

REPORT OF THE CHIEF LEGISLATIVE ANALYST

DATE: August 10, 2016

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

FROM: Sharon M. Tso *Sharon M. Tso* Council File No.: 15-0002-S183
Chief Legislative Analyst Assignment No.: 16-06-0484

SUBJECT: Resolution (Krekorian – Ryu – et. al) to Support AB 1583 (Santiago)

CLA RECOMMENDATION: Adopt Resolution (Krekorian – Ryu – et. al) to include in the City's 2015-16 State Legislative Program SUPPORT for AB 1583 (Santiago) which would expand the California Community Colleges Board of Governors Fee Waiver to all community college students with financial need and help cover burdensome supplemental education costs.

SUMMARY

Resolution (Krekorian – Ryu – et al), introduced on May 27, 2016, states that attending California Community Colleges can be infeasible for students of limited means even if such students receive financial aid. Supplemental costs such as books, transportation, and living expenses can total thousands of dollars annually. The Resolution notes that students are forced to work additional hours or take fewer classes, which reduces the likelihood of successfully completing their educations. Need-based financial aid is needed to offset such costs.

The Resolution states that the California Community Colleges Board of Governors Fee Waiver currently offsets tuition and fees for 60 percent of full time community college students. Eligibility is currently limited to low-income students who demonstrate financial need of at least \$1,104. The Resolution states that AB 1583 (Santiago) will increase access to the California Community Colleges Board of Governors Fee Waiver by amending the eligibility criteria to include income standards set no lower than three times the current federal poverty level and a financial need of at least one dollar. AB 1583, as introduced, will also require the Board of Governors to establish a need-based aid program to provide fee waiver recipients with financial resources, not to exceed \$1,000 per student per year, to offset costs associated with textbooks, supplies, transportation, and other living expenses. The Resolution recommends that the City support AB 1583.

The Economic and Workforce Development Department (EWDD) supports AB 1583. The EWDD states that the bill is 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 increase training opportunities for the regional workforce.

BACKGROUND

California community colleges are the largest system of higher education in the nation, with 2.1 million students attending 113 colleges. Community colleges provide academic and vocational instruction through the first two years of undergraduate education and are also authorized to provide the following: remedial instruction, English as a Second Language courses, adult noncredit instruction, community service courses, and workforce training. The estimated total cost of attendance for a California resident who is a full-time student living on their own is \$18,608, consisting of the following: tuition and fees (\$1,220), room and board (\$11,493), books and supplies (\$1,746), and transportation/personal expenses (\$4,149).

Existing law allows community college students to receive a California Community Colleges Board of Governors Fee Waiver (BOGFW) if they meet minimum academic progress standards and income eligibility requirements. Approximately 60 percent of full-time community college students receive a BOGFW. Until 2012, students received a BOGFW if they demonstrated financial need of at least one dollar. In 2012, a policy change was made that required students to demonstrate financial need of at least \$1,104 in order to receive a BOGFW.

DISCUSSION

AB 1583 (Santiago), introduced on January 5, 2016, would allow students to receive a BOGFW if they demonstrate financial need of at least one dollar. AB 1583 would also require the Board of Governors to establish a need-based aid program to provide fee-waiver recipients with financial resources, not to exceed \$1,000 per student per year, to offset other college-related costs.

The requirement that students demonstrate financial need of at least \$1,104 may exclude students with lower to lower-middle incomes. The bill's author states that non-tuition costs can represent more than 90 percent of the total cost of community college, and that California must increase investment in the community college system in order to address projected shortages of college degree and certificate-holders. The Assembly Appropriations Committee anticipates an additional 33,000 students would receive a BOGFW, if AB 1583 is enacted. In addition, the Assembly Appropriations Committee anticipates a State General Fund impact of \$23 million per year for the BOGFW and up to \$1 billion for the supplemental grant of up to \$1,000.

On May 31, 2016, the Assembly amended AB 1583 by removing the provision that would provide eligible students up to \$1,000 per year to offset the costs of books, supplies, transportation, and other college-related costs.

State legislation to reduce community college costs for low-income students is consistent with existing City workforce development programs.

Department Notified

Economic and Workforce Development Department

Bill Status

06/02/2016 Passed Assembly (Ayes 53, Noes 25). Ordered to the Senate.
06/06/2016 In Senate. Referred to the Senate Committee on Rules for assignment.
06/09/2016 Referred to the Senate Committee on Education.
06/22/2016 In Committee: Hearing cancelled at the request of author.
06/29/2016 In Committee: Failed passage. Reconsideration granted.



