

AMENDED IN ASSEMBLY MARCH 21, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1287

Introduced by Assembly Member Quirk-Silva

February 22, 2013

An act to amend Section ~~13000~~ of the ~~Water~~ 69432.7 of the Education Code, relating to ~~water quality~~ student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1287, as amended, Quirk-Silva. ~~Water quality. Student financial aid: Cal Grant 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 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 for awards under these programs for participating students attending qualifying institutions. One of the eligibility requirements for these awards is that the household income and assets of an applicant not exceed levels that are specified in the act and adjusted annually to reflect changes in the cost of living. The act authorizes the renewal of Cal Grant awards by eligible students, who are known as renewing recipients under the act, in accordance with prescribed requirements.

This bill would provide that a person who receives a Cal Grant award in any academic year, and who becomes ineligible for a Cal Grant award in the following academic year because his or her household income and asset levels exceed the maximum that is allowable under the act, may apply for a Cal Grant award for which he or she is

otherwise eligible in a subsequent academic year, and be deemed to be a renewing recipient for purposes of establishing his or her eligibility for that award.

~~The Porter-Cologne Water Quality Control Act establishes a statewide program for the control of the quality of all the waters in the state and makes certain legislative findings and declarations.~~

~~This bill would make a technical, nonsubstantive change to the legislative findings and declarations.~~

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

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

1 SECTION 1. Section 69432.7 of the Education Code is amended
2 to read:
3 69432.7. As used in this chapter, the following terms have the
4 following meanings:
5 (a) An “academic year” is July 1 to June 30, inclusive. The
6 starting date of a session shall determine the academic year in
7 which it is included.
8 (b) “Access costs” means living expenses and expenses for
9 transportation, supplies, and books.
10 (c) “Award year” means one academic year, or the equivalent,
11 of attendance at a qualifying institution.
12 (d) “College grade point average” and “community college
13 grade point average” mean a grade point average calculated on the
14 basis of all college work completed, except for nontransferable
15 units and courses not counted in the computation for admission to
16 a California public institution of higher education that grants a
17 baccalaureate degree.
18 (e) “Commission” means the Student Aid Commission.
19 (f) “Enrollment status” means part- or full-time status.
20 (1) “Part time,” for purposes of Cal Grant eligibility, means 6
21 to 11 semester units, inclusive, or the equivalent.
22 (2) “Full time,” for purposes of Cal Grant eligibility, means 12
23 or more semester units or the equivalent.
24 (g) “Expected family contribution,” with respect to an applicant,
25 shall be determined using the federal methodology pursuant to
26 subdivision (a) of Section 69506 (as established by Title IV of the
27 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.

1 1070 et seq.)) and applicable rules and regulations adopted by the
2 commission.

3 (h) “High school grade point average” means a grade point
4 average calculated on a 4.0 scale, using all academic coursework,
5 for the sophomore year, the summer following the sophomore
6 year, the junior year, and the summer following the junior year,
7 excluding physical education, reserve officer training corps
8 (ROTC), and remedial courses, and computed pursuant to
9 regulations of the commission. However, for high school graduates
10 who apply after their senior year, “high school grade point average”
11 includes senior year coursework.

12 (i) “Instructional program of not less than one academic year”
13 means a program of study that results in the award of an associate
14 or baccalaureate degree or certificate requiring at least 24 semester
15 units or the equivalent, or that results in eligibility for transfer from
16 a community college to a baccalaureate degree program.

17 (j) “Instructional program of not less than two academic years”
18 means a program of study that results in the award of an associate
19 or baccalaureate degree requiring at least 48 semester units or the
20 equivalent, or that results in eligibility for transfer from a
21 community college to a baccalaureate degree program.

