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# SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

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**Bill No:** SB 803 **Hearing Date:** April 26, 2017  
**Author:** Glazer  
**Version:** April 17, 2017  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Olgalilia Ramirez

**Subject:** Public postsecondary education: the California Promise

## SUMMARY

This bill establishes the Student Success and On-time Completion Fund in the State Treasury, and authorizes the Trustees of the California State University (CSU) to use money in the fund to incentivize participation in a California Promise program through the offering of grants or tuition freeze, as specified. The bill also requires CSU to waive systemwide tuition or fees for a participating student unable to complete their degree due to limited space or no course offerings, as specified.

## BACKGROUND

Existing law:

- 1) Establishes the California Promise for the purposes of supporting CSU students in earning a baccalaureate degree within four academic years of the student's first year of enrollment or for transfer students within two academic years of the student's first year of enrollment to the campus.
- 2) Requires the Trustees of the CSU to:
  - a) Develop and implement a California Promise program, beginning the 2017-18 academic year, at a minimum of eight campuses for non-transfer students and a minimum of 15 campuses (20 campuses by 2019-18) for qualifying transfer students. These campuses enter into a pledge with a first-time freshman or with a qualifying transfer student to support the student in obtaining a baccalaureate degree within four academic years.
  - b) Submit a report to Legislative policy and fiscal committees by January 1, 2021 that includes the number of students participating in the program in total, the total number of students who graduated in four academic years for students who entered as first-time freshman and two academic years, for California Community College (CCC) transfer students and a summary description of significant differences in the implementation of the California Promise program at each campus.
  - c) Submit recommendations to the appropriate policy and fiscal committees of the Legislature, by March 15, 2017, regarding potential financial incentives that could benefit students who participate in the California Promise program.

- 3) Requires support provided by a California State University (CSU) campus for a California Promise program student to include, but not necessarily be limited to, both of the following:
  - a) Priority registration in coursework provided that a student does not qualify for priority registration under another policy or program, as specified.
  - b) Academic advisement that includes monitoring academic progress.
- 4) Requires a student in order to qualify for the program too:
  - a) Be a California resident for purposes of instate tuition eligibility.
  - b) Commit to completing at least 30 semester units or the quarter equivalent per academic year, including summer term units, as specified.
- 5) Requires a campus to guarantee participation in the program to, at a minimum, any student who is a low-income student, as defined, a student who has graduated from a high school located in a community that is underrepresented in college attendance, a first-generation college student or a transfer student who successfully completes his or her associate degree for transfer at a community college.
- 6) Establishes as a condition of continued participation in a California Promise program, as student may be required to demonstrate both of the following:
  - a) Completion of at least 30 semester units, or the quarter equivalent, in each prior academic year.
  - b) Attainment of a grade point average in excess of a standard established by the campus.
- 7) Sunsets the program on January 1, 2026. ( Education Code § 67430 et. seq)

## ANALYSIS

- 1) Establishes the Student Success and On-time Completion Fund in the State Treasury, and authorizes the Trustees of the California State University, upon appropriation by the Legislature, to use moneys in the fund to incentivize participation in a California Promise program in one or more of the following ways:
  - a) Provide a Summer Term Grant to a qualified student who participates in the California Promise program to cover the cost to take up six units or two courses, whichever is greater, during a summer term during their academic career. The bill authorizes enrollment in one course in two summer sessions, or two courses in one summer session.

- b) Provide an On-Track Progress Grant of up to \$2,000 to a qualified student who participates in the California Promise program at the completion of each academic year. This bill specifies that the purpose of the grant is to provide participating students with additional financial aid to offset their total cost of education including housing, textbooks and transportation.
- c) Provide a tuition freeze to a qualified student who participates in a California Promise program in accordance with the following:
  - i) Prohibits a participating student from being charged systemwide tuition in excess of the tuition charged to the student as an entering freshman at the California State University (CSU).
  - ii) Prohibits a participating transfer student who successfully received an associate degree within two academic years at the California Community College from being charged systemwide tuition in excess of the tuition that would have been charged to the student at the CSU at the time the student began the two year associate degree program.
  - iii) Prohibits all other participating community college transfer students from being charged systemwide tuition in excess of the tuition charged to the student when admitted to the CSU as a transfer student.
- 2) Authorizes the CSU, Trustees to select any combination of the three financial incentives, as described in a, b and c above, for each campus with a California Promise program, at their discretion.
- 3) Commencing July 1, 2018, requires that the CSU waive systemwide tuition or fees for a participating student unable to complete their baccalaureate degree within the required time because course for the degree program are not offered or are full at the campus, once the course or a substitute course becomes available.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, this bill is intended to address barriers to student success which include the availability of classes and financial challenges. The Campaign for College Opportunity estimates that every additional year of college beyond four years increases the total cost by more than \$26,000 in tuition, fees, books, and living expenses.

