

Action/Information Item

California Student Aid Commission

Implementation of Assembly Bill (AB) 840
Regarding Transfer Entitlement Program

The purpose of this agenda item is to provide an update on CSAC staff's implementation of AB 840 regarding California Community College Transfer Entitlement Awards (E2).

AB 840 adds a self-certification requirement to the Cal Grant award process for E2 Awards. CSAC staff will select students who meet the E2 eligibility criteria and send a preliminary award letter and a Transfer Entitlement Certification Form (G-6) to the student. In order to be eligible for an E2 award, students must meet the following eligibility criteria:

- be a resident of California at the time of their high school graduation and,
- graduate from a California high school on or after July 1, 2000, or
- due to military orders, the student graduated high school outside of California

Newly awarded E2 students will be required to submit a completed G-6 form self-certifying that they meet the E2 eligibility criteria to CSAC. Once the G-6 form has been returned and the data indicating that the student meets the E2 eligibility criteria has been entered into the Grant Delivery System (GDS), the student will be reprocessed, sent a California Aid Report (CAR) and will be eligible for payment or selected for verification on the Cal Grant roster.

In addition, AB 840 requires CSAC to select a minimum of 10 percent of the pool of new and renewal E2 recipients for verification by their institution. For the academic year 2006-2007, the applicant pool will only consist of newly awarded E2 students, as the verification requirement in AB 840 applies to awards commencing with the 2006-2007 award year.

A message will display on the Cal Grant roster indicating that the student has been selected for verification. The institution must provide CSAC with the results of their verification. If the institution verifies the student meets the eligibility requirements, the verification hold, which was placed on the roster by CSAC staff, will be cleared and the institution will be allowed to report payments for the student. Once verified by the institution, the student will be removed from the verification pool and will not be selected for subsequent verification.

The online Grant Roster will be modified to allow institutions to easily identify students selected for verification and to allow institutions to verify online whether the students meet the eligibility criteria. In addition, a downloadable report of the students selected for verification at each institution will be available on the WebGrants Data Transfer Report Download screen.

CSAC staff believes that creating a verification process that does not allow payment prior to verification is sufficient to meet the requirements of AB 840. CSAC's Program Compliance Branch will include a review of an institution's verification procedures during each institutional review.

Enclosed is additional information on CSAC staff's implementation of AB 840.

Recommended Action: No action required, for informational purposes only

Responsible Staff: Max Espinoza, Chief
Program Administration & Services Division

John Bays, Chief
Information Technology Division

UPDATE ON THE IMPLEMENTATION OF ASSEMBLY BILL 840 (AB840) REQUIREMENT FOR VERIFICATION OF CALIFORNIA COMMUNITY COLLEGE TRANSFER ENTITLEMENT (E2) STUDENT ELIGIBILITY

AB 840 adds requirements to the Cal Grant award process for California Community College Transfer Entitlement Awards (E2). In addition to the self-certification requirement, the new law requires that a minimum of 10 percent of new and renewal E2 awards will be verified by the institutions prior to the release of payments. AB 840, 69436.b.3b states:

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

The Commission will select students who meet the E2 eligibility criteria and send a preliminary award letter and a (G-6) Transfer Entitlement Certification Form to the student. In order to be eligible for an E2 award, students must meet the following eligibility criteria:

- be a resident of California at the time of their high school graduation and,
- graduate from a California high school on or after July 1, 2000, or
- due to military orders, the student graduated high school outside of California and.

Newly awarded E2 Students will be required to submit a completed G-6 form self-certifying that they meet the E2 eligibility criteria to the Commission. Once the G-6 form has been returned and the data indicating that the student meets the E2 eligibility criteria has been entered into the Grant Delivery System, the student will be reprocessed, sent a California Aid Report (CAR) and will be eligible for payment or selected for verification on the Cal Grant roster.

AB 840 requires the Commission to select a minimum of 10 percent of the pool of new and renewal E2 recipients for verification by their institution. For the academic year 2006-2007, the applicant pool will only consist of newly awarded E2 students, as the verification requirement in AB 840 applies to awards commencing with the 2006-07 award year.

A message will display on the Cal Grant roster indicating that the student has been selected for verification. The institution must provide the Commission with the results of their verification by updating the roster screen. If the institution verifies the student meets the eligibility requirements, the verification hold will be cleared and the institution will be allowed to report payments for the student. Once verified by the institution, the student will be removed from the verification pool and will not be selected for subsequent verification.

