

# Item 5

## (Information/Action Item)

### Update on state and federal legislation

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#### **SUMMARY:**

This item provides an update on 2021-2022 state and federal legislation relevant to the California Student Aid Commission's (Commission) programs and policy priorities adopted in December 2020.

#### **RECOMMENDATION:**

This is an information item; no action is required.

#### **BACKGROUND:**

The 2021 legislative session concluded in September, providing the Governor a one-month window to make decisions on which bills he would sign or veto before October 10, 2021. The Commission had sponsored one bill (SB 737, Limón) and supported another seven that arrived at the Governor's desk, including AB 1456 (Medina & McCarty). In addition to these priority bills, Commission staff were tracking another 10 bills that would directly or indirectly impact Commission operations or policy priorities.

This year's legislative session brought many successes aligned with Commission priorities, including the Governor's signature of six bills the Commission sponsored or supported:

- AB 340 (Ward): Golden State Scholarshare Trust: apprenticeship programs
- AB 396 (Gabriel): CalFresh: educational programs
- AB 424 (Stone): Private Student Loan Collections Reform Act: collection actions
- AB 469 (Reyes): Pupil instruction: financial aid applications
- AB 1326 (Arambula): Public social services: county liaison for higher education
- SB 737 (Limón): California Student Opportunity and Access Program

The advancements made with these six bills being signed will align the state's codified 529 college savings plans with federal law, help students access other forms of assistance to cover non-tuition costs, reforms the private student loan collection process, and offers additional education and raises awareness of the kinds of financial aid that are available to California families.

Unfortunately, two of the priority bills the Commission was supporting were vetoed:

- AB 1185 (Cervantes): Student financial aid: Cal Grant Program

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- AB 1456 (Medina & McCarty): Student financial aid: Cal Grant Reform Act

AB 1456 would have modernized the Cal Grant system, increased accesses to hundreds of thousands of students, removing many of the arbitrary obstacles preventing some students from having access to higher education. AB 1185 would have extended eligibility for Cal Grant entitlement awards for students enrolled during academic years impacted by the COVID-19 pandemic. In both his veto messages for these bills, Governor Newsom indicated that these matters should be taken up in the State Budget process given their potential impact to state finances. Commission staff is working with the authors of AB 1456, as well as the many stakeholder groups that coalesced around the proposed Cal Grant Equity Framework, to explore means to advance financial aid simplification and expansion in the next legislative session.

At the time of drafting this attachment, negotiations were still ongoing around a federal budget reconciliation package that could potentially include significant new investments towards establishing a federal-state partnership program for tuition-free community colleges and expansion of the Pell Grant program. Commission staff will also share an update on the status of those proposals based on the most recent news available at the time of the Committee meeting.

### **RESPONSIBLE PERSON(S):**

Jake Brymner, Director  
Government and External Relations

Alex Zucco, Manager  
Government and External Relations

### **ATTACHMENT(S):**

State Legislative Bill Matrix  
Summary on Priority and Tracked Legislation  
Update on State and Federal Legislation Presentation presented on December 1, 2021