

**Introduced by Senator Jackson**February 14, 2014

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An act to amend Section 69439 of the Education Code, relating to student financial aid.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1028, as introduced, Jackson. Student financial aid: Cal Grant C awards.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes the Cal Grant C Program under the administration of the Student Aid Commission and establishes eligibility requirements for awards under this program. The act requires that a Cal Grant C award be used only for occupational or technical training, as defined, in a course of not less than 4 months. The act requires the commission, after consultation with state and federal agencies, to determine the areas of occupational or technical training for which Cal Grant C awards shall be awarded. Existing law also requires the Student Aid Commission to develop, and regularly review and update at least every 5 years, the areas of occupational or technical training for which students may utilize Cal Grant C awards and to give priority in granting the awards to students pursuing occupational or technical training in areas that meet specified criteria. The act requires the maximum award amount and total amount of funding for the Cal Grant C Program to be determined each year in the annual Budget Act. The act requires the number of the awards made each year to be the same as the number of awards made for the 2000–01 fiscal year. The act requires the Legislative Analyst's Office to report every odd-numbered year to the Legislature on the outcomes of the Cal Grant C program, as specified.

This bill would revise and recast the act to, among other things, require the number of awards made each year to be at least the same number of awards made for the 2000–01 fiscal year and would require the amount awarded to be not less than \$3,009, and not more than \$5,000, per award. The bill would reserve 2,500 awards for the California’s long-term unemployed. The bill would additionally authorize the award be expended for the student’s living expenses. The bill would require the commission, in consultation with specified entities, for purposes of the Cal Grant C program, to prioritize occupational training programs and industry clusters. The bill would require the commission to consult with specified public entities to develop a plan to publicize the grant award program to the California’s long-term unemployed and a plan to make students receiving awards aware of job search and placement services available through specified public entities. The bill would require the commission, instead of the Legislative Analyst’s Office, to submit to the Legislature the above-described reports and would require the reports to provide information separately on the awards reserved for the long-term unemployed.

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. Section 69439 of the Education Code is amended  
2 to read:  
3 69439. (a) *For the purposes of this section, the following terms*  
4 *have the following meanings:*  
5 (1) *“Career pathway” means an identified series of positions,*  
6 *work experiences, or educational benchmarks or credentials with*  
7 *multiple access points that offer occupational and financial*  
8 *advancement within a specific career field or related fields over*  
9 *time.*  
10 (2) *“Economic security” means, with respect to a worker,*  
11 *earning a wage sufficient to support a family adequately, and, over*  
12 *time, to save for emergency expenses and adequate retirement*  
13 *income, based on factors, such as household size, the cost of living*  
14 *in the worker’s community, and other factors that may vary by*  
15 *region.*  
16 (3) *“Industry cluster” means any of the following:*

1 (A) A geographic concentration or emerging concentration of  
2 interdependent industries with direct service, supplier, and  
3 research relationships.

4 (B) Independent industries that share common resources in a  
5 given regional economy or labor market.

6 (C) A group of employers closely linked by common products  
7 or services, workforce needs, similar technologies, and supply  
8 chains in a given regional economic or labor market.

9 (4) “Long-term unemployed” means, with respect to an award  
10 applicant, a person who has been unemployed for more than 26  
11 weeks at the time of submission to the commission of his or her  
12 application.

13 (5) “Occupational or technical training” means that phase of  
14 education coming after the completion of a secondary school  
15 program and leading toward recognized occupational goals  
16 approved by the commission.

17 (b) (1) A Cal Grant C award shall be utilized only for  
18 occupational or technical training in a course of not less than four  
19 months. ~~There~~ Except as provided in paragraph (4), there shall  
20 be, at least, the same number of Cal Grant C awards each year as  
21 were made in the 2000–01 fiscal year. ~~The~~

22 (2) A minimum of 2,500 Cal Grant C awards shall be reserved  
23 for California’s long-term unemployed.

24 (3) The maximum award amount and the total amount of funding  
25 shall be determined each year in the annual Budget ~~Act~~. Act, but  
26 the annual award amount of Cal Grant C awards shall be no less  
27 than three thousand nine dollars (\$3,009) and no more than five  
28 thousand dollars (\$5,000) per award.

29 (4) If the total amount of funding provided in the annual Budget  
30 Act for a fiscal year is insufficient to provide the same number of  
31 Cal Grant C awards made in the 2000–01 fiscal year at the  
32 minimum award level of three thousand nine dollars (\$3,009) for  
33 each award, the commission shall ensure the amount awarded for  
34 each award is not less than three thousand nine dollars (\$3,009).

35 ~~(b) “Occupational or technical training” means that phase of~~  
36 ~~education coming after the completion of a secondary school~~  
37 ~~program and leading toward recognized occupational goals~~  
38 ~~approved by the commission.~~

39 (c) The commission may use criteria it deems appropriate in  
40 selecting students ~~with occupational talents~~ to receive grants for

1 occupational or technical training *and may use different criteria*  
2 *for awards reserved for the long-term unemployed.*

3 (d) The Cal Grant C award recipients shall be eligible for  
4 renewal of their grants until they have completed their occupational  
5 or technical training in conformance with terms prescribed by the  
6 commission. A determination by the commission for a subsequent  
7 award year that the program under which a Cal Grant C was  
8 initially awarded is no longer deemed to receive priority shall not  
9 affect an award recipient's renewal. In no case shall the grants  
10 exceed two calendar years.

