

AMENDED IN SENATE JUNE 22, 2016

AMENDED IN ASSEMBLY MAY 31, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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 69437 and 69439~~ *Section 69437* of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1721, as amended, 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, and, specifically, broadening access to financial aid to students enrolled in California community ~~college career technical education programs leading to industry valued credentials,~~ *colleges.* through expanding the Cal Grant Program.

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

This bill, commencing with the 2016–17 academic year, would raise that limit to 34,000. ~~The bill would, effective with the fall term or semester of the 2017–18 academic year, make students enrolled in occupational or technical training courses leading to industry valued credentials of no less than 4 months in length at a California community college eligible for Cal Grant B awards under an existing allocation reserved for community college students, notwithstanding an existing requirement that limits Cal Grant B awards to for-credit instructional programs that are not less than one academic year in length.~~

~~(3) Existing law requires a Cal Grant C award to be utilized only for occupational or technical training in a course of not less than 4 months. Existing law requires that there be the same number of Cal Grant C awards each year as were made in the 2000–01 fiscal year.~~

~~This bill instead would require that there be the same number of Cal Grant C awards each year as were paid in the 2015–16 fiscal year.~~

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) California’s community colleges have strong transfer
8 preparation and career technical education missions and are well
9 positioned to close this impending gap.

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

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

17 (5) California has made an important investment in need-based
18 financial aid for California’s college students through the Cal Grant

1 Program and the BOG Fee Waiver Program of the Board of
2 Governors of the California Community Colleges.

3 (6) The Cal Grant Program awards more than two billion dollars
4 (\$2,000,000,000) annually, and it is the largest state grant program
5 in the nation in terms of dollars awarded to students. The BOG
6 Fee Waiver Program is more extensive than any other “free
7 community college” plan in the nation, and it provides almost
8 one-half of all students of the California Community Colleges,
9 and more than 60 percent of full-time students of the California
10 Community Colleges, with free tuition.

11 (7) Despite California’s strong commitment to financial aid,
12 access grants for qualifying students are insufficient to cover
13 nontuition college costs, and many low-income students are left
14 out of the program entirely.

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

19 (9) After taking into account the total cost of attendance and all
20 federal, state, and institutional financial aid available for students,
21 on average it is more expensive for a needy student to go to a
22 California community college than to attend the University of
23 California or the California State University.

24 (10) The affordability challenge faced by California’s
25 community college students stems from nontuition costs, and the
26 solution to that challenge is to increase grant aid that covers
27 nontuition costs.

28 (11) The 1960 California Master Plan for Higher Education in
29 California guarantees an affordable, high-quality education to
30 every Californian who can benefit.

31 (b) It is the intent of the Legislature to renew California’s
32 commitment to college affordability by increasing the aid available
33 to needy students, and, specifically, broadening access to financial
34 aid to students enrolled in California community college career
35 technical education programs leading to industry valued credentials,
36 ~~through expanding the Cal Grant Program.~~ *colleges.*

37 (c) It is the intent of the Legislature that California community
38 colleges provide outreach and education to students to inform them
39 of the expanded availability of financial aid ~~for students enrolled~~
40 ~~in career technical education programs~~ and to encourage ~~these~~

1 students to complete the Free Application for Federal Student Aid
2 by the September 2 deadline.

3 SEC. 2. Section 69437 of the Education Code is amended to
4 read:

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

17 (b) Commencing with the 2016–17 academic year, a total of
18 up to 34,000 Cal Grant A and B awards shall be granted annually
19 under this article on a competitive basis for applicants who meet
20 the general eligibility criteria established in Article 1 (commencing
21 with Section 69430) and the priorities established by the
22 commission pursuant to subdivision (c).

23 (1) Fifteen thousand of the awards referenced in this subdivision
24 are available to all students, including California community
25 college students, who meet the financial need and academic
26 requirements established pursuant to this article. A student
27 enrolling at a qualifying baccalaureate degree granting institution
28 shall apply by the March 2 deadline. A California community
29 college student is eligible to apply at the March 2 or the September
30 2 deadline.