Brian Randol
Analyst

Attachments: 1. Resolution
 2. Text of AB 1583

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 have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, even with existing financial aid available, attending California Community Colleges, including those in the Los Angeles Community College District, can be unachievable for students of limited means; and

WHEREAS, the lack of need-based financial aid for supplemental costs such as books, transportation, and living expenses can total thousands of dollars annually and forces students to work more or take fewer classes, and reduces their chances of successfully completing their education; and


WHEREAS, while the California Community Colleges Board of Governors Fee Waiver currently offsets tuition and fees for 60 percent of full time community college students, eligibility is currently limited to low income students who demonstrate financial need of at least \$1,104; and

WHEREAS, AB 1583 (Santiago) will increase access to the California Community Colleges Board of Governors Fee Waiver by amending the eligibility criteria to include income standards set no lower than three times the current federal poverty level and a financial need of at least one dollar; and

WHEREAS, AB 1583 will also require the Board of Governors to establish a need-based aid program to provide fee waiver recipients with financial resources, not to exceed \$1000 per student per year, to offset a portion of supplemental costs of textbooks, supplies, transportation, and other living expenses;

NOW, THEREFORE, BE IT RESOLVED, with concurrence of the Mayor, that by the adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-2016 State Legislative Program SUPPORT for AB 1583 (Santiago) which will expand the California Community Colleges Board of Governors Fee Waiver to all community college students with financial need and help cover burdensome supplemental education costs.

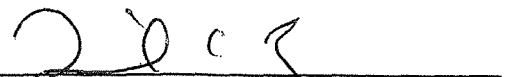
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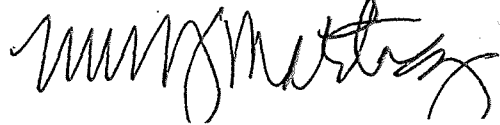
PAUL KERKORIAN

Councilmember, 2nd District

Seconded by:



MAY 27 2016



AMENDED IN ASSEMBLY MAY 31, 2016
AMENDED IN ASSEMBLY APRIL 14, 2016
AMENDED IN ASSEMBLY MARCH 15, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 1583

**Introduced by Assembly Member Santiago
(Coauthors: Assembly Members Medina and Rodriguez)**

January 5, 2016

An act to amend Section 76300 of, and to add Section 76300.1 to, of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1583, as amended, Santiago. Community colleges: enrollment fee waiver and additional assistance: *waiver*.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, as one of the segments of public postsecondary education in this state. Existing law authorizes the establishment of community college districts under the administration of community college governing boards, and authorizes these districts to provide instruction at community college campuses throughout the state. Existing law requires community college district governing boards to charge students an enrollment fee of \$46 per unit per semester. Existing law provides for the waiver of this fee under certain circumstances, including, among others, that the student either (1) at the time of enrollment is a recipient under the Temporary Assistance for Needy Families program, the Supplemental Security Income/State Supplementary Payment Program, or a general assistance program, (2)

demonstrates eligibility according to income standards established by regulation of the board of governors, or (3) demonstrates financial need in accordance with methodology set forth in federal law or regulation for determining the expected family contribution of students seeking aid.

This bill would lower the amount of unmet financial need a student needs to demonstrate to qualify for a fee waiver to at least one dollar. ~~The bill would require the board of governors, by January 1, 2018, to ensure a fee waiver application is available to be completed and submitted electronically by students at each community college. The bill would require the board of governors to establish a need-based aid program to provide fee waiver recipients with financial resources, not to exceed \$1,000 per student per year, for the purpose of offsetting a portion of the costs associated with the purchase of books, supplies, transportation, and other general living expenses. To the extent the bill would impose new duties on community college districts, it would constitute a state-mandated local program.~~

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. (a) It is the intent of the Legislature to establish
- 2 ~~the California Promise a California affordability promise~~ to ensure
- 3 more Californians have the opportunity to access and afford
- 4 community college in California.
- 5 (b) The Legislature finds and declares all of the following:
- 6 (1) ~~California's 1960 "A Master Plan for Higher Education in~~
- 7 ~~California" affirmed the state's commitment to a system of higher~~
- 8 ~~education combining exceptional quality with broad access.~~
- 9 (2) ~~The California Community College system is the largest~~
- 10 ~~system of higher education in the United States, offering associate~~

1 ~~degrees and certificates in more than 175 fields to 2.1 million~~
2 ~~students on 113 campuses.~~

3 ~~(3) For every dollar California invests to get students into and~~
4 ~~through college, the state receives a \$4.50 net return on investment.~~

5 ~~(4) In 2025, California faces an estimated shortage of one~~
6 ~~million college degree and certificate holders needed to sustain~~
7 ~~the state's workforce.~~

