

Date of Hearing: April 7, 2021

ASSEMBLY COMMITTEE ON EDUCATION

Patrick O'Donnell, Chair

AB 469 (Reyes) – As Amended March 29, 2021

SUBJECT: Pupil instruction: financial aid applications

SUMMARY: Requires local education agencies (LEAs) and charter schools to ensure that students enrolled in 12th grade complete a Free Application for Federal Student Aid (FAFSA) or a California Dream Act application (CADAA). Specifically, **this bill:**

- 1) Requires, commencing with the 2021–22 school year, the governing body of an LEA to confirm that a pupil complies with at least one of the following:
 - a) The pupil completes and submits to the United States Department of Education a FAFSA, or
 - b) If the pupil is exempt from paying nonresident tuition the pupil completes and submits to the California Student Aid Commission (CSAC) a CADAA.
- 2) Authorizes the parent or legal guardian of the pupil, or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, to opt out of the requirements of this section by submitting a written request to the LEA.
- 3) Requires that, if the LEA determines that a pupil is unable to complete a requirement due to extenuating circumstances, the LEA exempt the pupil from completing and submitting a FAFSA or CADAA, or a written request to opt out.
- 4) Requires the governing board or body of the LEA to ensure both of the following:
 - a) The LEA directs each high school pupil and, if applicable, the pupil's parent or legal guardian to any support and assistance services necessary to comply with the requirement that may be available through outreach programs, including, but not limited to, those programs operated by the CSAC, the California Community Colleges, college readiness organizations, and community-based organizations; and
 - b) Information shared by parents, legal guardians, and pupils under this section is handled according to applicable state and federal privacy laws and regulations.
- 5) Authorizes the CSAC to publish model policies, opt-out forms, and acceptable use forms on how to handle and protect all student and parent data to fullest extent possible consistent with federal and state privacy laws and regulations, so that schools remain safe, and all personal data remain safe, regardless of any person's immigration status or other personal information.
- 6) Authorizes the CSAC to draw from protections featured in other states' policies to develop the model policies, opt-out forms, and acceptable use forms.

- 7) Defines “extenuating circumstances” to mean situations or conditions that provide an excuse, including, but not limited to, military plans, religious reasons, or entering the workforce, for not completing a requirement of this section.
- 8) Defines “local educational agency” to mean a school district, county office of education, or charter school.
- 9) Defines “pupil” to mean a pupil in grade 12 attending a high school maintained by an LEA.

EXISTING LAW:

- 1) Requires, commencing with the 2020-21 school year, the governing board of a school district and the governing body of a charter school to:
 - a) Ensure that each pupil receives information on how to properly complete and submit the FAFSA or the CADAA, as appropriate, at least once before the pupil enters grade 12; and
 - b) Handle any information shared by parents, guardians, and pupils under this section according to applicable federal and state privacy laws and regulations.
- 2) Requires that the governing board of a school district and the governing body of a charter school have discretion over how it provides this instruction.
- 3) Specifies that instruction may be provided through in-class instruction, existing programs, family information sessions, or group or individual sessions with school counselors.
- 4) Requires instruction to include the following types of information:
 - a) The types of documentation and personal information required by the FAFSA or CADAA, including, but not limited to, documents relating to income taxes, finances and income, college choices, academic status, and personal identification, such as social security or taxpayer identification numbers;
 - b) An explanation of definitions used for each application, such as “legal guardianship,” “dependent,” or “household size;”
 - c) The eligibility requirements for the FAFSA or CADAA;
 - d) Application timelines and submission deadlines; and
 - e) The importance of submitting applications early, especially when financial aid is awarded on a first-come, first-served basis.
- 5) Requires the governing board of a school district and the governing body of a charter school to ensure that a paper copy of the FAFSA or CADAA is provided to a pupil, if that pupil or the pupil’s parent or guardian requests a copy.
- 6) Prohibits, in federal law, funds from being made available under any applicable program to any educational agency or institution that permits release of a student’s education records, or the personally identifiable information contained therein, other than directory information, without the written consent of their parents (20 U.S.C. § 1232(b)).

