

File No. 220628

Committee Item No. \_\_\_\_\_

Board Item No. 47

## COMMITTEE/BOARD OF SUPERVISORS

### AGENDA PACKET CONTENTS LIST

Committee: \_\_\_\_\_

Date: \_\_\_\_\_

Board of Supervisors Meeting

Date: May 24, 2022

#### Cmte Board

- |                          |                                     |  |
|--------------------------|-------------------------------------|--|
| <input type="checkbox"/> | <input type="checkbox"/>            | Motion                                       |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Resolution                                   |
| <input type="checkbox"/> | <input type="checkbox"/>            | Ordinance                                    |
| <input type="checkbox"/> | <input type="checkbox"/>            | Legislative Digest                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Budget and Legislative Analyst Report        |
| <input type="checkbox"/> | <input type="checkbox"/>            | Youth Commission Report                      |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | Introduction Form                            |
| <input type="checkbox"/> | <input type="checkbox"/>            | Department/Agency Cover Letter and/or Report |
| <input type="checkbox"/> | <input type="checkbox"/>            | MOU  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Information Form                       |
| <input type="checkbox"/> | <input type="checkbox"/>            | Grant Budget                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Subcontract Budget                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Contract/Agreement                           |
| <input type="checkbox"/> | <input type="checkbox"/>            | Form 126 – Ethics Commission                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Award Letter                                 |
| <input type="checkbox"/> | <input type="checkbox"/>            | Application                                  |
| <input type="checkbox"/> | <input type="checkbox"/>            | Public Correspondence                        |

#### OTHER

- |                          |                                     |   |
|--------------------------|-------------------------------------|---|
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>California State Assembly Bill No. 288</u> |
| <input type="checkbox"/> | <input checked="" type="checkbox"/> | <u>CSAC/LCC Position</u>                      |
| <input type="checkbox"/> | <input type="checkbox"/>            | _____   |
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Prepared by: Brittney Harrell

Date: May 19, 2022

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

1 [Supporting California State Assembly Bill No. 288 (Calderon) - Scholarship Displacement]

2  
3 **Resolution supporting California State Assembly Bill No. 288 (AB 288), introduced by**  
4 **Assembly Members Lisa Calderon (D-25) and Mia Bonta (D-18) on January 21, 2021; AB**  
5 **288 would prohibit the displacement of financial aid awards due to receipt of private**  
6 **scholarships of students who are eligible for the: 1) Federal Pell Grant and/or 2)**  
7 **California Dream Act financial aid at both public and private of higher education in the**  
8 **State of California.**

9  
10 WHEREAS, Postsecondary education is a critical factor in promoting upward  
11 economic mobility, especially for poor and low-income individuals; and

12 WHEREAS, While college enrollment has increased exponentially in the last several  
13 decades, the enrollment and graduation rates of poor and low-income students remain  
14 significantly behind those of their middle- and upper-income peers; and

15 WHEREAS, Experts resoundingly agree that California has a college affordability  
16 problem, despite the state having long prioritized keeping tuition low or even free; and

17 WHEREAS, Affordability challenges contribute to inequities in college enrollment,  
18 completion, and student debt burdens, with low-income and minority students less likely to  
19 enroll in or complete college, and more likely to have borrowed for college; and

20 WHEREAS, Of California's students pursuing bachelor's degrees and with family  
21 incomes of less than \$50,000, 95% have unmet need even when packaged with self-help, and  
22 without self-help, 97% have unmet need, thereby requiring students to come up with  
23 additional money that may be covered by a private scholarship; and

24 WHEREAS, Private scholarships assist students in covering non-tuition costs, which  
25 are significant and often uncovered by the Cal Grant program; and

1           WHEREAS, The City and County of San Francisco created the pioneering  
2 Kindergarten to College (K2C) child savings account program to orient students and families  
3 toward college and address inequities in postsecondary access and success – with the first  
4 K2C class poised to graduate from high school in 2023; and

