

ASSEMBLY BILL

No. 831

Introduced by Assembly Member Bonilla

February 26, 2015

An act to amend Sections 66021.2 and 69432 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 831, as introduced, Bonilla. Student financial aid: Cal Grant Program.

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 specifies the amounts of the maximum Cal Grant A and B awards for students attending private nonprofit postsecondary educational institutions and private for-profit postsecondary educational institutions that are regionally accredited, as specified.

This bill would change, in accordance with a prescribed formula, the maximum Cal Grant awards for students attending private nonprofit postsecondary educational institutions, commencing with the 2015–16 award year. The bill would impose requirements on private nonprofit postsecondary educational institutions to provide specified data to a specified association as a condition for the funding of Cal Grant

maximum awards to their students, and would require the association to report on that information to the Legislature, the Governor, the Department of Finance, and the Legislative Analyst’s Office.

The bill would also make conforming changes.

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

Vote: 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) California relies on private nonprofit colleges and universities
4 accredited by the Western Association of Schools and Colleges
5 (WASC) to help meet the state’s higher education needs.

6 (b) The maximum award for Cal Grant students attending
7 WASC accredited private nonprofit colleges and universities has
8 not increased since its maximum of \$9,708 in 1999:

9 (1) It was cut by almost 15 percent for the 2004–05 and 2005–06
10 cohorts.

11 (2) It was cut by 5 percent for new and renewal students for the
12 2012–13 award year, and by an additional 1.5 percent in the
13 2013–14 award year. It is scheduled for an additional cut of 11.3
14 percent in the 2015–16 award year for new awardees.

15 (3) If the 2000 Cal Grant maximum award had kept up with the
16 rate of inflation, the 2014 award level would be \$13,346.

17 (4) The proposed maximum award for the 2015–16 award year
18 will be the lowest amount California has invested in academically
19 qualified, low-income students that attend private nonprofit WASC
20 accredited institutions since the 1997–98 academic year.

21 (c) The Cal Grant Program effectively and successfully helps
22 California’s private nonprofit colleges and universities to recruit,
23 retain, and graduate historically underrepresented students from
24 low-income California families.

25 (d) Predictable and stable funding formulas and eligibility
26 requirements ensure that the state maximizes its investment by
27 allowing families to better plan and pay for higher education, in
28 addition to incentivizing private nonprofit colleges and universities
29 to enroll more low-income Californians.

1 (e) Legislative action is needed to adopt a reasonable and viable
2 formula that supports predictability and parity for California
3 students at private nonprofit colleges.

4 SEC. 2. Section 66021.2 of the Education Code is amended to
5 read:

6 66021.2. Consistent with the state’s historic commitment to
7 provide educational opportunity by ensuring both student access
8 to and selection of an institution of higher education for students
9 with financial need, the long-term policy of the
10 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
11 established pursuant to Chapter 1.7 (commencing with Section
12 69430) of Part 42 shall be as follows:

13 (a) Commencing with the 2001–02 academic year and every
14 year thereafter, an applicant for a Cal Grant A or B award shall
15 receive an award that is not in excess of the financial need amount
16 determined by the Student Aid Commission pursuant to Section
17 69432.9 if he or she complies with all of the following
18 requirements:

19 (1) Demonstrates financial need under the criteria adopted
20 pursuant to Section 69432.9.

21 (2) Attains a grade point average, as defined in Section 69432.7,
22 meeting the requirements of Chapter 1.7 (commencing with Section
23 69430) of Part 42.

24 (3) Complies with each of the eligibility criteria applicable to
25 the type of Cal Grant award for which he or she is applying.

26 (b) (1) The maximum Cal Grant A award for a student attending
27 the University of California or the California State University shall
28 equal the mandatory systemwide fees in each of those segments.

29 (2) The maximum Cal Grant B award for a student to which
30 this subdivision is applicable shall equal the mandatory systemwide
31 fees in the segment attended by the student, except for community
32 college students who receive waivers from the Board of Governors
33 of the California Community Colleges, plus the access award
34 calculated as specified in Article 3 (commencing with Section
35 69435) of Chapter 1.7 of Part 42, except that in the first year of
36 enrollment in a qualifying institution, the maximum award shall
37 be only for the amount of the access award.

38 (c) The maximum Cal Grant awards for students attending
39 nonpublic institutions shall be as follows:

1 (1) The maximum Cal Grant A award shall equal the tuition
2 award level established in the Budget Act of 2000, or the amount
3 as adjusted in subsequent annual budget acts.

