



# Update on State & Federal Legislation & Issues Affecting Commission Programs

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# Sponsored Legislation

## AB 1746 (Medina, McCarty, & Leyva)

**Summary:** Reforms the Cal Grant Program through adoption of the Cal Grant Equity Framework set forth by the Commission.

**Status:** Held in Senate Appropriations committee, but **adopted in the 2022 State Budget**

## AB 2286 (Irwin)

**Summary:** Authorizes the Commission to receive donations, bequests, grants, and philanthropic funding and also requires the Commission to publicly report at the first commission meeting of the calendar year the amount and source of each philanthropic fund received in the prior year.

**Status:** Chaptered

# Supported Legislation

## AB 2810 (Arambula)

**Summary:** This bill requires each CSU campus and community college district to use FAFSA data to identify students who meet the income qualifications for CalFresh and send an email informing the student that they may qualify for the CalFresh program if the student can also meet a student eligibility rule exemption.

The bill also states the intent of the Legislature to codify the U.S. DOE's Dear Colleague Letter GEN-22-02 issued in January 2022, which clarified that institutions of higher education may use financial aid data to notify students about their eligibility for benefits like CalFresh.

**Status:** Governor's Desk

## SB 641 (Skinner)

**Summary:** Requires CA Dep. Of Social Services to do the following:

- Post on its website a list of programs that meet the employment & training exemption for CalFresh & instructions with specific guidance for county workers regarding processing applications, reporting, and recertification for additional students who are exempt from the student eligibility rule
- Convene a workgroup, including the Commission, to identify the steps necessary to establish a CalFresh application submission process that accommodates the large influx of CalFresh applications during the beginning of a school term

**Status:** Governor's Desk

## AB 2004 (Cristina Garcia)

**Summary:** Currently, students cannot borrow more than \$20,000 in the aggregate under the DREAM Loan program from any one participating institution. This bill increases the loan limit to \$40,000.

The bill also requires the CSU and UC to report additional information on Dream Loan borrowers, and to establish loan forgiveness options and terms of discharging debt that are consistent with federal practices and programs. Lastly, this bill requires institutions to provide comprehensive exit loan counseling.

**Status:** Governor's Desk

## SB 1141 (Limón)

**Summary:** Amended in the Assembly so that the bill now expands the number of students that qualify for in-state tuition rates by removing the two-year cap on full-time enrollment in community college credit courses that can be counted towards achieving AB 540 status.

**Status:** Enrolled

## SJR 9 (Limón)

**Summary:** Recognizes October 12, 2021, as the 20th anniversary of AB 540, the landmark legislation that created a pathway to exemptions from non-resident supplemental tuition for immigrant and undocumented students.

Also calls on Congress to pass the American Families Plan and provide financial resources for undocumented students through the budget reconciliation process, and to adopt comprehensive immigration reform.

**Status:** Chaptered



# Legislation with Direct Impact to the Commission

## AB 2661 (Waldron)

**Summary:** Extends Law Enforcement Personnel Dependents Grant Program to a dependent of a firefighter employed by a tribal fire department who is killed or totally disabled in the performance of duty.

**Status:** Chaptered

## AB 2880 (Bonta)

**Summary:** Extends the sunset date of the College Access Tax Credit (CATC) from 2023 to 2028, allocates a portion of the moneys in the CATC Fund to the California Educational Facilities Authority to do outreach and inform taxpayers about the credit, and permits the Commission flexibility to make disbursements in any fiscal year in which there are sufficient funds or rollover funds for future years.

**Status:** Governor's Desk

## SB 20 (Dodd)

**Summary:** Requires the Commission to notify students that they may be eligible for CalFresh benefits under other exemptions other than TANF-funded Cal Grant.

Additionally, the notification provided by the Commission will be considered the verification of the student's exemption from the CalFresh program student eligibility rules.

The bill also requires the Commission to confer with stakeholders on at least an annual basis to implement this provision and to continuously improve the process of securing CalFresh benefits for eligible students.

**Status:** Chaptered

## AB 2069 (Villapudua)

**Summary:** Establishes the California Home Health Aide Training Scholarship Act for the **Department of Health Care Access and Information** to administer. The program grants up to 1,000 scholarship awards of \$1,500 each to individuals enrolled in a home health aide training program.

**Status:** Governor's Desk

## AB 2222 (Reyes)

**Summary:** Establishes the Golden State Social Opportunities Program until 2027 for the **Department of Health Care Access and Information** to administer and provide grants (up to \$20,000) to students enrolled in an in-state postgraduate program and who commit to working in a California-based nonprofit eligible setting for their required post degree hours of supervised experience.

**Status:** Governor's Desk & elements adopted in the 2022 State Budget.

**NOTE:** *At the Senate Appropriations committee, both bills were amended and replaced the Commission with the Department of Health Care Access and Information (HCAI) as the administrative entity.*

## AB 295 (Jones-Sawyer)

**Summary:** Would have required the Commission to convene a working group of stakeholders representing the State Department of Education and public postsecondary institutions of higher education until July 1, 2025 to research and develop recommendations for the creation of a pilot program that would cover the cost of postsecondary education by replacing the system of charging students tuition and fees, and addressing additional expenses associated with cost of attendance.

