

AMENDED IN SENATE JANUARY 5, 2004

SENATE BILL

No. 843

Introduced by Senator Denham

February 21, 2003

An act to amend ~~Section 80~~ Sections 66025.6, 69433.4, 69750, 69750.3, 69750.5, 69750.7, 69751, and 69751.5 of the Education Code, and to amend Section 981.8 of the Military and Veterans Code, relating to veterans.

LEGISLATIVE COUNSEL'S DIGEST

SB 843, as amended, Denham. ~~Department of Veterans Affairs~~
Veterans: student financial aid.

~~Existing law establishes in state government the Department of Veterans Affairs and authorizes the director of the department to employ all employees necessary to carry out his or her powers and duties, as provided~~

(1) Existing law, until January 1, 2007, grants to qualifying members of the National Guard, the State Military Reserve, and the Naval Militia an entitlement to academic leave when active duty, as defined, interrupts undergraduate college attendance for the purpose of pursuing an undergraduate degree.

~~This bill would make technical, nonsubstantive changes to these provisions~~ *extend the duration of this entitlement until January 1, 2012. The bill would also extend this entitlement to members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in or who have completed a program of instruction at a technical or trade school where enrollment qualifies a student for participation in the Federal Family Education Loan Program or any loan program approved by the Student Aid*

Commission. The bill would also require that, until January 1, 2012, any qualifying member of the National Guard or the State Military Reserve who undertakes active duty prior to the completion of an academic term for which tuition or fees or dormitory charges at a facility operated by a public institution of higher education have been paid, shall have those payments refunded.

(2) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, 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. Among other things, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act requires, until January 1, 2007, that a recipient of a Cal Grant award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty, as defined, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the Cal Grant award or any of his or her period of eligibility for that award.

This bill would extend the duration of this requirement until January 1, 2012.

(3) Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, for qualifying members of the National Guard, the State Military Reserve, and the Naval Militia as defined, who seek, or who have completed, baccalaureate degrees at institutions of higher education within this state, who receive a loan under a designated loan program, and who complete a certain period of service as a qualifying member. Under the National Guard Assumption Program of Loans for Education, a qualifying member is eligible to receive up to \$11,000 in loan assumption payments if he or she completes up to 4 years of qualifying service.

This bill would extend the National Guard Assumption Program of Loans for Education until the 2012–13 fiscal year. The bill would authorize qualifying members of the National Guard, the State Military Reserve, and the Naval Militia who are graduate students or who are enrolled in, or have completed, a program of study at a qualifying trade



or technical school, to participate in the program. The bill would increase the maximum amount of loan assumption payments relating to undergraduate education that a qualifying member could receive to \$19,000 if he or she completes up to 6 years of qualifying service. The bill would also authorize qualifying members to receive an additional \$1,000 in loan assumption payments relating to graduate education for each year of additional service, up to a total of \$6,000 after at least 6 years of service.

(4) Existing law, in effect until January 1, 2007, requests the Office of the Adjutant General to make copies of the enrollment fee waiver application of the Board of Governors of the California Community Colleges and the Free Application for Federal Student Aid (FAFSA) available to each member of the California National Guard, the State Military Reserve, and the Naval Militia who does not have a baccalaureate degree. Existing law also requests the Office of the Adjutant General to assist these persons in completing these forms, as needed.

This bill would extend the operation of the provisions containing these requests until January 1, 2012.

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 80 of the Military and Veterans Code is~~
2 ~~amended to read:~~
3 ~~80.—The director may employ subject to law any expert,~~
4 ~~technical, legal, clerical, and other employees as may be necessary~~
5 ~~to carry out his or her powers and duties. Except as expressly~~
6 ~~otherwise provided in Section 71, the director shall be the sole~~
7 ~~appointing authority for the department for all positions.~~
8 ~~Whenever possible preference shall be given to veterans for~~
9 ~~employment in the department.~~
10 ~~SECTION 1. Section 66025.6 of the Education Code is~~
11 ~~amended to read:~~
12 ~~66025.6. (a) As used in this section, the following terms have~~
13 ~~the following meanings:~~
14 ~~(1) “Active duty” means either of the following:~~
15 ~~(A) Active federal service or full-time national guard duty on~~
16 ~~behalf of the United States of America either voluntarily, or when~~



1 involuntarily ordered to duty by appropriate authorities under Title
2 10 or Title 32 of the United States Code during a period of armed
3 conflict, mobilization, contingency operations, or other crisis.

