

Date of Hearing: April 26, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 2456 (McCarty) – As Amended April 20, 2022

**SUBJECT:** Cal Grant Program: student eligibility: summer term.

**SUMMARY:** Deletes the provision that prohibits increasing the aggregate amount students may receive under the Cal Grant Program as a result of accelerating progress to a degree by attending summer terms, sessions, or quarters; requires that a student that accelerates college attendance and receives an award for coursework taken during a summer term, session, or quarter be enrolled in 30 or more semester units, or the equivalent, in that academic year; and, specifies, that for purposes of meeting the 30 or more semester units or the equivalent requirement, units taken during a summer term, session, or quarter may be included.

**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) Defines "full-time" enrollment, for purposes of eligibility for a full Cal Grant award, as taking 12 or more semester units or the equivalent (EC Section 69432.7(f)(2)).
- 3) Prohibits receipt of a Cal Grant award in excess of the amount equivalent to the award level for four years of full-time attendance in an undergraduate program (EC Section 69433.5(d)(1)).
- 4) Authorizes the CSAC to, for students who accelerate college attendance, increase the amount of award proportional to the period of additional attendance resulting from attendance in classes that fulfill requirements or electives for graduation during summer terms, sessions, or quarters. Specifies in the aggregate, the total amount students may receive in a four-year period may not be increased as a result of accelerating students' progress to a degree by attending summer terms sessions or quarters (EC Section 69433.5(f)).

**FISCAL EFFECT:** Unknown

**COMMENTS:** *Need for the measure.* According to the author, "Unfortunately, far too many college students are not completing their degrees in four years losing out on financial aid eligibility, and becoming saddled with debt. In fact, an additional year of college can cost our most vulnerable students more than \$56,000 per year. AB 2456 will incentivize Cal Grant students to take summer classes by ensuring they will not lose out on future financial aid eligibility. This will save our college students tens of thousands of dollars, and allow them to complete their degrees in four years."

*A Focus on Timely Completion.* In recent years, the state's public higher education segments, with support from the Legislature, have placed more emphasis on improving student outcomes; from the student success initiative and guided pathways at the California Community Colleges (CCC), to the graduation initiative and California Promise Program at the California State

University (CSU), to the development of associate degrees for transfer between the CCC and the CSU and the transformation of remedial education within both segments.

*Cal Grant award usage.* Currently, in order to receive a full Cal Grant award, students must take at least 12 semester units, or the equivalent quarter units. (For students taking less than 12 units, their Cal Grant award for that semester or equivalent quarter is proportionately reduced.) If, however, a student consistently takes 12 units per semester for four years – earning 96 units total – they will be 24 units short of the 120 units that are generally necessary for graduation, yet they will have exhausted all of their Cal Grant eligibility, which is limited to the equivalent of four years of full-time enrollment.

While many Cal Grant recipients who are full-time students do take more than the 12-unit minimum, over the course of four years, they still might not be taking sufficient units to graduate "on time". Taking one or two courses during one or two summer terms would be a way for such students to stay on track for graduation. However, the lack of additional Cal Grant support for, and the high per-unit cost of, summer enrollment at both the University of California (UC) and the CSU are barriers preventing students, from participating in the summer term.

*Pell Grant can provide some assistance.* Since award year 2017-2018, qualified Pell Grant students may receive up to 1½ scheduled Pell Grants, or up to 150% of the scheduled award, in each award year to use during summer sessions or terms. To qualify for the additional funds, a Pell Grant-eligible student must be enrolled at least ½-time in a payment period after receiving most or all of the student's scheduled award in previous payment periods of the award year. For example, at an institution of higher education on a traditional semester calendar in award year 2021-2022, a full-time, full-academic-year student with a zero expected family contribution (EFC) could receive \$3,247.50 in the fall semester, \$3,247.50 in the spring semester, and \$3,247.50 in the summer semester.

However, while the usage of the Summer Pell Grant will not affect the award year eligibility amount, it will affect a student's Pell Lifetime Eligibility Used (LEU). In other words, using the Pell Grant for summer will reduce a student's remaining eligibility for the remainder of their academic program.

