

Date of Hearing: April 22, 2021

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1185 (Cervantes) – As Introduced February 18, 2021

SUBJECT: Student financial aid: Cal Grant program.

SUMMARY: Requires that, in a state of emergency, as defined, resulting from the COVID-19 public health crisis, specified Cal Grant Program eligibility requirements related to time limits for award eligibility and to the age of an award recipient would not apply. Repeals specified provisions of this measure on January 1, 2024. Specifically, **this bill:**

- 1) States that as the COVID-19 public health crisis has disrupted and in some cases extended the education plans of California students, it is the intent of the Legislature to preserve the Cal Grant eligibility of those students by providing them an additional year to meet the following state program requirements:
 - a) The Cal Grant A Entitlement program requirement that a student is no more than one year out from graduating from high school;
 - b) The Cal Grant B Entitlement program requirement that a student is no more than one year out from graduating from high school;
 - c) The California Community College Transfer Cal Grant Entitlement Program requirement that a student shall have attended a community college in the prior year; and,
 - d) The California Community College Transfer Cal Grant Entitlement Program requirement that a student will not be 28 years of age or older by December 31 of the award year.
- 2) Requires that, notwithstanding any other law, in a state of emergency, as defined, resulting from the COVID-19 public health crisis, all of the following provisions must apply:
 - a) A student otherwise eligible to receive a Cal Grant A Entitlement award will have an additional year to meet the eligibility requirements;
 - b) A student otherwise eligible to receive a Cal Grant B Entitlement award, will have an additional year to meet the eligibility requirements;
 - c) A student otherwise eligible to receive California Community College Transfer Cal Grant Entitlement Program will have an additional year to meet the eligibility requirements; and,
 - d) A student otherwise eligible to receive a California Community College Transfer Cal Grant Entitlement award may meet the age requirements if the student will not be 29 years of age or older by December 31 of the award year.
- 3) Requires that the provisions as enumerated in (1 (a-d) and 2 (a-d)) inclusive, must become inoperative on July 1, 2023, and, as of January 1, 2024, be repealed.

- 4) Specifies that for financial aid applications submitted by eligible Cal Grant A and B students, in the 2021 and 2022 calendar years only, may submit, either of the following
 - a) A complete financial aid application, submitted or postmarked no later than March 2 of the academic year following high school graduation or its equivalent, for the first award year following the academic year of high school graduation or its equivalent; and,
 - b) A complete financial aid application, submitted or postmarked no later than March 2 of the second academic year after high school graduation or its equivalent, for the second award year following the academic year of high school graduation or its equivalent.
- 5) Makes clarifying and technical changes to existing law.

EXISTING LAW:

Federal law. Provides federal financial aid, known as the Pell Grant, to students who demonstrate financial need. The Pell Grant award can be used for tuition and fees, books, and supplies, transportation, and living expenses for the equivalent of up to six years of full-time enrollment. The maximum Pell Grant for 2020-21 is \$6,345 (20 U.S.C. Section 1070).

State 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) Cal Grant A Entitlement Awards. Students that meet income, asset and other eligibility requirements, have at least a 3.0 grade point average, and apply either the year they graduate from high school or the following year are entitled to an award that provides coverage for tuition and fees (EC 69434).
- 3) Cal Grant B Entitlement Awards. Students that meet income and asset thresholds and other eligibility requirements, have at least a 2.0 GPA and apply either the year they graduate from high school or the following year are entitled to a living allowance and tuition and fee assistance. Awards for most first-year students are limited to an allowance for non-tuition costs (access award), such as books and living expenses (currently \$1,648). In the second and subsequent years, the award also provides tuition and fee support (EC Section 69435.).
- 4) California Community College (CCC) Transfer Entitlement Awards. Cal Grant A and B awards are guaranteed to every student who graduated from a California high school after June 30, 2000, was a California resident at the time of high school graduation, transferred to a qualifying baccalaureate-degree granting institution from a CCC during the award year, was under the age of 28 at the time of the transfer, and had a minimum CCC GPA of 2.4 (EC Section 69436.).
- 5) Establishes three conditions or degrees of emergency as all of the following:
 - a) “State of war emergency” means the condition that exists immediately, with or without a proclamation thereof by the Governor, whenever this state or nation is attacked by an

enemy of the United States, or upon receipt by the state of a warning from the federal government indicating that such an enemy attack is probable or imminent;

