

Date of Hearing: April 19, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2255 (Mike Fong) – As Amended March 22, 2022

SUBJECT: The Affordable Broadband Service Program for California Dreamers

SUMMARY: Establishes the Affordable Broadband Service Program for California Dreamers. Specifically, **this bill:**

- 1) Establishes the Affordable Broadband Service Program for California Dreamers.
- 2) Specifies that the program will be developed and administered by the Student Aid Commission (CSAC), in consultation with the Public Utilities Commission (PUC), to provide affordable broadband service to eligible students.
- 3) Defines “eligible student” to mean a current student who is a Cal Grant B recipient and who has also filed a California Dream Act application.
- 4) Makes an unspecified appropriation from the General Fund to CSAC for purposes of the program.
- 5) Establishes that it is the intent of the Legislature to provide all students who meet the income eligibility criteria for a federal Pell Grant, but who nevertheless are ineligible to receive assistance from the federal Affordable Connectivity Program with affordable broadband service.

EXISTING LAW:

- 1) Stipulates that public higher education in the state consists of (1) the California Community Colleges (CCC), (2) the California State University (CSU), and each campus, branch, and function thereof, and (3) each campus, branch, and function of the University of California (UC). Defines “independent institutions of higher education” as those nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in this state and are accredited by an agency recognized by the United States Department of Education (Education Code (EDC) Section 66010, et seq.).
- 2) Defines a “private postsecondary educational institution” means a private entity with a physical presence in this state that offers postsecondary education to the public for an institutional charge. (EDC Section 94858)
- 3) Establishes the CSAC for the purpose of administering specified student financial aid programs (EDC Section 69510, et seq.).
- 4) Cal Grant A Entitlement Awards. Students that meet income, asset and other eligibility requirements, have at least a 3.0 grade point average (GPA), and apply either the year they graduate from high school or the following year are entitled to an award that provides coverage for tuition and fees (EDC Section 69434).

- 5) Cal Grant B Entitlement Awards. Students that meet income and asset thresholds and other eligibility requirements, have at least a 2.0 GPA and apply either the year they graduate from high school or the following year are entitled to a living allowance and tuition and fee assistance. Awards for most first-year students are limited to an allowance for non-tuition costs (access award), such as books and living expenses (currently \$1,648). In the second and subsequent years, the award also provides tuition and fee support (EDC Section 69435).
- 6) CCC Transfer Entitlement Awards. Cal Grant A and B awards are guaranteed to every student who graduated from a California high school after June 30, 2000, was a California resident at the time of high school graduation, transferred to a qualifying baccalaureate-degree granting institution from a CCC during the award year, was under the age of 28 at the time of the transfer, and had a minimum CCC GPA of 2.4 (EDC Section 69436).
- 7) Competitive Cal Grant A and B Awards. Students who are not eligible for entitlement awards may compete for a Cal Grant A or B Competitive award. The award benefits and eligibility requirements are the same as the entitlement program, but awards are not guaranteed. Annually, 25,750 Cal Grant Competitive awards are available. Of these, 12,875 (one-half) are for students who do not qualify for a Cal Grant Entitlement award, but who otherwise meet the Cal Grant requirements. The remaining awards are set aside for eligible CCC students. (EDC Section 69437.).
- 8) Cal Grant C Awards. Specifically to assist students with tuition and training costs at occupational or vocational programs of four months to two years in length. Since 2000-01, the total number of new annual Cal Grant C awards has been set at 7,761. The maximum award amounts, which are determined in the annual Budget Act, are currently up to \$2,462 for tuition and fees and \$547 for non-tuition costs, for recipients attending other than a community college, and \$1,094 toward non-tuition costs for CCC students (EDC Section 69439.).
- 9) Establishes the MCS Program to offset a portion of tuition costs at the University of California (UC) and the California State University (CSU) for students with annual household incomes of less than \$150,000 (EDC 70020, et seq.).
- 10) Establishes the Community Colleges Student Success Completion Grant, which supplements the Cal Grant B access award by up to \$1,298 annually for students enrolled in 12, 13 or 14 units per semester and up to \$4,000 annually for student taking 15 or more units per semester (EDC Section 88930.).

FISCAL EFFECT: Unknown

COMMENTS: *Purpose.* According to the author, “The Legislature has taken meaningful steps toward closing the gap on internet accessibility. The Internet for All Now Act of 2017 established a formalized program to encourage broadband adoption and digital literacy by funding digital inclusion efforts in communities with low broadband adoption rates. Four years later, the State Budget invested over \$3 billion in building the necessary infrastructure to bring internet connectivity to homes, businesses, and community institutions. Further, SB 156 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2021, invested over \$2

billion toward ‘last mile funding,’ investments in infrastructure that will connect internet providers to the homes and businesses of California’s unserved communities.”

“These efforts to expand broadband accessibility have also included addressing the specific needs of students. For example, in 2020, the Digital Divide Task Force worked to make more than \$5 billion available to school districts to acquire devices, strengthen distance learning, and address learning gaps. In addition, the 2021-22 Budget made several investments specifically toward student access to broadband internet and computer technology, e.g., a one-time increase of \$35 million toward the expansion of broadband access to isolated and underserved communities through partnerships including local education agencies and regional libraries.

