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Fee Revenue Helps Community Colleges.

- Additional fee revenues provide funding on top of Proposition 98 support. When General Fund is cut, fees can backfill this reduction, thus mitigating impact on California Community College (CCC) programs.



CCC Fees Are Lowest in Nation.

- Over past decade, credit fee levels have fluctuated between \$11 and \$26 per unit (no charge for noncredit courses).
- Despite fluctuation, fees remain the lowest in the country—\$780 per academic year for a full-time student taking 30 units. This is about \$2,000 below the average for all other community colleges.



Fee Increase Would Not Affect Financially Needy Students, as They Do Not Pay Fees.

- State provides the Board of Governors Fee Waiver program, which has relatively high income cut-offs.
- About 30 percent of students receive fee waivers (accounting for over 40 percent of all units taken).

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Federal Government Would Reimburse Most Fee-Paying Students.

Federal Tax Benefits Applied Toward Higher Education Fees		
2010		
American Opportunity Tax Credit (AOTC) ^a	Lifetime Learning Credit	Tuition and Fee Deduction
<ul style="list-style-type: none"> • Directly reduces tax bill and/or provides partial tax refund to those without sufficient income tax liability. • Covers 100 percent of the first \$2,000 in tuition payments and textbook costs. • Designed for students who: <ul style="list-style-type: none"> — Are in first through fourth year of college. — Attend at least half time. — Are attempting to transfer or acquire a certificate or degree. • Provides full benefits at adjusted income of up to \$160,000 for married filers (\$80,000 for single filers) and provides partial benefit at adjusted income of up to \$180,000 (\$90,000 for single filers). 	<ul style="list-style-type: none"> • Directly reduces tax bill for unlimited number of years. • Covers 20 percent of first \$10,000 in fee payments (up to \$2,000 per tax year). • Designed for students who: <ul style="list-style-type: none"> — Already have a bachelor's degree. — Carry any unit load. — Seek to transfer or obtain a degree/certificate—or simply upgrade job skills. • Provides full benefits at adjusted income of up to \$100,000 for married filers (\$50,000 for single filers) and provides partial benefit at adjusted income of up to \$120,000 (\$60,000 for single filers). 	<ul style="list-style-type: none"> • Reduces taxable income. • Deducts between \$2,000 and \$4,000 in fee payments (depending on income level). • Designed for any student not qualifying for a tax credit. • Capped at adjusted income of \$80,000 for single filers and \$160,000 for married filers.

^a Under current law, the Hope tax credit would return and replace the AOTC in 2011, though the president's budget proposes to make AOTC a permanent program. Should the AOTC not be extended, the Hope credit would fully cover \$1,200 in fee costs, with the same income requirements as the Lifetime Learning credit.

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Recommend Raising Fees to Leverage More Federal Aid, Provide Additional Revenues to System.

- Increasing fee from \$26 to \$40 per unit would generate approximately \$150 million in additional revenues.
 - Even at \$40 per unit, CCC fees would remain the lowest in the country.
- Every \$1 increase in fees generates roughly \$12 million in additional revenues, allowing districts to offer about 900 course sections.