- b) “State of emergency” means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the state caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, plant or animal infestation or disease, the Governor’s warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy or conditions causing a “state of war emergency,” which, by reason of their magnitude, are or are likely to be beyond the control of the services, personnel, equipment, and facilities of any single county, city and county, or city and require the combined forces of a mutual aid region or regions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the California Public Utilities Commission (CPUC); and,
- c) “Local emergency” means the duly proclaimed existence of conditions of disaster or of extreme peril to the safety of persons and property within the territorial limits of a county, city and county, or city, caused by conditions such as air pollution, fire, flood, storm, epidemic, riot, drought, cyberterrorism, sudden and severe energy shortage, plant or animal infestation or disease, the Governor’s warning of an earthquake or volcanic prediction, or an earthquake, or other conditions, other than conditions resulting from a labor controversy, which are or are likely to be beyond the control of the services, personnel, equipment, and facilities of that political subdivision and require the combined forces of other political subdivisions to combat, or with respect to regulated energy utilities, a sudden and severe energy shortage requires extraordinary measures beyond the authority vested in the CPUC (Government Code Section 8558).

FISCAL EFFECT: Unknown

COMMENTS: *Urgency clause.* This measure specifies that in order to provide equitable access to financial aid for students whose educational plans have been disrupted by the COVID-19 pandemic, it is necessary that this act take effect immediately.

Oversight hearing on the impact of COVID-19 to postsecondary education. This Committee, jointly with the Assembly Budget Subcommittee No. 2 on Education Finance, held an oversight hearing on *The Impact of COVID-19 on Postsecondary Education* on November 12, 2020 in order to learn more about the devastating impact of COVID-19 to the segments, students, faculty, staff, and administrators.

One of the many findings from the hearing was the widening of the disparities among various student groups. *Equity in Crisis – A Higher Education Poll* by the Education Trust – West, which administered the survey from May 14, 2020 through May 19, 2020, to a national representative sample of over 1000 college students, found the following:

Academic insecurity.

- 1) 3 in 4 California students are concerned about being on track to graduate;

- 2) 20% of California students are not confident they will even return to school in the fall;
- 3) 95% of CA students have had at least one class cancelled; 85% of CA students say most of their classes are now online (this figure is 88% nationwide);
- 4) 1 in 10 CA students lack devices to participate in online classes;
- 5) 32% of California 2-year students less likely to consider transferring to a 4-year program than before the pandemic - 42% for Latinx Students;
- 6) 27% of CA students less likely to consider graduate school after coronavirus pandemic;
- 7) 80% of students are worried their grades will suffer; and,
- 8) 43% of California students feel the quality of instruction has worsened

Financial insecurity.

- 1) 85% of students of color concerned about getting the skills and experience for employment - 78% overall;
- 2) 86% of Black students are worried about not being able to afford tuition or other expenses; Less than half (49%) are confident that they will be able to pay for basic needs like food, housing, and tuition; and,
- 3) 1 in 3 CA students (31%) say their colleges are providing emergency financial aid or financial support.

Well-Being.

- 1) 72% of students nationwide report higher than usual levels of stress;
- 2) 7 in 10 CA students are concerned with developing or worsening mental health issues - Greater for English Learners (8 in 10) nationwide;
- 3) 78% of students feel mental health access provided by their institutions would be helpful; and,
- 4) Only 32% report their institutions are doing this.

According to the CSAC, “As California considers how to position students and our workforce for recovery from the COVID-19 pandemic and economic recession, it will be essential that state financial aid be positioned to support these students as we seek to re-engage them and encourage their enrollment into postsecondary education.”

Purpose of this measure. According to the author, “AB 1185 seeks to address COVID’s disruption of students’ education plans that may prevent low-income students from accessing their state aid. AB 1185 is timely and necessary, especially when COVID-19 has shown to exacerbate existing achievement gaps.”

The author states, “Therefore, to preserve the Cal Grant eligibility of students, we must provide them with an additional year to meet the state program requirements. AB 1185 will ensure higher education is accessible and affordable to our neediest students, our low-income students.”

The author contends that, “Historically, without state scholarships and grants, our most disadvantaged students would not be able to participate in our state's higher education system. Financial assistance encourages our students to focus on their coursework rather than struggling to finance their education while also struggling to support their families.”

Lastly, the author argues that, “Without AB 1185, our current eligibility requirements will lockout some low-income students out of college. All students deserve an opportunity to be eligible for state aid, especially those most in need. Students should not be met with institutional barriers that reprimand the need for survival during a global pandemic, especially when students may have to put their educational goals on hold to survive and support their families.”

REGISTERED SUPPORT / OPPOSITION:**Support**

California Catholic Conference
California Chamber of Commerce
California Faculty Association
California Student Aid Commission
San José-Evergreen Community College District

Opposition

None on file.

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