

**ASSEMBLY BILL**

**No. 1721**

---

---

**Introduced by Assembly Member Medina  
(Coauthors: Assembly Members Chiu, Low, Rodriguez, Santiago,  
and Ting)**

January 28, 2016

---

---

An act to amend Sections 69435, 69436, and 69437 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1721, as introduced, Medina. Student financial aid: Cal Grant Program.

(1) The Cal Grant Program establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer 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, as defined.

This bill would express the intent of the Legislature to renew California's commitment to college affordability by increasing the aid available to needy students through expanding the Cal Grant Program.

(2) Under existing law, an award for access costs, as defined, under the Cal Grant B Entitlement Program is limited to no more than \$1,551.

This bill would raise the amount of the maximum award for access costs under the Cal Grant B program to \$3,000.

(3) Under existing law, to be eligible for an award under the California Community College Transfer Entitlement Program, an applicant may not be 28 years of age or older by December 31 of the

award year, and is required to have attended a California community college in the academic year immediately preceding the academic year for which the award will be used, among other requirements.

This bill would instead provide that an applicant for an award under the California Community College Transfer Entitlement Program may not be 31 years of age or older by December 31 of the award year, and is required to have attended a California community college no more than 3 academic years before the academic year for which the award will be used, among other requirements.

(4) Under existing law, no more than a total of 25,750 Competitive Cal Grant A and B awards may be granted annually.

This bill would raise that limit to 30,000.

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. (a) The Legislature finds and declares all of the  
2 following:

3 (1) To remain economically competitive, California will need  
4 to produce 11,900,000 degrees and credentials by 2025, but the  
5 state is only estimated to produce 9,500,000, which would create  
6 a degree and credential attainment gap of 2,400,000 by 2025.

7 (2) Overall, only 32 percent of students at California colleges  
8 complete credentials on time, and low-income students are much  
9 less likely than higher income students to enroll in or complete  
10 college.

11 (3) A major factor in a student’s enrollment and success in  
12 college is his or her ability to pay for fees and tuition, textbooks,  
13 transportation, housing, food, and other access costs.

14 (4) California has made an important investment in need-based  
15 financial aid for California’s college students through the Cal Grant  
16 Program and the BOG Fee Waiver Program of the Board of  
17 Governors of the California Community Colleges.

18 (5) The Cal Grant Program awards more than one billion five  
19 hundred million dollars (\$1,500,000,000) annually, and it is the  
20 largest state grant program in the nation in terms of dollars awarded  
21 to students. The BOG Fee Waiver Program is more extensive than  
22 any other “free community college” plan in the nation, and it  
23 provides almost one-half of all students of the California

1 Community Colleges, and more than 60 percent of full-time  
2 students of the California Community Colleges, with free tuition.

3 (6) Despite California’s strong commitment to financial aid,  
4 access grants for qualifying students are insufficient to cover  
5 nontuition college costs, and many low-income students are left  
6 out of the program entirely.

7 (7) Students at California’s community colleges are  
8 disproportionately more likely to be the first in their family to  
9 attend college, come from an immigrant background, or be  
10 financially needy.

11 (8) After taking into account the total cost of attendance and all  
12 federal, state, and institutional financial aid available for students,  
13 on average it is more expensive for a needy student to go to a  
14 California community college than to attend the University of  
15 California or the California State University.

16 (9) The affordability challenge faced by California’s community  
17 college students stems from nontuition costs, and the solution to  
18 that challenge is to increase grant aid that covers nontuition costs.

19 (10) The 1960 California Master Plan for Higher Education in  
20 California guarantees an affordable, high-quality education to  
21 every Californian who can benefit.

22 (b) It is the intent of the Legislature to renew California’s  
23 commitment to college affordability by increasing the aid available  
24 to needy students through expanding the Cal Grant Program.

25 SEC. 2. Section 69435 of the Education Code is amended to  
26 read:

27 69435. (a) (1) A Cal Grant B award shall be used only for  
28 tuition, student fees, and access costs in a for-credit instructional  
29 program that is not less than one academic year in length.

30 (2) The commission, or a qualifying institution pursuant to  
31 Article 8 (commencing with Section 69450), shall award access  
32 grants in a student’s first academic year. In subsequent years, the  
33 award shall include an additional amount to pay tuition or fees, or  
34 both, to attend college at a public or private four-year college or  
35 university or other qualifying institution for all Cal Grant B awards  
36 pursuant to paragraph (2) of subdivision (b) of Section 66021.2.  
37 In no event shall the total award in any year exceed the applicant’s  
38 calculated financial need.

