

Date of Hearing: July 11, 2017

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 573 (Lara) – As Amended July 3, 2017

SENATE VOTE: 28-12

SUBJECT: Student financial aid: service learning programs.

SUMMARY: Authorizes the University of California (UC) Regents, the California State University (CSU) Trustees, and the California Community Colleges (CCC) Board of Governors (BOG), to develop and implement a service learning program; and, imposes limitations on the collection, retention, and disclosure of information about applicants and participants in the program. Specifically, **this bill:**

- 1) Authorizes the UC Regents, CSU Trustees, and the CCC BOG to develop and ensure that each of their respective campuses implement a service learning program for students with financial need who are exempt from paying nonresident tuition under current law, or who meet equivalent requirements adopted by the Regents.
- 2) Specifies that the program may be offered to complement existing state and federal financial aid awards.
- 3) Requires a service learning program established at a campus to do all of the following:
 - a) Identify opportunities for each student participating in the program to provide volunteer service hours while learning new skills and experiences that supplement his/her academic learning;
 - b) Be established and administered as part of the campus's existing financial aid structure and services; and,
 - c) Offer, as part of an existing financial aid award of the campus or the segment, grants, fee waivers, or reimbursements to an eligible student for his/her educational expenses.
- 4) Allows only students who are exempt from paying nonresident tuition pursuant to Education Code (EC) Section 68130.5 to participate in the program.
- 5) Allows a qualified student to participate in the program, regardless of his or her immigration status.
- 6) Provides that a service learning program established pursuant to this bill may supplement or be a component of existing state work-study programs as deemed appropriate by the appropriate segment.
- 7) Authorizes the UC Regents, CSU Trustees, and the CCC BOG to adopt, as necessary, application procedures, forms, additional application criteria, administrative guidelines, and other requirements for the development and implementation of a service learning program.

- 8) Provides that, notwithstanding the California Public Records Act (CPRA), information provided by an applicant for, or by the recipients of, a service learning program established pursuant to this bill is confidential and shall not be open to the public for inspection or disclosed without the written consent of the applicant or participant, or as otherwise required by California law or state or federal court order.
- 9) Requires that information that is provided by an applicant for, or by a recipient of, a service learning program be collected, recorded, used, and retained by the appropriate public postsecondary educational institution only for determining the applicant's eligibility for the program or for administering the program.
- 10) Clarifies that (8) and (9) above do not prohibit disclosure of aggregate data that does not reveal personal identifying information about the student.
- 11) Makes the following legislative findings and declarations, as required by the state constitution, to justify the limitations on public access proposed by the bill: This act strikes the appropriate balance between the public's right to access information about the conduct of their governmental agencies and the need to protect the personal information of private individuals who participate in service learning programs established pursuant to Article 24 (commencing with Section 70045) of Chapter 2 of Part 42 of Division 5 of Title 3 of the EC).

EXISTING LAW:*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, authorizing certain people who came to the United States as children and meet several guidelines 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 all of the following requirements:

- Were under the age of 31 as of June 15, 2012;
- Came to the United States before their 16th birthday;
- Have continuously resided in the United States since June 15, 2007, up to the present time;
- Were physically present in the United States on June 15, 2012, and at the time of making the request for consideration of deferred action;
- 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;

- Currently in school, have graduated or obtained a certificate of completion from high school, have obtained a General Educational Development certificate, or are an honorably discharged veteran of the Coast Guard or Armed Forces of the United States; and,
- 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.

To note, undocumented students cannot legally receive any federally funded student financial aid, including loans, grants, scholarships or work-study money.

- 2) Establishes the Federal Work Study (FWS) Program which 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 percent share of the student's wages. Institutions must use at least 7 percent 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).

State law.

- 1) Provides that the people have the right of access to information concerning the conduct of the people's business and, therefore, the writings of public officials and agencies shall be open to public scrutiny. Specifies that any law or rule that limits the public right of access shall be adopted with findings demonstrating the interest protected by the limitation. (California Constitution, Article I, Section 3.)
- 2) Qualifies for lower resident fee/tuition payments at the CCC, CSU, and UC, a student who attended high school in California for three 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" (EC Section 68130.5).
- 3) Authorizes the Cal Grant program, administered by the California Student Aid Commission (CSAC), to provide grants to financially needy students to attend college. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average, California residency, and other eligibility criteria, as specified (EC Sections 69430 – 69439).
- 4) Establishes the California DREAM Act to provide state, including the Cal Grant Program and the CCC BOG Fee Waiver, and institutional financial aid to students who qualify for the aforementioned exemption from non-resident tuition (as listed in number one above), 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 (EC Section 69508.5).

