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An act to amend Sections 66021.2, 69434, 69434.5, 69435, 69437, and 69437.6 of, and to add Article 9 (commencing with Section 69465) to Chapter 1.7 of Part 42 of Division 5 of Title 3 of, the Education Code, relating to student financial aid.



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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 66021.2 of the Education Code is amended to read:

66021.2. Consistent with the state's historic commitment to provide educational opportunity by ensuring both student access to and selection of an institution of higher education for students with financial need, the long-term policy of the Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Program established pursuant to Chapter 1.7 (commencing with Section 69430) of Part 42 shall be as follows:

(a) Commencing with the 2001–02 academic year and every year thereafter, an applicant for a Cal Grant A or B award shall receive an award that is not in excess of the financial need amount determined by the Student Aid Commission pursuant to Section 69432.9 if ~~he or she~~ the applicant complies with all of the following requirements:

(1) Demonstrates financial need under the criteria adopted pursuant to Section 69432.9.

(2) Attains a grade point average, as defined in Section 69432.7, meeting the requirements of Chapter 1.7 (commencing with Section 69430) of Part 42.

(3) Complies with each of the eligibility criteria applicable to the type of Cal Grant award for which ~~he or she~~ the applicant is applying.

(b) (1) (A) The maximum Cal Grant A award for a student attending the University of California or the California State University shall equal the mandatory systemwide fees in the segment attended by the ~~student~~ student, plus the access award specified in Article 9 (commencing with Section 69465) of Chapter 1.7 of Part 42 if the student meets qualifying criteria pursuant to subdivision (b) of Section 69465.

(B) The maximum Cal Grant B award for a student who is attending the University of California, the California State University, or the California Community Colleges when not enrolled in upper division coursework as described in paragraph (2), shall equal the mandatory systemwide fees in the segment attended by the student, except for community college students who receive waivers from the Board of Governors of the California Community Colleges, plus the access award calculated as specified in Article 3 (~~commencing with Section 69435~~) 69435) or, if the student meets the qualifying criteria pursuant to subdivision (b) of Section 69465, Article 9 (commencing with Section 69465), of Chapter 1.7 of Part 42, except that in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(2) (A) The maximum Cal Grant A award for a community college student enrolled in upper division coursework of a baccalaureate degree program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, shall equal the per unit fees charged for the upper division coursework for the academic ~~term~~ term, plus the access award specified in Article 9 (commencing with Section 69465) of Chapter 1.7 of Part 42 if the student meets the qualifying criteria pursuant to subdivision (b) of Section 69465.

(B) The maximum Cal Grant B award for a community college student enrolled in upper division coursework of a baccalaureate degree program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, shall equal the per unit fees charged for the upper division coursework for the academic term, plus the access award calculated as specified in Article 3 (~~commencing with Section 69435~~)



69435) or, if the student meets the qualifying criteria pursuant to subdivision (b) of Section 69465, Article 9 (commencing with Section 69465) of Chapter 1.7 of Part 42.

(c) The maximum Cal Grant awards for students attending nonpublic institutions shall be as follows:

(1) The maximum Cal Grant A award shall equal the tuition award level established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts.

(2) The maximum Cal Grant B award shall equal the amount of the tuition award as established in the Budget Act of 2000, or the amount as adjusted in subsequent annual budget acts, plus the amount of the access costs specified in Section 69435, except that, in the first year of enrollment in a qualifying institution, the maximum award shall be only for the amount of the access award.

(d) Commencing with the 2000–01 academic year, and each academic year thereafter, the Cal Grant C award shall be utilized only for occupational or technical training.

(e) Commencing with the 2000–01 academic year, and each academic year thereafter, the Cal Grant T award shall be used only for one academic year of full-time attendance in a program of professional preparation that has been approved by the California Commission on Teacher Credentialing.

(f) An institution of higher education in this state that participates in the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program shall not reduce its level of per capita need-based institutional financial aid to undergraduate students, excluding loans, below the total level awarded in the 2000–01 academic year.

(g) The implementation of the policy set forth in this section shall maintain a balance between the state's policy goals of ensuring student access to and selection of an institution of higher education for students with financial need and academic merit.

(h) It is the policy of the State of California that the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program supplement the federal Pell Grant program.

(i) An award under the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program shall not guarantee admission to an institution of higher education or admission to a specific campus or program.

SEC. 2. Section 69434 of the Education Code is amended to read:

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) (1) 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.

(2) A community college student participating in a baccalaureate degree program pursuant to Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7 who meets the Cal Grant A Entitlement Program criteria specified in this article shall receive a Cal Grant A award for upper division coursework fees pursuant to Section 66021.2.

(d) Students receiving a Cal Grant A award pursuant to this article who meet the qualifying criteria pursuant to subdivision (b) of Section 69465 shall also receive an access award pursuant to Article 9 (commencing with Section 69465).

SEC. 3. Section 69434.5 of the Education Code is amended to read:

69434.5. (a) 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~~ the individual's 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~~ the individual 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~~ the recipient's grade level at the time the award is transferred to the tuition or fee charging qualifying institution.

(b) (1) Individuals who are selected for a Cal Grant A award that is held in reserve pursuant to this section and who meet the qualifying criteria pursuant to subdivision (b) of Section 69465 shall receive an award for access costs pursuant to Article 9 (commencing with Section 69465) of Chapter 1.7 of Part 42.



