

# Young Invincibles California Policy Agenda 2017

Young Californians face a unique set of economic challenges. As we move away from the Great Recession, its impact continues to hit Millennials in the state hard. Young Californians are unemployed at a higher rate than the national average,<sup>1</sup> skyrocketing tuition has left the typical college graduate with \$20,340 in debt,<sup>2</sup> and young adults are uninsured at disproportionate rates compared to older adults.<sup>3</sup> If unaddressed, these fundamental economic barriers could curtail both the long-term financial security of young Californians, and the economic growth and stability of the state of California as a whole.

This past session, the State Legislature took several critical steps to help address a number of the economic challenges facing Millennials. The Governor signed AB 1747, which will improve access to EBT and SNAP benefits for college students,<sup>4</sup> and the Legislature allocated a \$200 million budget item for California's community college system.<sup>5</sup> The State's passage of SB 1234 provided a critical opportunity for Millennials by improving retirement security for young adults across the state.<sup>6</sup> These improvements represent positive momentum for California, but we still have critically-needed work to do.

The following recommendations are aimed at protecting health coverage for low-income young adults, improving the affordability of higher education, strengthening workforce pathways, and generally ensuring greater economic opportunity for all young Californians. YI-West's legislative and policy priorities in California for 2017 are multi-pronged approach to promote state policy and solutions that increase long-term financial stability for all young Californians.

## **Higher Education**

The average tuition for California's public four-year universities increased from \$5,330 in the 2004-2005 school year to \$9,346 in the 2016-2017 school year.<sup>7</sup> In that same time period, the average cost of tuition and fees alone in the state's public two-year schools increased from \$1,027 to 1,429.<sup>8</sup> Rising costs of college can lead to increases in student hunger and student homelessness. Currently 19 percent of UC Students experience hunger due to financial constraints.<sup>9</sup> Ten percent of CSU students experience homelessness.<sup>10</sup> Disinvestment in higher education undermines the ability of young adults in California to afford college and contributes to long-term financial insecurity.

### ***Strengthen the Cal Grant Program to make college more affordable and to reduce low and middle-income Californians' reliance on student debt.***

California has taken several key steps over the past two years to increase access to need-based aid for our students, including both increasing the size of low-income students' non-tuition grants and upping the number of non-tuition grants available.<sup>11</sup> Despite these critical steps, however, low-income students continue to remain underserved by the Cal Grant program: the size of grants has not kept up with tuition costs for students who receive them, and many other low income students continue to be left out altogether.<sup>12</sup> Increasing the Cal Grant A Access Award and expanding Cal Grant B

to include tuition and fees in the first year of school will help low-income Californians get the support they need to attend college and to complete their degrees.

***Support policies and practices that expand CSU and UC capacity to help our state accommodate a growing student base.***

California will need 2.4 million more people with college degrees by 2025 to keep up with labor market trends, and has seen rapid increases in college enrollment across the state.<sup>13</sup> Capacity in both the UC and the CSU systems has been hit hard, particularly in light of recent increases in out-of-state student enrollment.<sup>14</sup> California needs to pass a budget that prioritizes making sure the UC and CSU systems keep up with expanding enrollment, and needs to place a special focus on expansion of weekend and online courses to help meet growing needs.

***Improve access to food security for college students by expanding the Restaurant Meals Program.***

Passage of AB 1747 in the 2016 session filled a critical need for young Californians by expanding the opportunity to use Electronic Benefit Transfer (EBT) cards on campuses, thereby enabling students to purchase campus meals through CalFresh.<sup>15</sup> However, the legislation currently only covers students in counties that run the Restaurant Meals Program.<sup>16</sup> Counties can participate in the program by petitioning the California Department of Social Services to allow them to join in. California should make sure that this process is expedited for all counties that are interested in participating, and the state should provide supports to new counties as they sign up to begin effective implementation. The state should also increase funds designed to promote partnerships between on-campus food pantries and local food banks that contract with the California Department of Social Services.

