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The Honorable Kevin McCarty Chair, Assembly Budget Subcommittee #2 1021 O Street, Room 4250 Sacramento, CA 95814

RE: 2023-24 State Budget for Higher Education: Preserving Opportunity and Fueling Equitable Economic Recovery

Dear Chairs Skinner, Ting, Laird, & McCarty:

On behalf of the Campaign for College Opportunity, I write to share our support for investments in college access and student success through the 2023-24 State Budget. We are deeply grateful that, amidst budget uncertainty, the January budget proposal protects and preserves higher education funding, and we look forward to working with you to enact a final budget that protects college opportunity for California's students.

The Campaign for College Opportunity is a broad-based, bipartisan coalition, including business, education, and civil rights leaders that is dedicated to ensuring that all Californians have an equal opportunity to attend and succeed in college to build a vibrant workforce, economy, and democracy. As the legislature works within the constraints of a significant budget deficit, we are appreciative of your continued leadership and commitment to ensuring that access to higher education is built upon a solid foundation of stable funding and targeted goals to support racial equity and improve student success. In support of these shared goals, we urge the legislature and Governor to prioritize the following strategic investments:

Pairing Stable Base Funding with Targeted Goals for Student Access and Success

As California works toward an ambitious 70% college attainment goal, it is more important than ever that policymakers embrace a multi-year strategic approach to budgeting and improving specific student access and success outcomes. The Higher Education Compacts with the University of California (UC) and the California State University (CSU), and the Roadmap for California's Future for California Community Colleges (CCC) position the legislature to provide critical oversight into progress each system makes toward improving on time completion and meeting affordability goals, while simultaneously responding to troubling declines in student enrollment and persistence.

Our recent report "<u>Illuminating Innovations: Protecting Student Enrollment at California Community</u> <u>Colleges Amid a Pandemic</u>" provides insight into a 19% enrollment decline at the CCC, which has disproportionately impacted Black, Latinx, and American Indian/Alaskan Native (AIAN) students. At colleges where enrollment declines have been significantly less severe, campus leadership prioritizes expanding direct, holistic student support services, and deepening culturally responsive collaboration across their institutions and with external partners. These promising practices offer tangible solutions

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to combat declining student enrollment and persistence. Our upcoming report will similarly look at enrollment declines at the CSU: early findings suggest that while enrollment declines at the system level are much less severe at the CSU than at the CCC, there is wide variance between CSU campuses, and campuses who can offer promising practices to lessen enrollment declines. However, this level of student-centered, coordinated response requires stable base funding increases for higher education, and direct investments to fund innovative solutions. We respectfully urge you to prioritize the following:

- UC and CSU Higher Education Compacts SUPPORT 5% ONGOING BASE FUNDING INCREASE. Maintain base funding increase of 5% to both the UC and CSU, in support of the higher education Compacts and system-specific goals as a strategy for closing equity gaps in graduation rates, enhancing access for lowincome students through greater affordability, increasing intersegmental collaboration to support transfer, and increasing undergraduate enrollment. While these commitments offer a path towards a more equitable future for our state's low-income students, it is equally important that the segments commit their 5% base funding increase to programming that furthers the Compact goals most benefitting students, and that the Compact's accountability measures, including annual progress reporting, are timely, meaningful, and reliable indicators of progress.
- CCC Roadmap for California's Future SUPPORT 5% ONGOING BASE FUNDING INCREASE. Maintain base funding increase to the CCC, including an 8.13% COLA, in support of the Roadmap for California's Future and specific goals to further advance the system's *Vision for Success*. It is essential that the base funding provided through the Roadmap is leveraged to support data-validated programs to address troubling drops in student enrollment and persistence, and that annual progress reporting validates that chosen strategies are timely, meaningful, and reliable indicators of progress.
- CCC Enrollment and Retention Funding SUPPORT AND STRENGTHEN. Maintain \$200 million onetime funding for the CCC to address declining enrollment and retention rates and strengthen language to specify that funding must be directed to support specific high-impact, data-validated, and culturally relevant strategies to target Black, Latinx, and AIAN students, drawing on experience from community college campuses who have experienced smaller declines in enrollment.

Strengthening Proven Pathways to Student Success

As students contend with rising costs and external factors that influence their ability to pursue a higher education, California must support targeted investments and proven pathways that streamline students' access and timely completion of their goals. With only 2.5% of students transferring from a CCC within two years, targeted supports must be provided to ensure students have equitable and early access to college coursework, and that streamlined transfer pathways are accessible to ALL students, regardless of the college or university that they seek to transfer to.

- Equitable Access to Dual Enrollment SUPPORT. Dual enrollment has been shown to be effective at promoting college readiness, increasing attendance and retention, and improving college completion. However, equity gaps in dual enrollment access remain. The Governor's proposal to expand the number of dual enrollment agreements would more equitably increase access to higher education across the state.
- UCLA Transfer Pathways SUPPORT AND STRENGTHEN. As recommended by the Legislative Analyst Office (LAO), the Governor and legislature should work with the UC to offer Associate Degree for Transfer (ADT) pathways for all campuses, in addition to UCLA. The ADT continues to prove an effective pathway for CCC students seeking to transfer <u>compared to the traditional transfer maze</u>. Policymakers should also consider expanding access to the UC as an admission guarantee for ADT earners to create parity with the CSU and offer CCC students maximum streamlined pathways, as the <u>AB 928 Intersegmental Implementation Committee</u> continues their work to offer recommendations for scaling access to transfer and closing racial equity gaps across the state.



Keeping the College Dream Affordable

The need to comprehensively reform and equitize the Cal Grant remains a racial and gender equity imperative in college: **the majority of low-income students who are still ineligible for aid are Black, Latinx, women, and student parents. We respectfully urge the Governor and legislature to prioritize new, ongoing resources to fully adopt the Cal Grant Equity Framework**. In order to fuel an equitable economic recovery and meet the total cost of attendance. As we work toward meeting our ambitious 70% college attainment goal, it is critical that policymakers ensure that financial aid resources are directed to our neediest students. Policymakers should also carefully examine proposed investments in financial aid across higher education to ensure aid is targeted to California's most economically vulnerable students. By simplifying the Cal Grant process and doing away with racially inequitable barriers of GPA to access financial aid, we can keep the college dream affordable for generations of Californians to come.

As California moves into an endemic state and education continues to evolve to meet the emerging needs of our students, this moment requires that student-centered progress at our colleges is supported with funding stability. We deeply appreciate your leadership and willingness to consider our budget priorities, as well as your continued efforts on behalf of California's students.

Thank you for your leadership,

Sara Arce Vice President of Policy & Advocacy The Campaign for College Opportunity

 cc: Governor Gavin Newsom Department of Finance Members, Senate Committee on Budget & Fiscal Review Members, Assembly Committee on Budget
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