“Until the “middle road” and “last mile” projects are completed and every Californian has access to broadband, many Dreamers will continue to face challenges in accessing broadband, and the Legislature should invest in solutions to these challenges.”

Dreamer legislative history. With AB 540 (Firebaugh), Chapter 814, Statutes of 2001, California first provided an exemption from nonresident tuition at its public colleges and universities for undocumented persons. In order to qualify for this benefit, AB 540 required these students to have attended high school in California for three or more years and to have graduated from a California high school or attained the equivalent thereof.

While AB 540 provided considerable financial relief to undocumented students, as of its enactment, these students could not avail themselves to state financial aid programs. This was subsequently addressed in 2011, when, after several years of failed attempts, the Legislature enacted AB 130 (Cedillo), Chapter 93, Statutes of 2011 and AB 131 (Cedillo), Chapter 604, Statutes of 2011, which allowed AB 540 students to be receive institutional scholarships derived from non-state funds (AB 130) and to participate in state and institutional financial aid programs (AB 131). The legislation is known as the California Dream Act, and students availing themselves of the provisions of the act are known as “Dreamers”.

Eligibility under AB 540 was expanded through enactment of AB 2000 (Gomez), Chapter 675, Statutes of 2014, to include attainment of credits earned in California from a California high school equivalent to three or more years of full-time coursework and a total of three or more years of attendance in California elementary schools, California secondary schools, or a combination of those schools.

AB 540 eligibility was expanded considerably with SB 68 (Lara), Chapter 496, Statutes of 2017, a bill that provided eligibility to students who have completed three or more years of full-time high school coursework, and a total of three or more years of attendance in California elementary schools, California secondary schools, or a combination of California elementary and secondary schools; and, required that the students graduate from a California high school or attain the equivalent, attain an associate degree from a campus of the CCC, or fulfill minimum transfer requirements established for the UC or CSU for students transferring from CCC campuses.

The author noted that Dreamers are eligible for financial aid through Cal Grant B, which is meant to help pay for books and other college costs. Yet, there is no support that specifically addresses the need for broadband access. While the federal Emergency Broadband Benefit Program is available for Pell Grant-eligible students, this broadband access program would not otherwise be available for Dreamers. Committee staff understands that at this time the UC, CSU,

and CCC are not providing a systemwide program that enables Dreamer students to access free or reduced broadband services similar to what is being offered by the Federal government.

Recent broadband infrastructure investment. A major statewide investment in the 2021-22 State Budget for broadband infrastructure was implemented through SB 156 (Committee on Budget and Fiscal Review), Chapter 112, Statutes of 2021. There are three major elements to the broadband package:

- 1) *Middle-Mile.* SB 156 created a structure and framework for the construction of a \$3.25 billion state-owned open-access middle mile broadband infrastructure through a third-party administrator overseen by the Department of Technology. SB 156 prioritized for middle mile construction a geographically diverse group of projects in rural and urban areas of the state to achieve the greatest reductions in the amount of households unserved by broadband internet access service meeting federal and state standards. SB 156 also outlined the roles of the Department of Technology, the Public Utilities Commission, and the Department of Transportation in the project and established a Deputy Director of Broadband as the central point of contact. Finally, SB 156 established a broadband advisory council, with legislative appointments, and included reporting measures.
- 2) *Last Mile.* SB 156 amended the existing Broadband Infrastructure Grant Account program to allocate the \$2 billion for last mile expenditures. Of this amount, at least \$1 billion must be used for last mile projects in rural counties, and \$1 billion is initially allocated to urban counties.
- 3) *Loan Loss.* SB 156 created a continuously appropriated loan-loss fund to assist local governments and non-profits in financing broadband service projects. The budget included \$750 million in total funds for this purpose.

Arguments in support. The University of California Student Association writes that “the Digital Divide is NOW a Digital Chasm: limited or no access to affordable high-speed Internet is leaving behind far too many Californians. The current reality screams for systemic change and we need to take bold actions to address this looming crisis, especially by focusing our solutions through an equity lens and targeting relief for our most vulnerable communities, especially Dreamers.”

Overtasking CSAC? California is home to the largest postsecondary system in the nation; serving millions of students a year; many whom rely on the services of CSAC in order to receive various forms of state financial aid. Yet, as of 2021-22, CSAC only has 137.5 authorized ongoing staff positions, as well as 2.2 temporary positions. These positions span seven divisions, the largest of which are program administration and services, information technology (IT), fiscal and administrative services, and the executive division. As of January 2022, CSAC reported that 16% (or 22.5 positions) were vacant, with the IT division accounting for 40% of the vacancies. Committee Staff understands that the majority of CSAC’s vacant positions have been unfilled for less than three months and CSAC is actively recruiting to fill the vacant positions.

Committee comments. While the goal of AB 2255 is laudable, the legislation as written lacks specificity in several areas, including: the specific amount of a grant award to eligible students, detailed program eligibility, the provision of a percentage appropriated funding support to directly address the costs of administering the program, the authorization to promulgate

regulations as necessary for implementation, details of how the consultation process will work with the PUC, and details on program reporting.

Committee staff understands that the author intends to work with stakeholders moving forward in order to add specificity to the bill.

REGISTERED SUPPORT / OPPOSITION:**Support**

AFSCME Local 3299
University of California Student Association

Opposition

None on file.

Analysis Prepared by: Kevin J. Powers / HIGHER ED. / (916) 319-3960