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# SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2019 - 2020 Regular

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**Bill No:** SB 291 **Hearing Date:** March 27, 2019  
**Author:** Leyva  
**Version:** March 19, 2019  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Olgalilia Ramirez

**Subject:** Postsecondary education: California Community College Student Financial Aid Program.

## SUMMARY

This bill would establish the California Community College Student Financial Aid Program to be administered by the Board of Governors (BOG) of the California Community College (CCC) and implemented by eligible community colleges to assist CCC students cover the total cost of attendance.

## BACKGROUND

Existing law:

- 1) Establishes the mission and function of the CCC as the offering of academic and vocational instruction at the lower division level and authorizes the CCCs to grant the associate in arts and the associate in science degree. The community colleges are also required to offer remedial instruction, English as a Second Language instruction, and adult noncredit instruction, and support services which help students succeed at the postsecondary level. (Education Code § 66010.4)
- 2) Establishes a \$46/unit fee for students at the CCC. Existing law also requires a waiver of these fees (formerly known as the BOG fee waiver) for students who meet specified income requirements. (EC § 66025.3.)
- 3) Provides Cal Grant B Entitlement awards to students meeting specified income and asset thresholds, having at least a 2.0 GPA and applying either the year they graduate from high school or the following year. Awardees are entitled to a living allowance and tuition and fee assistance. Awards for first-year students are limited to an allowance for books and living expenses (\$1,678). In the second and subsequent years, the award also provides tuition and fee support. (EC § 69435)
- 4) Establishes Community College Student Success Completion Grant for the purpose of providing eligible community college students with an additional \$649 per semester or quarter equivalent for enrolling in 12-14 units, and \$2,000 for students enrolled in 15 or more units. Students must maintain satisfactory academic progress. (EC § 88931)
- 5) Establishes the California College Promise, under the administration of the Chancellor of the California Community Colleges (CCC), to provide funding, upon

appropriation by the Legislature, to each community college meeting prescribed requirements, including using evidence-based assessment and placement practices at the community college. Existing law authorizes a community college to use that funding to accomplish specified policy goals and to waive some or all of the fees for one academic year for certain first-time students who are enrolled in 12 or more semester units at the college and complete and submit either a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application.

## ANALYSIS

This bill:

- 1) Establishes the California Community College Student Financial Aid Program to be administered by the Board of Governors of the California Community Colleges (CCC) based on the total cost of attendance and subject to an appropriation by the Legislature.
- 2) Specifies, in order to be eligible for the grant, that a student meets the following conditions:
  - a) Is enrolled at an eligible CCC.
  - b) Is enrolled at an eligible program at an eligible CCC.
  - c) Is a resident of California based on the criteria for determining nonresident and resident tuition at a community college or be exempted from nonresident tuition as the result of the provisions established by AB 540.
  - d) Not be a recipient of a grant or grants for educational expenses totaling more than the equivalent of two full-time academic years.
  - e) Make satisfactory academic progress (determined by institutions).
  - f) Complete a FAFSA or a California Dream Act application.
- 3) Requires that each eligible CCC calculate the award amount by subtracting the “expected family contribution,” “reasonable student contribution,” and “gift aid received by the student,” from the “cost of attendance” for each term in an academic year for each eligible at that college.
- 4) Declares the Legislature’s intent that an appropriation for the program be included in future Budget Acts and requires that the appropriation specify the percentage of the sum from 3) above, to be awarded to each eligible student for that academic year. This bill authorizes the Department of Finance to adjust the appropriation to reflect the revised estimate of the costs for all awards for that academic year.

- 5) Requires that the board of governors (BOG) apportion funds to each eligible California community college (CCC) for purposes of making payments of awards to eligible students in an amount that is derived from 4) above for that academic year.
- 6) Outlines specific calculations used to determine an award amount for an eligible student who is not a full-time student.
- 7) Declares the Legislature's intent to enact future legislation to appropriate the specified amount of funds phased-in over a five-year period beginning in the 2019-20 fiscal year, for the California Community College Student Financial Aid Program.
- 8) Provides that the portion awarded each student, as described in 4) above, for each fiscal year be as follows:
  - a) For the 2019-20 fiscal year, 17 percent.
  - b) For the 2020-2021 fiscal year, 33 percent.
  - c) For the 2021-22 fiscal year, 50 percent.
  - d) For the 2022-23 fiscal year, 67 percent.
  - e) For the 2023-24 fiscal year, 83 percent.
  - f) For the 2024-25 fiscal year and each year thereafter; 100 percent.
- 9) Defines various terms for the purpose of this bill including:
  - a) "Expected family contribution (EFC)," be determined using the federal methodology. The information reported on the Free Application for Federal Student Aid (FAFSA) is used to calculate the EFC, including family taxed and untaxed income, assets, and benefits (such as unemployment or Social Security). Family size and the number of members who attend college during the year is also factored into the formula.
  - b) "Full-time," "half-time," "less than half-time," and "three-quarter-time," student to have the same meaning as is consistent with the term for the purposes of the federal Pell Grant program, and is based upon a minimum of 12 semester hours for full-time.
  - c) "Gift aid," to mean the financial aid received by a student that does not have to be repaid by the student, as described.
  - d) "Reasonable student contribution," to mean an amount a student should reasonably be expected to contribute to educational expenses, as adopted by the BOG for the academic year. This bill requires the BOG, for the purposes of determining the reasonable student contribution, to adopt the reasonable student contribution amount consistent with minimum wage