22 (k) “Maximum household income and asset levels” means the
23 applicable household income and household asset levels for
24 participants, including new applicants and renewing recipients, in
25 the Cal Grant Program, as defined and adopted in regulations by
26 the commission for the 2001–02 academic year, which shall be
27 set pursuant to the following income and asset ceiling amounts:

28
29 CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
31 Dependent and Independent students with dependents*		
32 Family Size		
33 Six or more	\$74,100	\$40,700
34 Five	\$68,700	\$37,700
35 Four	\$64,100	\$33,700
36 Three	\$59,000	\$30,300
37 Two	\$57,600	\$26,900

1			
2	Independent		
3	Single, no dependents	\$23,500	\$23,500
4	Married	\$26,900	\$26,900

5

6 *Applies to independent students with dependents other than a
 7 spouse.

8

9 CAL GRANT PROGRAM ASSET CEILINGS

10			
11		Cal Grant A,	
12		C, and T	Cal Grant B
13			
14	Dependent**	\$49,600	\$49,600
15	Independent	\$23,600	\$23,600

16

17 **Applies to independent students with dependents other than a
 18 spouse.

19

20 ~~The~~

21 (1) *The* commission shall annually adjust the maximum
 22 household income and asset levels based on the percentage change
 23 in the cost of living within the meaning of paragraph (1) of
 24 subdivision (e) of Section 8 of Article XIII B of the California
 25 Constitution. The maximum household income and asset levels
 26 applicable to a renewing recipient shall be the greater of the
 27 adjusted maximum household income and asset levels or the
 28 maximum household income and asset levels at the time of the
 29 renewing recipient’s initial Cal Grant award. For a recipient who
 30 was initially awarded a Cal Grant for an academic year before the
 31 2011–12 academic year, the maximum household income and asset
 32 levels shall be the greater of the adjusted maximum household
 33 income and asset levels or the 2010–11 academic year maximum
 34 household income and asset levels. An applicant or renewal
 35 recipient who qualifies to be considered under the simplified needs
 36 test established by federal law for student assistance shall be
 37 presumed to meet the asset level test under this section. Prior to
 38 disbursing any Cal Grant funds, a qualifying institution shall be
 39 obligated, under the terms of its institutional participation

1 agreement with the commission, to resolve any conflicts that may
2 exist in the data the institution possesses relating to that individual.

3 *(2) Notwithstanding any other provision of this chapter, a person*
4 *who receives a Cal Grant award in any academic year, and who*
5 *becomes ineligible for a Cal Grant award in the following*
6 *academic year because his or her household income and asset*
7 *levels exceed the maximum that is allowable under this subdivision,*
8 *may apply for a Cal Grant award for which he or she is otherwise*
9 *eligible in a subsequent academic year, and shall be deemed to*
10 *be a renewing recipient for purposes of establishing his or her*
11 *eligibility for that award.*

12 *(l) (1) “Qualifying institution” means an institution that*
13 *complies with paragraphs (2) and (3) and is any of the following:*

14 *(A) A California private or independent postsecondary*
15 *educational institution that participates in the Pell Grant Program*
16 *and in at least two of the following federal campus-based student*
17 *aid programs:*

18 *(i) Federal Work-Study.*

19 *(ii) Perkins Loan Program.*

20 *(iii) Supplemental Educational Opportunity Grant Program.*

21 *(B) A nonprofit institution headquartered and operating in*
22 *California that certifies to the commission that 10 percent of the*
23 *institution’s operating budget, as demonstrated in an audited*
24 *financial statement, is expended for purposes of institutionally*
25 *funded student financial aid in the form of grants, that demonstrates*
26 *to the commission that it has the administrative capacity to*
27 *administer the funds, that is accredited by the Western Association*
28 *of Schools and Colleges, and that meets any other state-required*
29 *criteria adopted by regulation by the commission in consultation*
30 *with the Department of Finance. A regionally accredited institution*
31 *that was deemed qualified by the commission to participate in the*
32 *Cal Grant Program for the 2000–01 academic year shall retain its*
33 *eligibility as long as it maintains its existing accreditation status.*

34 *(C) A California public postsecondary educational institution.*

35 *(2) (A) The institution shall provide information on where to*
36 *access California license examination passage rates for the most*
37 *recent available year from graduates of its undergraduate programs*
38 *leading to employment for which passage of a California licensing*
39 *examination is required, if that data is electronically available*
40 *through the Internet Web site of a California licensing or regulatory*

1 agency. For purposes of this paragraph, “provide” may exclusively
2 include placement of an Internet Web site address labeled as an
3 access point for the data on the passage rates of recent program
4 graduates on the Internet Web site where enrollment information
5 is also located, on an Internet Web site that provides centralized
6 admissions information for postsecondary educational systems
7 with multiple campuses, or on applications for enrollment or other
8 program information distributed to prospective students.

