

CALIFORNIA CODES
EDUCATION CODE
SECTION 69430-69460

69430. This chapter shall be known, and may be cited, as the Ortiz-Pacheco-Poohigian-Vasconcellos **Cal Grant** Program.

69431. There is hereby established the Ortiz-Pacheco-Poohigian-Vasconcellos **Cal Grant** Program, which may also be referred to as the **Cal Grant** Program.

69432. (a) **Cal Grant** Program awards shall be known as "**Cal Grant** A Entitlement Awards," "**Cal Grant** B Entitlement Awards," "California Community College Transfer Entitlement Awards," "Competitive **Cal Grant** A and B Awards," "**Cal Grant** C Awards," and "**Cal Grant** T Awards."

(b) Maximum award amounts for students at independent institutions and for **Cal Grant** C and T awards shall be identified in the annual Budget Act. Maximum award amounts for **Cal Grant** A and B awards for students attending public institutions shall be referenced in the annual Budget Act.

69432.5. The Budget required by the California Constitution to be submitted by the Governor at each Regular Session of the Legislature shall take into consideration the amount of federal **grant** funds for student financial aid.

69432.7. As used in this chapter, the following terms have the following meanings:

(a) An "academic year" is July 1 to June 30, inclusive. The starting date of a session shall determine the academic year in which it is included.

(b) "Access costs" means living expenses and expenses for transportation, supplies, and books.

(c) "Award year" means one academic year, or the equivalent, of attendance at a qualifying institution.

(d) "College grade point average" and "community college grade point average" mean a grade point average calculated on the basis of all college work completed, except for nontransferable units and courses not counted in the computation for admission to a California public institution of higher **education** that grants a baccalaureate degree.

(e) "Commission" means the Student Aid Commission.

(f) "Enrollment status" means part-time status or full-time status.

(1) Part time, for purposes of **Cal Grant** eligibility, is defined as 6 to 11 semester units, inclusive, or the equivalent.

(2) Full time, for purposes of **Cal Grant** eligibility, is defined as 12 or more semester units or the equivalent.

(g) "Expected family contribution," with respect to an applicant, shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher **Education** Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(h) "High school grade point average" means a grade point average calculated on a 4.0 scale, using all academic coursework, for the sophomore year, the summer following the sophomore year, the junior

year, and the summer following the junior year, excluding physical **education**, reserve officer training corps (ROTC), and remedial courses, and computed pursuant to regulations of the commission. However, for high school graduates who apply after their senior year, "high school grade point average" includes senior year coursework.

(i) "Instructional program of not less than one academic year" means a program of study that results in the award of an associate or baccalaureate degree or certificate requiring at least 24 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(j) "Instructional program of not less than two academic years" means a program of study that results in the award of an associate or baccalaureate degree requiring at least 48 semester units or the equivalent, or that results in eligibility for transfer from a community college to a baccalaureate degree program.

(k) "Maximum household income and asset levels" means the applicable household income and household asset levels for participants in the **Cal Grant** Program, as defined and adopted in regulations by the commission for the 2001-02 academic year, which shall be set pursuant to the following income and asset ceiling amounts:

CAL GRANT PROGRAM INCOME CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent and Independent students with dependents*		
Family Size		
Six or more	\$74,100	\$40,700
Five	\$68,700	\$37,700
Four	\$64,100	\$33,700
Three	\$59,000	\$30,300
Two	\$57,600	\$26,900
Independent		
Single, no dependents	\$23,500	\$23,500
Married	\$26,900	\$26,900

*Applies to independent students with dependents other than a spouse.

CAL GRANT PROGRAM ASSET CEILINGS

	Cal Grant A, C, and T	Cal Grant B
Dependent**	\$49,600	\$49,600
Independent	\$23,600	\$23,600

**Applies to independent students with dependents other than a spouse.

The commission shall 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 8 of Article XIII B of the California Constitution. Any applicant who qualifies to be considered under the simplified needs test established by federal law for student assistance shall be presumed to meet the asset level test under this section. Prior to disbursing any **Cal Grant** funds, a qualifying institution shall be obligated, under the terms of its institutional participation agreement with the commission, to resolve any conflicts that may exist in the data the institution possesses relating to that individual.

