

AMENDED IN SENATE APRIL 24, 2013

**SENATE BILL**

**No. 285**

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**Introduced by Senator De León**  
*(Coauthors: Senators Correa, Hancock, Lara, and Monning)*

February 14, 2013

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An act to add Section 69431.7 to the Education Code, relating to student financial aid, and making an appropriation therefor: *aid*.

LEGISLATIVE COUNSEL'S DIGEST

SB 285, as amended, De León. Student financial aid: Cal Grant Program.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (~~Cal Grant Program~~), *Program*, establishes the Cal Grant A and B Entitlement ~~Awards~~, *awards*, the California Community College Transfer Cal Grant Entitlement ~~Awards~~, *awards*, the Competitive Cal Grant A and B ~~Awards~~, *awards*, the Cal Grant C ~~Awards~~, *awards*, and the Cal Grant T ~~Awards~~ *awards* under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. Under the Cal Grant B Entitlement Program, awards may be made for access costs, defined as living expenses and expenses for transportation, supplies, and books, in an amount not to exceed \$1,551 annually, as adjusted in the annual Budget Act.

This bill would ~~appropriate, without regard to fiscal years, require the Treasurer to certify the amount of moneys available in an academic year from the College Access Tax Credit Fund for distribution, and provide that an amount certified determined by the Student Aid Commission as would be available for expenditure expenditure, upon appropriation to the commission by the Legislature in the annual Budget~~

Act, from the College Access Tax Credit Fund to the commission Fund, for distribution to students to supplement Cal Grant B access cost awards to bring those students’ total annual awards for access costs to not more than \$5,000.

*The bill would become operative only if SB 284 is enacted and becomes operative on or before January 1, 2014.*

Vote: majority. Appropriation: ~~yes~~-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 resulted in the loss of billions of dollars
- 6 in funding for all segments of postsecondary education.
- 7 (b) In the 2011–12 fiscal year, the state contributed \$16.4 billion
- 8 to postsecondary education. However, the share of expenditures
- 9 borne by California State University students in the form of fees
- 10 has nearly doubled, from 18 percent in 2007–08, to 30 percent in
- 11 2011–12. A public postsecondary education has become
- 12 unaffordable for the middle class. Most students are leaving school
- 13 thousands of dollars in debt, and they end up sending monthly
- 14 payments to out-of-state banks rather than contributing to the local
- 15 economy.
- 16 (c) With less access to postsecondary education due to courses
- 17 being cut, each year students are taking longer and longer to
- 18 graduate. It now takes the average student seven years to graduate
- 19 from a California Community College campus, six and one-half
- 20 years to graduate from a California State University campus, and
- 21 four and one-half years to graduate from a University of California
- 22 campus.
- 23 (d) Educational attainment levels predict the overall economic
- 24 performance of states and nations. California was always among
- 25 the top states in degree-completion rates, but it now ranks among
- 26 the bottom 10 states.
- 27 (e) By 2018, 63 percent of all jobs in the United States will
- 28 require some form of postsecondary education or training,
- 29 according to estimates by the Georgetown University Center on

1 Education and the Workforce. The United States is on track to  
2 deliver only a fraction of this education. Currently, only 38 percent  
3 of America’s young adults have a college degree, compared to 58  
4 percent in South Korea.

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

9 (g) Estimates show that the College Access Tax Credit Fund  
10 will be fully subscribed for each of the three years of the program,  
11 allowing the California Student Aid Commission to fund larger  
12 access grants to California’s neediest students.

13 (h) All Californians deserve access to an affordable  
14 postsecondary education.

15 SEC. 2. Section 69431.7 is added to the Education Code, to  
16 read:

17 69431.7. (a) As used in this section, “fund” means the College  
18 Access Tax Credit Fund created by Section 17053.86 of the  
19 Revenue and Taxation Code.

20 (b) Any moneys that may be appropriated from the fund for  
21 purposes of this section shall be in addition to, and are intended  
22 to supplement, other moneys appropriated for the Cal Grant  
23 Program. Upon the creation of the fund, and during its existence,  
24 the amount of the Cal Grant B access award as established in the  
25 annual Budget Act shall not be adjusted below the amount set forth  
26 in the Budget Act of 2012.

27 (c) On April 1, 2015, and on April 1 annually thereafter, the  
28 ~~commission~~ *Treasurer* shall certify the amount of moneys available  
29 for distribution from the fund for the academic year commencing  
30 the following July 1. The amount available for distribution in any  
31 academic year shall not exceed 85 percent of the certified fund  
32 balance. Notwithstanding any other law, the commission shall  
33 thereafter determine the amount of the supplemental awards to be  
34 granted, *and include that amount in the budget change proposals*  
35 *submitted each fiscal year pursuant to Section 69518.* The amount  
36 ~~certified~~ *determined* by the commission under this subdivision ~~is~~  
37 ~~hereby appropriated to the commission, without regard to fiscal~~  
38 ~~years shall be available, upon appropriation by the Legislature to~~  
39 ~~the commission in the annual Budget Act, for the purpose of making~~  
40 awards to students in accordance with this section.

1 (d) If, after making supplemental awards pursuant to subdivision  
2 (e), moneys remain in the fund, those moneys shall remain in the  
3 fund for allocation in future fiscal years.

4 (e) Disbursements shall be made under this section to  
5 supplement awards made for access costs under Article 3  
6 (commencing with Section 69435), Article 4 (commencing with  
7 Section 69436), and Article 5 (commencing with Section 69437).  
8 The amount of the supplemental award, when added to the amount  
9 of the award made for access costs established by the annual  
10 Budget Act, shall not exceed five thousand dollars (\$5,000). An  
11 award under this section is payable only to the extent that moneys  
12 are available from the fund. The commission shall inform each  
13 recipient of an award under this section that the award is for one  
14 academic year only, is not an entitlement, and that future  
15 supplemental awards are subject to the availability of moneys in  
16 the fund.

17 *SEC. 3. This act shall become operative only if Senate Bill 284*  
18 *is enacted and becomes operative on or before January 1, 2014.*