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## SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2021 - 2022 Regular

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**Bill No:** SB 659 **Hearing Date:** April 14, 2021  
**Author:** Becker  
**Version:** April 5, 2021  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Olgalilia Ramirez

**Subject:** Community colleges: California College Promise

### SUMMARY

This bill removes the requirement, and instead authorizes, a community college district to charge an enrollment fee up to the amount established in state law, thereby allowing community college districts to charge a lower rate to students who do not already benefit from fee waiver policies prescribed under state statute. The bill further allows a community college district the ability to use California College Promise funds to assist students with their total cost of college attendance and to provide additional fee waivers it determines impede the advancement of the California College Promise Program.

### BACKGROUND

Existing law:

- 1) Establishes the California Community Colleges (CCC), under the administration of the Board of Governors (BOG), as one of the segments of public postsecondary education in this state. It further requires community college districts to charge students an enrollment fee of \$46 per unit per semester. (Education Code § 70900 and 76300 (b)(1))
- 2) Establishes the California College Promise, to be administered by the Chancellor of the CCC and requires the chancellor to distribute funding, upon appropriation by the Legislature, to community college districts to fund colleges that meet prescribed requirements. Authorizes a community college that receives funding under the program to, among other things, waive some or all of the fees for up to 2 academic years for first-time students who are enrolled in 12 or more semester units or the equivalent at the college, and complete and submit either a Free Application for Federal Student Aid or a California Dream Act application.(EC § 76396 – 76396.4)
- 3) Establishes a \$46/unit fee for students at the CCC. Existing law also requires a waiver of these fees (BOG fee waiver) for students who meet specified income requirements based on any of the following criteria:
  - a) At the time of enrollment, the student is a recipient of benefits under the Temporary Assistance for Needy Families program, the Supplemental

Security Income/State Supplementary Payment Program, or a general assistance program.

- b) Demonstrates eligibility according to income standards established by regulations of the BOG.
  - c) Demonstrates financial need in accordance with the methodology set forth in federal law or regulation for determining the expected family contribution of students seeking financial aid. (Education Code § 76300)
- 4) Additionally provides for waiver of fees for certain types of students, including:
- a) Students enrolled in specified public benefit programs;
  - b) Homeless students;
  - c) Dependents or surviving spouses of California National Guard members, either killed or who died from a permanent disability, as a result of service to the state.
  - d) Surviving spouse or child of a California law enforcement officer or firefighter killed in the performance of active law enforcement or fire suppression duties or who died as a result of performing those duties.
  - e) The dependent of any California resident killed in the September 11, 2001, terrorist attacks.
  - f) The child of a United States military veteran who has a service-connected disability, or was killed in action or died of a service-connected disability. (EC § 66025.3.)
  - g) The child of a recipient of the Congressional Medal of Honor. (EC § 66025.3.)

## ANALYSIS

This bill:

- 1) Removes the requirement, and instead authorizes, a community college district to charge an enrollment fee up to the amount established in state law, thereby allowing community college districts to charge a lower rate to students who do not already benefit from fee waiver policies prescribed in state statute.
- 2) Requires the governing board of a community college district that charges a fee rate less than the amount prescribed in state law to adopt a policy that establishes eligibility requirements for fee rate modification.
- 3) Provides that a community college district that charges a fee rate less than the prescribed amount is not eligible for state reimbursement for the difference

between the fee rate charged by the community college district and the fee rate prescribed, unless provided for elsewhere.

- 4) Authorizes a community college district the use existing funds for the implementation of the California College Promise, and to provide assistance to students for the total cost of attendance.
- 5) Allows a community college district to waive student fees the community college district determines impede the advancement of the California College Promise.
- 6) Makes other conforming changes.

## STAFF COMMENTS

- 1) **Need for the bill.** According to the author, “Some of the expenses associated with supporting students’ basic needs cannot be provided from the unrestricted general fund per state law and regulation. San Mateo County Community College District is interested in exploring the permissibility of allowing greater flexibility in the use of general fund dollars to support student basic needs contained within the total cost of attendance such as waving student fees, providing laptops, books, or other learning aids, provide basic need support for food, housing and/or transportation.” The author further asserts “At San Mateo County Community College District they can only fund 2,000 Promise Scholars under the funding constraints in existing law even though they have 6,000 students who qualify.” This bill seeks to grant community college districts the option of waiving enrollment fees, beyond that prescribed in state law, based on policies adopted by local board of trustees.
- 2) **Dual objectives.** The bill makes changes to two community college fee policies within the Education Code. First, it seeks to grant community college districts greater flexibility in the determination of enrollment fee charges up to a certain amount, or the waiver of fee charges. Secondly, the bill modifies requirements under the California College Promise program. Specifically, it provides community colleges districts with greater authority in the determination of fee waivers using California College Promise program funds (funding appropriated by the Legislature). The bill specifies that those funds may also be used for assisting students in covering the total cost of attendance.
- 3) **Enrollment fee.** State law currently sets the CCC enrollment fee at \$46 per unit. This fee has remained flat since 2012. State law requires a community college district to charge each student the fee, but provides for waivers based on a student’s financial need. Under the provisions of this bill, charging the fee would no longer be a requirement. A college district cannot impose a fee for those students exempted under state law (comment #5 in this analysis) but the bill would give districts the added option of waiving or reducing fees for other students based on criteria determined by the college district.
- 4) **How is enrollment fee revenue used?** Colleges deposit their student enrollment fee revenue into their unrestricted general fund and report the total amount collected to the Chancellor’s Office. The total amount of enrollment fees

