

**Introduced by Senator Leyva**

(Principal coauthor: Assembly Member Bloom)

**(Coauthors: Senators Allen, Bradford, Jackson, and Wiener)**

(Coauthors: Assembly Members Chiu, Reyes, and Wicks)

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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 introduced, 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 an eligible California community college, 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. To the extent the bill would impose additional duties on community college districts, the bill would impose 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 the statutory provisions noted above.

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. The Legislature hereby finds and declares all of  
2 the following:  
3 (a) (1) On July 17, 2017, the Board of Governors of the  
4 California Community Colleges accepted a strategic vision report  
5 titled Vision for Success which includes, “a comprehensive vision  
6 for change, framed as a set of seven commitments that taken  
7 together can move the college system in the right direction to  
8 collectively reach our goals” and “a call to action, asking the entire  
9 community of CCC stakeholders to join in this Vision for Success.”  
10 (2) The document further states: “California’s community  
11 colleges offer one of the least expensive tuition rates in the country.  
12 Still, the total amount of money spent by students and taxpayers  
13 to attain a particular outcome at a community college can be quite  
14 high because the average student takes several years to complete  
15 a credential, degree, or transfer and commonly accumulate [sic]  
16 many excess units along the way. Another significant problem for  
17 students is the high cost of living in California and the limits of  
18 financial aid for CCC students. While about half of CCC students  
19 have their tuition waived, few qualify for financial aid to cover  
20 their living expenses such as transportation and textbooks.  
21 Approximately 46 percent of CCC students receive need-based

1 financial aid, compared to about two-thirds of resident  
2 undergraduate students at UC and CSU. One reason for this is that  
3 many state and federal student aid programs are structured to help  
4 full-time students and many community college students attend  
5 part time. In addition, California's Cal Grant Program is less  
6 generous to CCC students, irrespective of full- or part-time status.  
7 Examining college costs around the state, The Institute for College  
8 Access and Success (TICAS) found that after factoring in financial  
9 aid, the net cost of community college was actually more expensive  
10 for students than UC or CSU in seven of the nine regions studied.  
11 Nowhere was the CCC found to be the least expensive option."

12 (b) (1) During deliberations on the 2017–18 budget package,  
13 legislative intent sought to have the California Student Aid  
14 Commission review California financial aid programs and report  
15 to the relevant budget subcommittees and policy committees of  
16 the Legislature on options to consolidate existing programs that  
17 serve similar student populations in order to lower students' total  
18 cost of college attendance, including tuition and fees, books and  
19 supplies, transportation, and room and board.

20 (2) The California Student Aid Commission approved  
21 recommended policy changes from a commissioned report, dated  
22 April 4, 2018, by The Century Foundation titled "Expanding  
23 Opportunity, Reducing Debt," which includes the following  
24 excerpts:

25 (A) "Frequently, and especially at public institutions, students'  
26 greatest needs are not related to tuition, but instead are generated  
27 by other expenses, such as books, food, housing, and transportation.  
28 The bulk of CSAC aid, however, is linked simply to tuition prices,  
29 without taking into consideration the full set of expenses students  
30 face in order to commit themselves to their studies. At the same  
31 time, the current Cal Grant includes a patchwork of grant types  
32 (A, B, C, and both entitlement and competitive grants) with a  
33 variety of eligibility requirements that create complexities for  
34 students, CSAC, and schools. The resulting aid system is too  
35 difficult to understand, and in some cases, creates cliff effects for  
36 students and families, or fails to reach students who have  
37 significant need."

38 (B) "Community colleges enroll more low-income Pell Grant  
39 recipients than do CSU, UC, and California's nonprofit colleges  
40 combined. Yet CSAC's aid programs currently provide little

1 support to community college students, and the community colleges  
2 lack the means to generate institutional aid in the way that UC and  
3 CSU do.”

4 (c) In a higher education analysis dated February 15, 2018, the  
5 Legislative Analyst’s Office stated, “We recommend the  
6 Legislature take a more straightforward approach—consolidating  
7 all four existing state financial aid programs for financially needy  
8 CCC students into one program with one set of rules. Under the  
9 new program, financially needy students would receive a grant for  
10 living costs that covered all their unmet need after taking into  
11 account their expected family contribution, federal aid, and a  
12 reasonable work expectation.”

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

15  
16 CHAPTER 4. CALIFORNIA COMMUNITY COLLEGE STUDENT  
17 FINANCIAL AID PROGRAM  
18

19 70200. There is hereby established the California Community  
20 College Student Financial Aid Program.

21 70201. Subject to an appropriation in the Budget Act or other  
22 statute for these purposes, the board shall administer the California  
23 Community College Student Financial Aid Program consistent  
24 with the provisions of this chapter.

25 70202. As used in this chapter, the following terms have the  
26 following meanings:

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

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

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

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

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

39 (1) It is a qualifying institution pursuant to subdivision (I) of  
40 Section 69432.7.

1 (2) It meets the requirements of Section 76396.2.

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

5 (1) The person is a resident of California, based on the criteria  
6 set forth in Chapter 1 (commencing with Section 68000) of Part  
7 41 for determining nonresident and resident tuition for a student  
8 attending an eligible California community college.

9 (2) The person has not received a grant for more than two  
10 academic years.

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

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

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

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

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

23 (3) Grants or scholarships pursuant to Section 69650.

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

26 (5) Fees waived pursuant to Section 76396.3.

27 (h) (1) “Reasonable student contribution” means an amount  
28 adopted by the board for the academic year.

29 (2) The board shall adopt the reasonable student contribution  
30 amount and report the amount for the subsequent academic year  
31 to the Governor and the Legislature, consistent with Section 9795  
32 of the Government Code, no later than March 2.

33 70203. (a) Each eligible California community college shall  
34 calculate the sum of the following for each term in an academic  
35 year for each eligible student at the eligible community college:

36 (1) The cost of attendance.

37 (2) The negative of the expected family contribution.

38 (3) The negative of the reasonable student contribution.

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

(b) Notwithstanding subdivision (a), for an eligible student who enrolls in fewer than 12 units in a term during the academic year, the sum shall instead be, for each term in an academic year, the sum calculated pursuant to subdivision (a), multiplied by the number of units in which the student enrolls, divided by 12.

70204. (a) 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 appropriation for the program for that academic year, divided by the grand total of all of the sums calculated for all eligible students pursuant to Section 70203 for that academic year.

(b) The board of governors shall apportion funds to each eligible California community college to make payments of awards to eligible students pursuant to subdivision (a).

SEC. 3. 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:

- (a) For the 2019–20 fiscal year, the sum of \$250,000,000.
- (b) For the 2020–21 fiscal year, the sum of \$500,000,000.
- (c) For the 2021–22 fiscal year, the sum of \$750,000,000.
- (d) For the 2022–23 fiscal year, the sum of \$1,000,000,000.
- (e) For the 2023–24 fiscal year, the sum of \$1,250,000,000.
- (f) For the 2024–25 fiscal year and for each fiscal year thereafter, the sum of \$1,500,000,000.

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