



Renewing the Dream

Improving Financial Aid & College
Affordability for California's
Undocumented Students

March 1, 2023

Dear Colleagues,

The call to expand and secure college access and affordability for undocumented scholars in California is at a critical juncture. As the state with the largest undocumented student population in the nation, California has led the country in immigrant-inclusive education policy through groundbreaking policies and programs like the nonresident tuition exemption (AB 540) and financial aid programs like the California Dream Act and Dream Act Service Incentive Grant. These reforms have opened the doors to higher education and created opportunity for many undocumented students.

Despite these important strides, California's undocumented student population still faces steep challenges and the release of this report could not be more timely. Twenty years after the enactment of AB 540 and now a decade since the California Dream Act went into effect, there are many lessons to be learned and much for us to do in response to the evolving and unique needs of this resilient student population. The combination of alarming data and recent events requires us to act now — our students cannot wait.

The COVID-19 pandemic undeniably impacted how students consider college enrollment and the personal circumstances in which they make such a decision. At the federal level, undocumented students continue to be barred from receiving federal financial aid or work-study, and the limited and narrowing pool of students who qualify for the Deferred Action for Childhood Arrivals (DACA) program face great uncertainty due to significant legal challenges.

Yet, California's undocumented immigrant population is an integral part of our social fabric, embodying so much of California's rich diversity and culture. The economic and social contributions of undocumented students and their families cannot be overlooked and investing in students is a down payment on California's future success.

Guided by our mission to make postsecondary education affordable for all Californians, the Commission convened the Undocumented Student Affordability Work Group to identify targeted and effective policy interventions to ensure undocumented students have the resources necessary to afford and succeed in college. A diverse group of experts representing campus practitioners, higher education leaders, immigrant rights advocates, and students tackled the most pressing college affordability issues. The findings

of this report shed light on the interconnected web of roadblocks that undocumented students face when trying to access financial aid and higher education. The solutions derived from this work group call on us to leverage a more collaborative, forward-thinking approach to financial aid and strengthen support systems that empower undocumented students and foster their success.

I want to extend my gratitude to the work group members and contributors, Commissioners, and Commission staff for their participation, insight, and steadfast commitment to this important endeavor. I want to also thank the College Futures Foundation, for their generous support throughout this process and The Raben Group, for their partnership in facilitating this leading edge work.

It is my hope that this report serves as a catalyst for the creation of a more proactive, inclusive, streamlined, and collaborative financial aid and higher education system for undocumented scholars. Undocumented scholars in California have already experienced tremendous educational success against all odds, and are fulfilling critical workforce needs. We must continue to build on this record, for both their economic futures and that of our state.

Sincerely,



Marlene L. Garcia
Executive Director
California Student Aid Commission

Acknowledgments



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Nothing contained in this report represents the endorsement of any individual or organization that participated in the work group.

Executive Summary

California has long been at the national forefront of advancing policies that help ensure the dream of a college education remains accessible and affordable to all students, regardless of their immigration status. This is particularly true when it comes to California's undocumented student population enrolled in postsecondary education, which at close to 100,000 students, is the largest in the country.¹

The state's commitment to undocumented students began in 2001, when California's legislature and Governor approved landmark legislation, AB 540.² This historic legislation made many of California's undocumented students eligible for in-state college tuition, opening the door to higher education for generations of students. That commitment was reinforced and expanded in 2011, when California enacted legislation to offer state financial aid to eligible undocumented students through the California Dream Act.³ Since then, subsequent state legislation has expanded access to in-state tuition and other forms of state financial aid.

These groundbreaking policies, powered by students, immigrant rights organizations and higher education advocates, and administered by campus counselors and advisors, signaled that California values the talent and promise of undocumented students and recognized these students as vital to California's ability to thrive economically and its future workforce.



Against all odds, countless undocumented scholars have successfully navigated California's higher education system and financial aid process and have experienced tremendous success. As some of California's most entrepreneurial and talented individuals, these students have gone on to become doctors, teachers, lawyers, researchers, scientists, and more. They have overcome numerous obstacles in their pursuit of a higher education and reflect the strong immigrant work ethic and talent on which this country has been built.

Yet, despite this significant progress, 20 years after AB 540 was signed into law many undocumented students still face significant barriers when it comes to accessing financial aid, and college remains unaffordable for California's most vulnerable students.

