
9

Information/Action Item

California Student Aid Commission

Update on state issues and legislation and consideration of positions on bills affecting the Commission and Commission programs

The intent of this tab is to provide the Commission with an update of state legislative actions, status of current Commission bills, and recommendations for action on bills introduced since the last Commission meeting.

For your information, enclosed are:

- 9.a. State Legislative Update
- 9.b. Staff Analysis and Recommendations for Bills
- 9.c. Commission's 2009-10 Legislative and Budget Guiding Principles
- 9.d. 2010 Legislative Calendar

Recommended Action: Accept the recommendations of staff and adopt official positions on proposed legislation.

Responsible Person(s): Lori Nezhura, Legislative Liaison
Executive Division

STATE LEGISLATIVE UPDATE

State Budget

The California State Legislature is back in regular session and embarking on budget hearings to discuss the Governor's 2010 Budget proposals. On March 24th, the Assembly Budget Subcommittee No. 2 on Education Finance convened an overview hearing of all of the higher education entities' budgets, including the Student Aid Commission's (Commission). The Senate Budget Subcommittee No. 1 on Education is taking up the higher education entities in a series of hearings; the hearing on the Commission's budget is set for Thursday, April 22. Remaining hearing topics include access, affordability, and April 1 Finance Letters.

The Governor is scheduled to release an updated revenue forecast, commonly known as the May Revise, on or before May 14. If revenues have changed significantly since January when he submitted the Governor's 2010 Budget to the Legislature, he may propose spending changes at that time. The two full budget committees will have about one week to consider the governor's proposed changes.

In late May, both houses will vote on their version of the budget bill. Any differences between the two budget bills will be taken up in a joint legislative conference committee. The conference committee is made up of five members of the Senate appointed by the President pro Tempore and five members of the Assembly appointed by the Speaker of the Assembly. The topics discussed in conference committee are usually the most contentious. Though open to the public, there is no public testimony allowed during these hearings. The conference committee will generally conclude its consolidation of the budget bills within two weeks.

At times the conference committee is unable to come to full agreement on every issue, so leadership may meet in private to develop a compromise. These meetings are typically called the "Big Five," because they include only the Governor, the Senate President pro Tempore, the Assembly Speaker, the Senate Minority Leader, and the Assembly Minority Leader. When compromise is reached, it is included in the conference "report" which must be passed by both houses without amendment by a two-thirds vote.

If substantive statutory law must be amended in order to implement the budget, these statutory changes must also be passed by each house. Such bills are known as "trailer bills" as they "trail" the budget. The entire budget bill package is then sent to the governor for his signature or veto.

The governor has 12 working days to sign the budget bill. He also has the authority to "blue pencil" (reduce or eliminate) any appropriation contained in the budget. Because the budget bill is an urgency measure, it goes into effect as soon as it is signed.

Master Plan for Higher Education

In September 2009, the Legislature established a Joint Committee on the Master Plan for Higher Education. Since December the committee has convened a series of six

STATE LEGISLATIVE UPDATE

hearings on Master Plan background, universal access, affordability and student aid, eligibility, articulation and coordination, accountability, and higher education financing.

The next step will be the production of a draft document enumerating significant needs for change in higher education as identified and substantiated through the hearing process, including potential legislative options for meeting those needs. The chair of the committee hopes to complete the first draft by the first week of May, at which time a hearing will be held to discuss the findings and possible options. No public testimony will be provided at the hearing.

State Legislation

The deadline for hearing bills in policy committees is approaching: April 23 for bills with a fiscal impact, May 7 for bills without a fiscal impact. (To view the full 2010 legislative calendar, see Tab 9.d.)

