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**VETO**

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Bill No: SB 632  
Author: Arreguín (D), et al.  
Enrolled: 9/1/26  
Vote: 27

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SENATE LABOR, PUB. EMP. & RET. COMMITTEE: 4-1, 4/9/25

AYES: Smallwood-Cuevas, Cortese, Durazo, Laird

NOES: Strickland

SENATE APPROPRIATIONS COMMITTEE: 5-1, 5/23/25

AYES: Caballero, Cabaldon, Grayson, Richardson, Wahab

NOES: Seyarto

NO VOTE RECORDED: Dahle

SENATE FLOOR: 22-10, 6/4/25

AYES: Allen, Archuleta, Arreguín, Ashby, Caballero, Cervantes, Cortese, Durazo, Gonzalez, Hurtado, Laird, Limón, McGuire, McNerney, Menjivar, Padilla, Pérez, Smallwood-Cuevas, Stern, Umberg, Wahab, Wiener

NOES: Alvarado-Gil, Choi, Dahle, Grove, Jones, Niello, Ochoa Bogh, Seyarto, Strickland, Valladares

NO VOTE RECORDED: Becker, Blakespear, Cabaldon, Grayson, Reyes, Richardson, Rubio, Weber Pierson

SENATE EDUCATION COMMITTEE: 5-2, 8/26/26

AYES: Pérez, Choi, Cortese, Gonzalez, Reyes

NOES: Ochoa Bogh, Cabaldon

SENATE FLOOR: 38-2, 8/30/26

AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, Limón, McGuire, McNerney, Menjivar, Niello, Padilla, Pérez, Reyes, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener

NOES: Cabaldon, Ochoa Bogh

ASSEMBLY FLOOR: 78-0, 8/24/26 - See last page for vote

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**SUBJECT:** Community colleges: California College Promise

**SOURCE:** CFT – A Union of Educators and Classified Professionals

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**DIGEST:** This bill reduces the minimum unit requirement for a California community college (CCC) student to qualify for a California College Promise fee waiver from 12 units, or a full-time courseload, to 9 units. This bill also requires a CCC, as a condition of receiving program funds, to provide written notification to a student, upon issuing an initial fee waiver, on (1) the period of eligibility for a California College Promise fee waiver is limited to two academic years, (2) a description of the units a student needs per semester or academic year to complete an associate degree or certificate within two academic years, and (3) information on how to access other financial aid opportunities available to a student who has exceeded their two years of eligibility for a fee waiver.

**ANALYSIS:**

Existing law:

- 1) Establishes the mission and function of the CCCs, which, in part, is to:
  - a) Offer academic and vocational instruction at the lower division level for both younger and older students.
  - b) Authorizes the CCC to grant the associate in arts degree and the associate in science degree.
  - c) Requires the CCC to offer English as a Second Language instruction, adult noncredit instruction, and support services which help students succeed at the postsecondary level.
  - d) Advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. (Education Code (EC) § 66010.4)
- 2) Requires community college districts (CCDs) to charge students an enrollment fee of \$46 per unit per semester. (EC § 76300)

- 3) Provides for a fee waiver for certain types of students, including those who meet minimum academic and progress standards adopted by the Board of Governors (BOG) and have incomes below certain thresholds established by the BOG or have demonstrated financial need pursuant to federal law. (EC § 76300)
- 4) Establishes the California College Promise, under the administration of the Chancellor of the CCCs, and requires the Chancellor, upon appropriation by the Legislature, to distribute funding to CCDs to fund colleges that meet specified requirements. (EC § 76396)
- 5) Authorizes a community college to use funding appropriated for the California College Promise to waive some or all of the fees for two academic years for first-time community college students and returning community college students, who are enrolled full time at the college, and who complete and submit either a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application (CADAA). (EC § 76396.3)
- 6) Defines “full time” as 12 or more semester units or the equivalent. (EC § 76396.3)
- 7) Permits that a student enrolled in fewer than 12 units may be deemed “full time”, for purposes of eligibility for the California College Promise, at the discretion of the institution if the student has been certified as “full time” by a staff person in the disabled student services program at the institution who is qualified to make such a designation. (EC § 76396.3)

This bill:

- 1) Requires a community college, as a condition of receiving funding for the California College Promise, to provide a written notification to a student, upon issuing the student an initial fee waiver, that states the following:
  - a) A statement informing the student that the period of eligibility for a California College Promise fee waiver is limited to two academic years, as specified.
  - b) A description of the number of units a student needs to complete per semester or the quarterly equivalent, or the number of semester or quarterly units the student needs to complete per academic year, to

complete an associate degree or certificate program within two academic years.

