

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 8, 2016

TO: Honorable Members of the Rules, Elections, Intergovernmental Relations, and Neighborhoods Committee

FROM: Sharon M. Tso *Sharon M. Tso* for Council File No.: 15-0002-S178
Chief Legislative Analyst Assignment No.: 16-06-0488

SUBJECT: Resolution (Koretz – Wesson, Jr.) to Support Various Bills Relative to Community College Fees

CLA RECOMMENDATION: That the City Council adopt Resolution (Koretz – Wesson, Jr.) to:

1. Include in the City's 2015-16 State Legislative Program SUPPORT for AB 1721 (Medina) and AB 1892 (Medina) which will reform the Cal Grant program system to address completion barriers by helping California community college students take more classes and be academically successful, and;
2. Include in the City's 2015-16 Federal Legislative Program SUPPORT for HR 2962 (Scott) and S. 1716 (Baldwin) that both support the America's College Promise Act which proposes that the first two years of a community college be free.

SUMMARY

Resolution (Koretz – Wesson, Jr.), introduced on May 18, 2016, states that California community college students are more likely to be the first in their families to attend college, be in need of retraining, come from an immigrant background, or be financially disadvantaged. Affordability is a major factor in determining a student's ultimate success in college.

The Resolution states that a group of bills introduced in the United States Congress and State Legislature will provide additional funding opportunities for community college students. HR 2962 (Scott) and S 1716 (Baldwin) would award grants to states and Indian tribes for the waiver of tuition and fees at community colleges. AB 1721 (Medina) would increase the number of competitive Cal Grants available for community college students. Similarly, AB 1892 (Medina) would make various modifications to the Cal Grant C grant award program, including the creation of an entitlement program for financially disadvantaged students in Career Technical Education programs. The Resolution recommends that the City support HR 2962, S. 1716, AB 1721, and AB 1892.

The Economic and Workforce Development Department (EWDD) supports these bills. The EWDD states that these bills are in alignment with the Department's existing efforts to accelerate the development of regional workforce partnerships with businesses and industry leaders in order to provide skilled workers to keep pace with the rapid shifts in today's economy. The EWDD notes that an estimated 35 percent of job openings will require at least a bachelor's degree by 2020, yet the pursuit of post-secondary education is not an affordable option for the low-income and lower-skilled population that the EWDD serves. The EWDD supports increasing access to educational fee waivers, and related proposals, in order to provide additional training opportunities for the regional workforce.

BACKGROUND

Community colleges in California provide academic and vocational instruction for older and younger students through the first two years of undergraduate education. Community colleges are also authorized to provide remedial instruction, English as a Second Language courses, adult noncredit courses, community service courses, and workforce training.

The Cal Grant Program is a State-funded educational grant program that assists students in paying for a college education and may be used to pay for tuition, fees, living expenses, supplies, and books at qualifying institutions. Available grants include the Cal Grant A, Cal Grant B, and Cal Grant C. Additional information on the Cal Grant program is set forth in Attachment 2.

AB 1721

The bill, introduced on January 28, 2016, would raise the maximum award under the Cal Grant B program from \$1,551 to \$3,000. The bill would also raise the age of qualification for the California Community College Transfer Entitlement Program from age 28 to 31 years old. In addition, students would be allowed to attend a community college for no more than three years before the academic year for which the award will be used. Furthermore, the number of Competitive Cal Grant A and Cal Grant B awards awarded annually will increase from 25,750 to 30,000. The Assembly Appropriations committee anticipates a State General Fund impact of General Fund are \$14 million in Fiscal Year 2016-17, \$50 million in Fiscal Year 2019-20, and \$50 million annually in future Fiscal Years.