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS

AB 1703

AUTHOR: Knight (R)

TITLE: Nursing Assumption Program of Loans for Education

INTRODUCED: 02/01/2010

LAST AMEND: 03/18/2010

LOCATION: Assembly Appropriations Committee

Summary: Provides for an additional loan assumption per year for a participant that completes qualified clinical registered nursing service at a state-operated veterans home under the State Nursing Assumption Program of Loans for Education (SNAPLE). Adds active military duty in the United States Armed Forces to the list of occurrences that would authorize the extension of the term of a loan assumption agreement under the program.

Status: 03/18/2010 – To Committee on Appropriations. No hearing date set.

Commentary: On February 25 the Commission took a position of Support if Amended on AB 1703. On March 18, in Assembly Higher Education Committee, the author agreed to amendments that would restrict both the duration and the maximum amount of the SNAPLE benefits for nurses working in qualifying veterans homes. These amendments addressed the Commission's concerns about workload pressures.

Commission Position: Support.

Guiding Principles: Foster Educational Access and Affordability; Ensure Adequate Support and Flexibility for Commission Operations

AB 1761

AUTHOR: Fong (D)

TITLE: Cal Grant B Awards: Award Amount

INTRODUCED: 02/08/2010

LOCATION: Assembly Appropriations Committee

Summary: Increases the percentage of new Cal Grant B recipients eligible for payments for tuition or fees in their first academic year of attendance.

Status: 03/16/2010 - To Committee on Appropriations. No hearing date set.

Commission Position: Sponsor

Guiding Principle: Foster Educational Access and Affordability

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS



AB 2447

AUTHOR: Furutani (D)

TITLE: Student Financial Aid: Cal Grant Program

INTRODUCED: 02/19/2010

LOCATION: Assembly Higher Education Committee

Summary: Prescribes a minimum funding level for the Cal Grant Program. Provides that the total amount of funding appropriated for purposes of the Cal Grant Program in any fiscal year be subject to the annual Budget Act.

Status: 03/11/2010 - To Assembly Committee on Higher Education. Hearing set for May 4, 2010, 1:30 p.m.

Commentary: The University of California Student Association (UCSA) is sponsoring this bill. Commission staff understands that amendments are pending and will update the Commission at its April 15 meeting.

Staff Recommended Position: Support if Amended

Guiding Principle: Foster Educational Access and Affordability



SB 957

AUTHOR: Price (D)

TITLE: Student Financial Aid

INTRODUCED: 02/05/2010

LOCATION: Senate Appropriations

Summary: Requires the Student Aid Commission to develop and regularly update the areas of occupational or technical training for which students may utilize Cal Grant C awards. Requires the Commission to give priority in granting such awards to students pursuing occupational or technical training in areas of high-growth, high-need, or high-wages.

Status: 03/24/2010 - To Committee on Appropriations. No hearing date set.

Commentary: Commission staff is working with the author to address fiscal pressures of the bill and will update the Commission at its April 15 meeting.

Staff Recommended Position: Support

Guiding Principle: Foster Educational Access and Affordability: Preserve and Expand the Cal Grant C Program

STAFF ANALYSIS AND RECOMMENDATIONS FOR BILLS

SB 1382

AUTHOR: Veterans Affairs Cmt

TITLE: Student Financial Aid: Cal Grant: Methodology

INTRODUCED: 02/19/2010

LAST AMEND: 04/05/2010

LOCATION: Senate Veterans Affairs Committee

Summary: Amends the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program that establishes various student financial grants and specifies the minimum financial need required for receipt of an award and for that need to be calculated consistent with the Student Aid Commission's methodology. Deletes the requirement that the calculation of financial need be consistent with the methodology used in the academic year 2000-01. Makes other technical, nonsubstantive changes.

Status: 04/05/2010 - From Senate Committee on Rules with author's amendments to Senate Veterans Affairs Committee. Hearing set for April 14, 2010, 1:30 p.m.

