Date of Hearing: June 9, 2026

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Mike Fong, Chair
SB 968 (Becker) – As Introduced February 3, 2026

SENATE VOTE: 37-0

SUBJECT: Community colleges: San Mateo County Community College District

SUMMARY: Removes a sunset provision to allow San Mateo County Community College District (SMCCCD) to indefinitely use local unrestricted general funds to provide fee waivers and financial assistance towards the total cost of attendance for students with the greatest financial need. Specifically, **this bill**:

1) Removes a sunset provision to allow SMCCCD to retain a policy to use unrestricted general funds to provide:

   a) Fee waivers to students with the greatest financial need and who do not qualify for other fee waivers offered by the California Community College (CCC) system; and,

   b) Students with additional financial assistance towards the total cost of attendance.

2) Removes a one-time report, completed by SMCCCD on March 1, 2026, on the use and outcome of the unrestricted funds by SMCCCD for fee waivers and financial assistances for students with the greatest financial need.

EXISTING LAW:

1) Defines "cost of attendance" as the monetary costs of attending college or university for the purpose of determining financial aid eligibility. Includes the cost of mandatory systemwide tuition and fees, books and supplies, room and board, transportation, and miscellaneous personal expenses (Education Code (EDC) Section 66028.1 (b)).

2) Establishes the California Community Colleges (CCC) under the administration of the Board of Governors of the CCC, as one of the segments of public postsecondary education in this state. The CCC shall be comprised of community college districts (EDC Section 70900).

3) Establishes that CCC districts are under the control of a locally elected board of trustees, who has the authority to establish, maintain, operate, and govern one or more community colleges, within a specified geographical area known as a district (EDC Section 70902).

4) Authorizes the board of trustees of each community college district to charge each student $46 per unit per semester. Exempts the following from paying the prescribed fee:

   a) Students enrolled in specified non-credit courses;

   b) California State University or University of California students enrolled in pretransfer coursework, as defined;

   c) Students who are enrolled in contract education, as defined;

d) A student who meets a minimum academic and progress standards, as defined, and is either:

   i) Students enrolled in or receiving benefits from Temporary Assistance for Needy Families program (TANF), the Supplemental Security Income/State Supplementary Payment Program (SSI), or a general assistance program;

   ii) Students who demonstrate eligibility according to income standards established by regulations of the CCC Board of Governors; or,

   iii) Students who demonstrates financial need according to the methodology set forth in federal law or by regulations for determining the exempted family contribution of students seeking financial aid;

e) Homeless or formerly homeless youth, as defined;

f) Students who were the dependent or surviving spouse of any member of the California National Guard who died or was permanently disabled while in the line of duty or while in active service of the state;

g) Students who were the dependent or surviving spouse of a California firefighter or law enforcement officer killed in the performance of their duties or who died as a result of performing duties related to law enforcement or fire suppression;

h) Students who were the dependent of a California resident who killed or who died as a result of injuries sustained in the September 11th, 2001 terrorist attacks;

i) Any child of any veteran of the United States military who has a service- connected disability, was killed in service, or has died of a service-connected disability;

j) The child of a recipient or the recipient of a Congressional Medal of Honor; and,

k) The dependent or spouse of a person who was a nurse, physician, or first responder who died of COVID -19 during the state emergency (EDC Section 76300, 68120, 68120.3 and 66025.3).

5) Establishes the California College Promise (AB 19) to be administered by the Chancellor of the California Community Colleges for the purpose of authorizing community colleges to waive all or some of the tuition fees for first-time and returning students who enroll in a 12 units or more at a community college and complete the Free Application for Federal Student Aid (FASFA) or the California Dream Act Application (CADAA). Provides an exemption to the 12 unit rule for those who have been certified as full-time by a staff person in the disabled student services program, as defined (EDC Section 76396 and 76396.3).

6) Permits SMCCCD, until July 1, 2028, to adopt a policy to use local unrestricted general funds to provide fee waivers for students who have the greatest financial need, are living within the geographical attendance boundary for the district, and do not qualify for any other existing fee waivers provided by the CCC system. As part of the policy, SMCCCD is required to prepare a fiscal impact statement as to how the fee waiver will impact the district over a three year period. In addition to providing students with a fee waiver, SMCCCD may

also use the unrestricted general funds to provide students with financial assistance to address unmet needs based on the total cost of attendance. Restricts the use of the funds for the purposes described above to students who reside in the SMCCCD. Requires SMCCCD to publish a report by March 1, 2026 on the use of unrestricted funds and whether the provision of the fee waivers and financial assistance helped students achieve their academic goals. Sunsets the permissive use of the unrestricted funds on July 1, 2028 (EDC Section 76302).

FISCAL EFFECT: This measure was keyed nonfiscal by Legislative Counsel.

