
13.b

Information Item

California Student Aid Commission

Update on State Legislation and Issues

This agenda item will provide an update of legislative bills that were signed or vetoed by the Governor for the 2006 session.

The General Election was on November 7, 2006, and the 2007-08 two-year legislative session begins December 4, 2006. There will be at least 28 new Assembly members and 12 new Senators (due to term limits) starting terms in December. Staff will compile a summary of the results of the Senate and Assembly races which will be provided under separate cover.

Enclosed are 1) State Legislative Update, 2) Legislative Calendar, and 3) General 2006 Election Summary.

Recommended Action: For information only.

Responsible Staff: Steve Caldwell, Chief
Governmental and Public
Affairs Division

STATE LEGISLATIVE UPDATE

During the 2006 legislative session, the Governor signed 910 bills and vetoed 262 bills. All bills presented to the Governor had to be signed, vetoed, or left on his desk to become law without the Governor's signature on or before September 30, 2006. The Governor did not have any bills remain on his desk.

The general election is on November 7th and the 2007-08 legislative session begins December 4th.

AB 358 Liu (D-La Canada – Flintridge)

Position: Support

Subject: Maximum Award for Non-Public Colleges and Universities

Version: As enrolled September 6, 2006

Under current law, the maximum award for students at non-public colleges and universities is stipulated in the annual Budget Act. Students receiving a Cal Grant B award receive only the access grant (\$1,551) in the first year of attendance and the access grant plus tuition and fee assistance in the remaining three years. The top two percent of Cal Grant B Entitlement students receive full funding in the first year of attendance.

This bill would have established in statute an award formula linking the Cal Grant A and B award for tuition and fees at independent colleges and universities to the General Fund subsidy the state provides for each student at public four-year universities.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 358 without my signature. This bill limits budgetary flexibility by statutorily specifying the maximum amount of the Cal Grant award for those recipients attending private postsecondary institutions as well as a formula for computing subsequent increases. It would simply lead to spending. Current law allows the Governor and Legislature to adjust the award amount in the annual Budget Act. Legislation is not necessary either to set the maximum award amount or to adjust it in future years.

For these reasons, I am unable to sign this bill.

AB 751 Chu (D-Monterey Park)

Position: None

Subject: Purveyors of Private College Financial Aid Services

Version: As enrolled September 7, 2006

This bill would have authorized the Commission to regulate all matters and functions related to the state operations of purveyors of private college financial aid services for the purposes of preventing financial aid and scholarship fraud and;

- Required a purveyor, as specified, of private college financial aid services to register, pay a fee, and file a bond with the Commission;
- Provided that moneys from the fee would be used to fund the duties and responsibilities under this Act;
- Provided that contracts entered into by California citizens with purveyors who have not registered with the Commission and filed the appropriate bond would be unenforceable by the contractor; and
- Required a contract for aid be in the language of the parent or student.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 751 without my signature. I do not condone the unscrupulous behavior of those private purveyors of college student financial aid services that provide fraudulent or useless scholarship and financial aid information. Many of them are not based in California and come here specifically to take advantage of parents and students struggling to navigate the process of obtaining financial aid. However, this bill does not provide the appropriate mechanism to address this issue. This bill charges the California Student Aid Commission (CSAC) with the responsibility of regulating these purveyors of services, registering them, collecting fees and levying fines, and enforcing compliance with all applicable state and federal laws. The CSAC's expertise lies in financial aid administration and it is not equipped to perform these duties. It is not a regulatory or enforcement body.

For these reasons, I am unable to sign this bill.

AB 2578 Frommer (D-Los Feliz)

Position: None

Subject: Hope Public Trust

Version: As enrolled September 11, 2006

This bill would have established the Hope Public Trust in state government. It would have required a complete and thorough inventory of all state-owned real estate and property, all lease agreements between any state agency and private or nonpublic management groups, and would have authorized revenue bonds.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Assembly Bill 2578 without my signature. In 2004, the voters approved Proposition 60A which provided that the revenue generated by the sale of surplus property is to be used to pay off the debt from the Economic Recovery Bonds. This bill attempts to redirect those funds to other purposes. As admirable as those purposes are, it remains that the intent of the electorate was to reduce the State's debt, and the Administration intends to abide by their will.