Commission Position: Sponsor

Guiding Principle: Foster Educational Access and Affordability



SB 1460

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: Eligibility

INTRODUCED: 02/19/2010

LOCATION: Senate Education Committee

Summary: Enacts the California Dream Act of 2010. Provides that a person who has attended and graduated from secondary school in the state and is exempt from paying nonresident tuition at the California Community Colleges and the California State University (AB 540) would be eligible for state and institutional financial aid.

Status: 03/11/2010 - To Senate Committee on Education. Hearing set for April 14, 2010, 8:30 a.m.

Staff Recommended Position: The Commission has supported previous iterations of this bill: SB 1 (Cedillo), 2007; SB 160 (Cedillo), 2007; and SB 1301 (Cedillo), 2008. Some versions of the bill only provide for AB 540 students' rights to apply for institutional aid, and some versions include state aid and Cal Grant. SB 1460 allows AB 540 students to be eligible for both institutional aid and state aid, including Cal Grant. Consistent with the Commission's past positions and the Commission's 2009-10 Legislative and Budget Guiding Principles, staff recommends a position of **Support** for this bill.

Guiding Principle: Foster Educational Access and Affordability

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

The Commission adopted the following Guiding Principles for the 2009-10 Legislative Session at their November 21, 2008 meeting.

It is essential that the Commission collaborate with the Legislature and the Administration to ensure that the Cal Grant program and other specialized aid programs are successful. The continued commitment from the State to improve the availability and amount of financial aid is crucial to secure educational access for all California students. This commitment strengthens the state's economic well-being by educating California's future workforce.

California statute (Education Code §66021.2) adopted as part of the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (SB 1644, Chapter 403, Statutes of 2000) affirms the state's historic commitment to provide educational opportunity to students pursuing a higher education by ensuring both student access and choice for students with financial need and who meet academic criteria.

The California Student Aid Commission (Commission) has a long-standing commitment to pursue increased resources for student financial aid. Therefore, the Commission continues to support the policies adopted by the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act and opposes any changes that would undermine them. Consequently, the following policy principles are the priorities of the Commission, and the Commission urges the Governor and Legislature to support them.

MISSION: To make education beyond high school financially accessible to *all* Californians.

GOAL: To ensure all California students learn about and apply for benefits provided through the Cal Grant program and other specialized aid programs the Commission administers and to serve the public interest by providing quality financial aid services, including student loans at a reasonable cost to those students who need financial assistance to attend a college or university.

PRINCIPLES: Recognizing the critical need to maintain Legislative and Executive support for postsecondary educational opportunities, the Commission seeks to

- 1. Foster Educational Access and Affordability;***
- 2. Ensure the Availability of Information on Educational Opportunities;***
- 3. Preserve the Flow of Financial Aid; and***
- 4. Ensure Adequate Support and Flexibility for Commission Operations and Its Programs.***

*Numbering principles in no way indicates priorities; all principles are equally considered.

The guiding principles and objectives should be reviewed at the beginning of each legislative session to ensure they continue to be applicable, valid, and supportive of the Commission's mission.

Each of these principles is discussed in further detail below.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #1: Foster Educational Access and Affordability

The Commission and the State should advocate for increased higher education opportunities by providing all California students financial access to the postsecondary education of their choice.

OBJECTIVES:

- Encourage the expansion of financial aid to the growing number of California college students who demonstrate financial need as the cost of completing a postsecondary education continues to rise;
- Cultivate legislative and budget actions that protect, strengthen, and increase the state's General Fund commitment to student financial aid;
- Encourage continued bipartisan support for funding of statutory growth in the Cal Grant programs and for continued access to lower interest federal student loans administered through EDFUND;
- Promote expanded educational and transfer opportunities for students transferring from community colleges to four-year colleges;
- Seek the greater utilization and enhancement of all Commission-administered specialized programs; and
- Enhance the benefits to those participating in state or federal tuition savings plans that encourage saving while offering tax relief incentives, such as the ScholarShare Program.