The provisions of the bill are based on existing California Promise programs at CSU established by SB 412 (Glazer, Chapter 436, Statutes of 2016) which, in exchange for a promise to complete 30 units per year and maintain a grade point average standard, provides priority enrollment and enhanced academic advising. This bill seeks to offer financial incentives, in exchange for participation in a California Promise program, in the form of grants and tuition freezes. In addition,

this bill would grant tuition waivers if students were unable to complete a degree within the required time frame due to unavailability of courses.

- 2) ***Existing CSU goals/strategies to improve completion systemwide.*** In October 2014, the California State University (CSU) initiated “Graduation Initiative 2025”, setting the following completion goals:

- a) Increasing the 6-year graduation rate for first-time freshmen to 60 percent.
- b) Increasing the four-year graduation rate for first-time freshmen to 24 percent.
- c) Increasing the four-year graduation rate for transfer students to 76 percent.
- d) Increasing the two-year graduation rate for transfer students to 35 percent.
- e) Closing the achievement gap for historically underrepresented students to seven percent and to five percent for low-income students

The strategies employed by the Chancellor’s Office and campuses to achieve these goals include the following:

- a) Reducing the number of units required to earn a BA/BS degree (94 percent of BA/BS programs now require only 120 units).
- b) Expanding high impact practices including undergraduate research, service learning, internships and study abroad.
- c) Redesigning courses to incorporate technology to improve content retention.
- d) Expanding the Associate Degree for Transfer program.
- e) Expanding cohort-based learning communities.
- f) Expanding Summer Bridge and other transitional programs.
- g) Expanding the use of electronic academic advising tools to establish clear pathways to degrees and data analysis to improve student outcomes.
- h) Hiring more tenure track faculty and academic advisors.
- i) Expanding the number of CourseMatch course offerings to increase degree completion rates (CourseMatch allows access to online courses offered at other CSU campuses).
- j) Building relationships with community and business partners, community colleges and K-12 school districts to ensure students are prepared for college.

- 3) **Status of existing College Promise programs.** Senate Bill 412 (Glazer, Ch. 436, Stats. 2016) required the Trustees of the California State University (CSU) to develop and implement a California Promise program, beginning the 2017-18 academic year, at a minimum of eight campuses for non-transfer students and a minimum of 15 campuses for qualifying transfer students. These campuses enter into a pledge with a first-time freshman or with a qualifying transfer student to support the student in obtaining a baccalaureate degree within four academic years. Below is the list of campuses implementing California Promise programs in 2017-18:

1. Bakersfield (first-year and transfer student program)
2. Channel Islands (transfer student program)
3. Chico (transfer student program)
4. Dominguez Hills (first-year and transfer student program)
5. Fresno (first-year student program)
6. Fullerton (first-year and transfer student program)
7. Humboldt (first-year and transfer student program)
8. Long Beach (first-year and transfer student program)
9. Monterey Bay (transfer student program)
10. Northridge (transfer student program)
11. Pomona (first-year and transfer student program)
12. Sacramento (first-year and transfer student program)
13. San Bernardino (first-year and transfer student program)
14. San Diego (transfer student program)
15. San Francisco (transfer student program)
16. San José (transfer student program)
17. San Luis Obispo (transfer student program)
18. San Marcos (transfer student program)
19. Sonoma (transfer student program)
20. Stanislaus (transfer student program)

- 4) **Related report.** SB 412 (Glazer, Chapter 436, Statutes of 2016) also required the Board of Trustees to submit recommendations regarding potential financial incentives that could benefit students who participate in the program. The CSU made several recommendations all of which relate to the provisions of this bill. Those recommendations include:

- a) *Final term approach.* Use funds appropriated by the state for this purpose to provide grants equal to the amount of systemwide tuition for their last academic term. This approach for a student who already qualified for a need-based tuition grant, the student would receive an award in the same amount that could be used toward other educational costs such as mandatory campus fees, books, or living expenses. The CSU asserts that since helping students to persist in these programs is a long-standing issue, this final-term approach would be an attractive capstone to student to student persistence for all students.

