

Date of Hearing: June 27, 2023

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Mike Fong, Chair
SB 856 (Glazer) – As Introduced February 17, 2023

SENATE VOTE: 40-0

SUBJECT: California State University students: California Promise: Finish in Four and Through in Two.

SUMMARY: Renames the California Promise the Finish in Four and Through in Two program and requires each participating California State University (CSU) campus to automatically enroll *all* incoming first-time students in the program, with the option for students to opt out; and, requires that a participating campus maintain at least 5% of each incoming class in the program, and that at least 70% of those participating undergraduates students be either low-income students, first-generation, or underrepresented students in higher education. Specifically, **this bill:**

- 1) Renames the California Promise the Finish in Four and Through in Two program.
- 2) Requires, commencing with the 2024-25 academic year (AY), at least 5% of each incoming class at each participating CSU campus be participants in the Finish in Four and Through in Two program, and at least 70% of those participating students be either low-income students, first-generation students, or students from communities that are underrepresented in higher education.
- 3) Requires, commencing with the 2024-25 AY, incoming first-time students at each participating CSU campuses to opt out of, rather than self-select into, the Finish in Four and Through in Two program thereby automatically enrolling those students.

EXISTING LAW:

- 1) Establishes the California Promise Program for the purposes of supporting CSU students in earning a baccalaureate degree within four academic years of the student's first year of enrollment, or for transfer students, within two academic years of the student's first year of enrollment to the campus.
- 2) Requires the Trustees of the CSU to:
 - a) Develop and implement a California Promise Program, beginning the 2017-18 AY, at a minimum of eight campuses for non-transfer students and a minimum of 15 campuses (20 campuses by 2018-19) for qualifying transfer students. These campuses enter into a pledge with a first-time freshman or with a qualifying transfer student to support the student in obtaining a baccalaureate degree within a total of four academic years;
 - b) Submit a report to legislative policy and fiscal committees by January 1, 2021, that includes the number of students participating in the Program in total, the total number of students who graduated in four academic years for students who entered as first-time freshman and two academic years for California Community College transfer students,

and a summary description of significant differences in the implementation of the California Promise Program at each campus; and,

- c) Submit recommendations to the appropriate policy and fiscal committees of the Legislature, by March 15, 2017, regarding potential financial incentives that could benefit students who participate in the California Promise Program.
- 3) Requires support provided by a CSU campus for a California Promise Program student to include, but not necessarily be limited to, both of the following:
 - a) Priority registration in coursework provided that a student does not qualify for priority registration under another policy or Program, as specified; and,
 - b) Academic advisement that includes monitoring academic progress.
 - 4) Requires a student, in order to qualify for the Program to:
 - a) Be a California resident for purposes of in-state tuition eligibility; and,
 - b) Commit to completing at least 30 semester units or the quarter equivalent per academic year, including summer term units, as specified.
 - 5) Requires a campus to guarantee participation in the Program to, at a minimum, any student who is a low-income student, as defined, a student who has graduated from a high school located in a community that is underrepresented in college attendance, a first-generation college student or a transfer student who successfully completes his or her associate degree for transfer at a community college.
 - 6) Establishes that, as a condition of continued participation in a California Promise Program, a student may be required to demonstrate both of the following:
 - a) Completion of at least 30 semester units, or the quarter equivalent, in each prior academic year; and,
 - b) Attainment of a grade point average in excess of a standard established by the campus.
 - 7) Sunsets the Program on January 1, 2026 (Education Code Section 67430, et seq.).

FISCAL EFFECT: According to the Senate Committee on Appropriations, “this bill is likely to result in significant General Fund costs to the CSU, potentially in the low millions of dollars each year for all campuses. Since all students would be automatically enrolled in the program, campuses may need to hire additional academic advisors to support the increase in program participation. However, because current participation in the program varies across campuses, the number of additional staff and associated costs would vary from campus to campus.”

COMMENTS: *California Promise Program.* The Program, which is voluntary or self-selected for eligible CSU students to participate, was enacted in 2016 (by SB 412 Glazer, Chapter 436, Statutes of 2016). The Program initially required eight CSU campuses to offer four-year Promise Programs and 20 CSU campuses to offer two-year Promise Programs.

