

AMENDED IN SENATE APRIL 19, 2016

AMENDED IN SENATE APRIL 6, 2016

**SENATE BILL**

**No. 1314**

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**Introduced by Senator Block**

February 19, 2016

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An act to amend ~~Section 69434~~ Sections 66021.2, 69434, 69435.3, 69436, 70022, 70022.5, and 70023 of the Education Code, relating to student financial aid; aid, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

SB 1314, as amended, Block. Cal Grant ~~A Entitlement Program~~. Program: Middle Class Scholarship Program: community college baccalaureate degree program students.

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and B Entitlement Program award Awards, the California Community College Transfer Entitlement Awards, and the Competitive Cal Grant A and B Awards and eligibility requirements for ~~that award~~ these awards for participating students attending qualifying institutions.

This bill would ~~specify~~ provide that community college students participating in specified baccalaureate degree programs who also satisfy the specified eligibility requirements for the Cal Grant A entitlement award shall receive ~~an award~~ these awards for upper division coursework fees.

Under existing law, the Middle Class Scholarship Program provides that an undergraduate student enrolled at the University of California or the California State University, and meeting certain requirements, is eligible for a scholarship award that, combined with other federal, state, and institutionally administered grants and fee waivers, totals up

*to 40% of the systemwide tuition and fees. Under existing law, to receive an award under the Middle Class Scholarship Program, a student is required to have an annual household income that does not exceed \$150,000 as adjusted to reflect changes in the cost of living, satisfy specified requirements for a Cal Grant award, be a California resident or exempt from paying nonresident tuition, file specified financial aid forms, timely apply for publicly funded student financial aid for which he or she is eligible, maintain at least a 2.0 grade point average, be pursuing his or her first undergraduate baccalaureate degree or be enrolled in a specified professional teacher preparation program, and be enrolled at least part time. Existing law requires the University of California and the California State University to provide the Student Aid Commission with any financial aid data that are necessary for the determination of award amounts.*

*Existing law transfers \$159,000,000 from the General Fund to the Middle Class Scholarship Fund and appropriates that sum to the Student Aid Commission for purposes of the scholarship program for the 2017–18 fiscal year, and each fiscal year thereafter.*

*This bill would extend awards under the Middle Class Scholarship Program to community college students enrolled in upper division coursework of a baccalaureate degree program, as specified, and would require the Office of the Chancellor of the California Community Colleges to provide the commission with any financial data that are necessary for the determination of award amounts for these students. By expanding the appropriation described above, the bill would make an appropriation.*

Vote: majority. Appropriation: ~~no~~ yes. Fiscal committee: yes. State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 66021.2 of the Education Code is amended
- 2     to read:
- 3     66021.2. Consistent with the state’s historic commitment to
- 4     provide educational opportunity by ensuring both student access
- 5     to and selection of an institution of higher education for students
- 6     with financial need, the long-term policy of the
- 7     Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program
- 8     established pursuant to Chapter 1.7 (commencing with Section
- 9     69430) of Part 42 shall be as follows:

1 (a) Commencing with the 2001–02 academic year and every  
2 year thereafter, an applicant for a Cal Grant A or B award shall  
3 receive an award that is not in excess of the financial need amount  
4 determined by the Student Aid Commission pursuant to Section  
5 69432.9 if he or she complies with all of the following  
6 requirements:

7 (1) Demonstrates financial need under the criteria adopted  
8 pursuant to Section 69432.9.

9 (2) Attains a grade point average, as defined in Section 69432.7,  
10 meeting the requirements of Chapter 1.7 (commencing with Section  
11 69430) of Part 42.