*Recent comprehensive Cal Grant reform efforts.* Assembly Members José Medina and Kevin McCarty, along with Senator Connie Leyva, wrote a letter to CSAC in September 2019, calling on the Commission to create a working group of financial aid stakeholders to develop recommendations to reform Cal Grant. The group was asked to consider the priorities of previous reform legislation - AB 1314 (Medina and McCarty) and SB 291 (Leyva) – and create a plan, and cost estimates, to expand Cal Grant eligibility and better support students' costs.

The Cal Grant Reform Work Group included representatives of higher education segments, students, staff from the Executive and Legislative branches, and key nonprofit and advocacy partners. Several work group meetings were held between October 2019 and February 2020, with several policy proposals considered and discussed in detail. This work led to a proposal that was released in March 2020, just days before the Legislature would call an emergency recess due to the COVID-19 pandemic.

The proposal, in part, consolidated the existing Cal Grant A, Cal Grant B, and Cal Grant C awards and the High School Entitlement, Transfer Entitlement, and Competitive programs into a

two-part Cal Grant entitlement program – Cal Grant 2 (for community college students) and Cal Grant 4 (for most other students). The proposal eliminated or streamlined GPA verification for students, eliminated age and time out of high school requirements, and eliminated California’s unique ‘income and asset’ standards to determine level of need and instead based financial need on the federal formula for EFC.

The Assembly Budget Subcommittee #2 was to have a hearing to discuss the March 2020 CSAC proposal, but due to the aforementioned emergency Legislative Recess, the proposal was never discussed. Further, the economic recession that resulted from the pandemic has made it unlikely that the state will have ongoing GF resources to support the original CSAC proposal.

Moving to 2021, and AB 1456, Assembly Members Medina and McCarty, and Senator Leyva intended to build on the budget action and fully reform the Cal Grant program, but this measure was vetoed. Which brings us to AB 1746, which seeks to build upon budget action taken last year to implement the Cal Grant Equity Framework.

*In a time where the state has built momentum in order to reform the Cal Grant in a holistic comprehensive approach, moving forward, the author may wish to continue to work with this Committee and the appropriate stakeholders, in order to address how summer Cal Grant access aligns with the broader Cal Grant equity framework.*

*Committee comments.* This measure authorizes Cal Grant recipients who accelerate college attendance to receive Cal Grant aid for coursework taken during a summer term, session, or quarter, if the student is enrolled in 30 or more semester units in that academic year. This would appear to allow eligible students to have the potential to reduce their time to degree by granting qualifying students access to Cal Grant funding for summer coursework.

However, as currently drafted, this bill appears to present an additional layer of Cal Grant monitoring for CSAC; and while CSAC is working on going live with its software modernization project, it is presently unclear if the CSAC has the technical capabilities to be able to fully implement this measure. Additionally, as this measure is currently drafted, there may be a need for CSAC and the segment to need a data sharing agreement.

*Moving forward, the author may wish to work with the CSAC in order to determine the best feasible course of action in order to ensure CSAC is able to fully implement this measure.*

Lastly, Committee Staff understands that anecdotally, CSU students traditionally take summer courses at much lower rates than UC students. If that is the case, this measure could unintentionally create equity issues among the segments and the 4-year graduation attainment levels.

*Moving forward, the author may wish to continue to work with the stakeholders to ensure all students are made aware of their new ability to access the Summer Cal Grant and how to continue to inform them of the benefits of accelerating their college attendance.*

*Related legislation.* AB 1746 (Medina, McCarty, and Leyva), which is awaiting a hearing in the Assembly Committee on Appropriations, makes significant reforms to the Cal Grant Program, the state’s largest post-secondary financial aid program, including phasing-out existing programs and the creation of the new Cal Grant 2 Program for CCC students and the Cal Grant 4 Program for students attending the UC, CSU, and eligible private institutions.

*Previous legislation.* AB 2248 (McCarty), Chapter 758, Statutes of 2018, requires that a Cal Grant recipient be notified of the duration of their award and of the number of units needed to graduate within the same number of years.

AB 3153 (Levine) of 2018, which was held on the Suspense File in the Senate Committee on Appropriations, would expand the total period of eligibility for Cal Grant A or Cal Grant B awards by establishing eligibility for an additional Summer Cal Grant award for purposes of timely completion of a baccalaureate degree program at a public postsecondary institution.

**REGISTERED SUPPORT / OPPOSITION:****Support**

None on file.

**Opposition**

None on file.

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