39 (3) Not more than 2 percent of new Cal Grant B recipients  
40 enrolling for the first time in an institution of postsecondary

1 education shall be eligible for payments for tuition or fees, or both,  
2 in their first academic year of attendance. The commission shall  
3 adopt regulations specifying the criteria used to determine which  
4 applicants, if any, receive both tuition and fees plus the access  
5 grant in the first year of enrollment. Priority shall be given to  
6 students with the lowest expected family contribution pursuant to  
7 Section 69432.7 and the highest level of academic merit.

8 (b) An award for access costs under this article shall be in an  
9 annual amount not to exceed ~~one thousand five hundred fifty-one~~  
10 ~~dollars (\$1,551)~~. *three thousand dollars (\$3,000)*. This amount  
11 may be adjusted in the annual Budget Act.

12 SEC. 3. Section 69436 of the Education Code is amended to  
13 read:

14 69436. (a) A student who was not awarded a Cal Grant A or  
15 B award pursuant to Article 2 (commencing with Section 69434)  
16 or Article 3 (commencing with Section 69435) at the time of his  
17 or her high school graduation but, at the time of transfer from a  
18 California community college to a qualifying baccalaureate  
19 program, meets all of the criteria set forth in subdivision (b), shall  
20 be entitled to a Cal Grant A or B award.

21 (b) Any California resident transferring from a California  
22 community college to a qualifying institution that offers a  
23 baccalaureate degree is entitled to receive, and the commission,  
24 or a qualifying institution pursuant to Article 8 (commencing with  
25 Section 69450), shall award, a Cal Grant A or B award depending  
26 on the eligibility determined pursuant to subdivision (c), if all of  
27 the following criteria are met:

28 (1) A complete official financial aid application has been  
29 submitted or postmarked pursuant to Section 69432.9, no later  
30 than the March 2 of the year immediately preceding the award  
31 year.

32 (2) The student demonstrates financial need pursuant to Section  
33 69433.

34 (3) The student has earned a community college grade point  
35 average of at least 2.4 on a 4.0 scale and is eligible to transfer to  
36 a qualifying institution that offers a baccalaureate degree.

37 (4) The student's household has an income and asset level not  
38 exceeding the limits set forth in Section 69432.7.

39 (5) The student is pursuing a baccalaureate degree that is offered  
40 by a qualifying institution.

1 (6) He or she is enrolled at least part time.

2 (7) The student meets the general Cal Grant eligibility  
3 requirements set forth in Article 1 (commencing with Section  
4 69430).

5 (8) The student will not be ~~28~~ 31 years of age or older by  
6 December 31 of the award year.

7 (9) The student graduated from a California high school or its  
8 equivalent during or after the 2000–01 academic year.

9 (10) ~~(A) Except as provided for in subparagraph (B), the~~ *The*  
10 student attended a California community college in ~~the~~ *an* academic  
11 year ~~immediately preceding~~ *no more than three academic years*  
12 *before* the academic year for which the award will be used.

13 ~~(B) A student otherwise eligible to receive an award pursuant~~  
14 ~~to this section, who attended a California community college in~~  
15 ~~the 2011–12 academic year, may use the award for the 2012–13~~  
16 ~~and 2013–14 academic years.~~

17 (c) The amount and type of the award pursuant to this article  
18 shall be determined as follows:

19 (1) For applicants with income and assets at or under the Cal  
20 Grant A limits, the award amount shall be the amount established  
21 pursuant to Article 2 (commencing with Section 69434).

22 (2) For applicants with income and assets at or under the Cal  
23 Grant B limits, the award amount shall be the amount established  
24 pursuant to Article 3 (commencing with Section 69435).

25 (d) (1) A student meeting the requirements of paragraph (9) of  
26 subdivision (b) by means of high school graduation, rather than  
27 its equivalent, shall be required to have graduated from a California  
28 high school, unless that California resident graduated from a high  
29 school outside of California due solely to orders received from a  
30 branch of the United States Armed Forces by that student or by  
31 that student’s parent or guardian that required that student to be  
32 outside of California at the time of high school graduation.