The following items will notify institutions that students need verification:

- Modify the online Grant Roster to require verification prior to the disbursement of Cal Grant funds. In addition, the Grant Roster will be modified to allow the institution to verify whether or not the student meets the eligibility criteria. Schools will be able to sort their roster by ‘award on hold’ so that students who have been selected for verification will be easily identified.
- Create a downloadable report of the students selected for verification at each institution. This report would be available on the WebGrants Data Transfer Report Download screen.

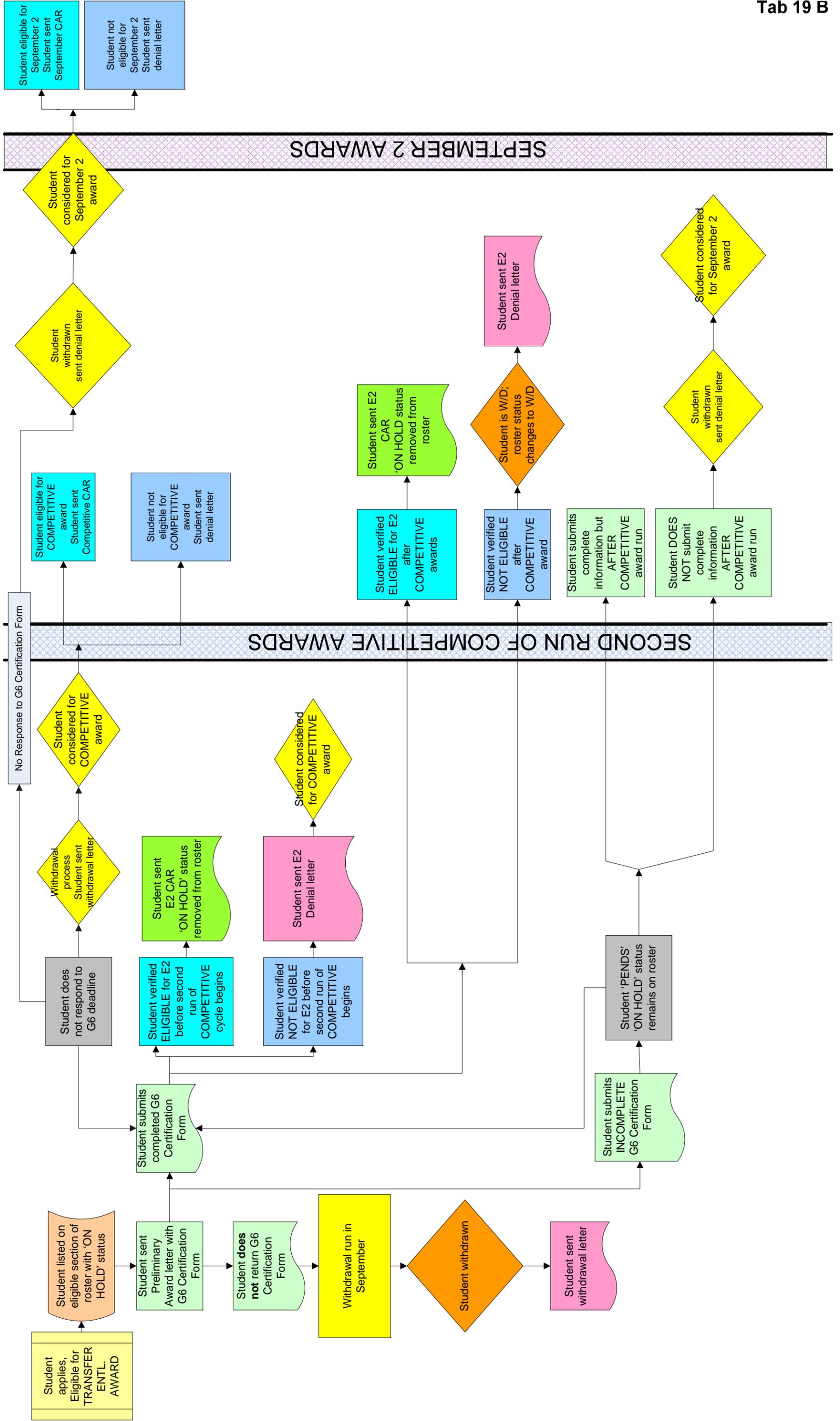
The Commission’s Compliance Review team will include a review of an institution’s procedures and verification documentation in their review of each institution.

