

Item 11

Information Item

Update on state and federal legislation affecting Commission programs

This item provides an update on legislation prioritized by the California Student Aid Commission.

Item 11.1 contains a legislation tracking table detailing the bills that CSAC is tracking.

Item 11.2 contains a more detailed listing of the bills, their current status, and the Commission's positions concerning the bill.

Item 11.3 contains a summary of the 2015-16 budget bill, and related legislative outcomes.

An oral update will be provided during the Commission meeting for updates after the publication date of this item.

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Strategic Policy, Media & Communications Division

CSAC Bill Status Tracker 2015

	Bill	Author	Subject	First House				Second House				Gov Sig	CSAC Position	Status	Hearing Date / Outcome
				Policy Com	Fiscal Com	Floor	Rules	Policy Com	Fiscal Com	Floor	Concurrence				
Active Bills	AB 25	Gipson	Small Cohort Institution Appeals Process	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 613
	AB 721	Medina	Schools Must Post Info About Private Loans	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 632
	AB 1091	Garcia	Electronic Graduation Confirmation	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 637
	SB 134	Hertzberg	Public Interest Lawyer Loan Repayment - Funding	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 488
	AB 93	Weber	Budget Act of 2015	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 10
	SB 81	Comm. On Budget	Postsecondary Education: Budget	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 22
	SB 97	Comm. On Budget	Budget Act of 2015 - Amendments	X	X	X	X	X	X	X	X	X	Support	Chaptered	Ch. 321
	AB 573	Medina	Restoration of eligibility for Heald Students	X	X	X	X	X	X	X	X	X	Support	Vetoed	
	AB 1361	Burke	Remove Age Gap on Transfer Entitlement for vets	X	X	X	X	X	X	X	X	X	Support	Vetoed	
SB 42	Liu	New Higher Education Commission	X	X	X	X	X	X	X	X	X	Watch	Vetoed		
Inactive Bills	AB 200	Alejo	Increase Competitive to 100,000 awards	X	X	X	X	X					Support	Senate Education	Held
	AB 206	Stone	DREAM Work Study	X	X								Support	Assembly Appropriations	Held
	AB 616	Campos	Fund and Activate State Work Study Program	X									Support in Concept	Assembly Higher Ed	Held
	AB 831	Bonilla	Restore Non-Profit Cal Grant Amount	X	X								Support	Assembly Appropriations	Held
	AB 1366	Lopez	Fund Dream Resource Centers	X	X	X	X	X	X	X			Support	Senate Floor	Held
	AB 1529	Vet Affairs Com	Extend National Guard Ed Assistance Program										Support	Introduced	Held
	SB 15	Block	Increase Competitive to 30,000 awards	X	X	X	X	X					Support In Part	Assembly Higher Education	Held
	SB 62	Pavley	APLE and Teacher Grant Program Changes	X	X	X	X	X	X				Support	Assembly Appropriations	2-year-bill
	SB 380	Allen	Topline Teacher Recruitment										Watch	Senate Rules	Held
	SB 573	Pan	Statewide Open Data Portal	X	X	X	X	X	X				NO POSITION	Assembly Appropriations	Held
	SB 791	Hertzberg	Scholarshare / Credit Card Reward Points	X	X								Support	Senate Appropriations	Held
SB 295	De Leon	College Access Tax Credit Fund Pipeline Safety	-	-	-	-	-	-	-	-	-	Support	Assembly Revenue and Tax	Gutted	

Hearing Scheduled
Passed Committee
Held
Gutted
Suspense
Enrolled / Enacted
Budget Bill
Vetoed

This report includes an update of Commission supported state legislation including final dispositions of bills for the first year of the 2015-2016 legislative session. This update includes a summary of bills signed and vetoed by the Governor as well as those bills held in committee.

Session Update

The first year of the 2015-16 legislative session came to a close October 11, 2015. Of the 15 bills the Commission supported, four were signed by the Governor, two were vetoed and nine were held in committee. The Legislature will be in recess until January 6, 2016. The 2016 deadline for legislators to submit new legislation is February 27, 2016.

Of special note is the increase in the number of Competitive Cal Grant awards from 22,500 to 25,750 included in SB 81, the Postsecondary Education Budget Bill. This increase marks the first time the competitive Cal Grant has been increased since its inception in 2001.