rates, research regarding the level of work that may be harmful to student outcomes and report the reasonable contribution amount to the Governor and Legislature.

- e) “Cost of attendance,” to mean tuition, fees, and costs incurred by the students as determined by institutions for books, supplies, room and board costs as specified by federal law. This bill authorizes the board of governors (BOG) to adopt rules governing the establishment of an adjustment to, the cost of attendance by an eligible college for purposes of the program.
  - f) “Eligible California community college (CCC),” to mean a CCC that satisfies both of the following conditions:
    - i) It is deemed a qualifying institution for purposes of participation in the Cal Grant program as specified. ..
    - ii) It meets requirements for participation in the California College Promise program that includes, among other things, participation in the Federal student loan program and the Community College Guided Pathways Grant program.
    - iii) Voluntarily designated by its district to participate in the program.
  - g) “Eligible program,” to mean a training or undergraduate program that meets eligibility requirements for federal student assistance programs.
- 10) States various legislative findings and declarations relative to CCCs, lack of financial aid available to cover non-tuition costs, and need to streamline aid for CCC students.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “higher education funding policy in California has traditionally focused on making community college tuition more affordable for students and their families. California boasts the lowest tuition in the nation (\$1,380 annually), with the California College Promise Grant (formerly BOG waiver) covering tuition for low-income students. Approximately 43 percent of community college students have their tuition waived under the California College Promise Grant. Even so, community colleges are often the least affordable option for students when non-tuition costs like housing, food, and textbooks are considered. That is, need-based financial aid to cover non-tuition costs is so limited for community college students it is often more expensive for the lowest-income students to attend California community colleges than the University of California. This bill proposes to increase affordability by expanding eligibility for aid and the overall assistance available to meet the total costs of attendance for CCC students.”

- 2) **Related report about financial aid reform.** As part of the 2017-18 budget process, the Legislature passed supplemental reporting language that requested the California Student Aid Commission (CSAC) prepare and submit a report containing recommendations for reforms to state financial aid programs (i.e. Cal Grant). The report was to specifically address issues surrounding the expansion of existing programs to cover a greater share of student cost of attendance in order to better assist all financially needy students regardless of their age, GPA, or time out of high school—with meeting the full cost of college. The CSAC contracted with The Century Foundation to produce this report titled “Expanding Opportunity, Reducing Debt.” This report made several recommendations for reforming the state’s financial aid program, some of which are related to provisions of this bill. Those findings and recommendations include:
- a) Shift from a tuition-centric aid system to one that takes into consideration each student’s full college expenses when determining award levels.
  - b) Remove age, GPA, time-out-of-school, income, and asset requirements.
  - c) Base state financial aid on the federal methodology for determining expected family contribution (EFC) rather than separate income and asset cutoffs.
  - d) Base aid on a requirement that recipients make satisfactory academic progress.
  - e) Make grants available for any degree or certificate program that is Pell Grant eligible.
  - f) Make grants available for the equivalent of two-years at a community college.
  - g) Make grants available only to California residents and include Dreamers.

Consistent with these recommendations, the program proposed by this measure provides for a financial need determination that is based upon the cost of attendance, EFC, a self-help factor and other gift aid awarded to the student. Students could choose to borrow or work to meet the self-help expectation. In general, eligibility requirements closely align to that of the Federal Pell Grant program, including the use of satisfactory academic progress as a measure of academic performance and not imposing an age or time-out-of-high school requirement.

- 3) **Grant distribution.** The proposed entitlement program seeks to cover a student’s unmet need. Since funding is subject to an appropriation from the state in a given year, this bill establishes several methodologies to determine the total award or the proportion of the calculated award amount that would be allocated to each student should funding for the program fall short. Those provisions aim to provide some predictability that would help colleges determine the amount of

each award as well as administer aid in a timely manner to students anticipating the financial benefit.

