

Date of Hearing: August 7, 2024

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

SB 1200 (Glazer) – As Amended July 3, 2024

Policy Committee: Higher Education

Vote: 11 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill renames the California Promise Program established at the California State University (CSU) as the Finish in Four and Through in Two program. The bill further requires CSU campuses to promote the program and establishes an annual reporting requirement. Lastly, the bill eliminates the program's January 1, 2026, sunset date, thereby extending the program indefinitely at CSU campuses.

Specifically, this bill:

- 1) Requires each CSU campus participating in the Finish in Four and Through in Two program to (a) share information about the program at new student orientation, (b) provide information about the program during the online course registration process, (c) provide information about the program through an annual email to all students, (d) post information about the program in an easily identifiable and accessible place on the campus's website, and (e) post information about the program at advising offices.
- 2) Requires the CSU trustees, on or before July 1, 2025, and annually thereafter, until January 1, 2034, to submit a report to the Legislature that includes (a) program participation rates, as a percentage and number of students per campus, (b) program participation demographics, including student race and ethnicity, whether the student is a federal Pell Grant recipient, whether the student is a first-generation college student, and whether the student entered as a first-time freshman or transfer student, and (c) the amount of student success funds received and used per campus.

FISCAL EFFECT:

- 1) Ongoing General Fund costs, potentially in the millions of dollars, beginning January 1, 2026, to the 23 CSU campuses to continue operating the Finish in Four and Through in Two program beyond its current sunset.

While CSU does not collect information about the amount of funding spent by campuses on the program, CSU Long Beach, which has the largest program, has re-allocated five academic advisors to provide extra academic advising to program students. Assuming each campus has reallocated an average of 2.5 staff to operate the program, and assuming an average annual salary of \$60,000 for an academic advisor, costs would be \$3.5 million across 23 campuses annually to extend the program indefinitely. CSU notes the program has never

received earmarked funding for its operation and CSU campuses have absorbed the cost of operating the program within their general operating budgets.

- 2) One-time General Fund costs totaling the high tens-of-thousands of dollars for 23 CSU campuses to promote the program in the ways required by this bill. The ongoing costs of these requirements are likely minor and absorbable.
- 3) Ongoing General Fund costs, in the high tens of thousands of dollars to low hundreds of thousands of dollars annually, for 23 CSU campuses and to the CSU Chancellor's Office to track data and report certain information.

According to the Legislative Analyst's Office, the General Fund faces a structural deficit in the tens of billions of dollars over the next several fiscal years. The enacted 2024 budget cuts operational General Fund funding to CSU by 8%.

COMMENTS:

1) **Background.**

CSU California Promise Program. SB 412 (Glazer), Chapter 436, Statutes of 2016, required the trustees of the CSU to develop and implement the California Promise program at a minimum of eight campuses for first-time freshman students and a minimum of 20 campuses for qualified transfer students. Participating campuses enter into a pledge with a first-time freshman or with a qualified transfer student to support the student in obtaining a baccalaureate degree within four academic years or within two years for transfer students. A student who commits to enter either the four-year or two-year pledge are given priority registration and are provided with other supports, such as routine academic advisement.

Currently, all 23 CSU campuses offer Promise programs. Of these, 16 CSU campuses offer the first-time freshman Promise program and 22 campuses offer the two-year Promise program for qualified transfer students. As of fall 2021, across all campuses, about 5% of first-time freshman students or qualified transfer students were enrolled in a Promise program.

The number of first-time freshman students and qualifying transfer students enrolled in the Promise program varies by campus. For example, in fall 2021, CSU Long Beach enrolled 14% of qualified students in the Promise program, while CSU San Luis Obispo enrolled less than 1% of qualified students in the Promise program.

This bill renames the California Promise Program as the Finish in Four and Through in Two program and eliminates the sunset on the program, among other requirements.

Graduation Initiative 2025. CSU launched its "Graduation Initiative 2025" in 2015 to address its low graduation rates. The program also aims to address the achievement gap in graduation rates for low-income and first-generation college going students. Toward this end, CSU has hired faculty, offered additional courses, hired academic advisors and provided more support services to students. In addition to base funding to the university to serve students, the state budget has included tens of millions of dollars in additional funding for

this initiative in recent years. Most recently, the 2022 and 2023 budget acts each provided \$35 million General Fund to CSU for the initiative.

CSU indicates, between 2015 and 2023, four-year graduation rates for first-time students increased from 19% to 35% and six-year graduation rates increased from 57% to 62%.

- 2) **Related Legislation.** SB 856 (Glazer) renames the California Promise program at CSU to the Finish in Four and Through in Two program and enrolls all incoming first-time students into the program, with the option to students to opt out. In addition, the bill, commencing with the 2024-25 academic year, requires at least 5% of each incoming class of first-time freshman students and qualifying transfer students participate in the Finish in Four and Through in Two program at each campus of the CSU that offers the program. The bill was held on this committee's suspense file.

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