31 (2) Nineteen thousand of the awards referenced in this
32 subdivision are reserved for students who will be enrolled at a
33 California community college. The commission shall establish a
34 second application deadline of September 2 for community college
35 students to apply for these awards. ~~Notwithstanding paragraph (1)~~
36 ~~of subdivision (a) of Section 69435, effective with the fall term or~~
37 ~~semester of the 2017–18 academic year, students enrolled in~~
38 ~~occupational or technical training courses leading to industry~~
39 ~~valued credentials of no less than four months in length at a~~

1 ~~California community college shall be eligible for Cal Grant B~~
2 ~~awards issued under this paragraph.~~

3 (3) If any awards are not distributed pursuant to paragraphs (1)
4 and (2) upon initial allocation of the awards under this article, the
5 commission shall make awards to as many eligible students as
6 possible, beginning with the students with the lowest expected
7 family contribution and highest academic merit, consistent with
8 the criteria adopted by the commission pursuant to subdivision
9 (c), as practicable without exceeding an annual cumulative total
10 of 34,000 awards.

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

22 (2) Additional consideration shall be given to both of the
23 following:

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

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

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

32 ~~SEC. 3. Section 69439 of the Education Code is amended to~~
33 ~~read:~~

34 ~~69439. (a) For the purposes of this section, the following terms~~
35 ~~have the following meanings:~~

36 (1) ~~“Career pathway” has the same meaning as set forth in~~
37 ~~Section 88620.~~

38 (2) ~~“Economic security” has the same meaning as set forth in~~
39 ~~Section 14005 of the Unemployment Insurance Code.~~

1 ~~(3) “Industry cluster” has the same meaning as set forth in~~
2 ~~Section 88620.~~

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

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

11 ~~(b) A Cal Grant C award shall be utilized only for occupational~~
12 ~~or technical training in a course of not less than four months. There~~
13 ~~shall be the same number of Cal Grant C awards each year as were~~
14 ~~paid in the 2015–16 fiscal year. The maximum award amount and~~
15 ~~the total amount of funding shall be determined each year in the~~
16 ~~annual Budget Act.~~

17 ~~(c) The commission may use criteria it deems appropriate in~~
18 ~~selecting students to receive grants for occupational or technical~~
19 ~~training and shall give special consideration to the social and~~
20 ~~economic situations of the students applying for these grants, giving~~
21 ~~additional weight to disadvantaged applicants, applicants who face~~
22 ~~economic hardship, and applicants who face particular barriers to~~
23 ~~employment. Criteria to be considered for these purposes shall~~
24 ~~include, but are not limited to, all of the following:~~

25 ~~(1) Family income and household size.~~

26 ~~(2) Student’s or the students’ parent’s household status,~~
27 ~~including whether the student is a single parent or child of a single~~
28 ~~parent.~~

29 ~~(3) The employment status of the applicant and whether the~~
30 ~~applicant is unemployed, giving greater weight to the long-term~~
31 ~~unemployed.~~

32 ~~(d) The Cal Grant C award recipients shall be eligible for~~
33 ~~renewal of their grants until they have completed their occupational~~
34 ~~or technical training in conformance with terms prescribed by the~~
35 ~~commission. A determination by the commission for a subsequent~~
36 ~~award year that the program under which a Cal Grant C award was~~
37 ~~initially awarded is no longer deemed to receive priority shall not~~
38 ~~affect an award recipient’s renewal. In no case shall the grants~~
39 ~~exceed two calendar years.~~

1 ~~(e) Cal Grant C awards may be used for institutional fees,~~
2 ~~charges, and other costs, including tuition, plus training-related~~
3 ~~costs, such as special clothing, local transportation, required tools,~~
4 ~~equipment, supplies, books, and living expenses. In determining~~
5 ~~the individual award amounts, the commission shall take into~~
6 ~~account the financial means available to the student to fund his or~~
7 ~~her course of study and costs of attendance as well as other state~~
8 ~~and federal programs available to the applicant.~~

9 ~~(f) (1) To ensure alignment with the state's dynamic economic~~
10 ~~needs, the commission, in consultation with appropriate state and~~
11 ~~federal agencies, including the Economic and Workforce~~
12 ~~Development Division of the Office of the Chancellor of the~~
13 ~~California Community Colleges and the California Workforce~~
14 ~~Investment Board, shall identify areas of occupational and technical~~
15 ~~training for which students may utilize Cal Grant C awards. The~~
16 ~~commission, to the extent feasible, shall also consult with~~
17 ~~representatives of the state's leading competitive and emerging~~
18 ~~industry clusters, workforce professionals, and career technical~~
19 ~~educators, to determine which occupational training programs and~~
20 ~~industry clusters should be prioritized.~~