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

14 (b) (1) (A) The maximum Cal Grant A award for a student  
15 attending the University of California or the California State  
16 University shall equal the mandatory systemwide fees in ~~each of~~  
17 ~~those segments:~~ *the segment attended by the student.*

18 (B) *The maximum Cal Grant B award for a student who is*  
19 *attending the University of California, the California State*  
20 *University, or the California Community Colleges when not*  
21 *enrolled in upper division coursework as described in paragraph*  
22 *(2), shall equal the mandatory systemwide fees in the segment*  
23 *attended by the student, except for community college students*  
24 *who receive waivers from the Board of Governors of the California*  
25 *Community Colleges, plus the access award calculated as specified*  
26 *in Article 3 (commencing with Section 69435) of Chapter 1.7 of*  
27 *Part 42, except that in the first year of enrollment in a qualifying*  
28 *institution, the maximum award shall be only for the amount of*  
29 *the access award.*

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

1 *with Section 78040) of Chapter 1 of Part 48 of Division 7, shall*  
2 *equal the per unit fees charged for the upper division coursework*  
3 *for the academic term.*

4 (B) *The maximum Cal Grant B award for a community college*  
5 *student enrolled in upper division coursework of a baccalaureate*  
6 *degree program, described in Article 3 (commencing with Section*  
7 *78040) of Chapter 1 of Part 48 of Division 7, shall equal the per*  
8 *unit fees charged for the upper division coursework for the*  
9 *academic term, plus the access award calculated as specified in*  
10 *Article 3 (commencing with Section 69435) of Chapter 1.7 of Part*  
11 *42.*

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

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

17 (2) The maximum Cal Grant B award shall equal the amount  
18 of the tuition award as established in the Budget Act of 2000, or  
19 the amount as adjusted in subsequent annual budget acts, plus the  
20 amount of the access costs specified in Section 69435, except that,  
21 in the first year of enrollment in a qualifying institution, the  
22 maximum award shall be only for the amount of the access award.

23 (d) Commencing with the 2000–01 academic year, and each  
24 academic year thereafter, the Cal Grant C award shall be utilized  
25 only for occupational or technical training.

26 (e) Commencing with the 2000–01 academic year, and each  
27 academic year thereafter, the Cal Grant T award shall be used only  
28 for one academic year of full-time attendance in a program of  
29 professional preparation that has been approved by the California  
30 Commission on Teacher Credentialing.

31 (f) An institution of higher education in this state that  
32 participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal  
33 Grant Program shall not reduce its level of per capita need-based  
34 institutional financial aid to undergraduate students, excluding  
35 loans, below the total level awarded in the 2000–01 academic year.

36 (g) The implementation of the policy set forth in this section  
37 shall maintain a balance between the state's policy goals of  
38 ensuring student access to and selection of an institution of higher  
39 education for students with financial need and academic merit.

1 (h) It is the policy of the State of California that the  
2 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
3 supplement the federal Pell Grant program.

4 (i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos  
5 Cal Grant Program shall not guarantee admission to an institution  
6 of higher education or admission to a specific campus or program.

7 ~~SECTION 1.~~

8 *SEC. 2.* Section 69434 of the Education Code is amended to  
9 read:

10 69434. (a) A Cal Grant A award shall be used only for tuition  
11 or student fees, or both, in a for-credit instructional program with  
12 a length of not less than two academic years. Each student who  
13 meets the Cal Grant A qualifications as set forth in this article shall  
14 be guaranteed an award. The amount of any individual award is  
15 dependent on the cost of tuition or fees, or both, at the qualifying  
16 institution at which the student is enrolled. For each applicant, the  
17 award amount shall not exceed the amount of the calculated  
18 financial need.

19 (b) Pursuant to Section 66021.2, any California resident is  
20 entitled to a Cal Grant A award, and the commission, or a  
21 qualifying institution pursuant to Article 8 (commencing with  
22 Section 69450), shall allocate that award, if all of the following  
23 criteria are met:

24 (1) The student has submitted, pursuant to Section 69432.9, a  
25 complete financial aid application, submitted or postmarked no  
26 later than March 2 of the academic year of high school graduation  
27 or its equivalent for the award year immediately following the  
28 academic year of high school graduation or its equivalent, or no  
29 later than March 2 of the academic year following high school  
30 graduation or its equivalent for the second award year following  
31 the year of high school graduation or its equivalent.

