

Assembly Bill No. 1976

Passed the Assembly May 29, 2014

Chief Clerk of the Assembly

Passed the Senate August 21, 2014

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2014, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Section 69437 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1976, Quirk-Silva. Student financial aid: Competitive Cal Grant A and B awards.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Cal Grant 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 limits the number of Competitive Cal Grant A and B awards that may be granted in an academic year to 22,500.

This bill would require the commission to calculate a target for awards to be paid in an award year as specified, estimate a take rate for awards by dividing the total number of awards paid by the total number of offers made during the 3 award years immediately preceding that award year, and estimate the number of award offers that the commission may make to achieve the target for awards to be paid, as specified. The bill would also authorize the commission to exceed the 22,500 award limit in an academic year when the number of acceptances exceeds 22,500, under specified conditions.

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

SECTION 1. Section 69437 of the Education Code is amended to read:

69437. (a) Commencing with the 2001–02 academic year, and each academic year thereafter, there shall be established the Competitive Cal Grant A and B award program for students who did not receive a Cal Grant A or B entitlement award pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), or Article 4 (commencing with

Section 69436). Awards made under this section are not entitlements. The submission of an application by a student under this section shall not entitle that student to an award. The selection of students under this article shall be determined pursuant to subdivision (c) and other relevant criteria established by the commission.

(b) (1) Except as provided in paragraphs (5) and (6), a total of 22,500 Cal Grant A and B awards shall be granted annually under this article on a competitive basis for applicants who meet the general eligibility criteria established in Article 1 (commencing with Section 69430) and the priorities established by the commission pursuant to subdivision (c).

(2) Fifty percent of the awards referenced in this subdivision are available to all students, including California community college students, who meet the financial need and academic requirements established pursuant to this article. A student enrolling at a qualifying baccalaureate degree granting institution shall apply by the March 2 deadline. A California community college student is eligible to apply at the March 2 or the September 2 deadline.

(3) Fifty percent of the awards referenced in this subdivision are reserved for students who will be enrolled at a California community college. The commission shall establish a second application deadline of September 2 for community college students to apply for these awards effective with the fall term or semester of the 2001–02 academic year.

(4) If any awards are not distributed pursuant to paragraphs (1) and (2) upon initial allocation of the awards under this article, the commission shall make awards to as many eligible students as possible, beginning with the students with the lowest expected family contribution and highest academic merit, consistent with the criteria adopted by the commission pursuant to subdivision (c), as practicable without exceeding an annual cumulative total of 22,500 awards.

(5) (A) In granting awards under this article for the 2015–16 award year, the commission shall do all of the following:

- (i) Establish a target of 22,500 awards to be paid.
- (ii) Estimate the take rate for awards by dividing the total number of awards paid by the total number of offers made during

the three award years immediately preceding the 2015–16 award year.

(iii) Estimate the number of award offers that the commission may make to achieve the target for awards paid by dividing 22,500 by the take rate estimated pursuant to clause (ii).

(B) In granting awards under this article for the 2016–17 award year and subsequent award years, the commission shall do all of the following:

(i) Calculate a target for awards to be paid by subtracting the number of awards paid in the previous award year from the target for awards paid in the previous award year and adding the result to 22,500.

(ii) Estimate the take rate for awards by dividing the total number of awards paid by the total number of offers made during the three award years immediately preceding that award year.

(iii) Estimate the number of award offers that the commission may make to achieve the target for awards paid calculated pursuant to clause (i) by dividing the target by the take rate estimated pursuant to clause (ii).

(6) Notwithstanding paragraphs (1) to (4), inclusive, the commission may exceed the 22,500 award limit in an academic year when the number of acceptances exceeds 22,500, provided that, in the 2016–17 award year and subsequent award years, the commission grants awards in accordance with subparagraph (B) of paragraph (5).

(c) (1) On or before February 1, 2001, acting pursuant to a public hearing process that is consistent with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), the commission shall establish selection criteria for Cal Grant A and B awards under the competitive program that give special consideration to disadvantaged students, taking into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions that hamper a student's access to, and ability to persist in, postsecondary education programs.

(2) Additional consideration shall be given to each of the following:

(A) Students who graduated from high school or its equivalent prior to the 2000–01 academic year. This subparagraph shall not be applicable after the 2004–05 academic year.

(B) Students pursuing Cal Grant B awards who reestablish their grade point averages.

(C) Students who did not receive awards pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), or Article 4 (commencing with Section 69436).

(d) All other students who meet the eligibility requirements pursuant to Article 1 (commencing with Section 69430) are eligible to compete for an award pursuant to this article.

Approved _____, 2014

Governor