AB 840 also requires:

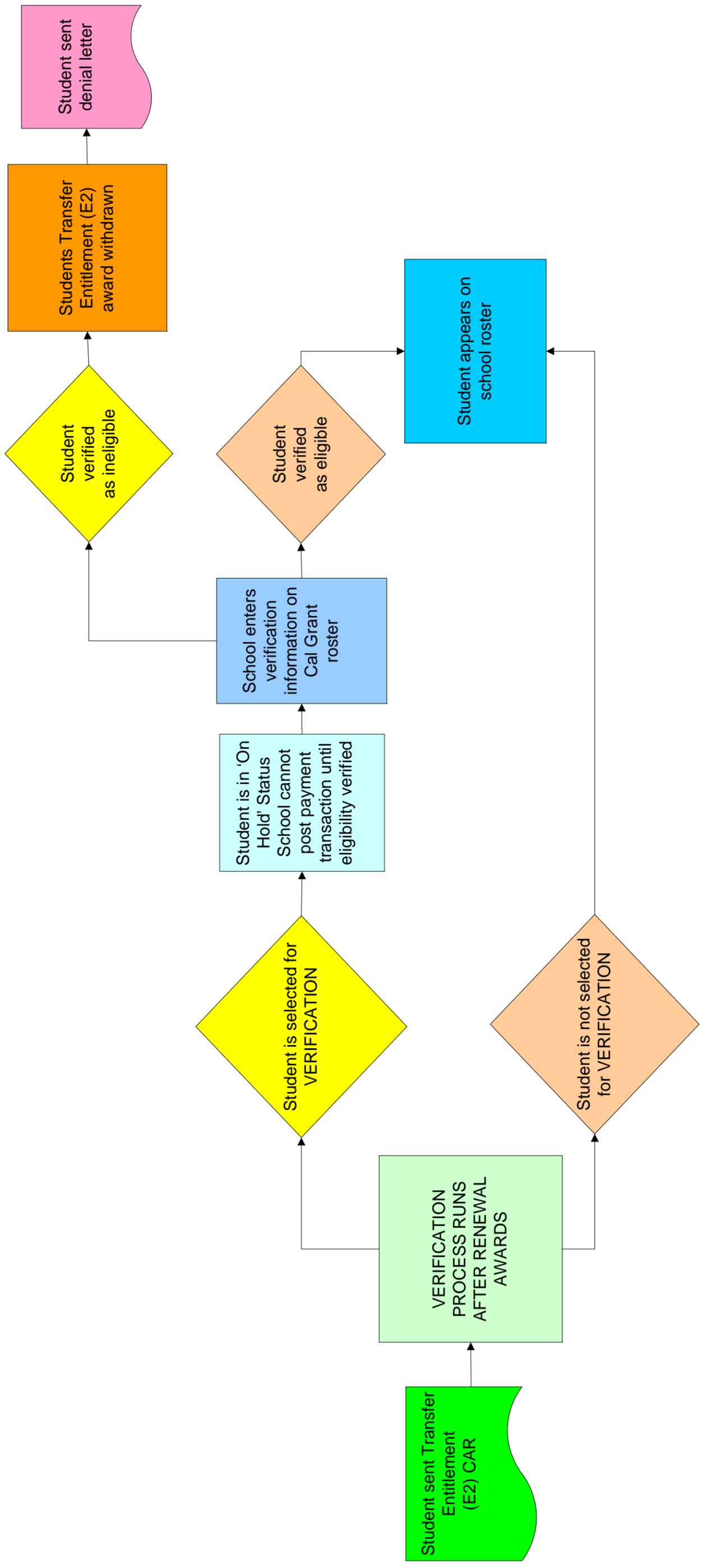
“prior to the disbursement of Cal Grant funds to the affected postsecondary institution, that the institution verify that the recipient meets the requirements...”

Commission staff believes that creating a verification process that does not allow payment prior to verification is sufficient to meet the requirements of AB 840.