- 7) Prohibits school officials and employees of an LEA from collecting information or documents regarding the citizenship or immigration status of pupils or their family members, except as required by state or federal law, or as required to administer a state or federally-supported educational program (Education Code (EC) 234.7).
- 8) Establishes the California DREAM Loan Program and authorizes student eligibility for the program if a student satisfies several requirements, including submission of the CADAA (EC 70031, 70033).
- 9) Requires educational counseling to include academic counseling, in which pupils receive advice on the following (EC 49600):
 - a) Development and implementation, with parental involvement, of the pupil's immediate and long-range educational plans;
 - b) Academic planning for access and success in higher education programs, including advisement on courses needed for admission to public colleges and universities, standardized tests, and financial aid; and
 - c) Career and vocational counseling, in which pupils are assisted in, among other things, understanding the variety of four-year colleges and universities and community college vocational and technical preparation programs, as well as admission criteria and enrollment procedures.
- 10) Requires that information of a personal nature disclosed by a pupil who is 12 years of age or older, or by the parent or guardian of a pupil who is 12 years of age or older, to a school counselor during counseling be deemed confidential, except in specified circumstances, and prohibits such information from being included in a pupil's record without the written consent of the person who disclosed the information (EC 49602).
- 11) Requires a school to include, in its School Accountability Report Card, the availability of qualified personnel to provide counseling and other pupil support services, including the ratio of academic counselors per pupil (EC 33126).

FISCAL EFFECT: This bill has been keyed a possible state mandated local program by the Office of Legislative Counsel.

COMMENTS:

Need for the bill. According to the author, "Despite having a higher than average state poverty rate, California in 2018 ranked 30th in the country for FAFSA completion. A recent analysis by EdSource found that, in the year after the outbreak of COVID-19, FAFSA completion rates in California decreased by 11% and CADAA by 45%. These decreases were most significant among low-income students. AB 469 will require LEA's to ensure high school seniors complete the FAFSA and CADAA before graduating. The intent of this bill is to improve students' access to financial aid resources that require completion of these forms, such as the Community College Promise program. By connecting students to critical financial aid, AB 469 supports the Governor's and Legislature's vision to increase access to higher education."

Effect of the COVID 19 pandemic on FAFSA and CADAA applications. In March, 2020 the COVID-19 pandemic and associated public health orders forced the closure of nearly all schools for in-person instruction. Many schools remained closed for in-person instruction, offering instruction through distance learning, for much of the 2020-21 academic year. The pandemic has caused significant disruptions to students' education, with effects on students' academic progress, social and emotional well-being, and economic security.

Though the application window does not close until June 30, 2021, the available data to date suggest that the pandemic may have a significant effect on FAFSA and CADAA applications. As of February 26, 2021, the U.S. Department of Education reports that 197,855 California high school seniors had completed the FAFSA compared to 219,969 at the same point in 2020, a year-over-year decline of 10%. While the decline has occurred across the board, applications declined at steeper rates for students in schools designated as Title 1, those in town and rural areas, and those enrolling a higher percentage of students of color.

The decline in CADAA applications may be significantly larger. According to the Legislative Analyst's Office (LAO), as of late fall, 2020, CADA applications were down 46% compared to the same time last year.

The decline in FAFSA applications in California mirrors national trends. According to the National College Attainment Network, national data through January 29, 2021 show a decline of about 9.7% in FAFSA completion compared to the same time last year. According to the Public Policy Institute of California, California's decline is similar to the nationwide decline in FAFSA completion but notably larger than declines in other populous states.

Large numbers of high school graduates do not complete the FAFSA and CADAA. According to the CSAC, the graduating classes of 2017 and 2018 averaged a 54% completion rate for the FAFSA and CADAA. The CSAC oversees a statewide annual "Race to Submit" campaign, with the aim of increasing the number of high school seniors who complete the FAFSA and CADAA. As part of the campaign, CSAC provides weekly progress updates on several measures, including FAFSA/CADAA completion and submission rates, disaggregated by high school, school district, and county. The campaign is modeled after the 2017-18 FAFSA and CADAA Completion Initiative in Riverside County, which was associated with an increased completion rate from 52% to 70% for the class of 2017. The following table was provided by the author:

School District	County	Percentage of Low-Income Students	FAFSA Completion Rate
Dos Palos Oro Loma Joint Unified	Merced County	90%	52%
Lennox	Los Angeles County	92%	41%
Coachella Valley Unified	Riverside County	89%	64%
Twin Rivers Unified	Sacramento County	80%	56%
Stockton Unified	San Joaquin County	76%	57%

The author also notes research indicating that one-third of the students who do not file a FAFSA would have also been eligible for a Pell grant and other need-based aid (Clayton, 2015), and that the lowest-income range of students (independent students earning less than \$10,000 and parents of dependents students earning less than \$20,000) is the most significant group that does not complete the FAFSA, aside from high-income students who have the ability to pay (Davidson, 2013).

