

Information Item

GRANT ADVISORY COMMITTEE

State Legislative and Budget Update

Commission staff will provide an update on legislative activities to date, including legislation and budget.

Responsible Staff: Steve Caldwell, Acting Chief
Governmental and Public Affairs

STATE LEGISLATIVE AND BUDGET UPDATE

THE BUDGET

The Legislature is preparing for the May Revision of the Governor's Budget and continues to work within the established deadlines for hearings. The actual date for release of the May Revision has not been announced, but it is expected to be either Friday, May 13th or Monday, May 16th. April 29, 2005 was the last day for policy committees to hear and report to Fiscal Committees fiscal bills first introduced in the house of origin. May 6, 2005, was the last day for policy committees to hear and report non-fiscal bills introduced in their house. Bills that are held in committee may be heard again in January 2006 as two-year bills.

STATE LEGISLATIVE PROPOSALS

SB 30**Position: None**

Author: Speier (D-Hillsborough)

Version: As Amended on April 4, 2005

Subject: Tax Deductions: 529 College Savings Plans

The Personal Income Tax Law, to conform to federal income tax laws, allows various deductions in computing the income that is subject to the taxes imposed by that law. This bill, beginning in 2005, would allow qualified taxpayers to deduct the amount contributed on behalf of a beneficiary, to the Golden State Scholarship Trust.

Status: Held in the Senate Revenue and Taxation Committee on April 13, 2005.

SB 160**Position: None**

Author: Cedillo (D- Los Angeles)

Version: As Amended on April 4, 2005

Subject: Eligibility for Student Financial Aid: California Dream Act

This bill would enact the California Dream Act which would enable persons who are exempt from paying nonresident tuition or who meet equivalent requirements adopted by regents to apply for and participate in all student aid programs administered by, UC, CSU and CCC. The bill would also provide eligibility for persons exempt from paying nonresident tuition, as specified, who otherwise are qualified for state funded financial aid programs to the extent permitted in accordance with federal law.

Status: Passed by the Senate Education Committee on April 27, 2005. To the Senate Appropriations Committee.

SB 337**Position: None**

Author: Maldonado (R-Santa Maria)
Version: As Amended on March 29, 2005
Subject: Denial of Cal Grants for Specified Offenses

This bill would require the CSU, CCC and request the UC campuses, to immediately dismiss any student convicted, pleading guilty to, or being adjudicated a delinquent minor with respect to specified rioting provisions of the Penal Code. The bill also prohibits campuses from admitting these students for one year and restricts these students' Cal Grant eligibility. The author agreed to amend the bill to remove the Cal Grant provision.

Status: Held in the Senate Education Committee on April 13, 2005.

SB 445**Position: None**

Author: Ducheny (D-San Diego)
Version: As Amended on March 31, 2005
Subject: Commission on Statewide Postsecondary Education Policy and Planning

This bill would repeal provisions of law that establish and prescribe the functions and responsibilities of the California Postsecondary Education Commission (CPEC). It would replace CPEC with the California Commission on Statewide Postsecondary Education Policy and Planning (CCSPEP) and provide for the new Commission's membership and duties. It would also include the Student Aid Commission's Executive Director as a member of the new Commission.

Status: This bill failed passage in the Senate Education Committee meeting on April 28, 2005.

SB 498**Position: None**

Author: Cox (R- Fair Oaks)
Version: As Amended on April 4, 2005
Subject: California Troops to Teachers Program

This bill would provide financial assistance to military personnel to transition to a career in teaching. The California Troops to Teachers Program would be established and maintained through the Commission on Teacher Credentialing. Funding of the \$10,000 grant per eligible participant would be determined in the annual Budget Act.

Status: Failed passage in the Senate Education Committee on April 28, 2005.

SB 531**Position: None**

Author: Ortiz (D-Sacramento)
Version: As Introduced on February 11, 2005
Subject: Budget – Consideration of Fee Increases

This appears to be a spot bill. As currently written, this bill would require the annual Governor's Budget to take into consideration any increases in tuition and fees at California's public colleges and universities. This is the current policy as it relates to the Cal Grant awards.

