

Assembly Bill No. 1540

Passed the Assembly September 12, 2007

Chief Clerk of the Assembly

Passed the Senate September 11, 2007

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2007, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Article 3.5 (commencing with Section 69550) to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, relating to student financial aid, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 1540, Bass. Student financial aid: Cash for College Program.

Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Under existing law, the commission, among other things, administers the Cal Grant Program, the Student Opportunity and Access Program, the Assumption Program of Loans for Education, the Graduate Assumption Program of Loans for Education, the Public Interest Attorney Loan Repayment Program, and the California State Work-Study Program. The Student Aid Commission also oversees the state's participation in the Federal Family Education Loan Program.

This bill would express the intent of the Legislature that California students with financial need be made aware of the opportunities afforded to them through the various state and federal financial aid programs. The bill would express various findings and declarations of the Legislature relating to the Cash for College Program. The bill would establish the Cash for College Program under the administration of the Student Aid Commission, and would authorize the commission to allocate funds for support of local Cash for College projects designed to accomplish prescribed goals. The bill would require the commission to contract with an external evaluator to conduct an independent evaluation, and to report to the fiscal and policy committees of the Legislature by December 1 of each year, detailing program data, expenditures, and the findings of the independent evaluation on the extent to which program goals have been met. The bill would create the Cash for College Fund and would continuously appropriate voluntary contributions or donations received into the fund to the

commission for purposes of the program. The bill would require the commission to allocate funds to regional coordinating organizations, as defined, to plan, coordinate, or conduct Cash for College workshop series within specified regions within the state. The bill would authorize the commission to partner with regional coordinating organizations or other entities to facilitate additional nonstate funding or donations of property, or both, for the program.

Appropriation: yes.

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

SECTION 1. Article 3.5 (commencing with Section 69550) is added to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, to read:

Article 3.5. Cash for College Program

69550. (a) It is the intent of the Legislature that California students with financial need be made aware of the opportunities afforded to them through the various state and federal financial aid programs, including the Cal Grant Program established pursuant to Chapter 1.7 (commencing with Section 69430).

(b) Since the creation of the Cal Grant A and Cal Grant B entitlement programs under Article 2 (commencing with Section 69434) of, and Article 3 (commencing with Section 69435) of, Chapter 1.7, efforts to provide information to students have been developed and implemented by various organizations and institutions. However, there is a need to consolidate, incorporate, expand, and improve these programs as a statewide effort in order to ensure access to workshops, information, and assistance.

69551. (a) The Legislature finds and declares all of the following:

(1) The Cash for College Program has successfully established local regional partnerships that annually provide hands-on help in filling out financial aid forms necessary to receive financial assistance for college. This program was initiated by private foundations and the Student Aid Commission in 2002 with the goal of increasing the number of students who successfully complete the financial aid process and enroll in college. In 2007, the Cash for College Program succeeded in serving over 20,000

students and their families in 44 of the 58 counties in California, thereby helping the state to access tens of millions of dollars in federal Pell Grant financial aid for low-income students and increasing the number of students participating in the state's Cal Grant program.

(2) The intersegmental cooperative nature of the Cash for College Program has proved to be a highly effective mechanism to coordinate existing services and to foster the cooperation of the various educational segments, community, and business partners involved.

(3) The Cash for College Program has been successful because of the financial and volunteer contributions of local partners in private business and industry, the financial aid, admissions and outreach communities, and student groups. Additional funding has been provided through these local and regional partnerships, and through one million five hundred thousand dollars (\$1,500,000) in private foundation grant funds that have supported the initial development of the program, as well as funded local scholarships offered to workshop participants who complete the financial aid process by the state filing deadline.

(4) The Cash for College Program has assisted high school and community college students whose families were unfamiliar with the financial aid process. The program focuses on assisting students and their families who are first or second generation college-bound students who have little or no access to college advising because of limited resources at the schoolsite or the perception that college is not an option.

(5) The Cash for College Program seeks to provide all California students who desire to attend college the opportunity to enroll by providing tangible assistance in accessing the available state and federal resources to make higher education possible.

(6) A college or postsecondary education is a requirement for a working wage job. The wage disparity between a high school graduate and a college graduate is one million dollars (\$1,000,000) over an individual's lifespan.