(1) "Qualifying institution" means any of the following:

(1) Any California private or independent postsecondary educational institution that participates in the Pell **Grant** program and in at least two of the following federal campus-based student aid programs:

- (A) Federal Work-Study.
- (B) Perkins Loan Program.
- (C) Supplemental Educational Opportunity **Grant** Program.

(2) Any nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the **Cal Grant** Program for the 2000-01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.

(3) Any California public postsecondary educational institution.

(m) "Satisfactory academic progress" means those criteria required by applicable federal standards published in Title 34 of the **Code** of Federal Regulations. The commission may adopt regulations defining "satisfactory academic progress" in a manner that is consistent with those federal standards.

69432.8. The commission may determine that an advance payment is essential to ensure that funds provided pursuant to this chapter to assist students to enroll in postsecondary **education** are available at the time students enroll. Upon making that determination, the commission may, on the basis of institutional academic calendars, advance, per term to authorized postsecondary educational institutions, the funds for eligible students who have indicated they will attend those institutions, less an amount based on historical claim enrollment attrition information. Each institution shall disburse the funds in accordance with the provisions set forth in the institutional agreement between the commission and the institution.

69432.9. (a) A **Cal Grant** applicant shall submit a complete official financial aid application pursuant to Section 69433 and applicable regulations adopted by the commission.

(b) Financial need shall be determined using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established by Title IV of the Federal Higher **Education** Act of 1965 (20 U.S.C. Secs. 1070 et seq., as amended). The calculation of financial need shall be consistent with the commission's methodology for financial need for the 2000-01 academic year.

(1) "Expected family contribution," with respect to an applicant shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher **Education** Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(2) Financial need is defined as the difference between the student's cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with the commission's methodology for determining financial need for the 2000-01 academic year as established by Title IV of the federal Higher **Education** Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.).

(3) (A) The minimum financial need required for receipt of an initial **Cal Grant** A or **Cal Grant** C award shall be not less than the maximum annual award value for the applicable institution, plus an additional one thousand five hundred dollars (\$1,500) of financial need.

(B) The minimum financial need required for receipt of an initial **Cal Grant** B award shall be no less than seven hundred dollars (\$700).

(c) The commission shall require 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. The commission shall require that each report of a grade point average include a certification, executed under penalty of perjury, by a school official, that the grade point average reported is accurately reported. The certification shall include a statement that it is subject to review by the commission or its designee. The commission shall adopt regulations that establish a grace period for receipt of the grade point average and any appropriate corrections, and that set forth the circumstances under which a student may submit a specified test score designated by the commission, by regulation, in lieu of submitting a qualifying grade point average. It is the intent of the Legislature that high schools and institutions of higher **education** certify the grade point averages of their students

in time to meet the application deadlines imposed by this chapter.

69433. (a) (1) A **Cal Grant** Program award shall be based upon the financial need of the applicant, and shall not exceed the calculated financial need for any individual applicant. The minimum level of financial need of each applicant shall be determined by the commission pursuant to Section 69432.9. The commission may provide renewal awards.

(2) A student attending a nonpublic institution shall receive a renewal award for tuition or fees, or both, in an amount not to exceed the maximum allowable award amount that was in effect in the year in which the student first received a new award.

(b) A **Cal Grant** award authorized pursuant to this chapter shall be defined as a full-time equivalent **grant**. An award to a part-time student shall be a fraction of a full-time **grant**, as determined by the commission.

(c) (1) The commission shall prescribe the use of standardized student financial aid applications for California. These applications shall be simple in nature, and collect common data elements required by the federal government and those elements needed to meet the objectives of state-funded and institutional financial aid programs.

(2) The applications prescribed in paragraph (1) shall be utilized for the **Cal Grant** Program, all other programs funded by the state or a public institution of postsecondary **education** (except for the Financial Assistance Program of the Board of Governors of the California Community Colleges authorized by Chapter 1118 of the Statutes of 1987, for which a simplified application designed for that sole purpose may be used), and all federal programs administered by a public postsecondary **education** institution.

