

AMENDED IN ASSEMBLY MARCH 30, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2506

Introduced by Assembly Member Thurmond

February 19, 2016

An act to add Section 69518.5 to the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

AB 2506, as amended, Thurmond. Student financial aid: Chafee ~~grants~~; *grant awards*.

Existing law establishes the Student Aid Commission as the state agency primarily responsible for the administration and coordination of student financial aid programs at California postsecondary educational institutions. Existing federal law establishes the Chafee Educational and Training Voucher program for the purposes of providing financial aid to current and former foster youth who are attending qualifying postsecondary educational institutions.

This bill ~~would specify~~ *would, to the extent permitted by federal law, establish* the standards to be met by postsecondary educational institutions in order to be deemed to be qualifying ~~institutions, to the fullest extent consistent with federal law,~~ *institutions* in this state with respect to the Chafee Educational and Training Voucher program. The bill ~~would require the commission to ensure that every current and former foster youth who files a timely application and is eligible for the award of a Chafee Educational and Training Voucher be issued those funds.~~ *provide that, commencing with the 2017–18 academic year, a current or former foster youth is entitled to a Chafee grant*

award, and would require the commission to allocate that grant award, if the student meets specified criteria.

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. The Legislature finds and declares all of the
2 following:

3 (a) There are 66,000 children and youth in California’s foster
4 care system who have been removed from their biological families
5 due to maltreatment and placed into the care and custody of the
6 State of California.

7 (b) (1) The Legislature recognizes the historic
8 underrepresentation of foster youth in postsecondary programs
9 and the need for equitable efforts that enhance the enrollment and
10 retention of foster youth in public colleges and universities in
11 California.

12 (2) Current and former foster youth who attend college
13 experience a low rate of persistence, transfer, and degree
14 completion. Foster youth are 85 percent less likely to successfully
15 complete 30 units or more anytime during community college as
16 compared to the general student population.

17 (3) Receipt of financial aid plays an important role in
18 persistence, transfer, and degree completion. Fifty percent of foster
19 youth who receive the Chafee Educational and Training Voucher
20 complete three semesters or more of community college, as
21 compared with 34 percent of foster youth who do not receive the
22 Chafee Educational and Training Voucher.

23 (4) Access to the Chafee Educational and Training Voucher is
24 limited. One in four eligible applicants is not awarded a grant due
25 to limited funding. Without improved access to financial aid, foster
26 youth experience low educational attainment.

27 (5) Low educational attainment is a factor in the poor adult
28 outcomes experienced by youth in foster care. Compared to their
29 same-age counterparts, former foster youth at 26 years of age are
30 400 percent more likely to have been incarcerated and 300 percent
31 more likely to be living below the federal poverty level.

32 (c) The Legislature recognizes its responsibility to provide and
33 adequately fund postsecondary programs and services for students

1 who are current and former foster youth attending public
2 postsecondary institutions.

3 (d) The Legislature recognizes the importance of quality
4 education, and has taken action in the past to ensure financial aid
5 is directed to postsecondary institutions at which the graduation
6 rate and cohort default rate reflect a reasonable likelihood of
7 student graduation and success.

8 (e) Therefore, it is necessary and appropriate to take steps to
9 encourage the enrollment, retention, and transfer of current and
10 former foster youth in California's public colleges and universities
11 by ensuring that all foster youth who meet the eligibility criteria
12 for the Chafee Educational and Training Voucher receive a grant.
13 Providing academic support to current and former foster youth in
14 California's community colleges serves a significant governmental
15 and public interest, namely the reduction in poverty and criminal
16 justice involvement among youth who have been in foster care in
17 California.

18 SEC. 2. Section 69518.5 is added to the Education Code, to
19 read:

20 69518.5. (a) ~~This section applies to~~ *To the extent permitted*
21 *by federal law, this section establishes* the standards for
22 postsecondary educational institutions to be classified, ~~to the fullest~~
23 ~~extent consistent with federal law,~~ *classified* as qualifying
24 institutions in this state for the purposes of the Chafee Educational
25 and Training Voucher program authorized by the federal Promoting
26 Safe and Stable Families Amendments of 2001 (Public Law
27 107-133).

28 (b) The commission shall certify by October 1 of each year a
29 postsecondary educational institution's latest three-year cohort
30 default rate and graduation rate as most recently reported by the
31 United States Department of Education.

