

Action/Information Item

Governmental Relations Committee

State Legislative Issues Update and Consideration of Actions to Take
Positions on Bills Affecting the Commission

Staff will present an update on the legislation staff has been tracking during the 2005-2006 legislative session. The second half of the 2005-2006 Legislative Session began on January 4th 2006 and will end on August 31, 2006.

June 29th was the last day for a legislative measure to qualify for the budget and June 30th was the last day for policy committees to meet and report bills to the floor or to an Appropriations Committee.

August 18th is the last day for fiscal (Appropriations) committees to meet and report bills to the floor. The General election is on November 7th and the session begins again in January with many new Legislators as the 2007-08 two-year session begins.

Recommended Action: Review, discuss and recommend advocacy related to pending legislation as necessary.

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

STATE LEGISLATIVE UPDATE

The second half of the 2005-2006 Legislative Session began on January 4th 2006 and will end on August 31, 2006. June 29th was the last day for a legislative measure to qualify for the budget and June 30th was the last day for policy committees to meet and report bills to the floor or to an Appropriations Committee. The Legislature recessed from July 7th through August 7th.

August 18th is the last day for fiscal (Appropriations) committees to meet and report bills to the floor. The General election is on November 7th and the session begins again in January with many new Legislators as the 2007-08 two-year session begins.

AB 358**Position: Support**

Author: Liu (D-La Canada - Flintridge)

Version: As Amended on August 7, 2006

Subject: Maximum Award for Non-Public Colleges and Universities

Under current law, the maximum award for students at non-public colleges and universities is stipulated in the annual Budget Act. Also, under current law, 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.

Specifically, this bill would:

- Establish in statute a policy 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 provide for each student at public four-year universities.
- Provide a phased-in period for the new award formula that requires 2006-07 grants to be no less than 80 percent of the formula-driven amount, 2007-08 grants to be no less than 90 percent of that amount and 2008-09 and subsequent years' grants to be no less than 100 percent of that amount.
- Declare the Legislative finding that the lack of first-year need-based tuition and fee assistance to 98 percent of Cal Grant B recipients may present a barrier to access for economically disadvantaged students.
- Requires the Commission, in consultation with the segments of postsecondary education, to review the funding policy for first year Cal Grant B students and analyze alternative funding policies and the potential costs associated with various alternatives and report by September 1, 2007 its findings and recommendations to the Legislature.

Reporting Requirement: Require the Commission to review Cal Grant B funding policies, analyze alternatives and provide recommendations in a report to the Legislature on or before September 1, 2007.

Costs/Administrative Concerns: Workload associated with reprogramming the amount of the maximum award in the Grant Delivery System and with developing a report on Cal Grant B.

Background on Position: This bill is consistent with the Commission's approved legislative principles. Specifically, the Commission should continue to advocate maintaining the Cal Grant

program's integrity and for increases in the value of all Cal Grant awards to help defray the cost of obtaining a postsecondary education.

Status: Pending in the Senate Appropriations Committee.

AB 476

Position: None

Author: Baca (D-Rialto)

Version: As Amended April 26, 2006

Subject: APLE Program – Eligibility

Current law establishes the Assumption Program of Loans for Education (APLE), administered by Commission, under which an applicant who meets the following conditions are eligible for a loan assumption agreement, pursuant to a prescribed procedure upon becoming employed as a teacher;

- Is enrolled in an eligible institution of postsecondary education; or
- Agrees to participate in a teacher trainee or teacher internship program; and
- Agrees to obtain a teaching credential in a subject area that is designated as a current or projected shortage area; or
- Provides classroom instruction in a school that serves a large population of pupils from low-income families;

This bill would:

- Require that all persons eligible to enter into agreements for loan assumption pursuant to the Assumption Program of Loans for Education (APLE) be persons who either need to complete training or coursework to be fully credentialed, and
 - Agree to obtain a credential, or
 - Currently hold a teaching credential and are pursuing a single subject teaching credential to teach science or mathematics, or
 - Are pursuing a specialist teaching credential in special education or services credential utilized in special education, and
 - Agree to teach or provide services in a designated subject matter shortage area or in a school that, at the time the teacher or specialist is hired, meets prescribed criteria.