4 (B) (i) Active military duty in the service of the state when the
5 Governor has issued a proclamation of a state of insurrection
6 pursuant to Section 143 of the Military and Veterans Code or a
7 proclamation of a state of emergency; or

8 (ii) When the National Guard is on active duty pursuant to
9 Section 146 of the Military and Veterans Code, or is called to active
10 service or duty under Chapter 7.5 (commencing with Section 400)
11 of Part 1 of Division 2 of the Military and Veterans Code, and a
12 certificate of satisfactory service, or an equivalent thereof, is
13 issued by the Military Department.

14 (2) “Qualifying member” means a person who:

15 (A) Is a resident, as defined in Section 68017.

16 (B) Is currently an active member of, and has satisfactorily
17 served for at least one year in, the California National Guard, the
18 State Military Reserve, or the Naval Militia, and maintains
19 satisfactory service throughout the period that ~~tuition and fees are~~
20 ~~waived~~ *he or she receives consideration pursuant to this section,*
21 *or throughout the period that his or her student loan payments are*
22 *assumed under Article 12.5 (commencing with Section 69750) of*
23 *Chapter 2 of Part 42, whichever is longer.*

24 (C) ~~Is~~ *Has completed a baccalaureate degree, or is currently*
25 *enrolled, and in good standing, in an undergraduate or graduate*
26 *program of instruction, or has been admitted to a program in which*
27 *he or she will be enrolled, on at least a half-time basis, at a campus*
28 ~~of the University of California, the California State University, or~~
29 ~~the California Community Colleges~~ *an institution of higher*
30 *education in this state, or is enrolled in or has completed a*
31 *program of instruction at a technical or trade school where*
32 *enrollment qualifies a student for participation in the Federal*
33 *Family Education Loan Program (20 U.S.C. Sec. 1071 et seq.) or*
34 *any loan program approved by the Student Aid Commission for*
35 *this purpose.*

36 (b) (1) Any qualifying member who undertakes active duty is
37 entitled to an academic leave of absence for any academic session
38 that the qualifying member is unable to attend or complete because
39 he or she is on active duty.



1 (2) A qualifying member who takes an academic leave of
2 absence during an academic session pursuant to this subdivision
3 may have his or her transcripts cleared for that academic term.

4 (3) The graduation requirements for a qualifying member who,
5 within one year of returning from active duty, resumes his or her
6 studies at the same postsecondary educational institution shall be
7 the same as the graduation requirements at the time the qualifying
8 member initially enrolled.

9 (4) *Any qualifying member who undertakes active duty prior to*
10 *the completion of an academic term for which tuition or fees or*
11 *dormitory charges at a facility operated by a public institution of*
12 *higher education have been paid, shall have those payments*
13 *refunded. Dormitory charges may be prorated in the period*
14 *occupied prior to commencing active duty.*

15 (c) The Military Department shall determine whether an
16 individual meets the requirements of “active duty” and
17 “qualifying member,” as they are set forth in subdivision (a). The
18 department shall issue a certificate to individuals who meet those
19 requirements.

20 (d) This section shall remain in effect only until January 1,
21 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
22 statute that is enacted before January 1, ~~2007~~ 2012, deletes or
23 extends that date.

24 SEC. 2. Section 69433.4 of the Education Code is amended
25 to read:

26 69433.4. (a) Notwithstanding any other provision of law, a
27 recipient of a Cal Grant award who is a member of the National
28 Guard, the State Military Reserve, or the Naval Militia on active
29 duty within the meaning of Section 66025.6, who is obliged to
30 withdraw from his or her studies because of that active duty, and
31 who later resumes those studies no later than one year after
32 completing that active duty, does not forfeit either any of the
33 monetary value of the Cal Grant award or any of his or her period
34 of eligibility for that award.

35 (b) This section shall remain in effect only until January 1,
36 ~~2007~~ 2012, and as of that date is repealed, unless a later enacted
37 statute that is enacted before January 1, ~~2007~~ 2012, deletes or
38 extends that date.

