

Date of Hearing: April 25, 2017

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1037 (Limón) – As Amended April 17, 2017

SUBJECT: Postsecondary education: student financial aid: Cal Grant B Service Incentive Grant Program.

SUMMARY: Establishes the Cal Grant B Service Incentive Grant Program. Specifically, **this bill:**

- 1) Establishes, commencing with the 2018-19 academic year, under the administration of the California Student Aid Commission (CSAC), the Cal Grant B Service Incentive Grant Program.
- 2) Defines "program" as the Cal Grant B Service Incentive Grant Program as established by this measure.
- 3) Specifies that in order to receive a grant under the program, a student shall be a recipient of a Cal Grant B award, and shall perform a minimum of 300 hours of community service or volunteer work in each academic year a grant is provided.
- 4) Specifies that the student shall perform at least 100 hours of community service or volunteer work per quarter or at least 150 hours of community service or volunteer work per semester, as appropriate. The community service or volunteer work shall be performed through organizations meeting the requirements of all of number (8) below. The organizations shall report the hours of service performed by participating students to CSAC in a timely manner.
- 5) Stipulates a participating student is eligible to receive a grant under the program for a maximum of eight semesters or 12 quarters. Once a student has met the minimum service requirement, he or she is eligible for an award of up to \$1,500 per semester or \$1,000 per quarter. The amount of a grant made to an individual participating student shall be calculated as follows:
 - a) Fifty percent of the unmet need of up to \$1,500 of a student enrolled in a semester-based system, or 33.33 percent of the unmet need of up to \$1,000 of a student enrolled in a quarter-based system, as appropriate, shall be multiplied as follows:
 - i) For half-time students, multiplied by 0.5;
 - ii) For three-fourths full-time students, multiplied by 0.75; and,
 - iii) For full-time students, multiplied by one.
 - b) If a student is eligible to receive a grant under the program, the minimum amount awarded in a semester or quarter shall be determined as follows:
 - i) For half-time students, \$150;
 - ii) For three-fourths full-time students, \$225; and,

- iii) For full-time students, \$300.
- 6) Stipulates that a grant awarded under the program shall not offset or replace any other source of grant aid, including, but not necessarily limited to, institutional aid and scholarships.
- 7) Deems a student eligible to participate in the program if he or she meets all of the following requirements:
- a) Has completed, and submitted to CSAC, a California Dream Act application;
 - b) Meets all of the requirements for an exemption from paying nonresident tuition pursuant to current law in Education Code (EC) Section 68130.5 or pursuant to a similar provision adopted by the University of California (UC) Regents;
 - c) Is a recipient of a Cal Grant B award;
 - d) Is determined by CSAC to have unmet need;
 - e) Is enrolled at a campus of the UC, the California State University (CSU), or the California Community Colleges (CCC), or at an independent institution of higher education; and,
 - f) Agrees to perform, and does perform, the number of hours of community service or volunteer work required, as specified in (4) above, for participation in the program.
- 8) Stipulates that in order for the community service or volunteer work performed by a participating student to be applied to the minimum hours required for eligibility for this program, the organization and service shall meet all of the following requirements, as determined by CSAC:
- a) The organization shall register with CSAC, and report the service hours of the participating students;
 - b) The organization shall be one of the following:
 - i) A federal, state, or local governmental entity;
 - ii) A qualifying institution as defined in number (7)(e) above;
 - iii) An organization exempt from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code;
 - iv) The community service or volunteer work performed by the participating student is not advocacy of a political, social, or religious nature; and,
 - v) The community service or volunteer work is related to the participating student's field of study, or is in furtherance of community service or a community need.

EXISTING LAW:

Federal law.

On June 15, 2012, the Secretary of Homeland Security, under the direction of President Obama, announced the Deferred Action for Childhood Arrivals (DACA) policy, authorizing certain people who came to the United States as children and meet several guidelines to request consideration of deferred action for a period of two years, subject to renewal. They are also eligible for work authorization. Deferred action is a use of prosecutorial discretion to defer removal action against an individual for a certain period of time. Deferred action does not provide lawful status.

