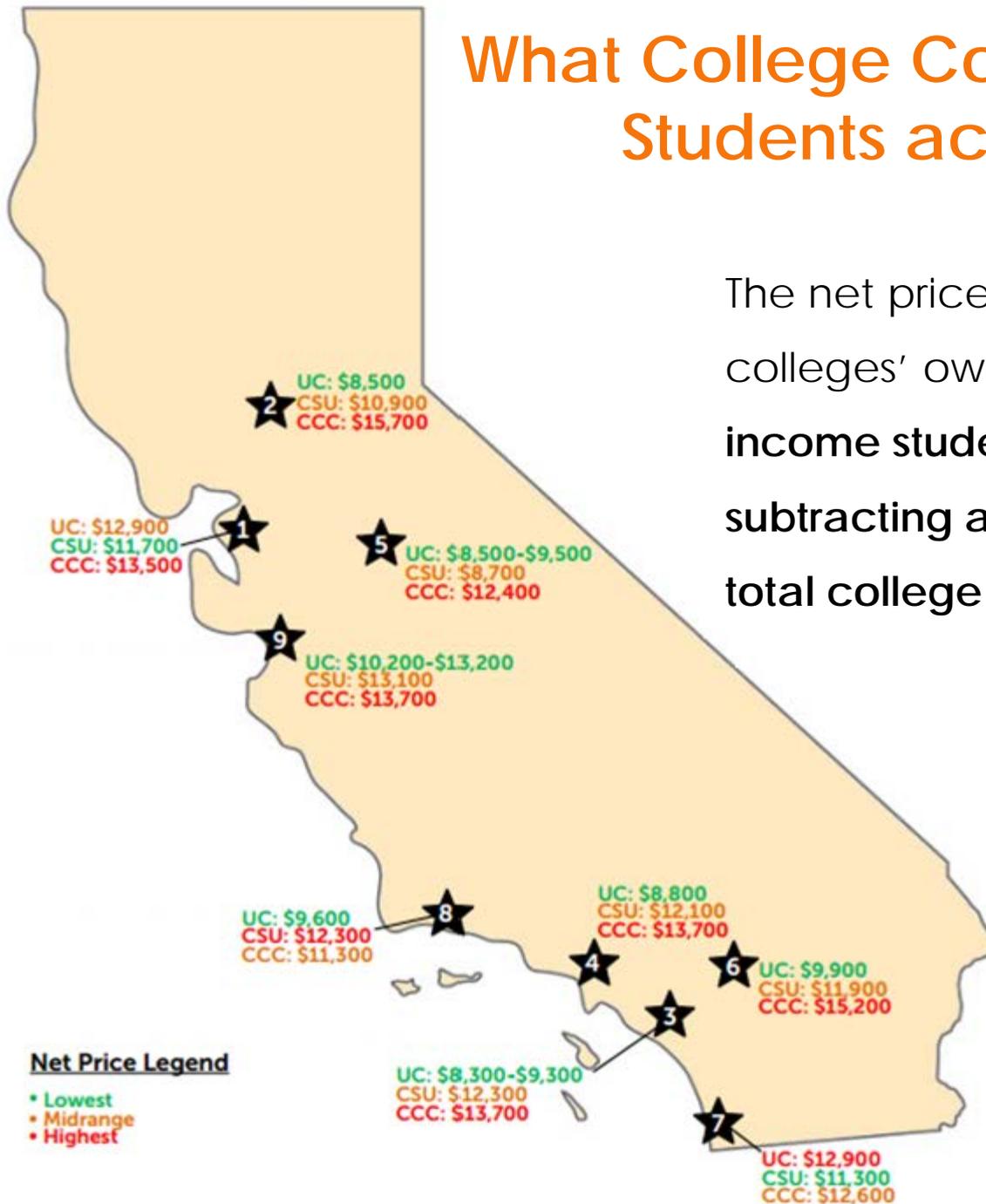
Working minimum wage 15 hours a week during the academic year yields only about \$6,100 – nowhere near the average net costs for the majority of California students.

