

Information/Action Item
Cal-SOAP Advisory Committee

Legislative Update

Enclosed is a summary of bills currently being tracked by Commission staff and considered during the first half of the 2007-08 state legislative session.

No Action Required

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STATE ISSUES AND LEGISLATIVE UPDATE

The Governor signed 750 bills and vetoed 214 during the first half of the 2007-08 legislative session. There were no bills that remained on his desk by the deadline of October 14th. Bills that were not signed or vetoed by the Governor, but remained on his desk as of the deadline, would have become law without his signature. To check the status of state bills, log on to www.leginfo.ca.gov, click on the "Bill Information" link and enter the bill number in the search box. Statutes take effect on January 1st, 2008, unless otherwise indicated. The Legislature will reconvene on January 7, 2008 for the second half of the 2007-08 legislative session.

At the April 19th Commission meeting, the Commission took positions on five bills: SB 160, AB 175, AB 302, AB 1540, and AB 1578. AB 1540 – The Cash for College Program was signed by the Governor. AB 1578 – The Foster Youth Higher Education Act is a two-year bill and will be heard again in January. SB 160 – The CA Dream Act remained in committee, however portions of this legislation were placed into SB 1 (Cedillo) that was vetoed by the Governor. Although AB 175 and AB 302 did not pass out of the house of origin by June 8th as required, the subject matter contained in these bills will most likely be seen in another bill during the second half of the session.

Staff has also included a brief description of all other bills that were introduced during the first half of the session.

Signed and Vetoed Bills

AB 1540

AUTHOR: Bass (D)

TITLE: Student Financial Aid: Cash for College Program

INTRODUCED: 02/23/2007

ENACTED: 10/14/2007 Chapter 741

Summary: This law expresses the intent of the Legislature that California students with financial need be made aware of the opportunities afforded to them through the various state and federal financial aid programs. This law establishes the Cash for College Program under the administration of the Student Aid Commission.

Status: 10/14/2007 Signed by the Governor.

Commentary: 06/01/2007 amendment removed the appropriation language.

Commission Position: SUPPORT IF AMENDED to move funding from the Student Loan Operating Fund to the General Fund (based on the March 23rd version).

SB 1

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: Dream Act

INTRODUCED: 12/04/2006

VETOED: 10/13/2007

Summary: This bill would amend the Donahoe Higher Education Act to require the Trustees of the California State University and the Board of Governors of the California Community Colleges, and request the Regents of the University of California to establish procedures to enable persons who are exempt from paying nonresident tuition to be eligible to receive student aid awards from private entities that are administered by these segments. This bill would also provide that persons meeting these requirements, or who meet equivalent requirements adopted by the Regents of the Universities of California, are eligible to apply for, and participate in, any student financial aid program, excluding the Cal Grant Competitive Program, administered by the State of California to the full extent permitted by federal law.

Status: 10/13/2007 Vetoed by the Governor.

Commentary: The Governor vetoed SB 1. The veto message included the following statement: "At a time when segments of California public higher education, the University of California and the California State University, are raising fees on all students attending college in order to maintain the quality of education provided, it would not be prudent to place additional strain on the General Fund to accord the new benefit of providing state subsidized financial aid to students without lawful immigration status. Under existing law, undocumented students, who meet the required criteria, already qualify for the lower in-state tuition rate while attending California public colleges and universities."

SB 45

AUTHOR: Perata (D)

TITLE: Private Postsecondary Education

INTRODUCED: 12/22/2006

ENACTED: 10/13/2007 Chapter 635

Summary: This law extends the provisions of the Private Postsecondary and Vocational Education Reform Act of 1989 until July 1, 2008. Each matter, pending before the Bureau for Private Postsecondary and Vocational Education is deemed to remain pending before the bureau or a successor agency as of a specified date, irrespective of any applicable deadlines. This law continues the Private Postsecondary and Vocational Education Administration Fund and the Student Tuition Recovery Fund. This law also establishes the Bureau of Private Postsecondary Education in the Department of Consumer Affairs.

Status: 10/13/2007 Signed by the Governor.

Commentary: SB 45 law extends the provisions of AB 1525 (Cook, Ch. 67, Stats. 2007). AB 1525 provisions were to be repealed on February 1, 2008. Extending the repeal date by five months would allow the Legislature to pass the Private Postsecondary Education Act of 2007 (either SB 823 Perata or AB 1182 Niello) that replace the Private Postsecondary and Vocational Education Reform Act of 1989.

SB 89

AUTHOR: Senate Budget & Fiscal Review Committee

TITLE: Student Aid and Loan Guarantee Program

INTRODUCED: 01/17/2007

ENACTED: 08/24/2007 Chapter 182

Summary: This law authorizes the Director of Finance to act as the state's agent in the sale of the student loan guarantee portfolio and certain related assets and liabilities of the program not retained by the Student Aid Commission. This law authorizes the director to consummate other transactions to maximize the value of the program to the state. This law requires sale funds to be deposited into the General Fund. This law appropriates funds to the director for obtaining professional advice and counsel related to the sale.