- c) Information on how to access other financial aid opportunities available to a student who has exceeded their two years of eligibility for a fee waiver.
- 2) Reduces the minimum unit requirement for community college students to qualify for a California College Promise fee waiver from 12 units, or a full-time courseload, to 9 units.
- 3) Revises the definition of “full time” to be “eligible workload”, which means 9 or more semester units or the equivalent, for purposes of eligibility for the California College Promise.
- 4) Provides that a student enrolled in fewer than 9 units—instead of 12 units—may be certified as eligible for the California College Promise, at the discretion of the institution if the student has been certified as eligible, based on commitment by the student that is analogous to an eligible workload, by a staff person in the disabled student services program at the institution who is qualified to make such a designation.
- 5) Adds language to avoid chaptering out issues with the section amended by this bill.

## Comments

- 1) *Need for the bill.* The author states, “I am proud to lead the fight to expand the California College Promise program to help our neediest students by expanding the ability of our community colleges to waive the fees for part-time students for two years. Existing law requires that a student be full time in order to receive a fee waiver through the program, which erroneously locks out our least advantaged students and perpetuates inequity and inequality at our community colleges.”
- 2) *Statutory fees and fee waivers for the CCC system.* At \$46 per unit, and with an annual average tuition of \$1,380 for full-time California resident students, the CCC system offers the lowest tuition in the nation, as of February 2026. Enrollment fees are waived for CCC students demonstrating financial need, which was almost half of CCC students, or over 1 million students, in 2024-

25. For decades, this waiver was known as the BOG fee waiver and has existed since CCC enrollment fees were established in 1984. The fee waiver has since been renamed the California College Promise Grant—not to be confused with the separate California College Promise Program. A CCC student meeting specified income standards may qualify and may receive the waiver, so long as they are eligible to take courses; there is no minimum unit requirement, and the fee waiver is applied to any course for which a student must pay the enrollment fee.

- 3) *The California College Promise was initially framed as “Free College” for first-time, full-time students.* The California College Promise was established by AB 19 (Santiago, Chapter 735, Statutes of 2017). The program, broadly marketed as providing “free college”, allowed participating CCCs to waive some or all enrollment fees for one academic year for first-time, full-time community college students who completed and submitted a FAFSA or CADAA. Unlike the statutory fee waivers for CCC students demonstrating financial need, the California College Promise allowed CCCs to waive fees for students who did not demonstrate financial need but met other program criteria. Though some have critiqued the California College Promise for not being a means-tested program, others have indicated that the “free college” marketing have created interest and enthusiasm in CCCs that exceeds the costs of the program. In addition, program eligibility for the California College Promise focused on students who are enrolled full time, with the intent to expedite the time to degree for students in exchange for paying for a student’s tuition.
- 4) *Student eligibility for the program’s fee waivers has expanded over time.* The California College Promise is a CCC categorical program and has received an appropriation of roughly \$91.2 million for the last five years. Though the initial statute intended for California College Promise cohorts to be comprised of first-time, full-time community college students, subsequent legislation has gradually expanded student eligibility for the program:
  - AB 2 (Santiago, Chapter 509, Statutes of 2019) authorized for a student enrolled in fewer than 12 units to be deemed as full time at the discretion of the institution if the student has been certified as full time by a staff person in the disabled student services program.
  - AB 3137 (Voepel, Chapter 226, Statutes of 2020) required that a student who is a member of the Armed Forces of the United States, and is called to

duty, may withdraw from participation in the California College Promise and resume program participation upon the student's return from duty without losing eligibility for the benefits of the program, including fee waivers.

- AB 183 (Committee on Budget, Chapter 54, Statutes of 2022) made returning students, defined as a student who has taken a break of one or more semesters (or the quarterly equivalent), eligible for the program.
  - AB 1342 (Megan Dahle, Chapter 102, Statutes of 2023) clarified that a high school pupil who enrolls in community college as part of dual enrollment programs are required to be considered a first-time community college student for purposes of the California College Promise upon the student's enrollment in community college after high school graduation.
- 5) *The California College Promise incentivizes full-time enrollment, which can help students save money over time.* Since the program's inception, the California College Promise has required most students receiving fee waivers to be enrolled full time. According to a 2014 report from the Campaign for College Opportunity called "The Real Cost of College: Time and Credits to Degree in California," a student who takes four years to earn an associate degree can spend as much as \$15,200 more on fees and other expenses, and will earn \$33,500 less, compared to someone who graduated in two years. As a result of these additional years, this student would incur \$48,700 in extra expenses and lost wages.

