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**SB-169 Postsecondary education trailer bill.** (2021-2022)

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**Senate Bill No. 169**

**CHAPTER 262**

An act to amend Sections 10860, 60900, 60900.5, 69400, 69432, 69432.9, 69433.9, 69617, 69996.9, and 70022 of, and to add Chapter 18.5 (commencing with Section 17200) to Part 10 of Division 1 of Title 1 of the Education Code, relating to postsecondary education, and making an appropriation therefor, to take effect immediately, bill related to the budget.

[ Approved by Governor September 23, 2021. Filed with Secretary of State September 23, 2021. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 169, Committee on Budget and Fiscal Review. Postsecondary education trailer bill.

(1) Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, the University of California, under the administration of the Regents of the University of California, and the California State University, under the administration of the Trustees of the California State University, as the 3 segments of public postsecondary education in this state.

This bill would establish the Higher Education Student Housing Grant Program, to provide one-time grants for the construction of student housing or for the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in the state. The bill would require, from any amount appropriated in support of the program, 50% of the available funds for the California Community Colleges, 30% of the available funds for the California State University, and 20% of the available funds for the University of California. This bill would also establish the Higher Education Capacity Expansion Grant Program to provide one-time grants for capacity expansion projects to support increased California resident enrollment.

This bill would specify procedures for an application process for grants to be awarded under each program and criteria to be considered by the Department of Finance in making funding determinations under each program. The bill would require the Department of Finance to provide to the Joint Legislative Budget Committee information on all submitted project proposals and a list of projects proposed for inclusion in the annual Budget Act or other legislation, as specified.

This bill would authorize the California Community Colleges to submit requests for planning grants for campuses that are exploring or determining the feasibility of offering affordable student rental housing. The bill would specify the procedures of a selection process for these planning grants and the purposes for which these planning grant funds could be used.

This bill would appropriate \$500,000,000 to support student housing grants under the Higher Education Student Housing Grant Program and for planning grants.

(2) Existing law establishes the Cradle-to-Career Data System for the purpose of connecting individuals and organizations to trusted information and resources, as a source for actionable data and research on education, economic, and health outcomes

for individuals, families, and communities, and to provide for expanded access to tools and services that support the education-to-employment pipeline, as specified.

This bill would require any data managed under the Cradle-to-Career Data System that meets the definition of personal information not to be used or disclosed except for purposes consistent with the act and would require all data to be deidentified before being released to the public.

(3) Existing law establishes the California Longitudinal Pupil Achievement Data System, which is maintained by the State Department of Education and consists of pupil data regarding demographic, program participation, enrollment, and statewide assessments. Existing law requires the systems developed to be used to accomplish specified goals, including providing local educational agencies with the information and data needed to inform operational tools, as defined, that can be used to improve pupil achievement, as specified.

This bill would remove the requirement to provide local educational agencies with information needed to inform operational tools, as defined.

(4) Existing federal law, the Military Selective Service Act, requires certain males residing in the United States to present themselves for, and submit to, registration at the time and place, and in the manner, determined by proclamation of the President of the United States and by rules and regulations adopted pursuant to that federal law. Existing law prohibits any person subject to the Military Selective Service Act from receiving any student financial aid pursuant to specified provisions of existing state law if that person has not registered in accordance with that act.

This bill would instead waive any accompanying regulations or formal policy to verify Selective Service registration for applicants eligible for a Cal Grant award, as specified.

(5) The Ortiz-Pacheco-Poohigian-Vasconcellos Cal Grant Program establishes the Cal Grant A and B Entitlement awards, the California Community College Transfer 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. The program requires a student to be in compliance with all applicable Selective Service registration requirements in order to be eligible to receive a Cal Grant award.

This bill would repeal that requirement.

(6) Existing law specifies the amounts of the maximum Cal Grant A and B awards for students attending independent institutions of higher education. Under existing law, for the 2021–22 award year, the amount for a new recipient at an independent institution of higher education is set at \$9,220. For the 2022–23 award year and beyond, the maximum tuition award amount is set as either \$9,220 or \$8,056, conditioned on the achievement of the target numbers for associate degree for transfer commitments that apply in existing law for the prior award year, thereby delaying for one year the applicable targets. Under existing law, renewal recipients at an independent institution of higher education whose initial award is subject to a maximum award amount shall receive a renewal award for tuition or fees, or both, in an amount not to exceed the maximum allowable award amount that was in effect in the year in which the student first received a new award.

This bill would set the maximum tuition award amounts for Cal Grant A and B awards for a renewal recipient at an independent institution of higher education at \$9,220 if the student first received a new award before the 2021–22 award year.

(7) Existing law requires the commission to certify by November 1 of each year a qualifying institution's latest 3-year cohort default rate and graduation rate as most recently reported by the United States Department of Education.

This bill would require for the 2022–23 academic year, the commission to use the 3-year cohort default rate certified in 2020 for an otherwise qualifying institution.

(8) Existing law establishes the Golden State Teacher Grant Program under the administration of the commission to provide a grant to each student enrolled in an approved teacher credentialing program within an accredited California institution of higher education who commits to working in a high-need field, as defined, at a priority school for 4 years after the student receives a preliminary teaching credential. Existing law makes funds appropriated for the program in the Budget Act of 2020 available for encumbrance or expenditure by the commission until June 30, 2023.

This bill would require each student to be enrolled in an approved teacher credential program at either a qualifying institution or an approved teacher preparation program that has a main campus location or administrative entity that resides in the state, including programs operated by local educational agencies. The bill would extend the expenditure period for the funds appropriated for the program in the Budget Acts of 2020 and 2021 until June 30, 2026, thereby making an appropriation.

(9) Existing law establishes the Golden State Scholarshare College Savings Trust under the administration of the Scholarshare Investment Board. Existing law establishes the California Kids Investment and Development Savings (KIDS) Program, under the

administration of the board, for the purposes of expanding access to higher education through savings. Existing law establishes KIDS Accounts for all unduplicated pupils in the 2021–22 fiscal year, and for unduplicated pupils who are entering first grade commencing with the 2022–23 fiscal year, and who are enrolled at a school district, public charter school, or other local educational agency, if one has not already been established for them under the KIDS Program.

This bill would additionally establish a KIDS Account for all unduplicated pupils in the 2021–22 fiscal year, and for unduplicated pupils who are entering first grade commencing with the 2022–23 fiscal year, who are enrolled at a state special school, if one has not already been established for them under the KIDS Program.

(10) Under existing law, the Middle Class Scholarship Program, an undergraduate student enrolled at the University of California or the California State University, or enrolled in upper division coursework in a community college baccalaureate program, and meeting certain requirements, including that the student's annual household income does not exceed \$150,000 and the student's household asset level does not exceed \$150,000, is eligible for a scholarship award, as specified. Existing law requires, for students enrolled in their respective segments to remain eligible to receive financial aid under the Middle Class Scholarship Program, that the University of California and the California State University not supplant their respective institutional need-based grants with funds provided for the program, and maintain their funding amounts at a level that, at a minimum, is equal to the level maintained during the 2013–14 academic year.

This bill would revise provisions of the Middle Class Scholarship Program. Among the changes, the bill would require, commencing with the 2022–23 academic year, an eligible student's annual household income to not exceed \$201,000 if the student is a dependent student or an independent student with dependents other than a spouse, \$133,000 if the student is a married independent student with no dependents other than a spouse, or \$116,000 if the student is a single independent student with no dependents. The bill would also require, commencing with the 2022–23 academic year, an eligible student's household asset level to not exceed \$201,000 if the student is a dependent student or an independent student with dependents other than a spouse, or \$96,000 if the student is a single independent student with no dependents or a married independent student with no dependents other than a spouse.

This bill would require the University of California and the California State University to not supplant their respective institutional need-based or merit-based grants with funds provided for the program, and ensure, beginning with the 2022–23 academic year, that the amount of institutional student aid provided in each academic year is adjusted annually to account for increases in systemwide undergraduate enrollment so that the proportion of institutional student aid relative to systemwide undergraduate enrollment is maintained at a level at least equivalent to the level maintained for undergraduate students during the 2021–22 academic year. The bill would also require the University of California and the California State University to ensure that at least 33% of the revenues of an increase to existing mandatory systemwide fees charged to undergraduate students is set aside by the regents or the trustees for institutional student aid to assist resident undergraduate students and families in meeting the total cost of education.