Status: 8/24/07 Signed by the Governor.

SB 91

AUTHOR: Senate Budget & Fiscal Review Committee

TITLE: Student Financial Aid

INTRODUCED: 01/17/2007

ENACTED: 08/24/2007 Chapter 184

Summary: This law repeals provisions of existing law relating to the establishment and operation of the auxiliary organization and the state's participation in the federal Family Education Loan Program. The provisions of this law would only be effective if the Director of Finance makes a notification that specified occurrences, related to either the sale of the state Student Loan Guarantee Program assets or a transaction with a transferee guarantee program operator have been consummated and 30 days lapse after the receipt of the notice.

Status: 08/24/2007 Signed by the Governor.

SB 139

AUTHOR: Scott (D)

TITLE: Nursing Education

INTRODUCED: 01/25/2007

ENACTED: 10/12/2007 Chapter 522

Summary: This law disallows a person who is currently employed as a registered nurse in a state-operated 24-hour facility from entering into an agreement for the State Nursing Assumption Program of Loans for Education (SNAPLE). This law also establishes additional criteria for nurses under SNAPLE and State Nursing Facilities APLE.

Status: 10/12/2007 Signed by the Governor.

Two Year Bills

AB 111

AUTHOR: Blakeslee (R)**TITLE:** National Guard Assumption Program of Loans for Education**INTRODUCED:** 01/08/2007**LAST AMEND:** 06/20/2007**LOCATION:** Senate Appropriations Committee

Summary: This bill would change the sunset date for the National Guard Assumption Program of Loans for Education from July 1, 2007 to July 1, 2010 and would repeal the program on January 1, 2011. This bill deletes 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 program. This bill provides financially needy are not given priority when funding is insufficient. This bill has an urgency clause to make the provisions effective immediately upon enactment.

Status: 07/02/2007 In Senate Appropriations – Suspense File.

AB 171

AUTHOR: Beall (D)**TITLE:** Assumption Program of Loans for Education for Public Interest Law**INTRODUCED:** 01/23/2007**LAST AMEND:** 07/03/2007**LOCATION:** Senate Appropriations Committee

Summary: This bill would establish the Assumption Program for Loans for Law in the Public Interest as a loan assumption program for licensed attorneys who meet certain eligibility criteria. This bill would create a program account in the state Treasury that would consist of funds appropriated by the Legislature and private contributions to the program. This bill would require an annual report on the program.

Status: 07/03/2007 In Senate Appropriations.

Commentary: The 2007-08 Budget Bill contains an appropriation for \$100,000 and one position for the Commission to implement the program.

AB 359

AUTHOR: Karnette (D)

TITLE: Student Financial Aid: Assumption Program

INTRODUCED: 02/14/2007

LAST AMEND: 06/01/07

LOCATION: Senate Education Committee

Summary: This bill specifies that persons who are pursuing service credentials utilized in special education, or who participate in specialist speech-language pathologist trainee programs, or become employed as speech-language pathologists, are eligible to receive loan assumption benefits under the Assumption Program of Loans for Education.

AB 1059

AUTHOR: De Leon (D)

TITLE: Child Care Personnel

INTRODUCED: 02/23/2007

LAST AMEND: 06/01/2007

LOCATION: Senate Education Committee

Summary: This bill expresses the intent of the Legislature that up to 400 new grants are awarded under the Child Development Teacher and Supervisor Grant Program each year. It would raise the maximum level of the grants for each academic year if the participant is enrolled in a 4-year institution and a specified amount for each academic year if the participant is enrolled in a community college.

Status: 06/14/2007 Held in Senate Education.

Commentary: 06/01/07 amendments removed the Pre-Kindergarten Assumption Program of Loans for Education language and eligibility of persons working at a child care center that contracts with the State Department of Education to receive grants under the Child Development Teacher and Supervisor Grant Program. This bill is a two-year bill.

AB 1182

AUTHOR: Niello (R)

TITLE: Private Postsecondary Education Act of 2008

INTRODUCED: 02/23/2007

LAST AMEND: 09/07/2007

LOCATION: Assembly Education Committee

Summary: This bill would recast and revise a former act as the State Private Postsecondary Education Act of 2008. This bill would establish the Bureau for Private Postsecondary Education. This bill would continue the existence of the Private Postsecondary and Vocational Education Administration Fund which would be renamed, and the Student Tuition Recovery Fund. This bill would provide that certain violations of the new act would be punishable as infractions.

Status: 09/07/2007 In Assembly Education Committee.

