

Date of Hearing: June 13, 2023

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Mike Fong, Chair
SB 886 (Committee on Education) – As Amended April 17, 2023

SENATE VOTE: 39-0

SUBJECT: Postsecondary education

SUMMARY: Makes non-controversial, technical, and conforming changes to various provisions of the Education Code. Specifically, **this bill:**

- 1) Removes a number of mandated reports that the Student Aid Commission (Commission) is statutorily required to complete and submit, but are no longer applicable.
- 2) Clarifies that an organization, including high schools and community-based organizations, that is not part of a regional coordinating organization, but has a written partnership agreement with the Commission or a regional coordinating organization, may offer free local and regional workshops through the Cash for College Program
- 3) Removes references to California Community Colleges (CCC) Online Education Initiative Consortium and is replaced with “California Virtual Campus.”
- 4) Authorizes the chief fiscal officer of a California State University (CSU) campus to expend funds collected for constructing a student body center when an appropriate claim schedule is approved, rather than only upon submission of a claim schedule by an individual student body representative.
- 5) Makes other technical changes.

EXISTING LAW:

- 1) Requires the governing board of every community college district, the Trustees of the CSU, and, if appropriate resolutions are adopted, the Regents of the University of California (UC) and the Board of Directors of the College of the Law, San Francisco to adopt regulations providing for the withholding of institutional services from students or former students who have been notified in writing, as specified, that they are in default on a loan or loans under the Federal Family Education Loan Program. Requires the Commission to give notice of the default to all institutions through which the individual acquired the loan or loans. (Education Code (EDC) Section 66022)
- 2) Establishes various provisions relating to the Online Education Initiative Consortium, defined as the efforts to expand the delivery of community college courses through technology, as provided. (EDC Section 66770)
- 3) Establishes the Cash for College Program under the administration of the Student Aid Commission, and authorizes the Commission to allocate funds for support of local Cash for College projects designed to accomplish prescribed goals relating to encouraging application

for student financial aid. Existing law establishes the Cash for College Fund and continuously appropriates certain moneys in that fund for purposes of the program. Requires the commission to allocate funds to regional coordinating organizations, as defined, to plan, coordinate, or conduct Cash for College workshop series within specific regions in the state. (EDC Section 69551)

- 4) Authorizes the Commission to establish an auxiliary organization for the purpose of providing operational and administrative services for the participation by the Commission in the Federal Family Education Loan Program, or for other activities approved by the Commission and determined by the Commission, as provided. Existing law requires the Commission to report specified information to the Legislature on April 1 of each year, with respect to the auxiliary organization. (EDC Sections 69522 and 69529.5)
- 5) Establishes the Assumption Program of Loans for Education, administered by the Commission, under which any person enrolled in a participating institution of postsecondary education, or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher if the teacher satisfies certain conditions. Requires the Commission to report annually to the Legislature specified information regarding the program's participants, on the basis of sex, age, and ethnicity. (EDC Sections 69615 and 69615.4)
- 6) Establishes the Graduate Assumption Program of Loans for Education, administered by the Commission, under which any person enrolled in a participating institution of postsecondary education who meets certain requirements is eligible to enter into an agreement for loan assumption, as provided, to be redeemed pursuant to a prescribed procedure upon becoming employed at one or more accredited California colleges or universities after obtaining a graduate degree. Requires the Commission to report annually to the Legislature on the program, as specified. (EDC Sections 69618 and 69618.8)
- 7) Establishes the Public Interest Attorney Loan Repayment Program, under the administration of the Commission, as a student loan repayment program for licensed attorneys who practice or agree to practice in public interest areas of the law, as defined and who meet other designated criteria. Requires the Commission to submit an annual written report to the Legislature regarding the program, as provided. (EDC Sections 69746 and 69746.5)
- 8) Establishes the State Nursing Assumption Program of Loans for Education, administered by the Commission, whereby eligible postsecondary education students may enter into loan repayment agreements with the Commission, with specified terms, in exchange for serving as nursing faculty in a registered nursing program at an accredited California college or university. Requires the Commission to report annually to the Legislature on the program, as specified. (EDC Sections 70108)
- 9) Establishes the CSU under the administration of the Trustees of the CSU. Existing law authorizes, upon a favorable vote of 2/3 of the students voting in a CSU campus election, as provided, the trustees to require each student attending the campus to pay a building and operating fee not to exceed \$40 per academic year for the purpose of financing, operating, and constructing a student body center. Authorizes the chief fiscal officer of the CSU campus to expend funds collected from this fee for this purpose only upon the submission of an

appropriate claim schedule by an elected representative of the student body or that elected representative's appointee. (EDC Sections 89304)

FISCAL EFFECT: Pursuant to Senate Rule 28.8, the Senate Committee on Appropriations found that any additional state costs are not significant and do not and will not require the appropriation of additional state funds, and the bill will cause no significant reduction in revenues.

COMMENTS: *Purpose.* This bill is the annual higher education omnibus clean-up bill and proposes technical, non-controversial amendments to existing law. By tradition, if any affected agency, stakeholder group, the Department of Finance, or any of the four legislative caucuses objects to a provision in this bill or one that is being considered, that particular provision cannot be included.

Rationale for inclusion in the omnibus bill. This omnibus measure makes several changes to the EDC, below is the rationale for each change:

- 1) *Removing reporting requirements.* This bill removes a number of mandated reports that the Commission is statutorily required to produce and submit, but are no longer applicable due to program defunding or dissolution. The following programs have been defunded: Federal Family Education Loan Program, Assumption Program of Loans for Education, Graduate Assumption Program of Loans for Education, Public Interest Attorney Loan Repayment Program and the State Nursing Assumption Program of Loans for Education. The remaining reporting requirement provision is linked to EdFund, which the Commission has effectively dissolved.
- 2) *Changes to clarify the "Cash for College" partnerships.* During the pandemic, the Commission worked to include more partners, particularly community based organizations, in hosting Cash for College workshops. Currently, the relevant EC language speaks to partnerships with Regional Coordinating Organizations and their networks, but the Commission has also worked with other organizations in areas where Regional Coordinating Organizations are not in place, as well as high schools, to host Cash for College workshops. Existing law does preclude this form of collaboration, but this bill will provide clarification within the EC that the Commission may work with high schools and community based organizations that are not part of a Regional Coordinating Organization.
- 3) *CSU student body center unexpended funds.* This change serves to clarify the existing process for CSU campuses and eliminate an inefficiency in how unexpended funds from student fees that are collected for a student body center are handled. The changes help align the process with California Regulations, which emphasizes a written agreement for auxiliary organizations with the university. The written agreements detail how the funds may be expended rather than necessitating individual claim schedules from the student body organization each time.
- 4) *CCC online educational initiative update.* This bill removes references to Online Educational Initiative and replaces it with the "California Virtual Campus" to reflect updates to CCC's online education efforts.

REGISTERED SUPPORT / OPPOSITION:

Support

None received.

Opposition

None received.

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