

Information/Action Item

GRANT ADVISORY COMMITTEE

State Legislative Update

This tab is included as an informational item. The Legislature is currently on recess and will begin the second year of the 2005-06 Legislative Session on January 4, 2006. This state legislative update summarizes the status of the bills that Commission staff has been tracking and the specific impact to the Commission's programs.

The first half of the two-year 2005-06 Legislative Session ended on September 9, 2005. The Governor has 30 days to address bills that were enrolled and submitted to his desk on or after the last day of the session. The Governor has the option to 1) sign the bill into law, 2) allow the bill to become law without his signature, or 3) veto the bill.

This updates includes any veto or signing activity that has been posted as of October 6, 2005. Staff will provide an oral update on any bill activity that occurs prior to the October 14, 2005 Grant Advisory Committee meeting.

Recommended Action: No action required.

Responsible Staff: Carlos A. Machado, Chief
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STATE LEGISLATIVE UPDATE

This state legislative update summarizes the status of the bills that Commission staff has been tracking and the specific impact to the Commission's programs.

September 9, 2005 was the last day of the first half of the two-year 2005-06 Legislative session. Bills that have been passed on the Senate and Assembly Floor are enrolled and submitted to the Governor for action. The Governor has 30 days to address bills that were enrolled and submitted to his desk on or after the last day of the session. The Governor's options related to each of these bills are to; 1) sign the bill into law, 2) allow the bill to become law without his signature, or 3) veto the bill.

SB 577

Position: None

Author: Figueroa (D-Sunol)

Version: As Amended on September 1, 2005

Subject: State Government Operations: Accountability

This bill addresses a series of issues raised by the California Performance Review. The bill outlines the requirements for several designated agencies in reporting to the Legislature various updates regarding fiscal management and long range financial planning and cost savings. Amendments to this bill were to add clarification language.

Status: Submitted to the Governor on September 13, 2005. If signed, the bill may have minor administrative impact to the Commission but it would not directly affect the Commission's programs.

SB 796

Position: None

Author: Figueroa (D-Sunol)

Version: As Amended on August 15, 2005

Subject: Government Operations: Accountability

This bill would enact the Government Modernization, Efficiency, Accountability, and Transparency Act. It would require every state agency that issues permits or licenses or accepts applications, proposals, bids or similar requests, to post on a Web site customer service links that contain specific information, forms and applications, and instructions for filing complaints via the Internet. The bill also requires notices of all public meetings and agendas be posted on the respective government Web sites of state agencies by a specified date.

Status: Submitted to the Governor on September 13, 2005. If signed, the bill may impact the Commission administratively by requiring enhancements to the Commission's Web sites with "Customer Service" and "Decisions Pending and Opportunities for Public Participation" links, as required by January 1, 2007.

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: This bill was held in the Assembly Appropriations Committee and may be taken up in the second half of the two-year session.

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: Enrolled and sent to the Governor on July 6, 2005. Approved by the Governor and Chaptered by the Secretary of State on July 18, 2005 (Chapter 69, Statutes of 2005). This bill will not directly affect the Commission or its programs.

AB 196**Position: None**

Author: Liu (D-La Canada)
Version: As Amended on August 15, 2005
Subject: California Postsecondary Education: Accountability

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. Amended language clarifies reasons for reports and identifies that an annual report be submitted to the Governor and Legislature by October of each year. Reports shall compare performance for each item indicated for three prior academic years and for the most recent completed academic year.

Status: This bill was held in the Senate Appropriations Committee and may be taken up in the second half of the two-year session.

AB 358**Position: Support**

Author: Liu (D-La Canada - Flintridge)

Version: As Amended on August 30, 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 in statute a policy an award formula linking the Cal Grant A and B award for tuition and fees at independent colleges and universities to the General Fund subsidy the state provides for each student at public four-year universities.
- 2) Provide a phased-in period for the new award formula that requires 2006-07 grants to be no less than 80 percent of the formula-driven amount, 2007-08 grants to be no less than 90 percent of that amount and 2008-09 and subsequent years' grants to be no less than 100 percent of that amount.
- 3) Provide that the award formula above would only apply to students in 4-year programs.
- 4) Require the California Student Aid Commission to review Cal Grant B funding policies, analyze alternatives and provide recommendations in a report to the Legislature on or before September 1, 2006.

