

Item 1

Action Item

Update on state and federal legislation and issues affecting the Commission programs, including consideration of positions on legislation

SUMMARY OF THE ISSUE(S):

This item will provide the California Student Aid Commission an opportunity to review pending legislation, and to take a position on specific bills currently before the Legislature.

RECOMMENDATION:

Adopt positions on the bills presented.

RESPONSIBLE PERSON:

Brandon Biegert, Senior Policy Analyst, Strategic Policy, Media and Communications

ATTACHMENT(S):

Attachment 1.1: Legislative Bill Tracking Matrix

Attachment 1.2: Bills for consideration

CSAC Bill Status Tracker 2016: May 2

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 1449	Lopez	Remove HS Grad Requirement from TE	X	X	X	X	X					Support	Senate Education	
	AB 1583	Santiago	BOG expansion and Access Award	X	X								Pending	Assembly Appropriations	5/4/2016
	AB 1711	McCarthy / Medina	UC out of state tuition % to fund financial aid	X	X								Pending	Assembly Appropriations	
	AB 1721	Medina	TE Age Limit to 31 / Raise Access Award to \$3K	X	X								Support	Assembly Appropriations	SUSPENSE
	AB 1741	Rodriguez	Community College Innovation Grant	X	X								Pending	Assembly Appropriations	5/4/2016
	AB 1747	Weber	Fee-Free Access to Cal-Fresh as CG Requirement	X	X								Support	Assembly Appropriations	
	AB 1837	Low	Office of Higher Education Performance... SB42	X	X								Pending	Assembly Appropriations	5/4/2016
	AB 1888	Low	IPA - Bans CG institutions discriminating on sex	X	X								Watch	Assembly Appropriations	
	AB 1892	Medina	Increase CG C / Set award amount in Legislation	X	X								Pending	Assembly Appropriations	SUSPENSE
	AB 1961	Baker	Increase Cal Grant Non-Profit to 10K, not WASC	X	X								Pending	Assembly Appropriations	
	AB 2056	Garcia E.	Commission will allow mult. Submission Grad.	X	X								Sponsor	Assembly Appropriations	
	AB 2154	Medina	COMMISSIONERS - Extra year / Fees waived	X	X	X							Support	Consent Calendar	
	AB 2164	O'Donnel	First Responders Fee Waiver (Not Including UC)	X	X								Pending	Assembly Appropriations	5/4/2016
	AB 2251	Stone	Student Borrower Bill of Right (Resolution)	X	X								Pending	Assembly Appropriations	
	AB 2434	Bonta	Blue Ribbon Commission Higher Education	X	X								Pending	Assembly Appropriations	SUSPENSE
	AB 2506	Thurmond	Establishes CHAFEE participation standards	X	X								Support	Assembly Appropriations	5/4/2016
	AB 2520	Rodriguez	Task Force - FAFSA completion study	X	X								Pending	Assembly Appropriations	5/4/2016
	AB 2581	Medina	STRF funds to AG for legal aid to Heald students	X	X								Support	Assembly Appropriations	5/4/2016
	AB 2664	Irwin	UC Innovation Grants	X	X								Pending	Assembly Appropriations	
	AB 2766	Lopez	COMMISSIONERS - 4 student Commissioners	X	X								Watch	Assembly Appropriations	5/4/2016
	AB 2786	Chavez	Requires UC / CSU to have 4 year grad. Guarantee	X	X								Pending	Assembly Appropriations	
	AB 2822	Chiu	Community College Emergency Financial Aid	X	X								Pending	Assembly Appropriations	5/4/2016
	SB 62	Pavley	Reinstate APLE	X	X	X	X	X	X				Support	Assembly Appropriations	
	SB 893	Nguyen	No Fees for San Bernardino victim dependents	X	X								Pending	Senate Appropriations	SUSPENSE
	SB 915	Liu	Establishes CA Center on Teaching Careers	X	X								Pending	Senate Appropriations	SUSPENSE
	SB 1146	Lara	Higher Education Anti-Discrimination	X	X								Pending	Senate Appropriations	
	SB 1314	Block	CCC 4 Year Degree - Cal Grant A Award Eligible	X	X								Sponsor	Senate Appropriations	SUSPENSE
	SB 1357	Block	Cal Grant B Access Award augmentation \$1,500	X	X								Pending	Senate Appropriations	SUSPENSE
	SB 1359	Block	Schools must publish materials costs in schedule	X	X								Pending	Senate Appropriations	SUSPENSE
	AB 1598	Weber	Assembly Budget Bill										Pending		
SB 825	Leno	Senate Budget Bill										Pending			
Inactive Bills	AB 1529	VA Comm.	Extend National Guard Ed. Assistance Award Prog.												Failed
	AB 1916	Irwin	Requires private for-profit schools to carry bond	X										Failed In Committee	Failed
	AB 2166	Cooper	First Responders Fee Waiver (Including UC)	X										Failed In Committee	Failed
	AB 2787	Chavez	MCS to include private non-profit students	X									Support	Failed In Committee	Failed
	SB 1358	Block	Expands Cal Grant Eligibility to 6 years	X										Failed In Committee	Failed
SB 66	Leyva	Increase CG C / Set award amount in Legislation											CSAC Amended Out		