39 SEC. 3. Section 69750 of the Education Code is amended to
40 read:



1 69750. Commencing with the 2004–05 fiscal year, the
2 National Guard Assumption Program of Loans for Education is
3 established for qualifying members of the National Guard, the
4 State Military Reserve, or the Naval Militia within the meaning of
5 Section 66025.6 who seek, or who have completed, ~~baccalaureate~~
6 degrees at institutions of higher education within this state, *or who*
7 *are enrolled in or have completed a program of instruction in a*
8 *technical or trade school where enrollment qualifies a student for*
9 *participation in the Federal Family Education Loan Program (20*
10 *U.S.C. Sec. 1071 et seq.) or any loan program approved by the*
11 *Student Aid Commission for this purpose.*

12 SEC. 4. Section 69750.3 of the Education Code is amended
13 to read:

14 69750.3. (a) Any qualifying member of the National Guard,
15 the State Military Reserve, or the Naval Militia enrolled in an
16 institution of higher education *or a technical or trade school*
17 participating in the loan assumption program set forth in this
18 article is eligible to enter into an agreement for loan assumption,
19 to be redeemed pursuant to Section 69750.5. In order to be eligible
20 to enter into a loan assumption agreement, an applicant shall
21 satisfy both of the conditions specified in subdivision (b).

22 (b) (1) The applicant *has completed a baccalaureate degree,*
23 *or is currently enrolled in, or has been admitted to, a program in*
24 *which he or she will be enrolled in on at least 10 semester units or*
25 *the equivalent. The a half-time status. If a baccalaureate degree*
26 *has not yet been completed, the applicant shall agree to maintain*
27 *not less than 10 semester units per semester, or the equivalent at*
28 *least a half-time status, and to maintain satisfactory academic*
29 *progress.*

30 (2) In order to meet the costs associated with obtaining a
31 ~~baccalaureate~~ degree *or enrollment in a qualified technical or*
32 *trade school, the applicant has received, or is approved to receive,*
33 a loan under one or more the following designated loan programs:

34 (A) The Federal Family Education Loan Program (20 U.S.C.
35 Sec. 1071 et seq.).

36 (B) Any loan program approved by the Student Aid
37 Commission.

38 (c) A person participating in the program pursuant to this
39 article shall not be eligible to enter into more than one agreement
40 under this article.



1 SEC. 5. Section 69750.5 of the Education Code is amended
2 to read:

3 69750.5. The Student Aid Commission shall commence loan
4 assumption payments, as required by Section 69750.7, upon
5 ~~verification~~ *receipt of a certificate from the Military Department*
6 *verifying* that the applicant has met the requirements of the loan
7 assumption agreement and all other conditions of this article.

8 SEC. 6. Section 69750.7 of the Education Code is amended
9 to read:

10 69750.7. The terms of the loan assumption agreements
11 granted under this article shall be as follows, ~~subject to the specific~~
12 ~~terms of each warrant~~:

13 (a) After a program participant has completed one year of
14 additional service as a qualifying member within the meaning of
15 Section 66025.6, the Student Aid Commission shall assume up to
16 two thousand dollars (\$2,000) of the participant's outstanding
17 liability, *related to undergraduate education*, under one or more
18 of the designated loan programs.

19 (b) After a program participant has completed two consecutive
20 years of additional service as a qualifying member within the
21 meaning of Section 66025.6, the commission shall assume up to
22 an additional three thousand dollars (\$3,000) of the participant's
23 outstanding liability, *related to undergraduate education*, under
24 one or more of the designated loan programs, for a total loan
25 assumption of up to five thousand dollars (\$5,000).

26 (c) After a program participant has ~~completed~~ *completed* three
27 consecutive years of additional service as a qualifying member
28 within the meaning of Section 66025.6, the commission shall
29 assume up to a maximum of an additional three thousand dollars
30 (\$3,000) of the participant's outstanding liability, *related to*
31 *undergraduate education*, under one or more of the designated
32 loan programs, for a total loan assumption of up to eight thousand
33 dollars (\$8,000).

