

Item 7

Information Item

Update on state and federal legislation and issues affecting Commission programs

SUMMARY:

This item provides an update on legislation affecting Commission operations. The update includes:

- Outcome of bills tracked by the Commission
- Bills signed, vetoed, or are pending signature by Governor Brown
- A discussion of the Commission's Federal Policy Priorities

RESPONSIBLE PERSON:

Brandon Biegert
Legislative Representative
Strategic Policy, Media and Communications

ATTACHMENT(S):

Attachment 7.1: Student Aid Commission Bill Status Tracking Matrix

Attachment 7.2: Active Legislation Update

Attachment 7.3: Student Aid Commission Federal Policy Priorities

CSAC Bill Status Tracker 2016: August 31

	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 Transfer Ent.	X	X	X	X	X	X	X	X	X	Support	Governor	
	AB 2056	Garcia E.	Deadline for High School Graduation Verification	X	X	X	X	X	X	X	X	X	Sponsor	Governor	
	AB 2154	Medina	COMMISSIONERS - Extra year / Fees waived	X	X	X	X	X	X	X	X	X	Support	Governor	
	AB 2506	Thurmond	CHAFEE Institutional Participation Quality Standards	X	X	X	X	X	X	X	X	X	Support	Governor	
	AB 2766	Lopez	COMMISSIONERS - 4 student Commissioners	X	X	X	X	X	X	X	X	X	Watch	Governor	
	SB 1146	Lara	Higher Education Anti-Discrimination	X	X	X	X	X	X	X	X	X	Watch	Governor	
	SB 1314	Block	CCC BA Degree students eligible for Cal Grant / MCS	X	X	X	X	X	X	X	X	X	Sponsor	Governor	
Inactive Bills	AB 1721	Medina	Increase Competitive; align with CTE	X	X	X	X	X	X				Support	Senate Appropriations	Suspense
	AB 1747	Weber	Fee-Free Access to Cal-Fresh as CG Requirement	X	X	X							Support	CSAC Amended Out	
	AB 1888	Low	IPA - Bans CG institutions discriminating on sex	X	X								Watch	Assembly Appropriations	Suspense
	AB 1892	Medina	Increase CG C / Set award amount in Legislation	X	X								Support	Assembly Appropriations	Suspense
	AB 1961	Baker	Increase Cal Grant Non-Profit to 10K, not WASC	X	X								Support	Assembly Appropriations	Suspense
	AB 2520	Rodriguez	Task Force - FAFSA completion study	X	X								Support	Assembly Appropriations	Suspense
	AB 2581	Medina	Restore Cal Grant eligibility to Heald students	X	X	X	X	X					Support	Senate Bus./Proff	Failed
	AB 2787	Chavez	MCS to include private non-profit students	X									Support	Failed In Committee	Failed
	SB 62	Pavley	Reinstate APLE	X	X	X	X	X	X	X			Support	Gut and Amend	
SB 1357	Block	Cal Grant B Access Award augmentation \$1,500	X	X								Support*	Senate Appropriations	Suspense	

Hearing Scheduled
Passed Committee
Held or Failed
Gutted or CSAC removed
Suspense
Enrolled / Enacted
Vetoed
SPOT Bills
*If Amended

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

**California Student Aid Commission
Active Legislation as of August 31, 2016**

Bills Affecting Financial Aid Programs and Administration

AB 1449 Lopez (D): Remove High School Graduation Requirement for Transfer Entitlement

Support-With-Amendment

Last Amended: 8/18/2016

Location: To Governor

Cost: Absorbable

Synopsis: AB 1449 removes the requirement that a recipient of a Transfer Entitlement Cal Grant Award hold a high school diploma or its equivalent. Instead, recipients would be required to have been a California resident on their 18th birthday. This bill allows non-traditional students who did not earn a high school diploma to demonstrate their ability to succeed by performing well at a community college, and gain admittance to a four year degree granting institution. It is anticipated that as many as 177 additional students annually could be eligible for the Transfer Entitlement due to this change.