Sources: CSAC, 2016-17 Student Expense Budget for students living off-campus plus statewide tuition and fees (fees for CCC students taking 15 credits/semester); TICAS. 2017. *What College Costs for Low-Income Californians*.

https://ticas.org/sites/default/files/pub_files/what_college_costs_for_low-income_californians.pdf. California minimum wage in 2017 was \$10.50/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.**



For details and methodology, see http://www.ticas.org/sites/default/files/pub_files/what_college_costs_for_low-income_californians.pdf

Key Findings

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- **CCCs are often the most expensive option**, after grants and scholarships are taken into account.
- **In none of the nine regions in our analysis did the lowest tuition college – the CCC – have the lowest net price**, and in seven regions it was more expensive than *either* public university option.
- At all 27 public colleges in our analysis, **the lowest income students would have to work more than 20 hours/week to cover net costs**; at several colleges it was more than 30 hours/week.
- The financial aid these students receive is greater than the tuition, which means **they have to find ways to cover the non-tuition college costs**.

Impact of Affordability Challenges

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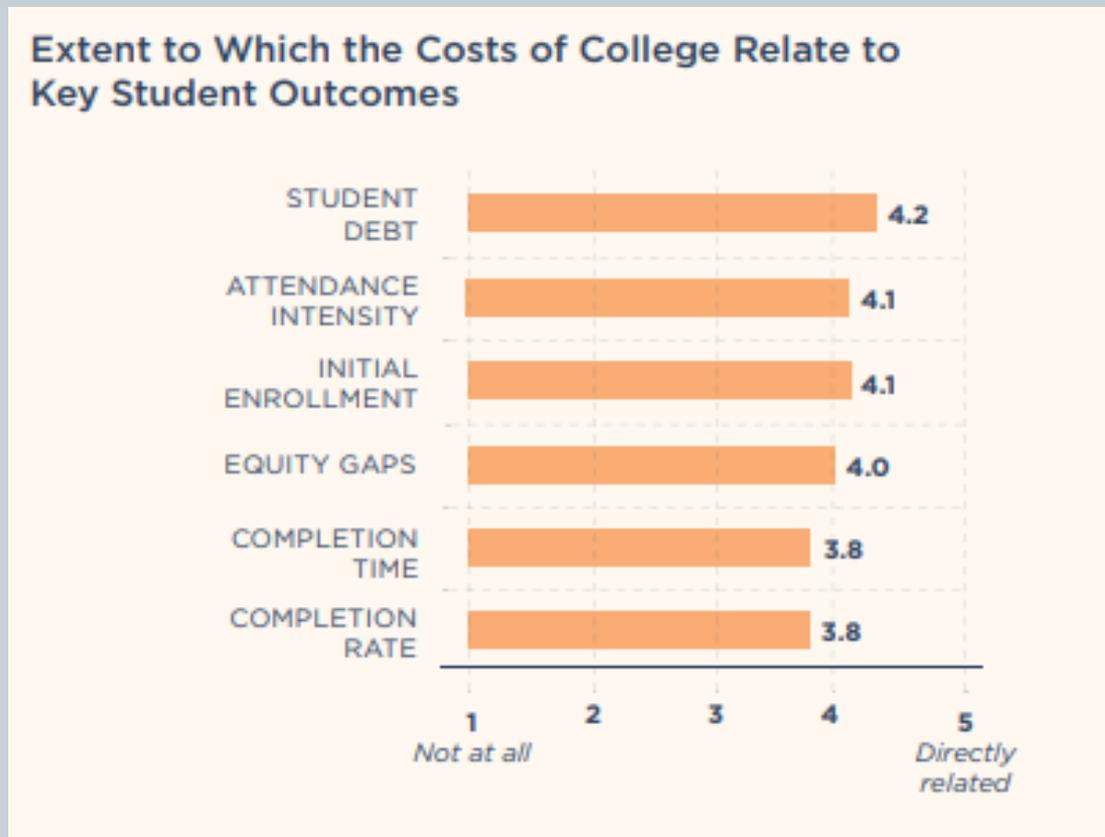
“At community colleges, it can be really difficult to complete gateway classes like basic English, remedial math, etc. Finding time to go to lab or tutoring may not be possible when students are working. **The financial burden plus the mental health strain really impacts a student’s ability to complete.**”

— COURTNEY COOPER President,
Student Senate for California Community College

Extent to which the Costs of College Relate to Key Student Outcomes

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Experts universally agreed that affordability challenges negatively impacted students in several ways.