Recent Advocacy: The Commission submitted a letter supporting the August 15, 2005 version of the bill. A subsequent amendment on August 30, 2005 revised the bill in a way that it would create an inequity in eligibility, distribution and funding of Cal Grants to the diverse population served. On September 2, 2005 the Commission submitted a letter to the author which outlined the Commission's concerns. Commission staff will continue working with the Legislative members and their staff over the next few months to address the concerns identified and to promote legislation that supports an equitable Cal Grant maximum award for students attending independent colleges and universities and maximizes financial aid availability to all students.

Status: Inactive. AB 358 was held on the Assembly Floor and may be acted upon in the second half of the two-year session.

AB 593**Position: None**

Author: Frommer (D-Los Angeles)

Version: As amended on September 6, 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. It 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.

The bill would require funding from the endowment to supplement, and not supplant, General Fund investment in public higher education. The bill would authorize the endowment to accept donations from corporations, individuals, or foundations, or to receive grants from private sources and public agencies, for any of the endowment's purposes.

Among the purposes stated in the bill, the Trust "would be used to bolster financial aid at public colleges and universities so that rising fees and the high cost of textbooks do not close the door on students due to financial need, whether they are recent high school graduates or adults returning to college in mid-career to improve their knowledge and skill."

Status: Submitted to the Governor on September 15, 2005. This bill does not provide for a direct impact on the Commission or its programs. However, should the Governor sign the bill, the Commission may be asked to assist in the administration of the programs and distribution of funding.

AB 961

Position: None

Author: Committee on Higher Education; Liu, (Chair), Horton, Matthews, Nava, Ruskin

Version: As Amended on August 17, 2005

Subject: Postsecondary Education Non-Controversial Changes

This bill would make various technical, clarifying, administrative and generally minor but non-controversial changes to higher education-related provisions of current law relating to the Golden State Scholarshare Trust Program, the California Educational Facilities Financing Authority (CEFA) and the California State University.

Status: Submitted to the Governor on September 2, 2005. AB 961 was signed into law by the Governor on September 22, 2005 (Chapter 318, Statutes of 2005). This bill will not affect the Commission's programs or administration.

AB 1241

Position: Support

Author: Matthews (D-Tracy)

Version: As on amended on August 30, 2005

Subject: GPA Submission for Cal Grant Programs

Requires the California Student Aid Commission (CSAC) to report, on or before November 1 of each year, to the Legislature and the Superintendent of Public Instruction (SPI):

1. The number of GPAs received each year on a timely basis from each high school in California, for students in the March 2nd and September 2nd Cal Grant award cycles;
2. The number of pupils in grade 12 in each high school; and
3. The number of student aid applications received by September 2nd each year from students who are likely to be leaving high school and entering college for the first time.

Additional Provisions:

- States Legislative intent that the State Department of Education should provide technical assistance to high schools regarding their transmission of GPAs and that all school districts should release GPA information to the Commission for Cal Grant purposes.

- States Legislative intent that the Commission use its statutory authorization regarding a grace period for GPA submission to notify otherwise eligible students of their obligation to submit a certified GPA and provide such students with an appropriate amount of time in which to comply.
- Establishes a working group of interested parties to develop strategies to simplify and maximize participation in the GPA process and requires the Commission and the SPI to report to the Legislature on or before April 1, 2006 on the results of this consultation, including issues related to GPA definition, privacy, unique identifiers, methods of submission, training and support for high school personnel and cost.

Status: Vetoed by the Governor on October 4, 2005. This bill was passed by the Legislature and submitted to the Governor on September 14, 2005. Commission staff submitted a Support letter, at the Commission's direction on September 15, 2005. The impact to the Commission would be to develop, test and deliver new reports regarding GPA submissions to the appropriate policy and fiscal committees of the Legislature and the Superintendent of Public Instruction and, to convene a workgroup to develop strategies to streamline GPA submission processes.

