

# HIGHER EDUCATION AFFORDABILITY FOR **UNDOCUMENTED STUDENTS** IN CALIFORNIA



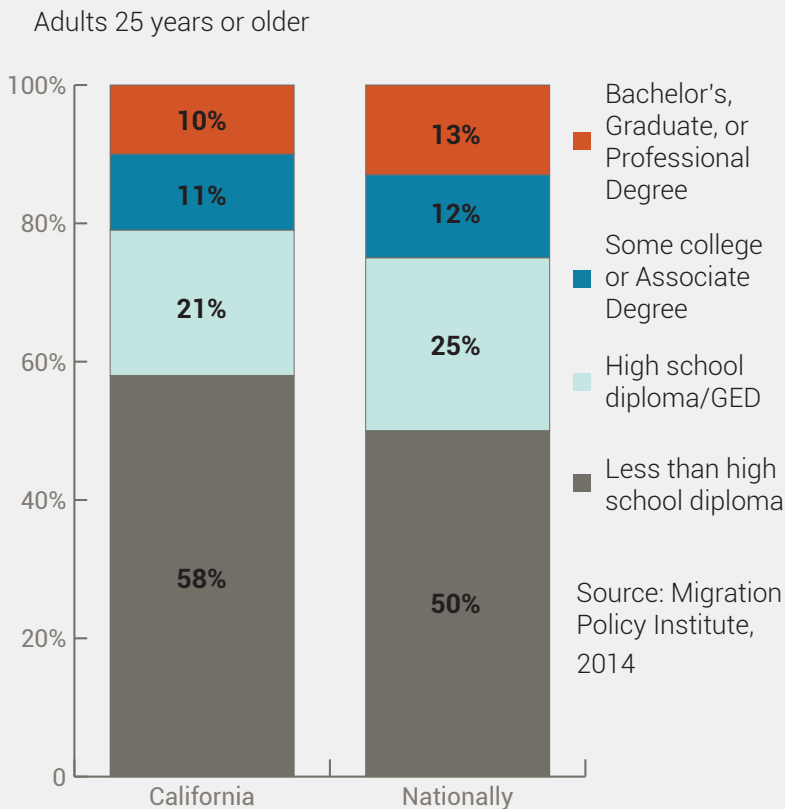
California has long been a global leader in higher education, innovation, and workforce development. Our economy is the fifth-largest in the world. But, without a more educated workforce, our global economic standing will decline. **By 2030, California needs 1.65 million more college degrees and credentials than we are currently on track to produce.**<sup>1</sup> Our public higher education system is key to ensuring that our state is able to meet its economic goals, maintain its global standing, keep up with technological advances, and keep our economy strong. As California's economy becomes both increasingly reliant on a better educated workforce and further connected to a global marketplace for its services and products, immigrant students that are bi-cultural and highly talented stand to be major contributors to future growth.

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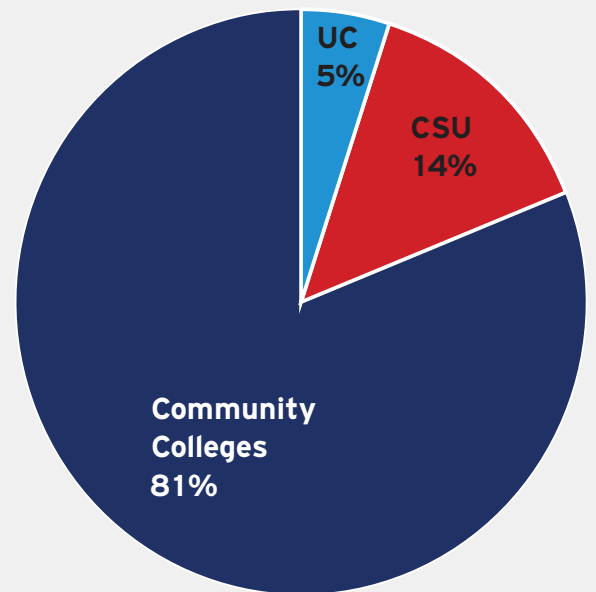
<sup>1</sup> Campaign for College Opportunity, Report Card, 2018.

**Nearly 27 percent** of the United States' (three million) undocumented immigrants reside in California.<sup>2</sup> Among this diverse population of undocumented immigrants, few adults have a college degree. Compared to undocumented adults across the nation, undocumented Californians have lower educational attainment (Figure 1). Nationally, one out of four undocumented adults have at least attended college. **In California, this number is only one out of five.**<sup>3</sup> The opportunity to target supports to undocumented immigrants to bring their educational attainment to par with similar communities across the country provides California with an obvious place to begin addressing its skilled workforce gap.

