
SENATE COMMITTEE ON EDUCATION

Senator Connie Leyva, Chair

2021 - 2022 Regular

Bill No: AB 469 **Hearing Date:** July 14, 2021
Author: Reyes
Version: July 5, 2021
Urgency: No **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: Pupil instruction: financial aid applications

SUMMARY

This bill requires, commencing with the 2022-23 academic year, a local educational agency (LEA) to ensure a student in grade 12 completes and submits a Free Application for Federal Student Aid (FAFSA) or California Dream Act Application (CADAA), unless the student or the student's parent or guardian opts out. The bill requires an LEA to exempt a student who is unable comply with the requirement, as specified.

BACKGROUND

Existing law:

- 1) Establishes the California Student Aid Commission (Commission) as the primary state agency for the administration of state-authorized student financial aid programs available to students attending all segments of postsecondary education. These programs include grant, work-study, and loan programs supported by the state and the federal government. (Education Code § 66010.6.(b))
- 2) Provides for a variety of student financial aid programs, including the Cal Grant programs. Existing law requires that eligibility for a Cal Grant and the determination of financial need be accomplished using the federal financial need methodology and application prescribed by the Commission (the FAFSA for permanent residents), and that this application be used for all programs funded by the state or a public institution of post-secondary education as well as all federal programs administered by a postsecondary educational institution. (EC § 69432.9, § 69433)
- 3) Exempts specified California nonresidents from paying nonresident tuition at the University of California (UC), California State University (CSU), and California Community Colleges (CCC), also known as the AB 540 nonresident tuition waiver, if they meet certain requirements. (EC § 68130.5.)
- 4) Establishes the California Dream Act and provides that, beginning January 1, 2013, AB 540 students are eligible to apply for, and participate in, any student financial aid program administered by the State of California. The Commission is required to establish procedures and forms (the California Dream Act Application,

or CADAA) that enable AB 540 students to apply for, and participate in, all student financial aid programs, including the Cal Grant program, administered by the State of California. (EC § 69508.5)

- 5) Authorizes the Commission to expend funds for the purposes of disseminating information about all institutional, state, and federal student aid programs to potential applicants. It further authorizes the Commission, as the administrators of the California Student Opportunity and Access Program, to apportion funds for the support of projects designed to increase the accessibility of postsecondary educational opportunities for elementary and secondary school pupils, as specified. (EC § 69561 and 69514 (g))
- 6) 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. (EC § 51225.8)
- 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, pursuant to 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 (United States Code, Title 20, § 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 (EC § 234.7).
- 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).

ANALYSIS

This bill:

- 1) Requires, commencing with the 2022-23 school year, the governing body of a LEA confirm that a student complies, except in certain circumstances with at least one of the following :
 - a) Complete and submit a FAFSA to the United States Department of Education.
 - b) If the student is exempt from paying nonresident tuition pursuant to existing law established by AB 540 (Firebaugh, Chapter 814, Statutes of 2001), the student completes and submits to the CADAA to the Commission.
- 2) Allows parents/legal guardians and certain students to opt-out of application completion requirements pursuant to the bill, by submitting a form that is provided by the Commission to the LEA.
- 3) Requires an LEA to exempt a student or parent/legal guardian from the FAFSA or CADDAA submission requirement, if it determines that a student is unable to complete an application.
- 4) Requires an LEA to exempt a student or parent/legal guardian from having to submit an opt-out form if the LEA determines that the student is unable to complete the application and instead requires the LEA to submit the opt-out form on their behalf.
- 5) Requires the governing board or body of the LEA to ensure all of the following:
 - a) The LEA directs each high school student or parent/legal guardian, if applicable, to any support and assistance services necessary to comply with the student aid application submission requirement that may be available through outreach programs, including but not limited to, those programs operated by the Commission, postsecondary immigration resource centers, college readiness organizations, community-based organizations, and legal resource organizations.
 - b) Information shared by parents/legal guardians and students pursuant to the bill is handled in compliance with federal and state privacy laws.