In addition, this bill would delegate important decisions regarding the allocation of State resources to a new entity, unaccountable to the people, and outside the annual budget process. In doing so, it would hamper the ability of the Legislature and the Governor to make such resource decisions that take into account all of the State's needs.

For these reasons, I am unable to sign this bill.

AB 2813 De La Torre (D-South Gate)

Position: Support

Subject: Cal Grants – Transfer Entitlement Age Limit

Version: As enacted on September 30, 2006

This bill would increase the age limit for the Cal Grant Transfer Entitlement award program from under 24 years of age to not more than 27 years of age (under 28).

Status: Signed. Chapter 822. Filed with the Secretary of State: September 30, 2006.

Laws Affecting California Student Aid Commission: Section 69436 of the Education Code.

SB 160 Cedillo (D-Los Angeles)
Subject: Financial Aid for Undocumented Students
Version: As enrolled September 7, 2006

Position: None

This bill would have enacted the California Dream Act as follows:

- Required the Trustees of the CSU, the Board of Governors of the California Community Colleges, and requested the Regents of the UC to establish procedures and forms that enable persons who are exempt from paying nonresident tuition under the provision (per AB 540) or who meet equivalent requirements adopted by the regents, to apply for and participate in, all student aid programs administered by these segments to the full extent permitted by federal law;
- Authorized community college districts to waive the fees of persons who are exempt from nonresident tuition to apply to the Board of Governors to receive the fee waiver under this provision; and
- Required the Board of Governors to modify existing forms and establish a procedure for applications made pursuant to this provision, and who otherwise qualify for a waiver under this provision, under regulations.

Status: Vetoed. The Governor's veto message is provided below.

Governor's Veto Message:

I am returning Senate Bill 160 without my signature. I applaud all young people who work hard, graduate high school and attend college.

Current law allows undocumented students who have attended a California high school for three years and graduate from a California high school to attend a state college and get a reduced "in state tuition rate" but not be eligible for public financial aid to attend college. California has over 100,000 students here legally who apply annually for financial aid to attend college, and our state has limited funds available for this important purpose.

While I do not believe that undocumented children should be penalized for the acts of their parents, this bill would penalize students here legally by reducing the financial aid they rely on to allow them to go to college and pursue their dreams.

For this reason, I am unable to sign this bill.

SB 1309 Scott (D-Altadena)

Position: None

Subject: State Nursing Assumption Program of Loans for Education

Version: As enacted on September 30, 2006

This act makes various technical, nonsubstantive changes in the State Nursing Assumption Program of Loans for Education (SNAPLE) Act. It also does the following:

- Establishes the State Facilities Assumption Program of Loans for Education under the administration of the commission to provide loan assumption benefits to persons who fulfill agreements to work full-time for 4 consecutive years as clinical registered nurses in state-operated 24-hour facilities that employ registered nurses as specified;
- Requires the Commission to report specified data about program participants annually to the Legislature.
- Requires the Office of the Legislative Analyst to submit, on or before May 1, 2011, a report to the Legislature that includes the findings and recommendations of the Legislative Analyst with respect to the efficacy of the program.

The act provides that the State Facilities Assumption Program of Loans for Education becomes inoperative on July 1, 2012, and is repealed as of January 1, 2013.

Status: Signed. Chapter Number: 837. Filed with the Secretary of State: September 30, 2006. Please see the Governor's signing message below.

Governor's Message:

I am signing Senate Bill 1309, because I continue to be supportive of efforts to expand and strengthen nursing programs to address critical shortages in this occupational area. However, I want to work with the author of this measure on clean-up legislation in the next session to resolve certain drafting errors contained in the bill regarding the loan assumption program for recruitment of state nurses and to make the number of new awards provided under this program subject to an appropriation in the annual Budget Act.