COMMENTS: *Purpose of the measure.* As asserted by the author, “the cost of tuition should never be the reason why someone can’t pursue higher education and reach their full potential. The data shows that when we remove this burden, enrollment increased significantly, especially among first generation students and students of color. SB 968 (Becker) opens doors to those who never imagined college was within reach. It’s a game changer, and an investment in our workforce, our economy and our community.”

Tuition waivers at the California Community Colleges (CCC). The CCC remain the largest two-year college system in the United States with over 2.8 million students being served by 116 community colleges in the past academic year.[1] As an open access system, the CCCs provide a myriad of educational pathways for students and are often a student’s first collegiate experience. The CCC recognize that access to coursework is only part of a student’s journey to timely degree completion. As part of the Vision 2030, the CCCs have chosen to focus on equity in support by “ensuring seamless access to financial aid, housing, and essential services” for student; specifically, by increasing the number of students who have access to federal, state, and local financial aid grants – including tuition waivers.[2]

The CCCs already have the lowest tuition fees, $46 per unit, of any public two-year college system in the nation.[3] Additionally, the CCCs offer a myriad of fee waivers for students who meet specified requirements, see the *Existing Law* section of this analysis for a comprehensive list. In the 2024-2025 academic year, the CCC system provided over $4.3 million in financial aid to 924,187 students.[4] The two most awarded grants or tuition waivers were the California College Promise (AB 19 (Santiago), Chapter 735, Statutes of 2017), and the California College Promise Grant (formerly known as the Board of Governor’s fee waiver).

The California College Promise (AB 19) established in 2017, enables all students, regardless of income or financial aid status, to qualify for a tuition fee waiver if they 1) are first-time or returning college students, 2) enrolled in at least 12 units (full-time) or qualify for an exemption to the 12 unit requirement, and 3) completed either the Free Application for Federal Student Aid (FASFA) or the California Dram Act Application (CADAA). In the 2024-2025 academic year, 37,341 students qualified for a fee waiver under the California College Promise (AB 19) for a total of $28,059,896 in financial aid awards.[4]

The California College Promise Grant (CCPG) was established in 1984 to provide an exemption to the state-mandated tuition fee that was implemented in the same year. The goal of the waiver

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[1] CCC Chancellor’s Office Data Mart – Student Count – Fall Term – Fall 2025
[2] https://vision2030.cccco.edu/#strategic-direction
[3] https://www.communitycollegereview.com/california
[4] CCC Chancellor’s Office Data Mart – Student Services – Financial Aid Summary – Statewide Search – Annual 2024-2025

was to eliminate the cost of attendance as a barrier to accessing higher education for low-income and underrepresented students. There are multiple pathways a student may use to qualify for a CCPG; including being a TANF recipient, an SSI recipient, or demonstrating financial need on either the FASFA or the CADAA. Additionally, a student must maintain a grade point average of 2.0 or higher in more than 50% of the coursework they attempt. The waiver provides a fee exemption for every unit the student takes at their chosen community college. In the 2020-2021 academic year, 814,508 students qualified for the CCPG, which equates to $756,306,070 in financial aid awards.[4]

These grants provided by the CCC only extend to qualifying students and only exempt tuition, which is one part of the total cost of attendance. The fee waivers and financial assistance provided by San Mateo County Community College District (SMCCCD) through the policy authorized by Education Code Section 76302 extends beyond the existing tuition waiver grants and permits SMCCCD to provide any student with unmet financial need financial assistance. SB 968 (Becker) would extend the SMCCCD financial assistance grant beyond July 1, 2028, by removing the sunset provision.

"Basic Aid" community college districts. Each year in the annual Budget Act, the State allocates funding to the CCCs in two parts: one through apportionments (unrestricted funds) and through categorical programs (specified monies for a specified purposes or restricted funds). According to the Legislative Analyst Office, all CCCs receive funding through categorical programs which are entirely funded through State General Fund allocations (Proposition 98 funds); however, a CCC's apportionments funds are comprised of local property taxes, student enrollment-fee revenue, and State General Fund allocations (Proposition 98 funds).[5] If one thinks of a CCC's allocated apportionment like a glass, a CCC's local property taxes and student enrollment-fee revenues are poured in first; and if the glass is not full or overflowing, the State's General Funds are poured in till the glass is full. A basic aid district is a community college district's whose apportionment "glass" is filled with local property taxes and student enrollment-fee revenues and does not require State General Fund allocation. Essentially, basic aid districts are not dependent upon State Revenues to fund their base operations as they rely on local property taxes and student free revenues; and are therefore inoculated from fluctuations in the amount of funds the State provides to the CCCs.