(7) California reflects the ethnic and cultural diversity of today's world. Evidence of this change is most pronounced within our public elementary and secondary education system. As California continues into the 21st century, there is no single group that represents a majority of elementary and secondary enrollment.

These changing demographics present great challenges and great opportunities.

(8) California must invest in higher education and in the future of its young people so they can acquire skills and knowledge necessary to continue the state's economic recovery.

(9) The Cash for College Program provides access to the college financial aid process for students of varied backgrounds and socioeconomic status.

(b) (1) Beginning January 1, 2008, the Cash for College Program is established and is administered by the Student Aid Commission, in partnership with private business and industry and local community and educational organizations. The Student Aid Commission may allocate funds for support of local Cash for College financial aid workshop efforts that are designed to accomplish the following goals:

(A) Targeted outreach to, and assistance for, low-income and first generation college-bound students with state and federal financial aid applications.

(B) Targeted outreach to, and assistance for, students who are enrolled in schools or geographic regions with low college eligibility or participation rates, with state and federal financial aid applications.

(2) The projects and organizations funded under this article shall implement the following activities:

(A) Organize and conduct free local and regional workshops that help students and families to fill out the Free Application for Federal Student Aid (FAFSA) and the Cal Grant GPA verification form required for Cal Grants.

(B) Convene advisory board meetings to develop regional partnerships with local partners in private business and industry, admissions and outreach communities, and student groups, to foster financial and volunteer contributions.

(c) The Student Aid Commission shall, by December 1 of each year, provide a report to the fiscal and policy committees of the Legislature on the Cash for College Program detailing program data, expenditures, and the findings of an independent evaluation on the extent to which program goals have been met. Program data shall include the number of completed FAFSA applications, the number of submitted grade point average verifications, and the

number of Cal Grant recipients using their Cal Grant at California postsecondary institutions.

(d) The Student Aid Commission shall contract with an external evaluator to conduct the independent evaluation.

(e) (1) The commission may accept voluntary contributions or donations in cash to pay for the costs of implementing the program pursuant to this article. Voluntary contributions shall be deposited into the Cash for College Fund, which is hereby created in the State Treasury. Only moneys contributed or donated for the purposes of this article may be deposited into the fund. The fund shall be credited with all investment income earned by moneys in the fund. All moneys received in contributions or donations for the purposes of this article are not part of the General Fund as defined in Section 16300 of the Government Code. Voluntary contributions or donations are special funds held in trust for purposes of meeting the purposes of this article. Notwithstanding Section 13340 of the Government Code, moneys in the fund from voluntary contributions or donations are hereby continuously appropriated to the commission without regard to fiscal year for the purposes enumerated in this article.

(2) Additional funds may be appropriated in the annual Budget Act for the purposes of this article.

(f) (1) As used in this subdivision, “regional coordinating organization” means a coalition of entities led by a designated organization, which may include nonprofit organizations, local education or other government agencies, or public or private higher education institutions.

(2) The Student Aid Commission shall allocate funds to regional coordinating organizations to plan, coordinate, or conduct Cash for College workshop series within specified regions within the state.

(3) The Student Aid Commission shall require a regional coordinating organization to contribute equal or greater resources to match the Cash for College funds allocated to it by the commission. Funds allocated to a regional coordinating organization under this subdivision shall be based on demonstrated ability to contribute equal or greater matching resources or funds. The Student Aid Commission may require advance payment, if it determines that it is necessary to ensure that funds provided

pursuant to this article are available each year before the start of the program.

(4) The Student Aid Commission may partner with regional coordinating organizations or other entities to facilitate additional nonstate funding or donations of property, or both, for the Cash for College Program.

(5) Notwithstanding Section 11005 of the Government Code, the Student Aid Commission may accept gifts of personal property without approval of the Director of Finance.

(g) The commission may use the moneys appropriated for the program, including reasonable administrative costs, marketing, and external evaluation. Administrative costs shall include appropriate staffing to support the program including, but not limited to, a Cash for College Coordinator. The commission shall annually establish the total amount of funding to assist regional coordinating organizations. Allocation of funds shall be established based upon the best use of funding for that year, as determined by the commission in consultation with a Cash for College statewide advisory board which may include, but is not limited to, partners in private business and industry, admissions and outreach communities, and student groups.

Approved _____, 2007

Governor