Reporting Requirement: None identified, but would add to the currently required APLE report

Costs/Administrative Concerns: This bill represents a change to current APLE policy and additional consultation and workload to coordinate with the California Department of Education to identify additional program areas that would be eligible for the award.

Intent: AB 476 is intended to address the need for science and math teachers. According to the Center for the Future of Teaching and Learning (the Center), a public, not-for-profit organization dedicated to strengthening teacher development policy and practice in California, California will need to replace at least 100,000 teachers over the next ten years, with a shortage of 27,000 expected as early as the 2007-08 school year. The Center also reports that in 2004 more than 30 percent of physical science and 20 percent of life science high school teachers were not prepared to teach the subject, and more than half of the under-prepared science teachers were assigned to schools with the lowest scores on California's Academic Performance Index (API).

Status: Pending in the Senate Appropriations Committee.

AB 751

Position: None

Author: Chu (D-Monterey Park)

Version: **As Amended August 9, 2006**

Subject: Purveyors of Private College Financial Aid Services

This bill would authorize 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;

- Require a purveyor, as specified, of private college financial aid services to register, and pay a fee, and file a bond with the Commission;
- Provide that moneys from the fee would be used to fund the duties and responsibilities under this Act; and
- Provides 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.
- Require a contract for aid be in the language of the parent or student.

Reporting Requirement: The Commission would be required to report any pertinent information received through the required Internet Web Site to the Office of the Attorney General

Costs/Administrative Concerns: The Commission would be required, or potentially to contract out services, to investigate complaints and to register “purveyors of private college financial aid services and collect a fee. Because the cost is unknown and the scope of the problem is undetermined at this time, this bill presents special challenges and necessitates an ongoing discussion.

Status: Pending in the Senate Appropriations Committee.

AB 1315

Position: SUPPORT IN CONCEPT

Author: Liu (D-La Canada)

Version: Amended March 14, 2006

Subject: Cal Grant B Access Stipend

This bill would increase the Cal Grant B Access stipend in increments of not less than 5 percent but not more than 10 percent annually beginning in fiscal year 2007-08. Specifically this bill would:

- Establish that awards for access costs in the Cal Grant Program shall not be less than 20 percent of the indirect costs of the student budget allowance recommended by the California Student Aid Commission (CSAC) for a student living off campus for a nine-month academic year;
- Recommend that the student budget allowance be determined by an existing CSAC survey conducted triennially and that the allowance be increased by inflation in the intervening years; and
- Require that beginning with the 2007-08 award year, the award for access costs shall be increased by between 5 percent and 10 percent per year until the award has reached or exceeded the 20 percent goal described above, at which time the amount shall be set at 20 percent and amended annually as specified above.

Reporting Requirements: None identified. Commission staff should be prepared to provide back up data to the basis of the annual increase.

Costs/Administrative Concerns: Workload associated with reprogramming the amount of the maximum award in the Grant Delivery System and with developing the appropriate increase associated with the SEARS reports.

Status: Pending in the Senate Appropriations Committee.

AB 1399

Position: None

Author: Garcia (R-Cathedral City)

Version: As Amended on August 7, 2006

Subject: National Guard – Cal Grant Competitive Program

This bill would, for the 2007–08, 2008–09, and 2009–10 award years, increase the number of Competitive Cal Grant A and B awards that the commission is authorized to award to 22,700. Specifically, the bill would:

- As a pilot program, for the specified award years, require the Commission to award up to 200 Competitive Cal Grant A and B awards to students who are members of the California National Guard, the State Military Reserve, or the Naval Militia who have been called to active duty on or after September 11, 2001.
- Require the Commission to include prescribed data relating to the awards authorized pursuant to this bill in the reports made for the 2008, 2009, and 2010 calendar years.

Reporting Requirements: None identified. Commission staff should be prepared to report on these award in the annual budget process.

Cost/Administrative Concerns: This bill requires the Commission to run an additional award process and potentially to develop regulations to implement the program. As currently pending, Commission staff would need to send a supplemental correspondence or include in the denial letter a form that would allow the applicant to verify the service requirements in order to receive additional consideration for an award under the Cal Grant National Guard program.

Status: Pending in the Senate Appropriations Committee.