Hearing Scheduled
Passed Committee
Held or Failed
Gutted or CSAC removed
Suspense
Enrolled / Enacted
Budget Bill
Vetoed
SPOT Bills
* No Longer SPOT Bills - Pending review

Abbreviations

CG = Cal Grant
TE = Transfer Entitlement
HS = High School



CALIFORNIA STUDENT AID
COMMISSION STATEMENT OF POLICY
PRIORITIES **2014

As the primary state agency responsible for administering California's student financial aid programs, and in furtherance of its responsibility to provide policy leadership on student financial aid issues, the California Student Aid Commission establishes the following policy priorities* to fulfill the state's historic, long-term commitment to ensuring both access to and selection of an institution of higher education for students with financial need:

1. Maximize public investment in California students through financial aid that:
 - a. Ensures access for low-income and historically underrepresented California students to our eligible public colleges and universities and non-profit independent colleges; and for profit eligible WASC accredited colleges that meet the 90-10 rule without using state grant aid or Title 38 aid as a means for satisfying the non-Title IV revenue requirement.
 - b. Ensures sufficient financial support for living expenses and costs of attendance for low-income community college students.
2. Maximize the effectiveness of state-authorized financial aid programs through consequential quality standards and consumer protections for students attending any California college.
3. Advance awareness of financial aid for California students and parents through sufficient funding and support for comprehensive outreach programs and financial literacy programs that include federal, state and institutional aid, loans and other opportunities to cover the cost of college.
4. Influence and inform federal policy on financial aid policy and programs that affect California students, parents and colleges and institutions
5. Maximize the effectiveness of state-authorized financial aid programs through sufficient funding and support for the operations of the California Student Aid Commission.

**Priorities numbered for reference within this document, not to indicate ranking or prioritization.*

***Approved by the California Student Aid Commission on February 21, 2014*



Legislation Fact Sheet

AB 1892
Medina

Cal Grant Award Increase and Entitlement

SUPPORT (Staff Recommendation)

Programs Impacted: Cal Grant C

Alignment with Commission Priorities: 1

Summary:

1. Renames the program to Competitive Cal Grant C.
2. Cal Grant C will now use the Cal Grant B income ceiling.
3. Recipients at community colleges would receive an additional \$2,462 access award, allowing them to receive the full \$3,009 available to students at for-profit institutions.
4. Creates a new Cal Grant C program called the Cal Grant C Entitlement program for community college students in programs less than one year in length. The Cal Grant C Entitlement provides a \$3,000 access award.
5. Requires the Commission to work with campuses to provide outreach in order to make potentially eligible students aware of the program.
6. Requires the Office of the Chancellor of the California Community Colleges to provide CSAC a list of regional priority industry sectors and training programs for the purposes of prioritizing awards.

Background:

AB 1892 is an attempt to address community college affordability issues for students attending career technical education degrees and certificates. Community college students are not eligible for tuition and fee payments under the Cal Grant programs, which is generally the bulk of the award. For Cal Grant C recipients this creates a disparity between students at for-profit institutions who get a total of \$3,009, and community college students who are only eligible for the \$547 access award portion. Recipients of the traditional Cal Grant C, to be renamed “Competitive Cal Grant C,” who are attending community colleges will receive an additional access award, bringing their total award in line with the \$3,009 that students at other campuses receive.

Another key change this bill would create is the creation of the Cal Grant C Entitlement, which would grant a \$3,000 access award to community college students attending qualifying programs of less than one year in length.

