
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2021 - 2022 Regular

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| Bill No: | AB 1958 | Hearing Date: | June 30, 2022 |
| Author: | Mike Fong | | |
| Version: | April 21, 2022 | | |
| Urgency: | No | Fiscal: | Yes |
| Consultant: | Olgalilia Ramirez | | |

Subject: The Community College Student Access, Retention, and Debt Cancellation Program

SUMMARY

This bill establishes the Community College Student Access, Retention, and Debt Cancellation Program to provide fiscal incentives to encourage the enrollment and re-enrollment of students at the California Community Colleges (CCC).

BACKGROUND

Existing law:

- 1) Establishes the CCC under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC shall be comprised of community college districts (Education Code (EDC) Section 70900).
- 2) Establishes that CCC districts are under the control of a board of trustees, known as the governing board, who has the authority to establish, maintain, operate, and govern one or more community colleges, within its district as specified (EDC Section 70902).
- 3) Authorizes the Board of Governors of the CCC to appoint and compensate a chief executive officer, known as the Chancellor of the CCC (chancellor). The chancellor will execute duties and responsibilities designated to him by the board or by sections of Education Code (EDC Section 71090).

ANALYSIS

This bill:

- 1) Establishes the Community College Student Access, Retention, and Debt Cancellation Program (program).
- 2) Requires the Chancellor of the California Community Colleges (Chancellor) to disperse funds, on a one-time basis, from the program to community college districts to support efforts to increase student retention rates and enrollment by engaging with previous, current, or potential community college students who withdrew or are hesitant to enroll due to the impacts of COVID-19 pandemic.

- 3) Requires a community college district that receives funds from the program to prioritize the dispersal of funds to community colleges within the district who have experienced the largest declines in enrollment due to the impacts of the COVID-19 pandemic.
- 4) Permits community college districts to use the funds from the program to provide a financial incentive to encourage students to enroll at the community colleges within the district and/or to forgive any debt or unpaid balance owed by a student who attends a community college within the district.
- 5) Authorizes the Chancellor to disperse additional funds from the program to community college districts that have observed the most significant declines in unduplicated student headcount since Fall 2019.
- 6) Authorizes the Chancellor to use up to 10% of funds in the program to support statewide recruitment and retention efforts.
- 7) Stipulates the implementation of the program is contingent upon funding in the annual Budget Act.

STAFF COMMENTS

- 1) **Need for the bill.** According to the author, “the COVID-19 pandemic brought immediate changes to education as a whole, and community colleges have been no exception. As a result of the pandemic, the rates of students enrolling into community college, as well as the rates of those continuing their community college education, have severely declined. The Legislature has already taken meaningful action to reverse these rates, notably with last year’s appropriation of \$120 million toward supporting community colleges’ efforts in bolstering their retention rates and enrollment. Still, we can build upon this investment by expressly addressing the fiscal challenges of education.

“To do exactly that, AB 1958 would create the Community College Student Access, Retention, and Debt Cancellation Program (CCSARDCP). This program would provide funding to community colleges for the purpose of encouraging the enrollment or re-enrollment of students at the CCC through fiscal incentives, including the discharging of students’ debt or unpaid balances.”

- 2) **CCC enrollment has dropped notably since the start of the pandemic.** Although four-year institutions, both in California and elsewhere, are seeing much more modest declines, the impacts the CCCs are experiencing in California are highly consistent with what is being observed across the country among community colleges when examined under conditions that hold the method consistent across institutions, something not typically done in most lay reporting. For example, when comparing the results of the California Community Colleges to other public two-year colleges using the National Center for Educational Statistics, the decline in headcount across the California Community Colleges is highly similar to that exhibited by public community colleges across the country. This clear divergence in pandemic impacts for different segments of higher education mirrors the way the pandemic has interacted with and

exacerbated existing inequality such that, while the health and economic impacts of the pandemic have affected us all, better resourced institutions, communities, and individuals have experienced far less severe impacts and much quicker recovery than others.

The graph below shows enrollment data for the last three fall terms as recorded by the California Community Colleges Chancellor’s Office Management Information System Data Mart.

| <u>Term and Year</u> | <u>Total Student Head Count</u> | <u>Full-time Equivalent Students (FTES)</u> |
|--------------------------|---------------------------------|---|
| Fall 2021 | 1,339,683 | 424,462 |
| Fall 2020 | 1,459,681 | 457,465 |
| Fall 2019 (pre-pandemic) | 1,659,399 | 521,453 |

- 3) **Related budget activity.** AB 132 (Committee on Budget, Chapter 144, Statutes of 2021) appropriated \$100 million one-time from Proposition 98 (GF) for the same purpose as this bill, of supporting efforts to increase student retention rates and enrollment by engaging students who have withdrawn.

Similarly, the Governor’s 2022 budget proposal includes \$150 million one-time Proposition 98 General Fund to support community college efforts to increase student retention rates and enrollment by primarily engaging with former students who may have withdrawn from college due to the impacts of COVID-19, and with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.

Consistent with the goals approved and proposed through the budget process, this bill prescribes specific uses of funds designated for recruitment and retention by allowing colleges to disburse fiscal incentives and/or discharging student debt as a strategy to encourage students to stay or re-enroll in college. This bill makes its provisions contingent upon an appropriation in the annual Budget Act or another statute for its purposes. If enacted, this bill could affect the aforementioned budget allocations.

- 4) **Amendment.** Staff understands that the intent of the bill is to cover fees owed by the student to a community college and not necessarily repay debt, which could imply loan debt. For this reason, **staff recommends** the following clarifying amendment:

78090(c)(3) A community college district may use funds allocated pursuant to subdivision (b) ~~to discharge student debt or unpaid balances owed by a student to a community college in the district~~ *to discharge unpaid fees due or owed by a student to a community college in the district.*

SUPPORT

None received.

OPPOSITION

None received.

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