AB 1452

Position: None

Author: Nunez (D-Los Angeles)

Version: As Amended on June 22, 2006

Subject: Financial Aid Endowment

This bill would enact the Student Access Scholarship Endowment Act, to be administered by the Student Aid Commission. The bill would declare the Legislature’s intent to appropriate \$25 million in the annual Budget Act to:

- Provide grant awards to eligible students attending participating campuses of the CSU and UC, based upon financial need;
- Requires a total match of \$25 million and a match from individual participating campuses prior to use of the funds;

- The Commission to work with the Pooled Money Investment Board to establish the Student Access Scholarship Endowment Trust Fund; and
- Provides, upon the election of the trustees or the regents to participate, a separate account would be established within the trust fund for each campus.

Reporting Requirements: The commission would be required to include reporting and data requirements in the rules and regulations required in the bill and to work with the UC and CSU to gather data and report annually on the following:

- The number of program grant awards made and disbursed;
- The amounts contributed to each account and the rate of return earned by the contributions deposited in the California Student Access Scholarship Endowment Trust Fund; and
- Information reported by participating campuses of the CSU and UC relative to family income, ethnicity, and gender of program grant award recipients.

Cost/Administrative Concerns: The Commission would be required to adopt rules and regulations within 6 months of the effective date of the appropriation.

* **Background on Position:** While the Commission has not taken an official position on this bill, the former Commission Chair sent a letter supporting the concept to the University of California. Commission staff has worked with the Speakers staff in the development of this bill. The Commission and State should promote expanded educational and transfer opportunities for students transferring from community colleges to four-year colleges.

Status: Passed in the Senate Education Committee – referred to the Senate Appropriations Committee.

AB 1532

Position: SUPPORT IN CONCEPT

Author: Bass (D-Los Angeles)

Version: As amended on August 7, 2006

Subject: Foster Youth: Cal Grant Access

Current law requires Cal Grant Entitlement Program applicants to submit a completed application (FAFSA and GPA) to the Commission by March 2nd each year. This bill would:

- Remove the March 2nd annual FAFSA deadline for former Foster Youth;
- Remove the March 2nd annual GPA deadline for former Foster Youth;
- Define foster youth, for the purposes of AB 1532, as students eligible to receive foster care between their 16th and 18th birthdays, as verified by the Department of Social Services, and who will not be 30 years of age or older by December 31 of the award year for which an application for Cal Grant has been submitted; and
- Make the provisions of this bill effective as soon as possible, but no later than the 2008-09 award year.

Reporting Requirements: None identified. Commission staff should be prepared to report the number of students served by this bill and provided with awards during each monthly drawdown.

Costs/Administrative Concerns: This bill requires significant reprogramming of the Commissions existing Grant Delivery System. Commission staff would also be required to work with the Department of Social Services to identify Foster Youth that would potentially qualify for

the program. Staff has identified a cost of between \$250,000 and \$300,000 to make the changes necessary to implement the program.

Background on Position: This bill is consistent with the Commission's approved legislative principles. Specifically, the Commission should continue to advocate maintaining the Cal Grant program's integrity and for increases in the value of all Cal Grant awards to help defray the cost of obtaining a postsecondary education. This bill provides support to some of California's neediest students who typically do not enjoy the support of a close family.

Status: Pending in the Senate Appropriations Committee.

AB 2040

Position: None

Author: Chu (D-Monterey Park)

Version: As Amended on May 31, 2006

Subject: High School Exit Examination – Additional Exam Dates

This bill would provide (if funding is provided in the annual Budget Act) funding to the State Department of Education for additional summer and Saturday exam dates of the CAHSEE and evaluation of those additional administrations.

Reporting Requirements: None identified. In a related action, the Grant Advisory Committee (GAC) recommended and the Commission concurred that Commission staff should continue to work with the California Department of Education and the segments through GAC to develop methods by which the Commission could receive records indicating whether or not applicants have passed the California High School Exit Exam (CAHSEE) for purposes of the Cal Grant program. The bill does require specified reporting requirements for local school districts.

Costs/Administrative Concerns: None identified specific to the Commission at this time.

Status: Pending in the Senate Appropriations Committee.