According to the Legislative Analyst's Office's 2024 report called "Trends in Higher Education: Student Outcomes," CCC completion rates have ticked up over time but remain very low. It finds that the three-year completion rate has increased steadily over time, rising from 12% in 2011-12 to around 18% by 2017-18; the two-year completion rate also shows a gradual increase from roughly 5% in 2011-12 to around 9% by 2018-19. Despite improvement over time, overall completion rates remain low. It is unclear to what extent reducing the unit requirement for this specific program may have on completion rates for students.

- 6) *2025 report on California College Promise program.* AB 2 (Santiago, Chapter 509, Statutes of 2019) required the California Community Colleges Chancellor's Office (CCCCO) to submit a report, by July 1, 2024, to the Legislature evaluating the use of funding for the California College Promise

to waive student fees, and for the report to determine whether the program was supporting the CCCs in accomplishing certain goals outlined in program statute. The CCCCO submitted the report on July 1, 2025, with the following findings:

- *Use of funds.* The report indicated that from 2018-19 to 2022-23, 70% of the participating CCCs used some of their program funds to waive student fees, 48% of participating CCCs used some funds on book vouchers, and 24% of participating CCCs used some funds on emergency grants.
  - *Completion rates.* The report indicated that three-year associate's degree or career technical education certification completion rates for first-time students declined from 34% for the 2018 cohort to 28% for the 2020 cohort. This decline may be attributed to the onset of the COVID-19 pandemic in 2020, which negatively impacted retention.
  - *Transfer rates.* The report indicated that transfer rates to the University of California and the California State University were 37% for the 2018 cohort to 36% for the 2020 cohort—essentially unchanged.
- 7) *Impact of reducing minimum unit requirements for a 2-year fee waiver program.* This bill is substantially similar to AB 537 (Ahrens, 2025), which was held in the Senate Appropriations Committee, and this bill revises the requirement that students must be enrolled full time—defined as 12 or more units, and instead requires students to be enrolled in at least 9 units to receive fee waivers. Current law allows, but does not require, CCCs to waive fees for full-time students for two academic years using program funds, and applicants are not required to demonstrate their financial need to qualify for a waiver.

A primary mission of the CCCs is to award associate degrees, which are typically composed of 60 semester units. A student enrolled in 12 units per semester can complete the degree in 2.5 years, while a student taking 9 units per semester would take approximately 3.5 years. Current law limits eligibility for the California College Promise waiver program to two years. The bill's proposed change to reduce the minimum unit requirement from 12 to 9 units could potentially extend the time needed to finish an associate degree to be significantly beyond the waiver's expiration date. This gap could leave students without financial aid or needing to rely on other aid programs for additional semesters. The Legislature will need to consider the tradeoff of making changes to the California College Promise that could provide

additional support services for students who are taking fewer units against encouraging students to take additional units so that they could potentially complete their programs more quickly.

### **Related/Prior Legislation**

AB 537 (Ahrens, 2025) would have reduced the minimum unit requirement for CCC students to qualify for a California College Promise fee waiver from full time (12 or more units) to 9 units. AB 537 (Ahrens, 2025), which is substantially similar to SB 632 (Arreguín, 2026), was held in the Senate Appropriations Committee.

**FISCAL EFFECT:** Appropriation: No Fiscal Com.: Yes Local: No

According to the Assembly Appropriations Committee:

- Ongoing Proposition 98 General Fund cost pressures of an unknown, but potentially significant amount, possibly in the millions of dollars for the CCCs, collectively statewide, to provide fee waivers to part-time students under the California College Promise Program.
- One-time Proposition 98 General Fund costs in the tens of thousands of dollars for the CCCs, collectively statewide, to develop and provide information to students regarding the benefits of full-time enrollment.

**SUPPORT:** (Verified 9/25/26)

CFT – A Union of Educators and Classified Professionals (source)

**OPPOSITION:** (Verified 9/25/26)

None received

### **GOVERNOR'S VETO MESSAGE:**

This bill expands eligibility to qualify for a California College Promise fee waiver by reducing the minimum unit requirement from 12 to 9 units.

While expanding eligibility for this program is a laudable goal, this bill would create significant cost pressure, into the tens of millions of dollars annually, and was not included in the 2026 Budget Act.

In partnership with the Legislature this year, my administration has enacted a balanced budget that recognizes the challenging fiscal landscape our state

faces while maintaining our commitment to working families and our most vulnerable communities. With significant fiscal pressures and the federal government's hostile economic policies, it is vital that we remain disciplined when considering bills with significant fiscal implications that are not included in the budget, such as this measure.

For this reason, I cannot sign this bill.

ASSEMBLY FLOOR: 78-0, 8/24/26

AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas

NO VOTE RECORDED: McKinnor

Prepared by: Michelle Nguyen / ED. / (916) 651-4105

10/2/26 11:28:25

\*\*\*\* END \*\*\*\*