
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: SB 1314
Author: Block
Version: February 19, 2016
Urgency: No
Consultant: Olgalilia Ramirez
Hearing Date: March 30, 2016
Fiscal: Yes

Subject: Cal Grant A Entitlement Program

SUMMARY

This bill clarifies Cal Grant A Entitlement award eligibility for community college students participating in specified baccalaureate degree programs.

BACKGROUND

Existing law authorizes the Cal Grant program, administered by the California Student Aid Commission (CSAC), to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs and eligibility is based upon financial need, GPA, California residency and other criteria. (Education Code § 69430 - 69433)

Existing law establishes the Cal Grant A entitlement award to be used for tuition or fees for the equivalent of four full-time years at qualifying postsecondary institutions to eligible lower and middle income high school graduates who have at least a 3.0 GPA on a four-point scale and apply within one year of graduation. A Cal Grant A recipient who decides to attend a California community college may elect to have the award held in “reserve” for a period not to exceed two years. (EC § 69434 and 69434.5)

Existing law requires the Board of Governors (BOG) to charge each student a \$46 per unit per semester fee. Existing law requires a waiver (BOG waiver) of these fees for certain students including a student who meets specified income requirements. (EC § 76300)

Existing law authorizes the California Community Colleges (CCC) Board of Governors (BOG), in consultation with the California State University (CSU) and the University of California (UC), to establish a statewide baccalaureate degree pilot program at not more than 15 CCC districts, as specified. In addition to the \$46 per unit enrollment fee authorized pursuant to EC 76300, districts are authorized to charge an \$84 per unit fee for upper division coursework in a baccalaureate degree pilot program. (EC § 78040 - 78042)

ANALYSIS

This bill clarifies that a community college student participating in a community college baccalaureate degree pilot program who meets Cal Grant A entitlement program criteria is able to receive a Cal Grant A for tuition and fees.

STAFF COMMENTS

- 1) ***Need for the bill.*** SB 850 (Chapter 747, statutes of 2014) authorized California Community Colleges (CCC) to establish a baccalaureate degree pilot program. According to the author, the California Student Aid Commission has opined that, under existing law, it is unclear whether community college students enrolled in these new programs could receive Cal Grant A assistance for upper division coursework fees at a CCC.
- 2) ***Why is there a lack of clarity?*** Community College students who are Cal Grant recipients would typically have the community college enrollment fee waived through the Board of Governors (BOG) fee waiver program. Community college students who receive the Cal Grant A award would normally have their award held in reserve for up to two years until the student transfers to a four-year institution, at which time the California Student Aid Commission (CSAC) would disburse the Cal Grant A award.

According to CSAC, Cal Grant A funds have never been disbursed to a community college student since all community college fees up to this point would be covered by the BOG fee waiver. The CSAC believe that they must be provided clear authority to disburse Cal Grant A Entitlement award funds to a community college student for purposes of paying the upper division fee with Cal Grant monies.

This bill would ensure that community college students who meet the Cal Grant A program requirements receive assistance to cover fees established for upper division courses in the baccalaureate degree pilot program. However, as currently drafted the bill could be interpreted to authorize the use of Cal Grant A funds to pay both the \$46 enrollment fee and the \$84 dollar upper division coursework fee. **Staff recommends** an amendment to clarify that these students are eligible for Cal Grant A for purposes of upper division course fees.

- 3) ***Why is this not an issue for Cal Grant B students?*** Unlike Cal Grant A students, Cal Grant B students at a community college receive an access award. However, similar to the Cal Grant A award, the portion of the Cal Grant B award that covers tuition and fees is typically waived through the BOG waiver. Presumably, a Cal Grant B access award could be disbursed to students beyond two years even if tuition is not. It's unclear whether the CSAC or CCC would interpret the authority to also pay tuition for the upper division coursework fee. Neither CSAC nor CCC was able to provide clarification at the time this analysis was written. The author may want to clarify this question as the bill progresses.
- 4) ***Fiscal impact.*** The pilot degree program is currently limited to 15 community college districts with one baccalaureate degree program authorized at each

participating district. A student enrolled in the pilot program cannot be charged fees greater than the mandatory systemwide fee charged for California State University baccalaureate degree programs. Students must complete their degree by the end of 2022 - 2023 academic year as the program is scheduled to sunset July 1, 2023. Arguably, if these students had gained access to an eligible four-year institution like UC or CSU the overall fees would be greater than fees for the CCC baccalaureate program.

SUPPORT

Community College League of California
Foothill-De Anza County Community College District
Kern County Community College District
San Diego County Community College District

OPPOSITION

None received.

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