Exhibit 1

Information/Action Item

Consideration of state and federal issues and legislation affecting Commission programs

Summary of topic: The purpose of this teleconference report is to update the Strategic Policy and Planning Committee on new legislation recently introduced at the beginning of the second year of the 2013-14 legislative session. This report also includes a preliminary analysis of budget trailer bill language related to CSAC. At the April 10-11, 2014 Commission meeting a full legislative report, including the disposition of two-year bills, bills the Commission has previously taken a position on and a matrix aligning 2013-2014 legislation with Commission policy principles, will be presented.

According to the Assembly and Senate Daily file, the following bills (CSAC) related, with no Commission position) will be heard before April 10, 2014.

1. **AB 1590 Wieckowski**
- **Introduced:** 02/03/2014
- **Location:** Assembly Higher Education Committee
- **Summary:** Changes the date CSAC certifies three-year cohort default rates (Oct 1-Nov 1) and the definition of graduation rates (defines GR as percentage of FT, FrT degree or cert seeking students who graduate in 150% or less of expected time to degree). Substitutes Stafford for Perkins Loan Program as one of the federal student aid programs in which a private or independent institution must participate to qualify for the Cal Grant program.
- **Agency Fiscal/Programmatic Impact** – Minor
- **Alignment with Policy Principles** – 1.1, 2
- **Staff Recommendation** - Support

2. **AB 1456 Jones-Sawyer**
- **Introduced:** 01/09/2014
- **Location:** Assembly Higher Education Committee
- **Summary:** Requires CSAC, with partners, to study the effects of enacting a pilot program allowing state residents to pay for their education (UC, CSU and CCC) by contracting to pay a portion of their future income for a specified number of years, rather than paying tuition and fees to enroll.
- **Agency Fiscal/Programmatic Impact** – Minor
- **Alignment with Policy Principles** – 1.1, 2
- **Staff Recommendation** – Support assignment of study to CSAC, if budget funds available

AB 330 Chau

3. **Introduced:** 2/13/ 2013
- **Location:** Referred Senate ED. and B., P. & E.D. (2/6/14)

- **Summary:** Requires institutions participating in the Cal Grant program to report additional information to the Commission, including: license examination passage rates, latest three-year cohort default rate, percentage of undergraduate student borrowers of federal student loans, and other information related to student-loan-debt including average cumulative principal borrowed by students. Community colleges would be exempt from this particular requirement, and UC and CSU could alternatively comply by including the student-loan-debt information in their final annual financial aid reports and providing those reports to the Commission. This bill would also require private postsecondary institutions subject to regulation by the Bureau of Private Postsecondary Education to report similar information for borrowing from federal student loan programs, and provide that information on their school performance fact sheets.
- **Agency Fiscal/Programmatic Impact** – Moderate (IT and programmatic costs)
- **Alignment with Policy Principles** – 2, 3
- **Staff Recommendation** - Support

4. **<u>Trailer Bill Language</u>**

- **Introduced** : Concept in Governor's Budget Proposal
- **Summary:** This proposal seeks to allow Cal Grant recipients who were previously denied a Cal Grant renewal award for financial reasons (such as their income rose above eligibility levels) to reapply for the program no more than three academic years after receiving their initial award.
- **Agency Fiscal/Programmatic Impact** – Moderate
- **Alignment with Policy Principles** – 1
- **Staff Recommendation** - Support

Other bills of interest (No attachment):

5. **AB 1538 Eggman** *(Full analysis pending)*

- **Location:** Assembly Higher Education Committee
- **Summary:** Provides that if an otherwise qualifying institution has a default rate that exceeds the statutory threshold for Cal Grant eligibility, this bill would deem the institution eligible if the Student Aid Commission certifies that the institution satisfies specified conditions.
- **Agency Fiscal/Programmatic Impact** – Minor
- **Alignment with Policy Principles** – 1.1, 2
- **Staff Recommendation** - Pending

6. **<u>AB 1677 Gomez</u>** *(Full analysis pending)*

- **Location:** Assembly Higher Education Committee
- **Summary:** This bill would establish a loan assumption program for employees of eligible public facilities, as defined to include state hospitals, state veterans' homes, members of the California Association of Public Hospitals and Health Systems, and California facilities administered by the federal Veterans Health Administration. This program would provide loan assumption benefits to persons who fulfill agreements to work full time for 4 consecutive years as clinical registered nurses
- **Agency Fiscal/Programmatic Impact** – Moderate
- **Alignment with Policy Principles** – 1.1, 2
- **Staff Recommendation** - Pending

