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# SENATE COMMITTEE ON EDUCATION

Senator Carol Liu, Chair  
2015 - 2016 Regular

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**Bill No:** AB 1449  
**Author:** Lopez  
**Version:** June 20, 2016  
**Urgency:** No  
**Consultant:** Olgalilia Ramirez  
**Hearing Date:** June 29, 2016  
**Fiscal:** Yes

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

## SUMMARY

This bill exempts a student from the high school graduation requirement of the California Community College (CCC) Transfer Cal Grant Entitlement Program, as long as the student was a California resident on his or her 18th birthday.

## BACKGROUND

Existing law:

- 1) Authorizes the Cal Grant program, administered by the Commission, 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, grade point average (GPA), California residency and other criteria. (Education Code § 69430-69433)
- 2) Establishes the Transfer Entitlement, to provide Cal Grant A and B awards 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 § 69436)
- 3) Requires the commission, or a qualifying institution to require that applicant to affirm, in writing, under penalty of perjury, that he or she meets the requirements for Cal Grant eligibility and notify each person who receives a preliminary award that his or her award is subject to an audit. (EC § 69436 (d)(3)(A))
- 4) Requires the commission to select, at random, a minimum of 10 percent of the new and renewal awards and require, prior to the disbursement of Cal Grant funds to the affected postsecondary institution, that the institution verify that the recipient meets specified requirements. (EC § 69436 (d)(3)(B))

**ANALYSIS**

This bill exempts a student from the high school graduation requirement of the California Community College (CCC) Transfer Cal Grant Entitlement Program, as long as the student was a California resident on his or her 18th birthday.

**STAFF COMMENTS**

- 1) ***Need for the bill.*** Under the current Transfer Entitlement requirements, a student must graduate from a California high school or equivalent to qualify for an award payment. 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, and a high school diploma or equivalency is not a requirement for admittance at University of California (UC) or California State University (CSU) campuses if a student has satisfied requirements for upper-division transfer from a CCC. This bill seeks to allow returning students, who did not graduate high school, to earn a Cal Grant upon transferring to a 4-year college or university.
- 2) ***California Community College Transfer Entitlement program.*** The CCC Transfer Entitlement program extends the guarantee of Cal Grant eligibility to financially needy students that start at a community college and transfer to a four-year university, similar to the guarantee provided to high school students entering directly into four year college or university. This award covers tuition at CSU and the UC, as well as tuition support at qualified private California colleges and universities. Transfer Entitlement Award applicants must meet certain requirements at the time of transfer from a California Community College to a qualifying institution offering baccalaureate degree programs.

A CCC transfer student by nature must demonstrate an ability to complete college course work, and perform at a level sufficient to gain admission to a 4-year institution. For those students who did not graduate from high school, this bill would provide a new education benefit that otherwise would not have been available.
- 3) ***Verification of California residency status.*** A student must be a California resident on his or her 18<sup>th</sup> birthday to qualify for an award under the provisions of this bill. Current transfer students are required to complete a Certification Form (G6) that includes information on high school attendance and graduation, CCC attendance, and California residency. The form serves as the final piece of a completed Transfer Entitlement application. According to the California Student Aid Commission, the "resident at 18" requirement would be added to the form, and go through similar verification as is other information that is required to establish eligibility including being subject to an audit.
- 4) ***Fiscal Effect.*** According to the Assembly Appropriation Committee the bill imposes first-year General Fund costs of about \$2 million and annual costs

thereafter would be around \$4 million. Additionally, the California Student Aid Commission is requesting administrative support to ensure that necessary changes to the Grant Delivery System, as well as necessary changes to the application process, can be implemented in a timeframe consistent with the bill.

**SUPPORT**

None received.

**OPPOSITION**

None received.

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