

AMENDED IN ASSEMBLY APRIL 16, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 1085

**Introduced by Assembly Members Beth Gaines and Morrell
(Coauthors: Assembly Members Bigelow, Conway, Wagner, and
Waldron)**

February 22, 2013

An act to amend, *repeal, and add* Section 69432 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1085, as amended, Beth Gaines. Cal Grant Program: maximum award amounts: private institutions.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, 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.

Existing law sets maximum tuition award amounts for Cal Grant A and B awards for new recipients attending private for-profit and nonprofit postsecondary educational institutions, as specified.

This bill would, *until June 30, 2014*, increase those maximum tuition award amounts for recipients attending private for-profit and nonprofit postsecondary educational institutions to \$9,708.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. 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 2012–13 Budget Act reduced Cal Grant award amounts
4 for students attending private postsecondary educational institutions
5 by 17 to 59 percent commencing with the 2013–14 award year.
6 The Governor also further reduced Cal Grant award awards for
7 the 2012–13 award year by 5 percent to save \$23,000,000 for
8 consistency.

9 (b) These Cal Grant award reductions disproportionately affect
10 low-income families. Those recipients who are hurt most by the
11 reductions are the following:

12 (1) Minorities, who receive 60 percent of Cal Grant awards.

13 (2) Females, who receive 64 percent of Cal Grant awards.

14 (3) Students with parents who make under \$36,000 a year, who
15 receive 67 percent of Cal Grant awards.

16 (4) Students with parents who make under \$48,000 a year, who
17 receive 82 percent of Cal Grant awards.

18 (c) The Legislative Analyst’s Office has warned that reducing
19 Cal Grant awards to students attending private postsecondary
20 educational institutions may have the unintended effect of driving
21 more students from private institutions to public institutions,
22 thereby increasing the overall cost to the taxpayer to educate those
23 students.

24 SEC. 2. Section 69432 of the Education Code is amended to
25 read:

26 69432. (a) Cal Grant Program awards shall be known as “Cal
27 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
28 “California Community College Transfer Entitlement Awards,”
29 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
30 and “Cal Grant T Awards.”

31 (b) Maximum award amounts for students at independent
32 institutions and for Cal Grant C and T awards shall be identified
33 in the annual Budget Act. Maximum award amounts for Cal Grant

1 A and B awards for students attending public institutions shall be
2 referenced in the annual Budget Act.

3 (c) (1) Notwithstanding subdivision (b), and subdivision (c) of
4 Section 66021.2, commencing with the 2013–14 award year, the
5 maximum tuition award amounts for Cal Grant A and B awards
6 for students attending private postsecondary educational institutions
7 shall be nine thousand seven hundred eight dollars (\$9,708).

8 (2) The renewal award amount for a student whose initial award
9 is subject to a maximum award amount specified in this subdivision
10 shall be calculated pursuant to paragraph (2) of subdivision (a) of
11 Section 69433.

12 (d) *This section shall become inoperative on June 30, 2014,*
13 *and, as of January 1, 2015, is repealed, unless a later enacted*
14 *statute, that becomes operative on or before January 1, 2015,*
15 *deletes or extends the dates on which it becomes inoperative and*
16 *is repealed.*

17 SEC. 3. Section 69432 is added to the Education Code, to read:

18 69432. (a) *Cal Grant Program awards shall be known as “Cal*
19 *Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”*
20 *“California Community College Transfer Entitlement Awards,”*
21 *“Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”*
22 *and “Cal Grant T Awards.”*

23 (b) *Maximum award amounts for students at independent*
24 *institutions and for Cal Grant C and T awards shall be identified*
25 *in the annual Budget Act. Maximum award amounts for Cal Grant*
26 *A and B awards for students attending public institutions shall be*
27 *referenced in the annual Budget Act.*

28 (c) (1) *Notwithstanding subdivision (b), and subdivision (c) of*
29 *Section 66021.2, commencing with the 2013–14 award year, the*
30 *maximum tuition award amounts for Cal Grant A and B awards*
31 *for students attending private for-profit and nonprofit*
32 *postsecondary educational institutions shall be as follows:*

33 (A) *Four thousand dollars (\$4,000) for new recipients attending*
34 *private for-profit postsecondary educational institutions.*

35 (B) *For the 2013–14 award year, nine thousand eighty-four*
36 *dollars (\$9,084) for new recipients attending private nonprofit*
37 *postsecondary educational institutions. For the 2014–15 award*
38 *year and each award year thereafter, eight thousand fifty-six*
39 *dollars (\$8,056) for new recipients attending private nonprofit*
40 *postsecondary educational institutions.*

1 (2) *The renewal award amount for a student whose initial award*
2 *is subject to a maximum award amount specified in this subdivision*
3 *shall be calculated pursuant to paragraph (2) of subdivision (a)*
4 *of Section 69433.*

5 (3) *Notwithstanding subparagraph (A) of paragraph (1), new*
6 *recipients attending private for-profit postsecondary educational*
7 *institutions that are accredited by the Western Association of*
8 *Schools and Colleges as of July 1, 2012, shall have the same*
9 *maximum tuition award amounts as are set forth in subparagraph*
10 *(B) of paragraph (1).*

11 (d) *This section shall become operative on June 30, 2014.*

12 ~~SEC. 3.~~

13 SEC. 4. This act is an urgency statute necessary for the
14 immediate preservation of the public peace, health, or safety within
15 the meaning of Article IV of the Constitution and shall go into
16 immediate effect. The facts constituting the necessity are:

17 In order to restore vital Cal Grant awards for recipients attending
18 private postsecondary educational institutions, it is necessary that
19 this act take immediate effect.