

Date of Hearing: April 2, 2024

ASSEMBLY COMMITTEE ON HIGHER EDUCATION
Mike Fong, Chair
AB 2184 (Davies and Chen) – As Introduced February 7, 2024

SUBJECT: Student financial aid: Cal Grant C and Cal Grant 2.

SUMMARY: Sets, commencing with the 2025-26 award year, upon appropriation in the annual Budget Act, the maximum per-student Cal Grant C award amount at no less than double the maximum per-student Cal Grant C award amount provided for the 2023-24 award year.

Specifically, **this bill:**

- 1) Requires, commencing with the 2025-26 award year, upon appropriation in the annual Budget Act, the maximum per-student Cal Grant C award amount to be set at no less than double the maximum per-student Cal Grant C award amount provided for the 2023-24 award year.
- 2) Requires that a Cal Grant 2 award shall include an access award, covering non-tuition expenses, of no less than double the maximum per-student amount provided in the 2023-24 award year in the first award year.
- 3) Makes clarifying and technical changes.

EXISTING LAW:

- 1) Establishes the California Student Aid Commission (CSAC) for the purpose of administering specified student financial aid programs (Education Code (EC) Section 69510, et seq.).
- 2) Authorizes the Cal Grant C Program, administered by CSAC to assist with tuition and training costs at occupational or vocational programs of four months to two years in length. Establishes the total number of Cal Grant C awards as the number awarded in the 2000-01 fiscal year (7,761) with the maximum award amount and the total amount of funding being determined in the annual Budget Act (\$2,462 for tuition and \$547 for non-tuition access costs) (Education Code (EC) Section 69439);
 - a) Requires CSAC to use appropriate criteria in selecting award recipients, including family income, household size, household status, and employment status of the applicant. The CSAC is directed to give additional consideration to disadvantaged, low income, and long-term unemployed applicants (EC Section 69439 (c));
 - b) Requires CSAC to consult with appropriate state and federal agencies to develop areas of occupational and technical training for which students may utilize Cal Grant C awards. These areas of occupational and technical training are required to be regularly received and updated at least every five years, beginning in 2012 (EC Section 69439 (f)(1) and (2));
 - c) Requires CSAC to give priority in granting Cal Grant C awards to students pursuing occupational or technical training in areas that meet at least two of the following criteria:

high employment need, high employment salary or wage projections, and high employment growth. The CSAC is required to determine areas of occupational or technical training that meet these criteria in consultation with the Employment Development Department (EDD) using projections available through the Market Information Data Library (EC Section 69439 (f)(3)); and,

- d) Requires the Legislative Analyst's Office (LAO) to submit a report to the Legislature on the outcomes of the Cal Grant C program on or before April 1, 2019, and transfers reporting responsibilities to CSAC thereafter, as specified (EC Section 69439 (j)(2)and(3)).
- 3) Establishes, the Cal Grant Reform Act commencing in the 2024-2025 fiscal year, if General Fund moneys over the multiyear forecasts are available to support ongoing augmentations and actions, and if funding is provided in the annual Budget Act. Under the Act, the Cal Grant 2 and Cal Grant 4 programs are created. The Cal Grant 2 is for California Community College (CCC) students, and provides non-tuition support that grows annually with inflation. The Cal Grant 4 program is for students at the University of California (UC), the California State University (CSU), and other institutions. The Act also states legislative intent that UC and CSU use institutional aid to cover non-tuition costs for their students (EC Sections 69424, 69425, and 69428).

FISCAL EFFECT: Unknown

COMMENTS: *Cal Grant C.* The Cal Grant C Program provides financial aid aimed at career technical education (CTE) students. According to the LAO's 2019 report, *Evaluation of Cal Grant C Program* (issued April 2019), postsecondary CTE is generally designed to prepare students for specific occupations. While all Cal Grant award types are open to CTE students, the Cal Grant C award is specifically targeted for CTE students.

To qualify for a Cal Grant C award, students must be enrolled in CTE programs of four months to two years in length. As referenced in the *Existing law* section of this analysis, current law authorizes up to 7,761 new Cal Grant C awards each year. While applicants for all types of Cal Grant awards must submit a Free Application for Federal Student Aid (FAFSA) or the California Dream Act Application (CADAA), applicants for Cal Grant C awards must also submit a supplemental form. The additional form asks applicants to report their occupational goal, along with other information CSAC may use in the selection process.

According to the LAO, the supplemental form has likely decreased application rates, as eligible students may not understand the importance of the form, may be deterred by the additional paperwork, or could be unsure on how to answer certain questions on the form. The LAO suggests that the Cal Grant C program's eligibility requirements also create administrative challenges for campus financial aid staff, who are required to verify that the recipients are enrolled in a CTE program before disbursing their awards. These requirements run counter to the Legislature's recent simplification of all Cal Grant Award Programs.