(3) Supplemental application information may be utilized if the information is essential to accomplishing the objectives of individual programs. All supplemental application information used for the purposes of commission-administered programs shall be subject to approval by the commission, and applications shall be identical for programs with similar objectives, as determined by the commission.

(4) Public postsecondary institutions are encouraged to use, but may decide whether to use, the standard applications for funds provided by private donors.

(5) The Legislature finds and declares that it is in the best interest of students that all postsecondary **education** institutions in California participating in federal and state-funded financial aid programs accept the standard applications prescribed by the commission.

(d) Nothing in this chapter shall prevent an individual public postsecondary institution from processing, with its own staff and fiscal resources, the standard financial aid applications specified in subdivision (c) for student aid programs for which it has legal responsibility.

(e) The commission may enter into contracts with a public agency or a private entity to improve the processing and distribution of grants, fellowships, and loans through the use of electronic networks and unified data bases.

69433.4. (a) Notwithstanding any other provision of law, a recipient of a **Cal Grant** award who is a member of the National Guard, the State Military Reserve, or the Naval Militia on active duty

within the meaning of Section 66025.6, who is obliged to withdraw from his or her studies because of that active duty, and who later resumes those studies no later than one year after completing that active duty, does not forfeit either any of the monetary value of the **Cal Grant** award or any of his or her period of eligibility for that award.

(b) This section shall remain in effect only until January 1, 2012, and as of that date is repealed, unless a later enacted statute that is enacted before January 1, 2012, deletes or extends that date.

69433.5. (a) Only a resident of California, as determined by the commission pursuant to Part 41 (commencing with Section 68000), is eligible for an initial **Cal Grant** award. The recipient shall remain eligible for award renewal only if he or she is a California resident, in attendance, and making satisfactory academic progress at a qualifying institution, as determined by the commission.

(b) A part-time student shall not be discriminated against in the selection of **Cal Grant** Program award recipients, and an award to a part-time student shall be approximately proportional to the time the student spends in the instructional program, as determined by the commission. A first-time **Cal Grant** Program award recipient who is a part-time student shall be eligible for a full-time renewal award if he or she becomes a full-time student.

(c) **Cal Grant** Program awards shall be awarded without regard to race, religion, creed, sex, or age.

(d) No applicant shall receive more than one type of **Cal Grant** Program award concurrently. Except as provided in Section 69440, no applicant shall:

(1) Receive one or a combination of **Cal Grant** Program awards in excess of the amount equivalent to the award level for a total of four years of full-time attendance in an undergraduate program, except as provided in Section 69433.6.

(2) Have obtained a baccalaureate degree prior to receiving a **Cal Grant** Program award, except as provided in Section 69440.

(e) A **Cal Grant** Program award, except as provided in Section 69440, may only be used for educational expenses of a program of study leading directly to an undergraduate degree or certificate, or for expenses of undergraduate coursework in a program of study leading directly to a first professional degree, but for which no baccalaureate degree is awarded.

(f) Commencing in 1999, the commission shall, for students who accelerate college attendance, increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during summer terms, sessions, or quarters. In the aggregate, the total amount a student may receive in a four-year period may not be increased as a result of accelerating his or her progress to a degree by attending summer terms, sessions, or quarters.

(g) The commission shall notify **Cal Grant** award recipients of the availability of funding for the summer term, session, or quarter through prominent notice in financial aid award letters, materials, guides, electronic information, and other means that may include, but not necessarily be limited to, surveys, newspaper articles, or attachments to communications from the commission and any other published documents.

(h) The commission may require, by the adoption of rules and regulations, the production of reports, accounting, documents, or other necessary statements from the award recipient and the college or university of attendance pertaining to the use or application of the award.

(i) A **Cal Grant** Program award may be utilized only at a qualifying institution.

69433.6. (a) **Cal Grant** A awards and **Cal Grant** B awards may be renewed for a total of the equivalent of four years of full-time attendance in an undergraduate program provided that financial need continues to exist. Commencing with the 2001-02 academic year, the total number of years of eligibility for grants pursuant to this section shall be based on the student's educational level in his or her course of study as designated by the institution of attendance when the recipient initially receives payment for a **grant**.

