

# Assembly Bill 928 – The Student Transfer Achievement Reform Act of 2021 Cost-Savings Analysis

With an expected workforce skills gap of 2.4 million, California can't afford to lose any more capable students at our community colleges, a critical entry point to higher education in the state. As California seeks to move toward fiscal and public health recovery from the COVID-19 pandemic, Assembly Bill 928 provides a timely and critical lever to ensure students seeking to expeditiously transfer on their path to a college degree are provided with a transfer framework that is intentionally designed to promote their success. **AB 928 stands to build upon historic investments to higher education in the 2021-22 State Budget** to improve pathways planning, counseling, and student supports to ensure our state's return on these investments is maximized with an efficient, student-centered transfer process.

Maximizing access to Associate Degree for Transfer (ADT) pathways represents a significant cost savings to the state, in addition to direct savings to students. The ADT represents a streamlined pathway to achieving transfer, with a framework of 60 units completed at community college and 60 units completed after transfer offering students guaranteed admission with junior standing after earning an ADT. With over 40 ADT programs established, this transfer pathway minimizes the accrual of excess credits beyond what is required to achieve transfer, and prevents students from unnecessarily repeating courses – all of which translates to savings to students and to the state. **As the percentage of ADTs awarded rises, California stands to save millions of dollars annually in community college tuition waivers as students accrue fewer units on their path to graduation.**

**If ADTs accounted for 80 percent of all associate degrees conferred with students on a true 60-credit pathway, California could save an additional \$97 million/year in fee (tuition) waivers at the California Community Colleges. With a more modest unit reduction of a 6.5-credit difference, California would save \$11.5 million/year. This is on top of the \$10.4 million in savings already realized.**

Table 1. Savings to State in Community College Fee (Tuition) Waivers For Increasing ADT Awards

% of associate degree earners with an ADT	Estimated additional annual savings from a 6.5-credit difference	Estimated additional annual savings from a true 60-credit pathway
48%		\$40,611,765
50%	\$666,748	\$43,874,834
60%	\$4,299,707	\$61,654,568
70%	\$7,932,665	\$79,434,303
80%	\$11,565,624	\$97,214,037

Notes: Initial savings of \$10,429,293 assumes students earning associate degrees (and who do not earn AA/AS degrees), earn one degree and save 6.5 credits each. Savings from additional students earning ADTs assume that students switch from AA/AS pathways to ADT pathways and maintain a 6.5-credit differential. Savings from achieving a true 60-credit pathway assume students who earn only ADTs graduate with exactly 60 credits and one degree.

Source: Reddy, V. & Ryan, J. (2021). *Chutes or Ladders? Strengthening California Community College Transfer So More Students Earn the Degrees They Seek* [Report]. Sacramento & Los Angeles, CA: The Campaign for College Opportunity.

By consolidating to a singular general education pathway, AB 928 eliminates a significant point of confusion in the transfer preparation process and simplifies the academic advising process for community college students and staff. This also presents the opportunity for significant cost savings to students and the state – **with students accruing fewer units to satisfy General Education requirements to transfer to the CSU and UC under a singular consolidated General Education pattern, California could save over \$173 million per transfer cohort.**

**If students were able to complete a singular General Education pattern to satisfy admission requirements to both the CSU and the UC, students seeking to be eligible for admission to both systems would save time and money to degree. If students accrued six fewer units to satisfy General Education requirements, California could save over \$173 million per transfer cohort.**

Table 2. Potential Cost Savings of a Singular General Education Pattern

Annual Prop 98 funding per Full-Time Equivalent Student	\$9,188
Cost Per Unit	\$383
Prop 98 savings associated with accumulating 6 fewer units to complete General Education	\$2,297
CCC transfers to UC and CSU (fall 2020)	75,613
<b>Total savings per transfer cohort</b>	<b>\$173,683,061</b>

Note: This accounts only for savings related to actual transfers to UC/CSU. These calculations do not account for students who become transfer-ready but do not achieve transfer, with no data available for the annual number of students in this population.

#### 2021-22 State Budget Investments Directly Supporting AB 928 Implementation at California’s Community Colleges:

- **5.07% COLA (\$371.2 million)** -- Increase to CCC Base Funding
  - Can be used to offset limited cost of CCCCCO participating in AB 928 Intersegmental Implementation Committee, and funding portion of ICAS funding for GE consolidation
- **Guided Pathways Implementation**—An increase of **\$50 million one-time** Proposition 98 General Fund to further support colleges’ efforts to implement Guided Pathways programs.
  - The ADT is an integral component of the Guided Pathways framework, with default placement putting students on an early track to degree progress and transfer attainment under AB 928.
- **Student Equity and Achievement Program**—An increase of **\$23.8 million ongoing** Proposition 98 General Fund to increase program funding by five percent.
  - If minimal additional costs to counseling/advising are incurred under AB 928 that cannot be absorbed into existing workstreams, this increase can be used to fund additional counselor engagement with students to ensure student-centered implementation of the opt-out provision in AB 928.

#### 2021-22 State Budget Investments Indirectly Supporting AB 928 Implementation at California’s Community Colleges:

- **Categorical Program Augmentations**—An increase of **\$40.4 million** Proposition 98 General Fund to support budget augmentations for Extended Opportunity Programs and Services, the Umoja Program, the MESA Program, and the Puente Project.
  - Could be used to target advising/counseling to historically underserved student communities, with the ADT/default placement advising as a component of these student support programs.

- **CCC Retention and Enrollment Strategies**—An increase of **\$120 million one-time** Proposition 98 General Fund to support community college efforts to increase student retention rates and enrollment by primarily engaging with former students who may have withdrawn from college due to the impacts of COVID-19, and with current and prospective students who are hesitant to remain or enroll in college due to the impacts of COVID-19.
  - Portions of this funding could potentially be leveraged to ensure students reentering CCCs are placed onto ADT pathways that support transfer goals, and improve retention rates. [PPIC cites the ADT as a key indicator in improved college persistence and transfer attainment.](#)
- **Online Education and Supports Block Grant**—An increase of **\$10.6 million** Proposition 98 General Fund to support the continuity of education and quality distance learning across the CCC system, including access to online tutoring, online counseling, and online student support services such as mental health services.
  - Online counseling services can include information on ADT placement and opt out procedures.
- **HBCU Transfer Pathway Program**—An increase of **\$1.3 million** Proposition 98 General Fund to support the HBCU Transfer Pathway Program
  - In 2015, an agreement was signed between California’s Community Colleges and several Historically Black Colleges and Universities (HBCUs), providing guaranteed admission to students who successfully complete specified ADT requirements. This agreement, which created ADT pathways with 37 HBCUs across the country, provided additional streamlined transfer opportunities to students who seeking to pursue a baccalaureate education at colleges outside of California.
- **College Augmentations**—An increase of **\$72.9 million one-time** Proposition 98 General Fund to support local requests