

CSAC



CALIFORNIA
STUDENT AID
COMMISSION



Update on state and federal legislation and issues affecting Commission programs

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Priority Legislation

AB 1456 (Medina and McCarty) – Cal Grant Reform Act

- Bill that reflects the Cal Grant Equity Framework by streamlining, simplifying, and expanding the Cal Grant program.
- **Position:** Support
- **Status:** Senate Education

SB 737 (Limón) - Cal SOAP Modernization

- Updates and modernizes the statutory functions and priorities of the California Student Opportunity and Access Program (Cal-SOAP) to focus on financial aid awareness, literacy, and assistance.
- **Position:** Sponsor (co-sponsor The Education Trust-West)
- **Status:** Assembly Appropriations

AB 469 (Reyes) – Financial Aid Completion Requirement

- Requires local educational agencies to ensure that high school seniors submit a financial aid application or opt-out waiver.
- **Position:** Support
- **Status:** Senate Education



Other Supported Legislation

COVID Relief

AB 1185 (Cervantes) - Senate Education

Cal Fresh Access

AB 396 (Gabriel) - Double Referred to Senate Education and Senate Human Services

AB 1326 (Arambula) - Double Referred to Senate Education and Senate Human Services

SB 20 (Dodd) – Inactive

Student Loans & Debt

AB 340 (Ward) - Double Referred to Senate Governance & Finance and Senate Education

AB 424 (Stone) - Double Referred to Senate Banking & Financial Institutions and Senate Judiciary



Updates on Other Tracked Legislation

AB 104 (Gonzalez)

- An urgency measure authorizing a high school student to request a change from letter grade to Pass or No Pass during the 2020-21 school year due to the COVID -19 pandemic.
- **Position:** Watch
- **Status:** Governor's Desk

AB 1290 (Lee)

- Would have required the Student Aid Commission to include four student members, one from each of the following: University of California (UC), California State University (CSU), California Community Colleges (CCC), and a California private postsecondary educational institution.
- **Position:** Watch
- **Status:** Inactive

Federal Free College Plans

Four free college plans are under consideration by the Administration and Congress:

- *American Families Plan* by President Biden
- *College for All Act* by Senator Sanders (I-VT) & Representative Jayapal (D-WA)
- *Debt-Free College Act* by Senator Schatz (D-HI) & Representative Pocan (D-WI)
- *America's College Promise Act* by Senator Baldwin (D-WI) and Representative Levin (D-MI)

NOTE: This plan is likely to be the blueprint for President Biden's free community college provision in his American Families Plan.

Each plan represents an unprecedented national policy shift to make all, or a greater portion, of a college education free.



President Biden's American Families Act

- Estimated \$290 billion investment in higher education and federal matching fund percentage to be determined.
- Federal & State Commitment: free resident tuition and fees for community college students for two years and up to four years under extenuating circumstances with no income restrictions, and free resident tuition for two years for students with reported incomes of less than \$125,000 at a four-year HBCU, TCU, and MSI institutions.
- Increases the maximum Pell Grant by \$1,400 and permits DREAMers to apply for a Pell Grant.
- Invests \$39 billion in grant program to improve student outcomes.
- Funding Source: raise taxes on the nation's wealthiest 1 percent by returning the top individual income tax rate to 39.6 percent.
- Negotiations underway to add provisions to one of the other three legislative measures.



College for All Act (Sen. Sanders)

- Estimated \$700 billion investment in higher education and a 75% federal match that increases to 90% during an economic downturn
- Federal & State Commitment: free resident tuition and fees for students at community colleges with no income restrictions and free resident tuition and fees for students with incomes of less than \$125,000 at public four-year institutions.
- Doubles maximum Pell Grant to \$12,990, increases lifetime eligibility from 12 to 15 semesters, and permits DREAMers to access Pell Grants.
- Qualified students must be in-state residents at a public community college. For students at public four-year institutions they must be in-state residents with a reported income of less than \$125,000.
- Additional grant program available at nonprofit MSIs and HBCUs for students with reported incomes less than \$125,000. Also increases funding for TRIO Programs and Gear UP.
- Funding Source: a 0.5% tax on stock trades (i.e., 50 cents for \$100 of stock), 0.1% on bonds, and 0.5% on derivatives to equal \$2.4 trillion over decade.