**PRINCIPLE #1: Foster Educational Access and Affordability
FUNDING OBJECTIVES FOR THE CAL GRANT PROGRAM**

- ❖ **Preserve and Expand the Cal Grant Entitlement and Competitive Programs**
 - **Eligibility Requirements**
 - Maintain statutory GPA requirements
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
 - **Award Value**
 - Cover full-fee funding for University of California and California State University students
 - Retain the current maximum award amount for nonpublic postsecondary institutions and support the development of a statutory formula that adjusts the maximum award amount for nonpublic postsecondary institutions and would not be subject to the annual budget process
 - Recommend and fully support increases to the Cal Grant B access award and first year tuition for Cal Grant B recipients
 - **Competitive Awards**
 - Advocating for funds that increase the number of Competitive Cal Grant awards for qualified non-recipient students
- ❖ **Preserve and Expand the Cal Grant C Program**
 - **Eligibility Requirements**
 - Maintain statutory income ceiling
 - Support eligibility requirements that provide greater student access to the program
 - **Award Value**
 - Support, at a minimum, the current maximum grant amount for institutional tuition and fees at applicable postsecondary institutions
 - Support increases to the book and supplies allowance
 - **Number of Awards**
 - Recommend and fully support increases in the number of awards in the Cal Grant C program
 - Support expanded financial aid opportunities for career technical education students

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #2: Ensure the Availability of Information on Educational Opportunities

The Commission should work to expand and strengthen its early, statewide outreach efforts to middle and high school students as well as to non-traditional, re-entry and older students.

OBJECTIVES:

- Continue to advocate for adequate funding for outreach, academic preparation, and public awareness activities;
- Promote the availability of information on college educational opportunities for all California students and families;
- Provide information and guidance to students and their families on alternative methods for financing a college education;
- Provide the resources needed to maximize the effectiveness of the California Student Opportunity and Access Program (Cal-SOAP) and the Cash for College program;
- Encourage the expansion of public and private partnerships in the Cash for College program;
- Strengthen the Commission's partnership with the Superintendent of Public Instruction and local school districts; and
- Recognize that the Commission's outreach programs are designed to supplement and not supplant the activities that should be provided by secondary schools and districts.

PRINCIPLE #3: Preserve the Flow of Financial Aid

The Commission should promote the uninterrupted flow of student financial aid to enable students to achieve their educational goals. The process of applying for and receiving student aid should be as simple as possible for students and their families, educational institutions, and other program participants.

OBJECTIVES:

- Advocate for federal and state actions that result in a streamlined application process for California students;
- Advocate for continued enhancements and improvements to the Grant Delivery System to promote transparency and ease of use in the system while maintaining speed and accuracy;
- Advocate for policies that promote the cost-effective and timely administration of student financial aid programs;
- Strengthen the Commission's communication and partnerships with financial aid administrators through written communication and other training opportunities related to program changes and informational updates; and
- Encourage the expansion of public and private partnerships in the Cash for College program.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PRINCIPLE #4: Ensure Adequate Support and Flexibility for Commission Operations

The Commission should ensure that it can administratively fulfill its essential mission and responsibilities.

OBJECTIVES:

- Work with the Legislature and the Administration to ensure the Commission continues to maintain the resources, including funding, equipment, and skilled personnel, necessary for an uninterrupted flow of financial aid and services to California students;
- Work to ensure that any new specialized programs have appropriate resources;
- Advocate for additional resources for new, advanced technology for delivery and customer services; and
- Continue evaluating the opportunities offered through, and the potential impact to the Commission and EdFund model in light of the potential sale of EdFund.

COMMISSION'S 2009-10 LEGISLATIVE AND BUDGET GUIDING PRINCIPLES

PARTICIPATION IN THE LEGISLATIVE PROCESS

POSITIONS ON BILLS

Staff will draft an objective analysis of all legislative bills that affect the Commission. All positions will be in a "pending" status until the Commission has the opportunity to review the legislation and analysis and take an official position. During the legislative session, the Commission should support these legislative principles by taking the following actions for proposed legislation at Commission meetings as appropriate.