(11) This bill would declare that it is to take effect immediately as a bill providing for appropriations related to the Budget Bill.  
Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

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## THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

### **SECTION 1.** Section 10860 of the Education Code is amended to read:

**10860.** (a) There is hereby established in state government the California Cradle-to-Career Data System for the purpose of connecting individuals and organizations to trusted information and resources. The data system shall be considered a source for actionable data and research on education, economic, and health outcomes for individuals, families, and communities, and provide for expanded access to tools and services that support the navigation of the education-to-employment pipeline.

(b) (1) The data system shall be used to provide access to data and information necessary to provide insights into critical milestones in the education-to-employment pipeline, including insight regarding early learning and care to grade 12, inclusive, and into higher education, skills training opportunities, and employment to better enable individuals to maximize their educational and career opportunities, and to foster evidence-based decisionmaking to help the state build a more equitable future.

(2) The information contained in the data system shall be used to accomplish all of the following:

(A) Address disparities in opportunities and outcomes.

(B) Support student guidance.

(C) Foster continuous improvement.

(D) Address the needs of researchers.

(c) The data system shall do all of the following:

- (1) Enable the linkage, management, and monitoring of information on student progress through education, workforce training, employment, health, and social services.
- (2) Ensure that information contained, and available through, the data system is kept secure and that individual privacy is protected.
- (3) Provide for access to actionable data on education, economic, and health outcomes for use by individuals, students, families, and communities to, among other things, illustrate inequities in opportunities and outcomes.
- (4) Provide support for professional development opportunities to further policy making and to improve the functionality of the system by end users, including state agencies, schools, colleges and universities, social service providers, and students and families.
- (5) Provide support for opportunities to enhance the state's system of public education, educational programs, and educational services.
- (6) Advance academic, nonprofit, and governmental research to enhance the development of policies focused on birth through career.
- (7) Support the creation of user-facing tools and services, and access to information necessary to do all of the following:
  - (A) Provide tailored supports to students, educators, parents, and advisors, and better enable students to navigate the education-to-employment pipeline.
  - (B) Enable the streamlining and administration of college application processes and student financial aid programs.
  - (C) Allow researchers and policymakers to explore policy problems and solutions.

(d) At all times, the data system shall act in furtherance of the public good and shall be held accountable thereto.

(e) The planning of the data system shall be subject to the Project Approval Lifecycle of the Department of Technology, pursuant to Section 4819.35 of the State Administrative Manual and all other relevant sections. The development and implementation of the data system shall be subject to the reporting and oversight requirements of the Department of Technology, pursuant to Section 4819.36 of the State Administrative Manual and all other relevant sections. The planning, development, and implementation of any additions to, or revisions of, the data system shall also be subject to these requirements.

(f) At all times, the data system shall comply with federal and state laws to protect individual privacy, including, but not necessarily limited to, all of the following:

- (1) The federal Family Education Rights and Privacy Act of 1974 (Public Law 93-280, as amended).
- (2) The federal Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, as amended).
- (3) The federal Higher Education Act of 1965 (Public Law 89-329, as amended).
- (4) The federal Privacy Act of 1974 (Public Law 93-579, as amended).

(g) Any data managed under this article that meets the definition of personal information, as defined in Section 1798.3 of the Civil Code, shall not be used or disclosed except for purposes consistent with this article. Whether or not it is protected under applicable federal or state law, personal information managed under this article shall be deidentified before being released to the public.

**SEC. 2.** Chapter 18.5 (commencing with Section 17200) is added to Part 10 of Division 1 of Title 1 of the Education Code, to read:

#### **CHAPTER 18.5. Higher Education Student Housing and Capacity Expansion Grant Programs**

**17200.** As used in this chapter, unless the context requires otherwise, the following definitions apply:

(a) "Applicant" means a community college district, a campus of the California State University, a campus of the University of California, which may include the Hastings College of the Law, or a partnership of campuses across and within the public higher education segments. "Applicant" also means the Office of the Chancellor of the California Community Colleges on behalf of one or more community college districts, the Office of the Chancellor of the California State University on behalf of one or more campuses of the California State University, or the Office of the President of the University of California on behalf of one or more campuses of the University of California.

(b) "Campus" means a community college district, a campus of the California State University, or a campus of the University of California, which may include the Hastings College of the Law.

(c) "Capacity expansion projects" means projects that expand the ability of a four-year public postsecondary educational institution to support future California resident enrollment growth.

(d) "Low-income student" means either of the following:

(1) A student who is eligible to receive one or more of the following:

(A) Pell Grant financial aid under the federal Pell Grant program (20 U.S.C. Sec. 1070a).

(B) A Cal Grant under Chapter 1.7 (commencing with Section 69430) of Part 42 of Division 5 of Title 3.

(C) An exemption from paying nonresident tuition pursuant to Section 68130.5 provided that the student also meets income criteria applicable to the California Dream Act application.

(D) A fee waiver from a California Community College pursuant to Section 76300.

(2) A graduate student with income and asset levels that would qualify for one or more of the benefits in subparagraphs (A) through (D), inclusive, as determined by the campus at which the student is enrolled.

(e) "Public-private partnership" means a long-term agreement between a segment and the private sector for purposes of a student housing project, including, but not limited to, studying, planning, designing, constructing, developing, financing, operating, maintaining, or any combination thereof, a student housing project.

(f) "Segment" means the public higher education segments of California, which are the University of California, the California State University, or the California Community Colleges.

(g) "Student housing project" means one or more housing facilities to be occupied by students of one or more campuses. These facilities may include, but are not necessarily be limited to, dining, academic and student support service spaces, basic needs centers, student healthcare services, and other necessary and usual attendant and related facilities and equipment.

**17201.** (a) The Higher Education Student Housing Grant Program is hereby established to provide one-time grants for the construction of student housing, or for the acquisition and renovation of commercial properties into student housing for the purpose of providing affordable, low-cost housing options for students enrolled in public postsecondary education in California.

(b) (1) Of the total amount appropriated pursuant to subdivision (l), and intended to be appropriated pursuant to subdivision (m) in support of this section and Section 17202, 50 percent of the available funds shall be available for the California Community Colleges, 30 percent of the available funds shall be available for the California State University, and 20 percent of the available funds shall be available for the University of California.

(2) Notwithstanding paragraph (1), the per-segment amounts designated in paragraph (1) may be adjusted to accommodate and prioritize projects serving low-income students across more than one segment.

(3) It is the intent of the Legislature that grants will be disbursed to increase the current stock of affordable student housing, for purposes of supporting low-income students and facilitating low-income student access to higher education.

(c) Proposals for one-time grants for the construction of, or rehabilitation of commercial properties for, student housing shall include, at a minimum, the project goals, costs, number of students to be housed, timeline for the project, financial feasibility of the project, anticipated impact on the campus' ability to accommodate California resident enrollment growth, a commitment to construct the project within the resource needs identified in the proposal, and any other information deemed necessary for evaluation of the criteria pursuant to subdivision (f).

(d) Initial proposals for projects to be considered pursuant to this chapter shall be submitted to the Department of Finance by October 31, 2021. Thereafter, the Department of Finance may establish subsequent proposal deadlines, as necessary.

(e) The Department of Finance shall provide the Joint Legislative Budget Committee information on all submitted project proposals, and a list of projects proposed for inclusion in the annual Budget Act or other legislation by March 1, 2022.

(f) Submitted proposals shall demonstrate all of the following:

(1) Construction on the project could begin by December 31, 2022, or by the earliest possible date thereafter.

(2) (A) The rent provided in the applicable units of the development for low-income students shall be calculated at 30 percent of 50 percent of the area median income for a single-room occupancy unit type. The percentage of area median income may be

adjusted upon written notification by the Director of Finance to the Joint Legislative Budget Committee, and approval by the Joint Legislative Budget Committee.

(B) The units described in this paragraph shall be subject to a recorded affordability restriction for the life of the facility.

(3) A commitment to first offer the housing available from the facilities to low-income students. In meeting this requirement, a campus may calculate the rental savings and number of low-income students that would be served by the student housing constructed pursuant to this section, and place the calculated number of students qualifying for the reduced rental rate throughout the campus's available housing.

(4) (A) A commitment to require any students renting housing in the facilities to take a minimum average of 12 degree-applicable units per semester term, or the quarterly equivalent, to facilitate timely degree completion.