Additionally, it is my understanding that the author submitted a letter to the journal that attempted to reflect agreements with my Administration on the intent language specified in sections 22 and 23 of this bill. Section 22 relates to the funding of baccalaureate students at CSU. It is my intent that these students be funded in the 2007-08 fiscal year from within the funding provided for 2.5 percent enrollment growth. Section 23 relates to the funding of baccalaureate and master's degree nursing students at UC. It is my intent that the specified baccalaureate students be funded in the 2007-08 fiscal year from within the funding provided for 2.5 percent enrollment growth, consistent with CSU.

Further, of the number of specified master's degree nursing students, additional funding is not needed in the 2007-08 fiscal year for the 65 entry-level master's degree students and the 20 traditional master's degree students that were funded in the 2006 Budget Act and that funding for the remainder of the specified master's degree students be considered as part of the annual budget process.

Laws Affecting California Student Aid Commission: Sections 69616, 69616.1, 69616.2, 69616.3, 69616.4, 69616.5, 69616.6, 69616.7, 69616.8, 69616.9, and 69617 of the Education Code.

SB 1383 Ortiz (D-Oceanside)

Position: None

Subject: CAHSEE – Eligibility for Cal Grant Awards

Version: As enacted September 29, 2006

This act specifies that a student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies the requirement of obtaining the equivalent of high school graduation or its equivalent for the purposes of the act.

Reporting Requirements: The act requires the Commission to report specified data about students who qualify for Cal Grant awards under the provisions of this bill.

Status: Signed. Chapter 652. Filed with the Secretary of State September 29, 2006.

Laws Affecting California Student Aid Commission: Sections 69433.9 and 69514 of the Education Code.

SB 1592 Romero (D-Los Angeles)

Position: None

Subject: CAHSEE –Report by Superintendent of Public Instruction

Version: As enacted on September 29, 2006

This act requires the Superintendent of Public Instruction, by June 30, 2007, to report to the Legislature and the Governor on the number and percentage of pupils who failed to receive a diploma of graduation from high school in 2006 due to the failure of those pupils to pass the high school exit examination, aggregated by ethnicity, English learner status, and other information as may be determined to be necessary to understanding the meaning and consequences of the failure to pass the high school exit examination.

Status: Signed. Chapter 674. Filed with the Secretary of State: September 29, 2006.

Laws Affecting California Student Aid Commission: N/A.

**BILLS THAT WERE HELD IN COMMITTEE
(DIED BEFORE THE END OF SESSION)**

1. **AB 476** Baca (D-Rialto): Expansion of the APLE Program
Status: Held in the Senate Appropriations Committee.

2. **AB 1315** Liu (D-La Canada): Cal Grant B Access Stipend
Status: Held in the Senate Appropriations Committee.

3. **AB 1399** Garcia (R-Cathedral City): National Guard – Cal Grant Competitive Program
Status: Held in the Senate Appropriations Committee.

4. **AB 1532** Bass (D-Los Angeles): Foster Youth: Cal Grant Access
Status: Held in the Senate Appropriations Committee.

5. **AB 2040** Chu (D-Monterey Park): High School Exit Examination – Additional Exam Dates
Status: Held in the Senate Appropriations Committee.

6. **AB 2262** Baca (D-Rialto): APLE Awards/Vocational Education
Status: Held the Senate Appropriations Committee.

7. **AB 2489** Leno (D-San Francisco): Foster Youth Services and Cal Grant benefits
Status: Held in the Senate Appropriations Committee.

8. **AB 2532** Karnette D-Long Beach): Adult Education Funding (CAHSEE)
Status: Not heard on the Senate Appropriations Committee –sent back to Assembly.

9. **AB 2551** Blakeslee (R-San Luis Obispo): National Guard APLE
Status: Held in the Senate Appropriations Committee.