Additionally, Cal Grant C focuses on careers with high salaries – many that start out in the mid-\$50,000 range annually. These careers are classified as high employment growth and as high employer need. The Cal Grant C is for eligible students attending a California Community College, private college, or career technical school. Students pursuing an occupation from the

Employment Development Department (EDD) of California and CSAC approved list of career education jobs, as referenced in the chart by EDD and CSAC below, receive priority points in the selection criteria when applying for a Cal Grant C. Further, Cal Grant C applicants receive priority points if they are facing economic hardship, are pursuing on of the top 30 Priority Careers (also referend in the chart below), or if they have been unemployed for at least 26 weeks at the time they submit their FAFSA or CADAA.

The prioritized occupational and technical training program categories can also be accessed with this link: https://www.csac.ca.gov/sites/main/files/file-attachments/cal_grant_c_occupations.pdf.




Get a degree, certificate, or specialized training in one of today's in-demand occupations.




Check out California's Top 30 Cal Grant C Priority Careers*

- Aircraft Mechanics and Service Technicians
- Architectural and Civil Drafters
- Brick Masons and Block Masons
- Cardiovascular Technologists and Technicians
- Civil Engineering Technicians
- Claims Adjusters, Examiners, and Investigators
- Computer Network Support Specialists
- Computer User Support Specialists
- Dental Hygienists
- Diagnostic Medical Sonographers
- Electrical and Electronics Engineering Technicians
- Electrical Power-Line Installers and Repairers
- Electricians
- Elevator Installers and Repairers
- Firefighters
- Industrial Machinery Mechanics
- Insurance Sales Agents
- Occupational Therapy Assistants
- Paralegals and Legal Assistants
- Physical Therapy Assistants
- Plumbers, Pipefitters, and Steamfitters
- Police and Sheriff's Patrol Officers
- Radiologic Technologists
- Registered Nurses
- Respiratory Therapists
- Surgical Technologists
- Telecommunications Equipment Installers and Repairers, Except Line Installers
- Telecommunications Line Installers and Repairers
- Water and Wastewater Treatment Plant and System Operators
- Web Developers

*Students pursuing an occupation from this list receive priority points in the selection criteria for Cal Grant C awards.

These are California's Top Cal Grant C Approved Careers*

- Aerospace Engineering and Operations Technicians
- Agricultural and Food Science Technicians
- Air Traffic Controllers
- Aircraft Structure, Surfaces, Rigging and Systems Assembly Technicians
- Audio and Video Equipment Technicians
- Automotive Body and Related Repairs
- Automotive Service Technicians and Mechanics
- Automotive Service Technicians and Mechanics
- Avionics Technicians
- Barbers
- Broadcast Technicians
- Bus and Truck Mechanics and Diesel Engine Specialists
- Cabinet Makers and Bench Carpenters
- Carpenters
- Chefs and Head Cooks
- Chemical Technicians
- Commercial Pilots
- Computer, Automated Teller and Office Machine Repairers
- Court Reporters
- Dental Assistants
- Dental Laboratory Technicians
- Desktop Publishers
- Dietetic Technicians
- Drafters, All Other
- Electric Motor, Power Tool and Related Repairers
- Electrical and Electronic Drafters
- Electrical and Electronics Installers and Repairers, Transportation Equipment
- Electrical and Electronics Repairers, Commercial and Industrial Equipment
- Electrical and Electronics Repairers, Powerhouse, Substation, Relay
- Electro-Mechanical Technicians
- Electronic Equipment Installers and Repairers, Motor Vehicles
- Electronic Home Entertainment Equip Installers and Repairers
- Emergency Medical Technicians and Paramedics
- Engineering Technicians, Except Drafters, All Other
- Environmental Engineering Technicians
- Environmental Science and Protection Technicians, Including Health
- Fabric and Apparel Patternmakers
- Farm Equipment Mechanics and Service Technicians
- Fine Artists, Including Painters, Sculptors and Illustrators
- Fitness Trainers and Aerobics Instructors
- Forensic Science Technicians
- Forest and Conservation Technicians
- Geological and Petroleum Technicians
- Hairdressers, Hairstylists and Cosmetologists
- Health Technologists and Technicians, All Other
- Heating, A/C and Refrigeration Mechanics and Installers
- Heavy and Tractor-Trailer Truck Drivers
- Home Appliance Repairers
- Industrial Engineering Technicians
- Insurance Appraisers, Auto Damage
- Jewelers and Precious Stone and Metal Workers
- Legal Secretaries
- Library Technicians
- Licensed Practical and Licensed Vocational Nurses
- Life, Physical and Social Science Technicians, All Other
- Machinists
- Magnetic Resonance Imaging Technologists
- Manicurists and Pedicurists
- Massage Therapists
- Mechanical Drafters
- Mechanical Engineering Technicians
- Medical and Clinical Laboratory Technicians
- Medical Assistants
- Medical Equipment Repairers
- Medical Records and Health Information Technicians
- Medical Secretaries
- Medical Transcriptionists
- Mobile Heavy Equipment
- Morticians, Undertakers and Funeral Directors
- Motorcycle Mechanics
- Nuclear Medicine Technologists
- Nursing Assistants
- Operating Engineers and Other Construction Equipment Operators
- Ophthalmic Medical Technicians
- Opticians, Dispensing
- Outdoor Power Equipment and Other Small Engine Mechanics
- Paving, Surfacing and Tamping Equipment Operators
- Pharmacy Technicians
- Phlebotomists
- Photographers
- Preschool Teachers, Except Special Education
- Psychiatric Technicians
- Purchasing Agents, Except Wholesale, Retail and Farm Production
- Radiation Therapists
- Radio, Cellular and Tower Equipment Installers and Repairers
- Real Estate Sales Agents
- Recreational Vehicle Service Technicians
- Semiconductor Processors
- Sheet Metal Workers
- Skin Care Specialists
- Social Science Research Assistants
- Sound Engineering Technicians
- Structural Iron and Steel Workers
- Teacher Assistants
- Textile Knitting and Weaving Machine Setters, Operators
- Tile and Marble Setters
- Travel Agents
- Umpires, Referees and Other Sports Officials
- Veterinary Technologists and Technicians
- Welders, Cutters, Solderers and Brazers
- Wholesale and Retail Buyers, Except Farm Products