(2) The access award referenced in paragraph (1) shall be provided annually to a qualifying individual during the period of time that the individual's Cal Grant A award is held in reserve and upon transfer to a tuition or fee charging qualifying institution, provided that the individual continues to meet the qualifying criteria pursuant to subdivision (b) of Section 69465.

SEC. 4. Section 69435 of the Education Code is amended to read:

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 (\$1,551) or, if the recipient meets the qualifying criteria pursuant to subdivision (b) of Section 69465, the amount of the award provided pursuant to Article 9 (commencing with Section 69465).~~ These amounts may be adjusted in the annual Budget Act.

SEC. 5. Section 69437 of the Education Code is amended to read:

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) Commencing with the ~~2015-16~~ 2019-20 academic year, a total of ~~25,750~~ 30,000 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 ~~25,750~~ 30,000 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 both of the following:

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

(B) 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.

SEC. 6. Section 69437.6 of the Education Code is amended to read:

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~~ the student's 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) (1) An individual selected for a competitive 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 the individual's 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 the individual 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 the recipient's 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 30,000 awards authorized by this article.

(2) Individuals who are selected for a Cal Grant A award that is held in reserve pursuant to this subdivision and who meet the qualifying criteria pursuant to subdivision (b) of Section 69465 shall receive an award for access costs pursuant to Article 9 (commencing with Section 69465).

(3) The access award referenced in paragraph (2) shall be provided annually to qualifying individuals during the period of time that their Cal Grant A award is held in reserve and upon transfer to a tuition or fee charging qualifying institution, provided that the individual continues to meet the qualifying criteria pursuant to subdivision (b) of Section 69465.

SEC. 7. Article 9 (commencing with Section 69465) is added to Chapter 1.7 of Part 42 of Division 5 of Title 3 of the Education Code, to read:

Article 9. Awards for Students with Dependent Children

69465. (a) For purposes of this article, "dependent child" or "dependent children" means a child or children, as applicable, under 18 years of age whose parent or legal guardian is the student, if the child or all the children collectively receive more than 50 percent of their support from the student.

(b) Commencing with the 2019–20 academic year and each academic year thereafter, the commission shall identify all individuals with a dependent child or



dependent children who meet both of the following qualifying criteria for the award year:

(1) The student will receive either a new or renewal Cal Grant A, B, or C award.

(2) The student will attend a University of California, California State University, or California Community College campus.

(c) Individuals identified by the commission as meeting qualifying criteria pursuant to subdivision (b) and who are receiving a Cal Grant A award or Cal Grant B award shall receive a total annual access award not to exceed six thousand dollars (\$6,000). This amount may be adjusted in the annual Budget Act.

(d) Individuals identified by the commission as meeting qualifying criteria pursuant to subdivision (b) and who are receiving a Cal Grant C award shall receive a total annual book and supply award not to exceed four thousand dollars (\$4,000). This amount may be adjusted in the annual Budget Act. Consistent with subdivision (e) of Section 69439, awards issued pursuant to this subdivision may be used for living expenses, institutional fees, charges, and other costs, including tuition and training-related costs, such as special clothing, local transportation, and required tools, equipment, supplies, technology, and books.

(e) Notwithstanding any other law, expenses paid with access awards granted pursuant to subdivision (c), and book and supply awards granted pursuant to subdivision (d), shall be considered allowable educational expenses and shall not be considered for purposes of determining eligibility for state public assistance programs.

(f) Notwithstanding any other law, an award provided pursuant to this article shall be excluded from the calculation of the maximum annual award value for purposes of subparagraph (A) of paragraph (3) of subdivision (b) of Section 69432.9.

(g) The usage of awards provided pursuant to this article shall be consistent with existing statutes and regulations governing eligible expenditures.

(h) Notwithstanding subdivisions (c) and (d), both of the following shall apply for purposes of this article:

(1) The amount appropriated in the annual Budget Act, and any other appropriation for purposes of this article, shall not exceed one hundred twenty-five million dollars (\$125,000,000).

(2) The commission shall annually determine if the amount appropriated for each fiscal year is sufficient to cover the cumulative cost of the funding projected to be awarded for the fiscal year pursuant to this article. If the commission determines that the amount appropriated is not sufficient to meet the funding projection for a fiscal year, the commission shall reduce awards proportionately by an equal percentage for all new recipients under this article for that fiscal year.



LEGISLATIVE COUNSEL'S DIGEST

Bill No.

as introduced, _____.

General Subject: Cal Grants: awards for students with dependent children.

The Cal Grant Program establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer Entitlement awards, the Competitive Cal Grant A and B awards, the Cal Grant C awards, and the Cal Grant T awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions, as defined. Under existing law, no more than a total of 25,750 Competitive Cal Grant A and B awards may be granted annually.

Commencing with the 2019–20 academic year, this bill would provide an additional award, as specified, to Cal Grant A and B Entitlement, Competitive Cal Grant A and B, and Cal Grant C recipients who are attending a public postsecondary educational institution and have dependent children, as defined. The bill would make conforming changes. The bill would increase the maximum number of Competitive Cal Grant A and B awards granted annually from 25,750 to 30,000.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