Individuals may request consideration of DACA if they meet all of the following requirements:

- Were under the age of 31 as of June 15, 2012;
- Came to the United States before their 16th birthday;
- Have continuously resided in the United States since June 15, 2007, up to the present time;
- Were physically present in the United States on June 15, 2012, and at the time of making the request for consideration of deferred action;
- Had no lawful status on June 15, 2012, meaning never had a lawful immigration status on or before June 15, 2012, or any lawful immigration status or parole obtained prior to June 15, 2012, that had expired as of June 15, 2012;
- Currently in school, have graduated or obtained a certificate of completion from high school, have obtained a General Educational Development certificate, or are an honorably discharged veteran of the Coast Guard or Armed Forces of the United States; and,
- Have not been convicted of a felony, a significant misdemeanor, three or more other misdemeanors, and do not otherwise pose a threat to national security or public safety.

To note, undocumented students cannot legally receive any federally funded student financial aid, including loans, grants, scholarships or work-study money.

State law.

- 1) Qualifies for lower resident fee/tuition payments at the CCC, CSU, and UC, a student who attended high school in California for three or more years, graduated (or equivalency) from a California high school, enrolled at an accredited institution of higher education in California not earlier than the fall semester or quarter of 2001–02, and files an affidavit with the institution of higher education stating that the student has filed an application to legalize his or her immigration status or will file an application as soon as he or she is eligible. These students are often referred to as "AB 540 students" (EC Section 68130.5).
- 2) Authorizes the Cal Grant program, administered by the CSAC, to provide grants to financially needy students to attend college. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average, California residency, and other eligibility criteria, as specified (EC Sections 69430 – 69439).

- 3) Establishes the California DREAM Act to provide state, including the Cal Grant Program and the CCC Board of Governors Fee Waiver, and institutional financial aid to students who qualify for the aforementioned exemption from non-resident tuition (as listed in number one above), students must apply by March 2 prior to the academic year; Dream Act recipients receive Cal Grant Entitlement awards, but are not eligible for Competitive Cal Grant awards unless funding remains available after eligible California students have received awards (EC Section 69508.5).
- 4) Establishes the California DREAM Loan Program intended to provide low-interest loans to Dream Act students who are accessing the Cal Grant program and attending UC and CSU. These students are not eligible for federal student loans, making it difficult for some to cover the total costs of college. The law requires the state, UC and CSU to split the costs of launching the program. The state would need to provide about \$4.7 million General Fund to begin the program (EC Sections 70030-70039).

FISCAL EFFECT: Unknown

COMMENTS: *Background.* With no Social Security number, undocumented students cannot complete the Free Application for Federal Student Aid (FAFSA); therefore, undocumented students are not eligible for any federally funded financial aid, including loans, grants, scholarships or work-study money.

According to information provided by the author, in academic year 2014-15, seven UC campuses offered institutionally funded work-study awards, typically \$2,000 per year, to AB 540 students with DACA status. Some of these programs were established with one-time funding and the on-going availability of the programs is presently uncertain.

To date, work-study programs for AB 540 students are not available on any CSU campuses.

Need for the measure. According to the author, California has embraced undocumented students and has enacted legislation that allows undocumented students access to benefits that assist them in paying for their higher education expenses.

The author states that, "AB 1037 will further these efforts via a statewide expansion of Dreamer work-study programs and will provide students an opportunity to explore and gain experience in their selected career path."

This measure provides an opportunity for AB 540 students to access incentive grants, regardless of eligibility to work, in order to assist in filling their unmet financial aid gaps by establishing the Cal Grant B Service Incentive Grant Program, available to California's AB 540 students who are ineligible for federal work-study programs.

Cal Grant B. The Cal Grant B award provides grant funds for access costs for low-income students in an amount not to exceed \$1,656 for up to four years. This grant is to be used for living expenses and expenses related to transportation, supplies and books. Beginning with the second year of Cal Grant B benefits, Cal Grant B also helps pay for tuition/fees for California residents attending qualifying institutions offering undergraduate academic programs of not less than one academic year.

To note, awards are guaranteed for those who meet the program eligibility criteria.

Policy consideration. This bill is silent as to how the Cal Grant B Service Incentive Grant Program will be funded.

Moving forward, the author may wish to work with CSAC, the Department of Finance and the Budget Committees in order to see what, if any, funding can be appropriated to CSAC for the establishment of this program.

REGISTERED SUPPORT / OPPOSITION:

Support

California Charter Schools Association
California Immigrant Policy Center
California Student Aid Commission (sponsor)
The Education Trust-West

Opposition

None on file.

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