32 (c) ~~The~~ *In accordance with subdivision (a), the* following
33 standards shall apply in determining an institution's eligibility for
34 the use of initial and renewal Chafee grant awards by its ~~students,~~
35 ~~but only to the extent that these state standards are consistent with~~
36 ~~applicable federal law:~~ *students:*

37 (1) An otherwise qualifying institution with a three-year cohort
38 default rate that is equal to or greater than 15.5 percent, as certified
39 by the commission on October 1, 2017, and on October 1 of any

1 year thereafter, shall be ineligible for the use of initial and renewal
2 Chafee grant awards at the institution.

3 (2) (A) An otherwise qualifying institution that becomes
4 ineligible under this paragraph for initial and renewal Chafee grant
5 awards may regain its eligibility for the academic year following
6 an academic year in which it satisfies the requirements established
7 in paragraph (1) or (4), as applicable.

8 (B) If the United States Department of Education corrects or
9 revises an institution's three-year cohort default rate or graduation
10 rate that originally failed to satisfy the requirements established
11 in paragraph (1) or (4), as applicable, and the correction or revision
12 results in the institution's three-year cohort default rate or
13 graduation rate satisfying those requirements, that institution shall
14 immediately regain its eligibility for the academic year to which
15 the corrected or revised three-year cohort default rate or graduation
16 rate would have been applied.

17 (3) An otherwise qualifying institution for which no three-year
18 cohort default rate or graduation rate has been reported by the
19 United States Department of Education shall be provisionally
20 eligible for Chafee grant awards until a three-year cohort default
21 rate or graduation rate has been reported for the institution by the
22 United States Department of Education.

23 (4) For purposes of the 2017–18 academic year, and every
24 academic year thereafter, an otherwise qualifying institution with
25 a graduation rate of 30 percent or less for students taking 150
26 percent or less of the expected time to complete degree
27 requirements, as reported by the United States Department of
28 Education and as certified by the commission, shall be ineligible
29 for the use of initial and renewal Chafee grant awards at the
30 institution.

31 (5) Notwithstanding any other law, the requirements of this
32 subdivision do not apply to institutions with 40 percent or less of
33 undergraduate students borrowing federal student loans, using
34 information reported to the United States Department of Education
35 for the academic year two years before the year in which the
36 commission is certifying the three-year cohort default rate or
37 graduation rate.

38 (6) *Notwithstanding any other law, the requirements of this*
39 *subdivision do not apply to institutions where an eligible Chaffee*
40 *grant recipient is attending an institution outside of California.*

1 (7) *Nothing in this section shall preclude an eligible Chafee*
2 *grant recipient who chooses to attend an institution outside of*
3 *California from using Chafee funds at that institution.*

4 (d) The commission shall do all of the following:

5 (1) Notify initial recipients seeking to attend, or attending, an
6 institution that is ineligible for initial and renewal Chafee grant
7 awards under paragraph (1) or (4) of subdivision (c) that the
8 institution is ineligible, under state standards, for the use of initial
9 awards for the academic year for which the student received an
10 initial award.

11 (2) Notify renewal recipients attending an institution that is
12 ineligible, under state standards, for initial and renewal Chafee
13 grant awards at the institution under paragraph (1) or (4) of
14 subdivision (c).

15 (3) Provide initial and renewal Chafee grant recipients seeking
16 to attend, or attending, an institution that is ineligible for initial
17 and renewal Chafee grant awards at the institution under paragraph
18 (1) or (4) of subdivision (c) with a complete list of all California
19 postsecondary educational institutions at which the student would
20 be eligible, under state standards, to receive an unreduced Chafee
21 grant award.

22 ~~(e) Notwithstanding any other law, the commission shall ensure~~
23 ~~that every current and former foster youth who files a timely~~
24 ~~application and is eligible for the award of a Chafee grant be issued~~
25 ~~those funds.~~

26 (e) *Commencing with the 2017–18 academic year, a current or*
27 *former foster youth is entitled to a Chafee grant award, and the*
28 *commission shall allocate that award, pursuant to the requirements*
29 *of this section, if that current or former foster youth meets both of*
30 *the following criteria:*

31 (1) *He or she meets the Chafee grant requirements as set forth*
32 *in the John H. Chafee Foster Care Independence Program (42*
33 *U.S.C. Sec. 677(i)).*

34 (2) *He or she submits a Free Application for Federal Student*
35 *Aid and a Chafee grant application between January 1 and*
36 *September 2 of each calendar year for the academic year beginning*
37 *in the fall of that calendar year.*

38 (f) *The amount of any individual Chafee grant award shall*
39 *depend on the cost of attendance at the qualifying institution at*
40 *which the student is enrolled. For each applicant, the award*

- 1 *amount shall not exceed the amount of the calculated financial*
- 2 *need.*

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