AICCU
ASSOCIATION OF INDEPENDENT CALIFORNIA COLLEGES AND UNIVERSITIES
Kristen F. Soares, President

January 16, 2026

The Honorable John Laird
Chair, Senate Budget Committee
1021 O Street, Room 8720
Sacramento, CA 95814

The Honorable Jesse Gabriel
Chair, Assembly Budget Committee
1021 O Street, Room 8230
Sacramento, CA 95814

The Honorable Roger Niello
Vice Chair, Senate Budget Committee
1021 O Street, Room 7110
Sacramento, CA 95814

The Honorable Heath Flora
Vice Chair, Assembly Budget Committee
1021 O Street, Room 4730
Sacramento, CA 95814

The Honorable Lena Gonzalez
Chair, Senate Budget Subcommittee #1
1021 O Street, Room 7510
Sacramento, CA 95814

The Honorable David A. Alvarez
Chair, Assembly Budget Subcommittee #3
1021 O Street, Room 5320
Sacramento, CA 95814

Subject: State Budget Must Continue to Support College Access for Students

Members of the Legislature:

On behalf of the Association of Independent California Colleges and Universities (AICCU) and the more than 80 nonprofit colleges and universities we represent, we write to underscore promising elements of the Newsom Administration's proposed 2026-27 State Budget and to encourage critically important and targeted investments that advance college access, affordability, and transfer success.

Through careful deliberation by the Legislature and the Newsom Administration, California has continued to advance important priorities despite significant uncertainty related to federal policy and funding. The practical approach taken to date has helped weather significant uncertainty about the state's revenue forecast. As announced last week, the state budget shortfall is projected to be $2.9 billion – substantial, but notably smaller than earlier estimates.

Just as the state has been grappling with the changes in federal policy and funding, our colleges and universities have experienced significant disruptions in their relationship with the federal government and its support for important research and student supports. Institutions across our membership have seen federal grants rescinded or cancelled across numerous funding sources, including cuts to the Minority Sering Institution (MSI) programs that support student retention and success, as well as the elimination of grants from the National Institutes of Health, National Science Foundation, Department of Defense, National Endowment for the Humanities, and others. These cuts have real and immediate consequences for students, institutions, and California's research and workforce pipelines.

Against this backdrop, we respectfully urge the Legislature to prioritize direct investments in low-income students attending independent nonprofit colleges through the Cal Grant program, specifically by funding policies outlined in Assembly Bill 402 (Patel):

- **Investing directly in Cal Grant students by increasing the maximum Cal Grant award to $9,708:** The current award amount is capped at $9,358 – still $350 below the maximum award amount more than 20 years ago. Increasing the maximum award would provide meaningful relief for the more than 24,000 Cal Grant recipients attending AICCU institutions, most of whom are Latino, while requiring a relatively modest investment of approximately $8.8 million.

- **Remove artificial barriers to transfer for nontraditional students:** The state's California Community College Expanded Transfer Entitlement Award was designed to guarantee Cal Grant eligibility for nontraditional students who meet financial eligibility requirements. While remaining grant eligibility follows students who transfer to UC and CSU, it does not extend to students who transfer to an independent college or university. This discrepancy creates an inequitable and counterproductive barrier for student access and success.

  According to the California Student Aid Commission, we believe that between the 2023-24 and 2024-25 academic years, there were 998 students who had their entitlement award rescinded upon their successful transfer to an ICCU. This policy undermines shared statewide goals around transfer, affordability, and degree completion.

  We urge the Legislature to fund a two-year pilot expansion of this transfer portability to our institutions with a *one-time* investment of $18.2 million, ensuring these students can access their remaining Cal Grant eligibility in the 2027-28 and 2028-29 academic years.

In addition to our Cal Grant priorities, we commend the governor for several elements of his January proposal, including:

- **Continued funding for the Golden State Teacher Grant Program:** We strongly support the plan to reappropriate $14.4 million to continue supporting this program, which has proven to be a successful way to recruit students into the teaching profession. With more than 40 colleges, schools, and programs of education, AICCU institutions play a critical role in preparing California's future educators. In 2023-24 alone, our programs awarded over 5,800 credentials,

  Since its inception in the 2019-20 State Budget, the program has recruited and supported more than 27,000 credential candidates statewide, according to a recent analysis conducted by the California Student Aid Commission. Over half of these candidates identify as Hispanic or Latino, demonstrating the program's effectiveness in diversifying the teacher workforce by removing financial barriers into the profession.

  Given these outcomes, we urge the Legislature and governor to provide permanent ongoing funding for this proven teacher recruitment model.

- **$250 million one-time Proposition 98 funds to continue educator residency programs through 2030:** We support the proposed investment of funds to continue supporting teacher residency models, which provide financial support to teacher residents as they gain valuable mentorship in the classroom. At least 17 AICCU member institutions offer residency programs, and we look forward to the continued state support for this model in the enacted budget.

- **Funding for implementation of the Master Plan for Career Education:** Following last year's release of the state's first Master Plan for Career Education, we support the administration's plans to use $100 million in one-time Proposition 98 funds to increase access to dual enrollment and $37

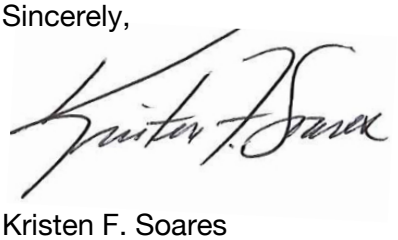
million to support and expand the Credit for Prior Learning Initiative.

These investments, combined with last year's $1.5 million investment to establish the California Education Interagency Council, help build out more pathways for students to and through college. It also increases alignment and connectivity between the segments of higher education, particularly at the regional level where strong partnerships already exist among the two-year and four-year public and private, nonprofit colleges and universities.

Finally, we urge the governor and Legislature to consider a state-level solution to the elimination of the federal Graduate PLUS loan program, which will end for new borrowers on July 1, 2026, pursuant to H.R. 1. While some graduate students may be able to access private loans, those without strong credit histories may face unfavorable terms or be forced to abandon graduate education altogether. To protect access to high-demand professions in areas such as mental health, nursing, and other health professions, we urge the state to follow Connecticut's example by providing one-time funds to the State Treasurer's Office to establish a state-level graduate student loan program.

Together, these proposals advance statewide priorities on college access, affordability, workforce preparation, and degree completion. We look forward to continued collaboration with the Legislature, the Administration, and stakeholders across the state to ensure California remains a national leader in supporting student success.

Sincerely,



Kristen F. Soares
President

Cc: Senate President pro Tempore Monique Limon
Assembly Speaker Robert Rivas
Members, Senate Budget Committee
Members, Assembly Budget Committee
Christian Griffith, Chief Consultant, Assembly Budget Committee
Monica Henestroza, Legislative Director, Assembly Speaker Robert Rivas
Diego Lopez, Consultant, Senate Budget Committee
Andrew Medina, Principal Consultant, Senate President pro Tempore Monique Limon
Nichole Murillo, Office of Governor Gavin Newsom