Governor's Veto Message: "I am returning Assembly Bill 1241 without my signature. Specific legislative authority is not necessary for the California Student Aid Commission (CSAC) to convene a working group to develop strategies to facilitate the submission of student grade point average verification to CSAC. In fact, CSAC has already convened a working group to study the barriers to the grade point average submission process. Therefore, this bill is unnecessary."

AB 1625

Position: None

Author: Klehs (D-San Leandro)
 Version: As amended on July 13, 2005
 Subject: State Government Reports: Declarations

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: Submitted to the Governor on September 14, 2005. This bill would require the Commission Chair or Executive Director, as required by law, to sign a declaration statement that the contents of reports required to be submitted by a state agency, board or commission, that the contents of the report are true, accurate and complete to the best of his or her knowledge.

AB 1531

Position: None

Author: Bass (D-Los Angeles)
 Version: As amended on August 31, 2005
 Subject: California High School Exit Exam

Current law requires the Superintendent of Public Instruction (SPI), with the approval of the State Board of Education, to develop a high school exit examination in English language arts and mathematics in accordance with state academic content standards. Existing law requires, commencing with the senior class of 2006 year and ahead, that each pupil completing grade 12

successfully pass the exit examination as a condition of high school graduation. Existing law requires the board, in consultation with the Superintendent, to study the appropriateness of other criteria by which high school pupils who are regarded as highly proficient but unable to pass the exit examination may demonstrate their competency and receive a high school diploma.

This bill would permit a pupil to satisfy the English language arts or mathematics portion of the high school exit examination by passing an alternative performance assessment offered by his or her school district or charter school if the Superintendent certifies that the alternative performance assessment meets certain minimum requirements.

Status: Submitted to the Governor on September 19, 2005.

AB 1646

Position: None

Author: Assembly Higher Education Committee

Version: As amended on September 2, 2005

Subject: Public Postsecondary Education: Community Colleges

Revises and recasts numerous statutes relating to the operation of the California Community Colleges system and its component districts and campuses. Requires a district to exempt a student from paying nonresident tuition and fees if the student was enrolled or admitted with intention to enroll, in the fall term to an institution in Alabama, Louisiana, or Mississippi, and could not continue their attendance due to Hurricane Katrina.

Status: Submitted to the Governor on September 14, 2005. This bill will not directly affect the Commission's programs, but will encourage students displaced by Hurricane Katrina to continue their postsecondary education in California.

Assembly Bill No. 1241

Passed the Assembly September 7, 2005

Chief Clerk of the Assembly

Passed the Senate September 6, 2005

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2005, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to add Section 69432.6 to the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 1241, Matthews. Student Aid Commission: reports from high schools.

Existing law requires that a grade point average be submitted for all Cal Grant A and B applicants, except for those permitted to provide test scores in lieu of a grade point average.

This bill would require the Student Aid Commission to make an annual report to the appropriate policy and fiscal committees of the Legislature and the Superintendent of Public Instruction including the number of grade point averages for pupils enrolled in grade 12 submitted by public and private high schools to the commission, the number of pupils enrolled in grade 12 in each of the high schools from which grade point averages were submitted in the academic year immediately prior to the report date, and the number of federal financial aid applications received from a prescribed group of pupils who are otherwise eligible to receive a Cal Grant award, as specified, but for whom no grade point average was submitted to the Student Aid Commission by their high schools.

The bill would express legislative intent and legislative findings and declarations relating to the processes relating to the transmission of pupil grade point averages and the submission of applications for financial aid.

The bill would require the Executive Director of the Student Aid Commission and the Superintendent of Public Instruction, or their designees, to jointly convene a working group of not more than 15 members. The bill would require the working group to consult with representatives of California public and private high schools, the segments of higher education, and pupil representatives to develop strategies for streamlining the process of reporting grade point averages for pupils. The bill would require the Executive Director of the Student Aid Commission and the Superintendent of Public Instruction to provide a joint

report to the Legislature by April 1, 2006, on the results of the consultation undertaken pursuant to the bill.