Signed Legislation

- **AB 25 (Gipson): Financial Aid: Cal Grant Program: Renewal:** Requires the Commission to establish an appeals process for institutions with small cohort sizes – defined as 20 students or less. The Commission may grant an appeal if it is determined that cohort which rendered the institution ineligible for Cal Grant participation is not representative of the institution’s overall performance.
 - **CSAC Position: Support**
 - **Disposition: Enacted – Chapter 613**

- **AB 721 (Medina): Student Financial Aid: Private Student Loans:** Requires California colleges, except for Community Colleges, to make available data on student loan debt levels within 12 months of the end of an academic year. Additionally, colleges must notify students if they have unused federal or state financial aid before authorizing them for private student loans. Finally, if an institution does not participate in Title IV programs they must notify students that they may be eligible for federal or state aid if they go to qualifying institution.
 - **CSAC Position: Support**
 - **Disposition: Enacted – Chapter 632**

- **AB 1901 (Garcia): Student Financial Aid: Cal Grant Program:** Requires the GPA data electronically submitted as a result of AB 2160 (Ting 2014) be submitted on a standardized form, which CSAC will develop and make available to high schools and districts through WebGrants. Similarly, authorizes CSAC to require districts to submit high school graduation verifications electronically, on a standardized form. Finally, this bill requires CSAC to make available to districts data on which students have completed the FAFSA.
 - **CSAC Position: Support**
 - **Disposition: Enacted – Chapter 637**

- **SB 134 (Hertzberg): State Bar of California: Interest on Lawyers’ Trust Accounts: escheated funds: Public Interest Attorney Loan Repayment Program:** Requires funds held in Interest on Lawyers’ Trust Accounts (IOLTA) that escheat to the state to be

deposited into the Abandoned IOLTA Property Account, which would be established within the Unclaimed Property Fund. The money in the account will be used to fund the Public Interest Attorney Loan Repayment Program, which will repay up to \$11,000 of a qualified attorney's student loan debt. The Commission is required to design and implement the program, which was created over a decade ago, but never funded.

- **CSAC Position: Support**
- **Disposition: Enacted – Chapter 488**

- **SB 172 (Liu): Pupil Testing: High School Exit Examination: Suspension:** Suspends the California High School Exit Exam (CAHSEE) as a high school graduation requirement during 2015-16 through the 2017-18 academic years. Also, requires the governing board or body of a local education agency to grant diplomas to any student who completed 12th grade, and met all graduation requirements except for the CAHSEE in, or after, the 2003-04 academic year.
 - **NOTE:** There is the potential for an increase in the number of Cal-Grant-eligible students, as the number of qualified graduates who could submit a completed application may increase as a result of this bill.
 - **CSAC Position: None Taken**
 - **Disposition: Enacted – Chapter 572**

Vetoed Legislation

- **AB 573 (Medina): Student Financial Aid: Corinthian Colleges, Inc. (CCI) Closures:** Offers financial relief to former students of Corinthian Colleges, Inc. (CCI) campuses who were rendered unable to complete their education program as a result of campus closures. In addition to providing a small grant to aid the student in obtaining legal assistance, and making CCI students eligible for coverage under the Student Tuition Recovery Fund, the bill requires the Commission to restore up to 2 years of benefit eligibility to students who used Cal Grant or National Guard Tuition Assistance funds at a CCI campus.
 - **CSAC Position: Support**
 - **Disposition: Vetoed**
 - **Veto Message:**

“Assembly Bill 573 would extend Cal Grant eligibility for former students of Heald College and create a grant program within the Attorney General's office to fund nonprofit organizations providing free legal services to former students of Corinthian Colleges.

I am sympathetic to the many students who were enrolled at Corinthian Colleges when the company abruptly shuttered its doors earlier this year. I signed SB 150, which prevents students whose loans have been discharged from being penalized a second time with a significant tax bill on the value of the loan discharge, which they can ill afford to pay.

The U.S. Department of Education has taken the matter of loan discharge seriously. In recent months, it has greatly eased the burden of filings for many students, and its work to provide a simple, swift and fair process for students

continues. As such, it appears premature to create an attorney grant program, especially one that provides little direction on how funds should be used.

While the bill's provisions to extend Cal Grant eligibility for Heald students are well-intentioned, I am not comfortable creating new General Fund costs outside of the budget process, particularly given the Cal Grant augmentations already included in this year's budget. For these reasons, I am returning this bill without my signature."

- **AB 1361 (Burke): Student Financial Aid Cal Grant Program: Veterans:** Removes the age limit of 28 from the Transfer Entitlement Award for veterans, allowing veterans who meet all other requirements to receive the benefit upon transferring from a Community College to an eligible 4 year institution. It would prevent veterans from simultaneously taking advantage of this benefit, and the Post 911 GI Bill, since doing so would result in no additional money going to the student due to the payer-of-last-resort rule for GI Bill funds.
 - **CSAC Position: Support**
 - **Disposition: Vetoed**
 - **Veto Message:**

"I am returning Assembly Bill 1361 without my signature.