7. **<u>AB 1976 - Quirk-Silva</u>** *(Full analysis pending)*
- **Location:** Assembly Higher Education Committee
- **Summary:** This bill would increase the number of Competitive Cal Grants from 22,500 to 50,000. Issues: Multiple bills seek to reform Cal Grant amounts, processes, administration.
- **Staff Recommendation:** Support when budget funds available
- **Note:** *Author is requesting to include language in budget trailer bill.*

8. **<u>AB 1781 – Linder</u>** *(Full analysis pending)*
- Location: Assembly Higher Education Committee
- Summary: Under existing law, a qualified member, as defined, of the California National Guard and State Military Reserve is eligible to receive financial assistance under the program if, among other conditions, the person enrolls in at least 3 academic units per semester, or the equivalent thereof.
- This bill would revise this eligibility condition to specify that it is satisfied by a person enrolling in at least 3 academic units for a summer session or intersession term.
- **Staff Recommendation**: Pending

9. **AB 1862 – Melendez** *(Full analysis pending)*
- Location: Assembly Higher Education Committee
- Summary: Deletes the July 1, 2019 sunset and extends indefinitely the California National Guard Education Assistance Award Program. The program provides financial aid to qualifying members of the California National Guard, the State Military Reserve, and the Naval Militia, under the administration of the commission.
- **Staff Recommendation:** Pending

<u>Hearing Proposal:</u>

- Assemblymember Muratsuchi (Chair, Assembly Higher Ed) – The chairman is proposing an overview hearing related to all proposed changes to Cal Grant in December 2014.
- **Staff Recommendation:** Support

Responsible Person(s): Ed Emerson, Chief
Strategic Policy, Media and Communications Division

Angelo Williams, Legislative Director
Strategic Policy, Media and Communications Division

Exhibit 1.1

CALIFORNIA STUDENT AID COMMISSION	**Bill Number: AB 1590:** Student Financial Aid: Cal Grant Program	**Introduced:** February 3, 2014
	Author: Wieckowski	**Last Amended:** February 3, 2014
	Legislative Contact: Dharia McGrew	**Last Amended:** February 3, 2014

I. Bill Summary/Proposed Law

This bill would make changes in the way the California Student Aid Commission certifies three-year cohort default rates and graduation rates for participating institutions. The changes would include:

- Changing the date by which the Commission must certify the rates from October 1 to November 1 of each year.
- Specifying that the graduation rate is:
  - the percentage of full-time, first-time degree- or certificate-seeking students who graduate in 150 percent or less of the expected time to complete degree requirements,
  - as most recently reported publicly in any format, including preliminary data records, by the United States Department of Education.

This bill would also substitute the Stafford Loan Program for the Perkins Loan Program as one of the federal student aid programs in which a private or independent institution must participate to qualify for the Cal Grant program.

- Similar legislation in current or past sessions:

II. CSAC Policy Priorities

This bill is in alignment with the following CSAC's policy priorities:

- Maximize the effectiveness of state-authorized financial aid programs through consequential quality standards and consumer protections for students attending any California college.
- Maximize public investment in California students through financial aid that:
  - 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.

Analyst/Principal	**Date**	**Reviewed by**	**Date**
Legislative Director	**Date**	**Executive Director**	**Date**
Commission	**Date**	**Position Taken**	

III. Current Law/Conflicts with Current Law

Current law requires the Commission to certify cohort default rates and graduation rates by October 1 of each year. This bill would change the date to November 1.

Current law mandates that Cal Grant institutions meet a specified graduation rate "for students taking 150 percent or less of the expected time to complete degree requirements, as reported by the United States Department of Education and as certified by the commission…." Since the graduation rates reported by the United States Department of Education are for first-time, full-time degree- and certification-seeking students, this bill would conform the state statutory language to USED and Commission practice.

Current law requires the Commission to use the latest cohort default rates and graduation rates as most recently reported by the United States Department of Education (USED). This bill would provide more specificity and clarification by requiring that the USED reports are to be "the most recently reported in any format, including preliminary data records..."

