

August 7, 2012

**Councilman O'Donnell**  
**Fourth District Office**  
Long Beach City Hall  
333 W. Ocean Blvd. 14th floor  
Long Beach, California 90802



**Re: Middle Class Scholarship Act**

I write to inform you of our support for the Middle Class Scholarship Act Initiative, which cuts college fees by two-thirds for middle-class families by closing the single sales factor tax loophole for out-of-state corporations.

Our work is even more critical today when thousands of students who have worked hard are being turned away from our community colleges and four-year universities. In addition, we know that securing that spot in college is only the first step; we must make sure that students succeed in realizing their college dreams, if we are to meet the workforce needs of the future and keep the California dream of opportunity and success alive in an increasingly diverse city.

Student fees at the California State University have increased by 191 percent since 2003-04, from \$2,046 to \$5,970. And fees at the University of California have increased by 145 percent since 2003-04, jumping from \$4,984 to \$12,192.

The facts are clear: At a time of record corporate profits, middle-class families are struggling to cope with the lingering effects of the recession. Financial aid programs have expanded to mitigate the impacts of fee increases for lower-income families, but families who can't pay for college out of pocket, or earn too much for financial aid grants, are forced to take on a significant financial burden, with many students assuming a staggering level of debt.

This bill creates the Middle Class Scholarship. This scholarship will apply to any student in a CSU or UC whose family earns under \$150,000 and does not already have fees covered by financial aid. A typical UC student, or their parents, will save approximately \$8,200 per year, and CSU students would see savings of about \$4,000 per year. The Middle Class Scholarship Act also provides \$150 million for Community Colleges to increase affordability.

This program is funded by closing the single sales factor loophole negotiated as part of the 2009 state budget. This loophole benefits out-of-state corporations who do business in California, but do not create jobs for Californians. This is \$1 billion that can be reinvested in California's middle-class families. Closing the single sales loophole would put California's policy in line with many other states, including Texas, New Jersey, New York, Michigan, Illinois, Oregon, and Washington.

California's future prosperity is directly tied to having a well-educated, well-prepared workforce. Our state made a commitment in the 1960s to ensure that every student who was willing to work hard to make the most of their potential would have the opportunity to do so at an affordable UC, CSU or Community College campus. It's time to honor that commitment. On behalf of the future of our diverse middle class students and families in Long Beach we urge you to support AB 1500 and AB 1501.

Sincerely,

A handwritten signature in cursive script that reads "Jessica Quintana". The signature is written in black ink and is positioned below the word "Sincerely,".

Jessica Quintana  
Executive Director  
Centro CHA Inc.