



Date: August 10, 2012
To: State Legislative Committee
From: Patrick H. West, City Manager *PW*
Subject: **Support for AB 1500 and AB 1501 (Perez): Middle Class Scholarship Act**

Attached for your information is a letter of support for AB 1500 and AB 1501 (Perez). The Long Beach City Council voted on August 7, 2012 to support these two bills that would establish and fund the Middle Class Scholarship Program.

Should you have any questions, please contact Tom Modica, Director of Government Affairs and Strategic Initiatives at 8-5091.

cc: Mayor and Members of the City Council
Suzanne Frick, Assistant City Manager
Reginald Harrison, Deputy City Manager
Tom Modica, Director of Government Affairs and Strategic Initiatives
Jyl Marden, Assistant to the City Manager
Mike Arnold and Associates

Attachment
PHW:TM, BB: pc
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CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

333 WEST OCEAN BOULEVARD • LONG BEACH, CALIFORNIA 90802 • (562) 570-6711 • FAX (562) 570-6583

PATRICK H. WEST
CITY MANAGER

August 10, 2012

The Honorable Speaker John Perez
California State Assembly
State Capitol, Room 219
Sacramento, CA 95814

Re: Support for AB 1500 and AB 1501 (Perez), Middle Class Scholarship Act

Dear Speaker Perez:

On behalf of the Long Beach City Council, I would like to express support for AB 1500 and AB 1501 (Perez). The City Council considered this item on August 7, 2012 and voted to support the Middle Class Scholarship Act. These bills would provide UC, CSU, and CCC undergraduate students, whose annual household income does not exceed \$150,000, a scholarship, combined with other financial aid, that would cover at least two-thirds of the mandatory system-wide fees charged in an academic year.

Access to college education is vital to the success of the State's economy and the greater Long Beach community. However, funding to higher education has decreased by 21 percent at UC, 26 percent at CSU and 12 percent at CCC institutions, resulting in enrollment caps, reduction in courses offered, and increased fees. Increased fee levels burden middle-income students who do not qualify for state financial aid. These costs can damper a student's progress toward a degree, which forces students to cut class and work load, leave school temporarily, or drop out of school.

AB 1500 funds the Middle Class Scholarship Act established by AB 1501 by eliminating California's "elective" single sales factor option. This legislation is projected to generate approximately \$1 billion in 2011-12, \$1.2 billion in 2012-13, \$950 million in 2013-14, and similar amounts annually to fund the scholarship.

For these reasons, the City supports AB 1500 and AB 1501 (Perez), two bills that will establish the Middle Class Scholarship Program.

Sincerely,

Patrick H. West
CITY MANAGER

CC: The Honorable Rod Wright, State Senate, 25th District
The Honorable Alan Lowenthal, State Senate, 27th District
The Honorable Ted Lieu, State Senate, 28th District
The Honorable Isadore Hall III, State Assembly, 52nd District
The Honorable Bonnie Lowenthal, State Assembly, 54th District
The Honorable Warren Furutani, State Assembly, 55th District