

Date of Hearing: June 11, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 354 (Durazo) – As Amended April 10, 2019

SENATE VOTE: 30-8

SUBJECT: California DREAM Loan Program: graduate degree programs.

SUMMARY: Expands eligibility for the California DREAM loan program at the California State University (CSU) and University of California (UC) to students who are enrolled in programs leading to a professional or graduate degree. Specifically, **this bill:**

- 1) Expands, commencing with the 2020-21 academic year, the California DREAM loan eligibility to a student who is enrolled in a program of study leading to a professional or graduate degree at the CSU and the UC.
- 2) Specifies that the proportion of program funding used for instructional programs and for graduate programs shall be determined at the discretion of the participating institution.
- 3) Requires the participating institution to give priority to loans for instructional programs.
- 4) Defines “graduate program” to mean a program of study leading to a graduate or professional degree, including, but not limited to, a teaching credential, the prerequisite for which is a baccalaureate degree or undergraduate degree.
- 5) Makes technical and clarifying changes to existing law.

EXISTING LAW:

Federal law. 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.

State law.

- 1) Exempts specified California nonresidents from paying nonresident tuition at the UC, the CSU, and the California Community Colleges (CCC), also known as the AB 540 nonresident tuition waiver, if they meet all of the following:
 - a) Attended or attained credits at a California high school, an adult school, a CCC campus, or a combination of these entities, for the equivalent of three or more years; or 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 such elementary and secondary schools;

- b) Graduated from a California high school or attained an equivalent degree; attained a CCC associate degree; or fulfilled the minimum transfer requirements from a CCC campus to a UC or CSU campus;
 - c) Registered or attended an accredited California higher education institution beginning after fall of the 2001-02 academic year; and,
 - d) If a person without lawful immigration status has filed an affidavit stating that the student has filed an application to legalize his or her immigration status or will file such an application as soon as he or she is eligible to so do (EC Section 68130.5).
- 2) Requires the CSU Trustees and the CCC Board of Governors, and requests the UC Regents, to establish procedures and forms that enable AB 540 students to apply for, and participate in, all student aid programs administered by these segments to the full extent permitted by federal law (EC Section 66021.6).
- 3) Establishes the California DREAM Act to provide state financial aid, including the Cal Grant Program and the CCC California College Promise Grant (formerly known as the Board of Governors 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).
- 4) 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 (EC Sections 70030-70039).

FISCAL EFFECT: According to the Senate Appropriations Committee, the CSU and UC estimate that approximately 500 additional students between the two segments will be eligible to participate in the DREAM loan program as a result of this measure. While all of these students may not elect to pursue a loan, there could still be increased demand on the program that could lead to significant cost pressures for the state and the two segments. A precise amount is unknown, but based on the average loan amount in recent years for the program, the cost could be in the hundreds of thousands of dollars annually depending on the number of participating students and the magnitude of their loans.

COMMENTS: *DREAM loan program and eligibility.* The DREAM Loan Program is a voluntary campus-based student loan program, with the state and segment contributing a 1:1 match. For the 2015-16 academic year, 280 CSU students and 434 UC students received a loan and in 2016-17, there were 536 participating CSU students and 1,384 participating UC students. While the program allows a loan of up to \$4,000 each year, the average award per student was about \$2,700.

An undergraduate student is eligible for a DREAM loan if the student qualifies for the AB 540 nonresident tuition waiver and has an unmet financial need.

To note, many AB 540 students also have DACA status.

Deferred Action for Childhood Arrivals. The DACA process is a federal process that defers removal action of an individual for a specified number of years; it allows eligible individuals to have work authorization. An undocumented student without DACA status is not authorized to work; and a growing concern exists that those with work authorization under the DACA program will soon lose their authorization as the Trump administration attempts to phase-out the program.

Need for the measure. According to the author, “Undocumented students enrolled in a graduate or professional degree at a CSU or UC, and meet the AB 540 requirements, are limited in their option to institutional grants, scholarships, and fellowships that do not have legal status requirements”. The author contends that, “Undocumented students face significant challenges in obtaining the proper financial support that is needed to enroll in a graduate or professional degree program at a public university”.

This measure seeks to expand the eligibility for the DREAM loan program to include AB 540 students who are enrolled in a professional or graduate degree program at a campus of the CSU or the UC.

Committee comments. Committee Staff understands that 58% of all graduate students are enrolled in one of the Independent California Colleges and Universities (ICCU) institutions. While it is presently unclear what percentage of the 58% are undocumented graduate students, anecdotally, many undocumented students are pursuing a graduate degree at an ICCU campus.

If the author’s goal is to ensure all undocumented students are eligible for the DREAM loan program, *moving forward, the author may wish to consider working with the Legislative Budget Committees and the Department of Finance, in order to ascertain whether or not the eligibility can be expanded to include ICCUs and how the expansion will be funded.*

REGISTERED SUPPORT / OPPOSITION:

Support

AB 540 Ally Training Project
Alliance for a Better Community
Asian Americans Advancing Justice - Los Angeles
Cal State Student Association
California Catholic Conference
California Immigrant Policy Center
California League of United Latin American Citizens
California State University
California Undocumented Higher Education Coalition
Californians Together
Campaign for College Opportunity
Central American Resource Center (CARECEN)
Coalition for Humane Immigrant Rights
Foundation for California Community Colleges

Hispanas Organized for Political Equality
Hispanic Association of Colleges & Universities
Immigrants Rising
Kid City Hope Place
League of Women Voters of California
Leticia A. Network
Los Angeles Area Chamber Of Commerce
Los Angeles Community College District
Los Angeles United Methodist Urban Foundation
Mexican-American Legal Defense And Ed Fund
National Association Of Social Workers, California Chapter
Southern California College Access Network
Student Senate of California Community Colleges
Students Making a Change
The Education Trust - West
UAW Local 2865
UAW Local 5810
Unidosus
University of California
University of California Student Association
USC Rossier Pullias Center for Higher Education
Year Up
Young Invincibles

Opposition

None on file.

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