

# Exhibit 4

## Information/Action Item

### Update on state and federal legislation affecting Commission programs

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This informational item will include an update on Commission supported legislation and a discussion on further alignment between supported and sponsored legislation and the Commission's Policy Priorities (adopted February 2014) in the 2015-16 Legislative Session.

At its April and June 2014 meetings, Commissioners voted to take positions on several pieces of legislation introduced in the second year of the 2013-2014 Legislative Session. This informational item includes a chart – Exhibit 4.1 – detailing the final disposition of those bills as well as several additional legislative items of interest.

As directed, we have included information related to the Commission's Policy Priorities in this chart. Specifically we have noted what Commission policy priorities we believe are aligned with a particular bill. Since February 2014, we have continued to include information regarding these policy priorities in our internal legislative analysis, in letters of support for pending legislation and in letters to the Governor requesting his signature on supported legislation. This informational item will also include a discussion on further alignment between Commission supported and sponsored legislation and the Commission's Policy Priorities. Enclosed below is a listing of the policy priorities and aligned legislation for the purpose of discussing progress made this year and planning needs for the next legislative session.

1. Maximize public investment in California students through financial aid that:

1.1 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.

- **AB 640 Hall** - Requires the Student Aid Commission to establish an appeal process for an otherwise qualifying institution that fails to satisfy the cohort default rate and requirements. Consider small cohorts.
- **AB 1318 Bonilla** – Requires the maximum Cal Grant Award level for nonpublic postsecondary institutions be set and maintained at 75% of the base funding per Cal Grant student at the UC and the CSU and requires, as a condition for funding of the Cal Grant maximum award, the submission of performance metrics.
- **AB 1590 Wieckowski** - Changes the date CSAC certifies three-year cohort default rates (Oct. 1 - Nov. 1). 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.

## California Student Aid Commission

- **AB 1976 Quirk-Silva** – Allows CSAC to use a three-year take- rate average to establish awards target.
  - **AB 2160 Ting** – Mandates high school districts upload GPAs for 12<sup>th</sup> graders only.
- 1.2 Ensures sufficient financial support for living expenses and costs of attendance for low-income community college students.
- **SB 174/798 DeLeon** - Establishes a tax credit for contributions to a special education fund for the purposes of providing Cal Grants.
2. Maximize the effectiveness of state-authorized financial aid programs through consequential quality standards and consumer protections for students attending any California college.
- **AB 330 Chau** – Requires CSAC website to link Net Price Calculator and information on average student debt.
  - **AB 1590 Wieckowski** – Changes the date CSAC certifies three-year cohort default rates (Oct. 1 - Nov. 1). 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.
  - **AB 2099 Frazier**- Deems a private postsecondary educational institution eligible for Title 38 awards if the institution is issued an approval to operate from the Bureau for Private Postsecondary Education. Previous version of the bill established student outcome requirements for veteran serving institutions participating in federal veteran’s education benefits.
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.
- **AB 330 Chau** - Requires CSAC website to link Net Price Calculator and information on average student debt.
  - **AB 1976 Quirk-Silva** - Allows CSAC to use a three-year take- rate average to establish awards target.
  - **AB 2160 Ting** – Mandates high school districts upload GPAs for 12<sup>th</sup> graders only.
4. Influence and inform federal policy on financial aid policy and programs that affect California students, parents and college institutions
- **Tracking multiple bills through the Federal Issues Update**

## California Student Aid Commission

5. Maximize the effectiveness of state-authorized financial aid programs through sufficient funding and support for the operations of the California Student Aid Commission.

- **Support of Cal Grant Budget in Budget Proposals and Final State Budget**

Finally, staff will give an update on the recently established Legislative Analysis Working Group (general meetings, post hearing teleconferences) and will introduce new Strategic Policy, Media and Communications Division staff member, Olgalilia Ramirez.

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

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

**Commission Bill Update**  
(As of August 26, 2014)

**EXHIBIT 4.1**

<b>Bill #</b>	<b>Bill Summary</b>	<b>Location</b>	<b>Last Action</b>	<b>Notes</b>	<b>Commission Position</b>
<b>AB 330 (Chau)</b>	Provides that Cal Grant institutions are to report and CSAC is required to display in a searchable database on their Internet Web site (the link to) the institution's Net Price Calculator and average student debt of its graduates.	Senate Inactive File (CSAC complied with the posting requirement rendering the bill unnecessary).	08/19/2014 In SENATE. From third reading. To Inactive File.	Aligned with Commission Policy Principles 2 and 3	Support
<b>AB 640 (Hall)</b>	Amends provisions of existing law regarding the Cal Grant Program. Requires the Student Aid Commission to establish an appeal process for an otherwise qualifying institution that fails to satisfy the cohort default rate and requirements. Makes nonsubstantive and conforming changes.	In SENATE Committee on Appropriations	8/14/2014 Held in Committee	Aligned with Commission Policy Principles 1.1	Support
<b>AB 1318 (Bonilla)</b>	Adds provisions to the Cal Grant Program to set the maximum award levels for students attending nonpublic postsecondary educational institutions accredited by a specified entity for a specified award year. Requires, as a condition for the funding of Cal Grant maximum awards to its students, that an accredited nonpublic postsecondary educational institution submit specified performance metrics related to its students in a cumulative report to specified entities. Provides the metrics form and content.	In SENATE	08/22/2014 From Third Reading. To Inactive	Aligned with Commission Policy Principles 1.1	Support
<b>AB 1590 (Wieckowski)</b>	Changes the date CSAC certifies three-year cohort default rates (Oct. 1 - Nov. 1) 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.	To Governor	8/22/2014 - Enrolled	Aligned with Commission Policy Principles 1.1 and 2	Support

