

AMENDED IN SENATE MAY 25, 2012

AMENDED IN SENATE MAY 2, 2012

AMENDED IN SENATE APRIL 9, 2012

SENATE BILL

No. 1466

Introduced by Senator De León

February 24, 2012

An act to add and repeal Section 69432.75 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 1466, as amended, De León. Student financial aid: Cal Grant Program eligibility.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement ~~Awards awards~~, the California Community College Transfer 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. The Cal Grant Program establishes different maximum household income levels for recipients of each of those Cal Grant awards.

This bill would, commencing with the 2014–15 academic year, and notwithstanding any other law, require a student to be eligible for the receipt of a Cal Grant ~~Award award~~ funded from the Higher Education Investment Tax Credit Program Special Fund pursuant to specified priorities if he or she meets the requirements established for a Cal Grant ~~Award award~~ for the 2011–12 academic year, except that a student

granted the lowest priority may have a maximum household income that is no greater than \$150,000. *The bill would state that any moneys that may be appropriated for purposes of this bill would be required to be in addition to, and intended to supplement, other moneys appropriated for the Cal Grant Program. The bill also would provide that those moneys are intended to provide initial and renewal Cal Grant A, B, and Transfer Entitlement awards, pursuant to specified priorities, to students who would otherwise be ineligible if not for the expanded eligibility provided by this bill.* The bill would repeal this provision on a specified date, and would make specified findings and declarations relating to the need to fund postsecondary education.

This bill would become operative only if SB 1356 is enacted and takes effect on or before January 1, 2013.

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) 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 decimated billions of dollars in funding
6 for all segments of postsecondary education.

7 (b) In 2000, the state contributed 18.6 billion dollars to public
8 postsecondary education, and this funding has declined every year
9 since then. In the 2010–11 fiscal year, the state contributed 12.4
10 billion dollars to postsecondary education.

11 (c) The share of expenditures borne by students in the form of
12 fees has tripled, from 13 percent in 2000, to 40 percent in 2011,
13 making a public postsecondary education unaffordable for the
14 middle class. Most middle income students are leaving school
15 thousands of dollars in debt, and they end up sending monthly
16 payments to out-of-state banks rather than contributing to the local
17 economy.

18 (d) With less access to postsecondary education due to courses
19 being cut, each year students are taking longer and longer to
20 graduate. It now takes the average student 7 years to graduate from
21 a California Community College, 6.5 years to graduate from a

1 California State University, and 4.5 years to graduate from a
2 University of California.

3 (e) Educational attainment levels predict the overall economic
4 performance of states and nations. California was always among
5 the top states in degree-completion rates, but it now ranks among
6 the bottom 10 states.

7 (f) By 2018, 63 percent of all of jobs in the United States will
8 require some form of postsecondary education or training,
9 according to estimates by the Georgetown University Center on
10 Education and the Workforce. The United States is on track to
11 deliver only a fraction of this education. Currently, only 38 percent
12 of America’s young adults have a college degree, compared to 58
13 percent in South Korea.

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

18 (h) Estimates show that the Higher Education Investment Tax
19 Credit Program Special Fund will be fully subscribed for each of
20 the five years of the program, allowing the California Student Aid
21 Commission to expand eligibility for Cal Grant awards for middle
22 class families.

23 (i) All Californians deserve access to an affordable
24 postsecondary education.

25 SEC. 2. Section 69432.75 is added to the Education Code, to
26 read:

27 69432.75. (a) Commencing with the 2014–15 academic year,
28 and notwithstanding any other law, a student shall be eligible for
29 the receipt of a Cal Grant ~~Award~~ *award* funded from the Higher
30 Education Investment Tax Credit Program Special Fund pursuant
31 to the priorities established in subdivision (b) if he or she meets
32 the requirements established for a Cal Grant ~~Award~~ *award* for the
33 2011–12 academic year, except that for students granted priority
34 pursuant to paragraph (3) of subdivision (b) the maximum
35 household income shall be no greater than one hundred fifty
36 thousand dollars (\$150,000), which shall be calculated in a manner
37 that is consistent with the requirements applicable to this chapter
38 and Section 69506.

39 (b) The commission shall grant the following priorities when
40 using funds from the Higher Education Investment Tax Credit

1 Program Special Fund to award Cal Grants to students eligible
2 pursuant to subdivision (a):

3 (1) First priority shall be given to students who meet the
4 eligibility requirements established for a Cal Grant A, B, or
5 Transfer Entitlement ~~Award~~ *award* for the 2011–12 academic year.

6 (2) Second priority shall be given to students who meet the
7 eligibility requirements established for a Competitive Cal Grant
8 A or B ~~Award~~ *award* for the 2011–12 academic year, up to the
9 maximum number of awards authorized for Competitive Cal Grant
10 A or B ~~Awards~~ *awards* in the annual Budget Act.

11 (3) Third priority shall be given to all other students who meet
12 the eligibility requirements established for a Cal Grant ~~Award~~
13 *award* for the 2011–12 academic year, except that, notwithstanding
14 subdivision (k) of Section 69432.7, these students may have a
15 maximum household income no greater than one hundred fifty
16 thousand dollars (\$150,000), as calculated pursuant to subdivision
17 (a).

18 (c) (1) *Any moneys that may be appropriated from the Higher
19 Education Investment Tax Credit Program Special Fund for
20 purposes of this section shall be in addition to, and are intended
21 to supplement, other moneys appropriated for the Cal Grant
22 Program.*

23 (2) *Any moneys that may be appropriated from the Higher
24 Education Investment Tax Credit Program Special Fund for
25 purposes of this section are intended to provide initial and renewal
26 Cal Grant A, B, and Transfer Entitlement awards, pursuant to the
27 priorities specified in (b), to students who would otherwise be
28 ineligible if not for the expanded eligibility provided by this section.*

29 (e)

30 (d) This section shall remain in effect until December 1, 2018,
31 or until all funds in the Higher Education Investment Tax Credit
32 Program Special Fund are expended, whichever date comes last,
33 and as of that date is repealed, unless a later enacted statute, that
34 is enacted before December 1, 2018, or before the date when all
35 funds in the Higher Education Investment Tax Credit Program
36 Special Fund are expended, whichever comes last, deletes or
37 extends that period.

1 SEC. 3. This act shall become operative only if Senate Bill
2 1356 is enacted and takes effect on or before January 1, 2013.

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