More than half of California's undocumented students in postsecondary education (53 percent) do not fill out a California Dream Act Application (CADAA), the counterpart to the Free Application for Federal Student Aid (FAFSA) which is used to determine financial aid eligibility and administer state aid for undocumented students.⁴

According to 2021–22 CSAC data, among undocumented students in postsecondary education who do fill out a CADAA, only 30 percent ultimately enroll and receive state financial aid. And overall, only 14 percent of California's estimated undocumented student population in postsecondary education receives financial aid to support their higher education goals.⁵

This is alarming because undocumented students pursuing a college education have lower incomes and would otherwise be eligible for financial aid. In fact, 55 percent of CADAA filers have a \$0 expected family contribution (EFC), compared to 40 percent of California's FAFSA filers.⁶ Excluded from receiving any type of federal financial aid, undocumented students are expected to navigate higher education with a significant financial burden.

For all of these reasons, the California Student Aid Commission (CSAC) sought to clearly identify the unique challenges confronting undocumented students in California and put forth concrete recommendations for how California's higher education leaders and policymakers can help undocumented students to successfully navigate the financial aid process and pursue a debt-free college education.

CSAC convened a work group comprised of individuals from all segments of California's higher education system and diverse higher education stakeholders to invite their input regarding the obstacles that undocumented students face in accessing financial aid, and ideas for addressing those needs. Additionally, CSAC hosted a focus group with undocumented college students and interviewed legal and immigration experts.

This report is the culmination of the work group's comprehensive examination of the challenges facing undocumented students as they navigate state financial aid, and offers higher education leaders, policymakers and campus practitioners targeted recommendations to support undocumented students in successfully accessing financial aid and pursuing debt-free college in California.

Financial Aid and College Affordability Challenges

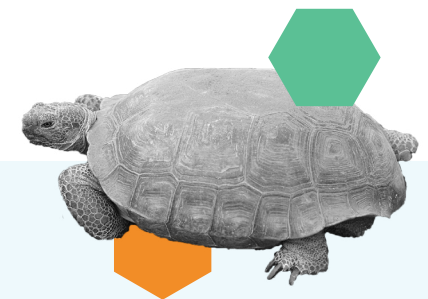
Information and Outreach

The challenges undocumented students confront in accessing financial aid arise early on when students are in high school. Students often have limited access to or receive inaccurate information about their financial aid options.

- ❌ FINANCIAL AID INFORMATION SESSIONS OFTEN ONLY COVER FAFSA with little focus on CADAA, and high school counselors lack the support and resources needed to adequately advise and guide undocumented students on financial aid.
- ❌ PROVIDING PERSONAL INFORMATION REQUIRED IN THE APPLICATION PROCESS can create anxiety for undocumented students and their families, given their immigration status, and sometimes deters undocumented students from applying for college or financial aid altogether.

Navigating the Application Process

- ❌ UNDOCUMENTED STUDENTS HAVE TO FILL OUT MULTIPLE APPLICATIONS (i.e., CADAA, AB 540 affidavit, Promise Grant) that are processed by different entities, which creates extra hurdles and confusion for students, and discourages some from seeking additional aid.
- ❌ THE CADAA INCLUDES MANY QUESTIONS that are duplicative, confusing, or not applicable to undocumented students, making the application process cumbersome.
- ❌ THE PROCESS FOR VERIFYING THAT STUDENTS ARE ELIGIBLE FOR AB 540 STATUS VARIES across higher education segments and even between campuses, making it difficult for students to know what is required of them to become exempt from paying nonresident tuition. This is especially challenging for undocumented transfer students who have to go through this process at each campus they attend.



Campus Resources and Support

- ⊘ **FINANCIAL AID OFFICERS AND ADMISSIONS OFFICERS ARE NOT ALWAYS TRAINED** and resourced to address the unique needs of undocumented students or up to date on evolving financial aid changes pertaining to these students, leaving a void for students seeking advice on the status of their financial aid application and awards.
- ⊘ **THERE IS A LACK OF COORDINATION** amongst various departments on campus in addressing the needs of undocumented students, causing students to feel like they are being shuffled around without clear direction on where they can obtain assistance.



Receiving Financial Aid

- ⊘ **STUDENTS RECEIVE MINIMAL INFORMATION** about the various aid options for which they are eligible, causing them to miss potential financial aid opportunities. For example, many community college students receive a tuition waiver but no information about Cal Grant, a significant financial aid resource.
- ⊘ **STUDENTS MIGHT HAVE THEIR AID DELAYED OR ENTIRELY DENIED** due to application issues of which they were not even aware.
- ⊘ **SOME STUDENTS ARE OFFERED LOANS** to offset the lack of federal aid. Heavy loan debt is incompatible with the state's goal of having debt-free college, especially considering that loans offered to undocumented students through the DREAM Loan Program are currently not eligible for the same loan forgiveness opportunities as their peers.