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

34 (3) The student attains a high school grade point average of at  
35 least 3.0 on a four-point scale.

36 (4) The student's household has an income and asset level that  
37 does not exceed the level for Cal Grant A recipients set forth in  
38 Section 69432.7.

1 (5) The student is pursuing an undergraduate academic program  
2 of not less than two academic years that is offered by a qualifying  
3 institution.

4 (6) The student is enrolled at least part time.

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

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

10 (c) (1) A student who meets the Cal Grant A Entitlement  
11 Program criteria specified in this article shall receive a Cal Grant  
12 A award for tuition or fees, or both, pursuant to Section 66021.2.

13 (2) A community college student participating in a baccalaureate  
14 degree program pursuant to Article 3 (commencing with Section  
15 78040) of Chapter 1 of Part 48 of Division 7 who meets the Cal  
16 Grant A Entitlement Program criteria specified in this article shall  
17 receive a Cal Grant A award for upper division coursework fees  
18 pursuant to Section 66021.2.

19 *SEC. 3. Section 69435.3 of the Education Code is amended to*  
20 *read:*

21 69435.3. (a) Any California resident is entitled to receive a  
22 Cal Grant B award, and the commission shall allocate that award  
23 pursuant to Section 66021.2, if all of the following criteria are met:

24 (1) The student has submitted, pursuant to Section 69432.9, a  
25 complete financial aid application, submitted or postmarked no  
26 later than March 2 of the academic year of high school graduation  
27 or its equivalent for the award year immediately following the  
28 academic year of high school graduation or its equivalent, or no  
29 later than March 2 of the academic year following high school  
30 graduation or its equivalent for the second award year following  
31 the year of high school graduation or its equivalent.

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

34 (3) The student attains a high school grade point average of at  
35 least 2.0 on a four-point scale.

36 (4) The student's household has an income and asset level that  
37 does not exceed the level for Cal Grant B recipients as set forth in  
38 Section 69432.7.

1 (5) The student is pursuing an undergraduate academic program  
2 of not less than one academic year that is offered by a qualifying  
3 institution.

4 (6) The student is enrolled at least part-time.

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

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

10 (b) ~~A student~~ *student, including a community college student*  
11 *participating in upper division coursework in a baccalaureate*  
12 *degree program pursuant to Article 3 (commencing with Section*  
13 *78040) of Chapter 1 of Part 48 of Division 7, who meets the Cal*  
14 *Grant B Entitlement Program or Competitive Program criteria*  
15 *specified in this article shall receive a Cal Grant B award for access*  
16 *costs and tuition and fees fees, as applicable, pursuant to Section*  
17 *66021.2.*

18 *SEC. 4. Section 69436 of the Education Code is amended to*  
19 *read:*

20 69436. (a) A student who was not awarded a Cal Grant A or  
21 B award pursuant to Article 2 (commencing with Section 69434)  
22 or Article 3 (commencing with Section 69435) at the time of his  
23 or her high school graduation but, at the time of transfer from a  
24 California community college to a qualifying baccalaureate  
25 ~~program, program or upon matriculation into the upper division~~  
26 *coursework of a community college baccalaureate program,*  
27 *described in Article 3 (commencing with Section 78040) of Chapter*  
28 *1 of Part 48 of Division 7, meets all of the criteria set forth in*  
29 *subdivision (b), shall be entitled to a Cal Grant A or B award.*

30 (b) Any California resident transferring from a California  
31 community college to a qualifying institution that offers a  
32 baccalaureate degree *or who matriculates into the upper division*  
33 *coursework of a community college baccalaureate program,*  
34 *described in Article 3 (commencing with Section 78040) of Chapter*  
35 *1 of Part 48 of Division 7, is entitled to receive, and the*  
36 *commission, or a qualifying institution pursuant to Article 8*  
37 *(commencing with Section 69450), shall award, a Cal Grant A or*  
38 *B award depending on the eligibility determined pursuant to*  
39 *subdivision (c), if all of the following criteria are met:*

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

5 (2) The student demonstrates financial need pursuant to Section  
6 69433.

