

Date of Hearing: June 21, 2016

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 1314 (Block) – As Amended April 19, 2016

SENATE VOTE: 39-0

SUBJECT: Cal Grant Program: Middle Class Scholarship Program: community college baccalaureate degree program students

SUMMARY: Provides that California Community College (CCC) students participating in a baccalaureate degree pilot program are eligible for California financial aid. Specifically, **this bill:**

- 1) Provides that CCC students participating in a baccalaureate degree pilot program, who meet all other Cal Grant program eligibility criteria, are eligible to receive an award to cover upper division coursework fees.
- 2) Provides that CCC students participating in a baccalaureate degree pilot program are eligible to receive a Middle Class Scholarship for two years of full-time upper division coursework. The CCC Chancellor's Office would be required to report to the California Student Aid Commission (CSAC) regarding any financial aid data necessary for the determination of award amounts.

EXISTING LAW:

- 1) Establishes the Cal Grant program, administered by CSAC, to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. 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 (GPA), California residency and other criteria. (Education Code Sections 69430 - 69433)
- 2) Establishes the Middle Class Scholarship to provide undergraduate students enrolled at the University of California (UC) or the California State University (CSU) a scholarship award that, when combined with other grants and fee waivers, totals up to 40% of the systemwide tuition and fees. To qualify, students are required to have an annual household income that does not exceed \$150,000, as adjusted for changes in cost of living, satisfies specified requirements for the Cal Grant award, maintain at least a 2.0 GPA, and meet other requirements. Existing law requires the UC and the CSU to provide the CSAC with any financial aid data that are necessary for the determination of award amounts. (EC Sections 70020 - 70023)
- 3) Authorizes the Board of Governors of CCC, in consultation with the CSU and the UC, to establish a statewide baccalaureate degree pilot program at not more than 15 CCC districts, as specified. In addition to the \$46 per unit enrollment fee authorized pursuant to Education Code Section 76300, districts are authorized to charge an \$84 per unit fee for upper division coursework in a baccalaureate degree pilot program. (EC Sections 78040 - 78042)

FISCAL EFFECT: According to the Senate Appropriations Committee:

- 1) Grant awards: The CSAC estimates costs in the low millions annually to apply the Cal Grant program and Middle Class Scholarship awards to eligible students participating in the community college baccalaureate degree pilot program. This estimate includes \$1.4 million for the 2016-17 fiscal year; \$2.7 million in the 2017-18 fiscal year; and \$3.1 million in the 2018-19 fiscal year. Costs will persist for the length of the program. (General Fund)
- 2) Administrative costs: The CSAC anticipates the need for one position to implement the requirements of this bill which will likely cost approximately \$90,000. Additional unknown costs related to contracting for programming services are cited by the CSAC to make necessary changes in the grant delivery system. (General Fund)
- 3) Cost Pressures: Additional substantial cost pressures to extend these awards to students on an ongoing basis if the pilot expands to all community college districts and becomes its own program.

COMMENTS: *Background.* CCC students who meet income and other eligibility requirements can have their CCC fees waived under the Board of Governors Fee Waiver (BOGFW) program. Due to this, under current law, Cal Grant awards to CCC students do not cover tuition and fees. Additionally, Middle Class Scholarship is specifically limited to support students at CSU and UC. CCC students enrolled in a CCC baccalaureate degree pilot program will be assessed tuition and fees not currently covered by the BOGFW. This bill provides CSAC the authority to disperse Cal Grant and Middle Class Scholarship awards to cover these fees to students who meet all other qualifications.

Purpose of this bill. According to the author, this bill "seeks to clarify and ensure that the Cal Grant (A or B), Cal Grant Transfer Entitlement, and Middle Class Scholarship can be awarded to CCC students seeking a 4-year degree under the Pilot Program established by SB 850 (Block, Ch. 747, Statutes of 2014). The lack of clarity in current law could create issues of inequity in that some upper division students would not be able to receive state financial assistance as other students and thereby would reduce the possibility of completing a four-year course of study because of financial need. This bill would remove any ambiguity in statute and ensure that all students enrolled in a four-year course of study at a CCC would enjoy access to California's financial aid programs."

REGISTERED SUPPORT / OPPOSITION:

Support

American G.I. Forum of California
 American Legion-Department of California
 AMVETS-Department of California
 Association of California School Administrators
 Board of Governors of the California Community Colleges
 California Association of County Veteran Service Offices
 California Community Colleges
 California State Commanders Veterans Council

California Student Aid Commission
Community College League of California
Foothill-De Anza Community College District
Kern Community College District
Los Angeles Community College District
Military Officers Association of America-California Council of Chapters
San Diego Community College Districts
San Diego Regional Chamber of Commerce
Tri-City Medical Center
VFW-Department of California
Vietnam Veterans of America, California State Council

Opposition

None on File

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