No Position

- A bill that the Commission has not yet discussed or is not relevant to the Commission's mission or Legislative Principles.

Neutral

- A bill that is not within the scope of the Commission's responsibility or would not affect the Commission's operations or procedures.

Support

- Supports the Commission's mission and principles.

Neutral if Amended, Support if Amended, or Oppose unless Amended

- The Commission's position would change if recommended amendments are made to resolve implementation or policy concerns. This position should indicate which concerns must be resolved before the Commission would change its position.

Oppose

- A bill that is in conflict with the Commission's mission and principles; it cannot be administered; it is too costly and burdensome to the Commission, the students, and schools.

Sponsor

- A bill proposal that the Commission identifies as beneficial to preserve or enhance service to California students and families and central to the Commission's administration of its programs, its mission and its legislative principles.

OPPORTUNITIES FOR DIRECT INVOLVEMENT

Staff will request the Commission's involvement during the legislative session as opportunities arise. Commission staff will develop and provide Commissioners with an advocacy binder to aid the Commissioners in communicating Commission policy and messaging.

- Discussions related to the January Governor's Budget, 2nd-year bills and new proposals beginning in January;
- Participation in the Commission-sponsored annual Legislative Briefing Day and annual Cash for College Kick-off;
- Work with Commission staff to arrange visits with member offices to promote the Mission and advocate for the passage of Commission-supported legislation;
- Work with legislative budget committee staff to preserve the Cal Grant program and maintain adequate funding for Commission operations; and
Work in coordination and cooperation with our partners in the financial aid community including secondary schools, all segments of higher education, and state and national financial aid associations by attending board and annual meetings and Webinars.

2010 LEGISLATIVE CALENDAR

DEADLINES

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).
- Jan. 4 Legislature reconvenes (J.R. 51(a)(4)).
- Jan. 10 Budget must be submitted by Governor (Art. IV, Sec. 12 (a)).
- Jan. 15 Last day for **policy committees** to hear and report bills introduced in 2009 for referral to **fiscal committees** (J.R. 61(b)(1)).
- Jan. 18 Martin Luther King, Jr. Day.
- Jan. 22 Last day for any committee to hear and report to the **Floor** bills introduced in their house in 2009 (J.R. 61(b)(2)). Last day to submit bill requests to the Office of Legislative Counsel.
- Jan. 31 Last day for each house to pass bills introduced in 2009 (J.R. 61(b)(3)) (Art. IV, Sec. 10(c)).

JANUARY							
	S	M	T	W	TH	F	S
Interim Recess						1	2
Wk. 1	3	4	5	6	7	8	9
Wk. 2	10	11	12	13	14	15	16
Wk. 3	17	18	19	20	21	22	23
Wk. 4	24	25	26	27	28	29	30
Wk. 1	31						

FEBRUARY							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Wk. 1	28						

- Feb. 15 Presidents' Day observed.
- Feb. 19 Last day for bills to be introduced (J.R. 61(b)(4), J.R. 54(a)).

MARCH							
	S	M	T	W	TH	F	S
Wk. 1		1	2	3	4	5	6
Wk. 2	7	8	9	10	11	12	13
Wk. 3	14	15	16	17	18	19	20
Wk. 4	21	22	23	24	25	26	27
Spring Recess	28	29	30	31			

- Mar. 25 Spring Recess begins upon adjournment (J.R. 51(b)(1)).
- Mar. 29 Cesar Chavez Day observed.

APRIL							
	S	M	T	W	TH	F	S
Spring Recess					1	2	3
Wk. 1	4	5	6	7	8	9	10
Wk. 2	11	12	13	14	15	16	17
Wk. 3	18	19	20	21	22	23	24
Wk. 4	25	26	27	28	29	30	

- Apr. 5 Legislature reconvenes from Spring Recess (J.R. 51 (b)(1)).
- Apr. 23 Last day for **policy committees** to hear and report to fiscal committees fiscal bills introduced in their house (J.R. 61(b)(5)).