- 4) ***Who is eligible?*** This bill extends eligibility for the program to students who have an unmet financial need and make satisfactory academic progress (determined by institutions) which typically translates to maintaining a 2.0 GPA. A student could receive a grant for the equivalent of two full-time academic years and need not be enrolled full-time. The amount and duration of the award would be based on the student's attendance status (full-time/part-time/less than part-time) and term (semester or quarter). This provides some flexibility, similar to the Cal Grant program, to take more or less units in an academic year within the parameters of their attendance status without losing additional eligibility.

Further, students regardless of their age who are California residents or are California Dream Act eligible enrolled in a certificate or degree program would qualify for a grant under the program. This criterion captures a broader student body than that of the state's traditional financial aid programs and is likely to produce an eligibility pool that is reflective of the diversity of those enrolled in California Community colleges (CCC).

- 5) ***Qualified colleges.*** This bill conditions college participation on several factors including its district governing board making a decision to participate in the program and receiving designation from the district to participate. In addition, colleges must meet requirements necessary to be deemed a Cal Grant eligible institution as well as for those established under the California College promise program.
- 6) ***Is there a need for an additional aid program at CCC?*** As noted earlier in the analysis, tuition for community college students is the lowest in the country, and is waived for almost half of students. However, tuition and fees only account for a portion of college costs. According to the California Student Aid Commission, "non-tuition" costs exceed \$18,000 annually for CCC students living independently. In addition, research by the Institute for College Access and Success reveals a student's ability to pay the full cost of attendance is an important factor in his or her success. A student who cannot afford to fully cover access costs such as textbooks, transportation, food and housing may make choices that undermine their ability to complete their education. For example, they may need to work more hours at the expense of studying. The existing financial aid programs do not adequately cover the full cost of education beyond tuition and by contrast offer more in aid to public or nonprofit four-year college students. This bill proposes to address affordability by providing an additional source of grant funding to meet the true cost of attending college.

- 7) ***Amendment.*** In order to provide greater clarity regarding the purpose of the California Community College Student Financial Aid Program ***Staff recommends*** that the bill be amended as follows:

- 70201. Subject to an appropriation in the Budget Act or other statute for these purposes, the board shall administer the California Community College Student Financial Aid Program consistent with the provisions of

this chapter. The purpose of the grant program is to provide California community college students with additional financial aid to help offset their total cost of attendance.

For purposes of clarifying eligibility window, the **author wishes to amend** the bill as follows:

- 7020(f)(2) The person has ~~not received a grant or grants for educational expenses totaling~~ pursuant to this chapter for less than more than the equivalent of two full-time academic years.

**8) Related legislation.** AB 2 (Santiago, 2019) would authorize a community college to use California College Promise funding to waive fees for two academic years for community college students who have not previously earned a degree or certificate from a postsecondary educational institution. AB 2 is awaiting hearing in the Assembly Higher Education Committee.

## SUPPORT

Asian Pacific American Leadership Foundation  
 Aspiranet  
 Associated Students of Glendale Community College  
 Association of California Community College Administrators  
 Cabrillo Community College District  
 California Coalition for Youth  
 California Community Colleges Board of Governors  
 California Community Colleges, Chancellor's Office  
 California Edge Coalition  
 California Federation of Teachers  
 California Workforce Association  
 Campaign for College Opportunity  
 Chabot-Las Positas Community College District  
 Chaffey College  
 Citrus College  
 Coast Community College District  
 East Los Angeles College  
 Faculty Association of California Community Colleges  
 Foothill-De Anza Community College District  
 Greater Sacramento Urban League  
 Grossmont-Cuyamaca Community College District  
 Kern Community College District  
 Long Beach Community College District  
 Los Angeles Area Chamber of Commerce  
 Los Angeles College Faculty Guild, Local 1521  
 Los Rios Community College District  
 Napa Valley College  
 Peralta Community College District  
 Rio Hondo Community College District  
 Sacramento Hispanic Chamber of Commerce  
 San Bernardino Community College District

San Diego Community College District  
San Francisco Community College District  
San Joaquin Delta College  
Santa Barbara City College  
South Orange County Community College District  
Southwestern Community College District  
Student Senate for California Community Colleges  
The Education Trust - West  
The Institute for College Access & Success  
Urban League of San Diego County  
Yosemite Community College District

**OPPOSITION**

None received

**-- END --**