This bill authorizes a current or former member of the United States Armed Forces to receive a California Community College Transfer Cal Grant entitlement award, even if the student is over 28 years of age unless the student received a dishonorable discharge.

While the bill is well intentioned, our California veterans are provided with many different educational benefits including federal Montgomery GI benefits and eligibility to pay California residence fees for both themselves and their dependents at the University of California, the California State University and California Community Colleges. I am not comfortable creating new General Fund costs outside of the budget process, particularly given the Cal Grant augmentations already included in this year's budget."

- **SB 42 (Liu): Commission on Higher Education Performance:** Creates the Office of Higher Education Performance and Accountability as the statewide postsecondary education coordination and planning entity. In addition to a Governor-appointed and Senate-confirmed Executive Director, the office would have an 8-person advisory board. The office would serve as a clearinghouse for education data, periodically review state higher education goals and policies, and advise the Governor and Legislature on higher education policy.
 - **CSAC Position: Support**
 - **Disposition: Vetoed**
 - **Veto Message:**

"I am returning Senate Bill 42 without my signature.

This bill would establish an Office of Higher Education Performance and Accountability to advise the Governor and Legislature on state goals and priorities

for higher education. The bill would also create an advisory board consisting of legislators and others to be appointed by the Legislature to annually review the performance of this office, which would sunset by the end of 2020.

The call to improve postsecondary educational outcomes is laudable. The goals established by SB 195 in 2013 - improving access and success, aligning degrees and credentials with the state's economic, workforce and civic needs, and ensuring the effective and efficient use of resources - are still important measures that should guide us in developing higher education policies for the state.

While there is much work to be done to improve higher education, I am not convinced we need a new office and an advisory board, especially of the kind this bill proposes, to get the job done.”

Legislation Held in Committee

- **AB 200 (Alejo): Student Financial Aid: Competitive Cal Grant Awards:** Significantly increases the number of Competitive Cal Grant A and B awards. In the 2015-16 Award Years 50,000 awards would be made available, and 60,000 awards each academic year thereafter.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee
- **AB 206 (Stone): Student Financial Aid: DREAM Work-Study Program:** Creates a work-study program at California State University and University of California campuses for Dream Act students. Initially, the California Student Aid Commission was to be the administrative body for the program, but an amendment introduced in April 2015 shifted that responsibility to the universities. Students participating in other work-study programs would not be eligible for this program.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee
- **AB 616 (Campos): Student Financial Aid: State Work-Study Program:** As introduced, this bill expressed the intent of the Legislature to provide funding for purposes of reactivating the existing California Work Study program which is established in law, but defunded. An amendment removed this intent, and instead changes from 12 to 6 months the period for which a work study student cannot hold a position which was previously occupied by a regular employee. As the bill would not result in restoration of funding for the program, this change would have no impact on students or the Commission.
 - **CSAC Position: Support in Concept**
 - **Disposition:** Held in Committee
- **AB 831 (Bonilla): Student Financial Aid: Cal Grant Program:** Establishes a formula for calculating the maximum Cal Grant award for the private non-profit postsecondary segment. The formula would set the award level to approximately 75% of the average Cal Grant award for students attending the University of California and California State University systems. Additionally, the adoption of the formula would be phased in over several years, with the full award amount being available in 2019-20 and every year

thereafter. Finally, the bill requires that private non-profit universities report substantial performance related data to the Association of Independent California Colleges and Universities, which will then be reported to the Legislature and Department of Finance, in order to be considered eligible for the increased Cal Grant awards.

- **CSAC Position: Support**
 - **Disposition:** Held in Committee

- **AB 1366 (Lopez): Public Postsecondary Education: Dream Resource Liaisons:** Encourages the public postsecondary education segments, as well as school districts and county offices of education, to designate “Dream Resource Liaisons” who are knowledgeable on issues relating to financial aid for Dream Act eligible students. The purpose is to streamline access to available financial aid.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee

- **AB 1529 (Assembly Veterans Affairs Committee): National Guard Education Assistance Award Program (NGEAAP):** Currently, the NGEAAP is authorized through 2019, with a report due from the Legislative Analyst’s Office due in January 2016. This bill expresses the intent of the Legislature to extend the program beyond 2019 after reviewing the report.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee

- **SB 15 (Block): Postsecondary Education: Aid: Incentive Grants:**
 - Increases the number of Competitive Cal Grants to 30,000 annually
 - Maintains the Cal Grant award to \$9,084 for private, nonprofit postsecondary institutions in the 2015-16 academic year
 - Establishes the “Graduation Incentive Grant Program” to be administered by the California State University during years when they determine sufficient funding having been allocated in the budget process. The program would award students who complete various credit-completion milestones in their academic career with \$1,000, \$1,500, and \$2,000 grants upon completion of 30, 60 and 90 semester or 45, 90, and 135 quarter units.
 - **CSAC Position: Support in Part**
 - **Disposition:** Held in Committee

- **SB 62 (Pavley): Financial Aid: Education Loans: Teaching Fellowships:** Restores the Assumption Program of Loans for Education (APLE) program, up to 1000 awards annually and ensures that existing awardees continue to have their awards managed as they were on January 1, 2015, but updates several elements of the program for new recipients. New recipients are required to teach in a field where there is deemed a critical shortage, and creates new criteria for schools which qualify as eligible under this program.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee

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- **SB 380 (Allen): Topline Teacher Recruitment and Retention Program:** Expresses the intent of the Legislature to create the “Topline Teacher Recruitment and Retention Program,” administered by the California Student Aid Commission, which would make funds available to individuals who graduated in the top 5% of their class, and have committed to teaching high school for a specified number of years. No details of the program are available.
 - **CSAC Position: Watch**
 - **Disposition:** Held in Committee

- **SB 791 (Hertzberg): Student Financial Aid: Golden State Scholarshare Trust:** Requires the Golden State Scholarshare Investment Board to consider entering into an agreement with a credit card issuer in which accumulated “awards” based on card spending are deposited into Scholarshare trust accounts. The board is required to report its decision and rationale to the Legislature by June 30, 2016.
 - **CSAC Position: Support**
 - **Disposition:** Held in Committee

California Student Aid Commission
2015 Budget Issues: **Adopted Budget**

The following table provides a summary of key provisions of the Budget Act of 2015, the bill amending the Budget Act of 2015, and the related higher education trailer bill, (Chapters 10, 11 and 22, Statutes of 2015) affecting CSAC programs and operations.

Issue	Budget Action
Cal Grant B Access Award	
Baseline Award Amount	The Baseline Award amount remains the same, at \$1,648 . With the additional funding from the College Access Tax Credit, the award become \$1,656 .
CCC Augmentation	The California Community Colleges received \$39 Million to augment the Cal Grant B Access Award for full time students. The Chancellor's office is required to identify all students enrolled in 12 or more units, and disburse the funds equally among them. Community Colleges get an additional \$3,000,000 to administer the program.
College Access Tax Credit	The Student Aid Commission received \$1,918,000 from the tax credit fund which will raise the Cal Grant B Access Award by \$8 .
Other CSAC Issues	
Grant Delivery System Upgrade	CSAC received \$840,000 and 3 positions in support of the Grant Delivery System upgrade
Middle Class Scholarship	The budget compromise maintained the Middle Class Scholarship, but added income and asset ceilings set at \$150,000 adjusted annually with the Consumer Price Index. The appropriations were reduced as follows: <ul style="list-style-type: none"> • 2015-16 = \$82,000,000 • 2016-17 = \$116,000,000 • 2017-18 = \$159,000,000 These changes reflect an anticipated reduction in awards due to the new requirements, as well as lower than expected usage of the program in its initial year. The savings are being used to fund various enrollment boosting programs at CSU and UC.
APLE	There are no new warrants included in the enacted budget.
CalSOAP	CSAC received \$7,721,000 from the general fund to replace federal Challenge Grant funds. Of this funding \$500,000 is set aside for Middle Class Scholarship outreach, and \$1,000,000 is set aside for technical education outreach and opportunities.
Cal Grant Awards for Non-Profits and WASC Accredited For-Profits	The Cal Grant award for non-profit and WASC accredited for-profit institutions remains the same at \$9,084 .
Competitive Cal Grants	The number of Competitive Cal Grant awards was increased to 25,750 .
SB 1028 Implementation	CSAC received \$95,000 and 1 position to support the implementation of legislative changes to the Cal Grant C program.
Cash for College	Cash for College received \$258,000 from CSAC's administrative budget, and \$328,000 from local assistance funds for a total of \$586,000 .
Temporary Assistance for Needy Families	The amount of Cal Grant funding from TANF is \$520,897,000 .