(B) Notwithstanding subparagraph (A), eligible students renting housing in the facilities shall be permitted to live in the facilities for the full academic or calendar year so long as the student remains enrolled in the applicable campus. Renewal of housing in the facility in subsequent academic or calendar years shall require the student to demonstrate compliance with subparagraph (A).

(C) Notwithstanding subparagraph (A), students renting housing in the facilities may temporarily reduce their unit load below 12 degree-applicable units if they are able to demonstrate an exceptional circumstance necessitating a reduced unit load, which may include, but is not necessarily limited to, illness or injury, as determined by the applicable campus.

(5) Receipt of a grant pursuant to this chapter will result in a public benefit, such as providing low-cost student housing and reduced rents, reducing students' total cost of attendance, serving more low-income students, or other tangible benefits that would not be practical without the grant for student housing.

(6) The University of California and the California State University shall not use a public-private partnership to construct, operate, maintain, or any combination thereof, a project.

(g) (1) Projects that would convert commercial space into campus student housing and projects that would serve the greatest percentage of a campus's low-income student population may be prioritized for selection.

(2) Project selection criteria may also include any of the following:

(A) The unmet demand for student housing for a campus or service area, with priority given to applicants with greater unmet demand for student housing.

(B) The timeline for construction, with priority given to projects that can begin construction the earliest.

(C) When considered as a whole, the proposals funded pursuant to this chapter are fairly representative of various geographical regions of the state and campuses of the University of California, the California State University, and the California Community Colleges.

(D) The state interest in intersegmental housing arrangements, particularly those that support transfer pathways between community colleges and four-year public postsecondary institutions.

(E) The impact on the capacity for campus enrollment growth, with priority given to projects that expand a four-year public higher education institution's capacity to enroll greater numbers of California resident undergraduates.

(h) Proposals for student housing projects submitted to the Department of Finance pursuant to this chapter shall be considered for inclusion in the annual Budget Act, subject to an available and sufficient appropriation.

(i) (1) Appropriations provided to support a project included in the annual Budget Act pursuant to this chapter shall be considered grants to the applicant for purposes of constructing the project. As a condition of receiving funds pursuant to this chapter, the Regents of the University of California, the Trustees of the California State University, or the Board of Governors of the California Community Colleges, or the respective statewide offices for each segment, shall do all of the following:

(A) Provide oversight of the project for which funds are appropriated.

(B) From the receipt of funds to completion of construction for the project, report annually to the Department of Finance and the relevant policy and budget committees of the Legislature on the status of the project.

(C) Following completion of the project, report annually for a five-year period to the Department of Finance and the relevant policy and budget committees of the Legislature on the public benefit provided by the project as related to the selection criteria outlined in this chapter.

(2) For a community college project funded pursuant to this chapter, the local community college district may perform the oversight and reporting functions required pursuant to subparagraphs (A) to (C), inclusive, of paragraph (1) in lieu of these functions being performed by the Board of Governors of the California Community Colleges or the Office of the Chancellor of the California Community Colleges.

(j) For purposes of computing the maintenance of effort for the federal Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (Public Law 116-260), and the federal American Rescue Plan Act of 2021 (Public Law 117-2), these funds shall be considered fully expended in the year in which they are appropriated, and these funds shall be considered need-based financial aid, as the intent of the program is to reduce nontuition costs for students.

(k) Notwithstanding any other law, including subdivision (j), reduced housing expenses from student housing provided pursuant to this chapter shall augment and not supplant student financial aid from other public sources, and shall not be considered when calculating eligibility for student financial aid.

(l) Five hundred million dollars (\$500,000,000) is hereby appropriated in the 2021–22 fiscal year to support student housing grants pursuant to this section and planning grants pursuant to Section 17202. The specific projects and planning grants to be funded with this appropriation shall be identified in subsequent legislation.

(m) It is the intent of the Legislature to appropriate seven hundred fifty million dollars (\$750,000,000) from the General Fund in the 2022–23 fiscal year and seven hundred fifty million dollars (\$750,000,000) from the General Fund in the 2023–24 fiscal year for purposes of providing student housing grants pursuant to this section and planning grants pursuant to Section 17202.

**17202.** (a) California community colleges may submit requests for planning grants for campuses that are exploring or determining if it is feasible to offer affordable student rental housing. It is the intent of the Legislature to use up to twenty-five million dollars (\$25,000,000) of the total amount described in subdivisions (l) and (m) of Section 17201 to support planning grants.

(b) The selection process for planning grants shall include both of the following requirements:

- (1) To the extent feasible, ensure a reasonable geographic distribution of funds.
- (2) Require that the planning activities related to the proposed affordable student rental housing project be reasonable compared to the costs of comparable projects in the area.

(c) A campus that receives a grant pursuant to this section may use those grant moneys for one or more of the following purposes in connection with an affordable rental student housing project:

- (1) Feasibility studies.
- (2) Engineering studies.
- (3) Financing studies.
- (4) Environmental impact studies.
- (5) Architectural plans.
- (6) Application fees.
- (7) Legal services.
- (8) Permitting costs.
- (9) Bonding.
- (10) Site preparation.

(d) For purposes of this section, the following definitions apply:

- (1) "Affordable student rental housing" means housing for students that would be charged at below market rate that would be consistent with the requirements of paragraph (2) of subdivision (f) of Section 17201.
- (2) "Feasible" means that a project may be accomplished in a successful manner within a reasonable period of time, taking into account economic, environmental, social, and technological factors.

**17203.** It is the intent of the Legislature that all laws applicable to an applicant related to the acquisition, design, construction, or renovation of a capital outlay project apply to any student housing project receiving funding under this chapter. This includes, but

is not limited to, applicable provisions of the California Environmental Quality Act (Division 13 (commencing with Section 21000) of the Public Resources Code), the Public Contract Code, and this code, including any applicable workforce and labor requirements within those codes.

**17204.** (a) The Higher Education Capacity Expansion Grant Program is hereby established to provide one-time grants for capacity expansion projects to support increased California resident enrollment.

(b) To be eligible for a grant for a capacity expansion project, an applicant shall demonstrate that the project will increase future California resident enrollment capacity, either by increasing instructional space for students or improving students' time-to-degree, or will otherwise support the applicant's ability to provide accessible higher education options to more students. Projects may include, but are not necessarily limited to, all of the following:

(1) New construction.

(2) Land or building acquisition.

(3) Modernization of existing buildings for improving the learning environment, improving equipment, increasing classroom capacity, or accommodating more students in high-demand majors and fields.

(c) Proposals for projects to be considered pursuant to this section shall be submitted to the Department of Finance by an established proposal deadline.

(d) The Department of Finance shall provide the Joint Legislative Budget Committee information on all submitted project proposals, and a list of projects proposed for inclusion in the annual Budget Act or other legislation, no later than four months following any proposal deadline established pursuant to subdivision (c).

(e) The University of California and the California State University shall not use a public-private partnership to construct, operate, maintain, or any combination thereof, a project.

(f) Project selection criteria may include any of the following:

(1) The timeline for project construction, with priority given to projects that can begin the earliest.

(2) The campus' unmet demand for California resident enrollment, with priority given to applicants with greater unmet California resident demand.

(3) The availability of a local match, with priority given to campuses with a local match.

(4) When considered as a whole, the applications approved pursuant to this section are fairly representative of the various geographical regions of the state and the campuses of the University of California and the California State University.

(5) The campus' efforts to construct, acquire, or develop collaboratively with its local communities, including other public postsecondary educational institutions, capacity expansion projects.

(g) Proposals for capacity expansion projects submitted to the Department of Finance pursuant to this section shall be considered for inclusion in the annual Budget Act or other legislation, subject to an available and sufficient appropriation.

(h) It is the intent of the Legislature to appropriate funds for the Higher Education Capacity Expansion Grant Program in a future fiscal year.

**SEC. 3.** Section 60900 of the Education Code is amended to read:

**60900.** (a) The department shall contract for the development of proposals that will provide for the retention and analysis of longitudinal pupil achievement data on the tests administered pursuant to Chapter 5 (commencing with Section 60600), Chapter 7 (commencing with Section 60810), and Chapter 9 (commencing with Section 60850). The longitudinal data shall be known as the California Longitudinal Pupil Achievement Data System.

(b) The proposals developed pursuant to subdivision (a) shall evaluate and determine whether it would be most effective, from both a fiscal and a technological perspective, for the state to own the system. The proposals shall additionally evaluate and determine the most effective means of housing the system.

