

AMENDED IN SENATE APRIL 21, 2014  
AMENDED IN SENATE MARCH 25, 2014

**SENATE BILL**

**No. 1028**

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**Introduced by Senator Jackson**  
(Coauthor: Assembly Member Williams)

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 amended, 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.~~ *commission to give priority in granting the awards to students pursuing occupational or technical training in areas that meet specified criteria.*

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, if sufficient funds are available, 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 provide that if, for a given year, there are less than 2,500 long-term unemployed applicants, the balance of the awards would be awarded as specified. The bill would additionally authorize the award be expended for the student’s living expenses. The bill would require the commission to give special consideration to the social and economic situations of the students applying for the grants, giving additional weight to applicants facing specified challenges. In determining the individual award amounts, the bill would additionally require the commission to take into account the financial means available to the student to fund his or her course of study and costs of attendance. The bill would revise the criteria that areas of occupational or technical training are required to meet to be given priority for awards, as specified.~~ 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 ~~for~~ to California’s long-term unemployed to be used by those specified public entities when they come into contact with members of the population who are likely to be eligible for the award, ~~experiencing long-term unemployment~~ and would require the commission to develop a plan to make students receiving awards aware of job search and placement services available through specified public entities. Because a local workforce investment board would be required to use the plan to publicize the grant award program for the long-term unemployed, this bill would impose a state-mandated local program. ~~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.

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 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.~~ *has the same meaning as set forth in Section 88620.*

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.~~ *has the same meaning as set forth in Section 14005 of the*  
16 *Unemployment Insurance Code.*

17 (3) ~~“Industry cluster” means any of the following:~~ *has the same*  
18 *meaning as set forth in Section 88620.*

19 (A) ~~A geographic concentration or emerging concentration of~~  
20 ~~interdependent industries with direct service, supplier, and research~~  
21 ~~relationships.~~

22 (B) ~~Independent industries that share common resources in a~~  
23 ~~given regional economy or labor market.~~

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

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

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

9 (b) (1) A Cal Grant C award shall be utilized only for  
10 occupational or technical training in a course of not less than four  
11 months. There shall be, at least, the same number of Cal Grant C  
12 awards each year as were made in the 2000–01 fiscal year.

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

15 ~~(B) If, for a given year, fewer than 2,500 applicants who are~~  
16 ~~long-term unemployed apply for these awards, then the balance~~  
17 ~~of the awards shall be reserved for those who have dropped out of~~  
18 ~~the labor force after being unemployed for more than 26 weeks.~~

19 ~~(C) If, for a given year, fewer than 2,500 applicants who are~~  
20 ~~long-term unemployed for a year or who have dropped out of the~~  
21 ~~workforce after being unemployed for more than 26 weeks apply~~  
22 ~~for these awards, then the balance of the awards shall be available~~  
23 ~~for applicants who meet the general eligibility criteria.~~

24 ~~(3)~~

25 (2) The maximum award amount and the total amount of funding  
26 shall be determined each year in the annual Budget Act, but, if  
27 sufficient funds are available, the annual award amount of Cal  
28 Grant C awards shall be no less than three thousand nine dollars  
29 (\$3,009) and no more than five thousand dollars (\$5,000) per  
30 award.

31 (c) The commission may use criteria it deems appropriate in  
32 selecting students to receive grants for occupational or technical  
33 training and ~~may use different criteria for awards reserved for the~~  
34 ~~long-term unemployed.~~ *shall give special consideration to the*  
35 *social and economic situations of the students applying for these*  
36 *grants, giving additional weight to disadvantaged applicants,*  
37 *applicants who face economic hardship, and applicants who face*  
38 *particular barriers to employment. Criteria to be considered for*  
39 *these purposes shall include, but are not limited to, all of the*  
40 *following:*

1 (1) *Family income and household size.*

2 (2) *Student's or the students' parent's household status,*  
3 *including whether the student is a single parent or child of a single*  
4 *parent.*

5 (3) *The employment status of the applicant and whether the*  
6 *applicant is unemployed, giving greater weight to the long-term*  
7 *unemployed.*

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

16 (e) Cal Grant C awards may be used for institutional fees,  
17 charges, and other costs, including tuition, plus training-related  
18 costs, such as special clothing, local transportation, required tools,  
19 equipment, supplies, books, and living expenses. In determining  
20 the individual award amounts, the commission shall take into  
21 account *the financial means available to the student to fund his or*  
22 *her course of study and costs of attendance as well as other state*  
23 *and federal programs available to the applicant.*

24 (f) (1) To ensure alignment with the state's dynamic economic  
25 needs, the commission, in consultation with appropriate state and  
26 federal agencies, including the Economic and Workforce  
27 Development Division of the Office of the Chancellor of the  
28 California Community Colleges and the California Workforce  
29 Investment Board, shall identify areas of occupational and technical  
30 training for which students may utilize Cal Grant C awards. The  
31 commission, to the extent feasible, shall also consult with  
32 representatives of the state's leading competitive and emerging  
33 industry clusters, workforce professionals, and career technical  
34 educators, to determine which occupational training programs and  
35 industry clusters should be prioritized.