The Campaign for College Opportunity estimates that \$250 million in Pell Grants went unclaimed in 2014-15. The organization also found that among high schools in which more than 75% of students were eligible for the Free and Reduced Price Meal Program, 24% of eligible students did not complete the FAFSA.

Governor's Proposal. The Governor's Budget for 2021-22 includes a proposal very similar to the one in this bill. The proposed trailer bill language would require a school district, county office of education, and a charter school to, commencing in the 2021-22 school year, confirm that a student who has not opted out of the requirement complete the FAFSA or CADAA. The proposed language allows parents to opt out of the requirement in writing, and requires LEAs to exempt a student if it finds that there are extenuating circumstances. LEAs would also be required to direct parents to support and assistance that may be available through outreach programs operated by the CSAC. LEAs would have to abide by applicable privacy laws and would have complete discretion over how to meet the requirement.

The LAO recommends approval of the Governor's proposal, noting that it can be expected to lead to an increase in financial aid application and utilization rates and leverage additional federal Pell Grant funding to support students with their total cost of attendance. The LAO estimates that the amount of additional federal funds that would be drawn down is uncertain, it could conceivably be in the low hundreds of millions of dollars annually at full implementation, and that CalGrant entitlement spending could potentially be in the tens to low hundreds of millions of dollars annually.

Effect of current law requirement unclear due to COVID-19 pandemic. Current law (AB 2015 of the 2017-18 Session) requires, commencing with the 2020-21 school year, school districts and charter schools to ensure that each pupil receives information on how to properly complete and submit the FAFSA or the CADAA, as appropriate, at least once before the pupil enters grade 12. This law specifies that instruction may be provided through in-class instruction, existing programs, family information sessions, or group or individual sessions with school counselors. As noted above, the COVID-19 pandemic has had a dramatic effect on FAFSA completion rates, overshadowing any effect that this requirement may have had.

Val Verde Unified School District's FAFSA/CADAA graduation requirement yields more financial aid and higher postsecondary attendance. In 2017, Val Verde Unified School District in Riverside County made FAFSA and CADAA completion a graduation requirement. In the first year after this requirement took effect, completion rates rose from 69% to 83%, with no adverse impact on high school graduation rates. The district reports that Cal Grant awards rose from 397 in 2016 to 947 in 2019, and that the percentage of high school graduates who attended college in the first semester after graduation rose from 55% in 2016 to 67% in 2020. The district also reports that out of over 1,500 high school seniors, only 11 opted out of the requirement. According to the author, Rancho Verde High School, a school of Val Verde Unified School District, currently leads the state with one of the highest percentages of FAFSA/CADAA

completion at 92%. The district also notes that the success of the policy in this district was due to a systematic district-wide effort. Perris Union High School District has also made completion of the FAFSA or CADAA a graduation requirement.

Some states make FAFSA completion a graduation requirement; effect on postsecondary attendance is unclear. Louisiana became the first state to make applying for financial aid a requirement for high school graduation. Starting in 2017-2018, the Financial Aid Accessibility Policy required Louisiana students to complete the FAFSA or apply for TOPS (a program of state scholarships) in order to graduate. In 2018, 84% of students completed the FAFSA, an increase of 17% from 2017. According to the Louisiana Department of Education, the high school class of 2018 achieved record-breaking rates of graduation (+3.2% compared to 2017) and college enrollment in the semester immediately following graduation (+6.7% compared to 2017) for the state. While the Financial Aid Accessibility Policy may have contributed to these positive outcomes, it was part of several efforts by the State of Louisiana to improve graduation rate and college enrollment in this period, including aligning high school graduation requirements with admissions eligibility for public universities and expanding opportunities for students to earn postsecondary credits in high school. Because of this, it is difficult to determine how much of the recent successes seen in Louisiana are due to the FAFSA requirement.

Texas and Illinois have also passed laws making FAFSA completion a graduation requirement. However, they take effect in the 2020-2021 (Illinois) and 2021-2022 (Texas) academic years, so any data on the effect of these requirements on high school graduation, college enrollment, or the number of students receiving aid is either not yet available or likely affected by the COVID-19 pandemic.