Currently, 16 of the 23 campuses of the CSU offer first-time freshmen Promise Programs and 22 of the 23 CSU campuses offer two-year Promise Programs for eligible transfer students. Campuses of the CSU who participate in the Program enter into a pledge with a first-time freshman or with a qualifying transfer student to support the student in obtaining a baccalaureate degree within four academic years or within two for transfer students. Students who commit to enter either the four-year or two-year pledge are given priority registration and are provided with routine and thorough academic advisement.

The tables below, as provided by the CSU Chancellor's Office, provide total student enrollment numbers at each campus for the past five years, which CSU campuses currently offer Promise Programs, and the number of students participating in the Program; and, the number of new participants as of Fall 2022:

Campus	Fall 2021		Fall 2020		Fall 2019		Fall 2018		Fall 2017	
	Total Enrollment	Promise Enrollment	Total Enrollment	Promise Enrollment	Total Enrollment	Promise Enrollment	Total Enrollment	Promise Enrollment	Total Enrollment	Promise Enrollment
Bakersfield	2,027	15	2,650	12	2,976	297	2,573	239	2,331	8
Channel Islands	1,574	150	1,809	96	2,095	88	2,071	23	2,193	10
Chico	3,300	16	3,751	23	4,064	16	4,158	0	4,195	0
Dominguez Hills	4,639	14	5,472	2,637	5,960	0	4,911	119	4,421	0
East Bay	2,677	45	3,199	61	3,570	60	3,513	29	3,673	0
Fresno	5,994	189	6,348	230	5,217	125	5,569	68	5,433	6
Fullerton	8,105	294	9,909	595	8,558	282	7,694	171	7,886	104
Humboldt	1,277	49	1,424	92	1,529	68	1,840	81	2,066	73
Long Beach	8,994	1,253	9,689	1,415	9,575	1,412	8,792	758	7,593	0
Los Angeles	7,744	27	7,269	26	6,115	0	6,744	0	6,691	0
Maritime Academy	257	0	253	0	266	0	274	0	274	0
Monterey Bay	1,698	170	1,790	173	1,957	172	1,801	136	1,672	54
Northridge	10,393	72	10,412	87	10,428	119	10,038	83	9,834	53
Pomona	6,577	647	8,305	494	6,879	351	7,392	53	6,543	26
Sacramento	7,689	1,028	7,787	2,801	7,818	2,842	7,093	2,219	6,959	2,615
San Bernardino	4,652	130	5,089	122	5,500	139	4,948	206	4,679	85
San Diego	7,578	230	8,316	123	8,200	133	7,779	230	7,382	93
San Francisco	5,824	193	5,511	227	6,889	243	7,239	276	7,646	273
San Jose	7,545	602	7,187	615	7,849	684	7,169	1,000	8,461	1,596
San Luis Obispo	4,571	2	4,663	5	4,379	5	4,414	1	5,173	0
San Marcos	4,092	77	4,269	100	4,026	97	4,392	12	4,134	8
Sonoma	1,634	65	1,547	19	2,248	24	2,530	10	2,579	10
Stanislaus	2,252	184	2,545	0	2,909	147	2,502	25	2,413	0

New Participants in the California Promise Program - Fall 2022

Campus	New Participants	Total New Enrollment
Bakersfield	46	2,739
Channel Islands	158	1,587

Chico	25	3,667
Dominguez Hills	242	4,660
East Bay	79	3,253
Fresno	160	6,730
Fullerton	155	11,630
Humboldt	78	2,011
Long Beach	1,253	11,379
Los Angeles	44	7,749
Monterey Bay	146	1,857
Northridge	124	11,519
Pomona	500	7,208
Sacramento	245	8,428
San Bernardino	165	5,759
San Diego	395	12,724
San Francisco	92	6,662
San Jose	663	9,093
San Luis Obispo	4	6,234
San Marcos	37	4,132
Sonoma	30	1,964
Stanislaus	83	2,753

Purpose of the measure. According to the author, “today, the CSU awards nearly half of California’s bachelor’s degrees and more than half of CSU students are students of color. While system-wide graduation rates have steadily improved over the past five years, more must be done to increase rates of California students receiving their bachelor’s degrees within four years of cumulative study.”

The author contends that, “the system continues to struggle with graduation gaps for underrepresented students, and the system’s graduation rates still lag behind those of similar universities nationwide.”

Further, the author argues that, “this bill will work in concert with CSU’s Graduation Initiative 2025 to eliminate these longstanding opportunity and achievement gaps between low-income or first-generation students and their peers. Improving education outcomes for young adults in California is essential to generate upward economic mobility and ensure a prosperous state.”

