

Assembly Bill No. 1185

Passed the Assembly September 9, 2021

Chief Clerk of the Assembly

Passed the Senate September 8, 2021

Secretary of the Senate

This bill was received by the Governor this _____ day
of _____, 2021, at _____ o'clock ____M.

Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 69434, 69435.3, and 69436 of, and to add and repeal Section 69431.9 of, the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 1185, Cervantes. Student financial aid: Cal Grant program.

(1) Existing law, the Cal Grant Program, establishes the Cal Grant A Entitlement Awards, the Cal Grant B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

This bill would require that, in a state of emergency, as defined, resulting from the COVID-19 public health crisis, specified Cal Grant Program eligibility requirements related to time limits for award eligibility and to the age of an award recipient would not apply.

This bill would make this provision inoperative on July 1, 2023, and would repeal it as of January 1, 2024.

(2) Existing law requires applicants for Cal Grant A Entitlement Awards and Cal Grant B Entitlement Awards to submit complete financial aid applications in the academic year of high school graduation or equivalent for the immediately following award year. Existing law also requires applicants for Cal Grant A Entitlement Awards and Cal Grant B Entitlement Awards to submit complete financial aid applications for the 2nd award year in the award year immediately following high school graduation or equivalent.

This bill would instead, for applications made in the 2021–22 and 2022–23 academic years only, authorize applicants for these awards to submit complete financial aid applications for the first award year in the academic year immediately following their high school graduation or equivalent for the immediately following award year, and to submit complete financial aid applications for

the 2nd award year in the 2nd academic year after high school graduation or its equivalent.

(3) Existing law prohibits persons who will be 28 years of age or older by December 31 of an award year from receiving California Community College Transfer Cal Grant Entitlement Awards.

For applications submitted in the 2021–22 and 2022–23 academic years only, this bill would provide that prohibition would instead apply to students who will not be 29 years of age or older by December 31 of the award year.

(4) Under existing law, with an exception applicable only to students who attended a California community college in the 2011–12 academic year, a recipient of a California Community College Transfer Cal Grant Entitlement Award is required to have attended a California community college in the academic year immediately preceding the academic year for which the award will be used.

This bill would authorize a student otherwise eligible to receive a California Community College Transfer Cal Grant Entitlement Award who attended a California community college in the 2019–20 academic year to use the award for the 2021–22 and 2022–23 academic years.

(5) This bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. As the COVID-19 public health crisis has disrupted and in some cases extended the education plans of California students, it is the intent of the Legislature to preserve the Cal Grant eligibility of those students by providing them an additional year to meet the following state program requirements:

(a) The Cal Grant A Entitlement program requirement that a student is no more than one year out from graduating from high school.

(b) The Cal Grant B Entitlement program requirement that a student is no more than one year out from graduating from high school.

(c) The California Community College Transfer Cal Grant Entitlement Program requirement that a student shall have attended a community college in the prior year.

(d) The California Community College Transfer Cal Grant Entitlement Program requirement that a student will not be 28 years of age or older by December 31 of the award year.

SEC. 2. Section 69431.9 is added to the Education Code, to read:

69431.9. (a) Notwithstanding any other law, in a state of emergency, as defined by subdivision (b) of Section 8558 of the Government Code, resulting from the COVID-19 public health crisis, all of the following provisions shall apply:

(1) A student otherwise eligible to receive an award pursuant to Article 2 (commencing with Section 69434) shall have an additional year to meet the requirements of paragraph (1) of subdivision (b) of Section 69434.

(2) A student otherwise eligible to receive an award pursuant to Article 3 (commencing with Section 69435) shall have an additional year to meet the requirements of paragraph (1) of subdivision (a) of Section 69435.3.

(3) A student otherwise eligible to receive an award pursuant to Article 4 (commencing with Section 69436) shall have an additional year to meet the requirements of subparagraph (A) of paragraph (10) of subdivision (b) of Section 69436.

(4) A student otherwise eligible to receive an award pursuant to Article 4 (commencing with Section 69436) may meet the age requirements of paragraph (8) of subdivision (b) of Section 69436 if the student will not be 29 years of age or older by December 31 of the award year.

(b) This section shall become inoperative on July 1, 2023, and, as of January 1, 2024, is repealed.

SEC. 3. Section 69434 of the Education Code is amended to read:

69434. (a) A Cal Grant A award shall be used only for tuition or student fees, or both, in a for-credit instructional program with a length of not less than two academic years. Each student who meets the Cal Grant A qualifications as set forth in this article shall be guaranteed an award. The amount of any individual award is dependent on the cost of tuition or fees, or both, at the qualifying institution at which the student is enrolled. For each applicant, the

award amount shall not exceed the amount of the calculated financial need.

(b) Pursuant to Section 66021.2, any California resident is entitled to a Cal Grant A award, and the commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall allocate that award, if all of the following criteria are met:

(1) (A) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high school graduation or its equivalent.