(c) The California Longitudinal Pupil Achievement Data System shall be developed and implemented in accordance with all state rules and regulations governing information technology projects.

(d) The system or systems developed pursuant to this section shall be used to accomplish all of the following goals:



(1) To provide school districts and the department access to data necessary to comply with federal reporting requirements delineated in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.).

(2) To provide a better means of evaluating educational progress and investments over time.

(3) To provide local educational agencies with the data needed to improve pupil achievement, including college and career readiness.

(4) To provide an efficient, flexible, and secure means of maintaining longitudinal statewide pupil level data between and among the state's educational segments and operational tools, as defined in Section 10861, including, but not limited to, all of the following:

(A) Pupil level data from all elementary and secondary schools, including, but not limited to, juvenile court schools, alternative schools, continuation schools, special education schools, and adult educational programs offering a high school diploma or equivalency.

(B) Pupil level data collected in both detention and nondetention settings.

(C) Pupil level data to postsecondary educational institutions and the Student Aid Commission.

(5) To facilitate the ability of the state to publicly report data, as specified in Section 6401(e)(2)(D) of the federal America COMPETES Act (20 U.S.C. Sec. 9871) and as required by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5).

(6) To ensure that any data access provided to researchers, as required pursuant to the federal Race to the Top regulations and guidelines is provided, only to the extent that the data access is in compliance with the federal Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g).

(e) In order to comply with federal law as delineated in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), the local educational agency shall retain individual pupil records for each test taker, including all of the following:

(1) All demographic data collected from the California Assessment of Student Performance and Progress (CAASPP) and English language development tests.

(2) Pupil achievement data from assessments administered pursuant to the CAASPP and English language development testing programs. To the extent feasible, data should include subscore data within each content area.

(3) A unique pupil identification number, to be identical to the pupil identifier developed pursuant to the California School Information Services, that shall be retained by each local educational agency and used to ensure the accuracy of information on the header sheets of the CAASPP tests and the English language development test.

(4) All data necessary to compile reports required by the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), including, but not limited to, dropout and graduation rates.

(5) Other data elements deemed necessary by the Superintendent, with the approval of the state board, to comply with the federal reporting requirements delineated in the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), and the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), after review and comment by the advisory board convened pursuant to subdivision (h). Before the implementation of this paragraph with respect to adding data elements to the California Longitudinal Pupil Achievement Data System for the purpose of complying with the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), the department and the appropriate postsecondary educational agencies shall submit an expenditure plan to the Department of Finance detailing any administrative costs to the department and costs to any local educational agency, if applicable. The Department of Finance shall provide to the Joint Legislative Budget Committee a copy of the expenditure plan within 10 days of receipt of the expenditure plan from the department.

(6) To enable the department, the University of California, the California State University, and the Chancellor of the California Community Colleges to meet the requirements prescribed by the federal American Recovery and Reinvestment Act of 2009 (Public Law 111-5), these entities shall be authorized to obtain quarterly wage data, commencing July 1, 2010, on students who have attended their respective systems, to assess the impact of education on the employment and earnings of those students, to conduct the annual analysis of district-level and individual district or postsecondary education system performance in achieving priority educational outcomes, and to submit the required reports to the Legislature and the Governor. The information shall be provided to the extent permitted by federal statutes and regulations.

(f) The California Longitudinal Pupil Achievement Data System shall have all of the following characteristics:

(1) The ability to sort by demographic element collected from the CAASPP tests and English language development test.

(2) The capability to be expanded to include pupil achievement data from multiple years.

(3) The capability to monitor pupil achievement on the CAASPP tests and English language development test from year to year and school to school.

(4) The capacity to provide data to the state and local educational agencies upon their request.

(5) The capability to provide data to support operational tools, as defined in Section 10861.

(g) Data elements and codes included in the system shall comply with Sections 49061 to 49079, inclusive, and Sections 49602 and 56347, with Sections 430 to 438, inclusive, of Title 5 of the California Code of Regulations, with the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code), and with the federal Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g), Section 1232h of Title 20 of the United States Code, and related federal regulations.

(h) The department shall convene an advisory board consisting of representatives or designees from the state board, the Department of Finance, the State Privacy Ombudsman, the Legislative Analyst's Office, representatives of parent groups, school districts, and local educational agencies, and education researchers to establish privacy and access protocols, provide general guidance, and make recommendations relative to data elements. The department is encouraged to seek representation broadly reflective of the general public of California.

(i) This section shall be implemented using federal funds received pursuant to the federal No Child Left Behind Act of 2001 (20 U.S.C. Sec. 6301 et seq.), which are appropriated for purposes of this section in Item 6110-113-0890 of Section 2.00 of the Budget Act of 2002 (Chapter 379 of the Statutes of 2002). The release of these funds is contingent on approval of an expenditure plan by the Department of Finance.

(j) For purposes of this chapter, a local educational agency shall include a county office of education, a school district, and a charter school.

**SEC. 4.** Section 60900.5 of the Education Code is amended to read:

**60900.5.** (a) The California College Guidance Initiative (CCGI), as defined in Section 10861, is hereby authorized to provide its services to all California school districts.

(b) In furtherance of paragraph (5) of subdivision (b) of Section 10867, the department shall enter into a memorandum of understanding with the CCGI, as authorized in subdivision (a), to accomplish all of the following:

(1) Share course level data from each local educational agency to validate, as they are submitted to the California Longitudinal Pupil Achievement Data System (CalPADS), if the course meets the requirements of A–G coursework, as defined in Section 10861.

(2) Share pupil course level data to inform individual pupil accounts on the operational tools.

(3) Collect additional data elements to ensure proper functioning and to incentivize use of the operational tools.

(4) Share pupil level data with the Student Aid Commission, postsecondary educational institutions, and programs that support college and career planning, application, and transition, as permitted under the federal Family Educational Rights and Privacy Act (20 U.S.C. Sec. 1232g).

(5) Notwithstanding subdivision (g) of Section 10860 and subdivision (c) of Section 10863, fully effectuate the intent of the Cradle-to-Career Data System Act pursuant to Chapter 8.5 (commencing with Section 10850) of Part 7 of Division 1 of Title 1.

(c) The department shall provide guidance to local educational agencies through CalPADS to clarify data standards and promote best practices. The department shall refer local educational agencies to CCGI for technical assistance in reconciling discrepancies between A–G coursework, as listed in their local pupil information system, and how those courses are registered in the course management portal at the office of the President of the University of California, or a successor A–G course management portal.

(d) The department shall ensure that the notifications provided by local educational agencies, as required by the federal Family Educational Rights and Privacy Act of 1974 (20 U.S.C. Sec. 1232g), include appropriate content related to all of the following:

(1) CalPADS data shall be shared with the CCGI.

(2) CalPADS pupil level data shall be used to provide pupils and families with direct access to online tools and resources.

(3) A pupil may transmit information shared with the CCGI to both of the following:

(A) Postsecondary educational institutions for purposes of admissions and academic placement.

(B) The Student Aid Commission for purposes of determining eligibility for, and increasing uptake of, student financial aid.

(e) The Legislature finds and declares its intent that the CCGI, upon full implementation of this section, provide all of the following services:

(1) A free college and career planning curriculum and website for grades 6 to 12, inclusive, designed to provide touch points three to six times per year.

(2) Financial aid curriculum for grades 9 to 12, inclusive.

(3) Support to school districts to plan for and monitor use of planning tools and curriculum.

(4) Tools to enable pupils and their families to determine if they are on track to meet college qualifications, based on their individual goals, and to allow authorized secondary school counselors to view the progress of individual pupils on meeting California State University and University of California eligibility requirements.

(5) Validation of data relating to A–G admission requirements in local pupil information systems that is flagged with respect to the University of California Course Management Portal.

(6) Technical assistance to school districts on data cleanup processes.

(7) Providing statewide pupil identification numbers to the California Community Colleges, the California State University, the University of California, and the Student Aid Commission so that information stored in local systems will improve matches for research purposes and the Cradle-to-Career Data System.

(8) Transcripts processed in near real time with the California Community Colleges, the California State University, the University of California, and the Student Aid Commission, using an application program interface.

(9) Allow elementary and secondary school pupils to give permission to inform public colleges if they are a first-generation college student, homeless, migrant, or economically disadvantaged.

(10) Provide information on race or ethnicity, grade point average, high school graduation status, and where pupils applied to college to the Student Aid Commission through a faster application program interface format.