collected is subtracted from a district's share of funds under the Student Centered Funding Formula. The final adjusted amount that also accounts for local property tax revenue, reflects how much that district shall receive from the general apportionment process. To note, "basic aid districts" (6 districts) do not receive state general fund apportionment because local property tax revenues and student fees provide sufficient funding to cover their general apportionment funding without additional state dollars. According the information obtain by the Community College Chancellor's office, unrestricted general funds can be used for any purpose deemed appropriate by the district, including but not limited to, salaries, student services and facilities. Seemingly, the fee requirement in state law may bring to question whether a college district may use unrestricted general fund revenue to cover fees independently. It is not clear to staff.

The bill makes a district ineligible for state reimbursement for the difference between the fee rate charged by the district and the fee rate prescribed in state law unless provided for elsewhere in state law. The local governing board of a community college district is also required to establish an eligibility policy for charging a fee less than the prescribed amount. For purposes of ensuring that those with the highest level of financial need receive assistance and to be consistent with other student aid programs provided for in state law, **staff recommends the bill be amended** to require that a policy adopted pursuant to Section 76300 (b)(3) of the bill include a provision that grants priority to students with the greatest financial need for fee assistance when other coverage is not provided to those students.

- 5) **Existing enrollment fee waivers.** Enrollment fees at California community college are the lowest in the country, and are waived for almost half of students (43%). The BOG fee waiver has existed since the inception of CCC enrollment fees, and waives the per unit enrollment fee (currently \$46) for any CCC student who demonstrates financial need. The BOG fee waiver has been renamed as the California College Promise Grant (not be confused with the separate California College Promise program). A full-time or part-time community college student who meets the specified income standards may qualify. Students may receive the waiver for as long as they are eligible to take courses, there is no minimum credit requirement and the fee waiver is applied to any course for which a student must pay the enrollment fee. Current law additionally, requires fees to be waived for surviving dependents of certain military service members and first responders.
- 6) **California College Promise Program.** In addition to the statutory waivers in the paragraph above, AB 19 (Santiago, Chapter 735, Statutes of 2017) established a new program, the California College Promise program, which authorizes but does not require CCCs to waive fees for first-time, full-time students without financial need for two-years of college. To be eligible for these waivers, student must have no prior postsecondary coursework, enroll in 12 or more units per semester, and submit a FAFSA or a California Dream Act application. Under the program, colleges also are permitted to use their College Programs funds for a broad range of other purposes, such as providing supplemental services to students.

The intent for creating the program was to support CCCs in increasing college readiness, improving student outcomes, and reducing achievement gaps. The state provides funding for the program. Funding is predicated on the college's commitment to implement the Guided Pathways Framework, which is meant to implement systemic change at each college to, improve student knowledge of what courses to take to meet their completion objectives, monitor student progress toward completion, and develop clear learning outcomes for students. The requirements incentivize colleges to adopt certain promising student support practices.

- 7) **Maintain legislative authority for how College Promise program funds are spent.** This bill allows a college to use College Promise program funding to waive fees for other students for which the college district would determine impedes the advancement of the program. The intent of this provision is unclear. Under the current program, colleges can waive fees specifically for first-time community college students who are enrolled at the college full-time. It is a core function of the program. Over the years, the Legislature has sought to address the decline in 2-year and 4-year graduation rates at public postsecondary institutions by incentivizing full-time enrollment with financial aid. Timely degree completion has many benefits including increased access and a more efficient movement of students through the Community College system. It also reduces the cost of higher education, over time, for students and families. The first-time, full-time enrollment requirement is a key strategy for meeting those goals. *The committee may wish to consider whether allowing colleges to determine other eligibility criteria for waiving fees, undermine policy objectives envisioned by legislature. In addition, the committee may wish to consider whether it is reasonable to establish separate fee waiver policy (one prescribed in state law and one determined by colleges) within a single program.* Accordingly, **staff recommends that the bill be amended** to strike section 76302 (d) from the bill.

- 8) **Related legislation.**

AB 1456 (Medina, 2021) this bill would revise and recast the provisions establishing and governing the existing Cal Grant programs into a new Cal Grant Program. The program would include a Cal Grant 2 Program specifically to help students at a community college to covering non-tuition expenses associated with attending college. AB 1456 has been referred to the Assembly Committee on Higher Education.

## SUPPORT

San Mateo County Community College District

## OPPOSITION

None received.