8 ~~(5) To meet the demand for college degree and certificate~~
9 ~~holders, California has and must continue to invest significantly~~
10 ~~in need-based financial aid for California community college~~
11 ~~students, including the California Community Colleges Board of~~
12 ~~Governors Enrollment Fee Waiver Program and the Cal Grant~~
13 ~~Program.~~

14 ~~(6) The fee waiver program~~

15 ~~(1) The California Community Colleges Board of Governors~~
16 ~~Enrollment Fee Waiver Program offsets tuition and fees for more~~
17 ~~than 60 percent of full-time community college students and nearly~~
18 ~~half of all community college students, with the only requirements~~
19 ~~being that students demonstrate financial need and meet reasonable~~
20 ~~academic progress standards.~~

21 ~~(7)~~

22 ~~(2) Despite the many strengths of the fee waiver program,~~
23 ~~eligibility is currently limited to students with a minimum need of~~
24 ~~\$1,104.~~

25 ~~(8) Community college access and affordability are not~~
26 ~~exclusively tied to tuition and fees; for instance, nontuition costs~~
27 ~~such as textbooks, transportation, food, housing, and other~~
28 ~~college-related expenses can represent more than 90 percent of~~
29 ~~the total cost of attending community college, thereby preventing~~
30 ~~students from successfully enrolling in and completing community~~
31 ~~college.~~

32 ~~(9) Although California has devoted considerable resources to~~
33 ~~need-based aid at the California Community Colleges, not every~~
34 ~~student with need is able to access or receive aid to offset tuition~~
35 ~~or nontuition expenses.~~

36 ~~(c) It is the intent of the Legislature to ensure all Californians~~
37 ~~with financial need are able to access and afford community college~~
38 ~~in California. eligible for an enrollment fee waiver at the California~~
39 ~~Community Colleges.~~

1 SEC. 2. Section 76300 of the Education Code is amended to
2 read:

3 76300. (a) The governing board of each community college
4 district shall charge each student a fee pursuant to this section.

5 (b) (1) The fee prescribed by this section shall be forty-six
6 dollars (\$46) per unit per semester, effective with the summer term
7 of the 2012 calendar year.

8 (2) The board of governors shall proportionately adjust the
9 amount of the fee for term lengths based upon a quarter system,
10 and also shall proportionately adjust the amount of the fee for
11 summer sessions, intersessions, and other short-term courses. In
12 making these adjustments, the board of governors may round the
13 per unit fee and the per term or per session fee to the nearest dollar.

14 (c) For the purposes of computing apportionments to community
15 college districts pursuant to Section 84750.5, the board of
16 governors shall subtract, from the total revenue owed to each
17 district, 98 percent of the revenues received by districts from
18 charging a fee pursuant to this section.

19 (d) The board of governors shall reduce apportionments by up
20 to 10 percent to any district that does not collect the fees prescribed
21 by this section.

22 (e) The fee requirement does not apply to any of the following:

23 (1) Students enrolled in the noncredit courses designated by
24 Section 84757.

25 (2) California State University or University of California
26 students enrolled in remedial classes provided by a community
27 college district on a campus of the University of California or a
28 campus of the California State University, for whom the district
29 claims an attendance apportionment pursuant to an agreement
30 between the district and the California State University or the
31 University of California.

32 (3) Students enrolled in credit contract education courses
33 pursuant to Section 78021, if the entire cost of the course, including
34 administrative costs, is paid by the public or private agency,
35 corporation, or association with which the district is contracting
36 and if these students are not included in the calculation of the
37 full-time equivalent students (FTES) of that district.

38 (f) The governing board of a community college district may
39 exempt special part-time students admitted pursuant to Section
40 76001 from the fee requirement.

1 (g) (1) The fee requirements of this section shall be waived for
2 any student who meets all of the following requirements:

3 (A) Meets minimum academic and progress standards adopted
4 by the board of governors, which fulfill the requirements outlined
5 in this paragraph and paragraphs (2) to (5), inclusive. Any
6 minimum academic and progress standards adopted pursuant to
7 this section shall be uniform across all community college districts
8 and campuses. These standards shall not include a maximum unit
9 cap, and community college districts and colleges shall not impose
10 requirements for fee waiver eligibility other than the minimum
11 academic and progress standards adopted by the board of governors
12 and the requirements of subparagraph (B).

13 (B) Meets one of the following criteria:

14 (i) At the time of enrollment, is a recipient of benefits under the
15 Temporary Assistance for Needy Families program, the
16 Supplemental Security Income/State Supplementary Payment
17 Program, or a general assistance program.