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

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

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

31 ~~(i) High employer need or demand for the specific skills offered~~
32 ~~in the program.~~

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

35 ~~(iii) High employment salary and wage projections for workers~~
36 ~~employed in the occupations for which they are being trained.~~

37 ~~(iv) The occupation or training program is part of a~~
38 ~~well-articulated career pathway to a job providing economic~~
39 ~~security.~~

1 ~~(B) To receive priority pursuant to subparagraph (A), at least~~
2 ~~one of the criteria met shall be specified in clause (iii) or (iv) of~~
3 ~~that subparagraph.~~

4 ~~(g) The commission shall determine areas of occupational or~~
5 ~~technical training that meet the criteria described in paragraph (3)~~
6 ~~of subdivision (f) in consultation with the Employment~~
7 ~~Development Department, the Economic and Workforce~~
8 ~~Development Division of the Office of the Chancellor of the~~
9 ~~California Community Colleges, and the California Workforce~~
10 ~~Investment Board using projections available through the Labor~~
11 ~~Market Information Data Library. The commission may supplement~~
12 ~~the analyses of the Employment Development Department's Labor~~
13 ~~Market Information Data Library with the labor market analyses~~
14 ~~developed by the Economic and Workforce Development Division~~
15 ~~of the Office of the Chancellor of the California Community~~
16 ~~Colleges and the California Workforce Investment Board, as well~~
17 ~~as the projections of occupational shortages and skills gap~~
18 ~~developed by industry leaders. The commission shall publish, and~~
19 ~~retain, on its Internet Web site a current list of the areas of~~
20 ~~occupational or technical training that meet the criteria described~~
21 ~~in paragraph (3) of subdivision (f), and update this list as necessary.~~

22 ~~(h) Using the best available data, the commission shall examine~~
23 ~~the graduation rates and job placement data, or salary data, of~~
24 ~~eligible programs. Commencing with the 2014-15 academic year,~~
25 ~~the commission shall give priority to Cal Grant C award applicants~~
26 ~~seeking to enroll in programs that rate high in graduation rates and~~
27 ~~job placement data, or salary data.~~

28 ~~(i) (1) The commission shall consult with the Employment~~
29 ~~Development Department, the Office of the Chancellor of the~~
30 ~~California Community Colleges, the California Workforce~~
31 ~~Investment Board, and the local workforce investment boards to~~
32 ~~develop a plan to publicize the existence of the grant award~~
33 ~~program to California's long-term unemployed to be used by those~~
34 ~~consulting agencies when they come in contact with members of~~
35 ~~the population who are likely to be experiencing long-term~~
36 ~~unemployment. The outreach plan shall use existing administrative~~
37 ~~and service delivery processes making use of existing points of~~
38 ~~contact with the long-term unemployed. The local workforce~~
39 ~~investment boards are required to participate only to the extent~~
40 ~~that the outreach efforts are a part of their existing responsibilities~~

1 under the federal Workforce Investment Act of 1998 (Public Law
2 105-220).

3 ~~(2) The commission shall consult with the Workforce Services~~
4 ~~Branch of the Employment Development Department, the Office~~
5 ~~of the Chancellor of the California Community Colleges, the~~
6 ~~California Workforce Investment Board, and the local workforce~~
7 ~~investment boards to develop a plan to make students receiving~~
8 ~~awards aware of job search and placement services available~~
9 ~~through the Employment Development Department and the local~~
10 ~~workforce investment boards. Outreach shall use existing~~
11 ~~administrative and service delivery processes making use of~~
12 ~~existing points of contact with the students. The local workforce~~
13 ~~investment boards are required to participate only to the extent~~
14 ~~that the outreach efforts are a part of their existing responsibilities~~
15 ~~under the federal Workforce Investment Act of 1998 (Public Law~~
16 ~~105-220).~~

17 ~~(j) (1) Notwithstanding Section 10231.5 of the Government~~
18 ~~Code, the Legislative Analyst's Office shall submit a report to the~~
19 ~~Legislature on the outcomes of the Cal Grant C program on or~~
20 ~~before April 1, 2015, and on or before April 1 of each~~
21 ~~odd-numbered year thereafter. This report shall include, but not~~
22 ~~necessarily be limited to, information on all of the following:~~

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 shall include data for two additional prior award~~
34 ~~years and shall compare the mix of occupational and technical~~
35 ~~training programs and institutions in which Cal Grant C award~~
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.~~

O