9 (B) The institution shall be responsible for certifying to the
10 commission compliance with the requirements of subparagraph
11 (A).

12 (3) (A) The commission shall certify by October 1 of each year
13 the institution’s latest three-year cohort default rate and graduation
14 rate as most recently reported by the United States Department of
15 Education.

16 (B) For purposes of the 2011–12 academic year, an otherwise
17 qualifying institution with a three-year cohort default rate reported
18 by the United States Department of Education that is equal to or
19 greater than 24.6 percent shall be ineligible for initial and renewal
20 Cal Grant awards at the institution, except as provided in
21 subparagraph (F).

22 (C) For purposes of the 2012–13 academic year, and every
23 academic year thereafter, an otherwise qualifying institution with
24 a three-year cohort default rate that is equal to or greater than 15.5
25 percent, as certified by the commission on October 1, 2011, and
26 every year thereafter, shall be ineligible for initial and renewal Cal
27 Grant awards at the institution, except as provided in subparagraph
28 (F).

29 (D) (i) An otherwise qualifying institution that becomes
30 ineligible under this paragraph for initial and renewal Cal Grant
31 awards shall regain its eligibility for the academic year for which
32 it satisfies the requirements established in subparagraph (B), (C),
33 or (G), as applicable.

34 (ii) If the United States Department of Education corrects or
35 revises an institution’s three-year cohort default rate or graduation
36 rate that originally failed to satisfy the requirements established
37 in subparagraph (B), (C), or (G), as applicable, and the correction
38 or revision results in the institution’s three-year cohort default rate
39 or graduation rate satisfying those requirements, that institution
40 shall immediately regain its eligibility for the academic year to

1 which the corrected or revised three-year cohort default rate or
2 graduation rate would have been applied.

3 (E) An otherwise qualifying institution for which no three-year
4 cohort default rate or graduation rate has been reported by the
5 United States Department of Education shall be provisionally
6 eligible to participate in the Cal Grant Program until a three-year
7 cohort default rate or graduation rate has been reported for the
8 institution by the United States Department of Education.

9 (F) (i) An institution that is ineligible for initial and renewal
10 Cal Grant awards at the institution under subparagraph (B), (C),
11 or (G) shall be eligible for renewal Cal Grant awards for recipients
12 who were enrolled in the ineligible institution during the academic
13 year before the academic year for which the institution is ineligible
14 and who choose to renew their Cal Grant awards to attend the
15 ineligible institution. Cal Grant awards subject to this subparagraph
16 shall be reduced as follows:

17 (I) The maximum Cal Grant A and B awards specified in the
18 annual Budget Act shall be reduced by 20 percent.

19 (II) The reductions specified in this subparagraph shall not
20 impact access costs as specified in subdivision (b) of Section
21 69435.

22 (ii) This subparagraph shall become inoperative on July 1, 2013.

23 (G) For purposes of the 2012–13 academic year, and every
24 academic year thereafter, an otherwise qualifying institution with
25 a graduation rate of 30 percent or less for students taking 150
26 percent or less of the expected time to complete degree
27 requirements, as reported by the United States Department of
28 Education and as certified by the commission pursuant to
29 subparagraph (A), shall be ineligible for initial and renewal Cal
30 Grant awards at the institution, except as provided for in
31 subparagraphs (F) and (I).

32 (H) Notwithstanding any other law, the requirements of this
33 paragraph shall not apply to institutions with 40 percent or less of
34 undergraduate students borrowing federal student loans, using
35 information reported to the United States Department of Education
36 for the academic year two years before the year in which the
37 commission is certifying the three-year cohort default rate or
38 graduation rate pursuant to subparagraph (A).