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

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

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

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

15 (7) The student meets the general Cal Grant eligibility  
16 requirements set forth in Article 1 (commencing with Section  
17 69430).

18 (8) The student will not be 28 years of age or older by December  
19 31 of the award year.

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

22 (10) (A) Except as provided for in subparagraph (B), the student  
23 attended a California community college in the academic year  
24 immediately preceding the academic year for which the award will  
25 be used.

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

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

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

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

38 (d) (1) A student meeting the requirements of paragraph (9) of  
39 subdivision (b) by means of high school graduation, rather than  
40 its equivalent, shall be required to have graduated from a California

1 high school, unless that California resident graduated from a high  
2 school outside of California due solely to orders received from a  
3 branch of the United States Armed Forces by that student or by  
4 that student's parent or guardian that required that student to be  
5 outside of California at the time of high school graduation.

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

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

11 (B) A student for whom a claim under this article for the  
12 2004–05 award year or the 2005–06 award year was or is paid on  
13 or after December 1, 2005, but no later than October 15, 2006.

14 (3) (A) The commission, or a qualifying institution pursuant  
15 to Article 8 (commencing with Section 69450), shall make  
16 preliminary awards to all applicants currently eligible for an award  
17 under this article. At the time an applicant receives a preliminary  
18 award, the commission, or a qualifying institution pursuant to  
19 Article 8 (commencing with Section 69450), shall require that  
20 applicant to affirm, in writing, under penalty of perjury, that he or  
21 she meets the requirements set forth in subdivision (e) of Section  
22 69433.9, paragraph (9) of subdivision (b) of this section, and  
23 paragraph (1) of this subdivision. The commission, or a qualifying  
24 institution pursuant to Article 8 (commencing with Section 69450),  
25 shall notify each person who receives a preliminary award under  
26 this paragraph that his or her award is subject to an audit pursuant  
27 to subparagraph (B).

28 (B) The commission shall select, at random, a minimum of 10  
29 percent of the new and renewal awards made under subparagraph  
30 (A), and shall require, prior to the disbursement of Cal Grant funds  
31 to the affected postsecondary institution, that the institution verify  
32 that the recipient meets the requirements of subdivision (e) of  
33 Section 69433.9, paragraph (9) of subdivision (b) of this section,  
34 and paragraph (1) of this subdivision. An award that is audited  
35 under this paragraph and found to be valid shall not be subject to  
36 a subsequent audit.

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

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

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

6 (ii) The number of new and renewal awards selected, in the  
7 preceding 12 months, for verification under subparagraph (B), and  
8 the results of that verification with respect to students at the  
9 University of California, at the California State University, at  
10 independent nonprofit institutions, and at independent for-profit  
11 institutions.

12 *SEC. 5. Section 70022 of the Education Code is amended to*  
13 *read:*

14 70022. (a) (1) Subject to an available and sufficient  
15 appropriation, ~~commencing with the 2014–15 academic year,~~ an  
16 undergraduate student enrolled in the California State University  
17 or the University of California *California, or a community college*  
18 *student enrolled in upper division coursework of a community*  
19 *college baccalaureate program, described in Article 3*  
20 *(commencing with Section 78040) of Chapter 1 of Part 48 of*  
21 *Division 7, who meets the requirements of paragraph (2) is eligible*  
22 *for a scholarship award as described in that paragraph.*

23 (2) Each academic year, except as provided in paragraphs (3)  
24 and (4), an eligible student shall receive a scholarship award in an  
25 amount that, combined with other federal, state, or institutionally  
26 administered student grants or fee waivers received by an eligible  
27 student, is up to 40 percent of the amount charged to that student  
28 in that academic year for mandatory systemwide tuition and fees,  
29 *fees, or for an eligible community college student, up to 40 percent*  
30 *of the amount charged to that student in upper division fees for a*  
31 *community college baccalaureate degree program, if all of the*  
32 *following requirements are met, to the satisfaction of the*  
33 *commission, each academic year:*