**Figure 1. California has lower educational attainment rates for undocumented immigrants than the nation**



**Figure 2. Four out of five undocumented students are enrolled in the community colleges**



Source: UC Info Center, CSU Analytic Studies, CCCCCO

An estimated 250,000 or more undocumented students aged three to 17 are enrolled in K-12 schools in California.<sup>4</sup> Furthermore, the California Community Colleges, California State University (CSU) system, and University of California (UC) system estimate that between 64,000 and 86,000 undocumented students are enrolled in their universities.<sup>5</sup> **Four out of five** undocumented students attend a community college (Figure 2). This is an important distinction since there is an absence of systematic programs in place at the community colleges to financially support undocumented students, while at the CSU and UC campuses there are Dream Loans and institutional aid programs available.

<sup>2</sup>Center for Migration Studies. 2015. Migration Policy Institute. 2014

<sup>3</sup><https://www.migrationpolicy.org/data/unauthorized-immigrant-population/state/US>

MPI's suggested source: Source: Migration Policy Institute (MPI) analysis of U.S. Census Bureau data from the 2014 American Community Survey (ACS), 2010-2014 ACS pooled, and the 2008 Survey of Income and Program Participation (SIPP) by James Bachmeier of Temple University and Jennifer Van Hook of The Pennsylvania State University, Population Research Institute.

<sup>4</sup>Migration Policy Institute, 2014.

<sup>5</sup>UC estimates around 4,000 (UCOP), CSU estimates between 10,00 and 12,000 (CSU Analytics) and the community colleges estimate between 50,000 and 70,000 (CCCCCO).

Since K-12 students are guaranteed a quality public education regardless of citizenship status under the law,<sup>6</sup> California invests significant resources into educating undocumented students in public K-12 schools. However, this investment is not carried through to higher education. **Undocumented students are not given sufficient access to financial resources to allow them to attend and succeed in college**, which undermines the investments made to supporting the entire educational pipeline. California can maximize the return on our investment in undocumented students by not only seeing students through high school, but also better supporting them as they pursue the postsecondary credentials in short supply to meet workforce demands.

**Financial aid opportunities for undocumented students are complex and often difficult to understand.** Most financial aid for college comes from the federal government, in the form of grants (Pell Grant) and federal student loans. However, undocumented students do not qualify for federal financial aid, thus making the ability to pay for college a significant obstacle.

California was one of the first states to address financial aid options for undocumented students through legislation that allows certain undocumented students to pay in-state tuition,<sup>7</sup> receive state financial aid,<sup>8</sup> establishes the Dream Loan program at the four-year universities, and provides income-based repayment options for those loans.<sup>9</sup>



*"As a first-generation, undocumented college student, I had to figure things out on my own. I was afraid to speak about my status in high school so when applying for college I was on my own. My status made it more difficult to navigate through higher education. Towards the end of my senior year, I did not know where I was going but I knew that I was not going to let my status stop me from achieving my goals. That is when I decided to attend Cal State Sacramento.*

*Being far from my parents has come with many emotional and financial hardship. As a full-time student, working two jobs deprives me of committing enough time towards my education and professional goals. However, my decision to attend CSU Sacramento was the best decision I could have made." – Miriam Arellano, Sacramento State student*

The California Dream Act Application (CADAA) provides students with access to state-sponsored aid in the form of the Cal Grant. Since the CADAA<sup>i</sup> was first implemented in 2013-2014, more than 200,000 applications have been received and in 2017-2018, more than 50,000 applications were submitted to the California Student Aid Commission.<sup>10</sup> From more than 50,000 applications, just over 9,000 students were offered Cal Grants.

<sup>i</sup> California Dream Act refers to the set of laws AB 130 and AB 131 (Cedillo) together

<sup>6</sup> Plyler v. Doe, 457 U.S. 202 (1982)

<sup>7</sup> Assembly Bill 540 (Firebaugh) – allows access to in-state tuition for undocumented students at California's public colleges and universities; AB 2000 (Gomez) – expands the high school attendance requirement to include attendance at a California elementary, middle, or high school; SB 68 (Lara) – expands the high school attendance requirement to include attendance at a California community college, adult school, Department of Rehabilitation and Correction school and expands the high school diploma requirement to include students who earned an Associate's degree or met the minimum requirement to transfer to a CSU or UC

<sup>8</sup> AB 130 and AB 131 (Cedillo) –this law allows undocumented students who meet AB 540 criteria to apply for and receive state financial aid and private scholarships

<sup>9</sup> Senate Bill 1210 (Lara) - established a Dream Loan Program at the public four-year universities and Assembly Bill 1895 (Calderon) - offers income-based repayment options on Dream loans.