AB 2056 Garcia E (D): High School Graduation Verification Deadline

Sponsor

Last Amended: 4/21/2016

Location: To Governor

Cost: Absorbable

Synopsis: Current law grants the Commission discretion to require school districts to submit graduation verification electronically. This bill requires the Commission, should it exercise that discretion, to “provide guidance to high schools or high school districts to ensure that high schools and high school districts verify the graduation of their pupils as soon as possible upon a pupil’s graduation and no later than August 31 of the academic year following the pupils’ graduation.” An August deadline aligns with the beginning of the academic year, and avoids delays for students in receiving their financial aid payments.

AB 2506 Thurmond (D): Chafee Grant For Foster Youth: Entitlement

Support-With-Amendment

Last Amended: 8/19/2016

Location: To Governor

Cost: Absorbable.

Synopsis: AB 2506 would apply certain institutional eligibility requirements the Chafee program. In order to receive an award, a student must attend an institution which meets the Cohort Default Rate, and Graduation Rates which apply to Cal Grant eligible institutions. These requirements would apply to out of state schools, as well as California institutions.

SB 1146 Lara (D): Title IX Exemptions Information Sharing

WATCH

Last Amended: 8/19/2016

Location: To Governor

Cost: Absorbable

Synopsis: As Amended, SB 1146 requires the Commission to collect and make publicly available information related to institutions' applications for exemptions from Title IX anti-discrimination provisions.

SB 1314 Block (D): Community Colleges Baccalaureate Degree Programs: Financial Aid

Sponsor

Last Amended: 8/1/2016

Location: To Governor

Cost: 1 AGPA - \$100,000

Synopsis: AB 1314 would ensure that students pursuing a baccalaureate degree through one of the 15 pilot programs at California's community colleges receive full Cal Grants and Middle Class Scholarships. Traditionally, community college students receive the Board of Governor's fee waiver (BOG) in lieu of a tuition and fee payment through Cal Grant. The Middle Class Scholarship only allows eligible students attending UC and CSU campuses to receive an award. The pilot baccalaureate degree programs contain tuition which is not covered by BOG, and are structured similarly to tuition at traditional bachelor degree granting institutions. This bill ensures that students pursuing bachelor's degrees at the community colleges have the same financial aid options as similar students four year higher education institutions.

Bills Affecting the California Student Aid Commission Governance

AB 2154 Medina (D): Student Aid Commission: Student Member Changes

Support

Last Amended: 5/25/2016

Location: To Governor

Cost: Absorbable

Synopsis: AB 2154 makes three changes pertaining to student membership of the California Student Aid Commission:

- 1) Student Members can serve up to one additional year if the Governor has not appointed a replacement.
- 2) If a student member attends a Cal Grant qualifying institution, but does not receive the Cal Grant, the institution is required to waive the member's tuition and fees up to the maximum award in the institution's segment.
- 3) The Commission is required to notify the relevant student organizations at least 3 months in advance of a pending student member vacancy to ensure they know of the opportunity to submit a list of nominees to the Governor.

This bill is designed to ensure that the student appointments are always filled, and that student members are able to fully participate in Commission activities.

AB 2766 Lopez (D): California Student Aid Commission: Add Two Student Commissioners

WATCH

Last Amended: 8/17/2016

Cost: Approximately \$6,000 annually

Location: To Governor

Synopsis: AB 2766 expands the California Student Aid Commission from 15 to 17 members, adding two student members. This is intended to ensure that students from all four segments are consistently represented on the Commission, as well as to increase the representation of students as a whole.