TRANSFER ENTITLEMENT AWARDING PROCESS PART 1



TRANSFER ENTITLEMENT AWARDING PROCESS PART 2 - VERIFICATION



CALIFORNIA STUDENT AID COMMISSIONP.O. BOX 419027
RANCHO CORDOVA, CA 95741-9027

04/13/06

E2 Preliminary Award

CSAC ID:

DEAR

The California Student Aid Commission (CSAC) has determined your preliminary eligibility to receive a California Community College Transfer Cal Grant Entitlement (Transfer Cal Grant Entitlement) Award. In order to receive further consideration for the award, you must complete, sign and return the enclosed 2006-2007 Cal Grant Transfer Entitlement Certification Form to CSAC within 30 days of the date of this letter. Even if you are not eligible for a Cal Grant Transfer Entitlement Award, you will automatically be considered for a competitive Cal Grant Award, but only if you complete and return the enclosed form within 30 days of the date of this letter.

Failure to return this form to CSAC within 30 days may result in a delay or the inability to process your application for a Cal Grant award for this academic year and you will forfeit your opportunity to be automatically considered for a Cal Grant Competitive award.

Please contact CSAC if you have questions about Cal Grant award decisions.

To contact CSAC:

- * You may email studentsupport@csac.ca.gov or
- * visit our website at www.csac.ca.gov or
- * visit WebGrants for Students Web site at www.csac.ca.gov for detailed information about your Cal Grant
- * call CSAC's Student Support Service representatives at 1-888-224-7268 on Monday, Tuesday, Wednesday, and Friday from 8:00 a.m. to 4:50 p.m. and Thursday from 9:00 a.m. to 4:50 p.m.

In order to receive further consideration for a Cal Grant award, you must complete, sign and return this form to CSAC within 30 days of the date of your letter. Even if you are not eligible for a Cal Grant Transfer Entitlement Award, you will automatically be considered for a Competitive Cal Grant Award, but only if you complete and return this form within 30 days. Faxed copies of the completed form will not be accepted.

Instructions for filling out the Student Certification section:

When completing this form, please print clearly using black ink only.

Answer each question, checking the appropriate box, as it applies to your situation.

- ◆ Print ***your name*** as it appears on your Social Security card. Enter your first name, middle initial and last name.
- ◆ Print ***your Social Security number*** as it appears on your Social Security card or CSAC ID as it appears on your CSAC notification letter.
- ◆ Print the ***month and year you graduated from high school***. For example, June 2006.
- ◆ Print the ***name of your high school and the city where it is located***. For example, ABC High School, Los Angeles, CA.
- ◆ Print the ***date you became a resident of the State of California***. For example, If you were born in and remained in California, you would list your date of birth.
- ◆ Print the ***name of the California Community College*** from which you are transferring. For example, College of the Redwoods.
- ◆ Print the ***name of the school to which you are transferring***. For example, CSU Humboldt.

Signature: By signing this form, you certify that you have read the instructions and the information you provided is correct. It is illegal to report false or misleading information on this form and in doing so, may result in any Cal Grant award being revoked and that CSAC may seek repayment of any grant amount that is obtained based on the submission of inaccurate information.

For more information on filling out this form or for questions on Cal Grant eligibility, contact CSAC at (888) 224-7268 or by email at studentsupport@csac.ca.gov.

Faxed copies of this completed form will not be accepted.

Mail completed forms to:

California Student Aid Commission
Cal Grant Operations Branch
PO Box 419028
Rancho Cordova, CA 95741-9028



Cal Grant Program Award Notification

California Aid Report (CAR)



Congratulations! The California Student Aid Commission (CSAC) has tentatively awarded you a California Community College Transfer Entitlement Cal Grant award. This CAR contains important information about your Cal Grant. Please note that the information provided below is an *estimate* of your Cal Grant. The final amount of your financial aid package, including the Cal Grant, will be determined by your school. Please take this CAR to the four-year school you plan to attend and talk to a financial aid advisor about this grant and other financial aid.

Date _____
Grant ID Number _____
CSAC ID Number _____
Academic Year _____

Award Information

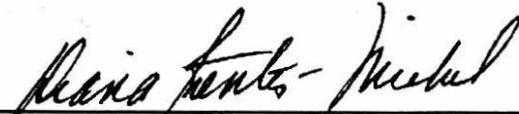
School Choice, as listed on your FAFSA: Cal Grant A Cal Grant B

Award amounts listed above indicate the type and estimated amount of your Cal Grant award for up to three of the qualified schools that you listed on your FAFSA and are for one academic year of full-time attendance. (See codes on back of CAR). If the school you plan to attend is not the first school listed above, complete and send the enclosed New Recipient Change Form to CSAC. This will help CSAC and your school set up your Cal Grant program benefits in time for your first term of enrollment. Because you received a CCC Transfer Entitlement award, you must attend a four-year institution within the 2006-07 academic year or your grant will be withdrawn. The school you attend may require that you provide documentation to verify that you meet the eligibility requirements for the grant award before the grant funds are disbursed to you.