Implications of Insufficient Need-Based Aid

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- **Borrowing to buy more time to study**
- **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.

Working to Cover College Costs

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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.**”*

Impacts of College Affordability Challenges

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“For students who want to pursue college, knowing they’re going to accumulate debt, **often the make or break point is whether they receive the aid they need.**”

— JUDITH GUTIERREZ President,
University of California Student Association

One of the ways to make college more affordable is to finish sooner. **Another term of attendance can carry substantial cost, not to mention opportunity cost.**

— CHRIS CARTER Director, Student Financial Support,
University of California Office of the President

Borrowing to Cover College Costs

**TABLE 3: SHARE OF UNDERGRADUATES BORROWING
FEDERAL STUDENT LOANS, 2014-15**

Region	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	Santa Barbara	Santa Cruz
UC	26%	39%	42%	35%	55%	54%	39%	40%	53%
CSU	37%	38%	31%	32%	37%	41%	34%	42%	46%
CCC	2%	0%	1%	1%	0%	2%	2%	10%	3%

Notes: Figures from the U.S. Department of Education, College Navigator for 2014-15, the most recent data available.

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, FALL 2015

Region	Berkeley	Davis	Irvine	Los Angeles	Merced	Riverside	San Diego	Santa Barbara	Santa Cruz
UC	97%	97%	98%	98%	99%	98%	97%	98%	97%
CSU	85%	80%	82%	87%	84%	89%	89%	85%	93%
CCC	21%	26%	35%	37%	47%	27%	18%	42%	33%

Notes: Figures from the U.S. Department of Education, College Navigator for Fall 2015, the most recent data available.

Key Implications for Financial Aid Policy

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- The state needs to better recognize and address the **full cost of attending college**, including tuition, textbooks, transportation, and living costs.
- Financial aid investments **should be targeted at the students for whom college costs are most burdensome**, and for whom college costs serve as a barrier to enrollment and completion.

CALIFORNIANS FOR COLLEGE AFFORDABILITY



California
Asian Pacific Islander
Budget Partnership

California Competes
Higher Education for a Strong Economy



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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.

