

AMENDED IN SENATE AUGUST 19, 2016  
AMENDED IN SENATE AUGUST 16, 2016  
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**

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

February 19, 2016

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An act to ~~add Section 69518.5 to~~ *amend Section 69519* of 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, commencing with the 2017–18 academic year, ~~in order to be deemed~~

~~to be qualifying institutions in this state with respect to the Chafee Educational and Training Voucher program. would make a new Chafee grant award to a student only if the student attends a qualifying institution that is eligible for participation in the Cal Grant Program pursuant to a specified provision of the Cal Grant Program enabling act or if the student attends an institution that is not located in California that satisfies a specified provision of the Cal Grant Program enabling act.~~

~~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. Section 69519 of the Education Code is amended  
2     to read:  
3     69519. (a) The commission, through an interagency agreement  
4     with the State Department of Social Services, currently operates  
5     a federally funded scholarship program that provides grant aid to  
6     provide access to California's current and former foster youth to  
7     postsecondary education. Funds provided through an appropriation  
8     by the Legislature shall be supplemental to funds provided by the  
9     federal-government *government*, and are designated to ensure  
10    program availability in the absence of and prior to the annual  
11    receipt of federal funds for this purpose.  
12    (b) Funds provided for this program shall be used to assist  
13    students who are current and former foster youth, for career and  
14    technical training or traditional college courses. The commission  
15    shall operate this program in accordance with the program

1 instructions provided by the federal Department of Health and  
2 Human Services, Administration for Children and Families, and  
3 the program guidelines developed by the State Department of  
4 Social Services.

5 (c) The total amount of funding and the amount of individual  
6 awards shall depend upon the amount of federal funding provided  
7 in addition to state funding. The commission, in conjunction with  
8 the State Department of Social Services, shall determine the  
9 individual award amounts and total number of students awarded  
10 on an annual basis as the amount of total annual funding is  
11 determined.

12 (d) *Commencing with the 2017–18 award year, the commission*  
13 *shall make a new Chafee grant award to a student only if the*  
14 *student attends either of the following:*

15 (1) *A qualifying institution that is eligible for participation in*  
16 *the Cal Grant Program pursuant to Section 69432.7.*

17 (2) *An institution that is not located in California that satisfies*  
18 *the provisions of subparagraphs (C) and (F) of paragraph (3) of*  
19 *subdivision (l) of Section 69432.7.*

20 ~~SECTION 1. The Legislature finds and declares all of the~~  
21 ~~following:~~

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

26 ~~(b) (1) The Legislature recognizes the historic~~  
27 ~~underrepresentation of foster youth in postsecondary programs~~  
28 ~~and the need for equitable efforts that enhance the enrollment and~~  
29 ~~retention of foster youth in public colleges and universities in~~  
30 ~~California.~~

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

36 ~~(c) 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~~  
39 ~~rate and cohort default rate reflect a reasonable likelihood of~~  
40 ~~student graduation and success.~~

1     ~~SEC. 2.~~ Section 69518.5 is added to the Education Code, to  
2 read:

3     ~~69518.5. (a) To the extent permitted by federal law, this section~~  
4 ~~establishes the standards for postsecondary educational institutions~~  
5 ~~to be classified as qualifying institutions in this state for purposes~~  
6 ~~of the Chafee Educational and Training Voucher program~~  
7 ~~authorized by the federal Promoting Safe and Stable Families~~  
8 ~~Amendments of 2001 (Public Law 107-133).~~

9     ~~(b) In accordance with subdivision (a), for purposes of the~~  
10 ~~2017-18 academic year and each academic year thereafter, the~~  
11 ~~following standards shall apply in determining an institution's~~  
12 ~~eligibility for the use of initial and renewal Chafee grant awards~~  
13 ~~by its students:~~

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

19     ~~(2) (A) An otherwise qualifying institution that becomes~~  
20 ~~ineligible under this subdivision for initial and renewal Chafee~~  
21 ~~grant awards may regain its eligibility for the academic year~~  
22 ~~following an academic year in which it satisfies the requirements~~  
23 ~~established in paragraph (1) or (4), as applicable.~~

24     ~~(B) If the United States Department of Education corrects or~~  
25 ~~revises an institution's three-year cohort default rate or graduation~~  
26 ~~rate that originally failed to satisfy the requirements established~~  
27 ~~in paragraph (1) or (4), as applicable, and the correction or revision~~  
28 ~~results in the institution's three-year cohort default rate or~~  
29 ~~graduation rate satisfying those requirements, that institution shall~~  
30 ~~immediately regain its eligibility for the academic year to which~~  
31 ~~the corrected or revised three-year cohort default rate or graduation~~  
32 ~~rate would have been applied.~~

33     ~~(3) An otherwise qualifying institution for which no three-year~~  
34 ~~cohort default rate or graduation rate has been reported by the~~  
35 ~~United States Department of Education shall be provisionally~~  
36 ~~eligible for Chafee grant awards until a three-year cohort default~~  
37 ~~rate or graduation rate has been reported for the institution by the~~  
38 ~~United States Department of Education.~~

39     ~~(4) An otherwise qualifying institution with a graduation rate~~  
40 ~~of 30 percent or less for students taking 150 percent or less of the~~

1 expected time to complete degree requirements, as reported by the  
2 United States Department of Education and as certified by the  
3 commission, shall be ineligible for the use of initial and renewal  
4 Chafee grant awards at the institution.

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

12 (e) The commission shall do both 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 (b) 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 (b).

23 (d) It is the intent of the Legislature that the memorandum of  
24 understanding entered into between the State Department of Social  
25 Services and the Student Aid Commission for the administration  
26 of the Chafee Educational and Training Voucher program be  
27 amended to reflect the provisions of this section.

28 (e) Notwithstanding any other provision of this section, an  
29 individual who has (1) received a Chafee grant award for the  
30 2016-17 academic year, and (2) is enrolled at a postsecondary  
31 educational institution in this state, shall be entitled to use a Chafee  
32 grant award for as long as he or she is enrolled at that institution  
33 and is making reasonable progress toward graduation or toward  
34 otherwise completing his or her course of study at that institution.