The people of the State of California do enact as follows:

SECTION 1. Section 69432.6 is added to the Education Code, to read:

69432.6. (a) The Student Aid Commission shall, on or before November 1 of each year, submit a report to the appropriate policy and fiscal committees of the Legislature and to the Superintendent of Public Instruction including all of the following:

(1) The number of grade point averages, submitted for pupils of each public and private high school to the Student Aid Commission, that were received on a timely basis for the March 2 deadline, and additionally received on a timely basis for the September 2 deadline, in the 12 months immediately prior to the report date.

(2) The number of pupils enrolled in grade 12 in each of the high schools from which grade point averages were submitted in the academic year immediately prior to the report date, using data from the California Basic Educational Data System (CBEDS).

(3) The number of federal financial aid applications received as of September 2 of the report year from pupils who indicate on the Free Application for Federal Student Aid that they are California residents, who provide a birth date that indicates they will be age 20 or younger on January 1 of the award year, who provide a grade-level response indicating they have never attended college and will be first-year undergraduates in the award year, who meet the income and asset ceilings for a Cal Grant award, and for whom no grade point average information was submitted to the Student Aid Commission by their high schools.

(b) It is the intent of the Legislature that both of the following should occur:

(1) The State Department of Education, under the supervision of the Superintendent of Public Instruction, should provide technical assistance, as needed, using existing resources, to high schools regarding their transmittal of pupil grade point average

information to the Student Aid Commission through local school districts and county offices of education.

(2) All school districts should release grade point average information to agencies or organizations in connection with the application of a pupil for financial aid under paragraph (2) of subdivision (b) of Section 49076 of the Education Code.

(c) (1) The Legislature finds and declares both of the following:

(A) Otherwise eligible Cal Grant applicants in California, who fulfill their obligation to submit a financial aid application in a timely manner, are not receiving the Cal Grant benefits to which they are entitled solely because they are unaware of their additional obligation to submit a certified grade point average by the specified deadline.

(B) The Student Aid Commission is provided authority in subdivision (c) of Section 69432.9 to establish a grace period for receipt of this certified grade point average.

(2) It is the intent of the Legislature that the Student Aid Commission use the authority provided in subdivision (c) of Section 69432.9 to notify pupils who are otherwise eligible for the Cal Grant A Entitlement Program, the Cal Grant B Entitlement Program, and the California Community College Transfer Cal Grant Entitlement Program of their obligation to submit a certified grade point average and to provide these pupils with an appropriate grace period in which to do so.

SEC. 2. (a) The Executive Director of the Student Aid Commission and the Superintendent of Public Instruction, or their designees, shall jointly convene a working group of not more than 15 members, which shall consist of parties who are interested in the process of reporting high school grade point averages. The working group shall include representation from the Student Aid Commission and the office of the Superintendent of Public Instruction, and shall consult with representatives of California public and private high schools, the segments of higher education, and pupil representatives to develop strategies for streamlining the process of reporting grade point averages for pupils, while also maximizing the number of pupils for whom grade point averages will be certified and submitted by March 2 for pupils enrolled in grade 12, and by September 2 and the

subsequent March 2 for pupils who were enrolled in grade 12 in the immediately preceding year.

(b) The Executive Director of the Student Aid Commission and the Superintendent of Public Instruction shall provide a joint report to the Legislature by April 1, 2006, on the results of the consultation undertaken pursuant to this section. This report shall include all recommendations made to maximize the submission of grade point averages. The report shall also include information about issues related to grade point average definition, privacy, unique identifiers, methods of submission, training and support for high school personnel, and the costs involved in this process.

Approved _____, 2005

Governor

2005 CA A 1241 : Governor's Message - 10/04/2005

BILL NUMBER: California Assembly Bill Number 1241 VETO DATE: October 4, 2005

To the Members of the California State Assembly:

I am returning Assembly Bill 1241 without my signature.

Specific legislative authority is not necessary for the California Student Aid Commission (CSAC) to convene a working group to develop strategies to facilitate the submission of student grade point average verification to CSAC. In fact, CSAC has already convened a working group to study the barriers to the grade point average submission process. Therefore, this bill is unnecessary.

For these reasons

Sincerely,

Arnold Schwarzenegger