**Status:** Held in suspense at Senate Appropriations

## SB 851 (Portantino)

**Summary:** Would have established the maximum tuition award amount at the same maximum tuition award amount for new Cal Grant recipients at private non-profit institutions from the prior year the same maximum tuition, adjusted by an amount equal to the CA Consumer Price Index.

This bill would have also allowed a California Community College Expanded Entitlement Award recipient to transfer to an independent institution of higher education and remain eligible to receive the award.

Additionally, the bill would have extended the Students with Dependent Children and the Foster Youth access awards to students attending a private non-profit institution of higher education.

**NOTE:** This bill was **gut and amended** in the Assembly Floor and no longer impacts the Cal Grant program. Prior elements of the legislation were adopted in the 2022 State Budget.

## SB 1229 (McGuire)

**Summary:** Establishes the Mental Health Workforce Grant Program for the Commission to administer up to 10,000 grants to postgraduate students over a 3-year period in the amount of up to \$25,000 each. The bill requires the recipient to make a commitment to work with an eligible California non-profit or local educational agency (LEA).

**Status:** Held in Assembly Higher Education committee, but elements of the legislation were adopted in the 2022 State Budget via changes to the Golden State Teacher Grant Program.

# Federal Update



# Federal Student Loan Repayment and Cancellation



On August 24, 2022, President Biden announced a three-prong plan to help student loan borrowers eliminate or reduce their federal debt obligation.

1. Final extension of the federal student loan pause through December 31, 2022.
2. Targeted Debt Relief

The U.S. Department of Education will provide targeted debt relief to up to:

- \$20k for individuals with incomes less than \$125k (\$250k for married couples) who received a Pell Grant, and
- \$10k for individuals with incomes less than \$125k but did not receive a Pell Grant.

Current students with loans are eligible for this debt relief, and borrowers who are dependent students will be eligible for relief based on parental income. The deadline to apply for loan relief is December 31, 2023.

# Federal Student Loan Repayment and Cancellation



## 3. Make the federal student loan system more manageable for current and future borrowers

The Administration intends to create a new income-driven repayment plan that substantially reduces future monthly payments for lower- and middle-income borrowers. The plan would:

- Limit payments to no more than 5% of discretionary monthly income on undergraduate loans- down from the 10% from the most recent income-driven repayment plan.
- Raise maximum income that is considered non-discretionary and therefore protected from repayment, guaranteeing that no borrower earning under 225% of federal poverty level or \$15 minimum wage for a single borrower—will make a monthly payment.
- Forgive loan balances after 10 years of payments, instead of 20 years, for borrowers with loan balances of \$12,000 or less.

# Federal Student Loan Repayment and Cancellation



- Cover the borrower's unpaid monthly interest, so that unlike other existing income-driven repayment plans, no borrower's loan balance will grow if they make their monthly payments—even when that monthly payment is \$0 because their income is low.

## National impact if all eligible borrowers claim student loan relief:

- Provides relief to 43 million borrowers, including canceling remaining loan balances for roughly 20 million borrowers.
- Targets relief dollars to low- and middle-income borrowers. For borrowers who are no longer in school, nearly 90% of relief dollars will go to those earning less than \$75,000 a year.
- Helps borrowers of all ages. Among eligible borrowers, 21% are 25 years and under, 44% are ages 26-39, one-third are age 40 and up, and 5% are senior citizens.
- Advances racial equity by linking maximum loan forgiveness amount to Pell Grant recipients.

# Federal Student Loan Repayment



## Impact on California Student Borrowers:

- The plan constitutes a massive benefit for California borrowers given their sheer numbers. Of the \$1.6 trillion in national federal loan debt owed by 43 million current and former college and trade school students, about **4 million Californians** hold an average student loan debt of **\$38,530** (\$147 billion total), according to the Education Data Initiative.
- According to The Institute for College Access & Success, California's generous financial aid programs and low tuition at public institutions places it **third lowest in the nation regarding student loan debt**.
- **About 92% of California borrowers** will be eligible for the new loan forgiveness benefit.

# Pell Grant Expansion Proposals

- Both Senate & House FY 2023 Labor-HHS-Education Appropriation bills (S. 4659 and H.R. 8295, respectively) include provisions that would:
  - expand Pell Grant & Title IV aid eligibility to DACA and TPS recipients
  - provide a \$500 increase to the maximum Pell Grant award
- **S. 4659 (Murray)** – pending approval by the Senate Appropriations Committee
- **H.R. 8295 (DeLauro)** – passed by the House Appropriations Committee
- Previously, legislation on U.S. economic competitiveness included proposed expansion of Pell Grants to short-term program. This bill was narrowed (including removal of the Pell Grant provision) to become the “**CHIPS & Science Act**” that was signed by Pres. Biden in August.