4 (2) The maximum Cal Grant B award shall equal the amount
5 of the tuition award as established in the Budget Act of 2000, or
6 the amount as adjusted in subsequent annual budget acts, plus the
7 amount of the access costs specified in Section 69435, except that,
8 in the first year of enrollment in a qualifying institution, the
9 maximum award shall be only for the amount of the access award.

10 (3) *Notwithstanding paragraphs (1) and (2), and*
11 *notwithstanding Section 69432:*

12 (A) *The maximum Cal Grant award for a student attending a*
13 *private nonprofit postsecondary educational institution shall be*
14 *set and maintained at 75 percent of the base funding per Cal Grant*
15 *student at the University of California and the California State*
16 *University, as determined by the average General Fund support*
17 *per student at the California State University and the University*
18 *of California, plus the maximum Cal Grant award at those*
19 *segments each multiplied by the percentage of California resident*
20 *full-time equivalent students at both segments who attend the*
21 *respective segment, except as provided in clauses (i) to (iv),*
22 *inclusive.*

23 (i) *For the 2015–16 award year, the maximum award shall be*
24 *nine thousand eighty-four dollars (\$9,084).*

25 (ii) *For the 2016–17 award year, the maximum award shall be*
26 *70 percent of the amount calculated pursuant to subparagraph*
27 *(A).*

28 (iii) *For the 2017–18 award year, the maximum award shall be*
29 *80 percent of the amount calculated pursuant to subparagraph*
30 *(A).*

31 (iv) *For the 2018–19 award year, the maximum award shall be*
32 *90 percent of the amount calculated pursuant to subparagraph*
33 *(A).*

34 (v) *For the 2019–20 award year and each year thereafter, the*
35 *maximum award shall be 100 percent of the amount calculated*
36 *pursuant to subparagraph (A).*

37 (B) *As a condition for the funding of Cal Grant maximum*
38 *awards to its students pursuant to subparagraph (A), a private*
39 *nonprofit postsecondary educational institution shall submit*
40 *performance metrics to the Association of Independent California*

1 *Colleges and Universities. The association, in collaboration with*
2 *the public segments of higher education, shall determine the form*
3 *and content of these metrics, to ensure data are defined, collected,*
4 *and reported in a consistent and comparable manner, and to ensure*
5 *data integrity. The association shall provide that information in*
6 *a cumulative report generated by the association to the Legislature,*
7 *the Governor, the Department of Finance, and the Legislative*
8 *Analyst's Office on or before March 15, 2016, and on or before*
9 *March 15 of each year thereafter. The report shall be submitted*
10 *to the Legislature in compliance with Section 9795 of the*
11 *Government Code, and shall include all of the following data with*
12 *respect to each participating private nonprofit postsecondary*
13 *educational institution:*

14 (i) *The number of undergraduate students enrolled in that*
15 *institution.*

16 (ii) *The percentage of undergraduate students of that institution*
17 *who are California residents.*

18 (iii) *The number of graduate students enrolled in that institution.*

19 (iv) *The number of transfer students from the California*
20 *Community Colleges enrolled in that institution.*

21 (v) *The percentage of undergraduate students of that institution*
22 *who are transfer students from the California Community Colleges.*

23 (vi) *The number of Pell Grant recipients enrolled in that*
24 *institution.*

25 (vii) *The percentage of undergraduate students of that institution*
26 *who are Pell Grant recipients.*

27 (viii) *The number of Cal Grant recipients enrolled in that*
28 *institution. With respect to those Cal Grant recipients:*

29 (I) *Their ethnic composition, expressed in percentages.*

30 (II) *The median amount of institutional aid provided to them.*

31 (ix) *The percentage of undergraduate students of that institution*
32 *who are Cal Grant recipients.*

33 (x) *The four- and six-year graduation rates for freshman*
34 *entrants of that institution:*

35 (I) *Disaggregated by Pell Grant recipients.*

36 (II) *Disaggregated by Cal Grant recipients.*

37 (xi) *The two- and three-year graduation rates for transfer*
38 *students from the California Community Colleges:*

