

Date of Hearing: April 3, 2018

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2722 (Medina) – As Introduced February 15, 2018

[Note: This bill is doubled referred to the Assembly Committee on Veterans Affairs and will be heard by that Committee as it relates to issues under its jurisdiction.]

SUBJECT: Student financial aid: California Military Department GI Bill Award Program

SUMMARY: Redesignates the California National Guard (CNG) Education Assistance Award Program (EAAP) as the California Military Department (CMD) GI Bill Award Program.

Specifically, **this bill:**

- 1) Changes the name of the program to the CMD GI Bill Award Program.
- 2) Specifies that the award could be used to obtain one baccalaureate, graduate, or doctoral degree if the person agrees to serve 2 years in the CMD or the California State Military Reserve (CSMR), as specified.
- 3) Makes technical and clarifying changes to existing law.
- 4) Deletes the provision rendering the program inoperative on July 1, 2019, and repealing the program on January 1, 2020, thereby extending the program indefinitely.
- 5) Eliminates a five hundred dollar book stipend for graduate students.
- 6) Finds and declares that:
 - a) The state-sponsored education benefit is an important tool used to ensure that the CMD attracts and retains highly competent and capable service members who stand ready to immediately respond to the state's call;
 - b) The CMD GI Bill is an investment in the men and women who serve California faithfully. This incentive ensures that members of the CNG and the CSMR are not placed at an educational disadvantage when compared to their active duty or reserve component counterparts; and,
 - c) The Legislature and the CMD believe that every service member who takes the oath to serve this great state needs to be afforded the best opportunity to achieve a higher education.

EXISTING LAW:

- 1) Establishes various student financial aid programs under the administration of the Student Aid Commission (CSAC), and establishes eligibility requirements for the receipt of awards under those programs for participating students attending qualifying institutions. (Education Code (EC) Sections 6900, et seq.)

- 2) Establishes the Military Department, which includes the California National Guard, the California State Military Reserve, and the Naval Militia, to perform various duties regarding the state militia. (Military and Veterans Code (MVC) Sections 120, et seq.)
- 3) Establishes the California National Guard Education Assistance Award Program on behalf of qualifying members of the California National Guard, the California State Military Reserve, and the Naval Militia under the administration of the commission. (EC Section 69999.16)
- 4) Existing law requires CSAC to report annually to the Legislature regarding program participation (EC Sections 69999.24, et seq.), and:
 - a) Requires the LAO, on or before January 1, 2016, to prepare and submit to the Legislature a report on the program;
 - b) Provides that the program becomes operative only if funds are appropriated for the purposes of the program; and,
 - c) Stipulates that the program becomes inoperative on July 1, 2019, and is repealed on January 1, 2020.

FISCAL EFFECT: Unknown.

COMMENTS: *Need for the bill.* According to the author, “The CMD continues to be one of the most-tasked National Guard forces in the nation, routinely supporting the state Office of Emergency Services for fires, floods, and search and rescue missions. To continue to improve the effectiveness of the CNG and CSMR in these and other state support mission areas, California must continue to increase the skills and education of our Servicemembers by providing a tangible educational benefit.”

The author continues, “...the federal Montgomery GI Bill is unavailable to most newly-enlisted servicemembers, as they do not accrue education benefits while serving in their state status. When they are activated to respond to our state emergencies, our state Servicemembers don’t leave their ‘state’ status – thus, the only way for them to earn federal education benefits is to go to war. The CNG EAAP program has provided an important state-level benefit over the last decade, and I believe the CMD GI Bill will provide the continuity and clarity to ensure that our servicemembers will have access to a great education for decades to come.”

Background. The CNG EAAP is a state-funded grant program for up to 1,000 Servicemembers in the CNG or the CSMR, or as many participants as the annual budget appropriation will provide for. The CNG EAAP authorizes CSAC to make payments to eligible program participants. Participants can receive up to the amount of the Cal Grant A award for attending the University of California or the California State University, up to the Cal Grant B award for attending a community college, or up to the University of California Cal Grant A amount for attending a non-public institution. Graduate students may receive an additional \$500 for books and supplies.

Since the program’s inception in 2009, over 1,300 CNG and CSMR Soldiers and Airmen have pursued their educational goals with the assistance of the CNG EAAP. The CMD indicates that this program is the key tool in enticing Servicemembers to join and remain in the forces of the State. Should this program be eliminated, California would be one of the only states and

territories that do not provide any sort of state-sponsored education benefit to their National Guard. Current program participants would lose the ability to continue their educational pursuits.