The amount of your Cal Grant depends upon the school you attend. The final amount of your award will be determined by your school and enrollment status of at least half-time. It is important that you read the enclosed Cal Grant Reference Manual.

With the enactment of the California Domestic Partner Rights and Responsibilities Act of 2003, students must notify the Commission if they or their parents are in a registered domestic partnership. Complete and return the enclosed G-37 Cal Grant Registered Domestic Partner Reporting Form to the CSAC address listed on the form within 30 days of the date of your CAR only if you or your parents are in a registered domestic partnership. CSAC will then determine the effect of the registered domestic partnership on your eligibility for the Cal Grant. If neither you nor your parents are in a registered domestic partnership, you do not need to return the reporting form.

PRIVACY STATEMENT: Please be aware, grant award information for students who are 18 years of age or older will be released to parents or guardians only with written authorization from the student.



Diana Fuentes-Michel, Executive Director
California Student Aid Commission



SPECIAL ALERT

Update of the California Student Aid Commission

July 7, 2006

GSA 2006-14

TO: Financial Aid Administrators

FROM: Max Espinoza 
Chief, Program Administration & Services Division

CONTACT: Program Administration & Services Division
Phone: (888) 294-0153
Fax: (916) 526-8002
E-mail: schoolsupport@csac.ca.gov

SUBJECT: Update on Assembly Bill (AB) 840

The purpose of this Special Alert is to provide an update on the recent enactment of AB 840, which deals with the California Community College Transfer Cal Grant Entitlement. Previous Special Alerts that covered the California Community College Transfer Cal Grant Entitlement Programs were GSA 2005-33, 2005-35, 2006-02 and 2006-13. The enactment of this bill allows the California Student Aid Commission (Commission) to reinstate Transfer Entitlement Cal Grant students who were previously withdrawn because their residency could not be determined, or who did not self-certify that they were California residents at the time of high school graduation. The provisions of this bill also make it unnecessary to recover funds previously disbursed to those students.

AB 840 states in part:

"It is the intent of the Legislature to make a narrow retroactive change in the eligibility criteria of the California Community College Transfer Cal Grant Entitlement Program to make it unnecessary to attempt to collect funds that have already been received by students and to allow certain students who received their awards in error to complete their education with the support promised to them by the State of California"

A number of provisions are outlined in AB 840, which includes a new requirement for the Commission to select students for verification. A copy of the bill is enclosed for your reference.

Notification to Impacted Students

Next week, the Commission will send a letter to the Transfer Entitlement students who were previously withdrawn or notified that they would need to repay Cal Grant funds, notifying them of the reinstatement of their Cal Grant award and indicating that the Commission will not ask for the



State of California
Arnold Schwarzenegger
Governor

For more information you may contact us at:
 California Student Aid Commission, Program Administration & Services Division
 P.O. Box 419028, Rancho Cordova, CA 95741-9028 (916) 526-7590 Fax: (916) 526-8002
 Website: www.csac.ca.gov email: schoolsupport@csac.ca.gov

repayment of previously disbursed Cal Grant funds. Withdrawn students fall into three categories:

- Renewal students awarded a Transfer Entitlement Cal Grant for whom payment was made prior to December 1, 2005;
- New students who were awarded for 2004-2005 or 2005-2006 and have been paid or those who remained eligible for payment in the 2005-2006 year;
- Transfer Entitlement students who used their Cal Grant eligibility in previous years and for whom no funds will be recovered.

Withdrawn students who were awarded for the 2005-2006 academic year will also receive a copy of their California Aid Report (CAR) showing their reinstated award. Reinstated students will be listed on the July roster.

Other Provisions of AB 840

Additional requirements of AB 840 include a new requirement for the Commission to select a minimum of 10% of the new and renewal awards made under the California Community College Transfer Cal Grant Entitlement Program for verification. These new requirements are currently being evaluated by Commission staff. Cal Grant participating institutions will be notified of these additional requirements in future Operations Memos.

