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SB-886 Postsecondary education. (2023-2024)

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Senate Bill No. 886

CHAPTER 188

An act to amend Sections 66022, 66770, 66771, 68101, 69551, and 89304 of, and to repeal Sections 69615.4, 69618.8, and 70108 of, the Education Code, relating to postsecondary education, and making an appropriation therefor.

[Approved by Governor September 08, 2023. Filed with Secretary of State September 08, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

SB 886, Committee on Education. Postsecondary education.

(1) Existing law requires the governing board of every community college district, the Trustees of the California State University, and, if appropriate resolutions are adopted, the Regents of the University of California and the Board of Directors of the College of the Law, San Francisco to adopt regulations providing for the withholding of institutional services from students or former students who have been notified in writing, as specified, that they are in default on a loan or loans under the Federal Family Education Loan Program. Existing law requires the Student Aid Commission to give notice of the default to all institutions through which the individual acquired the loan or loans.

This bill would remove the requirement on the commission to give notice of the default to those institutions.

(2) Existing law establishes various provisions relating to the Online Education Initiative Consortium, defined as the efforts to expand the delivery of community college courses through technology, as provided.

This bill would rename "the Online Education Initiative Consortium" as "the California Virtual Campus" in these provisions.

(3) Existing law establishes the Cash for College Program under the administration of the Student Aid Commission, and authorizes the commission to allocate funds for support of local Cash for College projects designed to accomplish prescribed goals relating to encouraging application for student financial aid. Existing law establishes the Cash for College Fund and continuously appropriates certain moneys in that fund for purposes of the program. Existing law requires the commission to allocate funds to regional coordinating organizations, as defined, to plan, coordinate, or conduct Cash for College workshop series within specific regions in the state.

This bill would specify that an organization that is not part of a regional coordinating organization, but has a written partnership agreement with the commission or a regional coordinating organization, may offer free local and regional workshops through the Cash for College Program. By expanding the purposes for which continuously appropriated funds may be used, the bill would make an appropriation.

(4) Existing law establishes the Assumption Program of Loans for Education, administered by the commission, under which any person enrolled in a participating institution of postsecondary education, or any person who agrees to participate in a teacher trainee or teacher internship program, is eligible to enter into an agreement for loan assumption, to be redeemed pursuant to a prescribed procedure upon becoming employed as a teacher if the teacher satisfies certain conditions. Existing law requires the

commission to report annually to the Legislature specified information regarding the program's participants, on the basis of sex, age, and ethnicity.

This bill would repeal this reporting requirement.

(5) Existing law establishes the Graduate Assumption Program of Loans for Education, administered by the commission, under which any person enrolled in a participating institution of postsecondary education who meets certain requirements is eligible to enter into an agreement for loan assumption, as provided, to be redeemed pursuant to a prescribed procedure upon becoming employed at one or more accredited California colleges or universities after obtaining a graduate degree. Existing law requires the commission to report annually to the Legislature on the program, as specified.

This bill would repeal this reporting requirement.

(6) Existing law establishes the State Nursing Assumption Program of Loans for Education, administered by the commission, whereby eligible postsecondary education students may enter into loan repayment agreements with the commission, with specified terms, in exchange for serving as nursing faculty in a registered nursing program at an accredited California college or university. Existing law requires the commission to report annually to the Legislature on the program, as specified.

This bill would repeal this reporting requirement.

(7) Existing law establishes the California State University (CSU) under the administration of the Trustees of the CSU. Existing law authorizes, upon a favorable vote of $\frac{2}{3}$ of the students voting in a CSU campus election, as provided, the trustees to require each student attending the campus to pay a building and operating fee not to exceed \$40 per academic year for the purpose of financing, operating, and constructing a student body center. Existing law authorizes the chief fiscal officer of the CSU campus to expend funds collected from this fee for this purpose only upon the submission of an appropriate claim schedule by an elected representative of the student body or that elected representative's appointee.

This bill instead would authorize the chief fiscal officer of the CSU campus to expend the funds collected from the fee when an appropriate claim schedule is approved.

Vote: majority Appropriation: yes Fiscal Committee: yes Local Program: no

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

SECTION 1. Section 66022 of the Education Code is amended to read:

66022. (a) (1) The governing board of every community college district, the Trustees of the California State University, the Regents of the University of California, and the Board of Directors of the College of the Law, San Francisco shall adopt regulations providing for the withholding of institutional services from students or former students who have been notified in writing at the student's or former student's last known address that they are in default on a loan or loans under the Federal Family Education Loan Program.