*Cal Grant C applicants receive priority points if they are facing economic hardship, are pursuing one of the Top 30 Priority Careers, or if they have been unemployed for at least 26 weeks at the time they submit their Free Application for Federal Student Aid (FAFSA) or California Dream Act (CADAA) financial aid application.

Unlike the other awards within the existing Cal Grant Programs, Cal Grant C has remained flat; there has not be an increase in the award amount in several years. The table below shows the maximum annual award of all Cal Grant Programs. Further, as evidenced in the table below by the LAO, Cal Grant C is the smallest of the Cal Grant Programs.

Cal Grant Amounts Vary by Award Type, Sector, and Student Characteristics
Maximum Annual Award Amount, 2023-24

	Amount
Tuition Coverage	
Cal Grant A and B^a	
UC	\$13,752 ^b
Nonprofit institutions	9,358
WASC-accredited for-profit institutions	8,056
CSU	5,742
Other for-profit institutions	4,000
Cal Grant C	
Private institutions	\$2,462
Nontuition Coverage	
Cal Grant A	
Students with dependent children ^c	\$6,000
Foster youth ^c	6,000
Cal Grant B	
Students with dependent children ^c	\$6,000
Foster youth ^c	6,000
All other students	1,648
Cal Grant C	
Students with dependent children ^c	\$4,000
Foster youth ^c	4,000
Other CCC students	1,094
Other private-institution students	547
^a Cal Grant B recipients generally do not receive tuition coverage in their first year. ^b Reflects award amount for new UC students. Award amounts for continuing students are based on the tuition levels set in the year the student first enrolled at UC. ^c Students attending private for-profit institutions are ineligible for these awards.	
WASC = Western Association of Schools and Colleges.	

Source: *The 2024-25 Budget: California Student Aid Commission* report by the LAO, released February 2024

According to CSAC, for the 2022-23 award year (the most recent data available), the chart below reflects the number Cal Grant C awards that were new and renewed by segment:

Segment	New	Renew
CCC	201	170
Public-Other	2	0
Non-Profit Private	71	18
For-Profit Private WASC	44	48
For-Profit Private Non-WASC	1,021	269

Source: CSAC data as of March 27, 2024

Need for the measure. According to the author, “the State of California often prides itself on being innovators of thought in the United States. To that end I’ve often heard it said that education is for everyone, and my bill AB 2184 stands behind that statement. AB 2184 is about securing generations of the most qualified trade workers right here in our State. Over the last two decades, we’ve seen a gradual increase in the average age of our workforce across the board. This is a testament to the strength of spirit of the California Trade Worker, but without investing in the education of our skilled laborers, we will see a noticeable drop in their numbers. AB 2184 is about securing the future of skilled labor in California.”

The author contends that this measure, “would make it more possible for underserved communities to attend a vocational school. This bill would ease the financial burden of having to choose between school and a full time job. It also starts a conversation around vocational schools, and helps to get rid of the stigma of attending one versus a traditional 4 year institution.”