33 (2) For the purposes of this article, both of the following are  
34 exempt from the requirements of subdivision (e) of Section 69433.9  
35 and paragraph (9) of subdivision (b) of this section:

36 (A) A student for whom a claim under this article was paid prior  
37 to December 1, 2005.

38 (B) A student for whom a claim under this article for the  
39 2004–05 award year or the 2005–06 award year was or is paid on  
40 or after December 1, 2005, but no later than October 15, 2006.

1 (3) (A) The commission, or a qualifying institution pursuant  
2 to Article 8 (commencing with Section 69450), shall make  
3 preliminary awards to all applicants currently eligible for an award  
4 under this article. At the time an applicant receives a preliminary  
5 award, the commission, or a qualifying institution pursuant to  
6 Article 8 (commencing with Section 69450), shall require that  
7 applicant to affirm, in writing, under penalty of perjury, that he or  
8 she meets the requirements set forth in subdivision (e) of Section  
9 69433.9, paragraph (9) of subdivision (b) of this section, and  
10 paragraph (1) of this subdivision. The commission, or a qualifying  
11 institution pursuant to Article 8 (commencing with Section 69450),  
12 shall notify each person who receives a preliminary award under  
13 this paragraph that his or her award is subject to an audit pursuant  
14 to subparagraph (B).

15 (B) The commission shall select, at random, a minimum of 10  
16 percent of the new and renewal awards made under subparagraph  
17 (A), and shall require, prior to the disbursement of Cal Grant funds  
18 to the affected postsecondary institution, that the institution verify  
19 that the recipient meets the requirements of subdivision (e) of  
20 Section 69433.9, paragraph (9) of subdivision (b) of this section,  
21 and paragraph (1) of this subdivision. An award that is audited  
22 under this paragraph and found to be valid shall not be subject to  
23 a subsequent audit.

24 (C) Pursuant to Section 69517.5, the commission shall seek  
25 repayment of any and all funds found to be improperly disbursed  
26 under this article.

27 (D) On or before November 1 of each year, the commission  
28 shall submit a report to the Legislature and the Governor including,  
29 but not necessarily limited to, both of the following:

30 (i) The number of awards made under this article in the  
31 preceding 12 months.

32 (ii) The number of new and renewal awards selected, in the  
33 preceding 12 months, for verification under subparagraph (B), and  
34 the results of that verification with respect to students at the  
35 University of California, at the California State University, at  
36 independent nonprofit institutions, and at independent for-profit  
37 institutions.

38 SEC. 4. Section 69437 of the Education Code is amended to  
39 read:

1 69437. (a) Commencing with the 2001–02 academic year, and  
2 each academic year thereafter, there shall be established the  
3 Competitive Cal Grant A and B award program for students who  
4 did not receive a Cal Grant A or B entitlement award pursuant to  
5 Article 2 (commencing with Section 69434), Article 3  
6 (commencing with Section 69435), or Article 4 (commencing with  
7 Section 69436). Awards made under this section are not  
8 entitlements. The submission of an application by a student under  
9 this section shall not entitle that student to an award. The selection  
10 of students under this article shall be determined pursuant to  
11 subdivision (c) and other relevant criteria established by the  
12 commission.

13 (b) Commencing with the 2015–16 academic year, a total of  
14 ~~25,750~~ *up to 30,000* Cal Grant A and B awards shall be granted  
15 annually under this article on a competitive basis for applicants  
16 who meet the general eligibility criteria established in Article 1  
17 (commencing with Section 69430) and the priorities established  
18 by the commission pursuant to subdivision (c).

19 (1) Fifty percent of the awards referenced in this subdivision  
20 are available to all students, including California community  
21 college students, who meet the financial need and academic  
22 requirements established pursuant to this article. A student  
23 enrolling at a qualifying baccalaureate degree granting institution  
24 shall apply by the March 2 deadline. A California community  
25 college student is eligible to apply at the March 2 or the September  
26 2 deadline.

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

33 (3) If any awards are not distributed pursuant to paragraphs (1)  
34 and (2) upon initial allocation of the awards under this article, the  
35 commission shall make awards to as many eligible students as  
36 possible, beginning with the students with the lowest expected  
37 family contribution and highest academic merit, consistent with  
38 the criteria adopted by the commission pursuant to subdivision  
39 (c), as practicable without exceeding an annual cumulative total  
40 of ~~25,750~~ *30,000* awards.

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

12 (2) Additional consideration shall be given to both of the  
13 following:

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

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

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