18 (ii) Demonstrates eligibility according to income standards
19 established by regulations of the board of governors.

20 (iii) Demonstrates financial need of at least one dollar in
21 accordance with the methodology set forth in federal law or
22 regulation for determining the expected family contribution of
23 students seeking financial aid.

24 (2) (A) The board of governors, in consultation with students,
25 faculty, and other key stakeholders, shall consider all of the
26 following in the development and adoption of minimum academic
27 and progress standards pursuant to subparagraph (A) of paragraph
28 (1):

29 (i) Minimum uniform academic and progress standards that do
30 not unfairly disadvantage financially needy students in pursuing
31 their education.

32 (ii) Criteria for reviewing extenuating circumstances and
33 granting appeals that, at a minimum, take into account and do not
34 penalize a student for circumstances outside his or her control,
35 such as reductions in student support services or changes to the
36 economic situation of the student.

37 (iii) A process for reestablishing fee waiver eligibility that
38 provides a student with a reasonable opportunity to continue or
39 resume his or her enrollment at a community college.

1 (B) To ensure that students are not unfairly impacted by the
2 requirements of subparagraph (A) of paragraph (1), the board of
3 governors shall establish a reasonable implementation period that
4 commences no sooner than one year from adoption of the minimum
5 academic and progress standards, or any subsequent changes to
6 these standards, pursuant to subparagraph (A) of paragraph (1)
7 and that is phased in to provide students adequate notification of
8 this requirement and information about available support resources.

9 (3) It is the intent of the Legislature that minimum academic
10 and progress standards adopted pursuant to subparagraph (A) of
11 paragraph (1) be implemented only as campuses develop and
12 implement the student support services and interventions necessary
13 to ensure no disproportionate impact to students based on ethnicity,
14 gender, disability, or socioeconomic status. The board of governors
15 shall consider the ability of community college districts to meet
16 the requirements of this paragraph before adopting minimum
17 academic and progress standards, or any subsequent changes to
18 these standards, pursuant to subparagraph (A) of paragraph (1).

19 (4) It is the intent of the Legislature to ensure that a student shall
20 not lose fee waiver eligibility without a community college campus
21 first demonstrating a reasonable effort to provide a student with
22 adequate notification and assistance in maintaining his or her fee
23 waiver eligibility. The board of governors shall adopt regulations
24 to implement this paragraph that ensure all of the following:

25 (A) Students are provided information about the available
26 student support services to assist them in maintaining fee waiver
27 eligibility.

28 (B) Community college district policies and course catalogs
29 reflect the minimum academic and progress standards adopted
30 pursuant to subparagraph (A) of paragraph (1) and that appropriate
31 notice is provided to students before the policies are put into effect.

32 (C) A student does not lose fee waiver eligibility unless he or
33 she has not met minimum academic and progress standards adopted
34 pursuant to subparagraph (A) of paragraph (1) for a period of no
35 less than two consecutive academic terms.

36 (5) The board of governors shall provide notification of a
37 proposed action to adopt regulations pursuant to this subdivision
38 to the appropriate policy and fiscal committees of the Legislature
39 in accordance with the requirements of paragraph (1) of subdivision

1 (a) of Section 70901.5. This notification shall include, but not be
2 limited to, all of the following:

3 (A) The proposed minimum academic and progress standards
4 and information detailing how the requirements of paragraphs (1)
5 to (4), inclusive, have been or will be satisfied.

6 (B) How many students may lose fee waiver eligibility by
7 ethnicity, gender, disability, and, to the extent relevant data is
8 available, by socioeconomic status.

9 (C) The criteria for reviewing extenuating circumstances,
10 granting appeals, and reestablishing fee waiver eligibility pursuant
11 to paragraph (2).

12 (h) The fee requirements of this section shall be waived for any
13 student who, at the time of enrollment, is a dependent or surviving
14 spouse who has not remarried, of any member of the California
15 National Guard who, in the line of duty and while in the active
16 service of the state, was killed, died of a disability resulting from
17 an event that occurred while in the active service of the state, or
18 is permanently disabled as a result of an event that occurred while
19 in the active service of the state. "Active service of the state," for
20 the purposes of this subdivision, refers to a member of the
21 California National Guard activated pursuant to Section 146 of
22 the Military and Veterans Code.

23 (i) The fee requirements of this section shall be waived for any
24 student who is the surviving spouse or the child, natural or adopted,
25 of a deceased person who met all of the requirements of Section
26 68120.

