
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: AB 2722 **Hearing Date:** June 13, 2018
Author: Medina
Version: April 5, 2018
Urgency: No **Fiscal:** Yes
Consultant: Lynn Lorber

Subject: Student financial aid: California Military Department GI Bill Award Program.

NOTE: This bill has been referred to the Committees on Education and Veterans Affairs. A "do pass" motion should include referral to the Committee on Veterans Affairs.

SUMMARY

This bill changes the name of the "California National Guard Education Assistance Award Program" to the "Military Department GI Bill Award Program," adds eligibility criteria, provides that an award may be used to obtain a baccalaureate, graduate or doctoral degree, and removes the sunset on this program.

BACKGROUND

Existing law:

- 1) Establishes the California National Guard Education Assistance Award Program on behalf of qualifying members of the California National Guard, the State Military Reserve, and the Naval Militia under the administration of the California Student Aid Commission. (Education Code § 69999.10 et seq)
- 2) Requires a qualifying member to meet all of the following conditions to be eligible to receive a California National Guard Education Assistance Award:
 - a) Be a resident (defined as a student who has residence in the state for more than one year immediately preceding the residence determination date.)
 - b) Be an active member of, and has served two years in, the California National Guard, State Military Reserve, or the Naval Militia.
 - c) Been accepted or registered at, or enrolled in, a qualifying institution.
 - d) Agree to use the award to obtain a certificate, degree, or diploma that he or she does not hold at the time of application, and enrolls in at least three academic units per semester, or the equivalent thereof.
 - e) Submitted the Free Application for Federal Student Aid to the United States Department of Education. (EC § 69999.16)

- 3) Limits the number of awards issued by California Student Aid Commission (CSAC) in any fiscal year to the number authorized in the annual Budget Act, but in no event is to exceed 1,000 awards in any fiscal year. (EC § 69999.16)
- 4) Establishes grant amounts as follows:
 - a) The maximum amount of a Cal Grant A award for recipients attending the University of California (UC) or the California State University (CSU).
 - b) The maximum amount of the Cal Grant B award for recipients attending a community college.
 - c) The maximum amount of a Cal Grant A award for a student attending the UC, for a recipient attending a private institution. (EC § 69999.18)
- 5) Establishes the grant amount for graduate studies as up to the maximum amount of a Cal Grant A award, plus \$500 for books and supplies. (EC § 69999.18)
- 6) Authorizes awards to be renewed for each new academic year, for a maximum of the greater of four years of full-time equivalent enrollment or the duration for which the person would otherwise be eligible for the Cal Grant Program. (EC § 69999.18)
- 7) Requires CSAC to report annually to the Legislature regarding program participation, including the total number of participants in the program, and the number of participants who receive a California National Guard Education Assistance Award, classified by academic year. (EC § 69999.24)
- 8) Requires the Legislative Analyst's Office to prepare and submit to the Legislature a report on the program by January 1, 2016. (EC § 69999.26)
- 9) Provides that the program becomes operative only if funds are appropriated for those purposes. (EC § 69999.28)
- 10) Sunsets the program on July 1, 2019.

ANALYSIS

This bill changes the name of the "California National Guard Education Assistance Award Program" to the "Military Department GI Bill Award Program," adds eligibility criteria, provides that an award may be used to obtain a baccalaureate, graduate or doctoral degree, and removes the sunset on this program. Specifically, this bill:

- 1) Renames the "California National Guard Education Assistance Award Program" as the "Military Department GI Bill."
- 2) Adds as eligibility criteria that the person agrees to complete his or her course of study within 10 years of the person's initial acceptance into the program. This bill authorizes the Adjutant General of the California Military Department to extend a person's participation for a period of up to five additional years if the person is

- unable to complete the course of study within 10 years due to federal military activation or other unexpected circumstance.
- 3) Modifies eligibility criteria to require a person to serve two years in the California National Guard or the California State Military Reserve upon completion of the last academic period that he or she uses educational assistance under the Military Department GI Bill Award Program (rather than require the person to have already served two years prior to applying to the program; see # 4 below).
 - 4) Deletes from eligibility criteria that the active member of the California National Guard, State Military Reserve, or the Naval Militia has served for two years.
 - 5) Provides that an award may be used to obtain one baccalaureate, graduate, or doctoral degree, and clarifies that achievement of lower level certificates and diplomas do not impact an applicant's ability to use the award toward an advanced level degree.
 - 6) Deletes the existing authority for a grant award for graduate studies to exceed the amount of a Cal Grant A by \$500 (to be used for books and supplies).
 - 7) Deletes the July 1, 2019 sunset date, thereby extending this program into perpetuity.
 - 8) Deletes an obsolete provision that requires the Legislative Analyst's Office to report on the California National Guard Education Assistance Award Program, which was due by January 1, 2016.
 - 9) Makes conforming and technical changes, such as changing references from the "California National Guard" to the "California Military Department" and from "human resources" to "service members."
 - 10) Modifies legislative findings and declarations to update terminology and references to the name change proposed by this bill.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "AB 2722 will reauthorize the California National Guard Education Assistance and Award Program and reconstitute it as the California Military Department GI Bill. This bill addresses several recommendations made by the Legislative Analyst's Office to improve the program. Changes include clarifying the program's objectives, adding a reenlistment requirement, making the selection process more competitive, factoring in the relevance of training, revising eligibility requirements, changing study limits, and adjusting award amounts. This bill also removes the sunset date indefinitely. Should the sunset date not be removed and the program is eliminated, California would be one of the only states that does not provide any sort of state-sponsored education benefit to their National Guard."
- 2) ***Federal education assistance.*** Some California Army National Guard members are currently eligible for college assistance under the federal Tuition Assistance

program; however, benefits under this program are not guaranteed and available funding varies from year to year.