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

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

3 (3) (A) The commission shall give priority in granting Cal Grant  
4 C awards to students pursuing occupational or technical training  
5 in areas that meet *two of* the following ~~criteria~~: *criteria pertaining*  
6 *to job quality*:

7 ~~(A)~~

8 (i) High employer need or demand ~~and likelihood of the student~~  
9 ~~being placed in a job for which the student is being trained.~~ *for the*  
10 *specific skills offered in the program.*

11 ~~(B) High employment salary or wage projections for workers~~  
12 ~~employed in the occupations for which they are being trained.~~

13 ~~(C) The likelihood of job placement in a position with a~~  
14 ~~well-articulated career pathway to a job providing economic~~  
15 ~~security.~~

16 ~~(D)~~

17 (ii) High employment growth in the occupational field or  
18 industry cluster for which the student is being trained.

19 (iii) *High employment salary and wage projections for workers*  
20 *employed in the occupations for which they are being trained.*

21 (iv) *The occupation or training program is part of a*  
22 *well-articulated career pathway to a job providing economic*  
23 *security.*

24 (B) *At least one of two of the criteria to be met pursuant to*  
25 *subparagraph (A) shall be specified in clause (iii) or (iv) of that*  
26 *subparagraph.*

27 (g) The commission shall determine areas of occupational or  
28 technical training that meet the criteria described in paragraph (3)  
29 of subdivision (f) in consultation with the Employment  
30 Development Department, the Economic and Workforce  
31 Development Division of the Office of the Chancellor of the  
32 California Community Colleges, and the California Workforce  
33 Investment Board using projections available through the Labor  
34 Market Information Data Library. The commission may supplement  
35 the analyses of the Employment Development Department's Labor  
36 Market Information Data Library with the labor market analyses  
37 developed by the Economic and Workforce Development Division  
38 of the Office of the Chancellor of the California Community  
39 Colleges and the California Workforce Investment Board, as well  
40 as the projections of occupational shortages and skills gap

1 developed by industry leaders. The commission shall publish, and  
2 retain, on its Internet Web site a current list of the areas of  
3 occupational or technical training that meet the criteria described  
4 in paragraph (3) of subdivision (f), and update this list as necessary.

5 (h) The commission shall examine the graduation rates and job  
6 placement data of eligible programs. Commencing with the  
7 2014–15 academic year, the commission shall give priority to Cal  
8 Grant C award applicants seeking to enroll in programs that rate  
9 high in graduation rates and job placement data.

10 (i) (1) The commission shall consult with the Employment  
11 Development Department, the Office of the Chancellor of the  
12 California Community Colleges, the California Workforce  
13 Investment Board, and the local workforce investment boards to  
14 develop a plan to publicize the existence of the grant award  
15 program ~~for~~ to California’s long-term unemployed to be used by  
16 those consulting agencies when they come in contact with members  
17 of the population who are likely to be ~~eligible~~: *experiencing*  
18 *long-term unemployment*.

19 (2) The commission shall consult with the Workforce Services  
20 Branch of the Employment Development Department, the Office  
21 of the Chancellor of the California Community Colleges, the  
22 California Workforce Investment Board, and the local workforce  
23 investment boards to develop a plan to make students receiving  
24 awards aware of job search and placement services available  
25 through the Employment Development Department and the local  
26 workforce investment boards.

27 (j) (1) Notwithstanding Section 10231.5 of the Government  
28 Code, the ~~commission~~ *Legislative Analyst’s Office* shall submit a  
29 report to the Legislature on the outcomes of the Cal Grant C  
30 program on or before April 1, 2015, and on or before April 1 of  
31 each odd-numbered year thereafter. This report shall include, but  
32 not necessarily be limited to, information on all of the following,  
33 with information on awards that are reserved for the long-term  
34 unemployed provided separately:

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

37 (B) The occupational and technical training program categories  
38 prioritized.

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

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

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

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

13 SEC. 2. If the Commission on State Mandates determines that  
14 this act contains costs mandated by the state, reimbursement to  
15 local agencies and school districts for those costs shall be made  
16 pursuant to Part 7 (commencing with Section 17500) of Division  
17 4 of Title 2 of the Government Code.