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Agenda Memo

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FROM:

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Councilmember-District 1

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TO: Rules and Legislation Committee

SUBJECT: Resolution in Support of AB 1356 - Renewing the California Dream – Tuition-Free College

DATE: March 30, 2017

Dear Members of the Rules and Legislation Committee,

We respectfully ask you to adopt the following resolution:

Resolution in support of Assembly Bill 1356 (Assemblymember Eggman) that will establish the higher education assistance fund with the goal of providing tuition-free higher education to California students. It funds itself through a 1 percent tax on incomes exceeding one million dollars.

Thank you!

Respectfully submitted,

Councilmember Kalb



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AB 1356 – Renewing the California Dream – Tuition-Free College

SUMMARY

This bill establishes the Higher Education Assistance Fund with the goal of providing tuition-free higher education to California students. It funds itself through a 1 percent tax on incomes exceeding one million dollars.

The Legislative Analyst's Office estimates that covering the gap in tuition and fees for California's undergraduates, with current aid in place, would cost \$2 billion. This proposal would raise an estimated \$2.2 billion in revenue to close that gap.

BACKGROUND

In 1960, the Master Plan for Higher Education was developed to increase access to and improve the quality of higher education in California. For decades, students benefitted from the state's robust education system, often graduating with little to no debt.

Increasing access and opportunity is not only an investment in students, but in the future of California's economy and workforce. Over the last 50 years our students and the state as a whole have been shortchanged by a system that is moving further and further from its original mission. AB 1356 provides a chance to right the course, and to forcefully declare that higher education is a right that should be afforded to all of California's students.

That promise of an affordable college education, an inseparable part of the California dream, has dimmed. From 1969 to 2015, median household income increased only 10%, while tuition costs at UC increased 530%. Over that same period, CSU tuition and fees increased by 685% and the median home cost in CA increased 290%. Many families are caught between these pressures, and whatever help is available to them is insufficient. Since the mid-1980s, state funding per CSU student has been cut nearly in half. Over the last 15 years, inflating tuition has squeezed many families out of opportunities to send their kids to college.

THIS BILL

AB 1356 establishes the Higher Education Assistance (HEA) Fund within the Treasury, and imposes an additional 1 percent tax on incomes exceeding one million dollars and deposits this revenue into the HEA Fund. The bill specifies that this fund is to be used for paying tuition and fees for in-state students of California Community Colleges, California State University, and the University of California. Additionally, the bill is paired with a constitutional amendment to exclude the revenue it generates from the requirements of Proposition 98 and the state appropriations limit.

Higher education is a crucial tool for upward mobility, and some of California's Universities rank near the top in their rate of lifting students from the bottom fifth of income to the top fifth. But many California families are just fighting to stay in place from generation to generation: A recent study from the Equality of Opportunity project found that Californian children's prospects of earning more than their parents have dropped from 89% to 49% in the last 50 years.

SPONSORS

None

FOR MORE INFORMATION

Office of Assemblymember Eggman
Logan Hess
(916) 319-2013
Email: logan.hess@asm.ca.gov

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OAKLAND CITY COUNCIL

RESOLUTION NO. _____ C.M.S.

INTRODUCED BY COUNCILMEMBERS KALB

RESOLUTION IN SUPPORT OF ASSEMBLY BILL 1356 (ASSEMBLYMEMBER EGGMAN) THAT WILL ESTABLISH THE HIGHER EDUCATION ASSISTANCE FUND WITH THE GOAL OF PROVIDING TUITION-FREE HIGHER EDUCATION TO CALIFORNIA STUDENTS. IT FUNDS ITSELF THROUGH A 1 PERCENT TAX ON INCOMES EXCEEDING ONE MILLION DOLLARS.

WHEREAS, in 1960, the Master Plan for Higher Education was developed with a mission of keeping college accessible and affordable in California. For decades, students benefitted from the state's robust education system, often graduating with little to no debt. That promise of an affordable college education has been lost; and

WHEREAS, from 1969 to 2015, while median household income increased only 10%, tuition costs at UC increased 530%, CSU tuition and fees increased by 685% and the median home cost in CA increased 290%. A year of full-time enrollment and campus fees for Californians currently averages about \$13,500 at UC, \$6,850 at CSU and \$1,400 at a community college.

WHEREAS, since the mid-1980s, state funding per CSU student has been cut nearly in half and after a half-decade freeze, UC and CSU are planning tuition hikes again next year as their costs rise faster than state funding increases; and

WHEREAS, growing tuition and increasing cost of living has squeezed many families out of opportunities to send their kids to college many families over the last 15 years, and whatever help is available to them is insufficient; and

WHEREAS, higher education is a crucial tool for upward mobility, and some of California's Universities rank near the top in their rate of lifting students from the bottom fifth of income to the top fifth; and

WHEREAS, the proposed 1 percent tax on annual California household incomes of \$1 million or more would generate an estimated \$2.2 billion annually, and could be combined with existing aid programs to cover the cost of tuition and fees for in-state students at the University of California (UC), California State University (CSU) and California community colleges.

WHEREAS, with current aid in place, this proposal would aid in covering the \$2 billion gap in tuition and fees for California's undergraduates; and

WHEREAS, higher education is a right that should be afforded to all of Californians. Increasing access to education is not only an investment in students, but in the future of California's economy and workforce; now, therefore, be it

RESOLVED: that the Oakland City Council supports Assembly Bill (AB) 1356 (Eggman), state legislation that will establish the higher education assistance fund that will be funded through a 1 percent tax on incomes exceeding one million dollars, with the goal of providing tuition-free higher education to California students; and be it

FURTHER RESOLVED: that the City Administrator is directed to forward a copy of this enacted Resolution to state legislative elected officials representing Oakland, Governor Jerry Brown, and to the lobbyist for the City of Oakland to advocate for passage of AB 1356.

IN COUNCIL, OAKLAND, CALIFORNIA,

PASSED BY THE FOLLOWING VOTE:

AYES - BROOKS, CAMPBELL WASHINGTON, GALLO, GIBSON MCELHANEY, GUILLÉN, KALB, KAPLAN
AND PRESIDENT REID

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____

LATONDA SIMMONS
City Clerk and Clerk of the Council of the City
of Oakland, California