- 6) Requires, by September 1, 2022, and each year thereafter, the Commission and the California Department of Education (CDE) to facilitate completion of the FAFSA and the CADAA in the following manner:
 - a) CDE is to share the current school year's roster of pupils with the Commission.
 - b) The Commission is to match the data shared by CDE with a pupil's application status based on the data possessed by the Commission related to submission of the FAFSA and CADAA.
- 7) Requires the Commission, on or before July 1, 2022, to adopt regulations including, but not limited to, model opt-out forms and acceptable use policies for purposes of providing guidance relating to student information and privacy, as specified.
- 8) Prohibits a student from being penalized or punished or have their graduation impacted for not fulfilling the student aid application requirement.
- 9) Defines various terms for purposes of the bill including:
 - a) "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 bill.
 - b) "Local educational agency" to mean a school district, county office of education, or charter school.
 - c) "Pupil" to mean a pupil in grade 12 attending a high school maintained by an LEA.
 - d) "Outreach program" means a nonprofit entity that is exempt from taxation pursuant to federal law or a public entity with experience in either or both of the following:
 - i) Assisting pupils with financial aid application completion.
 - ii) Serving pupils who are eligible to submit a California Dream Act application.
- 10) Makes various findings and declarations relevant to the bill.
- 11) States that it is the Legislature's intent, among other things, to give LEA's direction and discretion on how to coordinate and assist families and students in completion of financial aid applications.

STAFF COMMENTS

- 1) *Need for the bill.* In 2018, California passed AB 2015 (Gomez Reyes, Chapter 533, Statutes of 2018) that requires public schools serving students in grade 9-12 to offer information on how to properly complete and submit a FAFSA and

CADAA at least once before 12th grade. According to the author, “This bill would build upon AB 2015’s efforts by making sure students not only receive information about FAFSA/CADAA but also ensure all students submit a financial aid form so they can access critical financial resources.

“Nationwide three states require completion of financial aid applications for graduating high school seniors they include: Louisiana, Texas, and Illinois. In Louisiana’s first year of implementation, FAFSA application rates rose 26 percentage points to an overall completion rate of over 77%, making them the state with the highest FAFSA completion in the nation.

“Despite having a higher than average state poverty rate, California in 2018 ranked 30th in the country for FAFSA completion. A recent analysis by Ed Source found that, in the year after the outbreak of COVID-19, FAFSA completion rates in California decreased by 11% and CADAA by 45%. The report noted that the decrease in applications was most significant among low-income students.

“In 2017, California’s own Val Verde Unified School District made financial aid application completion a graduation requirement and raised completion rates by 14% within the first year, with no adverse impact on high school graduation rates. Rancho Verde High School currently leads the state with one of the highest percentages of FAFSA/CADAA completion at 92%. Most recently, Paris Unified School District has joined this movement.”

- 2) *Related budget activity.* The postsecondary education trailer bill, SB 132 (Committee on Budget and Fiscal Review, 2021) has provisions that are nearly identical to this bill. Accordingly, this bill is in conflict with the budget trailer bill.
- 3) *FAFSA applicants.* The FAFSA is the core document used to determine eligibility for all major federal and state financial aid programs, including Cal Grant, Pell Grant, institutional aid at the UC and the CSU, work-study awards, scholarships, and federal student loans. Because financial aid for college takes into consideration the cost of attendance and a family’s ability to pay in determining eligibility for financial aid, the FAFSA asks for personal information such as income and tax information and social security number. Although steps have been taken to simplify the application, it can be a cumbersome process for many families.
- 4) *CADAA applicants.* Not all students qualify for federal programs or FAFSA completion. State law, established by AB 540 and expanded upon by other legislation, allows non-resident status students who live in California to pay in-state tuition. These students may include undocumented students and students who are U.S. citizens but do not have California resident status. Some AB 540 students are only eligible to apply for, and participate in, student financial aid programs administered by the *state* and by *public postsecondary institutions*. The CADAA is used to determine the eligibility of AB 540 students for California student financial aid.

- 5) *Students should only complete one form. A student should only complete one of the applications according to their citizenship status. The CADAA caters to a unique population of California students. However, the vast majority of high schools students qualify for FAFSA application completion and can access to both federal and state financial aid programs.*
- 6) *Should the state also expand its financial aid outreach programs? Completion of the FAFSA/CADAA makes college attendance possible for many families but it can be a complex process for some and certain errors can have a significant impact. This bill essentially requires confirmation of submission of a completed FAFSA/CADAA. LEAs may direct students to outside organizations for assistance. Currently, the Commission administers two financial aid assistance programs: Cal-SOAP and Cash for College. Both programs were established by the Legislature to improve the flow of information around student aid into high schools. Cal-SOAP staff and Cash for College volunteers provide financial aid advising and help with FAFSA and CADAA completion. With 16 Cal-SOAP projects across the state and the Cash for College program's volunteer based structure, their reach into high schools is limited. *Should a proposal that establishes a systematic approach for applying for aid, like the one proposed in this bill, also include support for programs like Cal-SOAP and/or Cash for College so that families and LEA's have experienced and reliable support in completing the FAFSA/CADAA?**

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OPPOSITION

None received.

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