

## Assembly Bill No. 1449

### CHAPTER 433

An act to amend Section 69436 of the Education Code, relating to student financial aid.

[Approved by Governor September 21, 2016. Filed with  
Secretary of State September 21, 2016.]

#### LEGISLATIVE COUNSEL'S DIGEST

AB 1449, Lopez. Student financial aid: California Community College Transfer Cal Grant Entitlement Program.

(1) Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program, establishes the Cal Grant A and 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.

Under the California Community College Transfer Cal Grant Entitlement Program, a student who transfers from a California community college to a qualifying institution that offers a baccalaureate degree receives a Cal Grant A or B award if the student meets specified requirements, among which is that the student graduate from a California high school or its equivalent during or after the 2000–01 academic year.

This bill would, commencing with the 2017–18 academic year, exempt a student from the requirement that the student graduate from a California high school or its equivalent if he or she did not graduate from high school or its equivalent and was a California resident, as determined pursuant to specified provisions of law, on his or her 18th birthday.

(2) This bill would incorporate additional changes to Section 69436 of the Education Code proposed by SB 1314 that would become operative if this bill and SB 1314 are both enacted and this bill is chaptered last.

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

SECTION 1. 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 his or her high school graduation but, at the time of transfer from a California community college to a qualifying baccalaureate program, 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 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) He or she 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 will not be 28 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.

(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 the 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 prior to 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 his or her 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 he or she 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 his or her 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, prior to 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. 1.5. 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 his or her 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) He or she 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 will not be 28 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.

(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 the 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 prior to 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 his or her 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 he or she 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 his or her 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, prior to 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. 2. Section 1.5 of this bill incorporates amendments to Section 69436 of the Education Code proposed by both this bill and Senate Bill 1314. It shall only become operative if (1) both bills are enacted and become effective on or before January 1, 2017, (2) each bill amends Section 69436 of the Education Code, and (3) this bill is enacted after Senate Bill 1314, in which case Section 1 of this bill shall not become operative.