5           WHEREAS, Mayor London Breed’s Bridge to Excellence Program provides  
6 scholarships to highly-motivated graduating high school seniors from low-income and under-  
7 resourced communities to help overcome financial barriers they face attending college; and

8           WHEREAS, Scholarship displacement is a practice where colleges and universities  
9 displace previously awarded financial aid when a student is awarded a private scholarship,  
10 effectively reducing the amount of financial aid awarded and resulting in a zero net gain for  
11 the student - a practice that many students are not aware of and don’t realize will impact them  
12 when they receive an external private scholarship; and

13           WHEREAS, AB 288, known as the California Ban on Scholarship Displacement Act,  
14 aims to ensure that private scholarships supplement, and do not supplant, gift aid, grants,  
15 scholarships, tuition waivers, and fellowship stipends provided by institutions of higher  
16 education to students who have financial need and are eligible for the federal Pell Grant  
17 and/or California Dream Act financial aid; and

18           WHEREAS, Prohibiting the practice of scholarship displacement is essential to make  
19 college more affordable, especially in light of the COVID-19 pandemic, as public and private  
20 resources become even more limited for low-income students; now, therefore, be it

21           RESOLVED, That the City and County of San Francisco supports Assembly Bill No.  
22 288 that would prohibit the displacement of financial aid awards due to receipt of private  
23 scholarships of students who are eligible for the Federal Pell Grant and/or California Dream  
24 Act financial aid at both public and private of higher education in the state of California; and,  
25 be it

1           FURTHER RESOLVED, That the San Francisco Board of Supervisors supports  
2   Assembly Bill No. 288, the California Ban on Scholarship Displacement Act; and, be it

3           FURTHER RESOLVED, That the Clerk of the Board of Supervisors of the City and  
4   County of San Francisco transmit a copy of this Resolution to San Francisco's State  
5   Legislative Delegation, City and County of San Francisco State Lobbyist, California Governor  
6   Gavin Newsom and the Bill's primary sponsors Assembly Members Lisa Calderon and Mia  
7   Bonta.

AMENDED IN SENATE MAY 17, 2022

AMENDED IN ASSEMBLY JANUARY 24, 2022

AMENDED IN ASSEMBLY MARCH 15, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

## ASSEMBLY BILL

**No. 288**

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**Introduced by Assembly Members Calderon and ~~Bonta~~ Mia Bonta**  
**(Coauthors: Assembly Members Chiu and Santiago)**  
(Coauthor: Senator Limón)

January 21, 2021

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An act to add Article 24 (commencing with Section 70045) to Chapter 2 of Part 42 of Division 5 of Title 3 of the Education Code, relating to student financial aid.

### LEGISLATIVE COUNSEL'S DIGEST

AB 288, as amended, Calderon. California Ban on Scholarship Displacement Act of 2021.

Existing law establishes the California Community Colleges, under the administration of the Board of Governors of the California Community Colleges, the California State University, under the administration of the Trustees of the California State University, the University of California, under the administration of the Regents of the University of California, independent institutions of higher education, and private postsecondary educational institutions as the segments of postsecondary education in the state.

This bill would enact the California Ban on Scholarship Displacement Act of 2021, which would prohibit each public and private institution of higher education in the state that receives, or benefits from, state-funded financial assistance, or that enrolls students who receive

state-funded student financial assistance, from reducing certain students' institution-based ~~financial~~ gift aid offer below their financial need, except as specified. The bill would make its provisions severable.

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. Article 24 (commencing with Section 70045) is  
2 added to Chapter 2 of Part 42 of Division 5 of Title 3 of the  
3 Education Code, to read:

4  
5 Article 24. California Ban on Scholarship Displacement Act  
6 of 2021  
7

8 70045. This act shall be known, and may be cited, as the  
9 California Ban on Scholarship Displacement Act of 2021.