Status: As introduced.

SB 577**Position: None**

Author: Figueroa (D- Sunol)
Version: As Amended on May 4, 2005
Subject: State Government Operations: Reform

This bill would declare the intent of the Legislature to enact legislation that would reform state government operations to improve the efficiency and accountability of government programs.

Status: Passed by the Senate Committee on Government and Modernization, Efficiency and Accountability Committee on May 4, 2005. To the Senate Appropriations Committee.

SB 659**Position: None**

Author: Scott (D-Altadena)
Version: As Introduced on February 22, 2005
Subject: Student Financial Aid: ScholarShare Account Balances

This bill would prohibit assets held in trust under the Golden State ScholarShare Trust Act by a lower income household to be counted with respect to any means-tested, state-funded student financial aid program administered by the Commission.

Status: As introduced.

SB 796**Position: None**

Author: Figueroa (D-Sunol)
Version: As Amended on May 3, 2005
Subject: Government Operations: Accountability

This bill would establish the Government Modernization, Efficiency, Accountability, and Transparency Act of 2005, which would require that the performance of executive branch agencies be reviewed and graded, and require state agencies to provide specified information on their Web sites to assist consumers in obtaining government services and participation in the regulatory process.

Status: Passed by the Senate Committee on Government Modernization, Efficiency and Accountability on May 3, 2005. To the Senate Committee on Appropriations.

SB 818**Position: None**

Author: Perata (D-Oakland)
 Version: As Introduced on February 22, 2005
 Subject: Spot Bill – Cal Grant Programs

This bill would make technical non-substantive changes to Cal Grant statute.

Status: As introduced.

AB 3**Position: None**

Author: Blakeslee (R-San Luis Obispo)
 Version: As Amended on February 15, 2005
 Subject: Income Tax Deduction: College Savings

The Personal Income Tax Law authorizes various deductions in computing income that is subject to taxes imposed by that law. This bill would allow a deduction for contributions, not exceeding specified amounts, made by a taxpayer to a qualified tuition program, as defined.

Status: Hearing cancelled at the author's request – April 11, 2005 Assembly Revenue and Taxation Committee.

AB 53**Position: None**

Author: Negrete McCleod (D-Chino)
 Version: As Amended on April 19, 2005
 Subject: State Agency Consolidation

This bill would consolidate the functions of the California Health and Human Services Data Center and the Stephen P. Teale Data Center.

Status: Passed by the Committee of Business and Professions on April 27, 2005. To the Assembly Committee on Appropriations.

AB 110**Position: None**

Author: Ruskin (D-Redwood City)
 Version: As Amended on April 12, 2005
 Subject: Public Education: Reporting Requirements

Existing law requires the Superintendent of Public Instruction, the Commission on Teacher Credentialing, and the California Postsecondary Education Commission to compile certain reports relating to various matters. This bill would reduce the burden by deleting or modifying statute that requires data collection for pupil expulsions.

Status: Passed by the Assembly Committee on Higher Education on April 25, 2005. To the Assembly Committee on Appropriations.

AB 196**Position: None**

Author: Liu (D-La Canada)

Version: As Amended on April 25, 2005

Subject: California Postsecondary Education: Accountability

Status: This bill would establish a new reporting and assessment system to measure the state's progress with respect to achieving specified policy goals for postsecondary education.

Status: Passed by the Committee on Higher Education on April 25, 2005. To the Assembly Appropriations Committee.

AB 358**Position: Support in
Concept**

Author: Liu (D-LaCanada)

Version: As Amended on April 13, 2005

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.

This bill would:

- 1) Establish a policy and an associated formula to base the maximum Cal Grant award for students attending independent colleges and universities based upon the weighted average General Fund subsidy provided for financially needy students attending the CSU and UC.
- 2) Express legislative intent that limited financial aid for Cal Grants be targeted toward lower-division students in the community colleges and universities, and eliminates, in 2010-11, the restriction that no more than 2 percent of first-year students who receive Cal Grant B award can receive funds for payment of tuition and fees, and instead places this 2 percent restriction on fourth-year students. This bill intends that the Commission develop and implement a 5-year plan, prior to the fall term of 2010-11, to provide recipients for Cal Grant B awards to receive award payments for tuition or fees, or both, during their first 3 years of study.

