

Date of Hearing: April 22, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Mike Fong, Chair
AB 537 (Ahrens) – As Introduced February 11, 2025

SUBJECT: Community colleges: California College Promise.

SUMMARY: Removes, for purposes of eligibility for the California College Promise Program, the qualification that students be enrolled full-time. Specifically, **this bill:**

- 1) Stipulates that for purposes of eligibility for the California College Promise Program, students no longer need to be enrolled full-time to qualify for participation.
- 2) Requires, as a condition of participating in, and receiving funding for, the California College Promise Program, California Community Colleges (CCC) and Districts must refrain from referring to any other student financial aid funding program as the California College Promise.
- 3) Makes clarifying changes to existing law.

EXISTING LAW:

- 1) Establishes the mission and function of the CCC, which, in part is to: 1) offer academic and vocational instruction at the lower division level for both younger and older students, including those persons returning to school; 2) authorizes the CCC to grant the associate in arts and the associate in science degrees; 3) requires the CCC to offer English as a Second Language instruction, adult noncredit instruction, and support services which help students succeed at the postsecondary level; and, 4) advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous work force improvement (Education Code (EC) Section 66010.4).
- 2) Establishes a \$46 per unit fee for students at the CCC. Provides for a fee waiver for certain types of students, including those who meet minimum academic and progress standards adopted by the CCC Board of Governors (BOG) and have household incomes below certain thresholds established by the BOG or have demonstrated financial need pursuant to federal law (EC Section 76300).
- 3) Establishes the California College Promise, under the administration of the CCC Chancellor, to provide funding, upon appropriation by the Legislature, to each community college meeting prescribed requirements. Additionally, existing law:
 - a) Authorizes a community college to use that funding to waive some or all of the fees for two academic years for first-time community college students and returning community college students, as defined, who are enrolled in 12 or more semester units or the equivalent, or less for students certified as "full time," as specified, and who complete and submit either a Free Application for Federal Student Aid (FAFSA) or a California Dream Act Application (CADAA), except as provided;

- b) Requires the chancellor to establish a funding formula that advances the goals of the program;
- c) Requires the funding formula to include, for funding appropriated for the program in excess of the funding needed to waive all student fees, the number of full-time equivalent students at a community college and the number of students at a community college who satisfy the requirements to receive federal Pell Grants and the requirements to receive a specified exemption from paying nonresident tuition; and,
- d) Requires the CCC Chancellor to submit a report to the Legislature by July 1, 2024, evaluating the use of funding for the California College Promise to waive student fees (EC Sections 76396-76396.4).

FISCAL EFFECT: Unknown

COMMENTS: *Purpose of the measure.* According to the author, “I am proud to lead the fight to expand the California College Promise program to help our neediest students by expanding the ability of our community colleges to waive the fees for part-time students for two years. Existing law requires that a student be full-time in order to receive a fee waiver through the program, which erroneously locks out our least advantaged students and perpetuates inequity and inequality at our community colleges.”

The author contends that, “while California State Chancellor’s Vision 2030 has a goal of having 70% of its workforce to obtain a postsecondary degree or certificate. To achieve this goal, community colleges must enroll and serve non-traditional students, part-time students, non-degree seeking students, and students seeking to refresh job skills or explore career changes. They should have access to all resources that are aimed at supporting students in their academic achievement.”

Fees and fee waivers at the CCC. Enrollment fees at CCCs are the lowest in the country (\$46 per unit), and are waived for almost half of all CCC students (this amounts to over one million students). For decades, this waiver was known as the BOG fee waiver and has existed since enrollment fees were established (1984) at the CCC and waives the per unit enrollment fee for any CCC student who demonstrates financial need.

The BOG fee waiver has been renamed as the California College Promise Grant (not to be confused with the separate California College Promise Program). Additionally, current law requires fees to be waived for surviving dependents of certain military service members and first responders.

California College Promise Program. In addition to the statute waivers (as noted in the *Fees and fee waivers at the CCC* section of this analysis), AB 19 (Santiago), Chapter 735, Statutes of 2017, established the California College Promise Program, which authorizes, *but does not require*, CCCs to waive fees for two years of college for first-time or returning full-time students regardless of financial need. To be eligible for these waivers, students must have no prior postsecondary coursework or have taken one or more semesters off from college coursework,

enroll in 12 or more units per semester (which is considered full-time), and submit an FAFSA or CADAA. Under the Program, colleges may also use their college program funds for a variety of other purposes, such as providing students with supplemental services.

The California College Promise Program was funded beginning in 2018-19 for \$46 million. Not all colleges receiving Promise funds are waiving enrollment fees; many believe their California Promise funding is better used for other purposes, such as strengthening student support services to boost outcomes, or providing grants to help students cover the costs of child care, transportation, books or other expenses. Under the provisions of the Promise Program, colleges receiving California Promise funds must engage in several outlined activities.