10 70046. The Legislature finds and declares both of the following:

11 (a) As of 2020, California students who have financial need and  
12 receive private scholarships are unable to make full use of the  
13 awards provided to them by private scholarship providers because  
14 institutions of higher education reduce their gift aid, grants,  
15 scholarships, tuition waivers, and fellowship stipends ~~which that~~  
16 those students would otherwise be qualified to receive. The  
17 reduction of an institution's financial aid due to private scholarships  
18 is referred to as "scholarship displacement."

19 (b) This act is intended to ensure that private scholarships  
20 supplement, and do not supplant, gift aid, grants, scholarships,  
21 tuition waivers, and fellowship stipends provided by institutions  
22 of higher education to California students who have financial need.

23 70047. As used in this article, unless the context requires  
24 otherwise, the following definitions apply:

25 (a) An "academic year" is July 1 to June 30, inclusive. The start  
26 date of a session shall determine the academic year in which it is  
27 included.

28 (b) "Cost of attendance" means the student's tuition and fees,  
29 books and supplies, living expenses, transportation expenses, and  
30 any other student expenses used to calculate a student's financial  
31 need for purposes of student aid programs under Title IV of the

1 federal Higher Education Act of 1965, as amended (20 U.S.C. Sec.  
2 1070 et seq.).

3 (c) “Expected family contribution” means a student’s expected  
4 family contribution calculated according to the federal  
5 methodology pursuant to subdivision (a) of Section 69506 as  
6 established by Title IV of the federal Higher Education Act of  
7 1965, as amended (20 U.S.C. Sec. 1070 et seq.).

8 (d) (1) “Financial need” means, as used in subdivision (a) of  
9 Section 70048, the cost of attendance minus the expected family  
10 contribution.

11 (2) “Financial need” means, as used in subdivision (b) of Section  
12 70048, the cost of attendance minus the student aid index.

13 (e) “Gift aid” means all financial aid designated for the student’s  
14 educational expenses, including a grant, scholarship, tuition waiver,  
15 fellowship stipend, or other third-party payment, that is not a loan  
16 or pursuant to a work-study program.

17 (f) “Institutional ~~financial~~ *gift* aid” means ~~financial~~ *gift* aid that  
18 is paid for by the institution of higher education from its funds and  
19 the recipient of the aid is selected by the institution.

20 (g) “Institution of higher education” or “institution” means any  
21 public or private postsecondary educational institution in the state  
22 that receives, or benefits from, state-funded financial assistance  
23 or enrolls students who receive state-funded student financial  
24 assistance.

25 (h) “Private scholarship” means financial assistance awarded  
26 to students based on one or more factors, including, but not limited  
27 to, academic merit, talent, or a particular area of study, by a private  
28 company, foundation, or nonprofit organization, or a public charity  
29 or service group.

30 (i) “Scholarship displacement” means the reduction of  
31 institutional ~~financial~~ *gift* aid due to private scholarship awards.

32 (j) “Student” means any California resident that enrolls in any  
33 institution of higher education to obtain an undergraduate degree.

34 (k) “Student Aid Index” means, with respect to a student, an  
35 index that reflects an evaluation of a student’s approximate  
36 financial resources to contribute toward the student’s postsecondary  
37 education expenses for the academic year.

38 70048. (a) Commencing with the 2023–24 academic year, an  
39 institution of higher education shall not reduce the institutional  
40 ~~financial~~ *gift* aid offer of a student who is eligible to receive a

1 federal Pell Grant award or financial assistance under the California  
2 Dream Act for an academic year as a result of private scholarship  
3 awards designated for the student unless the student's gift aid  
4 exceeds the student's annual cost of attendance.

5 (b) The institution may reduce the institutional ~~financial~~ *gift* aid  
6 offer of a student who is eligible to receive a federal Pell Grant  
7 award or financial assistance under the California Dream Act by  
8 no more than the amount of the student's gift aid that is in excess  
9 of the student's annual cost of attendance.

10 (c) The institution shall not consider receipt or anticipated  
11 receipt of private scholarships when considering a student who is  
12 eligible to receive a federal Pell Grant award or financial assistance  
13 under the California Dream Act for qualification for institutional  
14 ~~financial~~ *gift* aid.

