CONCURRENCE IN SENATE AMENDMENTS
AB 469 (Reyes, et al.)
As Amended September 3, 2021
Majority vote

SUMMARY

Requires, on or before September 1, 2022, and each year thereafter, the California Student Aid Commission (CSAC) and the California Department of Education (CDE) to facilitate the completion of the Free Application for Student Aid (FAFSA) and the California Dream Act Application (CDAA), through the sharing of specified data.

Senate Amendments

1) Delete the requirements of the bill as it passed the Assembly, which required LEAs and charter schools to confirm that students enrolled in the 12th grade complete a FAFSA or a CDAA. These provisions were largely included in the higher education trailer bill to the 2021-22 budget AB 132 (Budget Committee), Chapter 144, Statutes of 2021.

2) Require that, on or before September 1, 2022, and each year thereafter, the CSAC and the CDE facilitate the completion of the FAFSA and CDAA in the following manner:

   a) The CDE would share the current school year's roster of pupils with the CSAC; and

   b) The CSAC would match this roster with pupils' application status based on the FAFSA and CDAA data possessed by the CSAC.

3) Define an "outreach program," for purposes of the requirement that LEAs provide assistance to families in the completion of the FAFSA and CDAA, to mean a nonprofit entity that is exempt from taxation under federal law or a public entity with experience in either or both of the following:

   a) Assisting pupils with financial aid application completion; and

   b) Serving pupils who are eligible to submit a CDAA.

State the intent of the Legislature that upon the implementation of the California Cradle-to-Career Data System, future data matching be linked through, and conducted in accordance with, the privacy requirements of that system, to avoid a duplicative data matching requirement and to ensure data privacy.

COMMENTS

Trailer bill to 2021-22 Budget enacts FAFSA and CDAA completion requirement. As this bill passed the Assembly it required LEAs to ensure students in 12th grade complete and submit a FAFSA or CDAA unless a student or a student's parent or guardian opted out. These and additional requirements were included in AB 132 (Budget Committee) of 2021, which was enacted as an urgency measure.

Large numbers of high school graduates do not complete the FAFSA and CDAA. According to the CSAC, the graduating classes of 2017 and 2018 averaged a 54% completion rate for the

FAFSA and CDAA. 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 CDAA. As part of the campaign, CSAC provides weekly progress updates on several measures, including FAFSA/CDAA completion and submission rates, disaggregated by high school, school district, and county. The campaign is modeled after the 2017-18 FAFSA and CDAA Completion Initiative in Riverside County, which was associated with an increased completion rate from 52% to 70% for the class of 2017.

Effect of the COVID 19 pandemic on FAFSA and CDAA applications. In March, 2020 the COVID-19 pandemic and associated public health orders forced the closure of nearly all schools for in-person instruction, causing significant disruptions to students' education. The pandemic may have had a significant effect on FAFSA and CDAA applications. The U.S. Department of Education reported that as of February, 2021, FAFSA applications from California high school seniors had declined by 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 CDAA 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 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 CDAA 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 CDAA 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."

Arguments in Support
Californians Together writes, "Nearly a half-million high school seniors did not complete a FAFSA or CDAA 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 CDAA 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."

Arguments in Opposition
None on file

FISCAL COMMENTS

According to the Senate Appropriations Committee, the provisions of this bill are nearly identical of the related sections in the higher education trailer bill (AB 132 (Budget Committee) of 2021). The fiscal impacts associated with those sections include:

1) A reimbursable state mandate in the hundreds of thousands of dollars each year for school districts to ensure that students complete and submit the FAFSA or California Dream Act application. This estimate assumes that up to ten percent of high school teachers in the state would spend at least one hour of staff time on these activities.

2) Additional state General Fund costs in the millions to tens of millions of dollars and federal fund costs potentially in the low hundreds of millions of dollars costs annually for additional students becoming eligible for financial aid by completing a FAFSA. Precise amounts would depend on how many students are identified as eligible for financial aid and which college they attend. The California Student Aid Commission (CSAC) estimates $18.3 million for every five percent increase in the number of FAFSAs and CDAAs submitted.

VOTES:

ASM EDUCATION: 7-0-0
YES: O'Donnell, Kiley, Bennett, Megan Dahle, Lee, McCarty, Quirk-Silva

ASM APPROPRIATIONS: 12-0-4
YES: Lorena Gonzalez, Calderon, Carrillo, Chau, Gabriel, Eduardo Garcia, Levine, Quirk, Robert Rivas, Akilah Weber, Holden, Luz Rivas
ABS, ABST OR NV: Bigelow, Megan Dahle, Davies, Fong

ASSEMBLY FLOOR: 77-0-2
YES: Aguiar-Curry, Arambula, Bauer-Kahan, Bennett, Berman, Bloom, Boerner Horvath, Bryan, Burke, Calderon, Carrillo, Cervantes, Chau, Chen, Chiu, Choi, Cooley, Cooper, Cunningham, Megan Dahle, Daly, Davies, Flora, Fong, Frazier, Friedman, Gabriel, Gallagher, Cristina Garcia, Eduardo Garcia, Gipson, Lorena Gonzalez, Gray, Grayson, Holden, Irwin, Jones-Sawyer, Kalra, Kiley, Lackey, Lee, Levine, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Mullin, Muratsuchi, Nazarian, Nguyen, O'Donnell, Patterson, Petrie-Norris, Quirk, Quirk-Silva, Ramos, Reyes, Luz Rivas, Robert Rivas, Rodriguez, Blanca Rubio, Salas, Santiago, Smith, Stone, Ting, Valladares, Villapudua, Voepel, Waldron, Ward, Akilah Weber, Wicks, Wood, Rendon
ABS, ABST OR NV: Bigelow, Seyarto

UPDATED

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