AB 2262

Position: None

Author: Baca (D-Rialto)

Version: As Amended on August 7, 2006

Subject: APLE Awards/Vocational Education

This bill would add a preliminary vocational education designated subjects teaching credential to the credentials that qualify a holder for the APLE Program. The bill would also add a teaching and services credential in a special education area, to the subjects for which a person holding agreeing to obtain an appropriate credential, could earn these additional loan assumption benefits under the Assumption Program of Loans for Education.

The bill would also add applicants who agree to obtain a teaching or services credential in a special education area to the persons who qualify for this priority.

Reporting Requirements: None specifically identified, however this would add to the current APLE program reporting requirements.

Costs/Administrative Concerns: This is another addition to the current APLE program. Staffing concerns need to be identified in the Appropriations Committee. There is some concern about the identification of career technical education program.

Status: Pending in the Senate Appropriations Committee.

AB 2489

Position: None

Author: Leno (D-San Francisco)

Version: As Amended on May 26, 2006

Subject: Foster Youth Services and Cal Grant benefits

Creates the Foster Youth Higher Education Preparation and Support Act of 2006. It would add benefits related to student housing and support services for Foster Youth and would:

- Authorize new Cal Grant B award recipients who are current or former foster youth enrolling for the first time in an institution of postsecondary education to be eligible for payments of tuition and fees, or both, in their first academic year of attendance;
- Express the intent of the Legislature that all current and former foster youth who are current residents of California have their systemwide and campus fees covered by grant funds in their packages of student financial aid;
- Express legislative intent that, to the extent that a student of the CSU who is a current or former foster youth does not receive a Cal Grant award sufficient to cover those fees, the CSU shall provide CSU grant funds to cover all of those fees;
- Express legislative intent that new and renewal payments be made to eligible foster youth in the California Higher Education Chafee Grants program on or before October 15, 2006;
- Require that, if payments are not made by that date, the Student Aid Commission and the Department of Social Services shall report to the Legislature and the Governor by March 1, 2007, on the reasons for the failure to make timely payments; and
- Require the Commission and the department to include in that report a description of the corrective actions being undertaken to prevent further delays in future years.

Reporting Requirements: This bill would require the Commission and the Department of Social Services to report on why any awards are not made by October 15 of each year to the Legislature and the Governor by March 1, 2007 as well as any corrective actions being undertaken to prevent further delays in future years. Commission staff should be prepared to report on how many students are served under the provisions of this bill.

Cost/Administrative Concerns: None specific to the Commission. While \$5.7 million was included in the Budget Act of 2006, it is not clear that the Commission will receive enough money from the State Budget to provide all awards prior to receiving funds through the federal government. Additionally, the Commission will need to reprogram its current Grant Delivery System to identify former foster youth and to provide them the additional funds required under the Cal Grant B program as specified above.

Status: Pending in the Senate Appropriations Committee.

AB 2532

Position: None

Author: Karnette D-Long Beach)
Version: As Amended on August 7, 2006
Subject: Adult Education Funding

Based on funds provided in the annual Budget Act, this bill would provide that adult education programs and adult programs in elementary and secondary basic skills and other courses and classes required for the high school diploma are not subject to the authorized limit of adult education daily attendance.

Reporting Requirements: None identified.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending in the Senate Appropriations Committee.

AB 2551

Position: None

Author: Blakeslee (R-San Luis Obispo)
Version: As Amended on August 7, 2006
Subject: National Guard APLE

This bill would:

- Change the date on which the National Guard APLE program becomes inoperative to July 1, 2010,
- Change the date on which the program is repealed to January 1, 2011;
- Delete a condition for eligibility for loan assumption that the applicant be enrolled in an institution of higher education or a vocational diploma program that participates in the loan assumption program;
- Provide that applicants who are financially needy, as indicated by the receipt of a subsidized student loan, as defined, by that individual rather than as indicated by the household income and asset level of that individual, have priority for participation in the program in a fiscal year when the Commission determines that funding is insufficient to fully support the program.

Reporting Requirements: None specifically identified, however this would add to the current APLE program reporting requirements.

Costs/Administrative Concerns: This is another addition to the current APLE program. Staffing concerns need to be identified in the Appropriations Committee. There is some concern about the identification of eligible applicants.

Status: Pending in the Senate Appropriations Committee.

AB 2578

Position: None

Author: Frommer (D-Los Feliz)
Version: As Amended on June 22, 2006
Subject: Hope Public Trust

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

Reporting Requirements: None identified.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending in the Senate Appropriations Committee.

