

Date of Hearing: April 7, 2015

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 206 (Mark Stone) – As Introduced January 29, 2015

SUBJECT: Student financial aid: California DREAM Work-Study Program

SUMMARY: Establishes the California DREAM Work-Study Program (Program) to be administered by the California Student Aid Commission (CSAC). Specifically, **this bill:**

- 1) Establishes, commencing with the 2016-17 fiscal year, the Program under CSAC to provide financial aid for students meeting eligibility requirements.
- 2) Establishes student eligibility requirements, as determined by the institution of attendance, as follows:
 - a) Enrolled, or accepted for enrollment at a campus of the California State University (CSU) or University of California (UC);
 - b) Exempt from nonresident tuition pursuant to Section 68130.5;
 - c) Applied for financial aid under Section 69508.5;
 - d) Qualified under the income and need standards applied to work-study programs by the institution in which the student is enrolled or accepted for enrollment; and,
 - e) Meets additional eligibility requirements deemed appropriate by the institution in which the student is enrolled.
- 3) Requires CSAC to provide funding, as outlined below, upon verification that a student is eligible for financial aid under this article:
 - a) CSAC shall match 100% of the cost of the work-study grant of a student whose Program work is accomplished on a campus of the CSU or UC or at a campus or other facility of a school district or community college (CCC) district.
 - b) CSAC shall match 50% of the cost of the work-study grant of a student whose Program work is accomplished at a location other than those specified above.

EXISTING LAW:

- 1) Qualifies for lower resident fee/tuition payments at the CCC, CSU, and UC, a student who attended high school in California for three (or equivalency) or more years, graduated (or equivalency) from a California high school, enrolled at an accredited institution of higher education in California not earlier than the fall semester or quarter of 2001–02, and files an affidavit with the institution of higher education stating that the student has filed an application to legalize his or her immigration status or will file an application as soon as he or she is eligible. These students are often referred to as "AB 540 students". (Education Code Section 68130.5)

- 2) Establishes the California DREAM Act to provide state, including the Cal Grant Program and the CCC Board of Governors Fee Waiver, and institutional financial aid to students who qualify the aforementioned exemption from non-resident tuition, students must apply by March 2 prior to the academic year; Dream Act recipients receive Cal Grant Entitlement awards, but are not eligible for Competitive Cal Grant awards unless funding remains available after eligible California students have received awards. According to CSAC, in 2014-15, 38,473 students completed a Dream Act Application, 8,195 awards were offered, and 4,206 awards paid. (EDC Section 69508.5)
- 3) Establishes the California DREAM Loan Program intended to provide low-interest loans to Dream Act students who are accessing the Cal Grant program and attending UC and CSU. These students are not eligible for federal student loans, making it difficult for some to cover the total costs of college. The law requires the state and UC and CSU to split the costs of launching the program. The state would need to provide about \$4.7 million General Fund to begin the program. In 2014, the Governor signed SB 1210 (Lara), Chapter 754, but does not provide funding in the 2015-16 budget for the program. (EDC Section 70030-70039)
- 4) Since 1986, a California State Work Study Program has existed in statute to provide financially needy students with the opportunity to earn money to help defray educational costs while gaining experience in educationally beneficial or career-related employment. The program was administered by CSAC and was funded as a pilot program beginning in 1987. In 1998, the program was expanded to include the Teaching Intern Program, to make work-study funding available to offer tutoring in various outreach activities for pupils. The program has not been funded in recent years. (EDC Section 69950 – 69969.5)
- 5) The California Community College (CCC) CalWORKs Program provides funds to CCCs to assist welfare recipient students and those in transition from welfare to achieve long-term economic self-sufficiency. The services provided through the program include child care, academic and personal counseling, work study, and job placement. Funds allocated for work study are required to be used for payments to employers participating in campus-based work study or are providing work experiences directly related to the educational programs. Payments may not exceed 75% of the wage for the position; employers must pay at least 25%. In 2013-14, CCC CalWORKs provided 5,303 work-study positions; 4,525 positions on-campus and 778 off-campus. (EDC Section 79200 – 79209)

FEDERAL LAW:

- 1) On June 15, 2012, the Secretary of Homeland Security, under the direction of President Obama, announced the Deferred Action for Childhood Arrivals (DACA) policy, providing certain people who came to the United States as children and meet several guidelines authority to request consideration of deferred action for a period of two years, subject to renewal. They are also eligible for work authorization. Deferred action is a use of prosecutorial discretion to defer removal action against an individual for a certain period of time. Deferred action does not provide lawful status.