(11) Prepopulation of California Community Colleges, California State University, and University of California application fields related to statewide pupil identification numbers, transcript data, demographic information, and other data elements that can reduce barriers for pupils.

(12) Development of new planning tools related to career and technical education pathways, apprenticeships, transfer options, and regional labor markets.

(13) Potential shift of data provision from school districts to the department.

(f) The scaling of the CCGI is further intended to address the all of the following problems and state needs:

(1) Reduce equity gaps in college-going rates by ensuring that all pupils and their families have the information needed to develop college and career plans, starting in grade 6, and to secure financial aid.

(2) Enable elementary and secondary school counselors to monitor where pupils are applying and support them to complete applications.

(3) Identify secondary school courses that are incorrectly flagged as fulfilling California State University and University of California eligibility requirements compared to the University of California Course Management Portal.

(4) Reduce structural barriers by allowing pupils to launch college and financial aid applications from a single location, using one set of log on credentials.

(5) Ensure that pupils can easily and quickly transmit academic records to public postsecondary educational institutions when applying for admission.

(6) Share additional information with the Student Aid Commission to validate and reduce the time to determine eligibility for Cal Grant awards.

(7) Reduce the administrative burden on school districts and colleges to transmit and validate records.

(8) Strengthen data that can be used to match pupil records.

(g) On or before April 1, 2022, and on or before April 1 of each year thereafter, the Riverside County Office of Education shall report to the Director of Finance and the Joint Legislative Budget Committee regarding the annual budget for the CCGI as supported through the annual Budget Act. The report shall include, but not necessarily be limited to, all of the following information:

(1) All other public and private sources of revenue.

(2) How prior fiscal year funds were spent and current fiscal year funds are budgeted to be spent.

(3) A budget change proposal, if any additional funds are being requested for the budget year.

(4) The names and locations of local educational agencies that have partnered with the CCGI, including identification of local educational agencies that were added in the prior fiscal year and are intended to be added in the budget year.

(5) The names of postsecondary educational agencies that have partnered with the CCGI, including identification of postsecondary educational agencies that were added in the prior fiscal year and the budget year and identification of any postsecondary educational agencies that terminated their partnership with the CCGI.

(6) Website analytics on identifying the number of accounts, types of activities completed, and the number of pupils that applied to college via the CCGI.

(7) Information on progress towards meeting the deliverables expected of the CCGI pursuant to subdivision (a).

(h) The first annual report due on April 1, 2022, also shall contain a needs assessment that provides data on all of the following:

(1) The existing usage of the CCGI's various features by pupils, counselors, and others in the elementary, secondary, and postsecondary segments of education.

(2) Survey data from users on the relative usefulness of the existing features and other potential, desired features such as additional college planning tools.

(3) Recommendations for modifying the CCGI's features consistent with the survey results.

**SEC. 5.** Section 69400 of the Education Code is amended to read:

**69400.** Any accompanying regulations or formal policy to verify Selective Service registration is waived for applicants eligible for Cal Grants pursuant to Section 69508.5. The Student Aid Commission shall not consider verification of Selective Service registration in audits of the 2021–22 academic year.

**SEC. 6.** Section 69432 of the Education Code is amended to read:

**69432.** (a) (1) Cal Grant Program awards shall be known as "Cal Grant A Entitlement Awards," "Cal Grant B Entitlement Awards," "California Community College Expanded Entitlement Awards," "California Community College Transfer Entitlement Awards," "Competitive Cal Grant A and B Awards," "Cal Grant C Awards," and "Cal Grant T Awards."

(2) For purposes of this section, "associate degree for transfer commitment" means a commitment by an independent institution of higher education that chooses to accept the California Community College associate degree for transfer pursuant to Section 66749.6.

(b) Maximum award amounts for students at independent institutions of higher education, private for-profit postsecondary educational institutions, and for Cal Grant C and T awards shall be identified in the annual Budget Act. Maximum award amounts for Cal Grant A and B awards for students attending public institutions shall be referenced in the annual Budget Act.

(c) (1) Notwithstanding subdivision (b), and subdivision (c) of Section 66021.2, commencing with the 2013–14 award year, the maximum tuition award amounts for Cal Grant A and B awards for students attending private for-profit postsecondary educational institutions shall be four thousand dollars (\$4,000).

(2) Notwithstanding paragraph (1) of this subdivision, subdivision (b) of this section, and subdivision (c) of Section 66021.2, commencing with the 2018–19 award year, the maximum tuition award amounts for Cal Grant A and B awards for students attending private for-profit postsecondary educational institutions accredited by the Western Association of Schools and Colleges shall be nine thousand eighty-four dollars (\$9,084) for new recipients, unless otherwise specified in the Budget Act of 2018.

(d) Notwithstanding subdivision (b) of this section, and subdivision (c) of Section 66021.2, the maximum tuition award amounts for Cal Grant A and B awards for students attending independent institutions of higher education shall be as follows:

(1) For the 2015–16 to 2020–21 award years, inclusive, nine thousand eighty-four dollars (\$9,084) for new recipients.

(2) For the 2021–22 award year, nine thousand two hundred twenty dollars (\$9,220) for new recipients.

(3) For the 2022–23 award year:

(A) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year meets or exceeds a target of 3,000, nine thousand two hundred twenty dollars (\$9,220) for new recipients.

(B) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year is fewer than 3,000, eight thousand fifty-six dollars (\$8,056) for new recipients.

(4) For the 2023–24 award year:

(A) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year meets or exceeds a target of 3,500, nine thousand two hundred twenty dollars (\$9,220) for new recipients.

(B) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year is fewer than 3,500, eight thousand fifty-six dollars (\$8,056) for new recipients.

(5) For the 2024–25 award year and each award year thereafter:

(A) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year meets or exceeds the target specified in subdivision (h), nine thousand two hundred twenty dollars (\$9,220) for new recipients.

(B) If the number of new unduplicated transfer students accepted by independent institutions of higher education who have been given associate degree for transfer commitments in the prior award year is less than the target specified in subdivision (h), eight thousand fifty-six dollars (\$8,056) for new recipients.

(e) (1) The renewal award amount for a student whose initial award is subject to a maximum award amount specified in this section shall be calculated pursuant to paragraph (2) of subdivision (a) of Section 69433.

(2) Notwithstanding paragraph (1) of this subdivision, and paragraph (2) of subdivision (a) of Section 69433, the maximum tuition award amounts for Cal Grant A and B awards for students attending independent institutions of higher education shall be nine thousand two hundred twenty dollars (\$9,220) for renewal recipients, if the student first received a new award before the 2021–22 award year.

(f) It is the intent of the Legislature that independent institutions of higher education make a good faith effort to make the process for transferring from the California Community Colleges easier for resident students and a decision determining the maximum award amounts made pursuant to this section for students attending an independent institution of higher education will be made with consideration of the effort of the institution to make that process easier.

(g) The association representing the largest number of independent institutions of higher education shall submit a report relative to the implementation of this section to the Department of Finance and the Legislature, in conformity with Section 9795 of the Government Code, on or before April 15 of each year.

(h) For the 2024–25 award year and each award year thereafter, the target number of new unduplicated recipients accepted by independent institutions of higher education who have been given associate degree for transfer commitments shall be equal to the number of new transfer students attending independent institutions of higher education who were given associate degree for transfer commitments in the prior award year, adjusted by the percentage change in the total number of new transfer students from the year two years prior, compared to the prior year.

(i) For purposes of this section, "independent institution of higher education" has the same meaning as in Section 66010.

**SEC. 7.** Section 69432.9 of the Education Code is amended to read:

**69432.9.** (a) A Cal Grant applicant shall submit a complete official financial aid application pursuant to Section 69433 and applicable regulations adopted by the commission. Each pupil enrolled in grade 12 in a California public school, including a

charter school, other than pupils who opt out as provided in subdivision (d), shall be deemed to be a Cal Grant applicant.

(b) Financial need shall be determined to establish an applicant's initial eligibility for a Cal Grant award and a renewing recipient's continued eligibility using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.).

(1) "Expected family contribution," with respect to an applicant or renewing recipient, shall be determined using the federal methodology pursuant to subdivision (a) of Section 69506 (as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.)) and applicable rules and regulations adopted by the commission.

(2) "Financial need" means the difference between the student's cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1070 et seq.).