(2) For purposes of this section, "default" means the failure of a borrower to make an installment payment when due, or to meet other terms of the promissory note under circumstances in which the guarantee agency finds it reasonable to conclude that the borrower no longer intends to honor the obligation to repay, provided that this failure persists for 180 days for a loan repayable in monthly installments, or 240 days for a loan repayable in less frequent installments.

(b) (1) The regulations adopted pursuant to subdivision (a) shall provide that the services withheld may be provided during a period when the facts are in dispute or when the student or former student demonstrates to either the governing board of the community college district, the Trustees of the California State University, the Regents of the University of California, or the Board of Directors of the College of the Law, San Francisco, as appropriate, or to the Student Aid Commission, or both the commission and the appropriate entity or its designee, that reasonable progress has been made to repay the loan or that a reasonable justification exists for the delay as determined by the institution. The regulations shall specify the services to be withheld from the student and may include, but are not limited to, either or both of the following:

(A) The provision of grades.

(B) The provision of diplomas.

(2) The adopted regulations shall not include the withholding of registration privileges or transcripts.

(c) This section shall not impose any requirement upon the University of California or the College of the Law, San Francisco unless the Regents of the University of California or the Board of Directors of the College of the Law, San Francisco, respectively, by resolution, make this section applicable.

(d) Guarantors, or those who act as their agents or act under their control, who provide information to postsecondary educational institutions pursuant to this section, shall defend, indemnify, and hold harmless the governing board of every community college district, the Trustees of the California State University, the Regents of the University of California, and the Board of Directors of the College of the Law, San Francisco from action resulting from compliance with this section when the action arises as a result of incorrect, misleading, or untimely information provided to the postsecondary educational institution by the guarantors, their agents, or those acting under the control of the guarantors.

SEC. 2. Section 66770 of the Education Code is amended to read:

66770. For purposes of this chapter, the following definitions apply:

(a) "California Virtual Campus" means the efforts to expand the delivery of courses through technology pursuant to Schedule 26 and Provision 42 of Item 6870-101-0001 of Section 2.00 of the Budget Act of 2013 (Chapter 20 of the Statutes of 2013).

(b) "Chancellor's office" means the office of the Chancellor of the California Community Colleges.

(c) "Home college" means the campus of the California Community Colleges at which a student is matriculated.

(d) "Online course exchange" means the technological mechanism used by the California Virtual Campus to offer online-only courses that have highest demand, fill quickly, and are prerequisites for many different courses.

(e) "Teaching college" means the campus of the California Community Colleges to which a student seeks access.

SEC. 3. Section 66771 of the Education Code is amended to read:

66771. (a) A student is qualified to participate in the program established by this chapter if the student is enrolled at a home college that is part of the California Virtual Campus and meets all of the following requirements:

(1) The student has attained a grade point average of at least 2.0 on a 4-point scale for completed coursework.

(2) The student has paid the appropriate fees and tuition required by the home college for enrollment in the academic term in which the student proposes to cross-enroll.

(3) The student has no outstanding fees or tuition to be paid at the home college.

(b) A teaching college shall inform each student who enrolls in an online course pursuant to this chapter of all of the following:

(1) The technical requirements that must be satisfied by a student in order to successfully participate in, and complete, the online course.

(2) Any prerequisite course, or other academic preparation, deemed necessary for enrollment in the online course.

(3) Any materials, skills, knowledge, or other elements that are necessary to ensure that a student has an opportunity to succeed in the online course.

(c) The teaching college shall charge participating students the appropriate course enrollment fees for residents as applicable and to the extent required by law.

SEC. 4. Section 68101 of the Education Code is amended to read:

68101. A community college district may accept the determination of another community college district as to a student's residency classification pursuant to a process established by the office of the Chancellor of the California Community Colleges, or if all of the following conditions are satisfied:

(a) The student is cross-enrolling pursuant to Chapter 9.7 (commencing with Section 66770) of Part 40.

(b) The student is cross-enrolling in a course available through the online course exchange of the California Virtual Campus, as defined in Section 66770.

(c) The home college certifies the determination of the community college district as to the student's residency classification.

(d) The student is enrolling in a course available at the teaching college through the online course exchange of the California Virtual Campus.

(e) The home college and the teaching college have both signed on to participate in the online course exchange of the California Virtual Campus.