Debt Free College Act (Sen. Schatz)

- Estimated \$95.4 billion investment in higher education and a 1:1 federal-state match.
- Federal & State Commitment: cover the total cost of attendance for students without a bachelor's degree.
- Eligible students must qualify for a Pell Grant and maintain satisfactory academic progress.
- Permits DREAMers to access Pell Grants., but does not increase Pell Grants award amounts.
- Enables participating states to allocate a portion of their federal funds (up to 10 percent) toward building capacity and improving educational quality, such as increasing class offerings, investing in student support services, and repairing campus infrastructure.
- Establishes an office within the U.S. Department of Education to administer the program, requires each state to submit a 5-year plan and regular reports, and prohibits states from adding eligibility requirements beyond those established in this bill.
- Extend free college benefits to public and private non-profit MSIs, HBCUs, TCUs, and HSIs.
- Funding Source: no specific funding source identified



America's College Promise Act (Sen. Baldwin)

- Estimated \$14.3 billion investment in higher education and a 75% federal match.
- Federal & State commitment: free resident tuition and fees for six semesters at community colleges and technical colleges.
- No increase to the Pell program and tuition assistance from this measure is available for individuals precluded from qualifying for in-state tuition due to their immigration status.
- Qualified students must be residents, enroll at least part-time in eligible programs, and eligible for the Pell program.
- Invests \$1 billion in grant program for evidence-based strategies to improving student outcomes. States receiving these funds would be required to cover 25 percent of their allocation for the first four years of the program; 50 percent for years five and six; 75 percent for years seven and eight; and 100 percent for years nine and ten.
- Requires community colleges to provide fully transferable credits to four-year in state institutions or occupational training leading to recognized credentials.
- Funding Source: no specific funding source identified.



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- Funding Source: no specific funding source identified.



Pell Grant Preservation & Expansion Act of 2021

- Introduced on June 16, 2021, by Senators Murray and Hirono and Representatives Pocan and Scott
- Key provisions include:
 - **Doubles the maximum award** through annual increases starting in the 2023-24 award year (\$9,000 total), and \$1,000 increase every year thereafter until 2028-29 for the total to reach \$13,000 starting in 2028-29
 - Commits to **fully mandatory funding** for the Pell Grant program
 - Extends eligibility to **DREAMer students**
 - Modifies **Satisfactory Academic Progress (SAP)** requirements to provide students at risk of losing their financial aid eligibility with early notification.
 - Allows students/families that receive federal benefits (SNAP and Medicaid) to **automatically qualify** for the maximum award, plus an additional award of up to \$1,500
 - Restores the **18 semester Pell Grant lifetime eligibility**
 - Expands access to **part-time students**
 - Integrates the **Iraq & Afghanistan Service Grant** into the Pell Grant program and aligns the **Children of Fallen Heroes Scholarship** with Pell

FAFSA Simplification Act Updates

- On June 11, the Biden Administration announced changes to the implementation timelines, including a **delay of certain provisions by 1 year, such as the launch of the shortened FAFSA**
- U.S. Dept. of Education expressed intent to **begin implementation of the following** FAFSA Simplification Act provisions, as early as October 1, 2021:
 - Repeal of the current limit on how long student loan borrowers could be a student before accruing interest on their federal student loan
 - Allow students with a drug conviction record to now be eligible for financial aid
 - No longer require male applicants to register with the Selective Service

DACA for Pell Coalition Letter

- President Biden’s proposed FY 2022 Budget includes significant changes to the Pell Grant, including expansion of Pell Grant eligibility to Deferred Action for Childhood Arrivals (DACA) recipients.
- CSAC drafted and partnered with the California Undocumented Higher Education Coalition to secure co-signatories for a letter to the California Congressional delegation expressing support for the proposal.