Federal law also provides education benefits through the Montgomery G.I. Bill for National Guard Soldiers and Airmen who are fulfilling specific military obligations; however, many of California's Guard members are ineligible for this program (federal tuition assistance is not granted universally, eligibility depends on how long the Servicemember has been on active duty, etc). As a result, California National Guard members are disadvantaged with regard to access to federal education benefits when compared to their active duty counterparts. The majority of newly enlisted Servicemembers do not have access to federal education opportunities, as their service is Title 32, United States Code (state military status) versus Title 10 (federal military status). For a National Guard member to accrue full benefits under the Post 9/11 GI bill, they must have at least 36 months of Title 10 active duty service. The only way to accrue Title 10 active duty service is to be deployed for overseas contingency operations.

- 3) **Legislative Analyst's Office (LAO) report.** A September 2016 LAO report on the California National Guard Education Assistance Award program found that the program was not meeting its stated goal of serving to "...improve retention within the California National Guard and California State Military Reserve," and recommended letting the program sunset.

The LAO made several recommendations. In the event that the Legislature chooses to maintain the award program, including: clarifying the program's objectives, adding a reenlistment requirement, making the selection process more competitive, factoring in the relevance of training, revising eligibility requirements, changing study limits, and adjusting award amounts. This bill addresses many of these recommendations.

<http://www.lao.ca.gov/reports/2016/3501/National-Guard-Educ-Award-Prog-092716.pdf>

- 4) **Book and supply stipend.** This bill deletes the existing allowance of a \$500 book and supplies stipend for graduate students, which is in addition to the award of up to the maximum amount of a Cal Grant A. This book and supplies allowance is being eliminated because of a lack of rationale for awarding a higher amount of state financial aid to participants in the National Guard Education Assistance Award Program than what is afforded to Cal Grant recipients. In addition, according to the California Military Department, there were 92 graduate participants in Fall 2017. Over the academic year, these book stipends could total up to \$46,000. Under Cal Grant payouts for the 17-18 academic year, \$46,000 could send 27 participants to a California Community College, eight participants to a California State University, or three participants to a University of California or private institution. Removing the graduate studies book stipend allows more funding to be directed towards additional grants to Servicemembers.
- 5) **Eligibility criteria.** Currently, there is no service requirement associated with the use of the California National Guard Education Assistance Award program. Several other states use a service requirement to ensure they retain Servicemembers who have achieved high levels of education through the state's

education benefit program. These service requirements/commitments typically range from two to six years after the completion of the last academic period in which an award was received.

This bill modifies the eligibility criteria to require the applicant to agree to serve two years in the California National Guard or the California State Militia upon completion of the last academic period of the award, and deletes the requirement that the active member has served for two years prior to applying for the award (the inclusion of this requirement was a drafting error).

- 6) ***Degree but not certificate or diploma?*** Existing law includes as eligibility criteria that the person agrees to use the award to obtain a certificate, degree, or diploma that he or she does not hold at the time of applying for the award. This bill specifies that an award may be used to obtain one baccalaureate, graduate, or doctoral degree. **Staff recommends an amendment** to ensure that awardees may use the award to earn a certificate or associate degree.

On page 4, lines 4-11: D) The person agrees to use the award to obtain a certificate, degree, or diploma that he or she does not hold at the time he or she applies for the award, and enrolls in at least three academic units per semester, or the equivalent thereof. The award may be used to obtain one baccalaureate, graduate, or doctoral degree. **The award may be used for a certificate, degree, or diploma that leads to a baccalaureate, graduate, or doctoral degree.** ~~Achievement of lower level certificates and diplomas do not impact an applicant's ability to use the award toward an advanced level degree.~~

- 7) ***Sunset date.*** This bill deletes the existing sunset date of July 1, 2019, on the California National Guard Education Assistance Award Program because of the high value of the educational benefit provided to Servicemembers. Since the program's inception in 2009, over 1,300 California National Guard and California State Military Reserve Soldiers and Airmen have pursued their educational goals with the assistance of this program. The California Military Department indicates that this program is a key tool in enticing Servicemembers to join and remain in the forces of the State. Should this program be eliminated, California would be one of the only states and territories that do not provide any sort of state-sponsored education benefit to their National Guard. Current program participants would lose the ability to continue their educational pursuits.
- 8) ***Technical amendments.*** On page 4, lines 12 - 15: (E) The person agrees to serve two years in the California National Guard, **Naval Militia**, or the California State Military Reserve upon completion of the last academic period that he or she uses educational assistance under this program.

On page 4, line 19, strike "of" and insert "or."

- 9) ***Fiscal impact.*** According to the Assembly Committee on Appropriations, this bill would impose ongoing General Fund costs of \$2.6 million annually. Of this, \$2.4 million is for financial aid awards and \$115,000 is for administrative costs at the California Military Department and California Student Aid Commission.

SUPPORT

American Legion-Department of California
AMVETS Department of California
California Association of County Veterans Service Officers
California Enlisted Association of the National Guard of the United States
California State Commanders Veterans Council
Greater Riverside Chambers of Commerce
Military Officers Association of America-California Council of Chapters
Sergeants Major Association
An individual

OPPOSITION

None received

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