(B) For applications submitted in the 2021–22 and 2022–23 academic years only, a student may submit, pursuant to Section 69432.9, either of the following:

(i) A complete financial aid application, submitted or postmarked no later than March 2 of the academic year following high school graduation or its equivalent, for the first award year following the academic year of high school graduation or its equivalent.

(ii) A complete financial aid application, submitted or postmarked no later than March 2 of the second academic year after high school graduation or its equivalent, for the second award year following the academic year of high school graduation or its equivalent.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student attains a high school grade point average of at least 3.0 on a four-point scale.

(4) The student's household has an income and asset level that does not exceed the level for Cal Grant A recipients set forth in Section 69432.7.

(5) The student is pursuing an undergraduate academic program of not less than two academic years that is offered by a qualifying institution.

(6) The student is enrolled at least part time.

(7) The student meets the general Cal Grant eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) The student graduated from high school or its equivalent during or after the 2000–01 academic year.

(c) (1) A student who meets the Cal Grant A Entitlement Program criteria specified in this article shall receive a Cal Grant A award for tuition or fees, or both, pursuant to Section 66021.2.

(2) A community college student participating in a baccalaureate degree program pursuant to Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7 who meets the Cal Grant A Entitlement Program criteria specified in this article shall receive a Cal Grant A award for upper division coursework fees pursuant to Section 66021.2.

(d) Students receiving a Cal Grant A award pursuant to this article who meet the qualifying criteria pursuant to subdivision (b) of Section 69465 shall also receive an access award pursuant to Article 9 (commencing with Section 69465).

(e) Students receiving a Cal Grant A award pursuant to this article who are not receiving an access award pursuant to subdivision (d) and meet the qualifying criteria pursuant to subdivision (a) of Section 69470 shall also receive an access award pursuant to Article 10 (commencing with Section 69470).

SEC. 4. Section 69435.3 of the Education Code is amended to read:

69435.3. (a) Any California resident is entitled to receive a Cal Grant B award, and the commission shall allocate that award pursuant to Section 66021.2, if all of the following criteria are met:

(1) (A) The student has submitted, pursuant to Section 69432.9, a complete financial aid application, submitted or postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, no later than March 2 of the academic year following high school graduation or its equivalent for the second award year following the year of high school graduation or its equivalent, or, if applicable to the student, pursuant to the dates set forth in subparagraph (B).

(B) (i) No later than March 2 of the academic year immediately before the year for which funds would be applied, if the student is a current or former foster youth, is attending a qualifying

institution that offers baccalaureate degrees, and has not yet reached 26 years of age as of July 1 of the initial award year.

(ii) No later than September 2 of the academic year for which funds would be applied, if the student is a current or former foster youth, is attending a California community college, and has not yet reached 26 years of age as of July 1 of the initial award year.

(C) For applications submitted in the 2021–22 and 2022–23 academic years only, a student may submit, pursuant to Section 69432.9, either of the following:

(i) A complete financial aid application, submitted or postmarked no later than March 2 of the academic year following high school graduation or its equivalent, for the first award year following the academic year of high school graduation or its equivalent.

(ii) A complete financial aid application, submitted or postmarked no later than March 2 of the second academic year after high school graduation or its equivalent, for the second award year following the academic year of high school graduation or its equivalent.

(D) For purposes of this section, “current or former foster youth” has the same meaning as specified in paragraph (2) of subdivision (e) of Section 69433.6.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student attains a high school grade point average of at least 2.0 on a four-point scale.

(4) The student’s household has an income and asset level that does not exceed the level for Cal Grant B recipients as set forth in Section 69432.7.

(5) The student is pursuing an undergraduate academic program of not less than one academic year that is offered by a qualifying institution.

(6) The student is enrolled at least part time.

(7) The student meets the general Cal Grant eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) The student graduated from high school or its equivalent during or after the 2000–01 academic year.

(b) A student, including a community college student participating in upper division coursework in a baccalaureate

degree program pursuant to Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, who meets the Cal Grant B Entitlement Program or Competitive Program criteria specified in this article shall receive a Cal Grant B award for access costs and tuition and fees, as applicable, pursuant to Section 66021.2.

SEC. 5. Section 69436 of the Education Code is amended to read:

69436. (a) A student who was not awarded a Cal Grant A or B award pursuant to Article 2 (commencing with Section 69434) or Article 3 (commencing with Section 69435) at the time of the student's high school graduation but, at the time of transfer from a California community college to a qualifying baccalaureate program or upon matriculation into the upper division coursework of a community college baccalaureate program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, meets all of the criteria set forth in subdivision (b), shall be entitled to a Cal Grant A or B award.

