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March 31, 2014

The Honorable Carol Liu  
Chair, Senate Education Committee  
State Capitol, Room 2083  
Sacramento, CA 95814

**Re: SB 1210 (Lara), as Amended on March 24, 2014**  
***Scheduled to be heard by the Senate Education Committee on April 9, 2014***  
***Position: SUPPORT***

Dear Senator Liu:

The University of California (UC) is pleased to sponsor and support SB 1210 (Lara). This bill establishes a campus-based California DREAM Loan Program to serve UC and CSU students who qualify for a nonresident tuition exemption under AB 540 but who lack access to federal student loans.

The University has been a strong supporter of legislative efforts that ensured undocumented students have the same opportunities for academic success as other students. Specifically, UC supported AB 540 because we believe that students who attended and graduated from high school in California but are not legal residents should have access to higher education, and nonresident fee levels served as a barrier to their participation. SB 1210 addresses one of the remaining hurdles for these students: a significant gap in their financial aid package created by their inability to qualify for federal loans.

Undocumented students who are exempt from paying Nonresident Supplemental Tuition (NRST) under AB 540 and who are eligible for State and institutional financial aid under AB 130 and AB 131 still lack access to federal student loans. As a result, they have a “gap” in their financial aid packages of roughly \$3,000 to \$6,000 that other students with similar financial circumstances do not have.

Undocumented students are more likely to come from low-income families and to be the first in their families to attend college. Unless students fill this gap by working additional hours for pay (in addition to the student contribution already required by institutions), taking extraordinary steps to reduce their expenses, or finding outside resources, they risk having to withdraw from college.

By making AB 540 students eligible for a State educational loan, SB 1210 would help place these students on a more equal footing with other needy students and would enhance their access to the University. To reiterate, this is about leveling the financial aid playing field, not about providing benefits to one group that is not already available to others.

SB 1210 requires more than a State investment in these students. In addition to requiring that each institution is responsible for originating, servicing and collecting on the loans, SB 1210 requires each institution to contribute to its own loan pool on a 1:3 matching basis (i.e., \$1 of institutional funds for every \$3 of State funds). This guarantees institutions will have an incentive to administer the program responsibly and to minimize defaults.

Through their hard work and perseverance, these students have earned the opportunity to attend UC. Their accomplishments should not be disregarded or their future jeopardized because of their legal status.

On behalf of the University, we would like to thank you for your consideration of our views and Senator Lara for his leadership in addressing this important issue. Should you have any questions about the University's position as the sponsor of this bill, please do not hesitate to contact me at (916) 455-9924.

Sincerely,



Nadia Leal-Carrillo  
Legislative Director

cc: Senator Ricardo Lara  
Members, Senate Education Committee  
President Janet Napolitano  
Provost and Executive Vice President Aimée Dorr  
Executive Vice President Nathan Brostrom  
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