An act to add Chapter 4 (commencing with Section 70200) to Part 42 of Division 5 of Title 3 of the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL’S DIGEST

SB 291, as amended, Leyva. Postsecondary education: California Community College Student Financial Aid Program.

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 establishes community college districts throughout the state, and authorizes them to provide instruction at the campuses they operate and maintain.

Existing law establishes the California College Promise, under the administration of the Chancellor of the California Community Colleges, to provide funding, upon appropriation by the Legislature, to each community college meeting prescribed requirements. Existing law authorizes a community college to use that funding to waive some or all of the fees for one academic year for certain first-time students who are enrolled in 12 or more semester units or the equivalent at the college
and complete and submit either a Free Application for Federal Student Aid or a California Dream Act application.

The bill would establish the California Community College Student Financial Aid Program, to provide need-based grant awards to eligible community college students who attend a California community college voluntarily designated by its district governing board to participate in the program, as specified. Subject to an appropriation by the Legislature, the bill specifies that the program shall be administered by the Board of Governors of the California Community Colleges and implemented by the eligible California community colleges.


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

SECTION 1. The Legislature hereby finds and declares all of the following:

(a) (1) On July 17, 2017, the Board of Governors of the California Community Colleges accepted a strategic vision report titled Vision for Success which includes, “a comprehensive vision for change, framed as a set of seven commitments that taken together can move the college system in the right direction to collectively reach our goals” and “a call to action, asking the entire community of CCC stakeholders to join in this Vision for Success.”

(2) The document further states: “California’s community colleges offer one of the least expensive tuition rates in the country. Still, the total amount of money spent by students and taxpayers to attain a particular outcome at a community college can be quite high because the average student takes several years to complete a credential, degree, or transfer and commonly accumulate many excess units along the way. Another significant problem for students is the high cost of living in California and the limits of financial aid for CCC students. While about half of CCC students have their tuition waived, few qualify for financial aid to cover their living expenses such as transportation and textbooks. Approximately 46 percent of CCC students receive need-based financial aid, compared to about two-thirds of resident undergraduate students at UC and CSU. One reason for this is that many state and federal student aid programs are structured to help full-time students and many community college students attend
part time. In addition, California’s Cal Grant Program is less
generous to CCC students, irrespective of full- or part-time status.
Examining college costs around the state, The Institute for College
Access and Success (TICAS) found that after factoring in financial
aid, the net cost of community college was actually more expensive
for students than UC or CSU in seven of the nine regions studied.
Nowhere was the CCC found to be the least expensive option.”
(b) (1) During deliberations on the 2017–18 budget package,
legislative intent sought to have the California Student Aid
Commission review California financial aid programs and report
to the relevant budget subcommittees and policy committees of
the Legislature on options to consolidate existing programs that
serve similar student populations in order to lower students’ total
cost of college attendance, including tuition and fees, books and
supplies, transportation, and room and board.
(2) The California Student Aid Commission approved
recommended policy changes from a commissioned report, dated
April 4, 2018, by The Century Foundation titled “Expanding
Opportunity, Reducing Debt,” which includes the following
excerpts:
(A) “Frequently, and especially at public institutions, students’
greatest needs are not related to tuition, but instead are generated
by other expenses, such as books, food, housing, and transportation.
The bulk of CSAC aid, however, is linked simply to tuition prices,
without taking into consideration the full set of expenses students
face in order to commit themselves to their studies. At the same
time, the current Cal Grant includes a patchwork of grant types
(A, B, C, and both entitlement and competitive grants) with a
variety of eligibility requirements that create complexities for
students, CSAC, and schools. The resulting aid system is too
difficult to understand, and in some cases, creates cliff effects for
students and families, or fails to reach students who have
significant need.”
(B) “Community colleges enroll more low-income Pell Grant
recipients than do CSU, UC, and California’s nonprofit colleges
combined. Yet CSAC’s aid programs currently provide little
support to community college students, and the community colleges
lack the means to generate institutional aid in the way that UC and
CSU do.”
(c) In a higher education analysis dated February 15, 2018, the Legislative Analyst’s Office stated, “We recommend the Legislature take a more straightforward approach—consolidating all four existing state financial aid programs for financially needy CCC students into one program with one set of rules. Under the new program, financially needy students would receive a grant for living costs that covered all their unmet need after taking into account their expected family contribution, federal aid, and a reasonable work expectation.”

SEC. 2. Chapter 4 (commencing with Section 70200) is added to Part 42 of Division 5 of Title 3 of the Education Code, to read:

Chapter 4. California Community College Student Financial Aid Program

70200. There—is hereby established the California Community College Student Financial Aid Program.

(b) The purpose of the program is to provide students enrolled in the California Community Colleges with additional financial aid to help offset the cost of attendance.

70201. Subject to an appropriation in the Budget Act or other statute for these purposes, the board shall administer the California Community College Student Financial Aid Program consistent with the provisions of this chapter.

70202. As used in this chapter, the following terms have the following meanings:

(a) “Academic year” has the same meaning as specified in subdivision (a) of Section 69432.7.

(b) “Board” means the Board of Governors of the California Community Colleges.

(c) (1) “Cost of attendance” has the same meaning as specified in Section 1087ll of Title 20 of the United States Code.

(2) Notwithstanding paragraph (1), the board may adopt rules governing the establishment of, and adjustment to, the cost of attendance by an eligible California community college for purposes of this program.

(d) “Eligible California community college” means a California community college that satisfies all of the following conditions:

(1) It is a qualifying institution pursuant to subdivision (l) of Section 69432.7.
(2) It meets the requirements of Section 76396.2.