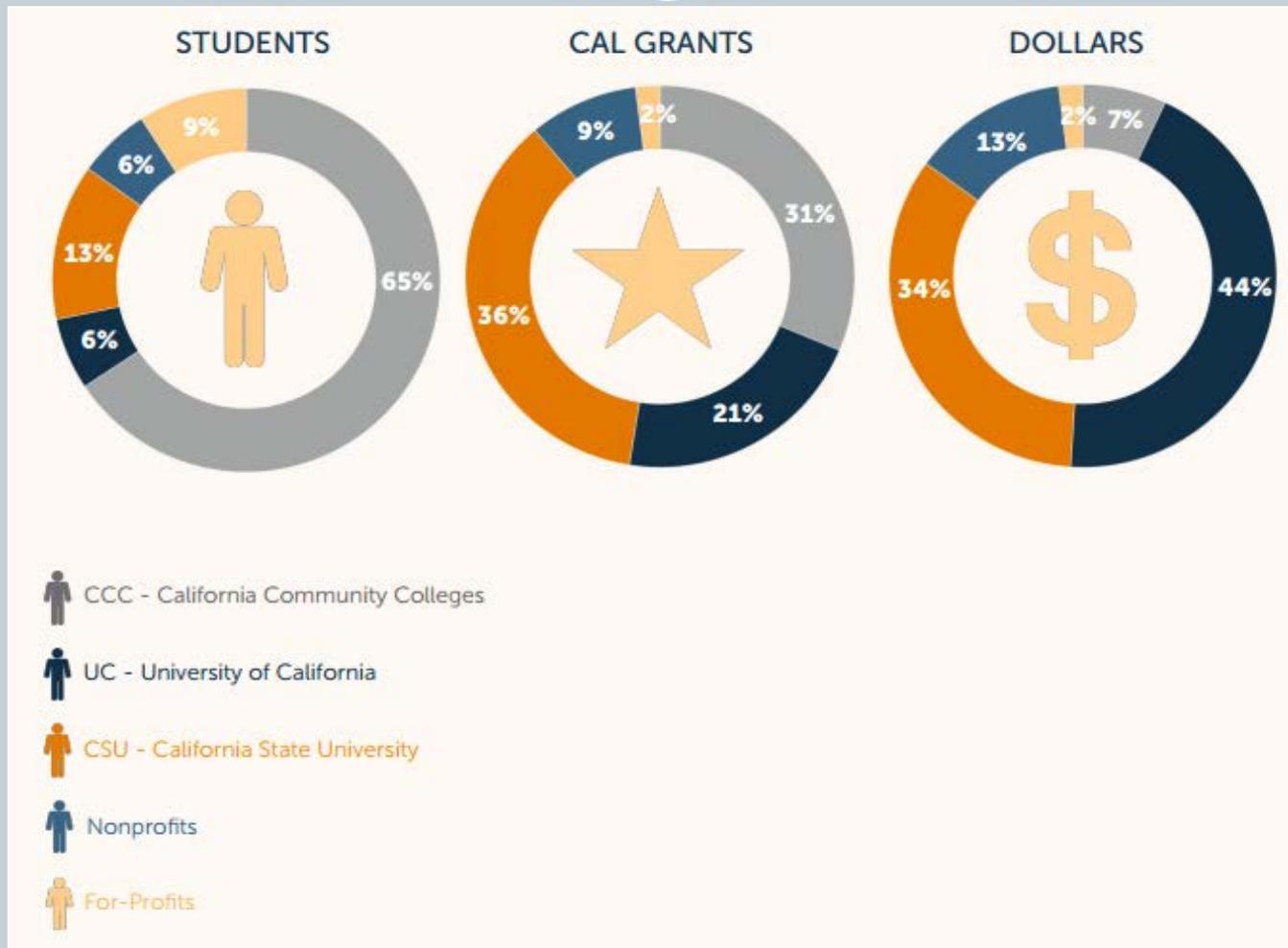
Cal Grants: Key Program Parameters

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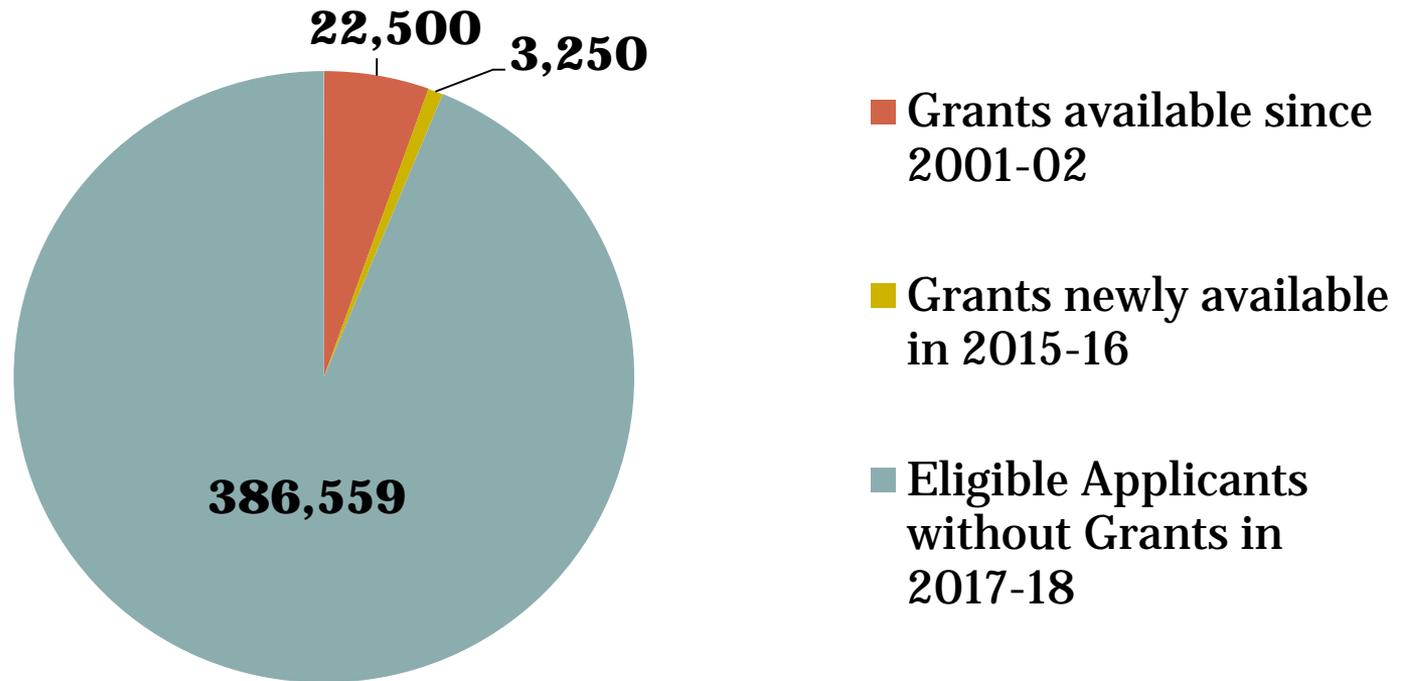
- Is the student a recent high school graduate?
 - This determines whether the student is entitled to a grant or must compete for one.
- What is the student's financial strength and academic merit?
 - Those with moderate incomes, high merit receive Cal Grant A, which is up to four years of tuition coverage.
 - Those with low incomes, moderate merit receive Cal Grant B, which is up to three years of tuition coverage and four years of an access award to help pay for non-tuition costs.
- Which is the student's school of choice?
 - Grant amounts vary based on where students attend.

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



The majority of eligible applicants turned away have family incomes so low they cannot afford to contribute any money towards college costs.