Student or School Inquires

Students should contact the Commission's Student Support Services Branch at 1-888-224-7268 with any questions regarding reinstatement of an award.

Questions on the reinstatement of any award for students from schools may be directed to the Cal Grant Operations Branch at 1-888-294-0153.

Enclosed are copies of the Transfer Entitlement Reinstatement letters that are being sent to students and a copy of AB 840 for your reference.

Thank you for your continued partnership in serving students. We appreciate your patience and for your assistance in supporting impacted students while this issue was pending.

Enclosures: Copy of AB 840
 Transfer Entitlement Reinstatement Letter New Students
 Transfer Entitlement Reinstatement Letter Renewal Students
 Transfer Entitlement No Funds Recovered

Assembly Bill No. 840

CHAPTER 43

An act to amend Sections 69433.9, 69436, and 69517.5 of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 26, 2006. Filed with
Secretary of State June 26, 2006.]

LEGISLATIVE COUNSEL'S DIGEST

AB 840, Arambula. Student financial aid: California Community College Transfer Cal Grant Entitlement Program.

(1) Existing law, known as the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act, establishes, among other programs, the California Community College Transfer Cal Grant Entitlement Program and the Competitive Cal Grant A and B award program, under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs. Existing law requires that a participant in the California Community College Transfer Cal Grant Entitlement Program, among other things, graduate from a California high school or its equivalent during or after the 2000–01 academic year.

This bill would, commencing with the 2006–07 award year, exempt from this requirement a student who graduated from a high school outside of California due solely to orders received from a branch of the United States Armed Forces by that student or by that student's parent or guardian that required that student to be outside of California at the time of high school graduation. The bill would also exempt from this requirement students for whom claims under this program were paid prior to December 1, 2005, and students for whom a valid claim under this program for the 2004–05 award year or the 2005–06 award year was or is paid on or after December 1, 2005, but no later than October 15, 2006.

The bill would require the commission, commencing with the 2006–07 award year, to make preliminary awards to all applicants currently eligible for an award under the California Community College Transfer Cal Grant Entitlement Program and to require each person who receives a preliminary award to affirm, in writing, under penalty of perjury, that he or she meets specified requirements for eligibility in the program. By requiring that affirmation under penalty of perjury, the bill would expand the scope of an existing crime, thereby imposing a state-mandated local program. The bill would require the commission to notify each person who receives a preliminary award under this provision that his or her award is subject to an audit pursuant to the bill.

The bill would require the commission to select, at random, a minimum of 10% of the new and renewal awards made under the California Community College Transfer Cal Grant Entitlement Program, and to require, prior to the disbursement of funds to an affected postsecondary institution under the program, that the institution verify that the student meets specified requirements for eligibility in the program. The bill would provide that an award that is audited under this provision and found to be valid is not subject to a subsequent audit. The bill would require the commission to seek repayment of any and all funds found to be improperly disbursed under the program.

The bill would require the commission, on or before November 1 of each year, to submit a report to the Legislature and the Governor including, but not necessarily limited to, the number of awards made under this program in the preceding 12 months and the number of new and renewal California Community College Transfer Cal Grant Entitlement awards selected, in the preceding 12 months, for verification under the bill, as categorized by type of postsecondary institution, as specified.

(2) Existing law establishes the Student Aid Commission as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. Existing law requires the commission, with the assistance of the Attorney General's office, to seek refunds on any awards to students made under specified programs that resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award.

This bill would extend the application of this provision to awards made to students under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act.

(3) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

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

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

SECTION 1. (a) The Legislature finds and declares all of the following:

(1) It has been, and it remains, the intent of the Legislature that the California Community College Transfer Cal Grant Entitlement Program established by Article 4 (commencing with Section 69436) of Chapter 1.7 of Part 42 of the Education Code provide future opportunities for California high school pupils who choose to begin their four-year

baccalaureate education at a campus of the California Community Colleges.

(2) Reflecting this intent, the Legislature enacted provisions in the Statutes of 2000 to restrict eligibility for the California Community College Transfer Cal Grant Entitlement Program to students who were residents of California at the time of high school graduation or its equivalent.