Federal education assistance. Some California Army National Guard members are currently eligible for college assistance under the federal Tuition Assistance program; however, benefits under this program are not guaranteed and available funding varies from year to year.

Federal law also provides education benefits through the Montgomery G.I. Bill for National Guard Soldiers and Airmen who are fulfilling specific military obligations; however, many of California's Guard members are ineligible for this program.

LAO report. The LAO was required to report to the Legislature on the CNG EAAP on or before January 1, 2016. The LAO found that the CNG EAAP was not meeting its stated goal of serving to "...improve retention within the [CNG] and [CSMR]," and recommended letting the program sunset.

In the event that the Legislature wanted to maintain the award program, the LAO made several recommendations to include: clarifying the program's objectives, adding a reenlistment requirement, making the selection process more competitive, factoring in the relevance of training, revising eligibility requirements, changing study limits, and adjusting award amounts. AB 2722 addresses many of these recommendations.

Program objectives. CNG members are disadvantaged with regard to access to federal education benefits when compared to their active duty counterparts. The majority of newly enlisted Servicemembers do not have access to federal education opportunities, as their service is Title 32, US code (state military status) versus Title 10 (federal military status). For a National Guard member to accrue full benefits under the Post 9/11 GI bill, they must have at least 36 months of Title 10 active duty service. The only way to accrue Title 10 active duty service is to be deployed for overseas contingency operations.

Servicemembers who have been deployed in California to support emergency response operations under Title 32 do not accrue service time necessary to qualify for the Post 9/11 GI bill. The CMD GI Bill ensures that California's Servicemembers have an opportunity to access education benefits similar to their active duty counterparts. Language has been added to the findings and declarations of this bill to clarify that "...this incentive ensures that members of the CNG and the CSMR are not placed at an educational disadvantage when compared to their active duty or reserve component counterparts.

Required service commitment. Currently there is no service requirement associated with the use of the CNG EAAP program. Several other states use a service requirement to ensure they retain Servicemembers who have achieved high levels of education through the state's education benefit program. These service requirements/commitments typically range from two to six years after the completion of the last academic period in which an award was received. This legislation proposes a two year service commitment that could be served in any component of the CMD (Army National Guard, Air National Guard, State Military Reserve) upon completion of the last academic period that the participant uses educational assistance.

Graduate studies book stipend. Current law provides \$500 stipend for books and supplies to graduate students, but not to undergraduate students. According to the CMD, this fall there are 92 graduate participants. Over the academic year, these book stipends could total up to \$46,000. Under Cal Grant payouts for 17-18 academic year, \$46,000 could send 27 participants to a California Community College, eight participants to a California State University, or three participants to a University of California or private institution. Removing the graduate studies book stipend allows more funding to be directed towards additional grants to Servicemembers.

Sunset elimination. AB 2722 would eliminate sunset and reporting requirements on the CMD GI Bill Award Program. *Committee staff notes* that this legislation takes extensive steps to address points raised by the LAO, and as noted above, the CMD has already taken steps to make the program more competitive. The sunset of this educational benefit would deny many servicemembers an opportunity to access higher education funding.

Amendments. The author has requested amendments to remove an existing two year service requirement for members of the CNG and CSMR. EC Section 69999.16(b)(1)(B) will be amended to read:

(B) The person is an active member of, ~~and has served two years in,~~ the California National Guard, the State Military Reserve, or the Naval Militia.

Committee staff notes that this change would, consistent with the revised findings and declarations, remove an educational disadvantage when compared to their active duty or reserve component counterparts.

Prior legislation. AB 1781 (Linder), Chapter 207, Statutes of 2014, required participants utilizing the CNG EAAP desiring to use an award at a summer session term to submit a letter from their unit commander, stating that the participant's enrollment in summer session will not adversely impact their attendance at mandatory military training.

AB 1862 (Melendez), of 2014, would have removed the July 1, 2019 sunset date for the CNG EAAP, extending the program indefinitely. The author amended the legislation, removing content regarding the CNG EAAP.

ABX4 12 (Evans), Chapter 12, Statutes of 2009-10 Fourth Extraordinary Session, established the CNG EAAP with the intent to provide the California National Guard with the tools necessary to retain the most qualified and experienced Servicemembers.

REGISTERED SUPPORT / OPPOSITION:

Support

California Enlisted Association of the National Guard of the United States
California Student Aid Commission
Sergeants Major Association of California

Opposition

None on file

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