The author accepted amendments in Committee to phase in the maximum award increase and to conduct a study by the Commission with segmental representation.

Status: Placed on the Assembly Appropriations Committee's suspense file on April 27, 2005.

AB 476**Position: None**

Author: Baca (D-Rialto)

Version: As Amended on April 7, 2005

Subject: Student Financial Aid Cal Grant Program: Funding for Teacher Preparation

This urgency bill would require that the Executive Director of CSAC determine and allocate the amount, if any, of funds appropriated for Cal Grant Entitlement awards that will not be used. Allocation would be as follows:

- Fifty percent would be used for eligible student currently enrolled professional preparation approved by the Commission on Teacher Credentialing; and
- Fifty percent would be used for loan assumption for persons who have worked no less than one year and no more than five years as full-time instructors in California and who are eligible for benefits under the APLE program.

Status: Hearing cancelled at the author's request on April 19, 2005 in the Assembly in Higher Education Committee meeting which makes AB 476 a two-year bill.

AB 589**Position: None**

Author: Emmerson (R-Redlands)

Version: As Introduced on February 16, 2005

Subject: Public Postsecondary Education: Nonresident admissions criteria

This bill would reverse current law (AB 540) which provides an exemption to paying nonresident fees if an undocumented student has lived in California for more than 3 years and graduates from a California high school.

Status: Failed passage on April 19, 2005 in the Assembly on Higher Education Committee.

AB 593**Position: None**

Author: Frommer (D-Los Angeles)

Version: As amended on May 2, 2005

Subject: California Hope Endowment Fund

This bill would turn State-owned real estate assets into the California Hope Endowment (CHE) that would expand opportunities for Californians to enroll in higher education. This bill would require that the CHE develop guidelines and criteria to award grants from the Fund. The endowment would be administered by the California Hope Public Trust, an appointed membership body.

Status: Passed by the Assembly Higher Education Committee on April 28, 2005. To the Assembly Committee on Appropriations.

AB 700**Position: Support if Amended**

Author: Jerome Horton (D-Inglewood)
Version: As Introduced on February 17, 2005
Subject: Expansion of the Cal Grant Entitlement Program

This bill would remove the age requirements for the Entitlement Program by deleting the reference to high school graduation and one year after and providing awards to all eligible applicants who apply by March 2nd immediately preceding the award year.

Commission staff conveyed the Commission's position to Support if Amended to require a General Fund appropriation in the annual Budget Act to activate the bill's provisions. The author agreed to amend the bill in this manner.

Status: Placed in the Assembly Appropriations Committee Suspense file on May 4, 2005.

AB 870**Position: None**

Author: Bermudez (D-Norwalk)
Version: As Amended on March 29, 2005
Subject: Student Fee Policy

This bill would, beginning in 2005-06, prohibit increases to the tuition and mandatory systemwide fees charged to students at the UC and the CSU in excess of 2 percent above the level charged the year before, unless at least one-third of the revenue that accrues to each segment due to the increase is used to fund institutional student financial aid programs at the segment. Amended to include enrollment and community colleges.

Status: Passed by the Assembly on Higher Education Committee on April 29, 2005. To the Assembly Appropriations Committee.

AB 931**Position: None**

Author: Emmerson (R-Redlands)
Version: As Introduced on February 18, 2005
Subject: Cal Grant Program: Spot Bill

This bill appears to be a spot bill. It would "make technical, nonsubstantive" changes in the provision of the Cal Grant program that is related to eligibility requirements.

Status: As introduced.

AB 933**Position: None**

Author: Emmerson (D-Redlands)
Version: As Introduced on February 18, 2005
Subject: Student Fee Policy

This bill, beginning in 2006–07, would require the level of mandatory systemwide fees for resident undergraduate students at the UC, the CSU, and any community college campus to be set as an unspecified percentage of the total cost of instruction, as defined.