(3) Its district governing board has voluntarily decided to participate in the program and has designated it to participate.

(e) “Eligible program” has the same meaning as specified in Section 1088 of Title 20 of the United States Code.

(f) “Eligible student” means a person enrolled at an eligible California community college who meets all of the following conditions:

(1) The person either is a resident of California, based on the criteria set forth in Chapter 1 (commencing with Section 68000) of Part 41 for determining nonresident and resident tuition for a student attending an eligible California community college, or meets the qualification for exemption from paying nonresident tuition pursuant to subdivision (a) of Section 68130.5.

(2) The person has not received a grant or grants for educational expenses totaling more than pursuant to this chapter for more than the equivalent of two full-time academic years.

(3) The person has made satisfactory academic progress, as defined in Section 69432.7.

(4) The person has completed a Free Application for Federal Student Aid or a California Dream Act Application.

(5) The person is enrolled in an eligible program.

(g) “Expected family contribution” has the same meaning as specified in subdivision (g) of Section 69432.7.

(h) “Full-time student” has the same meaning as is consistent with the use of the term for the purposes of the federal Pell Grant Program (20 U.S.C. Sec. 1070a).

(i) “Gift aid” means financial aid received by a student that does not have to be repaid by the student, including, but not limited to, all of the following:

(1) Grants through the federal Pell Grant Program (20 U.S.C. Sec. 1070a).

(2) Grants through the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program pursuant to Chapter 1.7 (commencing with Section 69430).

(3) Grants or scholarships pursuant to Section 69650.

(4) Fees waived pursuant to subdivisions (g), (h), (i), and (j) of Section 76300 and pursuant to Section 76301.

(5) Fees waived pursuant to Section 76396.3.
(j) “Half-time student” has the same meaning as is consistent with the use of the term for the purposes of the federal Pell Grant Program (20 U.S.C. Sec. 1070a).

(k) “Less-than-half-time student” has the same meaning as is consistent with the use of the term for the purposes of the federal Pell Grant Program (20 U.S.C. Sec. 1070a).

(l) (1) “Reasonable student contribution” means an amount a student should reasonably be expected to contribute to educational expenses, to be adopted by the board for the academic year.

(2) For the purposes of determining the reasonable student contribution, the board shall do both of the following:

(A) Adopt the reasonable student contribution amount consistent with all of the following:

(i) The minimum wage rates as specified pursuant to all of the following:

(I) Section 1182.12 of the Labor Code.

(II) Federal law.

(III) Local laws.

(ii) Research regarding the level of work that may be harmful to student outcomes.

(iii) Data on barriers to work, including, but not necessarily limited to, current unemployment levels.

(B) Report the amount for the subsequent academic year to the Governor and the Legislature, consistent with Section 9795 of the Government Code, no later than March 31.

(m) “Three-quarter-time student” has the same meaning as is consistent with the use of the term for the purposes of the federal Pell Grant Program (20 U.S.C. Sec. 1070a).

70203. (a) Each eligible California community college shall calculate the sum of the following for each term in an academic year for each eligible student at the eligible community college:

(1) The cost of attendance.

(2) The negative of the expected family contribution.

(3) The negative of the reasonable student contribution.

(4) The negative of the sum of all of the gift aid received by the student.

(b) Notwithstanding subdivision (a), for an eligible student who is not a full-time student, the sum shall be the following:

(1) For a three-quarter-time student, the sum calculated pursuant to subdivision (a), multiplied by 0.75.
(2) For a half-time student, the sum calculated pursuant to subdivision (a), multiplied by 0.5.
(3) For a less-than-half-time student, the sum calculated pursuant to subdivision (a), multiplied by 0.25.
70204. (a) It is the intent of the Legislature that an appropriation for the program be included in future Budget Acts.
(b) An appropriation for the program shall be consistent with both of the following:
(1) It shall specify the percentage of the sum calculated pursuant to Section 70203 that shall be awarded to each eligible student for that academic year.
(2) It shall authorize the Department of Finance to adjust the appropriation to reflect the revised estimate of the costs for all awards for that academic year.
(c) An eligible California community college shall award to an eligible student a grant equal to the sum calculated pursuant to Section 70203, multiplied by the percentage specified pursuant to subdivision (b) for that academic year.
(d) The board of governors shall apportion funds to each eligible California community college to make payments of awards to eligible students pursuant to subdivision (c).
SEC. 3. (a) It is the intent of the Legislature to enact future legislation that would appropriate moneys for the purposes of the California Community College Student Financial Aid Program as follows:
(1) For the 2019–20 fiscal year, the sum of $250,000,000.
(2) For the 2020–21 fiscal year, the sum of $500,000,000.
(3) For the 2021–22 fiscal year, the sum of $750,000,000.
(4) For the 2022–23 fiscal year, the sum of $1,000,000,000.
(5) For the 2023–24 fiscal year, the sum of $1,250,000,000.
(6) For the 2024–25 fiscal year and for each fiscal year thereafter, the sum of $1,500,000,000.
(b) Pursuant to paragraph (1) of subdivision (b) of Section 70204 of the Education Code, the percentage of the sum calculated pursuant to Section 70203 of the Education Code that shall be awarded to each eligible student for each fiscal year shall be as follows:
(1) For the 2019–20 fiscal year, 17 percent.
(2) For the 2020–21 fiscal year, 33 percent.
(3) For the 2021–22 fiscal year, 50 percent.
For the 2022–23 fiscal year, 67 percent.
For the 2023–24 fiscal year, 83 percent.
For the 2024–25 fiscal year and for each fiscal year thereafter, 100 percent.