(b) For a student enrolled in an institutionally prescribed five-year undergraduate program, **Cal Grant** A awards and **Cal Grant** B awards may be renewed for a total of five years of full-time attendance, provided that financial need continues to exist.

(c) (1) A **Cal Grant** Program award recipient who has completed a baccalaureate degree, and who has been admitted to and is enrolled in a program of professional teacher preparation at an institution approved by the California Commission on Teacher Credentialing is eligible for, but not entitled to, renewal of a **Cal Grant** Program award for an additional year of full-time attendance, if financial need continues to exist.

(2) Payment for an additional year is limited to only those courses required for an initial teaching authorization. An award made under this subdivision may not be used for other courses.

(d) A student's **Cal Grant** renewal eligibility shall not have lapsed more than 15 months prior to the payment of an award for purposes of this section.

69433.7. The commission shall adopt regulations necessary to implement this chapter. Notwithstanding any other provision of law, the commission may adopt emergency regulations pursuant to Section 11346.1 of the Government **Code** in order to ensure that the program enacted by this chapter may function in its first academic year.

69433.8. An award under this chapter does not guarantee admission to an institution of higher **education** or admission to a specific campus or program.

69433.9. To be eligible to receive a **Cal Grant** award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher **Education** Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) In compliance with all applicable Selective Service registration requirements.

(c) Not incarcerated.

(d) Not in default on any student loan within the meaning of Section 69507.5.

(e) (1) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing

with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

(2) A student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies any requirement for obtaining high school graduation or its equivalent for the purposes of this chapter as of the first day of the academic term immediately following the term in which the requirements for the high school diploma or its equivalent are met.

(3) No student shall receive an award for a term that begins prior to satisfying any requirement for obtaining high school graduation or its equivalent.

69434. (a) A **Cal Grant A** award shall be used only for tuition or student fees, or both, in a for-credit instructional program with a length of not less than two academic years. Each student who meets the **Cal Grant A** qualifications as set forth in this article shall be guaranteed an award. The amount of any individual award is dependent on the cost of tuition or fees, or both, at the qualifying institution at which the student is enrolled. For each applicant, the award amount shall not exceed the amount of the calculated financial need.

(b) Pursuant to Section 66021.2, any California resident is entitled to a **Cal Grant A** award, and the commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall allocate that award, if all of the following criteria are met:

(1) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high school graduation or its equivalent.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student attains a high school grade point average of at least 3.0 on a four-point scale.

(4) The student's household has an income and asset level that does not exceed the level for **Cal Grant A** recipients set forth in Section 69432.7.

(5) The student is pursuing an undergraduate academic program of not less than two academic years that is offered by a qualifying institution.

(6) The student is enrolled at least part time.

(7) The student meets the general **Cal Grant** eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) The student graduated from high school or its equivalent during or after the 2000-01 academic year.

(c) A student who meets the **Cal Grant A** Entitlement Program criteria specified in this article shall receive a **Cal Grant A** award for tuition or fees, or both, pursuant to Section 66021.2.

69434.5. An individual selected for a **Cal Grant A** award who enrolls in a California community college may elect to have the award held in reserve for him or her for a period not to exceed two academic years, except that the commission may extend the period in which his or her award may be held in reserve for up to three academic years if, in the commission's judgment, the rate of academic progress has been as rapid as could be expected for the personal and financial conditions that the student has encountered. The commission shall, in this case, hold the award in reserve for the additional year. Upon receipt of a request to transfer the award to a tuition or fee charging qualifying institution, the individual shall be eligible to receive the **Cal Grant A** award previously held in reserve if, at the time of the request, he or she meets all of the requirements of this article. Upon receipt of the request, the commission shall reassess the financial need of the award recipient. The commission may prescribe the forms and procedures to be utilized for the purposes of this section. A recipient's years of eligibility for payment of benefits shall be based upon his or her grade level at the time the award is transferred to the tuition or fee charging qualifying institution.