Graduation Initiative 2025. In 2015, CSU launched Graduation Initiative 2025 (GI 2025), its ambitious plan to increase graduation rates, eliminate equity gaps in degree completion and meet California’s workforce needs.

According to the CSU Chancellor’s Office, the CSU continues to experience a record-breaking rise in graduation rates systemwide, yet equity gaps are growing. The first-year class that entered in fall 2019 represents the cohort of students in which 6-year graduation rates and equity gaps will be measured in 2025. The COVID-19 pandemic and the disparate impacts across communities of color and low-income families have created a renewed urgency to close the gaps that exists between underserved and vulnerable students and their peers. Not since GI 2025 launched five years ago has the need to marshal the CSU’s collective resources been more critical to address differential patterns of student success.

The CSU, through the GI 2025, has the following graduation completion goals for first-year and transfer students:

First-Year 4-Year Goal – 40% by 2025 (as of 2022, the CSU is at 35%);

First-Year 6-Year Goal – 70% by 2025 (as of 2022, the CSU is at 62%);

Transfer Students 2-Year Goal – 45% by 2025 (as of 2022, the CSU is at 40%); and,

Transfer Students 4-Year Goal – 85% by 2025 (as of 2022, the CSU is at 80%).

The Promise Program requires that students must self-select to participate in the Program, and, CSU campuses are already devoting resources to raising awareness of the Program. However, this measure appears to have the potential to take away some of the on-going efforts, priorities, and resources as established in GI 2025 in order to increase participation in the Program.

The Committee may wish to examine if this measure is premature in nature and if GI 2025 should be completed and data released on its outcomes before adding another component that may increase the graduation rates, but only benefiting some CSU students.

The CSU. Committee Staff understands that while the CSU does not have an official position on this measure, the CSU is concerned by the dichotomy of the two major provisions of this bill – that 5% of each incoming class must be enrolled in the program (of whom, 70% should be either low-income, first-generation, or underrepresented), and that *all* incoming students should be enrolled in the program (unless they self-select to opt-out).

Committee Staff also understands that while the CSU currently promotes this Program to students in a variety of ways such as through the application portal as well as on campus websites, but without financial incentives they are often not interested in participating. The CSU believes the broader GI 2025 efforts and the high impact practices that the CSU continues to

implement to close equity gaps are the best way to serve these students, while still offering the voluntary Promise pledge program for students who are interested and able to join.

Committee comments. As presently drafted, this measure, in part, requires, commencing with 2024-25 AY, at least 5% of each incoming class participate in the California Promise Program at each participating campus of the CSU (who offers the Program). Further, the measure requires that, commencing with 2024-25 AY, at least 70% of the students participating in the Program be either low-income students, first-generation students, or students that are underrepresented in higher education.

As noted in the *California Promise Program* section of this analysis, students in the Program self-select their participation. This measure stipulates that commencing with the 2024-25 AY, incoming first-time students at each participating CSU campuses to opt out of, rather than self-select into the Program, meaning all first-time students are required to be in the Program.

However, the measure is silent as to how students will even know they have automatically been enrolled in the Program, and the process for them to opt-out.

Moving forward, the author may wish to work directly with the CSU to determine if the Program should automatically enroll all first-year students into the Program, and, if it is deemed the best approach to automatically enroll all eligible students into the Program, determine how students will be notified they have been enrolled and how they can opt-out.

Additionally, should more than 95% of eligible students decide to opt-out of the Program, the measure is silent as to how each CSU campus will ensure that at least 5% of each incoming class participate in the Program. Further, the bill is silent as to the methods each campus of the CSU is to follow or adhere to if, or when, a campus of the CSU is unable to meet the stringent requirement as established in this measure.

Moving forward, the author may wish to delete the mandate that each campus of the CSU have at least 5% of each incoming class participate in the Program.

Further, according to systemwide data provided by the author, the CSU is close to reaching the requirement as delineated in this measure, that at least 70% of the students participating in the Program be either low-income students, first-generation students, or students that are underrepresented in higher education. However, when this data is disaggregated, it appears that some CSU campuses are not close to meeting the requirements as established in this measure.

