

AMENDED IN ASSEMBLY MAY 27, 2016
AMENDED IN ASSEMBLY MARCH 30, 2016
CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2506

Introduced by Assembly Member Thurmond
(Coauthor: Assembly Member Gonzalez)

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 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, 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 in this state with respect to the Chafee Educational and Training Voucher program. The bill would 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
34 who are current and former foster youth attending public
35 postsecondary institutions.

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

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

16 SEC. 2. Section 69518.5 is added to the Education Code, to
17 read:

18 69518.5. (a) To the extent permitted by federal law, this section
19 establishes the standards for postsecondary educational institutions
20 to be classified as qualifying institutions in this state for purposes
21 of the Chafee Educational and Training Voucher program
22 authorized by the federal Promoting Safe and Stable Families
23 Amendments of 2001 (Public Law 107-133).

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

28 (c) In accordance with subdivision (a), the following standards
29 shall apply in determining an institution's eligibility for the use of
30 initial and renewal Chafee grant awards by its students:

31 (1) An otherwise qualifying institution with a three-year cohort
32 default rate that is equal to or greater than 15.5 percent, as certified
33 by the commission on October 1, 2017, and on October 1 of any
34 year thereafter, shall be ineligible for the use of initial and renewal
35 Chafee grant awards at the institution.

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

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

10 (3) An otherwise qualifying institution for which no three-year
11 cohort default rate or graduation rate has been reported by the
12 United States Department of Education shall be provisionally
13 eligible for Chafee grant awards until a three-year cohort default
14 rate or graduation rate has been reported for the institution by the
15 United States Department of Education.

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

24 (5) Notwithstanding any other law, the requirements of this
25 subdivision do not apply to institutions with 40 percent or less of
26 undergraduate students borrowing federal student loans, using
27 information reported to the United States Department of Education
28 for the academic year two years before the year in which the
29 commission is certifying the three-year cohort default rate or
30 graduation rate.

31 (6) Notwithstanding any other law, the requirements of this
32 subdivision do not apply to institutions where an eligible Chafee
33 grant recipient is attending an institution outside of California.

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

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

38 (1) Notify initial recipients seeking to attend, or attending, an
39 institution that is ineligible for initial and renewal Chafee grant
40 awards under paragraph (1) or (4) of subdivision (c) that the

1 institution is ineligible, under state standards, for the use of initial
2 awards for the academic year for which the student received an
3 initial award.

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

8 (3) Provide initial and renewal Chafee grant recipients seeking
9 to attend, or attending, an institution that is ineligible for initial
10 and renewal Chafee grant awards at the institution under paragraph
11 (1) or (4) of subdivision (c) with a complete list of all California
12 postsecondary educational institutions at which the student would
13 be eligible, under state standards, to receive an unreduced Chafee
14 grant award.

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

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

23 (2) He or she submits a Free Application for Federal Student
24 Aid and a Chafee grant application between January 1 and
25 September 2 of each calendar year for the academic year beginning
26 in the fall of that calendar year.

27 (f) The amount of any individual Chafee grant award shall
28 depend on the cost of attendance at the qualifying institution at
29 which the student is enrolled. For each applicant, the award amount
30 shall not exceed the amount of the calculated financial need.

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