California Student Aid Commission Federal Policy Priorities

Adopted February 2016

EARLY FAFSA FILING:

Earlier, Easier Process for Federal Financial Aid: Beginning on October 1, 2016, students can apply for financial aid a few months after they and their parents file their 2015 tax returns with reliable information retrieved electronically from the IRS, rather than waiting until the next year's tax season to finalize their FAFSAs and to learn about their financial aid. Giving students and families the ability to submit their FAFSAs earlier and to use earlier income data, commonly referred to as "prior-prior" year, will have several important benefits:

Earlier information: Students and families will get a reliable understanding of their aid eligibility as early as the fall – the same time many high school students are searching for, applying to, and even selecting colleges.

Simpler applications: More students and families will be able to complete their FAFSAs using information retrieved electronically directly from the IRS a few months after they and their parents file their 2015 tax returns, reducing the number of applicants who need to estimate income or taxes paid, only to correct their application later.

More students receiving Pell Grants and other aid: Over the next several years, the simpler FAFSA filing process could encourage hundreds of thousands of additional students to apply for and claim the aid they are eligible for – and enroll in college.

Reduced burden on colleges: In recent years, colleges and universities have spent as many as 3 million total hours each year verifying FAFSA information, including income and other tax return data. These colleges and universities will be able to avoid much of the burden of verifying tax return information when students apply using data retrieved directly from the IRS.

100% FAFSA Completion: The National College Access Network's 400 college success programs, which serve over 2 million students, is committing to using the extra time created by early FAFSA filing for its counselors to reach 100 percent FAFSA completion among program participants. Earlier FAFSA availability will allow these programs to reallocate more than 500,000 hours of advising time to helping student's better match with colleges that can best support them through to completion.

PELL GRANT INCREASE:

Congress cleared legislation that will increase funding for Pell Grants.

Senate appropriators estimate the total maximum award will increase by \$140 to \$5,915 for lower-income students in need of financial assistance.

About 8.4 million college students will qualify for Pell Grants during the 2016-17 school year, an increase of more than 100,000.

PRESIDENT OBAMA'S NEW PROPOSALS FOR PELL GRANTS

On January 19, 2016, President Obama's Administration announced two new proposals to augment the Pell Grant Program and described them as follows:

Pell for Accelerated Completion would allow full-time students the opportunity to earn a third semester of Pell Grants in an academic year, enabling them to finish faster by taking additional courses year-round and better meeting the diverse needs of today's students. Many full-time students exhaust their annual Pell eligibility after just two semesters and, as a result, are unable to pay for summer courses and must wait until the beginning of the next academic year to continue their studies. This proposal will provide nearly 700,000 students next year who are making real progress toward on time graduation with an additional \$1,915 on average to help pay for college and complete their degrees faster.

On-Track Pell Bonus would create an incentive for students to stay on track or accelerate their progress towards a degree through an increase in the maximum Pell Grant award of \$300 for students who take 15 credits per semester in an academic year. The bonus would encourage students to take the credits needed to finish an associate degree in two years (60 credits) or a bachelor's degree in four years (120 credits). Finishing faster means more students will complete their education at a lower cost and likely with less student debt. This proposal would help an estimated 2.3 million students next year as they work to finish their degrees faster.

THE FLEXIBLE PELL GRANT FOR 21ST CENTURY STUDENTS ACT: HR 3180

Provides students the flexibility to draw Pell Grant funds at an accelerated pace in order to pay for additional courses within an award year.

Encourages students to complete degrees more quickly, leading to less debt and faster entry into the workforce.

Maintains maximum lifetime Pell Grant award eligible students can receive over the course of their education.

Assists students in making informed decisions about their academic progress by directing the Secretary of Education to provide an individualized federal financial aid status reports to each student annually.

STUDENT AID BILL OF RIGHTS

Provides strong consumer protections for student loan borrowers and specifies that:

Every student deserves access to a quality, affordable education at a college that's cutting costs and increasing learning.

Every student should be able to access the resources needed to pay for college.

Every borrower has the right to an affordable repayment plan.

And every borrower has the right to quality customer service, reliable information, and fair treatment, even if they struggle to repay their loans.