

AMENDED IN SENATE MAY 2, 2012
AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1466

Introduced by Senator De León

February 24, 2012

An act to add and repeal Section 69432.75 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 1466, as amended, De León. Student financial aid: Cal Grant Program eligibility.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. The Cal Grant Program establishes different maximum household income levels for recipients of each of those Cal Grant awards.

This bill would, commencing with the 2014–15 academic year, and notwithstanding ~~those different maximum household income levels, require the maximum household income level for all Cal Grant recipients to be no greater than \$150,000, as specified~~ *any other law, require a student to be eligible for the receipt of a Cal Grant Award funded from the Higher Education Investment Tax Credit Program Special Fund pursuant to specified priorities if he or she meets the requirements established for a Cal Grant Award for the 2011–12 academic year,*

except that a student granted the lowest priority may have a maximum household income that is no greater than \$150,000. The bill would repeal this provision when all funds in the Higher Education Investment Tax Credit Program Special Fund, which would be established by another bill, are expended. The bill also on a specified date, and would make specified findings and declarations relating to the need to fund postsecondary education.

This bill would become operative only if SB 1356 is enacted and takes effect on or before January 1, 2013.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) In addressing California's fiscal crisis, state budget solutions
4 over the last several fiscal years have included deep cuts and
5 payment deferrals that have decimated billions of dollars in funding
6 for all segments of postsecondary education.

7 (b) In 2000, the state contributed 18.6 billion dollars to public
8 postsecondary education, and this funding has declined every year
9 since then. In the 2010–11 fiscal year, the state contributed 12.4
10 billion dollars to postsecondary education.

11 (c) The share of expenditures borne by students in the form of
12 fees has tripled, from 13 percent in 2000, to 40 percent in 2011,
13 making a public postsecondary education unaffordable for the
14 middle class. Most middle income students are leaving school
15 thousands of dollars in debt, and they end up sending monthly
16 payments to out-of-state banks rather than contributing to the local
17 economy.

18 (d) With less access to postsecondary education due to courses
19 being cut, each year students are taking longer and longer to
20 graduate. It now takes the average student 7 years to graduate from
21 a California Community College, 6.5 years to graduate from a
22 California State University, and 4.5 years to graduate from a
23 University of California.

24 (e) Educational attainment levels predict the overall economic
25 performance of states and nations. California was always among

1 the top states in degree-completion rates, but it now ranks among
2 the bottom 10 states.

3 (f) By 2018, 63 percent of all of jobs in the United States will
4 require some form of postsecondary education or training,
5 according to estimates by the Georgetown University Center on
6 Education and the Workforce. The United States is on track to
7 deliver only a fraction of this education. Currently, only 38 percent
8 of America’s young adults have a college degree, compared to 58
9 percent in South Korea.

10 (g) California’s postsecondary education system has helped
11 build and sustain an entrepreneurial spirit that has shaped new
12 sectors of the state’s economy. During tough times like these, we
13 need novel approaches to steer the state back on track.

14 (h) Estimates show that the Higher Education Investment Tax
15 Credit Program Special Fund will be fully subscribed for each of
16 the five years of the program, allowing the California Student Aid
17 Commission to expand eligibility for Cal Grant awards for middle
18 class families.

19 (i) All Californians deserve access to an affordable
20 postsecondary education.

21 SEC. 2. Section 69432.75 is added to the Education Code, to
22 read:

23 69432.75. (a) Commencing with the 2014–15 academic year,
24 and notwithstanding ~~subdivision (k) of Section 69432.7, any other~~
25 *law, a student shall be eligible for the receipt of a Cal Grant Award*
26 *funded from the Higher Education Investment Tax Credit Program*
27 *Special Fund pursuant to the priorities established in subdivision*
28 *(b) if he or she meets the requirements established for a Cal Grant*
29 *Award for the 2011–12 academic year; except that for students*
30 *granted priority pursuant to paragraph (3) of subdivision (b) the*
31 *maximum household income for all Cal Grant recipients shall be*
32 *no greater than one hundred fifty thousand dollars (\$150,000),*
33 *which shall be calculated in a manner that is consistent with the*
34 *requirements applicable to this chapter and Section 69506.*

35 (b) *The commission shall grant the following priorities when*
36 *using funds from the Higher Education Investment Tax Credit*
37 *Program Special Fund to award Cal Grants to students eligible*
38 *pursuant to subdivision (a):*

1 (1) First priority shall be given to students who meet the
2 eligibility requirements established for a Cal Grant A, B, or
3 Transfer Entitlement Award for the 2011–12 academic year.

4 (2) Second priority shall be given to students who meet the
5 eligibility requirements established for a Competitive Cal Grant
6 A or B Award for the 2011–12 academic year, up to the maximum
7 number of awards authorized for Competitive Cal Grant A or B
8 Awards in the annual Budget Act.

9 (3) Third priority shall be given to all other students who meet
10 the eligibility requirements established for a Cal Grant Award for
11 the 2011–12 academic year, except that, notwithstanding
12 subdivision (k) of Section 69432.7, these students may have a
13 maximum household income no greater than one hundred fifty
14 thousand dollars (\$150,000), as calculated pursuant to subdivision
15 (a).

16 ~~(b)~~

17 (c) This section shall remain in effect ~~only~~ until December 1,
18 2018, or until all funds in the Higher Education Investment Tax
19 Credit Program Special Fund are expended, whichever date comes
20 last, and as of that date is repealed, unless a later enacted statute,
21 that is enacted before December 1, 2018, or before the date when
22 all funds in the Higher Education Investment Tax Credit Program
23 Special Fund are expended, whichever comes last, deletes or
24 extends that period.

25 SEC. 3. This act shall become operative only if Senate Bill
26 1356 is enacted and takes effect on or before January 1, 2013.