

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 introduced, Thurmond. Student financial aid: Chafee grants.

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 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, 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.

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.

36 (d) The Legislature recognizes the importance of quality
37 education, and has taken action in the past to ensure financial aid
38 is directed to postsecondary institutions at which the graduation

1 rate and cohort default rate reflect a reasonable likelihood of
2 student graduation and success.

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

13 SEC. 2. Section 69518.5 is added to the Education Code, to
14 read:

15 69518.5. (a) This section applies to the standards for
16 postsecondary educational institutions to be classified, to the fullest
17 extent consistent with federal law, as qualifying institutions in this
18 state for the purposes of the Chafee Educational and Training
19 Voucher program authorized by the federal Promoting Safe and
20 Stable Families Amendments of 2001 (Public Law 107-133).

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

25 (c) The following standards shall apply in determining an
26 institution's eligibility for the use of initial and renewal Chafee
27 grant awards by its students, but only to the extent that these state
28 standards are consistent with applicable federal law:

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

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

39 (B) If the United States Department of Education corrects or
40 revises an institution's three-year cohort default rate or graduation

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

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

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

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

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

30 (1) Notify initial recipients seeking to attend, or attending, an
31 institution that is ineligible for initial and renewal Chafee grant
32 awards under paragraph (1) or (4) of subdivision (c) that the
33 institution is ineligible, under state standards, for the use of initial
34 awards for the academic year for which the student received an
35 initial award.

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

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

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