SEC. 5. Section 69551 of the Education Code is amended to read:

69551. (a) The Legislature finds and declares all of the following:

(1) The Cash for College Program has successfully established local regional partnerships that annually provide hands-on help in filling out financial aid forms necessary to receive financial assistance for college. This program was initiated by private foundations and the commission in 2002 with the goal of increasing the number of students who successfully complete the financial aid process and enroll in college. In 2007, the Cash for College Program succeeded in serving over 20,000 students and their families in 44 of the 58 counties in California, thereby helping the state to access tens of millions of dollars in federal Pell Grant financial aid for low-income students and increasing the number of students participating in the Cal Grant Program.

(2) The intersegmental cooperative nature of the Cash for College Program has proved to be a highly effective mechanism to coordinate existing services and foster the cooperation of the various educational segments, community, and business partners involved.

(3) The Cash for College Program has been successful because of the financial and volunteer contributions of local partners in private business and industry, the financial aid, admissions, and outreach communities, and student groups. Additional funding has been provided through these local and regional partnerships, and through one million five hundred thousand dollars (\$1,500,000) in private foundation grant funds that have supported the initial development of the program, and funded local scholarships offered to workshop participants who complete the financial aid process by the state filing deadline.

(4) The Cash for College Program has assisted high school and community college students whose families were unfamiliar with the financial aid process. The program focuses on assisting students and their families who are first- or second-generation college-bound students who have little or no access to college advising because of limited resources at the schoolsite or the perception that college is not an option.

(5) The Cash for College Program seeks to provide all California students who desire to attend college the opportunity to enroll by providing tangible assistance in accessing the available state and federal resources to make higher education possible.

(6) A college or postsecondary education is a requirement for a working wage job. The wage disparity between a high school graduate and a college graduate is one million dollars (\$1,000,000) over an individual's lifespan.

(7) California reflects the ethnic and cultural diversity of today's world. Evidence of this change is most pronounced within our public elementary and secondary education system. As California continues into the 21st century, there is no single group that represents a majority of elementary and secondary enrollment. These changing demographics present great challenges and great opportunities.

(8) California must invest in higher education and in the future of its young people so they can acquire skills and knowledge necessary to continue the state's economic recovery.

(9) The Cash for College Program provides access to the college financial aid process for students of varied backgrounds and socioeconomic status.

(b) (1) Beginning January 1, 2008, the Cash for College Program is established and is administered by the commission, in partnership with private business and industry and local community and educational organizations. The commission may allocate funds for support of local Cash for College financial aid workshop efforts that are designed to accomplish the following goals:

(A) Targeted outreach to, and assistance for, low-income and first-generation college-bound students with state and federal financial aid applications.

(B) Targeted outreach to, and assistance for, students who are enrolled in schools or geographic regions with low college eligibility or participation rates, with state and federal financial aid applications.

(2) The projects and organizations funded under this article shall implement all of the following activities:

(A) Organize and conduct free local and regional workshops that help students and families to fill out the Free Application for Federal Student Aid (FAFSA) and the Cal Grant grade point average verification form required for Cal Grants.

(B) Convene advisory board meetings to develop regional partnerships with local partners in private business and industry, admissions and outreach communities, and student groups, to foster financial and volunteer contributions.

(c) The commission shall, by December 1 of each year, provide a report to the fiscal and policy committees of the Legislature on the Cash for College Program detailing program data, expenditures, and the findings of an independent evaluation on the extent to which program goals have been met. Program data shall include the number of completed FAFSA applications, the number of

submitted grade point average verifications, and the number of Cal Grant recipients using their Cal Grant awards at California postsecondary institutions.

(d) The commission shall contract with an external evaluator to conduct the independent evaluation.

(e) (1) The commission may accept voluntary contributions or donations in cash to pay for the costs of implementing the program pursuant to this article. Voluntary contributions shall be deposited into the Cash for College Fund, which is hereby created in the State Treasury. Only moneys contributed or donated for the purposes of this article may be deposited into the fund. The fund shall be credited with all investment income earned by moneys in the fund. The moneys received in contributions or donations for the purposes of this article are not part of the General Fund as defined in Section 16300 of the Government Code. Voluntary contributions or donations are special funds held in trust for purposes of meeting the purposes of this article. Notwithstanding Section 13340 of the Government Code, moneys in the fund from voluntary contributions or donations are hereby continuously appropriated to the commission without regard to fiscal year for the purposes enumerated in this article.

(2) Additional funds may be appropriated in the annual Budget Act for the purposes of this article.