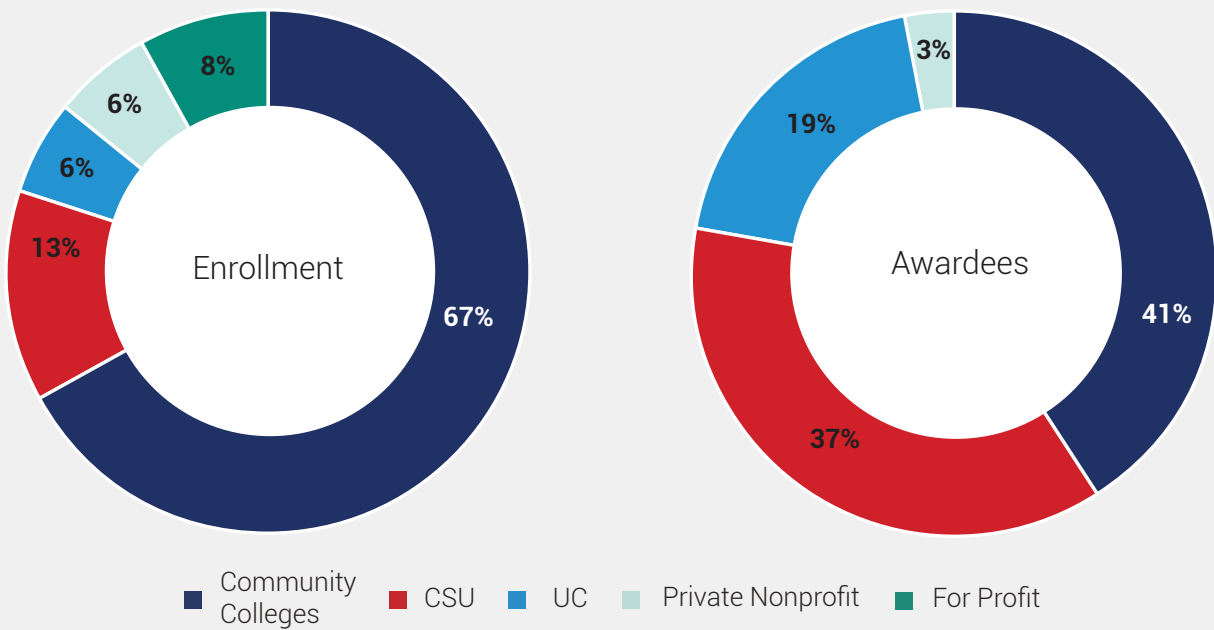
<sup>10</sup> California Student Aid Commission. Retrieved from <http://www.csac.ca.gov/sites/default/files/comm/comm/2018030809/item9.pdf>

Of the 9,275 students who were offered Cal Grants in 2017-2018, roughly three-fifths of them were paid. More than two-fifths of all those who were awarded a Cal Grant through the CADAA were enrolled in California's community colleges (2,323; Figure 3), over one-third in the CSU (2,088), and 19 percent in UC (1,083).

Even though community college students receive the most Cal Grants, they make up nearly two-thirds of all students enrolled in colleges or universities in the state. This means that a lower percentage of Cal Grants are going to community college students, compared to their overall percentage in the state (Figure 3).

If community college students were awarded Cal Grants at the same rate as their overall enrollment proportion, and **additional 3,891 community college students would have received state funding for their community college education.**

**Figure 3. Not enough community college students receive state aid, compared to their percentage of students**



Source: California Student Aid Commission; IPEDS

Because affordability is an important issue for all students, but especially undocumented students who have less access to paid, legal employment to help pay for their college education, it is not enough to simply list the ways California has attempted to support undocumented students. It is also necessary to take into consideration not only the various costs of attending postsecondary education, but the means a student has to pay for these costs.

**The financial aid gap is the cost borne by students after earnings from a reasonable amount of student work,**<sup>11</sup> contributions from parents that reflect family disposable income, and grant aid from state and federal governments and institutions are deducted from the cost of attendance.<sup>12</sup> Ideally, there would be no financial aid gap and students would have enough aid to attend college.

<sup>11</sup> While undocumented students without any form of immigration status are not able to legally work in California, many undocumented students report that they work under the table or find odd jobs to earn additional funds. Our methodology in calculating the financial aid gap relied on an estimate in which the student contribution is still based on their earning the minimum wage, though if anything this may still understate the affordability gap they face.