As of the 2024-2025 reallocation apportionment report, there are ten basic aid districts who did not receive State General Fund dollars as part of their apportionment funds: Foothill-De Anza Community College District, Marin Community College District, Mira Costa Community College District, Napa Valley Community College District, San Jose-Evergreen Community College District, San Mateo Community College District, San Louis Obispo Community College District, South Orange Community College District, Sierra Community College District, and West Valley Mission Community College District.[6]

SB 893 (Becker), Chapter 937, Statutes of 2022. In 2022, SMCCCD petitioned the Legislature to enact a pilot program to use the district's unrestricted general funds to provide students with fee waivers and financial assistance for the total cost of attendance. The intention was to provide students with extra financial assistance if the student did not qualify for existing tuition fee waivers or whose financial aid did not cover the total cost of attendance. SB 893 (Becker) was

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[5] https://lao.ca.gov/Recommendations/Details/412
[6] https://www.cccco.edu/-/media/CCCCO-Website/docs/apportionment/2024-25r1-exhibitc-feb2026.pdf

signed into law and for the last three years, SMCCCD has offered "Free College" or SB 893 (Becker) support to qualifying students. SMCCCD Board Policy No. 8.76 outlines the Free Community College program as a three - part fiscal award for students. A student qualifies for Part 1 – the tuition fee waiver - if the student resides within the SMCCCD service region, is not an international student, and has an educational goal of obtaining a certificate, degree, or degree for transfer. Part 1 covers the $46 per unit tuition fee for the courses the student elects to enroll in each semester. A student qualifies for Part 2 – the additional fee waiver – if the student (1) qualifies under Part 1; and (2) qualifies for the CCPG, or has a documented financial need, or is eligible for the non-resident tuition fee for undocumented students; and (3) is enrolled in a minimum of six units during the fall or spring semester. Part 2 pays for the non-tuition enrollment fees such as the health fee, student body fee, student presentation fee, and inclusive access fee. A student qualifies for Part 3 – additional supports – if the student qualifies for Part 1 and Part 2. Part 3 provides additional fiscal aid for transportation, technology, and textbooks.[7]

As part of the pilot "Free College" program, SB 893 (Becker) required SMCCCD to produce a report on the outcome of the district's use of unrestricted funds to provide students with additional financial aid supports. The report, published in February 2026, found:

1) Since the "Free College" programs implementation 35,500 students have been served, representing roughly 70% of the total student population benefiting from the program;

2) Residential (residing within the SMCCCD service region) student enrollment increased by 24%;

3) Students who received fiscal assistance through the "Free College" program matriculated through their degree or certificate program at higher rates (78% to 42%) when compared to students who did not participate in the "Free College" program; and,

4) Students supported by the "Free College" program completed their degree or certificate program within the normal time to completion at higher rates (11% vs 3%) than their counterparts who did not receive fiscal assistance.[8]

Based on the data compiled by SMCCCD, the "Free College" program is a resounding success in supporting students in achieving their academic goals of degree or certificate attainment. SB 968 (Becker) capitalizes on this success by removing the sunset date for the program and allowing SMCCCD to continue to use unrestricted funds for the purposes of supporting students in their academic endeavors.

Arguments in support. The Associated Students of Cañada College and the Associated Students of Skyline College, colleges within the SMCCCD, have adopted resolutions stating "many students at [Cañada College and Skyline College] have directly benefited from Free College (SB 893) and can attest to its positive impact on their academic journey, financial stability, and personal development. More than half of the Free College participants are first-generation college students and many face financial barriers that would otherwise prevent them from pursuing higher education. Free College reduces financial stress, allows students to focus on

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[7] https://downloads.smccd.edu/file/8_76.pdf?s=/sites/downloads/BoT&du=/sites/downloads/BoT/PoliciesProcedures/8_76.pdf

[8] https://smccd.edu/freecollegeimpact/images/SB%20893%20Free%20College%20Report.pdf

their studies, and supports persistence and degree completion. Access to affordable higher education strengthens students, families, and the broader San Mateo community. SB 968 (Becker) would remove the programs sunset date and allow the District to continue offering Free College permanently, therefore the Associated Students of Skyline and Cañada College formally express [their] strong support of SB 968 (Becker)."

REGISTERED SUPPORT / OPPOSITION:

Support

Associated Students of Cañada College
Associated Students of Skyline College
Chamber San Mateo County
City of Half Moon Bay
City of Redwood City
Congressman Kevin Mullin, 15th District
Jefferson Union High School District
Jobtrain
Monterra Credit Union
Peninsula Health Care District
San Mateo County Community College District
San Mateo County Economic Development Association
San Mateo County Office of Education
San Mateo County Supervisor David Canepa
San Mateo County Supervisor Lisa Gauthier
San Mateo County Supervisor Noelia Corzo
San Mateo Labor Council
San Mateo Union High School District
South San Francisco Chamber of Commerce
Streetcode Academy
The San Francisco Peninsula

Opposition

None on file.

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