(3) (A) The minimum financial need required for receipt of an initial and renewal Cal Grant A or C award shall be no less than the maximum annual award value for the applicable institution, plus an additional one thousand five hundred dollars (\$1,500) of financial need.

(B) The minimum financial need required for receipt of an initial and renewal Cal Grant B award shall be no less than seven hundred dollars (\$700).

(4) Notwithstanding paragraphs (2) and (3), for the 2020–21 and 2021–22 award years, a student with an initial or renewal Cal Grant A award impacted by a change in the student's living status, from living on-campus to living off-campus or from living on-campus to living at home, due to the COVID-19 pandemic, shall have the student's eligibility for the initial or renewal Cal Grant A award calculated based on what it would have been had the change in the student's living status due to the COVID-19 pandemic not occurred.

(c) (1) The commission shall require that a grade point average be submitted to it for all Cal Grant A and B applicants, except for those permitted to provide test scores in lieu of a grade point average or as provided in subclause (II) of clause (iii) of subparagraph (B) of paragraph (2).

(2) (A) On or before January 1, 2025, the commission shall require that any grade point average data required for eligibility for student financial aid programs be submitted by local educational agencies through the California Longitudinal Pupil Achievement Data System established by Section 60900 for transmittal to the California College Guidance Initiative. The governing board of the Cradle-to-Career Data System shall be responsible for developing a timeline to guide the commission's implementation of this paragraph.

(B) (i) The commission shall require that a grade point average be submitted to it electronically on a standardized form for all grade 12 pupils at public schools, including charter schools, no later than October 1 of each academic year, except for pupils who have opted out as provided in subdivision (d). Social security numbers shall not be included in the information submitted to the commission. However, if the commission determines that a social security number is required to complete the application for financial aid, the school, school district, or charter school may obtain permission from the parent or guardian of the pupil, or the pupil, if the pupil is 18 years of age, to submit the pupil's social security number to the commission.

(ii) The commission shall require that each report of a grade point average include a certification, executed under penalty of perjury, by a school official, that the grade point average reported is accurately reported. The certification shall include a statement that it is subject to review by the commission or its designee.

(iii) (I) The commission shall adopt regulations that establish a grace period for receipt of the grade point average and any appropriate corrections, and that set forth the circumstances under which a student may submit a specified test score designated by the commission, by regulation, in lieu of submitting a qualifying grade point average.

(II) Notwithstanding subclause (I), for the 2021–22 award year, commission staff may waive the requirement to submit a test score in lieu of a qualifying grade point average for a student who does not have a grade point average and is unable to submit a test score due to unavailability of designated testing due to the COVID-19 pandemic. The commission shall require a student seeking a waiver under this subclause to submit a signed certification verifying they were prevented from taking and submitting a test score in lieu of a qualifying grade point average due to the COVID-19 pandemic. For purposes of consideration for a Cal Grant A or B Entitlement award when applying with a waiver under this subclause for the 2021–22 award year, students shall have until May 16, 2021, to complete and submit their financial aid application and signed certification verifying they were prevented from taking and submitting a test score in lieu of a qualifying grade point average.

(iv) The requirements of this subparagraph shall become inoperative upon the submission by the commission of any required grade point average through the Cradle-to-Career Data System pursuant to subparagraph (A).

(3) It is the intent of the Legislature that high schools and institutions of higher education certify the grade point averages of their students in time to meet the application deadlines imposed by this chapter.

(4) (A) It is the intent of the Legislature that the commission make available to each high school and school district a report identifying all grade 12 pupils within the high school or school district, respectively, who have and have not completed the Free Application for Federal Student Aid or the California Dream Act application.

(B) The requirements of this paragraph shall become inoperative upon the submission by the local educational agency of any required grade point average through the Cradle-to-Career Data System pursuant to subparagraph (A) of paragraph (2).

(d) (1) The school district or charter school shall, no later than January 1 of a pupil's grade 11 academic year, notify, in writing, each grade 11 pupil and, for a pupil under 18 years of age, the pupil's parent or guardian that, pursuant to subdivision (a), the pupil will be deemed a Cal Grant applicant unless the pupil opts out within a period of time specified in the notice, which shall not be less than 30 days. The required notice shall indicate when the school will first send grade point averages to the commission and the submission deadline of October 1. The school district or charter school shall provide an opportunity for the pupil to opt out of being automatically deemed a Cal Grant applicant.

(2) Until a pupil turns 18 years of age, only a parent or guardian may opt the pupil out. Once a pupil turns 18 years of age, only the pupil may opt the pupil out and, if before the conclusion of the notice period, the pupil may opt in over the prior decision of a parent or guardian to opt out.

**SEC. 8.** Section 69433.9 of the Education Code is amended to read:

**69433.9.** To be eligible to receive a Cal Grant award under this chapter, a student shall be all of the following:

(a) A citizen of the United States, or an eligible noncitizen, as defined for purposes of financial aid programs under Title IV of the federal Higher Education Act of 1965 (20 U.S.C. Secs. 1070 et seq., as from time to time amended).

(b) Not incarcerated.

(c) Not in default on any student loan within the meaning of Section 69507.5.

(d) (1) For purposes of Article 2 (commencing with Section 69434), Article 3 (commencing with Section 69435), and Article 4 (commencing with Section 69436), except as provided in subdivision (d) of Section 69436, at the time of high school graduation or its equivalent, be a resident of California.

(2) A student who does not meet the requirements for a high school diploma or its equivalent in the academic year immediately preceding the award year, but who meets the requirements for a high school diploma or its equivalent by December 31 of the academic year immediately following the date of application, satisfies any requirement for obtaining high school graduation or its equivalent for the purposes of this chapter as of the first day of the academic term immediately following the term in which the requirements for the high school diploma or its equivalent are met.

(3) No student shall receive an award for a term that begins before satisfying any requirement for obtaining high school graduation or its equivalent.

**SEC. 9.** Section 69617 of the Education Code is amended to read:

**69617.** (a) (1) Subject to moneys appropriated by the Legislature for the purposes of this section, the commission shall administer the Golden State Teacher Grant Program. Under the program, the commission shall provide one-time grant funds of up to twenty thousand dollars (\$20,000) to each student enrolled on or after January 1, 2020, in a professional preparation program leading to a preliminary teaching credential, at either a qualifying institution, as defined in subdivision (l) of Section 69432.7, or a teacher preparation program approved by the Commission on Teaching Credentialing that has a main campus location or administrative entity that resides in California, including teacher preparation programs operated by local educational agencies in California, if the student commits to working in a high-need field at a priority school for four years after the student receives the teaching credential.

(2) Funds appropriated for the Golden State Teacher Grant Program in the Budget Act of 2020 and the Budget Act of 2021 shall be available for encumbrance or expenditure by the commission until June 30, 2026.

(3) Grant funds shall be used to supplement and not supplant other sources of grant financial aid.

(b) The one-time grant funds issued pursuant to this section shall not exceed the amount appropriated for the Golden State Teacher Grant Program in the Budget Act of 2020 and the Budget Act of 2021.

(c) (1) A grant recipient shall agree to teach in a high-need field at a priority school for four years and shall have five years, upon completion of the recipient's professional preparation program, to meet that obligation. Except as provided in paragraph (4), a grant recipient shall agree to repay the state 25 percent of the total received grant funds annually, up to full repayment of the received grant funds, for each year the recipient fails to do one or more of the following:

(A) Be enrolled in or have successfully completed a teacher preparation program approved by the Commission on Teacher Credentialing.

(B) While enrolled in the teacher preparation program, maintain good academic standing.

(C) Upon completion of the teacher preparation program, satisfy the state basic skills proficiency test requirement pursuant to Sections 44252 and 44252.5.

(D) Complete the required teaching service following completion of the recipient's teacher preparation program.

(2) Nonperformance of the commitment to teach in a high-need field at a priority school for four years shall be certified by the State Department of Education.

(3) Nonperformance of the commitment to earn a preliminary teaching credential in a high-need field shall be certified by the Commission on Teacher Credentialing to the Student Aid Commission.

(4) Any exceptions to the requirement for repayment shall be defined by the commission, and may include, but shall not necessarily be limited to, counting a school year towards the required four-year teaching requirement if a grant recipient is unable to complete the school year when any of the following occur:

(A) The grant recipient has completed at least one-half of the school year.

(B) The employer deems the grant recipient to have fulfilled the grant recipient's contractual requirements for the school year for the purposes of salary increases, probationary or permanent status, and retirement.