34 (d) After a program participant has completed four consecutive
35 years of additional service as a qualifying member within the
36 meaning of Section 66025.6, the commission shall assume up to
37 a maximum of an additional three thousand dollars (\$3,000) of the
38 participant's outstanding liability, *related to undergraduate*
39 *education*, under one or more of the designated loan programs, for
40 a total loan assumption of up to eleven thousand dollars (\$11,000).



1 (e) After a program participant has completed five consecutive
2 years of additional service as a qualifying member within the
3 meaning of Section 66025.6, the commission shall assume up to a
4 maximum of an additional four thousand dollars (\$4,000) of the
5 participant's outstanding liability, related to undergraduate
6 education, under one or more of the designated loan programs, for
7 a total loan assumption of up to fifteen thousand dollars (\$15,000).

8 (f) After a program participant has completed six consecutive
9 years of additional service as a qualifying member within the
10 meaning of Section 66025.6, the commission shall assume up to a
11 maximum of an additional four thousand dollars (\$4,000) of the
12 participant's outstanding liability, related to undergraduate
13 education, under one or more of the designated loan programs, for
14 a total loan assumption of up to nineteen thousand dollars
15 (\$19,000).

16 (g) In addition to a total loan repayment eligibility of up to
17 nineteen thousand dollars (\$19,000) for qualified loans obtained
18 to finance undergraduate education, members of the California
19 National Guard, the State Military Reserve, and the Naval Militia
20 who are otherwise qualified shall be eligible for one thousand
21 dollars (\$1,000) in student loan assumption payments for loans
22 obtained to support graduate education for each year of additonal
23 service as a qualifying member within the meaning of Section
24 66025.6, up to a maximum of six thousand dollars (\$6,000) after
25 a program participant has completed at least six consecutive years
26 of additional service.

27 (h) It is the intent of the Legislature, if and when the total
28 amount of loan repayment eligibility for persons participating in
29 the Assumption Program of Loans for Education under Article 5
30 (commencing with Section 69612) or the Graduate Assumption
31 Program of Loans for Education under Article 5.5 (commencing
32 with Section 69618) is increased during the 2005–06 Regular
33 Session or in a subsequent session, to enact legislation authorizing
34 the Student Aid Commission to increase the total amount of loan
35 assumption eligibility under this article by an equal amount.

36 SEC. 7. Section 69751 of the Education Code is amended to
37 read:

38 69751. (a) The Student Aid Commission shall administer
39 this article, and, *in consultation with the Military Department*,
40 shall adopt rules and regulations for that purpose. The rules and



1 regulations shall include, but need not be limited to, provisions
2 regarding the period of time for which a loan assumption
3 agreement shall remain valid, the reallocation of funds that are not
4 utilized, and the development of projections for funding purposes.
5 The commission shall solicit the advice of representatives from
6 postsecondary~~-education~~ *educational* institutions regarding the
7 proposed rules and regulations.

8 (b) The Student Aid Commission shall work in conjunction
9 with lenders participating in federal loan programs to develop a
10 streamlined application process for participation in the program
11 set forth in this article.

12 SEC. 8. Section 69751.5 of the Education Code is amended
13 to read:

14 69751.5. This article shall become inoperative on July 1,
15 ~~2007~~ 2012, and, as of January 1, ~~2008~~ 2013, is repealed, unless a
16 later enacted statute that is enacted before January 1, ~~2008~~ 2013,
17 deletes or extends the date on which it becomes inoperative and is
18 repealed.

19 SEC. 9. Section 981.8 of the Military and Veterans Code is
20 amended to read:

21 981.8. (a) The Office of the Adjutant General is requested to
22 annually make both of the following available to each member of
23 the California National Guard, the State Military Reserve, and the
24 Naval Militia who does not have a baccalaureate degree:

25 (1) A copy of the enrollment fee waiver application of the
26 Board of Governors of the California Community Colleges.

27 (2) A copy of the Free Application for Federal Student Aid
28 (FAFSA).

29 (b) The Office of the Adjutant General is requested to provide
30 assistance as necessary to help the members complete the forms
31 made available to them under subdivision (a).

32 (c) This section shall remain in effect only until January 1, ~~2007~~
33 2012, and as of that date is repealed, unless a later enacted statute
34 that is enacted before January 1, ~~2007~~ 2012, deletes or extends that
35 date.