10. **SB 1264** Alquist (D-Santa Clara): Additional Cal Grant Competitive Awards
Status: Held in the Assembly Appropriations Committee.

CALIFORNIA 2007-08 Regular Session

Dec. 04, 2006	Organizational Session of the 2007-08 Regular Session (Article IV., Sec. 3(a)). Organizational Recess begins upon adjournment.
Jan. 03, 2007	Legislature reconvenes from Organizational Recess (J.R. 51(a)(1)).
Jan. 10, 2007	Budget must be submitted by Governor (Art. IV, Sec. 12(a)).
Jan. 15, 2007	Martin Luther King's Birthday observed.
Jan. 26, 2007	Last day to submit bill requests to the Office of Legislative Counsel.
Feb. 12, 2007	Lincoln's Birthday observed.
Feb. 19, 2007	Washington's Birthday observed.
Feb. 23, 2007	Last day for bills to be introduced (J.R. 61(a)(1), J.R. 54(a)).
Mar. 29, 2007	Spring Recess begins upon adjournment (J.R. 51(a)(2)).
Mar. 30, 2007	Cesar Chavez Day observed.
Apr. 09, 2007	Legislature reconvenes (J.R. 51(a)(2)).
Apr. 27, 2007	Last day for policy committees to hear and report fiscal bills for referral to fiscal committees (J.R. 61(a)(2)).
May. 11, 2007	Last day for policy committees to hear and report nonfiscal bills to the Floor (J.R. 61(a)(3)).
May. 25, 2007	Last day for policy committees to meet prior to June 11 (J.R. 61(a)(4)).
May. 28, 2007	Memorial Day observed.
Jun. 01, 2007	Last day for fiscal committees to hear and report bills to the Floor (J.R. 61(a)(5)). Last day for fiscal committees to meet prior to June 11 (J.R. 61(a)(6)).
Jun. 04 - Jun. 08, 2007	Floor session only. No committee may meet for any purpose (J.R. 61(a)(7)).
Jun. 08, 2007	Last day to pass bills out of the house of origin (J.R. 61(a)(8)).
Jun. 11, 2007	Committee meetings may resume (J.R. 61(a)(9)).
Jun. 15, 2007	Budget Bill must be passed by midnight (Art. IV, Sec. 12(c)).
Jul. 04, 2007	Independence Day.

Tab 13.b.2

Jul. 13, 2007	Last day for policy committees to meet and report bills (J.R. 61(a)(10)).
Jul. 20, 2007	Summer Recess begins on adjournment, provided Budget Bill has been passed (J.R. 51(a)(3)).
Aug. 20, 2007	Legislature reconvenes (J.R. 51(a)(3)).
Aug. 31, 2007	Last day for fiscal committees to meet and report bills to the Floor (J.R. 61(a)(11)).
Sep. 03, 2007	Labor Day observed.
Sep. 03 - Sep. 14, 2007	Floor session only. No committee may meet for any purpose (J.R. 61(a)(12)).
Sep. 07, 2007	Last day to amend bills on Floor (J.R. 61(a)(13), A.R. 69(e)).
Sep. 14, 2007	Last day for any bill to be passed (J.R. 61(a)(14)). Interim recess begins upon adjournment (J.R. 51(a)(4)).
Oct. 14, 2007	Last day for Governor to sign or veto bills passed by the Legislature on or before Sept. 14 and in his possession after Sept. 14 (Art. IV, Sec. 10(b)(1)).
Jan. 01, 2008	Statutes take effect (Art. IV, Sec. 8(c)).
Jan. 07, 2008	Legislature reconvenes (J.R. 51(a)(4)).



California Election Results

Governor

Arnold Schwarzenegger

Lieutenant Governor

John Garamendi

Attorney General

Jerry Brown

Secretary of State

Debra Bowen

Controller

John Chiang

Treasurer

Bill Lockyer

Insurance Commissioner

Steve Poizner