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<b>AB 1976 (Quirk - Silva)</b>	Requires the Student Aid Commission to calculate a target for awards to be paid in an award year, estimate a take-rate for awards using a specified formula. Authorizes the Commission to exceed the award limit when the number of acceptances exceeds that total, under specified conditions.	To Governor	Enrolled 8/25/2014	Aligned with Commission Policy Principles 1.1 and 2	Support
<b>AB 2160 (Ting)</b>	Requires a grade point average (GPA) for all high school seniors and graduates from the prior academic year at public schools to be submitted to CSAC electronically by a school or school district official.	To Governor	Enrolled 8/25/2014	Aligned with Commission Policy Principles 1.1 and 3	Support
<b>SB 174 (De León)</b>	Requires the Treasurer to certify the amount of money available in an academic year from the College Access Tax Credit Fund for distribution, and provide that an amount determined by the Student Aid Commission would be available for expenditure, upon appropriation to the Commission from the Fund, for distribution to students to supplement Cal Grant B access cost awards to bring those student's total annual awards for access costs to not more than a specified total and to defray administrative costs.	Enrolled	8/22/2014 Enrolled	Double Joined w/SB 798 both Aligned with Commission Policy Principles 1.2	Support
<b>SB 798 (De León)</b>	This bill establishes a tax credit for contributions to a special education fund for the purposes of providing Cal Grants.	Enrolled	8/22/2014 To Enrollment	Double Joined w/SB 174	Support
<b>AB 2099 (Frazier)</b>	Establishes minimum student outcome requirements for postsecondary institutions approved by the California State Approving Agency for Veterans Education (CSAAVE) to participate in federal veteran's education benefits.	In Senate	8/25/2014 Read second time.To third reading	Aligned with Commission Policy Principle 2	Support

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<b>AB 1348 (Perez)</b>	Establishes, the California Higher Education Authority, its governing board and its responsibilities, effective July 1, 2014.	In Senate committee on Appropriations	8/14/2014 Held in Committee	13-member board	Watch
<b>AB 1456 (Jones-Sawyer)</b>	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.	Senate Rules Committee	6/05/2014 Rules Committee	Policy content not aligned with Commission Policy Principles	Neutral
<b>AB 1538 (Eggman)</b>	Provides alternative criteria for an otherwise ineligible postsecondary education institution to maintain eligibility for participation in the Cal Grant program.	In Assembly Committee on Appropriations	05/23/2014 Held in Committee		Watch
<b>AB 1927 (Frasier)</b>	Specifies the creation of policies concerning the issuance of financial aid via debit cards.	In Senate	08/19/2014 Read Second time. To Third Reading		Watch
<b>AB 1956 (Bonilla)</b>	Provides a credit in the amount of 20% of the contributions made to a qualified tuition program, not to exceed \$500 per return.	In Assembly Committee on Appropriations	05/23/2014 Held in Committee		Watch
<b>AB 2377 (Pérez)</b>	Establishes the California Student Loan Refinancing Program (Program) to provide student loan refinancing options to qualified borrowers.	In Senate	08/25/2014 Read third time. Passed Senate. To Assembly for Concurrence		

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<b>SB 845 (Correa)</b>	Requires BOG of CCC, CSU Trustees, UC Regents and each governing body of an accredited private postsecondary educational institution to develop one or more model contracts related to... school refunds onto debit, prepaid, or preloaded cards issued by a financial institution.	Chaptered by Secretary of State. Chapter No. 120	7/10/2014 Chaptered		Watch
<b>SB 1028 (Jackson)</b>	Requires CSAC, in selecting students to receive a Cal Grant C award, to give special consideration to the long termed unemployed, increases the Cal Grant C to between \$3,009-\$5,000	Assembly	8/22/2014 Read third time and amended. To third reading.	One of a # of bills that expand size or increase # of Cal Grants	Watch
<b>SB 1210 (Lara)</b>	Establishes the California Student Education Access Loan Program (SEAL) for purposes of extending loans to students who meet the requirements established by AB 540 and have financial need, and authorizes any campus of the UC/CSU to participate.	Assembly	08/25/2014 Read third time. Passed Assembly. To Senate for concurrence	Aligned with Commission Policy Principles 1.1 and 3	Watch