
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: AB 3153 **Hearing Date:** June 20, 2018
Author: Levine
Version: May 25, 2018
Urgency: No **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: Student financial aid: Cal Grants: summer term students.

SUMMARY

This bill expands the total period of eligibility for Cal Grant A or Cal Grant B awards by establishing eligibility for an additional Summer Cal Grant award for purposes of timely completion of a baccalaureate degree program at a public postsecondary institution.

BACKGROUND

- 1) Cal Grant A Awards. Students meeting specified income and asset thresholds and other eligibility requirements, and having at least a 3.0 GPA receive tuition and fee assistance. (Education Code § 69434)
- 2) Cal Grant B Awards. Students meeting income thresholds (lower than for Cal Grant A), asset thresholds and other eligibility requirements, and having least a 2.0 GPA receive a living allowance and tuition and fee assistance. Awards for most first-year students are limited to an allowance for non-tuition costs (access award), such as books and living expenses (currently \$1,672). In the second and subsequent years, the award also provides tuition and fee support. (EC § 69435)
- 3) 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))
- 4) Stipulates that CSAC shall increase the Cal Grant award for students who accelerate their college attendance by enrolling during the summer, but that the total award amount a student may receive over a four-year period may not be increased as a result of such acceleration. (EC § 69433.5(f))
- 5) The federal Pell Grant provides aid to students who demonstrate financial need, and can be used for tuition and fees, books and supplies, transportation, and living expenses for the equivalent of up to six years of full-time enrollment. The maximum Pell Grant for 2017-18 is \$5,920. (20 United States Code § 1070)

ANALYSIS

This bill:

- 1) Defines, “summer term,” to mean one or more periods of instruction for credit in a baccalaureate degree program that occurs after the conclusion of the spring semester a quarter and prior to commencement of the fall semester or quarter.
- 2) Notwithstanding the prohibition of receipt of an increased award amount beyond the allotted four-year period for attending summer terms, sessions or quarters, as specified.
- 3) Makes a student who is eligible to receive a Cal Grant A award or Cal Grant B award who has transferred to a 4-year award eligible to receive a Summer Cal grant award, in addition to receiving a Cal Grant A award or Cal Grant B award, for two summer terms of up to nine units of enrollment, or the quarter equivalent, per term for purposes of pursuing timely completion of a baccalaureate degree at a public postsecondary educational institution.
- 4) Makes a student who is eligible to receive a Cal Grant A award or Cal Grant B award who has transferred to a 4-year qualifying institution from a community eligible to receive a Summer Cal Grant award, in addition to receiving a Cal Grant A award or Cal Grant B award, for one summer term of up to nine units of enrollment, or the quarter equivalent.
- 5) Prohibits the summer Cal Grant award from being subject to or count against the four years of full-time attendance eligibility limitation that applies for purposes of Cal Grant A award and Cal Grant B awards renewals, as described.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “expanding Cal Grant eligibility to summer sessions will allow students to afford summer courses reduce their financial burden, and graduate in a faster time frame, without incurring additional debt.

California is facing a college graduate deficit. According to the Public Policy Institution of California, if current trends persist, our state will incur a shortage of 1.1 million college graduates by 2030 and will be unable to meet its workforce and economic demands due in part to college students not graduating within a 4-year timeframe.

A large impediment to increase graduation rates is the lack of financial aid available for students during summer sessions. Currently, undergraduate students cannot be awarded a Cal Grant A and B award for more than four academic years of full-time attendance. This means that the aid-eligible students receive in a four year period may not be increased if a student accelerates their graduation by attending summer sessions.

Additionally, the cost per course unit is significantly higher during the summer sessions, which causes students to forgo taking the classes they need to graduate because they cannot afford the higher tuition and fees.

The federal government recently extended Pell Grant eligibility to include summer sessions, due to the need of year-round aid for college students. Having access to the Pell Grant during the summer allows students across the nation to receive up to 150 percent of the regular grant award over the academic year allowing them to afford to enroll in summer classes and achieve their degrees in a faster time frame.”

- 2) ***Duration of Cal Grant awards.*** The Cal Grant program currently offers awards to cover tuition costs for the equivalent of a 4-year academic period. The amount and duration of the award are 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. However, this also since amounts are based on the regular academic year grant, a summer school payment will reduce a student’s total program eligibility for Cal Grant benefits.

The proposed aid program, provides an additional award for up to two summer terms without counting against program eligibility for the “regular,” academic year.

- 3) ***Efforts to improve timely completion.*** In response to concerns that students are taking longer to complete their undergraduate degrees or not at all, public postsecondary institutions and the state have focused on improving and supporting timely degree completion. Recent budget actions have charged each segment with setting goals and implementing strategies for improving transfer, 4-year and 6-year graduation rates. According to the University of California, students who attend summer courses at least once in their undergraduate career are more likely to graduate in four years. Some of these strategies include promoting full-time attendance (12 units or more), creating clear curricular/transfer pathways, establishing targeted support services and reducing the number of unnecessary classes that lead students off track. In addition to those programmatic changes, the legislature through the budget has established two new grant programs at the California Community Colleges to accelerate degree completion for a student enrolled in 12 units or more (full-time status). Full-time status during the regular academic year or summer term is not required under this bill’s provisions.
- 4) ***What is covered under Cal Grant A and B?*** Cal Grant A provides full-tuition coverage for students enrolled at California State University (CSU) and University of California (UC) and partial tuition at private colleges and universities. The Cal Grant B award comes with two payment components—access and tuition fees. The access portion covers non-tuition costs in the amount of \$1,672. This program provides full-tuition coverage except not in the first year of college for students enrolled at CSU and UC and partial tuition coverage for students enrolled at private colleges and universities. *It appears that the proposed summer grant covers tuition for the summer term but it’s not clear whether additional aid granted to Cal Grant B students is also provided as a component of the summer grant. The author may wish to clarify which costs are covered by the summer grant award.*

- 5) ***Pell Grant provides some assistance.*** Last year the federal government reinstated a Pell Grant policy, such that recipients who enroll full-time in the fall and spring semesters may now utilize part of their overall Pell Grant eligibility – i.e. obtain additional grant monies – for the summer, if they enroll in at least 6 units. Thus, while a student is still limited to receiving a Pell Grant for the equivalent of six years of full-time attendance, they can now receive a grant to either accelerate their degree completion or get back on track for timely completion by attending in the summer. In some cases participants in the proposed grant program could additionally receive a Pell grant award.

SUPPORT

University of California
University of California Student Association
California State University
The Campaign for College Opportunity

OPPOSITION

None received

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