

Exhibit 14

Action Item

Update on state and federal legislation affecting Commission programs

The update on state legislation will be provided at the February 19-20, 2015 meeting.

Federal Budget and Legislative Update

President's Proposed Budget Higher Education Highlights

Pay As You Earn Expansion and Reform:

- Eliminating the standard payment cap under PAYE so that high-income, high-balance borrowers pay an equitable share of their earnings as their income rises;
- Calculating payments for married borrowers filing separately on the combined household Adjusted Gross Income;
- Capping Public Service Loan Forgiveness (PSLF) at the aggregate loan limit for independent undergraduate students to protect against institutional practices that may further increase student indebtedness, while ensuring the program provides sufficient relief for students committed to public service
- Establishing a 25-year forgiveness period for borrowers with balances above the aggregate loan limit for independent undergraduate students;
- Preventing payments made under non-income driven repayment plans from being applied toward PSLF to ensure that loan forgiveness is targeted to students with the greatest need
- Capping the amount of interest that can accrue when a borrower's monthly payment is insufficient to cover interest costs, to avoid ballooning loan balances.

\$75 Million increase for College Success Grants

- This new competitive program aims to support the implementation of sustainable strategies, processes and tools, including those based on technology upgrades, to reduce costs and improve outcomes for students. Grants would go to Historically Black Colleges or Universities and other Minority-Serving Institutions.

\$ 4 Billion State Higher Education Performance Fund

- These competitive state grants would encourage systemic efforts to make higher education more affordable and increase college access and success, particularly for low-income students. Funds could be used to support and scale up effective and innovative practices that improve access and success at public colleges and universities while reducing cost per degree. States would receive up to four years of funding, and would match their federal grants, dollar-for-dollar, for a total of \$8 billion in four years.

California Student Aid Commission

\$7 Billion over 10 years for College Opportunity and Graduation Bonus

- To reward colleges that successfully enroll and graduate a significant number of low- and moderate-income students on time and encourage all institutions to improve their performance, the new College Opportunity and Graduation Bonus program would provide an annual grant to eligible institutions based on their number of on-time graduates that receive Pell Grants. This new initiative would support innovations, interventions, and reforms to further increase college access and success, such as providing additional need-based financial aid, enhancing academic and student support services, and implementing technology-based or other accelerated learning opportunities.

President's America's College Promise Proposal

Provides 2 years of free community college education to qualified students

- Federal funds would cover .75 the tuition cost of community college, with the states expected to cover the remainder.
- States will be required to maintain investment in higher education, coordinate high school and colleges to reduce the need for remediation and allocate funding based on performance, not attendance alone.
- To qualify, students must be:
 - Enrolled at least half-time
 - Maintain a 2.5 GPA
 - Continue to make steady progress toward completing their education goal

Higher education bills referred to the House Committee on Education and the Workforce, and the Senate Committee on Health, Education, Labor and Pensions

H.R. 554: Enhancing Educational Opportunities for all Students Act

- Sponsor: Representative Luke Messer (R – IN)
- A bill to encourage the use of 529 college savings plans and Coverdell education savings accounts. Increases ability to use funds from 529 accounts for home schooling expenses and increases allowable contributions.

H.R. 649: To authorize borrowers of loans under the William D. Ford Federal Direct Loan Program to modify the interest rate of such loans to be equal to the interest rate for such loans at the time of modification.

- Sponsor: Representative Mark Pocan (D – WI)
- Text unavailable.

H.R. 346: Financial Literacy for Students Act

- Sponsor: Matthew Cartwright (D – PA)
- Amends the Elementary and Secondary Education of 1965 (ESEA) to authorize the Secretary of Education to award matching grants to states to: (1) integrate financial literacy

California Student Aid Commission

education into each of their public elementary and secondary schools that are eligible for school improvement funds under title I of the ESEA, and (2) train their secondary school financial literacy or entrepreneurship teachers to teach financial literacy in core academic subjects.

- Prohibits states from using over 20% of their grant funds to train those teachers, develop curricula, and evaluate the impact of financial literacy or personal finance education.

H.R. 242: Affordability for Constant and Continual Education to Enhance Student Success Act

- Sponsor: Representative Loretta Sanchez (D – CA)
- Directs the Secretary of Education to award an additional Pell Grant to an eligible student who: (1) has received a Pell Grant for an award year, and (2) is enrolled in a program of study for one or more additional payment periods during the same award year that are not otherwise covered by the Pell Grant.
- Requires such a student to be enrolled on at least a half-time basis for a period of more than one academic year, or more than the equivalent of two semesters, during a single award year.
- Limits the total amount of the Pell Grants awarded to such student for the award year to 150% of the maximum Pell Grant for such award year.

S. 108: Financial Aid Simplification and Transparency Act of 2015

- Sponsor: Senator Lamar Alexander (R – TN)
- Consolidates all available federal loans into one undergraduate, one graduate and family loan.
- Consolidates all federal grant programs into one “Federal Pell Grant” program.
- Consolidates all repayment plans into a 10 year plan, or a single income based repayment plan.
- Simplifies the FAFSA, requesting only basic identifying information, family size, and family income.

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