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# SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

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**Bill No:** AB 2248 **Hearing Date:** June 27, 2018  
**Author:** McCarty  
**Version:** June 6, 2018  
**Urgency:** No **Fiscal:** Yes  
**Consultant:** Olgalilia Ramirez

**Subject:** Student financial aid: Cal Grant program.

## SUMMARY

This bill requires that a Cal Grant recipient be notified of the 4-year duration of their award and of the number of units needed to graduate within the same number of years.

## BACKGROUND

Existing law:

- 1) Authorizes the Cal Grant program, administered by the California Student Aid Commission (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, GPA, California residency and other criteria. (Education Code (EC) § 69430 - 69433)
- 3) Defines "full-time" enrollment, for purposes of eligibility for a full Cal Grant award, as taking 12 or more semester units or the equivalent. (EC § 69432.7(f) (2))
- 4) Defines "part-time" enrollment, for purposes of eligibility for a partial Cal Grant award, as taking 6 to 11 semester units, inclusive, or the equivalent. (EC § 69432.7(f) (1))
- 5) Stipulates that a part-time student shall not be discriminated against in the selection of Cal Grant Program award recipients, and an award to a part-time student shall be approximately proportional to the time the student spends in the instructional program, as determined by CSAC. (EC § 69433.5 (b))
- 6) Prohibits receipt of a Cal Grant award in excess of the amount equivalent to the award level for four years of full-time attendance in an undergraduate program. (EC § 69433.5 (d) (1))
- 7) Establishes requirements for institutional participation in the Cal Grant program by providing that:
  - a) A qualifying institution means an institution that meets one of the following criteria:

- i. Is a California private or independent postsecondary educational institution that participates in the Pell Grant Program and in at least two of the specified federal loan or work-study programs.
  - ii. Is a nonprofit institution headquartered and operating in California that, among other things, is accredited by the Western Association of Schools and Colleges.
  - iii. Is a California public postsecondary educational institution.
- b) In addition to meeting the requirements in a) above, a qualifying institution is must have a federal student loan borrower's rate with 40 percent or less for undergraduate students, otherwise, be below the three year cohort default rate of 15.5 percent and be above the graduation rate of 30 percent. (EC § 69432.7 (L)(1))

## ANALYSIS

This bill:

- 1) Requires, upon initial award and renewal of a Cal Grant award, the California Student Aid Commission to notify an award recipient in writing of both of the following:
  - a) A Cal Grant award is limited to four years, except as provided under current law.
  - b) A student needs to take 15 units per semester or 30 semester units per academic year or the equivalent quarter units, in order to graduate within four years.
- 2) Requires that a Cal Grant qualifying institution notify a student during the orientation process and in writing of the information described in a) and b) above.
- 3) Requires, upon annual registration by a student receiving state financial aid, the aid office of a qualifying intuition to notify that student in writing of the information described in a) and b).
- 4) Specifies that during online registration by a student for fewer than 15 semester units or the equivalent quarter units, the information described in a) and b) above must be provided to the student with a box for the student to check acknowledging receipt of the provided information.
- 5) Specifies that "qualifying institution," has the same meaning as described by current law described in 7) in the background section of this analysis.
- 6) Defines for purposes of the bill, "Cal Grant" to mean all Cal Grant awards except the Cal Grant C award.

- 7) Establishes if the Commission on State Mandates determines that this act contains costs mandated by the state, the state shall reimburse the applicable entities.

## STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, "...There is currently a disconnection between student unit enrollment and time to graduation requirements. Students are currently required to take 12 units per semester to be considered full time. However, for a student to graduate within the traditional 4 year timeframe they would need to take at least 15 units per semester, or 30 units per academic year to graduate on time. Furthermore, Cal Grant awards end after the fourth year for the vast majority of University programs and degrees. A student who takes twelve units per semester would need at least 10 semesters, or 5 years of spring and fall semesters, to acquire the necessary 120 units to graduate. Legislation is necessary to inform students about the disconnection between what is considered "full-time," for financial aid and the number of units required per academic year and semester to graduate within 4-years."
- 2) ***Duration of a Cal Grant award.*** The Cal Grant A and B program currently offers students awards to cover tuition costs for the equivalent of a 4-year academic period. The amount and duration of the award is based on the student's attendance status (full-time/part-time) and term (semester or quarter). This provides some flexibility to take more units within the parameters of their attendance status without losing additional eligibility. By contrast, other programs, such as institutional aid, base eligibility on the number of units and exceeding the allowed number of units would count against a student's overall eligibility. Under the Cal Grant program there are two exceptions to the 4-year rule. An additional year of eligibility is offered to students enrolled in a mandatory 5-year program, and to students who are enrolled in a teacher credential program.

This bill requires, California Student Aid Commission, in its notification to Cal Grant recipients, to specify that the Cal Grant award is limited to "four years."  
***Staff recommends an amendment*** to clarify that Cal Grant award eligibility is limited to "*four academic years,*" rather than "four years".

- 3) ***Cal Grant C program has a shorter eligibility window.*** Students meeting the general eligibility for the Cal Grant award may be considered for the Cal Grant C. Unlike the Cal Grant B and A program, funding is available for up to two years, depending on the length of the program. To qualify, a student must enroll at least half-time in an occupational, technical, or vocational program that is at least four months long at a the California Community College (CCC), an independent college, or a vocational/career school. The Cal Grant C award is available for less than 4 years, for this reason the bill's provisions only apply to Cal Grant A and B recipients.
- 4) ***Students taking 12-units unlikely to graduate in four-years.*** While 12 units meet the "full-time" requirement for Cal Grant eligibility, a student should complete an average of 15 units each semester in order to be on pace to

graduate within four academic years (2 semesters per year or equivalent quarter units). According to a 2013 report by Complete College America, *The Game Changers: Are states implementing the best reforms to get more college graduates?*, the University of Hawaii's "A 15 to Finish" campaign educated students on the benefits of taking 15 units per semester and increased the number of freshmen enrolling at that level from 15 percent to 24 percent systemwide, and from 38 percent to 56 percent at its flagship campus. It appears many students forgo the additional units in order to accommodate time to work to meet the costs of their education, while some students are unaware that completing 15 units each semester is necessary to graduate within four-academic years. This bill proposes to improve completion rates by ensuring students are aware of the requisite number of units necessary to complete their degrees within four years.

- 5) ***Related legislation.*** AB 3153 (Levine), pending in this committee, intends to allow Cal Grant recipients to receive additional Cal Grant awards for the equivalent of two summer sessions or terms of full-time attendance.

## **SUPPORT**

California State University  
Education Trust-West  
The Campaign for College Opportunity  
The Institute for College Access and Success

## **OPPOSITION**

California Teachers Association

**-- END --**