39 (I) Notwithstanding subparagraph (G), an otherwise qualifying
40 institution with a three-year cohort default rate that is less than 10

1 percent and a graduation rate above 20 percent for students taking
2 150 percent or less of the expected time to complete degree
3 requirements, as certified by the commission pursuant to
4 subparagraph (A), shall remain eligible for initial and renewal Cal
5 Grant awards at the institution through the 2016–17 academic year.

6 (J) The commission shall do all of the following:

7 (i) Notify initial Cal Grant recipients seeking to attend, or
8 attending, an institution that is ineligible for initial and renewal
9 Cal Grant awards under subparagraph (C) or (G) that the institution
10 is ineligible for initial Cal Grant awards for the academic year for
11 which the student received an initial Cal Grant award.

12 (ii) Notify renewal Cal Grant recipients attending an institution
13 that is ineligible for initial and renewal Cal Grant awards at the
14 institution under subparagraph (C) or (G) that the student’s Cal
15 Grant award will be reduced by 20 percent, or eliminated, as
16 appropriate, if the student attends the ineligible institution in an
17 academic year in which the institution is ineligible.

18 (iii) Provide initial and renewal Cal Grant recipients seeking to
19 attend, or attending, an institution that is ineligible for initial and
20 renewal Cal Grant awards at the institution under subparagraph
21 (C) or (G) with a complete list of all California postsecondary
22 educational institutions at which the student would be eligible to
23 receive an unreduced Cal Grant award.

24 (K) By January 1, 2013, the Legislative Analyst shall submit
25 to the Legislature a report on the implementation of this paragraph.
26 The report shall be prepared in consultation with the commission,
27 and shall include policy recommendations for appropriate measures
28 of default risk and other direct or indirect measures of quality or
29 effectiveness in educational institutions participating in the Cal
30 Grant Program, and appropriate scores for those measures. It is
31 the intent of the Legislature that appropriate policy and fiscal
32 committees review the requirements of this paragraph and consider
33 changes thereto.

34 (m) “Satisfactory academic progress” means those criteria
35 required by applicable federal standards published in Title 34 of
36 the Code of Federal Regulations. The commission may adopt
37 regulations defining “satisfactory academic progress” in a manner
38 that is consistent with those federal standards.

39 ~~SECTION 1. Section 13000 of the Water Code is amended to~~
40 ~~read:~~

1 13000. ~~The Legislature finds and declares that the people of~~
2 ~~the state have a primary interest in the conservation, control, and~~
3 ~~utilization of the water resources of the state, and that the quality~~
4 ~~of all the waters of the state shall be protected for use and~~
5 ~~enjoyment by the people of the state.~~

6 ~~The Legislature further finds and declares that activities and~~
7 ~~factors which may affect the quality of the waters of the state shall~~
8 ~~be regulated to attain the highest water quality that is reasonable,~~
9 ~~considering all demands being made and to be made on those~~
10 ~~waters and the total values involved, beneficial and detrimental,~~
11 ~~economic and social, tangible and intangible.~~

12 ~~The Legislature further finds and declares that the health, safety~~
13 ~~and welfare of the people of the state requires that there be a~~
14 ~~statewide program for the control of the quality of all the waters~~
15 ~~of the state; that the state must be prepared to exercise its full power~~
16 ~~and jurisdiction to protect the quality of waters in the state from~~
17 ~~degradation originating inside or outside the boundaries of the~~
18 ~~state; that the waters of the state are increasingly influenced by~~
19 ~~interbasin water development projects and other statewide~~
20 ~~considerations; that factors of precipitation, topography, population,~~
21 ~~recreation, agriculture, industry and economic development vary~~
22 ~~from region to region within the state; and that the statewide~~
23 ~~program for water quality control can be most effectively~~
24 ~~administered regionally, within a framework of statewide~~
25 ~~coordination and policy.~~

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