AB 1892

This bill, introduced on February 11, 2016, makes various changes to the Cal Grant C award. This bill, among other things, would (1) rename these awards the Competitive Cal Grant C awards, (2) set the maximum Competitive Cal Grant C award amount at \$2,462 for tuition and fees and \$547 for certain other costs, (3) establish an additional Competitive Cal Grant C award in an annual amount not to exceed \$2,462 for community college students for occupational and technical training to cover access costs, training-related costs, and tuition and fees, (4) require the commission, instead of the Legislative Analyst's Office, to submit a report on the outcome of the Competitive Cal Grant C program, and (5) establish a Cal Grant C Entitlement award for access costs for community college students who are enrolled in a for-credit certificate or credential instructional program. The Assembly Appropriations committee anticipates a total State General Fund impact of \$21 million if AB 1892 is enacted.

HR 2962

This bill was introduced on July 8, 2015 in the United States House of Representatives and is also known as the America's College Promise Act of 2015. HR 2962 would authorize the United States Department of Education to award grants to states and Indian tribes to waive tuition and fees at community colleges. To receive a grant, states and Indian tribes must agree to waive tuition and fees at all community colleges and for all eligible students. An eligible student is a first-time student who: (1) qualifies for resident tuition; (2) enrolls at least half-time; (3) maintains satisfactory academic progress; and (4) enrolls in an academic program with credits that are fully transferable to any public institution of higher education in the state or training program that leads to credentials in an in-demand industry. Under HR 2962, \$1.4 billion would be appropriated in Fiscal Year 2016 and \$79.7 billion over Fiscal Years 2016-2025 to fund grants associated with the bill.

HR 2962 would also authorize the United States Department of Education to award grants to four-year historically black colleges and universities (HBCUs) and other minority-serving institutions (MSIs) to waive or reduce tuition and fees for up to 60 credits for low-income

students. HBCUs and MSIs that participate in the program are required to take the following actions: (1) enroll a student body that contains at least 35% low-income students; (2) maintain or adopt reforms and practices to improve completion rates and student outcomes; (3) set performance goals; and (4) execute agreements with community colleges, if accepting transfer students. The bill would appropriate \$55 million for Fiscal Year 2015-16 and \$10.1 billion over Fiscal Years 2016-2025 to make grants under this HBCU/MSI program

S. 1716

This bill was introduced on July 8, 2015, and is substantially similar to HR 2962.

Department Notified

Economic and Workforce Development Department

Bill Status

HR 2962

11/16/2015 Referred to the Subcommittee on Higher Education and Workforce Training.

S. 1716

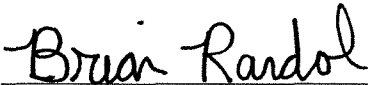
07/08/2015 Read twice and referred to the Committee on Health, Education, Labor, and Pensions.

AB 1721

06/03/16 In Assembly. Read third time. Passed. Ordered to the Senate. (Ayes 73, Noes 4).
06/06/16 In Senate. Read first time. To Committee on Rules for assignment.
06/09/16 Referred to Committee on Education
06/13/16 In committee: Hearing postponed by committee.
06/22/16 From committee chair, with author's amendments: Amend, and re-refer
06/29/16 From committee: Do pass and re-refer to Committee on Appropriations (Ayes 9, Noes 0). Re-referred to Committee on Appropriations. Read second time, amended, and re-referred to Committee on Education.

AB 1892

02/25/16 Referred to Committee on Higher Education
03/28/16 From committee chair, with author's amendments: Amend, and re-refer to Committee on Higher Education.
03/29/16 Re-referred to Committee on Higher Education
04/13/16 From committee: Do pass and re-refer to Committee on Appropriations (Ayes 12, Noes 1).
4/27/16 In committee: Set first hearing. Referred to Appropriations suspense file.
5/27/16 In committee: Held under submission.