Rationing Aid Eligibility

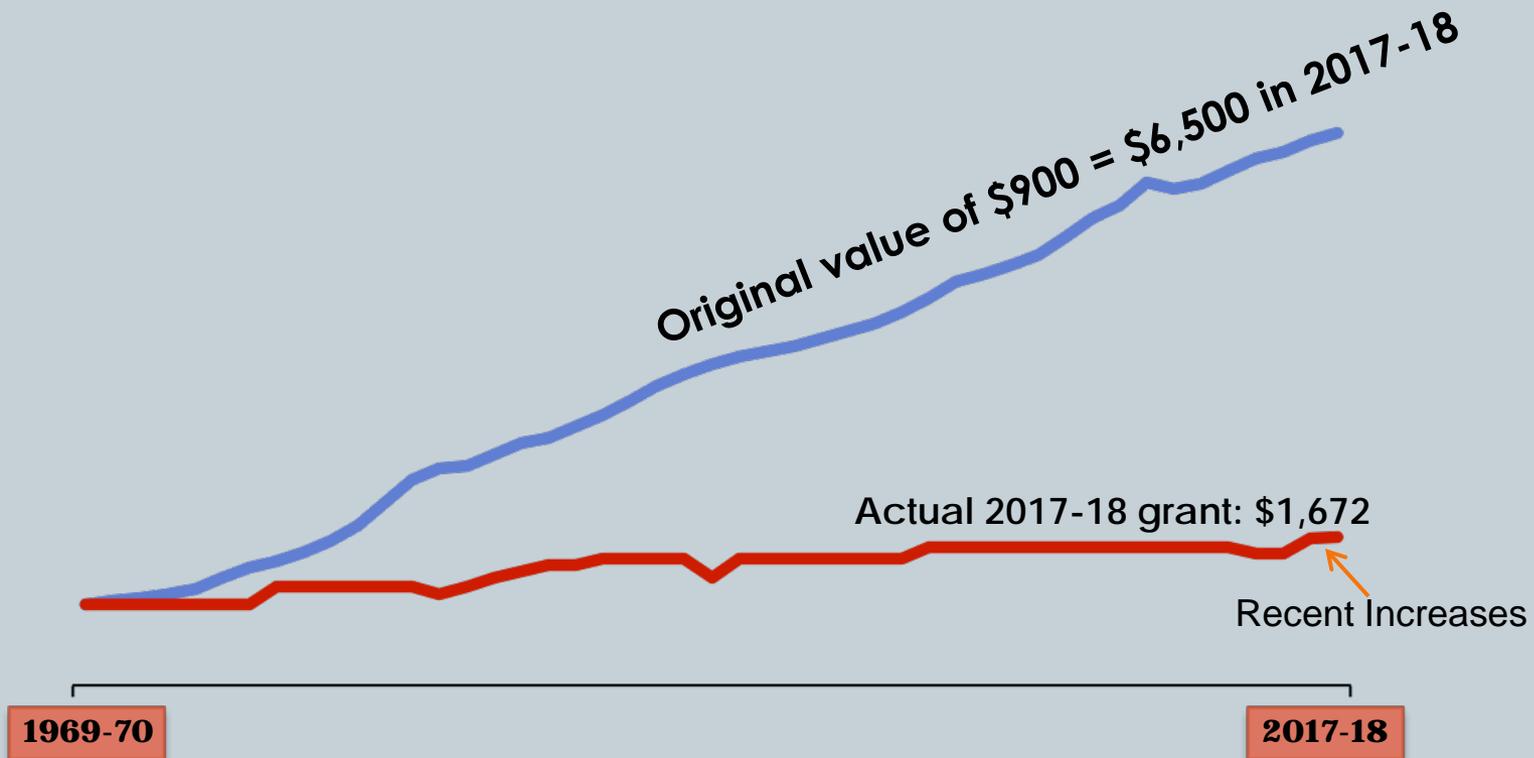
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“One could argue for fund rationing through issues of age, but I don’t believe that is necessary and it doesn’t help us to achieve our overall goals. Discriminating against a population doesn’t help us in any way.”

– YOULONDA COPELANDMORGAN Vice Provost for Enrollment Management,
University of California Los Angeles

