

AMENDED IN ASSEMBLY APRIL 10, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 1991

Introduced by Assembly Member Liu
(Principal coauthor: Assembly Member Alquist)

February 15, 2002

An act to amend Section 69434.5 of, and to add ~~Section 69433.3~~
Sections 69433.3 and 69433.4 to, the Education Code, relating to
student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1991, as amended, Liu. Student financial aid: Cal Grant A and
B Awards.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos
Cal Grant Act, establishes, among other programs, the Cal Grant A
Entitlement Program, the Cal Grant B Entitlement Program, and the
Competitive Cal Grant A and B Awards, under the administration of the
Student Aid Commission. Under the Cal Grant A Program, a qualifying
student receives an award for tuition or student fees, or both, in a
for-credit instructional program with a length of not less than 2
academic years. Under existing law, an individual selected for a Cal
Grant A award who enrolls in a community college may elect to have
that award held in reserve for him or her for a period not to exceed 2
academic years unless that period is extended.

This bill would require the commission to provide information with
respect to award payment options to all students who receive Cal Grant
A or B awards. *The bill would require the commission to establish and
maintain an electronic database consisting of information relating to*

recipients of Cal Grant A and Cal Grant B awards who attend community colleges. ~~The~~

The bill would also allow an individual selected for a Cal Grant A award who enrolls in a community college to elect to receive an award for up to 2 academic years of full-time study, or its equivalent, at a community college. The bill would prohibit the portion of an award received pursuant to this option that is used for ~~community college attendance~~ access costs, as defined, from exceeding, in any academic year, 50% of the lowest amount available for a Cal Grant A award used at another segment. The bill would authorize the remainder of an award received pursuant to this option to be used for up to 3 academic years of full-time study, or the equivalent, at a qualifying institution that ~~awards~~ grants a baccalaureate degree.

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. (a) The Legislature finds and declares both of
- 2 the following:
- 3 (1) The state needs to address the unfortunate fact that many
- 4 recipients of Cal Grant A awards never utilize their awards. Some
- 5 students, especially those who do not attend a four-year college or
- 6 university immediately after high school, forget that they have
- 7 received Cal Grant awards. Some students cannot be tracked
- 8 accurately by the Student Aid Commission because they have
- 9 changed addresses after receiving award letters.
- 10 (2) The state recognizes that it often takes more than four years
- 11 for a student to complete his or her undergraduate education,
- 12 especially when a student transfers from a community college to
- 13 a four-year college.
- 14 ~~(b) It is, therefore, the intent of the Legislature to ensure that~~
- 15 (3) Recent studies indicate that the state is not meeting its goals
- 16 in transferring students from the community colleges to
- 17 institutions that grant baccalaureate degrees.
- 18 (b) It is, therefore, the intent of the Legislature to accomplish
- 19 all of the following:
- 20 (1) To ensure that students do not lose contact with the Student
- 21 Aid Commission so that their chances of utilizing their awards
- 22 will be maximized.



1 (2) *To develop and support policies that will allow students to*
2 *access financial aid throughout a course of undergraduate study*
3 *that exceeds four years.*

4 (3) *To require the Student Aid Commission to continue to allow*
5 *students receiving Cal Grant B awards and attending community*
6 *colleges to place their awards on reserve for at least one year, and*
7 *to allow those students to access their awards in subsequent years*
8 *at a community college or at an institution that grants*
9 *baccalaureate degrees.*

10 (4) *To increase opportunities for community college students to*
11 *transfer to institutions that grant baccalaureate degrees and to*
12 *receive those degrees.*

13 (5) *To allow institutions that grant baccalaureate degrees to*
14 *contact and recruit Cal Grant recipients who are performing their*
15 *lower-division coursework at community colleges, without*
16 *discouraging students from maintaining enrollment at their*
17 *community colleges or recruiting them prematurely.*

18 SEC. 2. Section 69433.3 is added to the Education Code, to
19 read:

20 69433.3. The commission shall provide information, with
21 respect to award payment options that will maximize the overall
22 financial aid package that a recipient may use throughout his or her
23 undergraduate career, to all students who receive a Cal Grant A
24 Entitlement award pursuant to Article 2 (commencing with
25 Section 69434), a Cal Grant B Entitlement award pursuant to
26 Article 3 (commencing with Section 69435), or a Competitive Cal
27 Grant A or Competitive Cal Grant B award pursuant to Article 5
28 ~~(commencing with Section 69437).~~

29 SEC. 3.—~~(commencing with Section 69437).~~ *The information*
30 *provided by the commission pursuant to this section shall include*
31 *notice of any program that allows a recipient to defer his or her Cal*
32 *Grant award for use in a subsequent academic year.*

33 SEC. 3. Section 69433.4 is added to the Education Code, to
34 read:

35 69433.4. (a) *To increase the effectiveness of the Cal Grant*
36 *program in facilitating the transfer of community college students*
37 *to qualifying institutions that grant baccalaureate degrees, the*
38 *commission, shall established and maintain a database consisting*
39 *of information about recipients of Cal Grant A and Cal Grant B*
40 *awards who attend community colleges. The database shall*



1 *include necessary tracking data, including the name of the school*
2 *attended and relevant contact information.*

3 (b) *Upon receiving written notice that he or she has received a*
4 *Cal Grant A or Cal Grant B award, a community college student*
5 *shall have the opportunity to restrict access to any information in*
6 *the database that allows him or her to be personally identified. The*
7 *database shall then be made available, for outreach purposes, to*
8 *qualifying institutions that grant baccalaureate degrees.*

9 SEC. 4. Section 69434.5 of the Education Code is amended to
10 read:

11 69434.5. (a) An individual selected for a Cal Grant A award
12 who enrolls in a California community college may elect either of
13 the following:

14 (1) To have the award held in reserve for him or her for a period
15 not to exceed two academic years, except that the commission may
16 extend the period in which his or her award may be held in reserve
17 for up to three academic years if, in the commission's judgment,
18 the rate of academic progress has been as rapid as could be
19 expected for the personal and financial conditions that the student
20 has encountered. The commission shall, in this case, hold the
21 award in reserve for the additional year.

22 (2) To receive an award for up to two academic years of
23 *full-time study, or its equivalent, at a community college. The*
24 *portion of an award received pursuant to this paragraph that is used*
25 *for ~~community college attendance access costs, as defined in~~*
26 *Section 69432.7, in any academic year, shall not exceed 50 percent*
27 *of the lowest amount available for a Cal Grant A award used at*
28 *another segment. ~~The remainder of an award received pursuant to~~*
29 *this paragraph may be used for up to three years at a qualifying*
30 *institution that awards a baccalaureate degree. segment. A student*
31 *who elects to receive an award in accordance with the paragraph*
32 *shall retain eligibility for receipt of a Cal Grant award for up to*
33 *three academic years of full-time study, or the equivalent, at a*
34 *qualifying institution that grants baccalaureate degrees.*

35 (b) Upon receipt of a request to transfer the award to a tuition
36 or fee charging qualifying institution, the individual shall be
37 eligible to receive the Cal Grant A award previously held in
38 reserve if, at the time of the request, he or she meets all of the
39 requirements of this article. Upon receipt of the request, the



1 commission shall reassess the financial need of the award
2 recipient.

3 (c) The commission may prescribe the forms and procedures to
4 be utilized for the purposes of this section. A recipient's years of
5 eligibility for payment of benefits shall be based upon his or her
6 grade level at the time the award is transferred to the tuition or fee
7 charging qualifying institution.

O