## **Workforce & Economic Security**

Access to stable and well-paying jobs is essential to economic opportunity for young adults. Millennials account for 29 percent of California's population and 37 percent of California's workforce. Each year, California loses \$219 million from high young-adult unemployment, mainly due to lost tax revenue.<sup>17</sup> This is particularly devastating because young Californians are unemployed at a higher rate than the national average: currently 15.8 percent of young adults in the state between the ages of 16 and 24 are unemployed compared to 13.5 percent unemployment for young adults ages 16-24 nationally.<sup>18</sup> Expanding training for middle-skill jobs is a crucial path for improving our youth employment rate. Today 50 percent of California's labor market is comprised of jobs that require middle skills training, but only 40 percent of the state's workers are trained to the middle-skill level.<sup>19</sup> Investments and improvements to Career and Technical Education (CTE) and Registered Apprenticeships (RAs) that connect young adults with middle skill career pathways will provide meaningful opportunities to the individuals involved in these programs, and will help us bridge the skills gap in California.

***Increase state investments in CTE programs at community colleges.***

Career and Technical Education (CTE) courses provide critical opportunities to connect young adults with middle skill jobs. However, they can often cost more to provide than non-CTE courses, and can take additional resources to instate.<sup>20</sup> The recent increase in funding for workforce initiatives at com-

munity colleges represents a positive step forward, but does not cover full student need. We should continue to expand financial support for CTE programs at community colleges in California in order to ensure that our schools have the resources needed to set students up for success in growth tracks. We should also make sure that the state tracks data on expansion of CTE programs carefully and that courses are deliberately designed to address changing labor markets.

***Support apprenticeships opportunities that provide clear pathways to gainful employment in emerging industries that are relevant to the local economy.***

Apprenticeships provide career training while receiving payment, and are a critical pathway to middle skills jobs for young adults. By the time former apprentices reach age 65, projections suggest public benefits of \$27 for each dollar invested.<sup>21</sup> Apprenticeships directly address this jobs gap and help ensure that employee training meets employer needs. Given apprenticeships’ potential to create qualified candidates for difficult to fill positions, the legislature should study how it can support the Department of Industrial Relations as the DIR implements the state’s ApprenticeshipUSA Grant on the ground. As the state prioritizes expansion in non-traditional and high growth industries, they should place a particular emphasis on soliciting youth perspectives throughout and on bridging pipelines between pre-apprenticeships and Registered Apprenticeships.

## **Health Care**

Three years after full implementation of the Affordable Care Act, the uninsurance rate of young adults in California has been cut in half -- dropping to just 16 percent.<sup>22</sup> Across California, consumers have benefitted from key ACA protections such as free preventive services, the elimination of annual and lifetime caps on coverage, and access to affordable coverage for individuals with pre-existing conditions. Proposed national changes to, or repeal of, the Affordable Care Act would leave newly covered young adults without coverage once again.

### ***Protect Medi-Cal and the CHIP Program***

Regardless of changes in federal health law, California needs to protect expanded Medi-Cal coverage in full, in order to ensure continued protection for low-income young adults across the state. In California, approximately 1.7 million young adults, ages 18-to-34, are in poverty, collectively representing 17.6 percent of the young adult population.<sup>23</sup> With the implementation of the ACA, many low-income young adults who previously were excluded from Medi-Cal became eligible. The Medi-Cal system is currently supported by \$15 billion in federal funding, which is critical to ensuring that the program is able to continue to support those most in need.<sup>24</sup> If necessary, the state should make up for gaps in federal funding by providing additional state support. California should also continue to support Children’s Health Insurance Plan (CHIP) coverage to the fullest extent.

#### **About Young Invincibles:**

Young Invincibles is a non-profit dedicated to expanding economic opportunity for young adults ages 18-34, particularly those from low-income and underserved communities. We engage in outreach, public education, research, and policy analysis to tackle the employment, education, and health challenges facing this generation.

#### **Questions? Contact:**

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## Endnotes

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