Current law specifies that to qualify for the Cal Grant program, private and independent institutions must participate in the federal Pell Grant Program, and two of the following federal campus-based student financial aid programs: 1) Federal Work-Study, 2) Perkins Loan Program, and 3) Supplemental Educational Opportunity Grant Program. This bill would substitute the Stafford Loan Program for the Perkins Loan Program.

IV. Analysis/Implications (Students, State, CSAC, Institutions)

<u>Change from October 1 to November 1</u>

The Commission's responsibility for certifying cohort default rates by October 1 was initially mandated by Chapter 7 of the Statutes of 2011 (SB 70). Chapter 38, Statutes of 2012 (SB 1016) added graduation rates to the certification requirement.

After reviewing the process for certifying cohort default rates and graduation rates, the Legislative Analyst's Office (LAO) issued a report in January 2013 recommending that the certification deadline be changed from October 1 to November 1. The LAO noted that although USED is statutorily required to report cohort default rates by September 30, before the Commission's certification deadline, there is no comparable statutory requirement for graduation rates. The LAO reported that USED expects to release graduation rates in early October of each year, after the Commission's certification deadline, hence, the recommendation to change the certification deadline to November 1.

<u>Specification that the graduation rate is for first-time, full-time students degree- or certification-seeking students</u>

This is a minor change that would conform the state statutory language to the USED reporting practice. This bill provision would not change the Commission's certification of graduation rates, since USED reports graduation rates based on first-time, full-time degree- and certification- seeking students.

<u>Specification that the Commission must certify graduation rates "most recently reported publicly in any format, including preliminary data records, by the United States Department of Education."</u>

Commission staff initially attempted to implement the statutory certification requirement by certifying an institution's cohort default rate and graduation rate for the cohort of students from the same academic year, even if USED had most recently reported another graduation rate for a different year's cohort of students.

In response to questions raised at the Senate budget subcommittee hearing in 2013, and we acknowledged that using the most recently reported graduation rate for an institution, even if it was for a cohort different from the cohort used to certify the cohort default rate, would comply with the current statutory language. And, we agreed to change practice by certifying the graduation rate most recently reported by USED, in any format, even if it was from a different cohort of students than the cohort used to certify the cohort default rate.

This change would amend the current statute to incorporate that agreement – and now-current practice.

Substitution of Stafford Loan Program for the Perkins Loan Program

This change would remove a factor that potentially limits the number of institutions that could participate in the Cal Grant program. The Perkins Loan Program (Perkins) is currently set to expire on September 30, 2014. However, the Obama Administration is seeking legislation to extend and expand the program. That uncertainty is compounded by the fact that the number of institutions that could participate in Perkins was limited practically. USED is required by law to distribute Perkins funds first on the basis of the institution's fiscal year 1999 Perkins funding. Therefore, institutions newly seeking to participate in Perkins are disadvantaged by the priority given to institutions who received funding in 1999.

The limit on new Perkins institutions effectively restricts one of the options for institutions newly seeking to participate in the Cal Grant program. Substituting the Stafford Loan Program for Perkins would restore the third option for institutions seeking to participate in the Cal Grant Program.

V. Program Impact

Minor impact.

VI. Fiscal Summary

VII. Legislative History

February 3, 2014 Introduced

VIII. Organizations in Support

None identified

IX. Opposition

None identified

Exhibit 1.1

CALIFORNIA STUDENT AID COMMISSION	**Bill Number: AB 1456:** Higher Education: Tuition and Fees: Pilot Program	**Introduced:** January 9, 2014
	Author: Jones-Sawyer	**Last Amended:** January 9, 2014
	Legislative Contact:	**CSAC Position:** *Support if budget funds available*

I. Bill Summary/Proposed Law

This bill would require a study of the effects of enacting a pilot program allowing state residents to pay for their educations at UC, CSU and CCC by contracting to pay a portion of their future income for a specified number of years, rather than paying tuition and fees to enroll.

The bill would require the California Student Aid Commission to conduct the study with the Trustees of CSU, the Board of Governors of the CCC, and the Regents of UC if the Regents agree to participate. The Commission would be required to submit a report to the Legislature by September 30, 2015.

The pilot program could vary by institution with respect to:

- Total cost of attendance at the institution required to be reimbursed.
- Portion of the total cost of attendance to be paid by the state.
- Number of years a student will be required to make payments under the contract.
- The percentage of annual adjusted gross income required by the contract to be paid by the student.

