



August 1, 2024

Via: *Electronic Submittal:* <https://calegislation.lc.ca.gov/Advocates/>

The Honorable Anna Caballero, Chair
Senate Appropriations Committee
State Capitol, Room 412
Sacramento, CA 95814

Re: AB 1160 (Pacheco), As Amended on July 3, 2024 Position: Oppose Dear Senator

Caballero:

On behalf of the Association of California Community College Administrators (ACCCA), I am writing to respectfully oppose Assembly Bill (AB) 1160 (Pacheco), which is scheduled to be heard by the Senate Appropriations Committee on Monday, August 5, 2024.

AB 1160 would prohibit higher education institutions from taking certain actions against a student on the grounds that the student owes an institutional debt and would limit when and how an institution can refer a debt to third-party collections or report the debt to a consumer credit reporting agency.

While ACCCA agrees with the author's intent to protect students from harmful debt collection practices, we are concerned that this measure, as currently written, will put community college districts (CCDs) at financial risk. The bill would remove a key tool for recapturing debts owed and could result only in additional debts owed to colleges should the student re-enroll and incur more costs they cannot pay.

Additionally, AB 1160 would require colleges to grant a one-time exemption from an enrollment or registration hold to a current or former student who owes an institutional debt. With 73 CCDs, 116 community colleges, and over 2 million students, this poses a challenge for our colleges to monitor. Colleges would have to establish a new system to track students, which will undoubtedly come with a high cost and a substantial administrative workload. Additionally, the bill would enable fraudsters to take advantage of the one-time exemption and defer payment at various institutions. For example, a student could go to a 9-college district and earn an associate degree while continuously deferring payment using a one-time exemption.

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The Assembly Appropriations Committee analysis estimates that this bill could result in significant ongoing Proposition 98 costs pressures to CCDs and campuses to the degree this bill limits the ability of colleges to collect institutional debt. The analysis also states that the California Community Colleges Chancellor's Office does not uniformly track institutional debt information system wide. These cost pressures remain despite the amendments since taken by the author.

As currently written, AB 1160 would create new cost pressures on CCDs while we are facing tightened budgets and increased cost pressures for other issues, all while state revenues underperform. For the aforementioned reasons, ACCCA must respectfully oppose AB 1160 and ask the committee to hold the measure.

Sincerely,



Susan K. Bray
Executive Director

cc: Members, Senate Appropriations Committee
The Honorable Blanca Pacheco
Michelle McKay Underwood, Legislative Advocate, School Services of California
Inc. Kyle Hyland, Legislative Advocate, School Services of California Inc.