Cal Grant B Access Award Continues to Stagnate

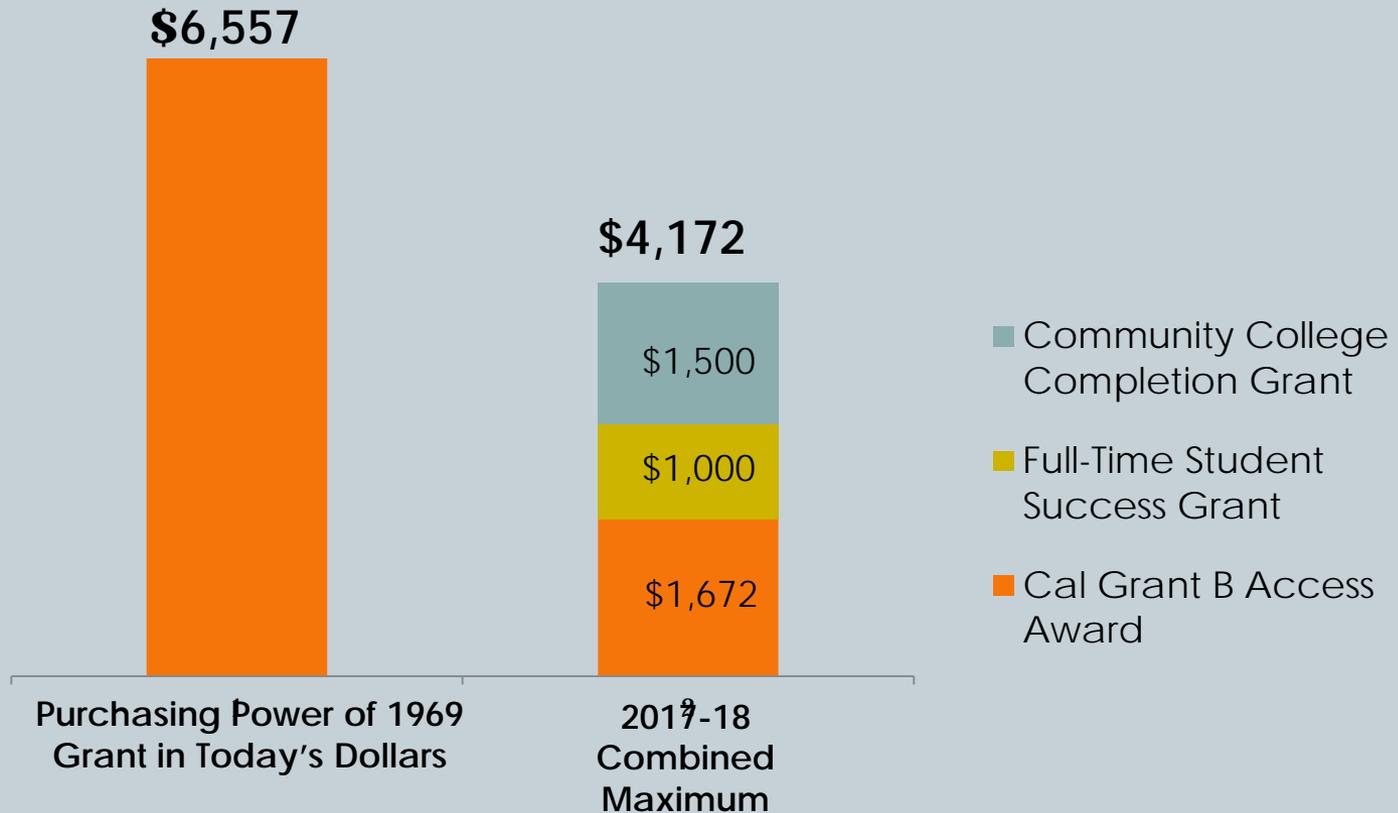
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CCC Students' Cal Grant Award Value

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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.



Existing Policy and Political Constraints

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“I don’t think the process we’re using to understand housing costs are relevant today. **We are still using the same framework we did for 30 years to determine how much housing costs and to subsidize those costs. We need to assess that differently to determine how we support students.** Housing has become so complex over the decades as more of our students are now adult students, returning students, etc.”

— YOULONDA COPELANDMORGAN Vice Provost for Enrollment Management,
University of California Los Angeles

Opportunities to Improve State Grant Aid

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“An inability to cover costs beyond tuition and fees can be just as much a barrier as an inability to cover tuition. I think if we had the opportunity to make additional investments, it’s important to think about how to cover those other costs which are just as important and real as tuition and fees.”

— CHRIS CARTER Director, Student Financial Support,
University of California Office of the President

Related Legislation & Budget Proposals

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Legislation

- SB 940 (Beall)
- SB 1471 (Hernandez)
- AB 2563 (Patterson)
- AB 3153 (Levine)
- AB 2306 (Santiago)
- AB 2248 (McCarty)
- ...Many more!

Budget

- Consolidation of CCC aid programs
- Cal Grant award at nonprofit colleges
- CSAC aid consolidation and simplification report

Going Forward

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- **Need broader systemic reform**
- **Outdated assumptions about who college students are and their cost challenges**
- **Improving college affordability requires supporting students' non-tuition college costs, including for non-traditional students**
- **CSAC has released a report with recommendations on consolidating current financial aid programs**
- **We will be building off our report with college affordability experts**

Open Discussion & Thank You!

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Laura Szabo-Kubitz
Associate California Program Director

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