34 (A) The student's annual household income does not exceed  
35 one hundred fifty thousand dollars (\$150,000). For awards  
36 distributed for the 2016–17 academic year and subsequent  
37 academic years, the commission shall annually adjust the maximum  
38 income level set under this subparagraph in accordance with the  
39 percentage changes in the cost of living within the meaning of  
40 paragraph (1) of subdivision (e) of Section 8 of Article XIII B of

1 the California Constitution. For purposes of this article, annual  
2 household income shall be calculated in a manner that is consistent  
3 with the requirements applicable to the  
4 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
5 (Chapter 1.7 (commencing with Section 69430)) and Section  
6 69506.

7 (B) Beginning with awards distributed in the 2015–16 academic  
8 year, the student’s household asset level shall not exceed one  
9 hundred fifty thousand dollars (\$150,000). For awards distributed  
10 in the 2016–17 academic year and subsequent academic years, the  
11 commission shall annually adjust the maximum household asset  
12 level set under this subparagraph in accordance with the percentage  
13 changes in the cost of living within the meaning of paragraph (1)  
14 of subdivision (e) of Section 8 of Article XIII B of the California  
15 Constitution. For purposes of this article, student’s household asset  
16 level shall be calculated in a manner that is consistent with the  
17 requirements applicable to the  
18 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
19 (Chapter 1.7 (commencing with Section 69430)) and Section  
20 69506.

21 (C) The student satisfies the eligibility requirements for a Cal  
22 Grant award pursuant to Section 69433.9, except that a student  
23 who is exempt from nonresident tuition under Section 68130.5  
24 shall not be required to satisfy the requirements of subdivision (a)  
25 of Section 69433.9.

26 (D) The student is exempt from paying nonresident tuition.

27 (E) The student completes and submits a Free Application for  
28 Federal Student Aid (FAFSA) application. The FAFSA must be  
29 submitted or postmarked by no later than March 2. If the student  
30 is not able to complete a FAFSA application, the student may  
31 satisfy this subparagraph by submitting an application determined  
32 by the commission to be equivalent to the FAFSA application for  
33 purposes of this article by March 2.

34 (F) The student makes a timely application or applications for  
35 all other federal, state, or institutionally administered grants or fee  
36 waivers for which the student is eligible.

37 (G) The student maintains satisfactory academic progress in a  
38 manner that is consistent with the requirements applicable to the  
39 Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program  
40 pursuant to subdivision (m) of Section 69432.7.

1 (H) The student is pursuing his or her first undergraduate  
2 baccalaureate degree or has completed a baccalaureate degree and  
3 has been admitted to, and is enrolled in, a program of professional  
4 teacher preparation at an institution approved by the California  
5 Commission on Teacher Credentialing.

6 (I) The student is enrolled at least part time.

7 (3) (A) The ~~percentage~~ *percentages* specified in paragraph (2)  
8 shall be reduced by 0.6-percent increments per one thousand dollars  
9 (\$1,000) of annual household income in excess of one hundred  
10 thousand dollars (\$100,000), to a minimum ~~10 percent of~~  
11 ~~mandatory systemwide tuition and fees for an academic year,~~  
12 *percent*, provided that no scholarship award shall be provided to  
13 a student with an annual household income exceeding one hundred  
14 fifty thousand dollars (\$150,000). Beginning with award  
15 calculations for the 2016–17 academic year, and for subsequent  
16 academic years, the commission shall annually adjust the income  
17 levels specified in this subparagraph by the percentage change in  
18 the cost of living within the meaning of paragraph (1) of  
19 subdivision (e) of Section 8 of Article XIII B of the California  
20 Constitution and shall adjust the incremental reduction accordingly  
21 to ensure that a minimum of 10 percent of mandatory systemwide  
22 tuition and fees for an academic year are awarded. This reduction  
23 shall be in addition to any reduction required by Section 70023.