- 5) Establishes a California State Work Study Program 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, administered by the CSAC, was initially funded as a pilot program in 1987. However, 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.
To note, the program has not been funded in recent years (EC Sections 69950 – 69969.5).
- 6) 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, 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 (EC Sections 70030-70039).
- 7) Establishes the CCC CalWORKs Program which provides funds to the CCC 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 experience directly related to the educational programs (EC Sections 79200 – 79209).
- 8) Provides, under the CPRA, that all public records are open to public inspection upon request, unless the records are otherwise exempt from public disclosure (Government Code Sections 6253 - 6254).

FISCAL EFFECT: According to the Senate Appropriations Committee:

- 1) The Chancellor's Office indicates one-time Proposition 98 General Fund costs of \$6.7 million for start-up activities at each campus, including program outreach and training for staff, setting up payment and disbursement processes, and updating or creating new marketing and publications. Further, the Chancellor's Office estimates ongoing costs of \$3.1 million Proposition 98 General Fund for these local campus activities.
- 2) The Chancellor's Office also estimates \$150,000 General Fund for initial program development and implementation activities during the first year, and \$40,000 General Fund for ongoing administrative costs related to the adoption of application procedures, forms, criteria, and guidelines for the program.
- 3) The UC indicates annual General Fund costs of \$11.5 million based on its existing work-study earnings and AB 540 student population.
- 4) The CSU indicates a range of \$700,000 to \$1.3 million General Fund for staff at campuses to develop and manage the new service learning program, and an additional \$800,000 in administrative costs for financial aid offices to develop and administer new policies, application procedures, forms, etc. for participating students. There would also be unknown

but significant costs for the grants, fee waivers, and reimbursements for participating students in the program.

COMMENTS: *Double referral.* This measure was heard and passed out of the Assembly Judiciary Committee on June 27, 2017, with a vote of 7 – 2.

Background. With no Social Security number, undocumented students cannot complete the FAFSA; therefore, undocumented students are not eligible for any federally funded financial aid, including loans, grants, scholarships or work-study money.

Committee Staff understands that in academic year 2014-15, seven UC campuses offered institutionally funded work-study awards, typically \$2,000 per year, to AB 540 students with DACA status. Some of these programs were established with one-time funding and the on-going availability of the programs is presently uncertain.

To date, work-study programs for AB 540 students are not available on any CSU campuses.

Need for the measure. According to the author, "Students attending public universities in California currently have a variety of financial aid options; unfortunately, not all students with financial need qualify for federal assistance. As a result, undocumented students often face great barriers to finishing their education."

The author contends that, this bill would create a mechanism for public universities to utilize service learning agreements with students who provide volunteer hours in exchange for grants, fee waivers, or reimbursement for their educational expenses.

The measure does two things: 1) authorizes the public segments (UC, CSU, and CCC) to create and implement a service learning program; and, 2) limits the use of information submitted by applicants and participants in the program and makes such information confidential and exempt from public disclosure pursuant to the CPRA, except as allowed under the bill.

Committee comments. As presently drafted, this measure authorizes the segments to develop and implement a service learning program. Committee Staff understands that service learning programs are defined by the segments as courses based and used for academic credit, not payment. The use of service learning programs as called for in this measure may cause confusion for the segments.

Moving forward, the author may wish to consider creating a different name for the created program.

Additionally, the bill does not have an associated funding source, should the segments decide to develop and implement the service learning program.

Moving forward the author may wish to identify a funding source or make the implementation of this measure contingent upon a budget appropriation by the Legislature.

Previous and related legislation. SB 244 (Lara), which is pending a hearing in the Assembly Privacy and Consumer Protection Committee, would, in part, make records about numerous

programs, including educational programs available to undocumented students, confidential and exempt from the provisions of the CPRA.

AB 1037 (Limón) of 2017, which was held on the Suspense File in the Assembly Appropriations Committee, would have, in part, established the California Community Service Incentive Grant Program under the administration of the CSAC.

SB 1210 (Lara), Chapter 754, Statutes of 2014, in part, created the DREAM loan program.

AB 130 (Cedillo), Chapter 93, Statutes of 2011, and AB 131 (Cedillo), Chapter 604, Statutes of 2011, in part, via the creation of the DREAM Act, enabled students eligible for in state-tuition to be eligible to apply for any financial aid program administered by the State to the full extent permitted by federal law. The California DREAM Act also enabled said students to receive a scholarship, derived from nonstate funds, received for the purpose of scholarships by the California public postsecondary institution they attend.

AB 540 (Firebaugh), Chapter 814, Statutes of 2001, in part, established the requirements that must be met for a student to qualify for the lower resident tuition costs at the CCC, the CSU, and UC.

REGISTERED SUPPORT / OPPOSITION:**Support**

None on file

Opposition

None on file

Analysis Prepared by: Jeanice Warden / HIGHER ED. / (916) 319-3960