The Commission's study would be required to do all of the following:

- Identify at least one campus to participate in the pilot program.
- Specify the number of years and percentage of annual adjusted gross income for a contract at each participating pilot institution that would reimburse the non-state cost of the student's attendance.
- Establish an immediate source of funding for the first 15-20 years of the pilot program, including consideration of issuing bonds secured by the payments students would be required to make under their contracts.

Analyst/Principal	**Date**	**Reviewed by**	**Date**
Legislative Director	**Date**	**Executive Director**	**Date**
Commission	**Date**	**Position Taken**	

II. CSAC Policy Priorities

This bill is in alignment with the following CSAC policy priorities:

- Maximize public investment in California students through financial aid that:
    - 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.
    - Ensures sufficient financial support for living expenses and costs of attendance for low-income community college students.

III. Current Law/Conflicts with Current Law

Current law structures California student financial aid programs within a traditional tuition-and-fees financing model for higher education. This bill proposes to study a significantly different concept of student financial aid and higher education financing.

IV. Similar legislation:

- ❖ HB 3472 (Oregon State Legislature) charged the Higher Education Coordinating Commission (HECC) with creating a proposal for a pilot program that will be proposed before the 2015 legislature.
- ❖ Maine, Vermont, Maryland Massachusetts, Michigan, New Jersey, Ohio, and Pennsylvania have adopted/or have similar measures pending in their Legislatures.
- ❖ The state of Washington plans to conduct a similar pilot program at the University of Washington in 2014.

V. Analysis/Implications (Students, State, CSAC, Institutions)

A study to consider a different way of paying for college is consistent with the Commission's policy priority of ensuring access to higher education for low-income and historically underrepresented California students.

VI. Program Impact

Moderate impact on program staff. Additional resources may be required.

VII. Fiscal Summary

Program Administration will require between 0.5-1.0 at a designated staff level for general study and additional costs based on the duration of the study and final report by September 2015.

VIII. Legislative History

February 6, 2014 referred to Assembly Committee on Higher Education

IX. Organizations in Support

The Economic Opportunity Institute, Seattle, Washington.

X. Opposition

None identified.

XI. Information from the Author

- The author had publicized this legislative idea as the "Pay it Forward Pay it Back" bill and refers to the measure as a financial aid system where a student's pays no upfront costs for their college education.
- According to the author, upon graduating the student would pay 2%-4% of their gross income to a state or college trust fund for a specified number of years.
- The author characterizes his bill's request as a feasibility study.
- The main issue the author seeks to address is student debt.
- The bill was originally authored by The Economic Opportunity Institute, a not-for-profit, non-partisan organization in Seattle, Washington.

CALIFORNIA STUDENT AID COMMISSION	**Bill Number: AB 330**	**Introduced: February 13, 2013**
	Author: Chau	**Last Amended: January 23, 2014**
	Legislative Contact:	**CSAC Position:** *Support*

I. Bill Summary/Proposed Law

This bill would require institutions participating in the Cal Grant program to report additional information to the Commission, including:

- License examination passage rates;
- Latest three-year cohort default rate;
- Percentage of undergraduate student borrowers of federal student loans;
- Student-loan-debt information, including for full-time, first-time degree- or certificate-seeking undergraduate students who complete their certificates or degrees, including:
    - Percentages of the students who started as full-time, first-time degree- or certificate-seeking undergraduates at the institution and who complete their degrees or certificates, who also borrowed through any student loan program.
    - Percentages of the students who started as full-time, first-time degree- or certificate-seeking undergraduates at the institution and who complete their degrees or certificates, and who borrowed through a federal student loan program.
    - Average cumulative principal borrowed by those students.
    - Community colleges would be exempt from this particular requirement, and UC and CSU could alternatively comply by including the student-loan-debt information in their final annual financial aid reports and providing those reports to the Commission.

This bill would also require private postsecondary institutions subject to regulation by the Bureau of Private Postsecondary Education to report similar information for borrowing from federal student loan programs, and provide that information on their school performance fact sheets.

