

AMENDED IN SENATE JUNE 25, 2014

AMENDED IN SENATE JUNE 11, 2014

AMENDED IN ASSEMBLY MAY 24, 2013

AMENDED IN ASSEMBLY APRIL 2, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1285

Introduced by Assembly Member Fong

February 22, 2013

An act to amend Section 69435 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1285, as amended, Fong. Student financial aid: Cal Grant Program.

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 Cal Grant 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 and maximum levels for awards under these programs for participating students attending qualifying institutions, as defined. Under the Cal Grant Program, the maximum Cal Grant B award for a student attending the University of California or the California State University equals the mandatory systemwide fees in the segment attended by the student, plus the award for access costs, and the maximum Cal Grant B award for a student attending a nonpublic institution equals the amount

of the tuition award, as prescribed, plus the award for access costs, except that in the first year of enrollment in a qualifying institution, the maximum award is only for the amount of the access award.

With respect to Cal Grant B Entitlement awards, existing law requires that the award be used only for tuition, student fees, and access costs, as defined, in a for-credit instructional program that is not less than one academic year in length. Existing law requires that no more than 2% of new Cal Grant B recipients enrolling for the first time in an institution of postsecondary education are eligible for payments for tuition or fees, or both, in their first academic year of attendance.

This bill would delete the 2% limit for receipt of payments for tuition or fees, or both, for new Cal Grant B Entitlement award recipients in their first academic year of attendance at an institution of postsecondary education, and instead provide that, for the 2015–16, 2016–17, and 2017–18 academic years, respectively, 25%, 50%, and 75% of the Cal Grant B Entitlement award recipients would be eligible for payments for tuition or fees, or both, in their first academic year of attendance at an institution of postsecondary education. The bill would further provide that, commencing with the 2018–19 academic year, and each academic year thereafter, all new Cal Grant B recipients enrolling for the first time in an institution of postsecondary education would be eligible for payments for tuition or fees, or both, in their first academic year of attendance. ~~This bill would require that the institution not supplant any of its institutional need-based grants with funds provided for Cal Grant B awards, and maintain the funding amounts for these grants at a level that, at a minimum, is equal to the level maintained for undergraduate students during the 2013–14 academic year, in order for the students enrolled in the institution to remain eligible to receive a Cal Grant B award.~~ *The bill also would provide that a student who receives a Cal Grant B that includes tuition costs in the first year shall have an amount of institutional aid the student receives that is equal to that award used to offset the highest interest rate loans extended to the student as part of his or her financial aid award, and that if no such student loans are part of the award, the bill would require the institution to use these institutional need-based funds to offset the highest interest rate loan awards for other Cal Grant recipient students. The bill would become operative on July 1, 2015.*

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. Section 69435 of the Education Code is amended
2 to read:

3 69435. (a) (1) A Cal Grant B award shall be used only for
4 tuition, student fees, and access costs in a for-credit instructional
5 program that is not less than one academic year in length.

6 (2) The commission, or a qualifying institution pursuant to
7 Article 8 (commencing with Section 69450), shall award access
8 grants in a student's first academic year. In subsequent years, and
9 in the student's first academic year as specified in paragraph ~~(3)~~

10 ~~(3)~~, the award shall include an additional amount to pay tuition or
11 fees, or both, to attend college at a public or private four-year
12 college or university or other qualifying institution for all Cal Grant
13 B awards ~~pursuant to~~ *in compliance with* paragraph (2) of
14 subdivision (b) of Section 66021.2. In no event shall the total award
15 in any year exceed the applicant's calculated financial need.

16 (3) (A) For the 2015–16 academic year, not more than 25
17 percent of new Cal Grant B recipients enrolling for the first time
18 in an institution of postsecondary education shall be eligible for
19 payments for tuition or fees, or both, in their first academic year
20 of attendance.

21 (B) For the 2016–17 academic year, not more than 50 percent
22 of new Cal Grant B recipients enrolling for the first time in an
23 institution of postsecondary education shall be eligible for
24 payments for tuition or fees, or both, in their first academic year
25 of attendance.

26 (C) For the 2017–18 academic year, not more than 75 percent
27 of new Cal Grant B recipients enrolling for the first time in an
28 institution of postsecondary education shall be eligible for
29 payments for tuition or fees, or both, in their first academic year
30 of attendance.

31 (D) Commencing with the 2018–19 academic year, and each
32 academic year thereafter, all new Cal Grant B recipients enrolling
33 for the first time in an institution of postsecondary education shall
34 be eligible for payments for tuition or fees, or both, in their first
35 academic year of attendance.

36 (E) The commission shall adopt regulations specifying the
37 criteria used to determine which applicants, if any, receive both
38 tuition and fees plus the access grant in the first year of enrollment.

1 Priority shall be given to students with the lowest expected family
2 contribution pursuant to Section 69432.7 and the highest level of
3 academic merit.

4 (b) An award for access costs under this article shall be in an
5 annual amount not to exceed one thousand five hundred fifty-one
6 dollars (\$1,551). This amount may be adjusted in the annual Budget
7 Act.

8 ~~(e) The qualifying institution shall not supplant its institutional
9 need-based grants with the funds provided for Cal Grant B awards,
10 and shall maintain funding amounts for these grants at a level that,
11 at a minimum, is equal to the level maintained for undergraduate
12 students during the 2013-14 academic year, in order for the
13 students enrolled in the institution to remain eligible to receive a
14 Cal Grant B award under this article.~~

15 (c) *A student who receives a Cal Grant B that includes tuition
16 costs in the first year shall have an amount of institutional aid he
17 or she receives that is equal to that award used to offset the highest
18 interest rate loans extended to the student as part of his or her
19 financial aid award. If no such student loans are part of the award,
20 the institution shall use these institutional need-based funds to
21 offset the highest interest rate loan awards for other Cal Grant
22 recipient students.*

23 SEC. 2. This bill shall become operative on July 1, 2015.