AB 1578

AUTHOR: Leno (D)

TITLE: Foster Youth Higher Education Preparation Act

INTRODUCED: 02/23/2007

LAST AMEND: 04/26/2007

LOCATION: Senate Appropriations Committee

Summary: This bill would establish the Competitive Grant Program for the purpose of providing comprehensive support on college and university campuses to students who are former foster youth. This program will be administered by the Superintendent of Public Instruction.

This bill also would allow new Cal Grant B recipients that are former foster youth to be awarded tuition and fees in their first year of attendance at a postsecondary institution.

Status: 07/12/2007 In Senate Appropriations.

Commission Position: Support

SB 673

AUTHOR: Scott (D)

TITLE: Assumption Program of Loans for Education

INTRODUCED: 02/23/2007

LAST AMEND: 07/11/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill provides that a credentialed teacher teaching in a public school that has been ranked in decile 1 or 2, as measured by the Academic Performance Index, and who has not otherwise participated in the Loan Assumption Program, is eligible to enter into an agreement for loan assumption. This bill requires the Commission to develop and adopt regulations for the implementation of this provision.

Status: 07/11/2007 In Assembly Appropriations.

SB 823

AUTHOR: Perata (D)

TITLE: Private Postsecondary Education

INTRODUCED: 02/23/2007

LAST AMEND: 08/20/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill would recast, revise, and reenact the provisions of the Private Postsecondary and Vocation Education Reform Act of 1989 as the Private Postsecondary Education Act of 2007. This bill would establish the Board for Private Postsecondary Education in the Department of Consumer Affairs. This bill would also continue the existence of the Private Postsecondary and Vocational Education Administration Fund and the continuously appropriated Student Tuition Recovery Fund.

Status: 08/30/2007 In Assembly Appropriations.

Commentary: This bill does not contain provisions that require financial aid directors or officers to possess a certification of completion of financial aid training certified by the Commission. The Commission training ensures that the disbursement of federal and state student financial aid is carried out appropriately.

SB 890

AUTHOR: Scott (D)

TITLE: Pupils: Early College Commitment Program

INTRODUCED: 02/23/2007

LAST AMEND: 08/20/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill establishes the Early College Commitment Program. This bill relates to pupils who are eligible for free and reduced price meals. This bill requires participating school districts to provide college information and college preparation events targeted towards pupils who sign pledge cards.

Status: 08/30/2007 In Assembly Appropriations.

Commentary: This bill would require the Commission to provide support services as needed in coordination with local school districts and work in consultation with the Superintendent of Public Instruction to develop materials for the program.

Because this bill does not directly impact the Commission's programs and operations, Commission staff is watching this bill as it moves through the Legislature.

**Bills Held In Committee
Including Bills with Commission Support Positions**

AB 175

AUTHOR: Price (D)

TITLE: Cal Grant B Awards: Access Costs

INTRODUCED: 01/23/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill requires the maximum award for Cal Grant B access costs, beginning in the 2008-09 award year, to be in an annual amount that equals at least \$1,551.

Beginning with the 2009-10 award year, this bill would require the maximum award for access costs to be increased by not less than 5 percent and not more than 10 percent per year until that amount equals at least 20 percent of the access costs for the budget category of a student living off-campus, as determined by the triennial Student Expense and Resource Survey (SEARS), as adjusted between survey years for Consumer Price Index changes in a specified manner.

Status: 05/31/2007 Held in Assembly Appropriations.

Commentary: While the general cost of living and the cost of college textbooks and supplies have increased dramatically, the Cal Grant B Access Grant has not increased since 2000-01 when it was increased by 10 percent from \$1,410 to \$1,551. This bill would set the \$1,551 as the base amount for the access grant and codifies a formula to increase the access grant annually.

Commission Position: Support

AB 302

AUTHOR: De La Torre (D)

TITLE: Cal Grant B Entitlement Awards

INTRODUCED: 02/09/2007

LAST AMEND: 03/15/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill allows tuition and fees for a Cal Grant B award to be paid in the first year of enrollment at an eligible institution.

Status: 05/31/2007 Held in Assembly Appropriations.

Commentary: Cal Grant B students are the most financially needy Cal Grant students. The Commission has advocated for this in the past and it is consistent with the stated legislative principles as well as the Commission's mission to make education beyond high school financially accessible to all Californians. Providing the maximum Cal Grant assistance provides access and choice to students with maximum financial need during a period of potential continued double-digit increases in the cost of higher education.

Commission Position: Support

AB 883

AUTHOR: Dymally (D)

TITLE: Student Financial Aid: Assumption Program for Loans

INTRODUCED: 02/22/2007

LAST AMEND: 04/25/07

LOCATION: Assembly Appropriations Committee

Summary: This bill would establish a pilot loan assumption program for interns and teachers who are qualified for participation under Assumption Program of Loans for Education and who agree to teach full time in the Compton Unified School District. This bill requires the granting of priority to applicants who are concentrating in mathematics, science, or special education or who agree to teach full time in a school ranked in decile 1, 2, 3, or 4 on the Academic Performance Index.