Additionally, this measure is currently silent as to how all participating campuses of the CSU are expected to ensure that at least 70% of participating students meet the specified demographics, especially if the majority of students choose to opt-out of the Program. What happens if participating campuses of the CSU have more than 30% of their students participating in the Program that do not comply with the prescriptive demographics?

Moving forward, the author may wish to work with the CSU in order to explore whether or not 70% is an appropriate benchmark in the first year of implementing the next phase of this Program and if it takes away from the broader college completion efforts as established in the CSU's GI 2025.

Moreover, given that California Promise students receive priority registration, how would the measure's provisions be applied considering the number of students who will be automatically enrolled? How will priority be determined when many students have the same benefit?

Could this measure result in the redirection of advising and support services from students who are not enrolled in the Program or who are unable to maintain their enrollment?

Further, the bill stipulates that the provisions of the measure are implemented in 2024-25 AY. It is presently unclear if this will provide the CSU enough time to implement the required changes.

Moving forward, the author may wish to work with the CSU in determining what is the best AY to implement this measure.

Lastly, by specifically requiring specified demographics to comprise an overwhelming majority of the students who participate in the Program, it is unclear if this may result in the violation of Article 31 of the California Constitution (Proposition 209 of 1996).

Moving forward, the author may wish to work with the Office of Legislative Counsel and the CSU in order to ascertain if this provision violates any aspect of Article 31 of the California Constitution.

Prior legislation. SB 785 (Glazer) of the 2021-22 Legislative Session, which is similar to this measure, would have required at least 5% of each incoming class at each participating CSU campus to participate in the California Promise program, and that at least 70% of those participating undergraduate students be either low-income students, first-generation, or students from communities that are underrepresented in postsecondary education. SB 785 did not automatically enroll students in the program. SB 785 was vetoed by Governor Newsom whose message, in part, stated the following:

“The author’s efforts to increase CSU graduation rates and close equity gaps are laudable. I too share these goals, which is why my Administration, and the CSU entered a five-year Compact aimed at increase student achievement, advancing equity, increasing affordability and meeting the State’s workforce needs. However, I am concerned that this bill is overly prescriptive and could result in diverting resources away from other student programs that may be more effective in realizing the goals of the Compact.”

SB 1211 (Glazer) of 2020, which was not heard in the Senate Committee on Education Committee due to the shortened 2020 Legislative Calendar, was similar in nature to this measure.

SB 148 (Glazer) of 2019, which was held on the Suspense File by the Assembly Committee on Appropriations, would have established the Student Success and On-time Completion Fund in the State Treasury, and authorized the Trustees of the CSU to use money in the fund to incentivize participation in a California Promise Program through the offering of grants or tuition freeze, as specified. SB 148 also required CSU to waive systemwide tuition or fees for a participating student unable to complete their degree due to limited space or no course offerings, as specified.

SB 346 (Glazer) of 2018, which failed passage on the Assembly Floor, was virtually identical to SB 148 in its final form.

SB 803 (Glazer) of 2017, which was held on the Suspense File by the Senate Committee on Appropriations, was nearly identical to SB 346 (as described above).

SB 412 (Glazer), Chapter 436, Statutes of 2016, required the CSU Board of Trustees to develop and implement a program, known as the California Program, that authorizes a campus to enter into a pledge with qualifying students, as defined, to support completion of a baccalaureate degree within four years or for transfer students within two years, and outlines the requirements which may be included in such a program. SB 412 also required the Board of Trustees to submit recommendations regarding potential financial incentives that could benefit students who participate in the program.

SB 1450 (Glazer) of 2016, Both SB 1450 and SB 412 (as described above) required the CSU to develop and implement a program that authorizes a campus to enter into a pledge with qualifying students to support completion of a baccalaureate degree within four years and offer incentives to students in exchange for participation in the program. Unlike, SB 412 and similar to this measure, SB 1450 established various requirements regarding systemwide fees for California Promise students at CSU, including freezing tuition and granting tuition waivers if students were unable to complete a degree within the required timeframe due to unavailability of courses. SB 1450 also imposed these same requirements on the California Community Colleges (CCC) and required the CCC Board of Governors to establish the Promise Program as well. The CCC was removed from the scope of the bill and instead required CSU to ensure entry into a Promise Program for any CCC student who transfers with an Associate Degree for Transfer. SB 1450 failed to secure passage out of the Senate Committee on Education on April 20, 2016, by a vote of 4-2.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file.

Opposition

None on file.

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