II. CSAC Policy Priorities

This bill is in alignment with the following CSAC policy priorities:

Analyst/Principal	**Date**	**Reviewed by**	**Date**
DS	4-5-13	ND	4-5-13
Legislative Director	**Date**	**Executive Director**	**Date**
LN	4-7-13	DFM	4-10-13
Commission	**Date**	**Position Taken**	

- Maximize the effectiveness of state-authorized financial aid programs through consequential quality standards and consumer protections for students attending any California college.

- 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.

III. Current Law/Conflicts with Current Law

Current law requires institutions participating in the Cal Grant program to report the following information annually to the Commission:

- Enrollment, persistence, and graduation data for all students, including aggregate information on Cal Grant recipients.

- The job placement rate and salary and wage information for each program that is either designed or advertised to lead to a particular type of job or advertised or promoted with a claim regarding job placement.

Current law also requires the Commission to post both of the following on its web site:

- The annual information, described above, reported to the Commission. This information is to be made available in a searchable database.

- Other information and links that are useful to students and parents who are in the process of selecting a college or university. This information may include, but not be limited to, local occupational profiles available through the Employment Development Department's Labor Market Information Data Library.

IV. Analysis/Implications (Students, State, CSAC, Institutions)

The information this bill would require institutions to calculate and report to the Commission, and the Commission to post on its website, is not otherwise available from federal or state sources. The requirements, therefore, would advance the Commission's policy priorities for consumer protections for students and, indirectly, for financial literacy.

According to reports by the Assembly legislative staff, private institutions have expressed concern to the Legislature that the student-loan-debt information required by this bill would be inconsistent with federal reporting requirements. However, the California Federation of Teachers and California State Students Association have emphasized the value of information on affordability that allows comparisons among institutions.

V. Program Impact

Moderate effect on IT and program staff.

VI. Fiscal Summary

VII. Legislative History

January 15, 2014	Passed Assembly Committee on Higher Education, 9-2
January 23	Passed Assembly Committee on Appropriations, 12-3
January 29	Passed Assembly, 53-24; sent to Senate
February 6	Referred to Senate Committee on Education and Senate Committee on Business Professions and Economic Development

VIII. Organizations in Support

California Federation of Teachers
California State Students Association

IX. Opposition

American Career College/West Coast University
University of Phoenix

CALIFORNIA STUDENT AID COMMISSION	**Bill Number: TBL**	**Introduced: February 1, 2014**
	Author: Governor's Proposal	**Last Amended: February 1, 2014**
	Legislative Contact:	**CSAC Position:** Support

I. Bill Summary

This proposal seeks to allow Cal Grant recipients who were previously denied a Cal Grant renewal award for financial reasons (such as their income rose above eligibility levels) to reply for the program no more than three academic years after receiving their initial award.

II. Current Law/Proposed Law

Current Law:

California Education Code (CEC) Section 69432.7(k) directs the California Student Aid Commission (Commission) to annually adjust the maximum household income and asset levels based on the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 9 of Article XIII B of the California Constitution. New applicants and renewing recipients must meet the income and asset ceiling thresholds annually in order to be eligible for Cal Grant awards.

California Education Code (CEC) Section 69433.6 allows a Cal Grant award to be renewed for a total of the equivalent of four years of full-time attendance and requires Cal Grant renewal students to:

- Meet minimum income and asset requirements each year, and
- Meet minimum financial need requirements:
  - For Cal Grant A have a minimum financial need of the maximum annual award plus an additional $1,500.
  - For a Cal Grant B have a minimum financial need of $700.

Cal Grant recipients who do not meet these requirements are withdrawn. These recipients remain withdrawn unless they reapply, meet eligibility requirements and are offered a new award (typically a Transfer Entitlement of Competitive award).

The Trailer Bill Language, as introduced on February 1, 2014:

This bill will allow renewing Cal Grant recipients to apply for and qualify as a renewal in subsequent years if deemed ineligible due to failing the annual income and asset ceiling levels if they meet the current financial eligibility requirements and have reapplied within three years of receiving their initial award.

Amends Education Code Section 69433.6 to add the following:

(b) (1)Commencing with the 2014-15 academic year, a recipient who was determined to be ineligible for a renewal award in the 2012-13 or 2013-14 academic year because he or she exceeded the maximum household income or asset level as established by subdivision (k) of Section 69432.7, or failed to meet the minimum need threshold established in paragraph (3) of subdivision (b) of Section 69432.9, shall be eligible to receive a renewal award if the recipient meets all program eligibility requirements for the program from which he or she was previously

disqualified and the recipient has remaining renewal award eligibility. For the purpose of determining a student's remaining renewal award eligibility, an academic year during which a student was ineligible shall reduce his or her renewal award eligibility by one full - time equivalent year.