(b) Any California resident transferring from a California community college to a qualifying institution that offers a baccalaureate degree or who matriculates into the upper division coursework of a community college baccalaureate program, described in Article 3 (commencing with Section 78040) of Chapter 1 of Part 48 of Division 7, is entitled to receive, and the commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall award, a Cal Grant A or B award depending on the eligibility determined pursuant to subdivision (c), if all of the following criteria are met:

(1) A complete official financial aid application has been submitted or postmarked pursuant to Section 69432.9, no later than the March 2 of the year immediately preceding the award year.

(2) The student demonstrates financial need pursuant to Section 69433.

(3) The student has earned a community college grade point average of at least 2.4 on a 4.0 scale and is eligible to transfer to a qualifying institution that offers a baccalaureate degree.

(4) The student's household has an income and asset level not exceeding the limits set forth in Section 69432.7.

(5) The student is pursuing a baccalaureate degree that is offered by a qualifying institution.

(6) The student is enrolled at least part time.

(7) The student meets the general Cal Grant eligibility requirements set forth in Article 1 (commencing with Section 69430).

(8) (A) Except as provided in subparagraph (B), the student will not be 28 years of age or older by December 31 of the award year.

(B) For applications submitted in the 2021–22 and 2022–23 academic years only, the student will not be 29 years of age or older by December 31 of the award year.

(9) The student graduated from a California high school or its equivalent during or after the 2000–01 academic year.

(10) (A) Except as provided for in subparagraph (B), the student attended a California community college in the academic year immediately preceding the academic year for which the award will be used.

(B) A student otherwise eligible to receive an award pursuant to this section, who attended a California community college in the 2011–12 academic year, may use the award for the 2012–13 and 2013–14 academic years. A student otherwise eligible to receive an award pursuant to this section, who attended a California community college in the 2019–20 academic year, may use the award for the 2021–22 and 2022–23 academic years.

(c) The amount and type of the award pursuant to this article shall be determined as follows:

(1) For applicants with income and assets at or under the Cal Grant A limits, the award amount shall be the amount established pursuant to Article 2 (commencing with Section 69434).

(2) For applicants with income and assets at or under the Cal Grant B limits, the award amount shall be the amount established pursuant to Article 3 (commencing with Section 69435).

(d) (1) A student meeting the requirements of paragraph (9) of subdivision (b) by means of high school graduation, rather than its equivalent, shall be required to have graduated from a California high school, unless that California resident graduated from a high school outside of California due solely to orders received from a branch of the United States Armed Forces by that student or by

that student's parent or guardian that required that student to be outside of California at the time of high school graduation.

(2) For purposes of this article, all of the following are exempt from the requirements of subdivision (e) of Section 69433.9 and paragraph (9) of subdivision (b) of this section:

(A) A student for whom a claim under this article was paid before December 1, 2005.

(B) A student for whom a claim under this article for the 2004–05 award year or the 2005–06 award year was or is paid on or after December 1, 2005, but no later than October 15, 2006.

(C) Commencing with the 2017–18 academic year, a student who did not graduate from high school or its equivalent and was a California resident, as determined pursuant to Article 5 (commencing with Section 68060) of Chapter 1 of Part 41, on their 18th birthday.

(3) (A) The commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall make preliminary awards to all applicants currently eligible for an award under this article. At the time an applicant receives a preliminary award, the commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall require that applicant to affirm, in writing, under penalty of perjury, that the applicant meets the requirements set forth in subdivision (e) of Section 69433.9, paragraph (9) of subdivision (b) of this section, and paragraph (1) of this subdivision. The commission, or a qualifying institution pursuant to Article 8 (commencing with Section 69450), shall notify each person who receives a preliminary award under this paragraph that their award is subject to an audit pursuant to subparagraph (B).

(B) The commission shall select, at random, a minimum of 10 percent of the new and renewal awards made under subparagraph (A), and shall require, before the disbursement of Cal Grant funds to the affected postsecondary institution, that the institution verify that the recipient meets the requirements of subdivision (e) of Section 69433.9, paragraph (9) of subdivision (b) of this section, and paragraph (1) of this subdivision. An award that is audited under this paragraph and found to be valid shall not be subject to a subsequent audit.

(C) Pursuant to Section 69517.5, the commission shall seek repayment of any and all funds found to be improperly disbursed under this article.

(D) On or before November 1 of each year, the commission shall submit a report to the Legislature and the Governor including, but not necessarily limited to, both of the following:

(i) The number of awards made under this article in the preceding 12 months.

(ii) The number of new and renewal awards selected, in the preceding 12 months, for verification under subparagraph (B), and the results of that verification with respect to students at the University of California, at the California State University, at independent nonprofit institutions, and at independent for-profit institutions.

SEC. 6. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to provide equitable access to financial aid for students whose educational plans have been disrupted by the COVID-19 pandemic, it is necessary that this act take effect immediately.

Approved _____, 2021

Governor