(C) The grant recipient was not able to teach due to the financial circumstances of the school district, including a decision to not reelect the employee for the next succeeding school year.

(D) The grant recipient has a condition covered under the federal Family and Medical Leave Act of 1993 (29 U.S.C. Sec. 2601 et seq.) or similar state law.

(E) The grant recipient was called or ordered to active duty status for more than 30 days as a member of a reserve component of the Armed Forces of the United States.

(d) The commission may use up to 1.5 percent of funding appropriated for purposes of this section for outreach and administration.

(e) For purposes of this section, "high-need field" means any of the following:

(1) Bilingual education.

(2) Mathematics or science, technology, engineering, and mathematics (STEM), including computer science and career technical education in STEM subjects.

(3) Science.

(4) Special education.

(5) Multiple subject instruction.

(6) Transitional kindergarten.

(7) Other subjects as designated annually by the Commission on Teacher Credentialing based on an analysis of the availability of teachers in California pursuant to Section 44225.6.

(f) (1) A "priority school" means a school with 55 percent or more of its pupils being unduplicated pupils, as defined in subdivision (b) of Section 42238.02.



(2) The commission, in coordination with the State Department of Education, shall publish a list of priority schools by January 1 of each year for which money has been appropriated by the Legislature to support grants pursuant to this section.

(g) The commission may adopt regulations necessary for the implementation of the Golden State Teacher Grant program. The commission may adopt emergency regulations it deems necessary for the implementation of this program, in accordance with the rulemaking provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code). For purposes of the Administrative Procedure Act, including Section 11349.6 of the Government Code, the adoption of those regulations shall be deemed to be an emergency and necessary for the immediate preservation of the public peace, health and safety, or general welfare, notwithstanding subdivision (e) of Section 11346.1 of the Government Code.

(h) The commission shall conduct an evaluation of the Golden State Teacher Grant Program to determine the effectiveness of teacher preparation programs in recruiting, developing support systems for, and retaining special education, bilingual education, and science, technology, engineering, and mathematics teachers and teachers of color. The commission shall provide, with respect to the evaluation, a report to the Department of Finance and the appropriate fiscal and policy committees of the Legislature on or before December 31, 2025, and every two years thereafter.

**SEC. 10.** Section 69996.9 of the Education Code is amended to read:

**69996.9.** (a) (1) For the 2021–22 fiscal year, through the program, all of the following shall occur:

(A) Each pupil entering grades 1 to 12, inclusive, in the 2021–22 fiscal year who meets the requirements to be considered an unduplicated pupil for purposes of paragraph (1) of subdivision (b) of Section 2574 or paragraph (1) of subdivision (b) of Section 42238.02 and who is enrolled at a school district, public charter school, state special school, or other local educational agency, shall have a KIDS Account established on the pupil's behalf, unless the pupil's KIDS Account has already been established pursuant to Section 69996.3, and shall receive an enhanced deposit into the pupil's KIDS Account in the amount of five hundred dollars (\$500).

(B) In addition to the amount allocated pursuant to subparagraph (A), the KIDS Account of each eligible pupil who is also a foster youth, as defined under subdivision (b) of Section 42238.01, shall receive an enhanced deposit of an additional five hundred dollars (\$500).

(C) In addition to the amount allocated pursuant to subparagraphs (A) and (B), the KIDS Account of each eligible pupil who is also a homeless pupil meeting the definition of "homeless children and youths" in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)) shall receive an enhanced deposit of an additional five hundred dollars (\$500).

(2) Commencing with the 2022–23 fiscal year, through the program, all of the following shall occur:

(A) Each pupil who meets all of the following conditions shall have a KIDS Account opened on their behalf, unless their account has already been established pursuant to Section 69996.3, and shall receive an enhanced deposit into their KIDS Account in the amount of five hundred dollars (\$500):

(i) The pupil is entering first grade in the applicable fiscal year.

(ii) The pupil meets the requirements to be considered an unduplicated pupil for purposes of paragraph (1) of subdivision (b) of Section 2574 or paragraph (1) of subdivision (b) of Section 42238.02.

(iii) The pupil is enrolled at a school district, public charter school, state special school, or other local educational agency.

(B) In addition to the amount allocated pursuant to subparagraph (A), the KIDS Account of each pupil who meets the requirements of subparagraph (A) and is also a foster youth, as defined under subdivision (b) of Section 42238.01, shall receive an enhanced deposit of an additional five hundred dollars (\$500).

(C) In addition to the amount allocated pursuant to subparagraphs (A) and (B), the KIDS Account of each pupil who meets the requirements of subparagraph (A) and is also a homeless pupil under the definition of "homeless children and youths" in subsection (2) of Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a(2)) shall receive an enhanced deposit of an additional five hundred dollars (\$500).

(D) For pupils for whom a KIDS Account has already been established pursuant to Section 69996.3 and who are also eligible for an enhanced deposit pursuant to this paragraph, the enhanced deposit shall be deposited in the KIDS Account in which funding for that pupil is currently held.

(3) A pupil who receives an enhanced deposit into their KIDS Account pursuant to paragraph (1) or (2) may only have one enhanced deposit made into their existing or newly established KIDS Account pursuant to this article. A pupil shall not have

more than one KIDS Account established for them pursuant to this article.

(b) (1) The board shall collaborate with the State Department of Education, or other relevant governmental agencies, to identify eligible pupils for the purpose of establishing KIDS Accounts or making an enhanced deposit into existing KIDS Accounts pursuant to this section. To the extent feasible, the State Department of Education shall annually provide necessary data using census day data in a secure manner for the board to fulfill its obligations pursuant to this article, including, but not necessarily limited to, eligible pupils' names, pupil identification, birth dates, grade levels, contact information of parents or legal guardians, and eligibility information. For purposes of this subdivision, the information received by the board shall be considered necessary to facilitate the establishment or enhancement of KIDS Accounts, or the establishment of a notification process for parents or legal guardians of eligible pupils.

(2) The board shall comply with federal and state laws to protect individual privacy, including, but not limited to, the Information Practices Act of 1977 (Chapter 1 (commencing with Section 1798) of Title 1.8 of Part 4 of Division 3 of the Civil Code) and all of the following federal statutes:

(A) The Family Educational Rights and Privacy Act of 1974 (Public Law 93-380, as amended).

(B) The Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191, as amended).

(C) The Higher Education Act of 1965 (Public Law 89-329, as amended).

(3) Notwithstanding any other law, individual records or source data associated with the establishment of a KIDS Account pursuant to this article shall not be subject to disclosure under the California Public Records Act (Chapter 3.5 (commencing with Section 6250) of Division 7 of Title 1 of the Government Code).

(c) The Legislature finds and declares that undocumented persons are eligible for KIDS Accounts within the meaning of subsection (d) of Section 1621 of Title 8 of the United States Code.

(d) It is the intent of the Legislature to appropriate state funding in the annual Budget Act to support the establishment of a KIDS Account for any eligible pupil who meets, or could meet in a future year, the requirements to be exempt from nonresident tuition pursuant to subdivision (a) of Section 68130.5.

**SEC. 11.** Section 70022 of the Education Code is amended to read:

**70022.** (a) (1) Subject to an available and sufficient appropriation, an undergraduate student enrolled in the California State University or the University of California, or a community college student enrolled in 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, who meets the requirements of paragraph (3) is eligible for a scholarship award as described in paragraph (2).

(2) (A) For the 2013–14 to the 2021–22 academic year, inclusive, except as provided in paragraphs (4) and (5), an eligible student shall receive a scholarship award in an amount that, combined with other federal, state, or institutionally administered student grants or fee waivers received by an eligible student, is up to 40 percent of the amount charged to that student in that academic year for mandatory systemwide tuition and fees, or for an eligible community college student, up to 40 percent of the amount charged to that student in upper division fees for a community college baccalaureate degree program, if all of the requirements in paragraph (3) are met, to the satisfaction of the commission, each academic year.

(B) Commencing with the 2022–23 academic year, except as provided in paragraph (5), an eligible student shall receive a scholarship award in an amount that equals the difference between their cost of attendance as determined by the commission and the sum of the following amounts:

(i) Other federal, state, and institutionally administered student scholarships, grants, or fee waivers, and the amount of private scholarships awarded to the student in excess of the sum of the amounts in clauses (ii) and (iii).