15 (d) To ensure financial aid is maximized, an institution is  
16 encouraged to implement efforts to avoid scholarship displacement  
17 through consultation with scholarship providers and students to  
18 avoid situations where institutional ~~financial~~ *gift* aid and private  
19 scholarships can only be used for specific purposes.

20 (e) This article shall not be interpreted or implemented in a  
21 manner inconsistent with state or federal law. The provisions of  
22 this article are severable. If any provision of this article or its  
23 application is held invalid due to a conflict with federal  
24 requirements, that invalidity shall not affect other provisions or  
25 applications that can be given effect without the invalid provision  
26 or application.



**From:** [Low, Jen \(BOS\)](#)  
**To:** [BOS Legislation, \(BOS\)](#)  
**Cc:** [Melgar, Myrna \(BOS\)](#); [Fieber, Jennifer \(BOS\)](#); [Carrillo, Lila \(BOS\)](#); [Imperial, Megan \(BOS\)](#)  
**Subject:** Melgar - Resolution- Supporting California Assembly Bill 288 (Calderon) – Scholarship Displacement  
**Date:** Wednesday, May 18, 2022 11:42:40 AM  
**Attachments:** [Melgar - Resolution - Supporting California Assembly Bill 288 \(Calderon\) – Scholarship Displacement.pdf](#)  
[Melgar - Resolution - Supporting California Assembly Bill 288 \(Calderon\) – Scholarship Displacement.doc](#)  
[Co-Sponsorship Request Resolution for AB 288 - Ban on Financial Aid Displacement.msg](#)  
[20210AB288\\_96.pdf](#)

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Dear Clerk Staff,

Please find attached **Melgar - Resolution- Supporting California Assembly Bill 288 (Calderon) – Scholarship Displacement** for consideration on the Adoption Without Committee Reference calendar.

This item is not controversial and the League of California Cities and California State Association of Counties have not taken positions on this bill. E-mails from Supervisors Ronen and Peskin's staff are attached to confirm co-sponsorship.

Thank you,

Jen

## **Introduction Form**

By a Member of the Board of Supervisors or Mayor

Time stamp  
or meeting date \_\_\_\_\_

I hereby submit the following item for introduction (select only one):

- ☐ 1. For reference to Committee. (An Ordinance, Resolution, Motion or Charter Amendment).
- ☒ 2. Request for next printed agenda Without Reference to Committee.
- ☐ 3. Request for hearing on a subject matter at Committee.
- ☐ 4. Request for letter beginning : "Supervisor  inquiries"
- ☐ 5. City Attorney Request.
- ☐ 6. Call File No.  from Committee.
- ☐ 7. Budget Analyst request (attached written motion).
- ☐ 8. Substitute Legislation File No.
- ☐ 9. Reactivate File No.
- ☐ 10. Topic submitted for Mayoral Appearance before the BOS on

Please check the appropriate boxes. The proposed legislation should be forwarded to the following:

- ☐ Small Business Commission      ☐ Youth Commission      ☐ Ethics Commission
- ☐ Planning Commission      ☐ Building Inspection Commission

**Note: For the Imperative Agenda (a resolution not on the printed agenda), use the Imperative Form.**

Sponsor(s):

Supervisors Melgar; Ronen, and Peskin

Subject:

Supporting California Assembly Bill 288 (Calderon) – Scholarship Displacement

The text is listed:

Resolution supporting California Assembly Bill No. 288 (AB 288) introduced by Assembly Members Lisa Calderon (D-25) and Mia Bonta (D-18) on January 21, 2021; AB 288 would prohibit the displacement of financial aid awards due to receipt of private scholarships of students who are eligible for the: 1) Federal Pell Grant and/or 2) California Dream Act financial aid at both public and private of higher education in the state of California.

Signature of Sponsoring Supervisor:  /s/Myrna Melgar

For Clerk's Use Only