MAY							
	S	M	T	W	TH	F	S
Wk. 4							1
Wk. 1	2	3	4	5	6	7	8
Wk. 2	9	10	11	12	13	14	15
Wk. 3	16	17	18	19	20	21	22
Wk. 4	23	24	25	26	27	28	29
No Hrgs.	30	31					

- May 7 Last day for **policy committees** to hear and report to the floor **nonfiscal** bills introduced in their house (J.R. 61(b)(6)).
- May 14 Last day for **policy committees** to meet prior to June 7 (J.R. 61(b)(7)).
- May 28 Last day for **fiscal committees** to hear and report to the floor bills introduced in their house (J.R. 61 (b)(8)). Last day for **fiscal committees** to meet prior to June 7 (J.R. 61 (b)(9)).
- May 31 Memorial Day observed.

2010 LEGISLATIVE CALENDAR

JUNE							
	S	M	T	W	TH	F	S
No Hgs.			1	2	3	4	5
Wk. 1	6	7	8	9	10	11	12
Wk. 2	13	14	15	16	17	18	19
Wk. 3	20	21	22	23	24	25	26
Wk. 4	27	28	29	30			

- June 1-4** Floor session only. No committee may meet for any purpose (J.R. 61(b)(10)).
- June 4** Last day to pass bills out of house of origin (J.R. 61(b)(11)).
- June 7** Committee meetings may resume (J.R. 61(b)(12)).
- June 15** Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).
- June 24** Last day for a legislative measure to qualify for the Nov. 2 General Election ballot. (Elec. Code Sec. 9040)

JULY							
	S	M	T	W	TH	F	S
Wk. 4					1	2	3
Summer Recess	4	5	6	7	8	9	10
Summer Recess	11	12	13	14	15	16	17
Summer Recess	18	19	20	21	22	23	24
Summer Recess	25	26	27	28	29	30	31

- July 2** Last day for policy committees to hear and report bills (J.R. 61(b)(13)). Summer Recess begins on adjournment, provided Budget Bill has been passed (J.R. 51(b)(2)).
- July 5** Independence Day observed.

AUGUST							
	S	M	T	W	TH	F	S
Wk. 1	1	2	3	4	5	6	7
Wk. 2	8	9	10	11	12	13	14
No Hgs.	15	16	17	18	19	20	21
No Hgs.	22	23	24	25	26	27	28
No Hgs.	29	30	31				

- Aug. 2** Legislature reconvenes from Summer Recess (J.R. 51(b)(2)).
- Aug. 13** Last day for fiscal committees to hear and report bills to the Floor (J.R. 61(b)(14)).
- Aug. 16 - 31** Floor session only. No committee may meet for any purpose (J.R. 61(b)(15)).
- Aug. 20** Last day to amend on the Floor (J.R. 61(b)(16)).
- Aug. 31** Last day for any bill to be passed (Art. IV, Sec 10(c), J.R. 61(b)(17)). Final Recess begins on adjournment (J.R. 51(b)(3)).

IMPORTANT DATES OCCURRING DURING FINAL RECESS

2010

- Sept. 30 Last day for Governor to sign or veto bills passed by the Legislature before Sept. 1 and in the Governor's possession on or after Sept. 1 (Art. IV, Sec.10(b)(2)).
- Oct. 2 Bills enacted on or before this date take effect January 1, 2011 (Art. IV, Sec. 8(c)).
- Nov. 2 General Election.
- Nov. 30 Adjournment *sine die* at midnight (Art. IV, Sec. 3(a)).
- Dec. 6 2011-12 Regular Session convenes for Organizational Session at 12 noon (Art. IV, Sec. 3(a)).

2011

- Jan. 1 Statutes take effect (Art. IV, Sec. 8(c)).