(ii) Seven thousand eight hundred ninety-eight dollars (\$7,898), reflecting an expected student contribution toward cost of attendance from work earnings or other resources. Commencing with the 2024–25 award year, the commission shall annually adjust this amount based on the percentage change in the minimum wage, pursuant to paragraph (1) of subdivision (c) of Section 1182.12 of the Labor Code.

(iii) Notwithstanding Section 69506, for dependent students with an annual household income exceeding one hundred thousand dollars (\$100,000), 33 percent of the parents' contribution from adjusted available income, as determined using the federal methodology established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Sec. 1087mm et seq.), and applicable rules and regulations adopted by the commission.

(3) (A) A student shall be eligible to receive an award if all of the following requirements are met, to the satisfaction of the commission, each academic year:

(B) (i) For each academic year from 2013–14 to 2021–22, inclusive, the student's annual household income does not exceed one hundred fifty thousand dollars (\$150,000). For awards distributed for the 2016–17 academic year and subsequent academic years, the commission shall annually adjust the maximum income level set under this clause in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, annual household income shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

(ii) Commencing with the 2022–23 academic year, the student's annual household income does not exceed the following amounts:

(I) Two hundred one thousand dollars (\$201,000) if the student is a dependent student or an independent student with dependents other than a spouse.

(II) One hundred thirty-three thousand dollars (\$133,000) if the student is a married independent student with no dependents other than a spouse.

(III) One hundred sixteen thousand dollars (\$116,000) if the student is a single independent student with no dependents.

(iii) For awards distributed for the 2023–24 academic year and subsequent academic years, the commission shall annually adjust the maximum income levels set under clause (ii) in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, annual household income shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

(C) (i) For each academic year from 2015–16 to 2021–22, inclusive, the student's household asset level shall not exceed one hundred fifty thousand dollars (\$150,000). For awards distributed in the 2016–17 academic year and subsequent academic years, the commission shall annually adjust the maximum household asset level set under this clause in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, student's household asset level shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

(ii) Commencing with the 2022–23 academic year, the student's household asset level does not exceed the following amounts:

(I) Two hundred one thousand dollars (\$201,000) if the student is a dependent student or an independent student with dependents other than a spouse.

(II) Ninety-six thousand dollars (\$96,000) if the student is a single independent student with no dependents or a married independent student with no dependents other than a spouse.

(iii) For awards distributed in the 2023–24 academic year and subsequent academic years, the commission shall annually adjust the maximum household asset level set under clause (ii) in accordance with the percentage changes in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution. For purposes of this article, a student's household asset level shall be calculated in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Chapter 1.7 (commencing with Section 69430)) and Section 69506.

(D) The student satisfies the eligibility requirements for a Cal Grant award pursuant to Section 69433.9, except that a student who is exempt from nonresident tuition under Section 68130.5 shall not be required to satisfy the requirements of subdivision (a) of Section 69433.9.

(E) The student is exempt from paying nonresident tuition.

(F) The student completes and submits a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application. The FAFSA or California Dream Act application must be submitted or postmarked by no later than March 2.

(G) The student makes a timely application or applications for all other federal, state, or institutionally administered grants or fee waivers for which the student is eligible.

(H) The student maintains satisfactory academic progress in a manner that is consistent with the requirements applicable to the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program pursuant to subdivision (m) of Section 69432.7.

(I) The student is pursuing the student's first undergraduate baccalaureate degree or has completed a baccalaureate degree and has been admitted to, and is enrolled in, a program of professional teacher preparation at an institution approved by the Commission on Teacher Credentialing.

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

(4) (A) For each academic year from 2013–14 to 2021–22, inclusive, the percentages specified in paragraph (2) shall be reduced by 0.6-percent increments per one thousand dollars (\$1,000) of annual household income in excess of one hundred thousand dollars (\$100,000), to a minimum 10 percent, provided that no scholarship award shall be provided to a student with an annual household income exceeding one hundred fifty thousand dollars (\$150,000). Beginning with award calculations for the 2016–17 academic year, and for subsequent academic years, the commission shall annually adjust the income levels specified in this subparagraph by the percentage change in the cost of living within the meaning of paragraph (1) of subdivision (e) of Section 8 of Article XIII B of the California Constitution and shall adjust the incremental reduction accordingly to ensure that a minimum of 10 percent of mandatory systemwide tuition and fees for an academic year are awarded. This reduction shall be in addition to any reduction required by Section 70023.

(B) Notwithstanding subparagraph (A), for each academic year from 2013–14 to 2021–22, inclusive, for any student who qualifies for a scholarship award of at least one dollar (\$1), the minimum annual scholarship amount for full-time enrollment is ninety dollars (\$90).

(5) (A) For the 2014–15, 2015–16, and 2016–17 academic years, the maximum amount of a student's scholarship award shall be 35 percent, 50 percent, and 75 percent, respectively, of the total scholarship award amount that the student would otherwise be eligible to receive.

(B) Commencing with the 2022–23 academic year, the maximum amount of a student's scholarship award shall be determined by the percentage determined pursuant to subparagraph (C) of the total scholarship award amount that the student would otherwise be eligible to receive.

(C) The commission shall annually determine the percentage required for purposes of subparagraph (B) by taking the amount appropriated for the purposes of this program for the applicable award year and dividing that by the sum of the projected amount computed for all eligible students pursuant to subparagraph (B) of paragraph (2) for the applicable award year.

(b) In order for students enrolled in their respective segments to remain eligible to receive a scholarship award under this article, the University of California and the California State University shall not supplant their respective institutional need-based or merit-based grants with the funds provided for scholarships under this article. The University of California and the California State University shall ensure that the amount of institutional student aid provided in each academic year beginning with the 2022–23 academic year is adjusted annually to account for increases in systemwide undergraduate enrollment, as applicable, such that the proportion of institutional student aid relative to systemwide undergraduate enrollment is maintained at a level at least equivalent to the level maintained for undergraduate students during the 2021–22 academic year. The University of California and the California State University shall also ensure that at least 33 percent of the revenues of an increase to existing mandatory systemwide fees charged to undergraduate students is set aside by the regents or the trustees, as applicable, for institutional student aid to assist resident undergraduate students, including those undergraduate students exempt from nonresident tuition pursuant to Sections 68075.5 and 68130.5, and families in meeting the total cost of education.

(c) (1) The University of California and the California State University shall report on the implementation of this article as part of the report made pursuant to Section 66021.1. At a minimum, the report shall add the following information, by parental income level or expected family contribution deciles, for the prior academic year:

(A) The number and percentage of students receiving an award under this article and the average dollar amount of that award.

(B) The number and percentage of students receiving a student loan and the average amount borrowed.

(2) The report shall also include the following information by campus for the prior academic year:

(A) The cost of attendance for undergraduates in each living arrangement (on campus, off campus, or at home with parents).

(B) The number and percentage of undergraduates in each living arrangement (on campus, off campus, or at home with parents).

(d) (1) A Middle Class Scholarship Program award authorized pursuant to this article shall be defined as a full-time equivalent grant. An award to a part-time student shall be a fraction of a full-time grant. For each academic year from 2013–14 to 2021–22, inclusive, an award to a part-time student shall be determined by the proportionate amount charged for systemwide tuition and fees. A part-time student shall not be discriminated against in the selection of Middle Class Scholarship Program awards. For purposes of this section, “full-time student” and “part-time student” have the same meaning as specified in subdivision (f) of Section 69432.7.

(2) Commencing with the 2022–23 academic year, an award to a student enrolled in six to eight semester units, inclusive, or the equivalent shall be no more than one-half of the award the student would have received had the student enrolled full time.

An award to a student enrolled in 9 to 11 semester units, inclusive, or the equivalent shall be no more than three-quarters of the award the student would have received had the student enrolled full time.

**SEC. 12.** For purposes of the three-year cohort default rate requirement for an otherwise qualifying institution, pursuant to paragraph (3) of subdivision (l) of Section 69432.7 of the Education Code, and notwithstanding subparagraph (D) of that paragraph, for the 2022–23 academic year, the Student Aid Commission shall use the three-year cohort default rate certified in 2020 for an otherwise qualifying institution.

**SEC. 13.** This act is a bill providing for appropriations related to the Budget Bill within the meaning of subdivision (e) of Section 12 of Article IV of the California Constitution, has been identified as related to the budget in the Budget Bill, and shall take effect immediately.