

ASSEMBLY BILL

No. 175

Introduced by Assembly Member Price

January 23, 2007

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

LEGISLATIVE COUNSEL'S DIGEST

AB 175, as introduced, Price. Cal Grant B awards: access costs.

Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant B Entitlement Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions. The act authorizes these awards to be used for, among other purposes, the payment of certain access costs. The act prohibits the annual amount of an award for access costs from exceeding \$1,551, as adjusted in the annual Budget Act.

This bill would require the maximum award for access costs, for the 2008–09 award year, to be in an annual amount that equals at least \$1,551. Commencing with the 2009–10 award year, the bill would require the maximum award for access costs to be increased by not less than 5% and not more than 10% per year until that amount equals at least 20% of the access costs for the budget category of a student living off-campus, as determined by the triennial Student Expense and Resource Survey, as adjusted for Consumer Price Index changes in a specified manner.

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. The Legislature finds and declares all of the
2 following:

3 (a) The state provides significant tuition and fee assistance for
4 financially needy, meritorious students through the Cal Grant A
5 and B Entitlement Awards Programs.

6 (b) For students from the most financially disadvantaged
7 families, the state provides a Cal Grant B award to meet “access
8 costs,” which are defined in statute to include textbooks, supplies,
9 transportation, and living expenses.

10 (c) These access costs, particularly in the case of textbooks,
11 have increased sharply in recent years; low-income students and
12 families find it more difficult to pay for postsecondary education
13 and are going more deeply into debt by obtaining student loans.

14 (d) While these access costs have increased dramatically in the
15 last 20 years, the amount of the Cal Grant B award has remained
16 unchanged, thereby steadily eroding the relative value of that award
17 and diminishing the state’s historic commitment to its most
18 disadvantaged students, who are the least able to afford textbooks
19 or incur additional indebtedness.

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

22 69435. (a) (1) Commencing with the 2001–02 academic year,
23 and each academic year thereafter, a Cal Grant B award shall be
24 used only for tuition, student fees, and access costs in a for-credit
25 instructional program that is not less than one academic year in
26 length.

27 (2) The commission shall award access grants in a student’s
28 first academic year. In subsequent years, the award shall include
29 an additional amount to pay tuition or fees, or both, to attend
30 college at a public or private four-year college or university or
31 other qualifying institution for all Cal Grant B awards pursuant to
32 paragraph (2) of subdivision (b) of Section 66021.2. In no event
33 shall the total award in any year exceed the applicant’s calculated
34 financial need.

35 (3) Not more than 2 percent of new Cal Grant B recipients
36 enrolling for the first time in an institution of postsecondary
37 education shall be eligible for payments for tuition or fees, or both,
38 in their first academic year of attendance. The commission shall

1 adopt regulations specifying the criteria used to determine which
2 applicants, if any, receive both tuition and fees plus the access
3 grant in the first year of enrollment. Priority shall be given to
4 students with the lowest expected family contribution pursuant to
5 Section 69432.7 and the highest level of academic merit.

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

10 *(1) Except as provided in subdivisions (c) and (d), the*
11 *maximum award for access costs under this article shall be in an*
12 *annual amount that equals at least 20 percent of the access costs*
13 *for the budget category of a student living off-campus as*
14 *determined by the triennial Student Expense and Resource Survey*
(SEARS), undertaken by the commission.

15 *(2) For each of the years between the triennial updates of*
16 *SEARS, the maximum award for access costs under this article*
17 *shall be adjusted by an amount that reflects the percentage change*
18 *in the California Consumer Price Index, as it is prepared by the*
19 *Division of Labor Statistics and Research of the Department of*
20 *Industrial Relations.*

21 *(c) For the 2008–09 award year, the maximum award for access*
22 *costs under this article shall be in an annual amount that equals*
23 *at least one thousand five hundred fifty-one dollars (\$1,551).*

24 *(d) Commencing with the 2009–10 award year, the maximum*
25 *award for access costs under this article shall be increased by not*
26 *less than 5 percent and not more than 10 percent per year until*
27 *the maximum amount equals the amount specified in subdivision*
28 *(b).*

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