Finally, in addition to the current prioritization metrics used to award the Competitive Cal Grant C Awards – students pursuing high need, high wage, or high growth careers, as well as the long-term unemployed – CSAC will receive a list of regionally important career pathways from the Community Colleges Chancellor’s Office, and community college students attending programs designed for those career pathways will be given additional priority.



Cost:

Local Assistance: \$21.4M

Personnel: \$296,000 for 1 X AGPA, 1 X SSA, 2 X Program Tech II

IT: \$884,000 in one-time contracting costs to pay for developers and other services necessary to build and implement the new Cal Grant C Entitlement program within the Grant Delivery System.

Known Support and Opposition

California Community College Chancellor's Office	Sponsor
California Chamber of Commerce	Support
California Community College Association for Occupational Education	Support
California Economic Summit	Support
Chabot-Las Positas Community College District	Support
Foothill-De Anza Community College District	Support
Kern Community College District	Support
Los Angeles Area Chamber of Commerce	Support
Los Rios Community College District	Support
Peralta Community College District	Support
San Diego Community College District	Support
Santa Barbara City College	Support
Santa Monica College	Support
South Orange County Community College District	Support
Ventura County Community College District Board of Trustees	Support



Legislation Fact Sheet

<p>AB 1961 Baker</p>	<p>\$10K Cal Grant at Private Non-Profits</p>
--------------------------	---

SUPPORT AND SEEK AMENDMENT (Staff Recommendation)

Programs Impacted: Cal Grants at Non-Profits

Alignment with Commission Priorities: 1

Summary:

- 1) Increases the Cal Grant maximum award amount for private non-profit institutions to not lower than \$10,000.
- 2) Requires the institutions, as a condition of participating in the Cal Grant program, to report various data to the legislature relating to students and financial aid.

Background: The maximum Cal Grant award at private WASC accredited institutions is currently \$9,084 and is scheduled to be reduced to \$8,056 in the 2017-18 academic year. This bill would prevent that reduction to the majority of these institutions, and raise the maximum award to not less than \$10,000.

Of note is that the WASC accredited for-profit institutions, which are not covered by this bill, and would still experience the reduction. CSAC has supported the state’s current policy of grouping this small cohort of schools with WASC accredited non-profits for purposes of Cal Grant eligibility.

CSAC has consistently taken support positions on legislation to prevent the reduction in awards for these institutions. Many students who attend these institutions are unable to gain a seat at California’s public institutions due to capacity limitations, and the non-profits offer a quality alternative.

In addition to increasing the award amount, this bill imposes certain reporting requirements on the institutions which will improve the ability of the Legislature and policy makers to evaluate the performance of the schools, and the effectiveness of the financial aid investment.

Potential Amendment: Expand the bill to include WASC accredited for-profit institutions.

Cost:

Local Assistance: \$14.7M in 2017-18, increasing to \$51M in 2020-2021

Known Support and Opposition

<p>American Association of Independent Colleges and Universities</p>	<p>Support</p>
<p>California Chamber of Commerce</p>	<p>Support</p>



Legislation Fact Sheet

<p>AB 2520 Rodriguez</p>	<p>CSAC Report on FAFSA Completion Strategies</p>
------------------------------	---

SUPPORT WITH AMENDMENT (Staff Recommendation)

Programs Impacted: None

Alignment with Commission Priorities: 3

Summary:

- 1) Requires CSAC to complete a report identifying key strategies the state can employ to increase FAFSA completion.

Background:

This bill requires CSAC to complete a study identifying steps that can be taken to increase FAFSA completion among California’s high school students. The study is to include at least one measure to encourage high school seniors to complete and submit the FAFSA, and one measure to address the challenge that some students experience when their parents are unwilling or unable to provide financial information required by the application.

The results of this study could inform policy makers, as well as CSAC, in how best to allocate limited resources to have the maximum impact on FAFSA completion. Cash for College events served over 48,000 students in 2016. This study could provide strategies to increase these numbers, as well as identify other potential programs and partnerships which would increase the impact of CSAC’s outreach efforts.

Amendment:

- 1) Include appropriation for personnel costs

Cost:

Personnel: \$118,000 for 1 Research Program Specialist II

Known Support and Opposition

<p>Ready Nation</p>	<p>Sponsor</p>
---------------------	----------------



Legislation Fact Sheet

AB 2726 McCarty	College Savings Tax Credit
--------------------	----------------------------

SUPPORT (Staff Recommendation)

Programs Impacted: None

Alignment with Commission Priorities: 1

Summary:

- 1) Creates a tax credit for contributions to ScholarShare 529 college savings account.