39 (I) *Disaggregated by Pell Grant recipients.*

40 (II) *Disaggregated by Cal Grant recipients.*

- 1 *(xii) The number of degrees awarded annually by the institution*
2 *in total and in each of the following categories:*
- 3 *(I) Undergraduate students who first enrolled in the institution*
4 *as freshmen.*
- 5 *(II) Undergraduate students who first enrolled in the institution*
6 *as transfer students.*
- 7 *(III) Graduate students.*
- 8 *(IV) Pell Grant recipients.*
- 9 *(V) The number of degrees or credentials awarded in*
10 *health-related fields, teacher preparation, and the fields of science,*
11 *technology, engineering, and mathematics (STEM).*
- 12 *(C) The collection, reporting, and housing of data for the report*
13 *prepared pursuant to subparagraph (B) shall be conducted both*
14 *in a manner that ensures data integrity and security and that is in*
15 *conformance with any federal and state laws on the confidentiality*
16 *of student information.*
- 17 (d) Commencing with the 2000–01 academic year, and each
18 academic year thereafter, the Cal Grant C award shall be utilized
19 only for occupational or technical training.
- 20 (e) Commencing with the 2000–01 academic year, and each
21 academic year thereafter, the Cal Grant T award shall be used only
22 for one academic year of full-time attendance in a program of
23 professional preparation that has been approved by the California
24 Commission on Teacher Credentialing.
- 25 (f) An institution of higher education in this state that
26 participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal
27 Grant Program shall not reduce its level of per capita need-based
28 institutional financial aid to undergraduate students, excluding
29 loans, below the total level awarded in the 2000–01 academic year.
- 30 (g) The implementation of the policy set forth in this section
31 shall maintain a balance between the state’s policy goals of
32 ensuring student access to and selection of an institution of higher
33 education for students with financial need and academic merit.
- 34 (h) It is the policy of the State of California that the
35 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
36 supplement the federal Pell Grant program.
- 37 (i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos
38 Cal Grant Program shall not guarantee admission to an institution
39 of higher education or admission to a specific campus or program.

1 SEC. 3. Section 69432 of the Education Code is amended to
2 read:

3 69432. (a) Cal Grant Program awards shall be known as “Cal
4 Grant A Entitlement Awards,” “Cal Grant B Entitlement Awards,”
5 “California Community College Transfer Entitlement Awards,”
6 “Competitive Cal Grant A and B Awards,” “Cal Grant C Awards,”
7 and “Cal Grant T Awards.”

8 (b) Maximum award amounts for students at independent
9 institutions and for Cal Grant C and T awards shall be identified
10 in the annual Budget Act. Maximum award amounts for Cal Grant
11 A and B awards for students attending public institutions shall be
12 referenced in the annual Budget Act.

13 (c) (1) Notwithstanding subdivision (b), ~~and subdivision (e) of~~
14 ~~Section 66021.2~~, commencing with the 2013–14 award year, the
15 maximum tuition award amounts for Cal Grant A and B awards
16 for students attending private for-profit and nonprofit
17 postsecondary educational institutions shall be as follows:

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

20 (B) For the 2014–15 award year, nine thousand eighty-four
21 dollars (\$9,084) for new recipients attending private nonprofit
22 postsecondary educational institutions. For the 2015–16 award
23 year and each award year thereafter, ~~eight thousand fifty-six dollars~~
24 ~~(\$8,056) for new recipients attending private nonprofit~~
25 ~~postsecondary educational institutions. *the amount determined*~~
26 *pursuant to paragraph (3) of subdivision (c) of Section 66021.2.*

27 (2) The renewal award amount for a student whose initial award
28 is subject to a maximum award amount specified in this subdivision
29 shall be calculated pursuant to paragraph (2) of subdivision (a) of
30 Section 69433.

31 (3) Notwithstanding subparagraph (A) of paragraph (1),
32 *commencing with the 2015–16 award year, the maximum tuition*
33 *award amount for new recipients attending private for-profit*
34 *postsecondary educational institutions that are accredited by the*
35 *Western Association of Schools and Colleges as of July 1, 2012,*
36 *shall have the same maximum tuition award amounts as are set*
37 *forth in subparagraph (B) of paragraph (1). *be eight thousand**
38 *fifty-six dollars (\$8,056).*

39 SEC. 4. This act is an urgency statute necessary for the
40 immediate preservation of the public peace, health, or safety within

1 the meaning of Article IV of the Constitution and shall go into
2 immediate effect. The facts constituting the necessity are:
3 In order to set the amounts of Cal Grant awards for students who
4 are attending private nonprofit postsecondary educational
5 institutions before the commencement of the 2015–16 award year,
6 it is necessary that this act take effect immediately.

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