69435. (a) (1) A **Cal Grant B** award shall be used only for tuition, student fees, and access costs in a for-credit instructional program that is not less than one academic year in length.

(2) The commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall award access grants in a student's first academic year. In subsequent years, the award shall include an additional amount to pay tuition or fees, or both, to attend college at a public or private four-year college or university or other qualifying institution for all **Cal Grant B** awards pursuant to paragraph (2) of subdivision (b) of Section 66021.2. In no event shall the total award in any year exceed the applicant's calculated financial need.

(3) Not more than 2 percent of new **Cal Grant B** recipients enrolling for the first time in an institution of postsecondary **education** shall be eligible for payments for tuition or fees, or both, in their first academic year of attendance. The commission shall adopt regulations specifying the criteria used to determine which applicants, if any, receive both tuition and fees plus the access **grant** in the first year of enrollment. Priority shall be given to students with the lowest expected family contribution pursuant to Section 69432.7 and the highest level of academic merit.

(b) An award for access costs under this article shall be in an annual amount not to exceed one thousand five hundred fifty-one dollars (\$1,551). This amount may be adjusted in the annual Budget Act.

69435.3. (a) Any California resident is entitled to receive a **Cal Grant B** award, and the commission shall allocate that award pursuant to Section 66021.2, if all of the following criteria are met:

(1) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high

school graduation or its equivalent.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student attains a high school grade point average of at least 2.0 on a four-point scale.

(4) The student's household has an income and asset level that does not exceed the level for **Cal Grant B** recipients as set forth in Section 69432.7.

(5) The student is pursuing an undergraduate academic program of not less than one academic year that is offered by a qualifying institution.

(6) The student is enrolled at least part-time.

(7) The student meets the general **Cal Grant** eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) The student graduated from high school or its equivalent during or after the 2000-01 academic year.

(b) A student who meets the **Cal Grant B** Entitlement Program criteria specified in this article shall receive a **Cal Grant B** award for access costs and tuition and fees pursuant to Section 66021.2.

69437. (a) Commencing with the 2001-02 academic year, and each academic year thereafter, there shall be established the Competitive **Cal Grant A** and **B** award program for students who did not receive a **Cal Grant A** or **B** entitlement award pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), or Article 4 (commencing with Section 69436). Awards made under this section are not entitlements. The submission of an application by a student under this section shall not entitle that student to an award. The selection of students under this article shall be determined pursuant to subdivision (c) and other relevant criteria established by the commission.

(b) A total of 22,500 **Cal Grant A** and **B** awards shall be granted annually under this article on a competitive basis for applicants who meet the general eligibility criteria established in Article 1 (commencing with Section 69430) and the priorities established by the commission pursuant to subdivision (c).

(1) Fifty percent of the awards referenced in this subdivision are available to all students, including California community college students, who meet the financial need and academic requirements established pursuant to this article. A student enrolling at a qualifying baccalaureate degree granting institution shall apply by the March 2 deadline. A California community college student is eligible to apply at the March 2 or the September 2 deadline.

(2) Fifty percent of the awards referenced in this subdivision are reserved for students who will be enrolled at a California community college. The commission shall establish a second application deadline of September 2 for community college students to apply for these awards effective with the fall term or semester of the 2001-02 academic year.

(3) If any awards are not distributed pursuant to paragraphs (1) and (2) upon initial allocation of the awards under this article, the commission shall make awards to as many eligible students as possible, beginning with the students with the lowest expected family contribution and highest academic merit, consistent with the criteria adopted by the commission pursuant to subdivision (c), as practicable without exceeding an annual cumulative total of 22,500 awards.

(c) (1) On or before February 1, 2001, acting pursuant to a public hearing process that is consistent with the Bagley-Keene Open Meeting Act (Article 9 (commencing with Section 11120) of Chapter 1 of Part 1 of Division 3 of Title 2 of the Government Code), the commission shall establish selection criteria for **Cal Grant** A and B awards under the competitive program that give special consideration to disadvantaged students, taking into consideration those financial, educational, cultural, language, home, community, environmental, and other conditions that hamper a student's access to, and ability to persist in, postsecondary **education** programs.