11 (e) Cal Grant C awards ~~shall be~~ *may be used* for institutional  
12 fees, charges, and other costs, including tuition, plus  
13 training-related costs, such as special clothing, local transportation,  
14 required tools, equipment, supplies, ~~and books.~~ *books, and living*  
15 *expenses.* In determining the amount of grants and training-related  
16 ~~costs,~~ *individual award amounts,* the commission shall take into  
17 account other state and federal programs available to the applicant.

18 (f) (1) To ensure alignment with the state's dynamic economic  
19 needs, the commission, in consultation with appropriate state and  
20 federal agencies, *including the Economic and Workforce*  
21 *Development Division of the Office of the Chancellor of the*  
22 *California Community Colleges and the California Workforce*  
23 *Investment Board,* shall ~~develop~~ *identify* areas of occupational and  
24 technical training for which students may utilize Cal Grant C  
25 awards. The commission, ~~if necessary,~~ *may to the extent feasible,*  
26 *shall* also consult with ~~nongovernmental stakeholders that develop~~  
27 ~~or provide workforce training or employ graduates of occupational~~  
28 ~~and technical training programs for this purpose.~~ *representatives*  
29 *of the state's leading competitive and emerging industry clusters,*  
30 *workforce professionals, and career technical educators, to*  
31 *determine which occupational training programs and industry*  
32 *clusters should be prioritized.*

33 (2) ~~The~~ (A) *Except as provided in subparagraph (B), the areas*  
34 *of occupational and technical training developed pursuant to*  
35 *paragraph (1) shall be regularly reviewed and updated at least*  
36 *every five years, beginning in 2012.*

37 (B) *By January 1, 2016, the commission shall update the priority*  
38 *areas of occupational and technical training.*

1 (3) The commission shall give priority in granting Cal Grant C  
2 awards to students pursuing occupational or technical training in  
3 areas that meet at least two of the following criteria:

4 ~~(A) High employment need.~~

5 (A) *High employer need or demand and likelihood of the student*  
6 *being placed in a job for which the student is being trained.*

7 (B) ~~High employment salary or wage projections.~~ *projections*  
8 *for workers employed in the occupations for which they are being*  
9 *trained.*

10 ~~(C) High employment growth.~~

11 (C) *The likelihood of job placement in a position with a well*  
12 *articulated career pathway to a job providing economic security.*

13 (D) *High employment growth in the occupational field or*  
14 *industry cluster for which the student is being trained.*

15 (g) The commission shall determine areas of occupational or  
16 technical training that meet the criteria described in paragraph (3)  
17 of subdivision (f) in consultation with the Employment  
18 Development ~~Department~~ *Department, the Economic and*  
19 *Workforce Development Division of the Office of the Chancellor*  
20 *of the California Community Colleges, and the California*  
21 *Workforce Investment Board using projections available through*  
22 *the Labor Market Information Data Library. The commission may*  
23 *supplement the analyses of the Employment Development*  
24 *Department's Labor Market Information Data Library with the*  
25 *labor market analyses developed by the Economic and Workforce*  
26 *Development Division of the Office of the Chancellor of the*  
27 *California Community Colleges and the California Workforce*  
28 *Investment Board, as well as the projections of occupational*  
29 *shortages and skills gap developed by industry leaders. The*  
30 *commission shall publish, and retain, on its Internet Web site a*  
31 *current list of the areas of occupational or technical training that*  
32 *meet the criteria described in paragraph (3) of subdivision (f), and*  
33 *update this list as necessary.*

34 (h) The commission shall examine the graduation rates and job  
35 placement data of eligible programs. Commencing with the  
36 2014–15 academic year, the commission shall give priority to Cal  
37 Grant C applicants seeking to enroll in programs that rate high in  
38 graduation rates and job placement data.

39 (i) (1) *The commission shall consult with the Workforce Services*  
40 *Branch of the Employment Development Department, the Office*

1 of the Chancellor of the California Community Colleges, the  
2 California Workforce Investment Board, and the local workforce  
3 investment boards to develop a plan to publicize the existence of  
4 the grant award program to the California's long-term  
5 unemployed.

6 (2) The commission shall consult with the Workforce Services  
7 Branch of the Employment Development Department, the Office  
8 of the Chancellor of the California Community Colleges, the  
9 California Workforce Investment Board, and the local workforce  
10 investment boards to develop a plan to make students receiving  
11 awards aware of job search and placement services available  
12 through the Employment Development Department and the local  
13 workforce investment boards.

14 (i)

15 (j) (1) Notwithstanding Section 10231.5 of the Government  
16 Code, the ~~Legislative Analyst's Office~~ *commission* shall submit a  
17 report to the Legislature on the outcomes of the Cal Grant C  
18 Program on or before April 1, 2015, and on or before April 1 of  
19 each odd-numbered year thereafter. This report shall include, but  
20 not necessarily be limited to, information on all of the ~~following:~~  
21 *following, with information on awards that are reserved for the*  
22 *long-term unemployed provided separately:*

23 (A) The age, gender, and segment of attendance for recipients  
24 in two prior award years.

25 (B) The occupational and technical training program categories  
26 prioritized.

27 (C) The number and percentage of students who received  
28 selection priority as defined in paragraph (3) of subdivision (f).

29 (D) The extent to which recipients in these award years were  
30 successfully placed in jobs that meet local, regional, or state  
31 workforce needs.

32 (2) For the report due on or before April 1, 2015, the ~~Legislative~~  
33 ~~Analyst's Office~~ *commission* shall include data for two additional  
34 prior award years and shall compare the mix of occupational and  
35 technical training programs and institutions in which Cal Grant C  
36 recipients enrolled before and after implementation of subdivision  
37 (f).

1 (3) A report to be submitted pursuant to this subdivision shall  
2 be submitted in compliance with Section 9795 of the Government  
3 Code.

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