
SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair
2015 - 2016 Regular

Bill No: SB 1357
Author: Block
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Consultant: Kathleen Chavira
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Fiscal: Yes

Subject: Community colleges: Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Act: California Community Colleges Assistance Grant Program

SUMMARY

This bill requires that the California Student Aid Commission (CSAC) annually augment the award amount of Cal Grant B recipients enrolled at the California Community Colleges by \$1,500, as specified, beginning with the 2017-18 award year and requires a General Fund appropriation for this purpose in the annual Budget Act.

BACKGROUND

Current law authorizes the Cal Grant program, administered by the CSAC, to provide grants to financially needy students to attend college. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average, California residency, and other eligibility criteria, as specified in Education Code § 69433.9. (Education Code § 69430 – § 69439)

These programs currently operate as follows:

- 1) Cal Grant A* High School Entitlement Program provides tuition fee funding 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 grade point average (GPA) on a four-point scale and apply within one year of graduation.
- 2) Cal Grant B* High School Entitlement Program provides funds to eligible low-income high school graduates who have at least a 2.0 GPA on a four-point scale and apply within one year of graduation. The award provides up to \$1,551 (and provides for adjustment of this amount in the Annual Budget Act) for books and living expenses for the first year and each year following for up to four years (or equivalent of four full-time years). After the first year, the award also provides tuition fee funding at qualifying postsecondary institutions.
- 3) Community College Transfer Program provides a Cal Grant A or B to eligible high school graduates who have a community college GPA of at least 2.4 on a four point scale and transfer to a qualifying baccalaureate degree granting college or university.

- 4) Cal Grant Competitive Award Program provides 22,500 Cal Grant A and B awards available to applicants who meet financial, academic, and general program eligibility requirements. Half of these awards are reserved for students enrolled at a community college and who met the September 2 application deadline.
- 5) Cal Grant C Program provides funding for financially eligible lower-income students preparing for occupational or technical training. The authorized number of new awards is 7,761. For new and renewal recipients, the current tuition and fee award is up to \$2,592 and the allowance for training-related costs is \$576. (Education Code § 69430 - § 69450)

ANALYSIS

This bill:

- 1) Establishes the California Community Colleges Assistance Grant Program. It:
 - a) Requires the California Student Aid Commission (CSAC) to annually augment, by \$1500, the award for a Cal Grant B Entitlement or Competitive grant recipient enrolled in a California community college.
 - b) Requires that these awards supplement and not supplant Cal Grant B awards and other student financial aid received by these students.
- 2) Requires that the awards under the California Community Colleges Assistance Grant Program be funded by a General Fund appropriation in the annual Budget Act.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, the community college student demographic is much broader than the traditional first-time student, and often includes older, lower-income, first-generation students with families of their own. Although these students have access to Cal Grant B entitlement and competitive awards, the current annual access award of \$1,551 is insufficient to cover expenses outside of school fees. According to the Legislative Analyst's Office (LAO) 2016-17 Budget Report on Higher Education, the cost of attendance at a community college for a student living off campus with a family is \$5,400-\$12,300, with textbook costs alone ranging from \$1249-\$1364. This bill would provide an additional source of funding to community college Cal Grant B recipients to ensure they can cover the basic costs of attendance.
- 2) ***Why only community colleges?*** According to information provided by the Institute for College Access & Success (TICAS), in *Financial Aid Facts at California Community Colleges*(March 2010), while CCC fees are much lower than tuition in other state or other colleges in California, the total cost of attending is much higher than most people realize. Despite high levels of need these

students receive much smaller state and institutional grants than students at four year colleges, and full-time community college students are the most likely to have “unmet need” even after receiving all available aid. According to TICAS, 90 percent of CCC students still have need after all aid is awarded compared to 64 percent and 56 percent at public four-year and private four-year schools in the state, respectively. Students at the CCC have an average gap of \$5,892 after all aid is received.

- 3) ***Similar supplemental grant in 2015-16 Budget Act.*** The 2015-16 Budget Act included funding for a new grant program for California Community College Cal Grant B recipient students. AB 93 (Weber, Budget Act of 2015) provided \$39 million in ongoing Proposition 98 funds for purposes of the Full-Time Student Success Grant Program, and SB 97 (Committee on Budget and Fiscal Review, Budget Act of 2015) made \$3 million of the appropriation available on a one-time basis to support the implementation of the program by local campuses. The Full-Time Student Success Grant (FTSSG) provides a supplemental grant for the 2015-16 school year to community college Cal Grant B recipients who are receiving a Cal Grant B award payment.

The 2015-16 Budget Act also provided that:

- a) Eligible students must take 12 units or more.
- b) The Chancellor’s Office must determine the number of students eligible for this funding and distribute an equal amount to each student.
- c) Each California Community College campus must receive a minimum allocation of \$50,000.
- d) The remainder of the funding is to be allocated to campuses based upon a formula reflecting full-time equivalent students weighted by a measure of low-income populations demonstrated by Board of Governors fee waiver program participation within a district.

The Chancellor’s Office has determined that this award shall not exceed \$600 per student annually in 2015-16. The Chancellor’s Office also indicates that the intent of this funding was a desire to support student persistence, retention and success by providing additional assistance so that students could attend full-time and complete their programs. In addition, there was a desire to strengthen the value of the access award aid for the most disadvantaged students.

As currently drafted, this bill appears to create a program similar to that created by the budget, but administered through the California Student Aid Commission. It also appears that the \$1500 award is to be granted in addition to the award to be provided at the campus level under the Full-Time Student Success Grant Program.

It is unclear why two distinct supplemental programs to the Cal Grant B are necessary.

- 4) **CSAC administration?** Unlike the Full-Time Student Success Grant Program, the program established by this bill would be administered by the California Student Aid Commission (CSAC). Particularly for new applicants, this administrative structure could delay receipt of supplemental awards, particularly as the CSAC awaits confirmation from students and campuses of the actual enrollment of the student, a process which can take some time to reconcile.

This supplement to the Cal Grant B program would be exclusively available to community college students. Is there a need for administration of a single system award program to be centralized at a state agency? Would distribution of supplemental awards by the Chancellor's Office and local campuses allow for a more streamlined implementation and speedier access to funds by students?

- 5) **Consolidation/codification?** This bill creates a program to provide a supplemental Cal Grant B award of \$1500 to a community college student. The only criteria for the award is that the student receives a Cal Grant B. Staff notes that the existing Full-Time Student Success Grant Program only exists in Budget Act language. Rather than create yet another supplemental award program, could this program and the program created by the 2015 Budget be consolidated? Could/should this bill be amended to codify the program established via budget bill language?
- 6) **Community colleges and the Cal Grant B.** A little over half of the total Cal Grant B awardees in the state (276,000 in 2013-14) are enrolled at the California Community Colleges. According to information from the California Student Aid Commission, in 2013-14, the total number of community college Cal Grant B awardees was 139,769 with 47,376 and 92,393 awarded the Competitive award and Entitlement awards, respectively.

SUPPORT

The Institute for College Access and Success

OPPOSITION

None received.

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