(2) Commencing with the 2015-16 academic year, a recipient who is determined to be ineligible for a renewal award because he or she exceeds the maximum household income or asset level as established by subdivision (k) of Section 69432.7, or fails to meet the minimum need threshold established in paragraph (3) of subdivision (b) of Section 69432.9, in the immediately preceding academic year, shall be eligible to receive a renewal award if the recipient meets all program eligibility requirements for the program from which he or she was previously disqualified and the recipient has remaining renewal award eligibility. For the purpose of determining a student's remaining renewal award eligibility, an academic year during which a student was ineligible shall reduce his or her renewal award eligibility by one full - time equivalent year.

III. Analysis

Purpose of the Bill:

Per the Department of Finance (DOF), the purpose of the Trailer Bill Language (TBL) is to address an unintended consequence of implementing the renewal eligibility requirements in 2011-12 that results in the loss of the Cal Grant award for a one-time change in financial circumstances. This bill would allow students to renew their Cal Grant award in a subsequent year if they meet the current financial eligibility requirements and have reapplied within three years of receiving their initial award. The DOF estimates the cost for this expansion at $15 million.

The Legislative Analyst Office (LAO) analysis indicates that under current practice, a Cal Grant recipient must reapply for aid each year. If a recipient's family income exceeds the Cal Grant income cap in any year, that student is no longer eligible for an award. The Governor proposes to change this so that students who become ineligible because they exceed the income cap can become eligible again in a subsequent year if their income falls below the cap. The policy would apply only to students who reapply no more than three academic years after receiving an initial award. The LAO supports the Governor's proposal.

Policy Summary:

- Prior to the enactment of Chapter XX, Statutes of 2011 (Senate Bill [SB] 70), renewal financial need standards were not as rigorous as new student requirements. Cal Grant recipients coming into the program as freshmen were guaranteed to have their Cal Grant for four years as long as they continued to have financial need each year. After SB 70, Cal Grant recipients had to meet annual income and asset ceilings and meet stringent minimum need requirements identical to those that are required for initial awarding. The Cal Grant renewal eligibility requirements were implemented as a cost savings to the General Fund.

- There were unintended consequences of the new renewal eligibility requirements.

    - Slight changes to the income of families just under the ceiling could make the renewal recipient ineligible, even if the increase in income was less than the increase of college costs. Variations in income due to one-time commissions or

COLAs could disqualify the student from the program for good, even though subsequent years' income might be substantially lower. The penalty could be disproportionate when a student's income increased by $1,000 and caused him to lose his $12,192 Cal Grant at a UC.

- The proposal disadvantages students who have only attended part time or took a leave of absence. These students use a full year of eligibility under the proposed **language. See attached examples.**

- At a 2012 meeting, the Commission discussed whether it can administratively reinstate disqualified renewal students in subsequent years if they again met income and asset ceilings but found that statute did not allow that option without amendment. The proposed TBL allows the reinstatement of students disqualified in 2012-13 or 2013-14 in 2014-15 and forward. However, the bill does nothing to reverse the disqualification of students in the 2011-12 academic year that has already taken place.

Policy Recommendations:

Support

Rationale:

The current statutory requirements disproportionately affect lower income students and could unintentionally encourage parents and independent students not to pursue better paying jobs due to the financial impact of losing their Cal Grant. The proposal allowing renewal Cal Grant students the ability to reinstate their award will provide them the financial funding they need to progress in meeting their educational goals.

Allowing renewal Cal Grant students the ability to reinstate their award will provide them the financial funding they need to progress in meeting their educational goals.

IV. Fiscal Summary

Commission Operations Impact:

Minimal workload to adjust the award amounts if the bill is passed prior to the commencement of fall disbursements.

General Fund, Local Assistance Impact:

See Attached.

V. Legislative History

March 24, 2011 - Governor Jerry Brown signed SB 70 into law. One of the major changes to CEC under this legislation was the requirement for renewing Cal Grant students to annually meet income and asset thresholds in order to remain eligible.

VI. Organizations in Support / Opposition