Career technical education. CTE programs span a long range of fields, including, but not limited to, health care, information technology, and manufacturing. Other common terms for CTE include vocational training, occupational or technical training, and workforce training and education. CTE programs generally are designed to train students in occupation-specific skills. Programs vary in length from a few months, to two years. Programs with a short duration time generally culminate with a badge or certificate; however, longer programs, typically culminate in associate degrees. The shorter and longer programs both could lead to industry-recognized certifications.

The CCC Office of the Chancellor, jointly with the California Department of Education (CDE), in October 2023 released a report, *California State Plan for Career Technical Education (CTE): A Vision for Equity and Excellence in CTE*. The report created the California CTE Plan, providing cohesion and direction to current state, regional, and local level investments through visionary and innovative approaches to social and economic mobility for the almost 2 million CCC students.

The CTE Plan lays out the State’s future vision for CTE, both in the short-term (the next five years) and long-term (10 years), using strategies to advance the CCC Vision for Success goals and outcomes. The State Plan for CTE was organized into four key areas with equity and access established as core tenants of the framework design. The four areas include:

- 1) Targeting in-demand, high-road occupations by engaging and collaborating with industry;
- 2) Creating and expanding competency-based education, online instruction, experiential/work-based learning, apprenticeships, and adult education for displaced workers;
- 3) Utilizing data to inform regional investments, such as economic forecasts and aligning workforce training data systems that capture cradle to career readiness; and,
- 4) Strengthening K-12 and community college systems alignment to promote dual enrollment, teacher and faculty preparation, and teacher credentialing.

The Plan was designed as a call to action with the goal of ensuring that the K-14 systems jointly implement this work. Key elements of the regional implementation strategy include:

- 1) Creating resources and tools to support implementation;
- 2) Facilitating a series of town halls across the state;
- 3) Development of state and regional implementation plans; and,
- 4) Coordinating a statewide virtual convening.

Governor's Master Plan for Career Education. The Governor issued *Executive Order N-11-23* on August 31, 2023. The Executive Order, in part, requires that on or before October 1, 2024, the President of the State Board of Education, the Secretary of the Labor and Workforce Development Agency, the Director of the Governor's Office of Business and Economic Development, and the Director of the Department of Rehabilitation must, and the Chancellor of the CCC, Chancellor of the California State University, President of the University of California, and Superintendent of Public Instruction are requested to, develop and submit to the Governor's Office a proposed new Master Plan on Career Education to integrate and align the programs funded by the State's historic investments in this space.

Additionally, the Executive Order stipulates that the Master Plan on Career Education must be developed in collaboration with the agencies, departments, boards, and offices responsible for implementing the initiatives described in the Order, whose participation is directed or requested, as applicable, and with input from Legislative partners and stakeholders representing students, parents and families, education professionals, labor, business, and community groups.

It is currently unknown how the Master Plan will evolve and if the *California State Plan for Career Technical Education (CTE): A Vision for Equity and Excellence in CTE* (as discussed above) will be incorporated into tenets of the Master Plan. However, it is clear that CTE is a policy issue that requires modernization, involving a plethora of stakeholders.

While it does not appear that this measure is in response to the previously referenced report, or the Governor's call for a Master Plan on Career Education, it is plausible that the provisions of this measure could aid in increasing the number of students who endeavor to earn a career or vocational associate degree, certificate, or badge from the CCC or other qualifying entities of higher learning.

Arguments in support. The San José – Evergreen Community College District expressed support of this measure stating the following, “we recognize that not all college students will pursue a baccalaureate degree and that they wish for a path to an occupational or technical career. The Cal Grant C award amount helps these students who are enrolled in CTE courses. The additional financial aid would significantly benefit them.”

Prior legislation. AB 1892 (Medina) of the 2015-16 Session, which was held on the Suspense File in the Assembly Committee on Appropriations, in part, sought to reform the Cal Grant C Program to create Cal Grant C Entitlement and Competitive Award (C Entitlement / C Competitive) Programs, administered by CSAC, to provide need-based financial aid to students enrolled in occupational or technical training programs between four months and two years in length.

SB 1028 (Hannah-Beth Jackson), Chapter 692, Statutes of 2014, which, in part, requires CSAC, in selecting students to receive a Cal Grant C award, to give special consideration to students who meet specified criteria, including the employment status of the applicant, giving greater weight to the long term unemployed; requires a Cal Grant C award to be utilized only for occupational or technical training in a course of not less than four months, as specified; and establishes new criteria and processes for identifying areas of occupational and workforce training which qualify for the awards.

SB 451 (Price), Chapter 627, Statutes of 2011, which, in part, requires CSAC to prioritize Cal Grant C awards to students pursuing study in areas of high employment need, high salary or wage protection, or high growth, and establishes related authority and requirements.

REGISTERED SUPPORT / OPPOSITION:**Support**

San José – Evergreen Community College District

Opposition

None on file.

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