Individuals may request consideration of DACA if they meet the following requirements:

- a) Were under the age of 31 as of June 15, 2012;

- b) Came to the United States before their 16th birthday;
 - c) Have continuously resided in the United States since June 15, 2007, up to the present time;
 - d) Were physically present in the United States on June 15, 2012, and at the time of making the request for consideration of deferred action;
 - e) Had no lawful status on June 15, 2012, meaning never had a lawful immigration status on or before June 15, 2012, or any lawful immigration status or parole obtained prior to June 15, 2012, that had expired as of June 15, 2012;
 - f) Currently in school, have graduated or obtained a certificate of completion from high school, have obtained a General Educational Development (GED) certificate, or are an honorably discharged veteran of the Coast Guard or Armed Forces of the United States; and,
 - g) Have not been convicted of a felony, a significant misdemeanor, three or more other misdemeanors, and do not otherwise pose a threat to national security or public safety.
- 2) The Federal Work Study (FWS) Program provides funds for part-time employment to help needy students finance higher education. Students can receive FWS funds at 3,400 participating postsecondary institutions at hourly wages of at least the federal minimum wage. Participating institutions must apply annually to the US Department of Education (USDE) to participate. Using a statutory formula, USDE allocates funds based on prior year funding levels and the aggregate need of prior year eligible students. Generally, the school or employer pays up to 50% share of the student's wages; however, in some cases, for example, FWS jobs as reading or math tutors, the federal share of the wages may be as high as 100%. Institutions must use at least 7% of their FWS allocation to support students working in community service jobs. Students apply for FWS assistance through the Free Application for Federal Student Aid (FAFSA). (Higher Education Act of 1965, Title IV, Part C; 42 U. S. C. 2751-2756b)
- 3) Federal immigration law prohibits an undocumented immigrant from being eligible for postsecondary education benefits on the basis of residence within a State if those benefits are not available to citizens or nationals of the United States who are nonresidents of that State. (Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Title 8, Chapter 14, Section 1623(a)).

FISCAL EFFECT: Unknown.

COMMENTS: *Purpose of this bill.* According to the author, federal law currently excludes undocumented students from any federal financial aid, including the FSW Program. Some campuses of the UC have been able to develop institutional work-study grants for AB 540 students beginning in the fall of 2014, but they lack an ongoing funding source moving forward. This measure aims to ensure that UC and CSU students have access to grants for work-study.

Review of prior California State Work-Study Program. As previously noted, the California State Work-Study Program was funded beginning in 1987. According to an independent review of the

pilot program conducted in 1990, of the 561 students participating in the program at 15 institutions in 1987-88, the vast majority obtained jobs related to their educational or career goals. Over 80% of the students surveyed for the review said either they would not have been able to attend high school without the job, or that having a job made it more likely that they would stay in school. The review found that students came from low-income families with an average income of \$18,200 for dependent students and \$7,795 for independent students. The review found that the program would be a valuable addition to the State's financial aid programs and help students work rather than take out student loans. This program has not been funded in recent years.

FWS programs at UC and CSU. As previously noted, the FWS provides funds for part-time employment to help needy students finance higher education. Currently, all campuses of the CSU and UC participate in FWS. According to information provided by CSU and UC, existing funding provided under FWS does not provide sufficient support to meet all students need.

Existing UC programs. In 2014-15, seven UC campuses were able to offer institutionally funded work-study awards to AB 540 students with DACA status, and awards are typically about \$2,000 for the year. Three of the seven campuses offered these programs for the first time in the current year and at least two of the campuses did so with one-time moneys, so it is unclear if these programs will be able to continue in future years. For 2015-16, it is possible that only two to three campuses will be able to continue these programs. As the population of AB 540 students with DACA status grows, there is concern that institutional funding for these work-study programs will be inadequate. There are no comparable work-study programs for AB 540 students at any CSU campuses.

Committee considerations. The committee may wish to consider the following amendments:

- 1) Consistent with the Author's intent, clarify that students must have applied for financial aid using the Dream Act Application:

On Page 2, strike lines 19-20 and insert:

(3) Make a timely application for financial aid using the application established by the Student Aid Commission pursuant to subdivision (b) of Section 69508.5, known as the Dream Act Application.

- 2) The bill provides institutions with authority to establish standards and eligibility requirements for participating students and qualifying employment positions. The Committee and Author may wish to establish minimum requirements requiring: (a) students are ineligible for other work-study programs; (b) students be undergraduate students and making satisfactory academic progress; and, (c) students have federal authorization to work.
- 3) According to information provided by CSAC, colleges and universities are responsible for determining a student's AB 540 eligibility and responsible for determining a student's eligibility under the Dream Act. Committee staff understands that it is the author's intent that CSU and UC would have responsibility for determining student eligibility and identifying placement for work study under this bill. As there is an unclear role for CSAC, to reduce administrative burden and cost, the author may wish to consider removing CSAC and allowing CSU and UC to administer the program established by this bill directly.

REGISTERED SUPPORT / OPPOSITION:

Support

American Civil Liberties Union of California
California Dream Network
California Federation of Teachers
California Immigrant Policy Center
California State Student Association
Coalition for Humane Immigrant Rights of Los Angeles
National Association of Social Workers, California Chapter
Scholars Promoting Education Awareness and Knowledge
31 Individuals

Opposition

None on File

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