Background:

This bill creates a tax credit for families who invest in a ScholarShare 529 college savings account. The tax credit would be limited to families who make no more than \$75,000 for individual filers and \$150,000 for joint filers. The 20% tax credit would apply to a maximum of \$2,500 of contributions, providing at most \$500 in tax credits.

529 plans are an effective way for families to save for college, but California is one of 22 states which offer no tax incentive for investing in these plans. Traditional need-based grant aid is not increasing to keep pace with the cost of college, especially for middle-income families. A tax credit for saving for college would provide an alternative, and the author's office estimates it could reduce future student debt by up to \$420M.

Cost:

No cost to CSAC

Known Support and Opposition

State Treasurer Chiang	Sponsor
------------------------	---------



Legislation Fact Sheet

<p>SB 1146 Lara</p>	<p>Narrows Exemption for Religious Institutions in the Equity in Higher Education Act</p>
--------------------------------	--

Watch (Staff Recommendation)

Programs Impacted: Cal Grants

Alignment with Commission Priorities: 2

Summary: As Proposed to be Amended:

- 1) This bill narrows the exemption for religious institutions in the Equity in Higher Education Act. Rather than exempt entire institutions which are run by religious organizations, the exemptions would be program specific, and apply only to programs which train students for vocations within the religious organization. For example, programs which train priests, religious counselors, etc.
- 2) The narrowed exemption would NOT apply for the purposes of Cal Grant institutional eligibility.
- 3) Schools which seek an exemption to Title IX provisions would be required to share all documents related to the exemption with CSAC, which in turn must post information online.

Background:

The Equity in Higher Education Act is the state equivalent of Title IX. It requires that, as a condition of receiving state support and financial aid, an institution must not discriminate based on disability, gender, gender identity, gender expression, nationality, race or ethnicity, religion or sexual orientation. Institutions of higher education which are operated by religious organizations are currently exempted from the requirements of the act.

This bill would narrow the exemption to cover only specific programs which are designed to train students for vocations within the faith. Cal Grants, however, are specifically excluded from the effects of narrowing the exemption. The effects of this bill, as written at the time of this analysis are:

- 1) Students who attend the institution, but are not enrolled in specifically exempted programs, would gain protection under the act, and would be able to seek civil damages in the case of discrimination.
- 2) As currently written, a school deemed to violate the requirements of the Equity in Higher Education Act would not lose Cal Grant eligibility.

The author's intent is to provide anti-discrimination protections to students at institutions run by religious organizations without jeopardizing financial aid for students attending them. CSAC has worked closely with them to ensure this bill accomplishes those goals. Cal Grant



eligibility still requires participation in Title IV financial aid programs (Pell, Direct Loans, etc.) which, in turn, requires compliance with Title IX anti-discrimination policies either through adherence or a waiver.

This bill is anticipated to have no impact on Cal Grant institutional eligibility.

Cost:

Personnel: No costs are associated with the current version of this bill.

Known Support and Opposition

Equity California	Support
Los Angeles LGBT Center	Support
Transgender Law Center	Support
California Catholic Conference	Oppose



Legislation Fact Sheet

SB 1357 Block	\$1500 Cal Grant B Access Augmentation
------------------	--

SUPPORT (Staff Recommendation)

Programs Impacted: Cal Grant B at Community College

Alignment with Commission Priorities: 1

Summary:

- 1) Establishes the California Community Colleges Assistance Grant Program - a \$1,500 supplemental award to all community college Cal Grant B recipients.

Background:

SB 1357 would provide an additional access award of \$1,500 to all Cal Grant B recipients at California community colleges. It is important to note that this is different than raising the maximum award amount, which is the way the Legislature has attempted to increase Cal Grants in the past. Regardless of the amount of the Cal Grant B access award granted to the recipient, \$1,500 would be added to their payment.

This bill is one of many this year attempting to address the relatively low value students at community colleges receive from existing financial aid programs, which have not increased to keep pace with inflation, much less the rising costs of college.

Cost:

Local Assistance: \$162.1M

IT: \$58K for one-time contracting costs to program the new payment process.

Known Support and Opposition

The Institute for College Access and Success	Support
--	---------