(f) (1) As used in this subdivision, "regional coordinating organization" means a coalition of entities led by a designated organization, which may include nonprofit organizations, local education or other government agencies, or public or private higher education institutions.

(2) The commission shall allocate funds to regional coordinating organizations to plan, coordinate, or conduct Cash for College workshop series within specified regions within the state.

(3) The commission shall require a regional coordinating organization to contribute equal or greater resources to match the Cash for College funds allocated to it by the commission. Funds allocated to a regional coordinating organization under this subdivision shall be based on demonstrated ability to contribute equal or greater matching resources or funds. The commission may require advance payment, if it determines that it is necessary to ensure that funds provided pursuant to this article are available each year before the start of the program.

(4) The commission may partner with regional coordinating organizations or other entities to facilitate additional nonstate funding or donations of property, or both, for the Cash for College Program.

(5) Notwithstanding Section 11005 of the Government Code, the commission may accept gifts of personal property without approval of the Director of Finance.

(6) In addition to the projects and organizations funded pursuant to this article, an organization that is not part of a regional coordinating organization, including high schools and community-based organizations, but has a written partnership agreement with the commission or a regional coordinating organization, may offer free local and regional workshops through the Cash for College Program.

(g) The commission may use the moneys appropriated for the program, including reasonable administrative costs, marketing, and external evaluation. Administrative costs shall include appropriate staffing to support the program, including, but not limited to, a Cash for College coordinator. The commission shall annually establish the total amount of funding to assist regional coordinating organizations. Allocation of funds shall be established based upon the best use of funding for that year, as determined by the commission in consultation with a Cash for College statewide advisory board that may include, but is not limited to, partners in private business and industry, admissions, outreach communities, and student groups.

SEC. 6. Section 69615.4 of the Education Code is repealed.

SEC. 7. Section 69618.8 of the Education Code is repealed.

SEC. 8. Section 70108 of the Education Code is repealed.

SEC. 9. Section 89304 of the Education Code is amended to read:

89304. (a) Upon the favorable vote of two-thirds of the students voting in an election held for the purpose at a state university, in the manner the trustees shall prescribe, and open to all regular students enrolled in the state university, the trustees may establish, in addition to any other student fee the trustees are authorized to establish, a building and operating fee, not to exceed forty dollars (\$40) per student per academic year, which shall be required of all students attending the state university. All unexpended funds and money collected by any state university under this section shall be available for financing, operating, and constructing a student body center. All unexpended funds collected by any state university under this section shall be deposited or invested in trust by the chief fiscal officer of that state university in any one or more of the following ways:

(1) Deposits in trust accounts of the centralized state treasury system pursuant to Sections 16305 to 16305.7, inclusive, of the Government Code or in the California State University Trust Fund, or in a bank or banks whose accounts are insured by the

Federal Deposit Insurance Corporation.

(2) Investment certificates or withdrawable shares in state-chartered savings and loan associations and savings accounts of federal savings and loan associations, if the associations are doing business in the state and have their accounts insured by the Federal Savings and Loan Insurance Corporation.

(3) Purchase of any of the securities authorized for investment by Section 16430 of the Government Code or investment by the Treasurer in those securities.

(4) Participation in funds that are exempt from federal income tax pursuant to Section 501(c)(3) of Title 26 of the United States Code and that are open exclusively to nonprofit colleges, universities, and independent schools.

(5) Investment certificates or withdrawable shares in federal or state credit unions, if the credit unions are doing business in the state and have their accounts insured by the National Credit Union Administration and if any money so invested or deposited is invested or deposited in certificates, shares, or accounts fully covered by that insurance.

(b) All revenues received by the trustees under this section may be pledged for the acquisition, construction, and improvement of student body center projects pursuant to the State University Revenue Bond Act of 1947 (Article 2 (commencing with Section 90010) of Chapter 8), and may also be pledged to supplement other revenue funded projects relating to debt obligations issued by the trustees pursuant to the State University Revenue Bond Act of 1947. This section shall not be construed as altering or permitting a change in the pledge of student body center fee revenues established in connection with debt obligations issued before the enactment of this section and pursuant to the State University Revenue Bond Act of 1947.

(c) (1) The chief fiscal officer of each state university shall be the custodian of funds collected by a state university under this section, and shall provide the necessary accounting records and controls thereof.

(2) The state university shall be reimbursed from the funds collected by a state university under this section in an amount to cover the cost of the custodial and accounting services provided by the state university in connection with these funds.

(d) The funds collected by a state university under this section may be expended by the custodian when an appropriate claim schedule is approved.