Status: Hearing cancelled at the author's request on April 5, 2005 in the Assembly Higher Education Committee, it may be heard again in January as a two-year bill.

AB 1072**Position: None**

Author: Liu (D-La Canada)
Version: As Amended on April 26, 2005
Subject: CPEC/BPPVE Consolidation

This bill would terminate CPEC and create a successor Commission titled the California Commission on Higher Education as of July 1, 2006. New Commission would consist of 9 members with 6 year terms: 3 Governor appointments, 3 Senate appointments, and 3 Assembly appointments. AB 1072 would require that the Commission to present a written strategic plan to the Legislature and the Administration in December and to report regularly on its progress. The new Commission would also incorporate the current duties of the Bureau for Private Postsecondary and Vocational Education (BPPVE).

Status: Held under submission, amended and re-referred to Assembly Committee on Higher Education.

AB 1241**Position: Support in
Concept**

Author: Matthews (D-Tracy)
Version: As on April 27, 2005
Subject: GPA Submission for Cal Grant Programs

This bill would require that the Commission report annually to the Legislature, the Administration and the Superintendent of Public Instruction, the number of grade point averages (GPA) the Commission receives for pupils enrolled in Grade 12 from public and private high schools and the number of Free Applications for Federal Student Financial Aid (FAFSA) applications. Additionally, the Commission would develop and provide a form for public and private high schools to use which would be signed by students to authorize the school to submit and certify the student's GPA to the Commission.

Status: Passed by the Assembly Higher Education Committee on April 19, 2005. To the Assembly Appropriations Committee.

AB 1399**Position: None**

Author: Garcia (R-Cathedral City)

Version: As Introduced on February 22, 2005

Subject: Cal Grants: Dependents of Members of the National Guard or other Branches of the Military

This bill would express legislative intent to ensure that any child of a member of the United States armed forces, or a member of the California National Guard, who serves at any time between September 11, 2001, and the end of the conflict in Iraq, is eligible to receive a Cal Grant award.

Status: As introduced.

AB 1436**Position: None**

Author: Baca (D-San Bernardino)

Version: As Amended on April 27, 2005

Subject: Cal Grants for Military Veterans Who Plan to Teach

This bill would provide that any California resident who has been honorably discharged from the Armed Forces of the United States, or who is, or who has been, a member of the California National Guard, the California State Military Reserve, or the California Naval Militia, and who was called to active service, as defined, would be eligible for a Cal Grant Entitlement award. AB 1436 was amended to include a need-based provision that would require participants to be under the Cal Grant A income ceilings to qualify for an award and to limit the eligibility period to five years after return from active duty.

Status: Passed by the Assembly Higher Education Committee on April 19, 2005. Commission staff supported the addition of the need-based component but will continue to work with staff to clarify the intent of the bill. To the Assembly Appropriations Committee.

AB 1445**Position: None**

Author: Umberg (D-Santa Ana)

Version: As Amended on April 25, 2005

Subject: Tuition and Fee Waivers: National Guard, Air National Guard, Military Reserve

This bill would prohibit the UC, CSU, and the CCC from charging any mandatory systemwide tuition or fees, to qualifying members of the California Army National Guard, the California Air National Guard, and the State Military Reserve. It would require the Military Department to determine the eligibility of any applicant for a fee or tuition waiver under the bill, in accordance with regulations adopted by the Adjutant General. In accordance with existing law, the bill would apply to the UC only if the Regents act to implement the provisions.

Status: Passed by the Assembly Higher Education Committee on April 25, 2005 and by the Committee on Veterans Affairs on April 27, 2005. To the Assembly Appropriations Committee.

AB 1625

Position: None

Author: Klehs (D-San Leandro)

Version: As amended on April 25, 2005

Subject: State Government Reports: Perjury

This bill would require any reports submitted by any state agency, board, or commission to the Governor or the Legislature include a signed statement by the head of the agency or chair of the board or commission, declaring under penalty of perjury that the contents of the report are true, accurate, and complete to the best of his or her knowledge.

Status: Passed by the Assembly Business and Professions Committee on April 19, 2005. To the Assembly Appropriations Committee.