<sup>12</sup> Campaign for College Opportunity, Report Card, 2018.

For undocumented students, the financial aid gap becomes much larger given that they are ineligible for federal financial aid, including grants, work-study, and loans. Furthermore, even though undocumented students are **eligible** for competitive Cal Grants these grants are only disbursed to undocumented students **after** all other eligible applicants for competitive grants are paid. Any applicant that graduated from high school more than one year ago or is over age 28 when transferring from a community college is placed into the competitive Cal Grant pool, rather than being awarded an entitlement Cal Grant award; the majority of Cal Grant applicants do not qualify for entitlement awards<sup>13</sup>.



Given that in 2017-18 there were only 25,750 awards for over 400,000 eligible competitive Cal Grant applicants, undocumented students do not receive this type of aid as there is no money left for them at the end of the line. In 2017-18, more than 10,000 students applying for financial aid through the CADAA were placed into the competitive Cal Grant pool and **none were given an award**.

Low-income students attending a CSU campus may encounter a financial aid gap of \$5,700. This is the unmet need a student will have to pay out of pocket to attend a CSU. However, for an undocumented student, this unmet need is over three times that amount, at nearly \$19,000. This financial aid gap represents what a student would have to pay, without receiving the Pell Grant nor the Competitive Cal Grant (Table 1).

**Table 1. Low income undocumented students have much larger financial aid gaps than other low income students**

Low Income Families (in U.S. Dollars)				
	Financial Aid Gap for California Students	Pell Grant Max	Competitive Cal Grant Max	Financial Aid Gap for Undocumented Students
Community Colleges	6,946	5,775	1,648	14,369
CSU	5,733	5,775	7,120	18,628
UC	5,004	5,775	13,888	24,667

Source: California Student Aid Commission; Campaign for College Opportunity; U.S. Department of Education

<sup>13</sup> The Institute for College Access and Success, How and why to improve the Cal Grant, 2016.

Undocumented students from median income families (earning between \$48,000 - \$75,000 annually) also face a more dire financial aid barrier as well. While students attending a UC encounter a \$2,000 financial aid gap, undocumented students have unmet need that is nearly ten times as high, at over \$20,000 (Table 2).

**Table 2. Median income undocumented students also face much higher costs**

Median Income Families (in U.S. Dollars)				
	Financial Aid Gap for California Students	Pell Grant Max	Competitive Cal Grant Max	Financial Aid Gap for Undocumented Students
Community Colleges	2,893	5,775	0	8,668
CSU	3,824	5,775	5,472	15,071
UC	2,017	5,775	12,240	20,032

Source: California Student Aid Commission; Campaign for College Opportunity; U.S. Department of Education

Though there are other forms of financial aid available to undocumented students at the UC and CSU through institutional aid programs (e.g. Blue and Gold Opportunity Plan at UC, State University Grant at CSU) or Dream Loans mentioned earlier, there are fewer resources at the community colleges. While campus financial aid offices may sometimes be able to offer emergency aid when it is available, there are no system-wide means of assistance available for undocumented students enrolled at the community colleges.



# POLICY RECOMMENDATIONS

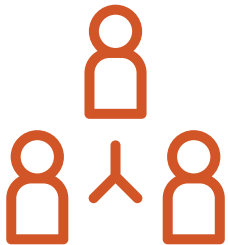
In order to better help undocumented students overcome the financial barriers on the pathway to a college degree, California policymakers and education leaders should do the following:



**Ensure undocumented students are eligible for all forms of aid** through the same process as their peers. Remove the outdated restriction that places undocumented students at the bottom of the competitive Cal Grant pool, as well as increase the total number of competitive Cal Grant awards available annually.



**Establish a service-incentive grant program**, similar to that proposed under AB 1037 (Limon), which would provide funds to undocumented students that complete a specified number of community service hours. This would allow undocumented students to both develop their professional skillsets and experience while also earning funds to offset the total costs of college.



**Identify staff on every campus that are responsible for being knowledgeable about the resources available for undocumented students** and assisting them in accessing those supports. Dedicated funding and staffing for this outreach will help more eligible students utilize opportunities currently available, as well as those that might be forthcoming.

At a time of unprecedented, daily challenges to undocumented students from the national political climate, it is critical that state policymakers continue to build upon the supports California has developed. Undocumented students are part of California's identity and deserve the same chance to pursue their college dreams that their peers enjoy. When California faces such a stark gap in the educated workforce needed to maintain its economic dynamism, the reality is that the state must develop and foster the talent of all its students. **Supporting undocumented students reinforces both California's economy and its values.**