24 (B) Notwithstanding subparagraph (A), for any student who  
25 qualifies for a scholarship award of at least one dollar (\$1), the  
26 minimum annual scholarship amount for full-time enrollment is  
27 ninety dollars (\$90).

28 (4) For the 2014–15, 2015–16, and 2016–17 academic years,  
29 the maximum amount of a student’s scholarship award shall be 35  
30 percent, 50 percent, and 75 percent, respectively, of the total  
31 scholarship award amount that the student would otherwise be  
32 eligible to receive.

33 (b) In order for students enrolled in their respective segments  
34 to remain eligible to receive a scholarship award under this article,  
35 the University of California and the California State University  
36 shall not supplant their respective institutional need-based grants  
37 with the funds provided for scholarships under this article, and  
38 shall maintain their funding amounts at a level that, at a minimum,  
39 is equal to the level maintained for undergraduate students during  
40 the 2013–14 academic year.

1 (c) The University of California and the California State  
2 University shall report on the implementation of this article as part  
3 of the report made pursuant to Section 66021.1.

4 (d) A Middle Class Scholarship Program award authorized  
5 pursuant to this article shall be defined as a full-time equivalent  
6 grant. An award to a part-time student shall be a fraction of a  
7 full-time grant, as determined by the proportionate amount charged  
8 for systemwide tuition and fees. A part-time student shall not be  
9 discriminated against in the selection of Middle Class Scholarship  
10 Program awards. For purposes of this section, “full-time student”  
11 and “part-time student” have the same meaning as specified in  
12 subdivision (f) of Section 69432.7.

13 *SEC. 6. Section 70022.5 of the Education Code is amended to*  
14 *read:*

15 70022.5. (a) A scholarship award under this article may be  
16 renewed for a total of the equivalent of four years of full-time  
17 attendance in an undergraduate ~~program~~. *program or, for a*  
18 *community college award recipient, the equivalent of two years*  
19 *of full-time upper division coursework attendance in the community*  
20 *college baccalaureate degree program.* Commencing with the  
21 2016–17 academic year, the total number of years of eligibility  
22 for grants pursuant to this article shall be based on the student’s  
23 educational level in his or her course of study as designated by the  
24 institution of attendance when the recipient initially receives  
25 payment for a grant.

26 (b) For a student enrolled in an institutionally prescribed  
27 five-year undergraduate program, a scholarship award under this  
28 article may be renewed for a total of up to five academic years of  
29 attendance as long as the student meets the requirements of Section  
30 70022.

31 (c) A recipient of a scholarship award under this article who  
32 has completed a baccalaureate degree, and who has been admitted  
33 to and is enrolled in a program of professional teacher preparation  
34 at an institution approved by the Commission on Teacher  
35 Credentialing, is eligible for, but not entitled to, renewal of the  
36 scholarship award for an additional academic year of full-time  
37 attendance as long as the student meets the requirements of Section  
38 70022.

39 *SEC. 7. Section 70023 of the Education Code is amended to*  
40 *read:*

1 70023. (a) For each academic year, the commission shall  
2 determine an amount sufficient, when combined with other federal,  
3 state, or institutionally administered student grants or fee waivers  
4 received by eligible students from other sources, to provide  
5 scholarships to eligible students in the amounts described in  
6 paragraphs (2) and (3) of subdivision (a) of Section 70022. The  
7 University of ~~California~~ and *California*, the California State  
8 ~~University~~ *University*, and the Office of the Chancellor of the  
9 *California Community Colleges*, shall provide the commission  
10 with any financial aid data that are necessary for the determination  
11 of these amounts.