Brian Randol
Analyst

Attachments: 1. Resolution (Koretz – Wesson, Jr.)
2. Fact Sheet on Cal Grant Programs

RULES, ELECTIONS & INTERGOVERNMENTAL RELATIONS

RESOLUTION

WHEREAS, any official position of the City of Los Angeles with respect to legislation, rules, regulations or policies proposed to or pending before a local, state or federal governmental body or agency must first have been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, students at California community colleges are more likely to be the first in their family to attend college, be in need of retraining, come from an immigrant background, or be financially disadvantaged; and

WHEREAS, major factors in a student's enrollment and ultimate success in college is affordability, including fees and tuition, textbooks and transportation, housing and food, and other related costs; and

WHEREAS, President Obama has introduced the America's College Promise Proposal, undertaken in partnership with States, which will allow students to earn the first half of a bachelor's degree or learn skills needed in the workforce for free; and

WHEREAS, in January 2016, the Los Angeles Community College District, Board of Trustees, passed a Resolution to enhance college access and completion for Los Angeles area residents and students of the district's nine colleges by establishing the Los Angeles College Promise, a nonpartisan, local and state-led initiative to ensure that higher education becomes a reality for students of the Los Angeles Community College District; and

WHEREAS, HR 2962 (Scott) known as the America's College Promise Act has been introduced which will make the first two years of community college free for students; and

WHEREAS, S 1716 (Baldwin) has been introduced that also supports the America's College Promise Act; and

WHEREAS, AB 1721 (Medina) has been introduced to form the California College Promise Program which will help reform the Cal Grant B program to better serve California community college students by increasing the access award level and number of competitive Cal Grants available, and expand access to the transfer entitlement program by raising the age limit and extending the application deadline; and

WHEREAS, AB 1892 (Medina) also has been introduced that supports the formation of the California College Promise Program which will help reform the Cal Grant C program to better serve California community college students in Career Technical Education programs by creating an entitlement program for financially disadvantaged students and increase the access award level; and

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WHEREAS, the Los Angeles Community College District board is on record to support the federal legislation, America's College Promise Act that builds upon President Obama's plan to provide college tuition and fees for qualified community college students; and

WHEREAS, the Los Angeles Community College District, Board of Trustees is also supporting and advocating for legislation in California that provides the framework and sustainable funding for a statewide California Promise Program;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-16 State Legislative Program SUPPORT for AB 1721 (Medina) and AB 1892 (Medina) that both support the California College Promise Program which will reform the Cal Grant system to address completion barriers by helping California community college students take more classes and be academically successful; and

BE IT FURTHER RESOLVED, with concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-16 Federal Legislative Program SUPPORT for HR 2962 (Scott) and S 1716 (Baldwin) that both support the America's College Promise Act which proposes that the first two years of a community college be free.

PRESENTED BY: Paul Koretz
PAUL KORETZ
Councilmember, 5th District

SECONDED BY: Steve Wang

dhp

ORIGINAL

Cal Grant Programs

Cal Grant A Entitlement Award

Provides funds to help pay tuition/fees for California residents at qualifying institutions offering undergraduate academic programs of not less than two academic years. If a student receives a Cal Grant A award but decides to attend a California Community College first, the student may choose to hold his or her award in reserve for up to two years.

Cal Grant B Entitlement Award

Provides grant funds for low-income students in an amount not to exceed \$1,551. This grant is to be used for living expenses and expenses related to transportation, supplies and books and pays for tuition/fees at qualifying institutions offering undergraduate academic programs of not less than one academic year.

California Community College Transfer Entitlement Award

Offered to California Community College students who were not awarded Cal Grant As or Cal Grant Bs within a year of graduating from high school but meet certain requirements at the time of transfer from California Community Colleges to qualifying institutions offering baccalaureate degree programs.

Competitive Cal Grant A and B Award

Used for the same purposes as the Cal Grant A and B Entitlements awards, except that they are not guaranteed. These awards will be offered on a competitive basis to those students who did not receive an entitlement award. The maximum number of new Competitive Cal Grant A and B awards to be issued each year is 22,500. These awards provide grant funds for access costs for low-income students in an amount not to exceed \$1,551. This grant is to be used for living expenses and expenses related to transportation, supplies and books.

Cal Grant C Award

Provides funds for tuition/fee and training costs for occupational or vocational programs for low to middle-income students. Recipients are selected based on financial need and vocational aptitude. Recipients must also be enrolled in a vocational program at a California Community College, independent college, or vocational school in a course of study lasting from four months to two years. The number of new Cal Grant C awards to be issued each year is 7,761.