(2) Additional consideration shall be given to each of the following:

(A) Students who graduated from high school or its equivalent prior to the 2000-01 academic year. This subparagraph shall not be applicable after the 2004-05 academic year.

(B) Students pursuing **Cal Grant** B awards who reestablish their grade point averages.

(C) Students who did not receive awards pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), or Article 4 (commencing with Section 69436).

(d) All other students who meet the eligibility requirements pursuant to Article 1 (commencing with Section 69430) are eligible to compete for an award pursuant to this article.

69437.3. (a) The commission shall utilize the standardized student financial aid application described in Section 69432.9.

(b) An official financial aid application shall be submitted pursuant to Section 69432.9, submitted or postmarked no later than March 2, or September 2 for students enrolled at a community college.

(c) A student shall be enrolled at least part-time.

69437.5. **Cal Grant** A and B awards shall be used only for the purposes set forth in Article 2 (commencing with Section 69434) and Article 3 (commencing with Section 69435), respectively.

69437.6. (a) An applicant competing for an award under this article shall meet all the requirements of Article 1 (commencing with Section 69430).

(b) To compete for a competitive **Cal Grant** A award, an applicant shall, at a minimum, meet all of the requirements of Article 2 (commencing with Section 69434), with the exception of paragraphs (1) and (8) of subdivision (b) of Section 69434. However, in lieu of meeting the grade point average requirement set forth in paragraph (3) of subdivision (b) of Section 69434, an applicant may submit a community college or college grade point average of at least 2.4 on a 4.0 scale.

(c) To compete for a competitive **Cal Grant** B award, an applicant shall, at a minimum, meet all of the requirements of Article 3 (commencing with Section 69435), with the exception of paragraphs (1) and (8) of subdivision (a) of Section 69435.3. However, in lieu of meeting the grade point average requirements of paragraph (3) of subdivision (a) of Section 69435.3, a student may do either of the following:

(1) Demonstrate attainment of a community college or college grade point average of at least 2.0 on a 4.0 scale.

(2) Reestablish his or her grade point average by completing at least 16 cumulative units of credit for academic coursework at an

accredited California community college, as defined by the commission, by regulation, with at least a 2.0 community college grade point average.

(d) To compete for a competitive California Community College Transfer **Cal Grant** Award, an applicant shall, at a minimum, meet the requirements of Article 4 (commencing with Section 69436), with the exception of paragraphs (8) and (9) of subdivision (b) of Section 69436.

(e) All other competitors shall, at a minimum, comply with all of the requirements of subdivision (b) of Section 69432.9.

(f) An individual selected for a **Cal Grant** A award who enrolls in a California community college may elect to have the award held in reserve for him or her for a period not to exceed two academic years, except that the commission may extend the period in which his or her award may be held in reserve for up to three academic years if, in the commission's judgment, the rate of academic progress has been as rapid as could be expected for the personal and financial conditions that the student has encountered. The commission shall, in this case, hold the award in reserve for the additional year. Upon receipt of a request to transfer the award to a tuition or fee charging qualifying institution, the individual shall be eligible to receive the **Cal Grant** A award previously held in reserve if, at the time of the request, he or she meets all of the requirements of this article. Upon receipt of the request, the commission shall reassess the financial need of the award recipient. The commission may prescribe the forms and procedures to be utilized for the purposes of this section. A recipient's years of eligibility for payment of benefits shall be based upon his or her grade level at the time the award is transferred to the tuition or fee charging qualifying institution. Any award so held in reserve shall only be counted once toward the 22,500 awards authorized by this article.

69437.7. After two award cycles, the commission shall review the competitive **grant** program and its priorities to gain a better understanding of early participation patterns and to determine the initial level of program effectiveness. The commission shall report these findings to the Legislature and the Governor by December 31, 2003, and each year thereafter.