Status: 05/31/2007 Held in Assembly Appropriations.

AB 1267

AUTHOR: Feuer (D)

TITLE: Civic Service: Loan Assumption Program

INTRODUCED: 02/23/2007

LAST AMEND: 04/10/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill would establish the Civic Services Loan Assumption Program and under the administration of the Student Aid Commission that provides state residents enrolled at a campus of the University of California or the California State University would be eligible to enter into an agreement for student loan assumption to be redeemed after a qualifying period of civic service, or services as a volunteer.

Status: 05/31/2007 Held in Assembly Appropriations.

AB 1522

AUTHOR: Brownley (D)

TITLE: Student Financial Aid

INTRODUCED: 02/23/2007

LAST AMEND: 04/10/2007

LOCATION: Assembly Higher Education Committee

Summary: This bill would require the Student Aid Commission to develop and make available a software program, for use by potential applicants, to facilitate identifying and applying for institutional, state, and federal student aid programs for postsecondary education.

Status: 04/10/2007 Held in Assembly Higher Education.

AB 1652

AUTHOR: Lieber (D)

TITLE: Student Financial Aid

INTRODUCED: 02/23/2007

LAST AMEND: 04/24/2007

LOCATION: Assembly Appropriations Committee

Summary: This bill requires professional associations representing of the state student financial aid and lending communities to report to the Assembly Committee on Higher Education and Senate Committee on Education on the ethical standards that are currently in place, additional standards that should be instituted, including any recommendations for disclosure requirements and enforcement mechanisms.

Status: 05/31/2007 Held in Assembly Appropriations.

SB 160

AUTHOR: Cedillo (D)

TITLE: Student Financial Aid: California Dream Act

INTRODUCED: 01/30/2007

LAST AMEND: 05/24/2007

LOCATION: Senate Appropriations Committee

Summary: This bill enacts the California Dream Act. This bill requires that a person (AB 540 student) who has attended and graduated from secondary school, rather than high school, in the state is exempt from paying nonresident tuition at the Community Colleges and the CSU. This bill allows persons attending and graduating from technical schools and adult schools to be included within the scope of this provision. This bill would also provide that persons meeting these requirements, or who meet equivalent requirements adopted by the Regents of the Universities of California, are eligible to apply for, and participate in, any student financial aid program administered by the State of California to the full extent permitted by federal law.

Status: 05/31/2007 Held in Senate Appropriations.

Commentary: Senator Cedillo also authored SB 160 in the 2005-06 session which also would have enacted the California Dream Act. The Governor vetoed SB 160. The veto message included the following statement: *"While I do not believe that undocumented children should be penalized for the acts of their parents, this bill would penalize students here legally by reducing the financial aid they rely on to allow them to go to college and pursue their dreams."*

Commission Position: Support

SB 481

AUTHOR: Runner (R)

TITLE: Student Loan Assistance

INTRODUCED: 02/22/2007

LOCATION: Senate Education Committee

Summary: This bill creates the Public Safety Incentive Program to assist licensed attorneys who practice or agree to practice law as a prosecutor or a public defender with loan assistance. This bill would also create the Public Safety Incentive Account within the State Treasurer's office for all program funds appropriated.

Status: 02/28/2007 Held in Senate Education.

Commentary: This bill would allow up to \$40,000 in a loan assumption program to be administered by the Commission. This program, although similar to the APLE, is a separate program that requires the applicant to pay back any benefits received should the applicant involuntarily separate before the five year period of service required.

SB 595

AUTHOR: Alquist (D)

TITLE: Student Financial Aid: Ortiz-Pacheco Cal Grant Program

INTRODUCED: 02/22/2007

LOCATION: Senate Education Committee

Summary: This bill would change the annual deadline to June 30 for submission of completed financial aid applications for various Cal Grant awards.

Status: 04/26/2007 Held in Senate Education.

SB 769

AUTHOR: Alquist (D)

TITLE: Student Financial Aid: Cal Grant Deadlines

INTRODUCED: 02/23/2007

LAST AMEND: 04/26/2007

LOCATION: Senate Appropriations Committee

Summary: This bill requires the Student Aid Commission to select a working group to review the deadlines associated with the various awards under the Cal Grant Program. This bill also expresses the intent of the Legislature to improve access to higher education for low-income and underrepresented students through the provision of financial aid that is made more readily available to them, with reasonable deadlines and adequate information.

Status: 05/31/2007 Held in Senate Appropriations.

Commentary: Report due to the Legislature by April 2008.