(3) Subsequent to the enactment of that statute, the Student Aid Commission failed to implement these provisions and granted California Community College Transfer Entitlement awards to approximately 1,000 students who were not residents of California at the time of high school graduation or its equivalent.

(4) These students are qualified for a Cal Grant award in all other aspects, including current California residency, minimum community college grade point average, financial need, and continuing satisfactory academic progress.

(5) These students were not notified of the residency requirement related to their status at the time of high school graduation or its equivalent.

(6) These students have accepted these awards and have relied upon, or will rely upon, this assistance to make choices regarding higher education and to enroll in, and pursue, a four-year baccalaureate degree in California.

(7) These students, by virtue of receiving a California Community College Transfer Cal Grant Entitlement Award, were not considered for the Cal Grant competitive awards, for which some of these students might have qualified if given the opportunity to be considered, because these programs do not have a restriction on residency at the time of high school graduation or its equivalent.

(b) It is the intent of the Legislature to make a narrow retroactive change in the eligibility criteria of the California Community College Transfer Cal Grant Entitlement Program to make it unnecessary to attempt to collect funds that have already been received by students and to allow certain students who received their awards in error to complete their education with the support promised to them by the State of California, but to further ensure that the original eligibility criteria are strictly enforced for awards now being made for the 2006–07 academic year and beyond.

SEC. 2. Section 69433.9 of the Education Code is amended to read:

69433.9. To be eligible to receive a Cal Grant award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) In compliance with all applicable Selective Service registration requirements.

(c) Not incarcerated.

(d) Not in default on any student loan within the meaning of Section 69507.5.

(e) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

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

69436. (a) Commencing with the 2001–02 academic year, and each academic year thereafter, a student who was not awarded a Cal Grant A or B award pursuant to Article 2 (commencing with Section 69434) or Article 3 (commencing with Section 69435) at the time of his or her high school graduation but, at the time of transfer from a California community college to a qualifying baccalaureate program, meets all of the criteria set forth in subdivision (b), shall be entitled to a Cal Grant A or B award.

(b) Any California resident transferring from a California community college to a qualifying institution that offers a baccalaureate degree is entitled to receive, and the commission shall award, a Cal Grant A or B award depending on the eligibility determined pursuant to subdivision (c), if all of the following criteria are met:

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

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

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

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

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

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

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

(8) The student does not meet the federal definition of an independent student, as set forth in subsection (d) of Section 1087vv of Title 20 of the United States Code, with the exception of:

(A) A student who is an orphan or a ward of the court and who will not be 24 years old or older by December 31 of the award year.

(B) A student who is a veteran of the United States Armed Forces and who will not be 24 years old or older by December 31 of the award year.

(C) A student who is a married person and who will not be 24 years old or older by December 31 of the award year.

(D) A student who will not be 24 years old or older by December 31 of the award year and who has dependents other than a spouse.

(E) A student who will not be 24 years old or older by December 31 of the award year and for whom a financial aid administrator makes a

documented determination of independence by reason of other unusual circumstances.

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

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

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

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

(d) (1) Commencing with the 2006–07 award year, a student meeting the requirements of paragraph (9) of subdivision (b) by means of high school graduation, rather than its equivalent, shall be required to have graduated from a California high school, unless that California resident graduated from a high school outside of California due solely to orders received from a branch of the United States Armed Forces by that student or by that student's parent or guardian that required that student to be outside of California at the time of high school graduation.

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

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

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

(3) (A) Commencing with the 2006–07 award year, the commission shall make preliminary awards to all applicants currently eligible for an award under this article. At the time an applicant receives a preliminary award, the commission shall require that applicant to affirm, in writing, under penalty of perjury, that he or she meets the requirements set forth in subdivision (e) of Section 69433.9, paragraph (9) of subdivision (b) of this section, and paragraph (1) of this subdivision. The commission shall notify each person who receives a preliminary award under this paragraph that his or her award is subject to an audit pursuant to subparagraph (B).

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

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

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

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

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

SEC. 4. Section 69517.5 of the Education Code is amended to read:

69517.5. The Student Aid Commission shall, with the assistance of the Attorney General's office, seek refunds on any awards to students made under this part that resulted from the student or his or her parents, or both, reporting information concerning their status incorrectly, with the incorrect information leading to the establishment of the student's financial eligibility to receive an award.

SEC. 5. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure that students erroneously granted awards under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act may continue their education, it is necessary that this act take effect immediately.