

Introduced by Senator CalderonFebruary 22, 2013

An act to add Section 69505.5 to the Education Code, relating to postsecondary education.

LEGISLATIVE COUNSEL'S DIGEST

SB 595, as introduced, Calderon. Postsecondary education: financial aid.

Under existing law the Legislature declares that student assistance programs have the primary purpose of providing equal opportunity and access to postsecondary education for specified groups of students and that student aid programs should assist students to progress through the educational program in accordance with the individual's educational objectives.

This bill would require each campus of the California Community Colleges and the California State University and, as to the University of California, request each campus of the University of California to not enter into a contract with a bank or financial institution that requires students to open an account with the bank or financial institution as a condition of the student receiving his or her financial aid disbursement. The bill would also require each campus of the California Community Colleges and the California State University, or, as to the University of California, request each campus of the University of California, to offer a student the option of receiving a check for, or direct deposit of, his or her financial aid disbursement in a timeframe that is similar to the timeframe for financial aid disbursement offered by a bank or financial institution that partners with the campus of the community college, California State University, or University of California, as applicable. By requiring each campus of the California Community Colleges to

offer this option to students, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

1 SECTION 1. Section 69505.5 is added to the Education Code,
2 to read:

3 69505.5. (a) (1) No campus of the California Community
4 Colleges or the California State University shall enter into a
5 contract with a bank or financial institution that requires students
6 to open an account with the bank or financial institution as a
7 condition of the student receiving his or her financial aid
8 disbursement.

9 (2) Each campus of the University of California is requested to
10 not enter into a contract with a bank or financial institution that
11 requires students to open an account with the bank or financial
12 institution as a condition of the student receiving his or her
13 financial aid disbursement.

14 (b) (1) Each campus of the California Community Colleges
15 and the California State University shall offer a student the option
16 of receiving a check for, or direct deposit of, his or her financial
17 aid disbursement in a timeframe that is similar to the timeframe
18 for financial aid disbursement offered by a bank or financial
19 institution that partners with a campus of the California Community
20 Colleges or California State University.

21 (2) Each campus of the University of California is requested to
22 offer a student the option of receiving a check for, or direct deposit
23 of, his or her financial aid disbursement in a timeframe that is
24 similar to the timeframe for financial aid disbursement offered by
25 a bank or financial institution that partners with a campus of the
26 University of California.

1 SEC. 2. If the Commission on State Mandates determines that
2 this act contains costs mandated by the state, reimbursement to
3 local agencies and school districts for those costs shall be made
4 pursuant to Part 7 (commencing with Section 17500) of Division
5 4 of Title 2 of the Government Code.

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