

Date of Hearing: January 12, 2016

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1449 (Lopez) – As Amended January 5, 2016

SUBJECT: Student financial aid: California Community College Transfer Cal Grant Entitlement Program

SUMMARY: Authorizes a student to satisfy the California Community College Transfer Cal Grant Entitlement Program (Transfer Entitlement) award requirement of receipt of a high school diploma or equivalency through establishing California residency. Specifically, **this bill:**

- 1) Provides that a student can meet the Transfer Entitlement award requirement of high school graduation or equivalency by instead being a California resident on his or her 18th birthday.
- 2) Provides that a student may verify that he or she satisfies the requirements of this paragraph by the presentation of documents that may include, but not necessarily be limited to, a California driver's license, California identification card, high school transcript, or records of a judicial proceeding.

EXISTING LAW: Establishes the Transfer Entitlement, administered by the California Student Aid Commission (CSAC), to provide Cal Grant A or B awards to residents transferring from a California Community College (CCC) to a qualifying baccalaureate-offering institution (Education Code Section 69436). A student must meet specified eligibility criteria, including:

- 1) Complete the financial aid application by March 2 of the year prior to the award year.
- 2) Demonstrate financial need and meet household income/asset limits, as specified.
- 3) Attend a CCC in the academic year immediately preceding the academic year for which the award will be used, earn a grade point average (GPA) of at least 2.4, meet transfer eligibility requirements, and be pursuing a baccalaureate degree at a qualifying institution.
- 4) Not be 28 years old or older by December 31 of the award year.
- 5) Graduate from a California high school or equivalent during or after 2000-01.

FISCAL EFFECT: Unknown.

COMMENTS: *Background.* The Transfer Entitlement provides financially needy California students whom did not receive a Cal Grant A or B award after leaving high school with a "second chance" to receive an award upon transfer to a qualifying institution. To receive an award, applicants must meet eligibility requirements, submit the Free Application for Federal Student Aid and the Cal Grant GPA Verification Form, and complete and return a Certification Form that includes information on high school attendance and graduation, CCC attendance, and California residency. In 2013-14, 13,018 students were offered a Transfer Entitlement Cal Grant A, and 39,471 were offered a Transfer Entitlement Cal Grant B. According to CSAC, the typical Transfer Entitlement awardee is 23 years old, has a household income of \$24,511, a GPA of 3.08 and a family size of 2.8.

Purpose of this bill. According to the author, California has established an unnecessary barrier for nontraditional low-income transfer students by requiring Transfer Entitlement award recipients to possess a California high school diploma or equivalent. The author notes that CCCs are required to admit all California students over the age of 18 regardless of whether they have obtained a high school diploma or equivalency. Further, a high school diploma or equivalency is not a requirement for admittance at UC or CSU campuses if a student has satisfied requirements for upper-division transfer from a CCC. The author argues that access to state and federal financial aid plays a crucial role in a student's academic success. This bill seeks to allow CCC transfer students to access the Transfer Entitlement award regardless of whether they have obtained a high school diploma or its equivalency.

Consistent with the author's stated intent, Committee staff recommends an amendment clarifying that this alternative option is available to students who did not graduate high school or obtain equivalency.

How many students would this change affect? According to CSAC, in 2014-15, 319 applicants were denied a Transfer Entitlement due to lack of high school graduation or equivalent. It is difficult to know the extent to which this bill could result in an increase in the number of non-high school graduate applicants for the Transfer Entitlement. Of note, a relatively low percentage of students enrolled in credit courses at CCCs have not obtained a high school diploma; according to the Chancellor's Office, in the spring of 2015, 28,751 students (approximately 2%) did not possess a high school diploma or equivalency.

What are the implications for verification procedures? The provisions of this bill authorize a student to verify high school graduation, equivalency, or residency as of the student's 18th birthday through presentation of various documents, including high school transcripts and records, California identification, and judicial proceedings. As previously noted, CSAC currently verifies high school graduation, school attendance and residency through a student certification form. As drafted, this language is not binding. Committee staff understands the author does not intend to alter CSAC's current process for high school or residency verification, nor create an additional step for newly eligible students.

Committee staff recommends removing this clause, contained on Page 3, lines 33-37.

REGISTERED SUPPORT / OPPOSITION:

Support

None on File

Opposition

None on File

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