The LAO notes that research on the impact of FAFSA completion on college enrollment is limited, suggesting that FAFSA completion is associated with (but does not necessarily cause) college enrollment, and states that it is too soon to draw conclusions from states that have implemented similar policies to date.

“Cash for College” workshops help students and parents complete financial aid applications. From October 1st through March 2nd, CSAC funds Cash for College workshops, facilitated by locally-based partner organizations, including high schools, community colleges, universities, and community groups. According to CSAC, the aim of these workshops is to help low-income and first-generation college-goers complete the financial aid application process. CSAC requires that partner organizations ensure parent participation by scheduling workshops primarily between 9 AM and 9 PM during the week, during non-holidays, and between the hours of 9 AM and 5 PM on Saturdays. In addition to funds, CSAC provides workshop facilitators with presentations, outreach materials, and website access to help manage workshops and student follow-up.

California lags in providing pupils access to school counselors. According to the CDE, 29% of California school districts have no counseling programs at all. When counseling programs exist, counselors are often asked to add administrative duties such as testing, supervising, and class scheduling. The ratio of students per counselor in this state averages 945 to 1, compared to the national average of 477 to 1, ranking California last in the nation. Clearly, California lacks sufficient numbers of trained personnel in our schools to meet the social, emotional, and career development needs of over six million pupils. ***The Committee may wish to consider*** whether the

shortage in school counselors would make it difficult for schools to provide adequate advice to students applying for financial aid.

Arguments in support. Californians Together writes, “Nearly a half-million high school seniors did not complete a FAFSA or CADAA in the last 2 years, and an estimated \$550 million in state and federal financial aid has been left on the table every year in California. The COVID-19 pandemic has further disrupted application rates for many high school and college students, preventing them from applying for financial aid for college. According to CSAC’s March meeting, California has seen a decline of about 5.2% and 12.5% in first-time freshman FAFSA and CADAA completion rates, respectively. College affordability is a significant barrier facing low-income students in California as they pursue or consider pursuing a postsecondary education or credential. The fact that well over half of California’s K-12 students are low-income should further motivate the state to have a laser-like focus on swiftly increasing financial aid application rates.”

Related legislation. AB 1617 (Reyes) of the 2019-20 Session would have made completion of the FAFSA or the CADAA a high school graduation requirement, permits parents to opt out of the requirement, and provides an exemption for students who have met all other requirements for graduation. This bill was held in this Committee.

AB 2015 (Reyes), Chapter 533, Statutes of 2018, requires the governing board of a school district or the governing body of a charter school to ensure that students receive information on how to properly complete and submit the FAFSA or the CADAA at least once before pupils enter grade 12.

SB 1210 (Lara), Chapter 754, Statutes of 2014 established the California DREAM Loan Act to provide financial aid to students attending the California State University and the University of California systems.

REGISTERED SUPPORT / OPPOSITION:

Support

The Education Trust - West (sponsor)

10,000 Degrees

99rootz

Abriendo Puertas/Opening Doors

Asian Americans Advancing Justice - California

BLU Educational Foundation

California Association of African American Superintendents and Administrators

Cal Chamber

California Health+ Advocates

California State PTA

California Student Aid Commission

Californians Together

Campaign for College Opportunity

Canal Alliance

Children Now

Children's Defense Fund - California

Community Coalition
Cope San Bernardino
Dolores Huerta Foundation
Ed100
Equal Justice Society
Faith in the Valley
Future Leaders of America
Go Public Schools
Greater Sacramento Urban League
Inner City Struggle
John Burton Advocates for Youth
Just Equations
Kid City Hope Place
Latino and Latina Roundtable of the San Gabriel and Pomona Valley
Law Foundation of Silicon Valley
Linked Learning Alliance
Los Angeles Chamber of Commerce
Mi Familia Vota
Mission Graduates
Northern California College Promise Coalition
Oakland Promise
Parent Organization Network
Partnership for Los Angeles Schools
Reach Higher Riverside
Reinvent Stockton Foundation
San Francisco Chamber of Commerce
Southern California College Access Network
Student Senate for California Community Colleges
The Council of Mexican Federations
The Desertsong Group
The Institute for College Access and Success
uAspire
UC Chicana Latinx Alumni Association of UC Davis
Umoja Community Education Foundation
United Way of Greater Los Angeles
University of California Student Association
Watts/Century Latino Organization
Young Invincibles
Youth Alive!

Opposition

None on file

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