69440. (a) Commencing with the 2001-02 academic year, and each academic year thereafter, **Cal Grant** T awards shall be used only for tuition and student fees for a maximum of one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing. The maximum award amount, and the total amount of funding, shall be determined each year in the annual Budget Act. As a condition of receiving a **Cal Grant** T award, a recipient shall teach for one year in a high-priority school, as defined in paragraph (3) of subdivision (c) of Section 44510, for each two thousand dollar (\$2,000) incentive provided through the **Cal Grant** T Program, for a period not to exceed four years. Any recipient who fails to meet his or her teaching obligation shall repay the **Cal Grant** T award.

(b) The commission shall allocate **Cal Grant** T awards using academic criteria or criteria related to past performance similar to that used in awarding **Cal Grant** A awards for the 2000-01 academic year.

69450. (a) It is the intent of the Legislature, in enacting this article, to enhance the long-term policy of the Ortiz-Pacheco-Poohigian-Vasconcellos **Cal Grant** Program and the state's historic commitment, as stated in Section 66021.2, of providing educational opportunity by ensuring all students with financial need with access to, and choice of, an institution of higher **education**.

(b) It is further the intent of the Legislature that, pursuant to this article, the commission implement a pilot alternative delivery system within the **Cal Grant** Program that would provide program functions consistent with access to, and choice of, institutions for students with financial need. The pilot alternative delivery system should take advantage of, and not impair, the efficiencies of the recent Internet-based improvements to the commission's **Grant** Delivery System by allowing qualifying institutions to elect to award **Cal Grant** awards pursuant to Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436) for students admitted to those institutions, and by ensuring that those qualifying institutions function as a one-stop shop for financial aid information by providing assistance to students, parents, and high school and community college counselors seeking information about the **Cal Grant** Program and other student financial aid.

(c) It is the intent of the Legislature that awards and services to students not be disrupted in the implementation of this article.

69452. (a) The commission shall adopt emergency regulations by July 1, 2010, establishing the pilot alternative **Cal Grant** delivery system to allow a qualifying institution to elect to administer **Cal Grant** awards under the **Cal Grant** A Entitlement Program (Article 2 (commencing with Section 69434)), the **Cal Grant** B Entitlement Program (Article 3 (commencing with Section 69435)), and the California Community College Transfer **Cal Grant** Entitlement Program (Article 4 (commencing with Section 69436)). The regulations shall be consistent with this article.

(b) The commission shall convene an advisory task force to assist in understanding the technical and data requirements necessary for implementation of the pilot program. The task force shall be convened within 15 days of the effective date of this section. The task force shall be composed of commission staff and representatives of institutions interested in participating in the pilot program.

(c) To ensure unobstructed student access to **Cal Grant** awards, the alternative delivery system shall not impair the commission's ability to keep track of all students as long as they may be eligible for any **Cal Grant** awards and other student financial aid administered by the commission. The pilot alternative delivery system shall not impair the commission's ability to communicate with, and make awards to, students if they are eligible for **Cal Grant** awards.

(d) To ensure accountability for, and integrity of, state funds, the alternative delivery system shall not impair the commission's ability to do any of the following:

- (1) Pay **Cal Grant** awards.
- (2) Disburse funds to qualifying institutions.
- (3) Confirm **Cal Grants** awarded by qualifying institutions.
- (4) Require qualifying institutions to conform **Cal Grants** they have awarded to the requirements of this chapter.

(5) Require qualifying institutions to provide student and **Cal Grant** award information to the commission at times deemed necessary

by the commission.

(e) The commission may adopt any other requirements that are necessary to ensure that the alternative delivery system provides students with financial need with access to, and choice of, an institution of higher **education**.

69453. The commission shall not implement the pilot alternative delivery system established pursuant to Section 69452 until at least 30, but no more than 35, qualifying institutions have committed to participating in the alternative delivery system and to paying the costs associated with developing and implementing the alternative delivery system. The commission shall not expend any resources on the development and implementation of the pilot alternative delivery system.

69454. (a) (1) A qualifying institution electing to participate in the pilot alternative delivery system shall submit an application to the commission acknowledging that the qualifying institution satisfies the requirements for the pilot alternative delivery system and will maintain compliance with those requirements as long as it continues to award **Cal Grant** awards.

