



SAN DIEGO COMMUNITY COLLEGE DISTRICT

CITY COLLEGE • MESA COLLEGE • MIRAMAR COLLEGE • COLLEGE OF CONTINUING EDUCATION

DATE: February 09, 2023

TO: 2021 – 2022 Senate Committee on Budget and Fiscal Review

Senator Nancy Skinner, Chair

California Student Aid Commission (CSAC)

Office of the President of the University of California

Office of the Chancellor of the California State University

Office of the Chancellor of the California Community Colleges

California Association of Student Financial Aid Administrators (CASFAA)

Community College League of California (CCLC)

California Community College Association for Occupational Education (CCCAOE)

California Regional Consortia

San Diego & Imperial Counties Community College Association (SDICCCA)

FROM: San Diego Community College District on behalf of San Diego City College, San Diego Mesa College, and San Diego Miramar College

SUBJECT: Learning-Aligned Employment Program (LAEP)

The San Diego Community College District has been working across San Diego City College, San Diego Mesa College, and San Diego Miramar College to support a districtwide student-centered implementation approach to the Learning-Aligned Employment Program (LAEP). Throughout this process, several challenges have arisen. A districtwide workgroup, with representation from City, Mesa, and Miramar Colleges including financial aid, career services, business services, human resources, accounts payable, and senior leadership, has identified the following Ed Code sections/languages from [Title 3 Division 5 Part 42 Chapter 2 Article 18](#) and [CSAC Learning-Aligned Employment Program \(LAEP\) Handbook](#) implementation interpretations as obstacles to student-centered administration of LAEP.

1. Unmet Need (Ed Code)

Ed Code states the institution shall determine the hours of learning-aligned employment taking into consideration the extent of the student's financial need.

- a. Issue: Hours allowable for a student to work will be unique due to having to consider unmet need and calculate with different pay rates dependent on placement.
- b. Impact: This guidance disincentivize employer participation as the funding available is not aligned with successful completion of expectations of the position and compensation but rather restricted by the financial aid unmet need of the student complicating matters for employers and undermining the value of the program to employers.
- c. Recommended Resolution: Limit the assessment of financial need (as determined by the hosting institution pursuant to the methodologies approved by the United States Department of Education for use in awarding funds provided under Title IV of the federal Higher Education Act of 1965) to eligibility criteria only, not assessment of financial aid packages.
- d. Ed Code Reference: [Title 3 Division 5 Part 42 Chapter 2 Article 18](#) - 69960 sub-section F.

2. Restrictions to use of Funds (Ed Code and CSAC Handbook)

Ed Code and CSAC differ in the guidance provided. CSAC has indicated funding cannot be used to cover mandatory benefits.

- a. Issue: Ed Code does not define “compensation” referring to wages only. On the other hand, CSAC has indicated that LAEP funding cannot be used to cover sick leave or mandatory benefits, which typically is between 2.175% of the cost of wages.
- b. Impact: There is no funding source available to cover this cost and it was not presented to colleges upon signing the LAEP Institutional Program Agreement (IPA). This may prevent colleges from meeting the required placement by 6/30/23.
- c. Recommended Resolution: It is reasonable to assume that the code written meant to cover both wages and benefits when “compensation” was used in the Ed Code prior to “wages” being included in CSACs Handbook.
- d. Ed Code Reference: [Title 3 Division 5 Part 42 Chapter 2 Article 18](#) - 69962
- e. CSAC Handbook Reference: [Fiscal Management and Payments - Payments](#)

3. Ties to Expected Family Contributions (EFC) (CSAC Handbook)

Guidance has been provided by CSAC that the compensation earned apply to Expected Family Contributions (EFC) soon to be known as Student Aid Index (SAI).

- a. Issue: The compensation apply to the Expected Family Contributions (EFC) soon to be known as Student Aid Index (SAI) thereby reducing future financial aid eligibility.
- b. Impact: The program will fail to meet its statutory intent of helping students to earn money to help defray their educational costs while gaining education-aligned, career-related employment. Instead, they will be penalized for participating, as the income earned will be considered for programs such as Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Cal Fresh.
- c. Recommended Resolution: Limit the assessment of financial need (as determined by the hosting institution pursuant to the methodologies approved by the United States Department of Education for use in awarding funds provided under Title IV of the federal Higher Education Act of 1965) to eligibility criteria only, not assessment of financial aid packages. We recognize institutions are able to determine whether a taxable income offset can be applied to LAEP income in the need analysis for financial aid eligibility.
- d. Ed Code Reference: [Title 3 Division 5 Part 42 Chapter 2 Article 18](#)
- e. CSAC Handbook Reference: [Fiscal Management and Payments - Payments](#)

4. Restrictions to Funding Distribution Methods (CSAC Handbook)

CSAC has provided guidance requiring LAEP funding to be distributed as a “paycheck for hours worked” and not as stipends/one-time payment.

- a. Issue: Recent CSAC guidance limits LAEP fund distributions to wages only and restricts the use of stipends/one-time payment due to the commissions’ interpretation of Ed Code, specifically section 69954. However, there is no definition of the term “employ” nor is there written guidance on the required fund distribution system, specifically item #3 in the LAEP agreement states that institutions “...*agrees to establish and maintain a written payment policy for the LAEP program, if different from the standard disbursement policy used by the Institution.*”

- b. Impact: This restriction functionally will limit or outright exclude any students from Healthcare programs from participating as national and state accreditation standards prevent Allied Health students from being employees during their workforce training through Directed Clinical Practice. For example, at San Diego Mesa College this would result in excluding up to 3,000 students who enroll in Healthcare courses according to the Strong Workforce Program (SWP) Launchboard or nearly 400 full-time equivalent students.
- c. Recommended Resolution: Allow colleges to locally determine disbursement policies as stated in the LAEP agreement signed by the colleges. Provide no additional restrictions to disbursement beyond encouraging colleges to determine distribution models that maximize student benefit and enable student friendly implementation models. Allow the use of stipends/one time payments to students should a college choose to do so.
- d. Ed Code Reference: [Title 3 Division 5 Part 42 Chapter 2 Article 18](#)
- e. CSAC Handbook Reference: [Fiscal Management and Payments - Payments](#)