
CONSENT

Bill No: SB 968
Author: Becker (D), et al.
Introduced: 2/3/26
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 3/18/26
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Reyes

SUBJECT: Community colleges: San Mateo County Community College
District

SOURCE: San Mateo County Community College District

DIGEST: This bill removes a sunset date of July 1, 2028, for statute that authorizes the governing board of the San Mateo County Community College District (SMCCCD) to adopt a policy to use local unrestricted general funds to provide fee waivers and other assistance to help cover the total cost of attendance for students residing within the boundary of SMCCCD.

ANALYSIS:

Existing law:

- 1) Establishes the California Community Colleges (CCCs), 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 (EC) § 70900 and 76300)
- 2) Requires a waiver of enrollment fees 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.
 - d) At the time of enrollment, the student is a homeless youth or former homeless youth. (EC § 76300)
- 3) Additionally provides for a waiver of fees for certain types of students, including:
- a) 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.
 - b) A 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.
 - c) The dependent of any California resident killed in the September 11, 2001, terrorist attacks.
 - d) 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)
 - e) The child of a recipient of the Congressional Medal of Honor. (EC § 66025.3)
- 4) Authorizes the SMCCCD, until July 1, 2028, to adopt a policy to use local unrestricted general funds to provide fee waivers and other assistance to help cover the total cost of attendance for students residing within the boundary of SMCCCD. (EC § 76302)

This bill:

- 1) Removes a sunset date of July 1, 2028, and an inoperative date of January 1, 2029, for statute that authorizes the governing board of the SMCCCD to adopt a policy on the district's use of local unrestricted general funds to: (a) provide fee waivers to students with the greatest financial need, as determined by

SMCCCD, and (b) provide assistance to students for their total cost of attendance.

- 2) Includes a technical amendment to remove a report that the SMCCCD was required to submit on March 1, 2026, on the district's use of local unrestricted general funds for fee waivers and assistance to cover students' total cost of attendance. This report also required a copy of the policy adopted by SMCCCD's governing board, as well as data on students receiving a fee waiver from the district's local unrestricted general funds, disaggregated by age, race and ethnicity, unit load, and income level.

Comments

- 1) *Need for the bill.* According to the author, "SMCCCD's free college pilot program has allowed the district to bridge inequities throughout San Mateo County by making college more accessible and affordable for students, particularly those in marginalized and underrepresented communities." By removing the sunset and inoperative dates, this bill would permanently allow SMCCCD "to use local funds to support students' basic needs and have the flexibility to charge less than the currently required state fee rate of \$46 per credit unit (including charging \$0), ... SMCCCD can make attending college less financially burdensome for students in need of assistance." The author's office indicates that removing the sunset date more than a year out would provide certainty to the district in their ability to move forward with this program.
- 2) *Statutory fee waivers.* Enrollment fees at CCCs are the lowest in the nation and are waived for almost half of students (48% in 2024-25) under the California College Promise Grant fee waiver, previously known as the BOG fee waiver. The California College Promise Grant fee waiver—not to be confused with the separate California College Promise Program established by AB 19 (Santiago, Chapter 735, Statutes of 2017)—waives fees for CCC students demonstrating financial need. A community college 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. Current law additionally requires fees to be waived for surviving dependents of certain military service members and first responders. The authority provided to SMCCCD in existing statute allows SMCCCD, until July 1, 2028, to provide fee waivers and other financial assistance beyond what is specified for the existing statutory fee waivers.

- 3) *Basic aid districts.* Community college districts earn general purpose apportionment funding under a statutory funding formula, and a district's apportionment is funded with a combination of local property taxes, enrollment fees, and state funds, including state general funds. A basic aid district, also known as an excess tax district or a community-supported district, is an educational entity that does not receive state funding for its apportionment, and this is because a basic aid district's local property taxes and enrollment fees exceed the apportionment amount calculated for that district. As of the 2024-25 recalculation apportionment report published in February 2026, there are nine community college districts that are basic aid status, including SMCCCD. Basic aid districts locally fund their general purpose apportionment funding, which means they have local authority over these funds and that these funds are generally considered local unrestricted general funds.
- 4) *SMCCCD Sought Statutory Authority in SB 893 (Becker, Chapter 937, Statutes of 2022) to Waive Enrollment Fees.* The CCC Chancellor's Office issued a legal opinion in March 2011 addressing whether a college may use district resources to pay the enrollment fees for a hypothetical cohort of students, and concluded that districts may not use district resources to pay for enrollment fees in this scenario, unless students already qualify for statutory fee waivers. EC § 76300 states that districts are required to collect enrollment fees unless otherwise exempted in statute, and that statute requires the BOG to reduce apportionments for districts that do not collect enrollment fees; the legal opinion then states that "paying for the enrollment fee with district resources ... is the equivalent of a district choosing not to charge the enrollment fee". As of the time of this analysis, the CCC Chancellor's Office continues to concur with this opinion.