This bill proposes a similar grant with notable differences. Rather than providing a one-time award for their last academic term, this bill offers a grant to qualified students who participate at the completion of each academic year. It appears that the purpose of the grant would be to help students cover only non-tuition costs such as housing, textbooks and transportation.

- b) *Summer term approach.* Use funds allocated by the state for this purpose to provide a tuition grant to students to take up to six units, or two courses (whichever is greater) during the summer term during their academic career. According to California State University (CSU), this approach would enable greater participation and broaden access as many students find it difficult to enroll in 15 units each term of the regular academic year. This approach would allow students to take 12 units in one or both semesters followed by an enrollment of 3 or 6 units in the summer to complete the 30 year unit requirement. A campus would have to offer a more robust summer schedule in order for this approach to succeed.

Similarly, with funds allocated by the state, this bill authorizes CSU to offer a "Summer Term Grant," for a qualified student to cover the cost of summer coursework, as specified.

- c) *Guarantee approach.* Offer students a guarantee that their degree programs can be completed in four to two years with the understanding that tuition will be essentially waived if the institution is at fault for students taking longer to graduate. According to CSU, this is an effective approach to financially incentivize program participation and additionally acts as a campus incentive to ensure that courses are offered within the time frame needed to complete a program. However, CSU notes that for the 62 percent of undergraduate students receiving non-loan financial aid which fully covers tuition, the perceived benefit of the guarantee may be limited.

This bill requires CSU to grant tuition waivers if students were unable to complete a degree within the required time frame due to unavailability of courses. Staff notes that current law provides for a number of mandatory fee waivers, including, fee waivers for dependent survivors of law enforcement or fire suppression officers killed in the line of duty, dependents of deceased or disabled veteran, survivors of persons killed in the September 11, 2001 terrorist attacks, and certain non-resident for students who are victims of trafficking, or other serious crimes. The Legislature does not currently appropriate the loss of fee revenue from any of these waivers. A recent report by the CSU revealed that the aggregate cost of these fee waivers was more than \$68 million. The waiver outlined in this bill only applies to students participating in a college promise program and could result in only benefiting students who are ineligible for tuition assistance program that are based on the applicant's financial need.

- d) *Tuition freeze approach.* Freeze tuition for the duration of a student's enrollment. The California State University (CSU) does not believe this is an effective approach for incentivizing the program and does not recommend this approach.

This bill authorizes the use of funding appropriated by the Legislature for tuition freezes for California Promise program participants. Since the Cal Grant and State University Grants would cover any increase in CSU systemwide fees for a student that meets income and asset requirements, tuition freezes would primarily benefit students ineligible for these tuition aid programs and as such would have limited value to the majority of CSU undergraduate students. CSU notes that in the absence of routine tuition increases, this approach would not be an effective incentive to increase participation or improve retention and could decrease operating revenues for campuses.

Traditionally, this Committee has supported need-based financial aid. Aside from the complexity of administering tuition freezes across multiple program years, this bill could result in subsidizing tuition costs for students regardless of their financial need. The committee may wish to consider whether it is appropriate use of state funds for this purpose given that the incentive may be ineffective and offers financial assistance that is not need based.

Should the bill be amended to delete provisions that authorize tuition freezes?

**5) *Prior and related legislation.***

SB 412 (Glazer, Chapter 436, Statutes of 2016) required the California State University Board of Trustees to develop and implement a program, known as the California Program, that authorizes a campus to enter into a pledge with qualifying students, as defined, to support completion of a baccalaureate degree within four years or for transfer students within two years, and outlines the requirements which may be included in such a program. SB 412 also required the Board of Trustees to submit recommendations regarding potential financial incentives that could benefit students who participate in the program.

SB 1450 (Glazer, 2016) Both SB 1450 and SB 412 required the CSU to develop and implement a program that authorizes a campus to enter into a pledge with qualifying students to support completion of a baccalaureate degree within four years and offer incentives to students in exchange for participation in the program.

Unlike, SB 412 and similar to this bill, SB 1450 established various requirements regarding systemwide fees for California Promise students at CSU, including freezing tuition and granting tuition waivers if students were unable to complete a degree within the required timeframe due to unavailability of courses. SB 1450 also imposed these same requirements on the community colleges (CCC) and

required the CCC Board of Governors to establish the Promise program as well. The CCC was removed from the scope of the bill and instead required CSU to ensure entry into a Promise program for any CCC student who transfers with an Associate Degree for Transfer. SB 1450 was heard by this committee on April 20, 2016 and failed passage, by a vote of 4-2.

**SUPPORT**

None received.

**OPPOSITION**

California Faculty Association

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