AB 2802

Position: None

Author: Pavley (D-Agoura Hills)
Version: As Amended on May 16, 2006
Subject: Teacher Credentialing – Early Learning

This bill relates to teacher credentialing. It would require the Superintendent of Public Instruction in collaboration with the California public institutions of higher education, to develop an early learning credential to be held by a teacher of preschool, kindergarten, and of any grades 1 to 3. It would also requires by July 1, 2016, all teachers in preschool, kindergarten, and any of grades 1 to 3, inclusive to have a bachelor's degree and an early learning credential, or multiple credentials.

Reporting Requirements: None identified.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending on the Senate Floor.

AB 2813

Position: None

Author: De La Torre (D-South Gate)
Version: As Introduced May 26, 2006
Subject: Cal Grants – Number of Competitive Awards and Cal Grant B Tuition Award

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)

Reporting Requirements: None identified. Commission staff should be prepared to report on the number of students served compared to the current age limit of 24.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending in the Senate Appropriations Committee.

SB 160

Position: None

Author: Cedillo (D-Los Angeles)

Version: As Amended on June 28, 2006

Subject: Financial Aid for Undocumented Students

This bill would enact the California Dream Act, which would:

- Require the Trustees of the CSU and the Board of Governors of the California Community Colleges, and would request 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;
- Authorize community college districts to waive the fees of persons who are exempt from nonresident tuition under the provision described above to apply to the Board of Governors to receive the fee waiver under this provision; and
- Require 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.

Reporting Requirements: None identified.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending in the Assembly Appropriations Committee. Hearing set for August 9, 2006.

SB 1264

Position: Support

Author: Alquist (D-Santa Clara)

Version: As Amended May 3, 2006

Subject: Additional Cal Grant Competitive Awards

This bill would add 500 competitive Cal Grant awards to the 22,500 now authorized in law.

Reporting Requirements: None identified. The Commission currently reports annually on the Competitive and Entitlement programs.

Cost/Administrative Concerns: None specific to the Commission. The cost associated with adding 500 additional awards should be minor and absorbable.

Background on Position: This bill is consistent with the Commission's approved legislative principles. Specifically, the Commission and the State should advocate for increased higher education opportunities for all California students and the Commission should strive to ensure that financial aid to the growing number of needy California college students continues to expand and not erode as the cost of completing a postsecondary education continues to rise.

Status: Pending in the Assembly Appropriations Committee.

SB 1309

Position: None

Author: Scott (D-Altadena)

Version: As Amended on August 10, 2006

Subject: State Nursing Assumption Program of Loans for Education

This bill would make various technical, nonsubstantive changes in the State Nursing Assumption Program of Loans for Education (SNAPLE) Act. It would also among, other things;

- Establish the Cal Grant N program to provide start up costs to specified nursing faculty students;
- Establish 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;
- Require the Commission to report specified data about program participants annually to the Legislature.
- Require 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 bill would provide that the State Facilities Assumption Program of Loans for Education would become inoperative on July 1, 2012, and would be repealed on January 1, 2013.

Reporting Requirements: Require the Commission to report specified data about program participants in the State Facilities Assumption Program of Loans for Education annually to the Legislature.

Cost/Administrative Concerns: Staff needs to work with the Legislative staff to ensure appropriate administration of the programs in addressed in this bill.

Status: Pending in the Assembly Appropriations Committee.

SB 1383

Position: None

Author: Ortiz (D-Oceanside)

Version: As Amended August 7, 2006

Subject: CAHSEE – Eligibility for Cal Grant Awards

This bill would specify 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 bill would require the Commission to report specified data about students who qualify for Cal Grant awards under the provisions of this bill.

Cost/Administrative Concerns: Staff needs to work with the Legislative staff to ensure appropriate administration of the programs in addressed in this bill.

Status: Pending in the Assembly Appropriations Committee.

SB 1592

Position: None

Author: Romero (D-Los Angeles)

Version: As Amended on May 24, 2006

Subject: CAHSEE

This bill would require 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.

Reporting Requirements: None identified.

Cost/Administrative Concerns: None specific to the Commission.

Status: Pending in the Assembly Appropriations Committee.