27 (j) The fee requirements of this section shall be waived for any
28 student in an undergraduate program, including a student who has
29 previously graduated from another undergraduate or graduate
30 program, who is the dependent of any individual killed in the
31 September 11, 2001, terrorist attacks on the World Trade Center
32 and the Pentagon or the crash of United Airlines Flight 93 in
33 southwestern Pennsylvania, if that dependent meets the financial
34 need requirements set forth in Section 69432.7 for the Cal Grant
35 A Program and either of the following applies:

36 (1) The dependent was a resident of California on September
37 11, 2001.

38 (2) The individual killed in the attacks was a resident of
39 California on September 11, 2001.

1 (k) A determination of whether a person is a resident of
2 California on September 11, 2001, for purposes of subdivision (j)
3 shall be based on the criteria set forth in Chapter 1 (commencing
4 with Section 68000) of Part 41 of Division 5 for determining
5 nonresident and resident tuition.

6 (l) (1) "Dependent," for purposes of subdivision (j), is a person
7 who, because of his or her relationship to an individual killed as
8 a result of injuries sustained during the terrorist attacks of
9 September 11, 2001, qualifies for compensation under the federal
10 September 11th Victim Compensation Fund of 2001 (Title IV
11 (commencing with Section 401) of Public Law 107-42).

12 (2) A dependent who is the surviving spouse of an individual
13 killed in the terrorist attacks of September 11, 2001, is entitled to
14 the waivers provided in this section until January 1, 2013.

15 (3) A dependent who is the surviving child, natural or adopted,
16 of an individual killed in the terrorist attacks of September 11,
17 2001, is entitled to the waivers under subdivision (j) until that
18 person attains 30 years of age.

19 (4) A dependent of an individual killed in the terrorist attacks
20 of September 11, 2001, who is determined to be eligible by the
21 California Victim Compensation and Government Claims Board,
22 is also entitled to the waivers provided in this section until January
23 1, 2013.

24 (m) (1) It is the intent of the Legislature that sufficient funds
25 be provided to support the provision of a fee waiver for every
26 student who demonstrates eligibility pursuant to subdivisions (g)
27 to (j), inclusive.

28 (2) From funds provided in the annual Budget Act, the board
29 of governors shall allocate to community college districts, pursuant
30 to this subdivision, an amount equal to 2 percent of the fees waived
31 pursuant to subdivisions (g) to (j), inclusive. From funds provided
32 in the annual Budget Act, the board of governors shall allocate to
33 community college districts, pursuant to this subdivision, an
34 amount equal to ninety-one cents (\$0.91) per credit unit waived
35 pursuant to subdivisions (g) to (j), inclusive. It is the intent of the
36 Legislature that funds provided pursuant to this subdivision be
37 used to support the determination of financial need and delivery
38 of student financial aid services, on the basis of the number of
39 students for whom fees are waived. It also is the intent of the
40 Legislature that the funds provided pursuant to this subdivision

1 directly offset mandated costs claimed by community college
2 districts pursuant to Commission on State Mandates consolidated
3 Test Claims 99-TC-13 (Enrollment Fee Collection) and 00-TC-15
4 (Enrollment Fee Waivers). Funds allocated to a community college
5 district for determination of financial need and delivery of student
6 financial aid services shall supplement, and shall not supplant, the
7 level of funds allocated for the administration of student financial
8 aid programs during the 1992–93 fiscal year.

9 (n) The board of governors shall adopt regulations implementing
10 this section.

11 ~~(o) By January 1, 2018, the board of governors shall ensure a~~
12 ~~fee waiver application is available to be completed and submitted~~
13 ~~electronically by students at each community college.~~

14 ~~SEC. 3. Section 76300.1 is added to the Education Code, to~~
15 ~~read:~~

16 ~~76300.1. (a) The board of governors shall establish a~~
17 ~~need-based aid program to provide fee waiver recipients with~~
18 ~~financial resources, not to exceed one thousand dollars (\$1,000)~~
19 ~~per student per year, for the purpose of offsetting a portion of the~~
20 ~~costs associated with the purchase of books, supplies,~~
21 ~~transportation, and other general living expenses.~~

22 ~~(b) Eligibility for the program described in subdivision (a) shall~~
23 ~~be determined by utilizing the student's Free Application for~~
24 ~~Federal Student Aid, or California Dream Act Application,~~
25 ~~whichever applies.~~

26 ~~SEC. 4.~~

27 ~~SEC. 3. If the Commission on State Mandates determines that~~
28 ~~this act contains costs mandated by the state, reimbursement to~~
29 ~~local agencies and school districts for those costs shall be made~~
30 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~
31 ~~4 of Title 2 of the Government Code.~~