College Affordability

Underlying these challenges, undocumented students are barred from federal financial aid and many lack work authorization. These limited options are often a deterrent from attending college altogether.

- ⊘ **THE LACK OF FEDERAL FINANCIAL AID, ESPECIALLY IN THE FORM OF PELL GRANTS,** which will reach a maximum award of \$7,395 in the 2023–24 academic year, makes college unaffordable for many undocumented students, the majority of whom are of low-income backgrounds and who would otherwise be eligible for such forms of aid.
- ⊘ **MANY UNDOCUMENTED STUDENTS DO NOT QUALIFY FOR CRITICAL SAFETY NET PROGRAMS,** like CalFresh or the California Food Assistance Program (CFAP), which can provide over \$200 a month for a single person, at a time when food and housing insecurity amongst college students is rising.
- ⊘ **UNDOCUMENTED STUDENTS WITHOUT WORK AUTHORIZATION HAVE LIMITED ACCESS** to career-relevant and sustainable work opportunities during college and after graduation.



STUDENT STORY



Being an undocumented individual has impacted every aspect of my life, and as a young student, navigating the system was difficult. Growing up, college was a dream that I did not see as a viable opportunity due to the financial cost and my status. As I began high school, I was fortunate to have a great counselor who changed the trajectory of my life by providing immense support and resources. The concern that plagued me the most was the cost of attending a university. Financial aid meant everything to my family and me. I would not be able to attend university, much less UC Berkeley, if it weren't for the aid I received through the CA Dream Act, institutional scholarships, and outside scholarships. Thanks to financial aid, I accomplished going to my number one choice school and being debt free. This past year I graduated and began the Capitol Fellows Program as an Executive Fellow. I aim to work in public policy and bring positive change to marginalized communities. Although the same fears continue to manifest, I have a strong community and support system guiding me through these barriers; without them, I would not be here today."

— **UC BERKELEY GRADUATE, 2022**

Addressing Financial Aid and College Affordability Challenges

Addressing the financial aid and college affordability challenges that undocumented students in California face is imperative to achieving California's promise of offering a debt-free college education to *all* students, and California's commitment to closing ethnic and racial disparity gaps in college attainment. There are multiple stakeholders who can help undocumented students better access financial aid in California and help address the financial burden placed on these students due to their immigration status.



Administrative Changes and Recommendations

As the administrator of CADAA, CSAC can make direct administrative changes to the application itself to simplify the process and improve the experience of undocumented students, such as:

- **SIMPLIFY AND STREAMLINE THE CADAA** by assessing the questions on the form, incorporating visual aids for tax questions, making the parental/guardian signature a one-step process, and revising language to be less confusing, and potentially shorter.
- **ESTABLISH AN OPT-IN PROCESS FOR CADAA FILERS** so they can consent to receiving text messages from CSAC about their financial aid status and opportunities.
- **UPDATE THE CADAA WEBSITE** so that it is easier to navigate, alerts users about incorrect information in order to help students troubleshoot, and provides a centralized portal with a library of virtual training modules and resources for administrators and students.
- **ENHANCE STUDENTS' ABILITY TO RECEIVE DIRECT AND PROMPT ANSWERS** to their questions about the CADAA or eligibility for other state-based aid by exploring opportunities to improve CSAC's student call center operations.
- **REDUCE THE PERCENTAGE OF MANDATED CADAA** applications randomly selected for verification to better align with recent federal verification process changes.
- **PROVIDE THE COMMISSION WITH ADDITIONAL RESOURCES** to create and staff a centralized CADAA verification submission process, which uses the online CSAC portal, to ensure that applicants know exactly what will be asked of them to complete the process.



Campus Changes and Recommendations

California's universities and colleges can make changes, both in terms of how campus departments coordinate and partner to support undocumented students and how they streamline application and disbursement processes for students. Specifically, they can:

- ❑ **IMPROVE AND STREAMLINE COORDINATION** between various campus departments to ensure staff are knowledgeable about the financial aid options available to undocumented students. This can help students successfully navigate the financial aid process, and enable campus staff to share best practices on how to serve undocumented students.
- ❑ **EXPLORE CASE MANAGEMENT MODELS** where an individual or team of individuals help undocumented students navigate the financial aid process until they receive their awards, and help connect students to additional resources they might need.
- ❑ **WORK WITH STUDENTS TO PURSUE SCHOLARSHIP OPPORTUNITIES** or other funding sources — such as institutional aid — that can help backfill some of the aid undocumented students do not receive, either because they are not eligible for federal aid or because they have exhausted all aid options available to them before turning to loans, or worse, credit cards.