12 (b) The commission shall annually determine if the amounts  
13 appropriated under this section in each fiscal year are sufficient to  
14 cover the costs of the scholarships as projected to be awarded  
15 pursuant to the program. If those amounts are not sufficient for  
16 this purpose, the scholarships shall be reduced proportionately by  
17 an equal percentage for all recipients of scholarships under this  
18 article.

19 (c) The commission may adopt regulations necessary to carry  
20 out the purposes of this article under subdivision (b) as emergency  
21 regulations in accordance with Chapter 3.5 (commencing with  
22 Section 11340) of Part 1 of Division 3 of Title 2 of the Government  
23 Code. For purposes of the Administrative Procedure Act, including  
24 Section 11349.6 of the Government Code, the adoption of those  
25 regulations shall be deemed to be an emergency and necessary for  
26 the immediate preservation of the public peace, health and safety,  
27 or general welfare, notwithstanding subdivision (e) of Section  
28 11346.1 of the Government Code. Notwithstanding subdivision  
29 (e) of Section 11346.1 of the Government Code, any regulation  
30 adopted pursuant to this section shall not remain in effect more  
31 than 180 days unless the commission complies with all provisions  
32 of Chapter 3.5 (commencing with Section 11340) of Part 1 of  
33 Division 3 of Title 2 of the Government Code, as required by  
34 subdivision (e) of Section 11346.1 of the Government Code.

35 (d) The unencumbered balance, as of June 30 of each fiscal  
36 year, of the amount appropriated from the Middle Class Scholarship  
37 Fund pursuant to paragraph (1) of subdivision (e) shall revert to  
38 the General Fund.

39 (e) (1) Upon order of the Director of Finance, the following  
40 amounts shall be transferred from the General Fund to the Middle

1 Class Scholarship Fund, and are hereby appropriated to the  
2 commission for allocation pursuant to this article:

3 (A) For the 2014–15 fiscal year, one hundred seven million  
4 dollars (\$107,000,000).

5 (B) For the 2015–16 fiscal year, eighty-two million dollars  
6 (\$82,000,000).

7 (C) For the 2016–17 fiscal year, one hundred sixteen million  
8 dollars (\$116,000,000).

9 (D) For the 2017–18 fiscal year and for each fiscal year  
10 thereafter, one hundred fifty-nine million dollars (\$159,000,000).

11 (2) An annual appropriation to the commission is hereby  
12 established in the amounts and for the fiscal years described in  
13 paragraph (1) to carry out the purposes of this section and Section  
14 70022.

15 (3) It is the intent of the Legislature that any savings realized  
16 from changes made to the allocations under this subdivision by a  
17 bill providing for appropriations related to the Budget Bill for the  
18 2015–16 fiscal year shall be used to support higher education.

19 (4) The funds transferred and appropriated pursuant to paragraph  
20 (1) shall only be available for encumbrance in the fiscal year in  
21 which they are transferred, and the General Fund shall have no  
22 liability or any obligation beyond the transfers explicitly authorized  
23 in paragraph (1) unless a subsequent transfer or allocation is  
24 required pursuant to statute.

25 (5) In any fiscal year, additional appropriations may be enacted  
26 pursuant to statute to carry out the purposes of this article.

27 (6) (A) Beginning with the Governor’s Budget proposal for the  
28 2014–15 fiscal year, and in the Governor’s Budget for each fiscal  
29 year thereafter, the Department of Finance shall include a fund  
30 condition statement for the Middle Class Scholarship Fund for the  
31 fiscal year of the proposed budget and the two immediately  
32 preceding fiscal years prepared in accordance with existing law.

33 (B) Upon order of the Director of Finance and commencing  
34 with the 2013–14 fiscal year, if the May Revision projects a budget  
35 deficit for the next fiscal year, the amount specified in paragraph  
36 (1) for the fiscal year for which the budget deficit is projected may  
37 be reduced by up to 33 percent.

1 (f) Subject to an appropriation in the annual Budget Act for its  
2 purposes, the commission may begin implementation of, and  
3 establish outreach services relating to, this article.

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