(2) The commission shall review, and may approve, the application if the commission determines that the institution complies with all applicable requirements.

(3) A qualifying institution may not award **Cal Grants** until the commission has approved its application.

(4) The Regents of the University of California, the Board of Trustees of the California State University, and the Board of Governors of the California Community Colleges shall select qualifying campuses from within their respective segments to apply for participation in the pilot program. For each segment, not more than 25 percent of the total number of campuses within the respective segment may participate in the pilot program.

(b) In addition to complying with the regulations adopted for participation in the pilot program, a qualifying institution electing to participate in the pilot alternative delivery system shall do all of the following:

(1) Make eligibility determinations consistent with the requirements of the **Cal Grant** Program and requirements adopted by the commission.

(2) Inform the student of his or her **Cal Grant** award before the student is required to make an enrollment decision for the following academic year. The award shall be made as part of the qualifying institution's complete financial aid award so that the student is aware of all the student aid that the he or she is eligible to receive.

(3) Provide notice to the student that he or she may be eligible to use the **Cal Grant** award at another qualifying institution to which he or she is admitted.

(c) A qualifying institution electing to participate in the pilot alternative delivery system shall report all of the following to the commission in a form, and within the time, determined by the commission to maximize student access to **Cal Grant** awards:

(1) Information necessary to determine **Cal Grant** funding projections for the State Budget.

(2) Aggregate information on applicants for **Cal Grant** awards and students who have been awarded **Cal Grant** awards, by income level,

gender, age, and ethnicity.

(3) Aggregate information on students who have been awarded **Cal Grant** awards, but have withdrawn from their qualifying institutions.

(4) Aggregate information on students who have been awarded **Cal Grant** awards but for whom awards have not been disbursed.

(5) Information on the total amount of institutional aid available for students at the qualifying institution, the total number of recipients of institutional aid, the total amount of institutional aid provided to recipients of **Cal Grant** awards at the qualifying institution, and the amount of institutional aid awarded to each student receiving a **Cal Grant** award.

(6) Information on the amount of other financial aid, including, but not necessarily limited to, fee waivers, federal loans, private loans, and work study awarded to each student receiving a **Cal Grant** award.

(7) Any other information determined by the commission to be necessary to fulfill its responsibilities under the **Cal Grant** Program.

(d) (1) A qualifying institution electing to participate in the pilot alternative delivery system shall function as a one-stop shop for student financial aid by providing assistance to all students, parents, and high school counselors inquiring or seeking information about **Cal Grant** awards and other student financial aid, including information about the availability of, requirements for, and the amount of, **Cal Grant** awards that may be available at other qualifying institutions in all segments of postsecondary **education**. The qualifying institution may also provide comparable information on federal and other student financial aid.

(2) A qualifying institution that does not comply with this subdivision is not eligible to participate in the alternative delivery system pilot program.

69456. All costs associated with developing, implementing, maintaining, and improving the pilot alternative delivery system shall be paid by the qualifying institutions that elect to participate in the pilot alternative delivery system.

69458. (a) Participation in the pilot alternative delivery system pursuant to this article is voluntary. Any local agency electing to participate in the alternative delivery system is deemed to have acknowledged and agreed that its participation is voluntary and does not constitute a cost that is reimbursable under Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government **Code**.

(b) All costs associated with a qualifying institution's election to participate in the alternative delivery system shall be paid by the qualifying institution and, if the qualifying institution is a public institution, shall not require any additional state funds.

69460. (a) On or before January 10, 2012, the Legislative Analyst's Office shall report to the Legislature and the Governor on the implementation and outcomes of the first award cycle under this pilot program. The report shall assess the extent to which the pilot program resulted in improved **Cal Grant** delivery to students, parents, and high school and financial aid counselors; administrative efficiencies; and sufficient state oversight. The report shall also identify any challenges or barriers to expansion of the alternative **Cal Grant** delivery system, as well as any associated information

technology challenges that may need to be addressed or changes that may be required.

(b) Consistent with the criteria in subdivision (a), the Student Aid Commission may provide a report to the Legislature and the Governor.