State Policy and Legislative Recommendations

State policymakers can champion innovative legislation to expand and strengthen financial aid opportunities available to undocumented students moving forward. Specifically, they could:

- **AUTHORIZE CSAC TO EMBED THE AB 540 AFFIDAVIT** into the CADAA, so that students only need to submit a single form through a single entity. CADAA submission data can be used by campuses to establish AB 540 status and Promise Grant eligibility.
- **ENSURE THAT UNDOCUMENTED STUDENTS ARE ELIGIBLE** for state safety net programs, such as housing and food assistance. When establishing these programs, legislators must ensure they accommodate student needs and do not replicate barriers that exist at the federal level.
- **CREATE A STATE-FUNDED GRANT** that can offset the financial burden undocumented students absorb because they are not eligible for the federal Pell Grant.
- **UPDATE THE DREAM LOAN PROGRAM**, so that students who receive this type of aid can become eligible for the same loan forgiveness or debt forgiveness programs as their peers, and to ensure that interest rates for DREAM loans remain low.
- **EXPLORE AVENUES FOR EXPANDING OPPORTUNITIES** for undocumented students who graduate with a college degree to obtain state work authorization, such as the recent proposal by the *Opportunity for All* campaign, making the case for state entities to hire undocumented students.
- **CONSIDER LEGISLATION OR BUDGET ACTIONS** to ensure California's undocumented students are able to reliably attain their AB 540 status, including reducing the number of years of school attendance required for such status.
- **PARTNER WITH CALIFORNIA'S COLLEGES AND UNIVERSITIES** to create opportunities for undocumented students to participate in fellowship programs and other paid opportunities during college, as a way to expand aid sources while investing in students' professional development.



STUDENT STORY



Federal Policy Recommendations

California's higher education leaders and elected officials can use their platforms and voice to make the case at the federal level for policies that can open federal financial aid to undocumented students and provide them with a path to adjustment of status, including policies that could:

- ❑ **EXPAND PELL GRANT ELIGIBILITY** for undocumented students.
- ❑ **INCLUDE UNDOCUMENTED STUDENTS IN FEDERAL EFFORTS** to extend work authorization and legal protections via H1-B visas to international students.
- ❑ **PASS COMPREHENSIVE IMMIGRATION REFORM**, including adoption of a federal Dream Act for qualifying students to be able to more fully and securely contribute to our nation's economy.



I was born in Oaxaca, Mexico and, for most of my life, I identified as a DREAMer. Twenty two years ago, my parents decided to migrate to the United States so their children could live better lives. After immigrating to the US at the age of 6, my parents enrolled me into public school in Selma, California.

After graduating in 2013, I went on to pursue higher education at Fresno Pacific University as a first-generation student. One of the most valuable benefits I had during my educational journey was the opportunity to apply to the CA Dream Act, which gave me access to a Cal Grant and helped cover most of my remaining undergrad tuition. The Dream Act also made me eligible for other local scholarships, which required completing the CA Dream Act / FAFSA.

With the financial support I received through the CA Dream Act, I was able to focus on my studies without an immense burden of how I would offset the costs of my tuition. Although I still spent many summers working in packing houses and picking up overnight shifts as a server to pay for other costs such as books, gas, and meals; not having to worry about generating thousands of dollars to pay for tuition was a relief.

In May 2020, I completed my master's in education at California State University, Fresno. Since then, I have had the privilege of working with the University of California, San Francisco — Fresno under the Latino Center for Medical Education and Research department. I serve as the assigned Academic Program Coordinator for Caruthers Unified School District. My goal is to continue being a strong advocate for my community and invest in future generations so that they too can excel in their education."

— **FRESNO PACIFIC UNIVERSITY GRADUATE
2023 & CSU FRESNO GRADUATE**

Executive Summary Endnotes

1. Immigrants in California, 2019, <https://www.ppic.org/publication/immigrants-in-california>
2. While AB 540 has enabled thousands of undocumented students to pursue higher education, it is important to also note that this pathway to exemptions from nonresident tuition rates is also available to U.S. citizens; “AB 540 student” is often used synonymously with “undocumented students,” but in fact includes other students that meet criteria and are seeking more affordable tuition rates.
3. Assembly Bill 131, http://www.leginfo.ca.gov/pub/11-12/bill/asm/ab_0101-0150/ab_131_cfa_20110621_121323_sen_comm.html
4. 2021–22 California Student Aid Commission Data
5. 2021–22 California Student Aid Commission Data
6. 2021–22 California Student Aid Commission Data



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