

AMENDED IN SENATE JUNE 29, 2016

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.

The bill would express the intent of the Legislature that the memorandum of understanding entered into between the State Department of Social Services and the Student Aid Commission for the administration of the Chafee Educational and Training Voucher program be amended to reflect the provisions of this bill. The bill would provide that, notwithstanding any of its other provisions, an individual who has received a Chafee grant award for the 2016–17 academic year, and is enrolled at a postsecondary educational institution in this state, would be entitled to use a Chafee grant award for as long as he or she is enrolled at that institution and is making reasonable progress toward graduation or toward otherwise completing his or her course of study at that institution.

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

1 compared with 34 percent of foster youth who do not receive the
2 Chafee Educational and Training Voucher.

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

7 (5) Low educational attainment is a factor in the poor adult
8 outcomes experienced by youth in foster care. Compared to their
9 same-age counterparts, former foster youth at 26 years of age are
10 400 percent more likely to have been incarcerated and 300 percent
11 more likely to be living below the federal poverty level.

12 (c) The Legislature recognizes its responsibility to provide and
13 adequately fund postsecondary programs and services for students
14 who are current and former foster youth attending public
15 postsecondary institutions.

16 (d) The Legislature recognizes the importance of quality
17 education, and has taken action in the past to ensure financial aid
18 is directed to postsecondary institutions at which the graduation
19 rate and cohort default rate reflect a reasonable likelihood of
20 student graduation and success.

21 (e) Therefore, it is necessary and appropriate to take steps to
22 encourage the enrollment, retention, and transfer of current and
23 former foster youth in California's public colleges and universities
24 by ensuring that all foster youth who meet the eligibility criteria
25 for the Chafee Educational and Training Voucher receive a grant.
26 Providing academic support to current and former foster youth in
27 the California Community Colleges serves a significant
28 governmental and public interest, namely the reduction in poverty
29 and criminal justice involvement among youth who have been in
30 foster care in California.

31 SEC. 2. Section 69518.5 is added to the Education Code, to
32 read:

33 69518.5. (a) To the extent permitted by federal law, this section
34 establishes the standards for postsecondary educational institutions
35 to be classified as qualifying institutions in this state for purposes
36 of the Chafee Educational and Training Voucher program
37 authorized by the federal Promoting Safe and Stable Families
38 Amendments of 2001 (Public Law 107-133).

39 (b) The commission shall certify by October 1 of each year a
40 postsecondary educational institution's latest three-year cohort

1 default rate and graduation rate as most recently reported by the
2 United States Department of Education.

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

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

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

16 (B) If the United States Department of Education corrects or
17 revises an institution’s three-year cohort default rate or graduation
18 rate that originally failed to satisfy the requirements established
19 in paragraph (1) or (4), as applicable, and the correction or revision
20 results in the institution’s three-year cohort default rate or
21 graduation rate satisfying those requirements, that institution shall
22 immediately regain its eligibility for the academic year to which
23 the corrected or revised three-year cohort default rate or graduation
24 rate would have been applied.

25 (3) An otherwise qualifying institution for which no three-year
26 cohort default rate or graduation rate has been reported by the
27 United States Department of Education shall be provisionally
28 eligible for Chafee grant awards until a three-year cohort default
29 rate or graduation rate has been reported for the institution by the
30 United States Department of Education.

31 (4) For purposes of the 2017–18 academic year, and every
32 academic year thereafter, an otherwise qualifying institution with
33 a graduation rate of 30 percent or less for students taking 150
34 percent or less of the expected time to complete degree
35 requirements, as reported by the United States Department of
36 Education and as certified by the commission, shall be ineligible
37 for the use of initial and renewal Chafee grant awards at the
38 institution.

39 (5) Notwithstanding any other law, the requirements of this
40 subdivision do not apply to institutions with 40 percent or less of

1 undergraduate students borrowing federal student loans, using
2 information reported to the United States Department of Education
3 for the academic year two years before the year in which the
4 commission is certifying the three-year cohort default rate or
5 graduation rate.

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

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

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

13 (1) Notify initial recipients seeking to attend, or attending, an
14 institution that is ineligible for initial and renewal Chafee grant
15 awards under paragraph (1) or (4) of subdivision (c) that the
16 institution is ineligible, under state standards, for the use of initial
17 awards for the academic year for which the student received an
18 initial award.

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

23 (3) Provide initial and renewal Chafee grant recipients seeking
24 to attend, or attending, an institution that is ineligible for initial
25 and renewal Chafee grant awards at the institution under paragraph
26 (1) or (4) of subdivision (c) with a complete list of all California
27 postsecondary educational institutions at which the student would
28 be eligible, under state standards, to receive an unreduced Chafee
29 grant award.

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

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

38 (2) He or she submits a Free Application for Federal Student
39 Aid and a Chafee grant application between January 1 and

1 September 2 of each calendar year for the academic year beginning
2 in the fall of that calendar year.

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

7 (g) *It is the intent of the Legislature that the memorandum of*
8 *understanding entered into between the State Department of Social*
9 *Services and the Student Aid Commission for the administration*
10 *of the Chafee Educational and Training Voucher program be*
11 *amended to reflect the provisions of this section.*

12 (h) *Notwithstanding any other provision of this section, an*
13 *individual who has (1) received a Chafee grant award for the*
14 *2016–17 academic year, and (2) is enrolled at a postsecondary*
15 *educational institution in this state, shall be entitled to use a Chafee*
16 *grant award for as long as he or she is enrolled at that institution*
17 *and is making reasonable progress toward graduation or toward*
18 *otherwise completing his or her course of study at that institution.*