Among those activities: operating programs with local high school districts that support pathways to college; implementing the Guided Pathways framework; and helping students access need-based financial aid such as Pell Grants and Cal Grants.

This measure, in part, seeks to expand eligibility for the California College Promise Program to include community college students who are less than full-time students.

According to the CCC Chancellor's Office (CCCCO), from 2018-2023, \$375 million was allocated by the Legislature to colleges for purposes of administering the California College Program. On average, 75% of the allocated funds were spent on direct student aid.

How many? As noted above in the last two sections of this analysis, the California College Promise Grant and the California College Promise Program are two different programs, both which potentially significantly reduce the costs associated attending a CCC. The chart below, as compiled via the CCC Management Information Systems Data Mart and the CCCCCO delineates the number of CCC students who have received the California College Promise Grant waiver and those who have received a California College Promise Program waiver:

Academic Year	California College Promise Grant Wavier	California College Promise Program
2019-20	899,471	28,978
2020-21	765,696	34,441
2021-22	692,862	33,718
2022-23	695,803	38,605
2023-24	771,885	35,733

The CCC has over 1.9 million students. According to the CCCCCO, from Fall 2021-2024 the percentage of part-time CCC students ranged from 61% - 65%; making part-time students well over the majority of students attending the CCC.

Committee comments. Many community college students attend part-time for myriad of reasons, including, but not limited to, the cost of living requiring them to work a full-time job and/or caring for a dependent(s). If the California College Promise Program is expanded to enable part-time students to potentially experience the benefits of the the California College Promise Program, it may assist part-time students in taking more classes even if not equal to full-time status, thus potentially reducing their time to degree or transfer.

However, it could also increase their time to degree or transfer because it removes the incentive that currently exists – being enrolled full-time – in order to benefit from the waiver.

Additionally, while it is presently unknown the exact costs associated with expanding the California College Promise Program to everyone, regardless of enrollment status or financial need, it is also unknown where the funds to expand this program will come from.

Committee Staff understands that the author did not submit a Budget Request Letter in order to potentially augment the current fiscal allocation for California College Promise Program.

Moving forward, the author may wish to work with the appropriate stakeholders in order to determine if it is prudent to augment the Program for all part-time CCC students or perhaps augment just for part-time CCC students who have a proven financial need.

Arguments in support. According to the California Teachers Association (CTA), “64% of students attended college on a part-time basis (less than 12 units). This means an overwhelming majority of students do not qualify for the California College Promise Program. These students may be working parents or caregivers who cannot go without a paycheck. They may have other responsibilities that do not allow them to take on a full course load. Whatever their reasons, they should be eligible for the Program like their full-time classmates.”

Related legislation. AB 1035 (Mark González), which passed out of this Committee on April 8, 2025, with a vote of 8-2 and is currently pending action by the Assembly Committee on Appropriations, in part, authorizes the expansion of the community college enrollment fee waiver that students are eligible for under the California College Promise by an additional two years of full-time attendance for a student enrolled in a community college baccalaureate degree program for a total of four years of eligibility.

Prior legislation. AB 1342 (Megan Dahle), Chapter 102, Statutes of 2023, deems a student as a first-time CCC student for purposes of qualifying for a California College Promise Program fee waiver, even if that student had been enrolled in a CCC through a dual enrollment program in high school.

AB 2 (Santiago, et al.), Chapter 509, Statutes of 2019, expands the California Promise Program, allowing a student enrolled in fewer than 12 units, and part of the Disabled Students Programs and Services (DSPS), to be considered a full-time student for purposes of eligibility for the California College Promise Program.

SB 77 (Committee on Budget and Fiscal Review) Chapter 53, Statutes of 2019, which is the higher education budget trailer bill, includes the statutory changes necessary to expand the California College Promise Program for a second academic year.

AB 19 (Santiago), Chapter 735, Statutes of 2017, establishes the California College Promise Program, to be administered by the CCCCO which must distribute funding, upon appropriation by the Legislature, to each community college meeting the specified requirements to be used to

accomplish certain goals and waive the \$46 per unit fee for one academic year for first-time students.

AB 1741 (Freddie Rodriguez and O'Donnell), Chapter 434, Statutes of 2016, in part, until January 1, 2021, establishes the California College Promise Innovation Grant Program to be administered by the CCC Chancellor's Office. The Program would support the CCC in establishing or expanding regional programs to address college preparedness, attendance, and graduation in partnership with school districts and public postsecondary universities in California.

REGISTERED SUPPORT / OPPOSITION:**Support**

Alliance for Children's Rights
CA Edge Coalition
California Community College Independents
California Teachers Association
Coast Community College District
Faculty Association of California Community Colleges
San Jose-Evergreen Community College District
Student Senate for California Community Colleges

Opposition

None on file.

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