In addition to this legal opinion, Section 6 of Article XVI of the California Constitution states that public money or funds shall not be used for a gift. Though this section does not specifically mention the use of public funds for fee waivers or assistance for total cost of attendance, paying for a fee waiver or other financial assistance without the statutory authority to do so could be construed as a gift. However, as the California Supreme Court stated in *City of Oakland v. Garrison* (1924): "... where the question arises as to whether or not a proposed application of public funds is to be deemed a gift within the meaning of that term as used in the constitution, the primary and fundamental subject of inquiry is as to whether the money is to be used for a public or private purpose. If it is for a public purpose within the jurisdiction for the appropriating board or body, it is not, generally speaking, to be regarded as a

gift.” Therefore, it could be argued that using funds for fee waivers and assistance for students’ total cost of attendance removes barriers to access to public postsecondary education, which is a public purpose, even if not explicitly described in statute.

Though SMCCCD’s status as a basic aid district means the BOG would not be able to penalize SMCCCD for waiving enrollment fees, and though it could be argued these funds are not considered a gift because they are being used for a public purpose, the enactment of SB 893 (Becker) provides explicit statutory authority for SMCCCD to provide fee waivers and other assistance relating to total cost of attendance for their students, and SB 968 would make this statute permanent.

- 5) *Findings from SMCCCD’s March 1, 2026, report.* In SMCCCD’s implementation of SB 893, SMCCCD adopted a “Free College” policy through its governing board to pay the enrollment fees for qualifying students with specified educational goals to (1) obtain an associate’s degree and transfer to a four-year institution; (2) obtain an associate’s degree without transfer; or (3) earn a vocational certificate without transfer. In addition, the policy also indicated that the district would pay for qualifying students’ other fees—including but not limited to registration, health, and student representation fees—and additional student supports related to the total cost of attendance, such as transportation, technology, and textbook supports.

SMCCCD indicated in its report that 33,500 unique students have received support through their Free College program, with the district spending \$9.2 million in 2023-24 and \$11.8 million in 2024-25 for this program. SMCCCD also attributed recent enrollment growth to this policy. According to the CCC Chancellor’s Office apportionments reports, SMCCCD’s total full-time equivalent students from 2022-23 to 2025-26 has grown nearly 19%, and though this should be viewed as part of a broader statewide enrollment growth surge, most community college districts in high cost-of-living areas have not seen this level of growth, and therefore it seems reasonable to attribute some of this growth to the Free College policy.

Related/Prior Legislation

SB 893 (Becker, Chapter 937, Statutes of 2022) authorized the SMCCCD, until July 1, 2028, to adopt a policy to use local unrestricted general funds to provide fee

waivers and other assistance to help cover the total cost of attendance for students residing within the boundary of SMCCCD.

SB 659 (Becker) of 2021 would have authorized a community college district to charge an enrollment fee that is lower than the amount established in statute to students not already benefiting from existing fee waiver policies. SB 659 would have further allowed a community college district the ability to use California College Promise funds to assist students with their total cost of college attendance. Unlike SB 893, SB 659 would have applied to all community college districts. SB 659 was held in the Senate Appropriations Committee.

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

SUPPORT: (Verified 3/18/26)

San Mateo County Community College District (source)

Congressman Kevin Mullin, 15th District

Chamber San Mateo County

City of Half Moon Bay

City of Redwood City

Jefferson Union High School District

JobTrain

Monterra Credit Union

Peninsula Health Care District

San Mateo County Economic Development Association

San Mateo County Office of Education

San Mateo County Supervisor David Canepa

San Mateo County Supervisor Lisa Gauthier

San Mateo County Supervisor Noelia Corzo

San Mateo Labor Council

San Mateo Union High School District

StreetCode Academy

The San Francisco Peninsula

29 individuals

OPPOSITION: (Verified 3/18/26)

None received

Prepared by: Michelle Nguyen / ED. / (916) 651-4105
3/19/26 16:14:52

**** **END** ****