

Date of Hearing: April 23, 2024

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 2500 (Mike Fong) – As Amended March 19, 2024

SUBJECT: Student financial aid: application deadlines: postponement.

SUMMARY: Authorizes, the California Student Aid Commission (CSAC) to grant a 30-day deadline extension to applicants in regions that experience a qualifying event, such as a natural disaster on a permanent basis. Gives school districts and institutions of higher education (IHEs) an additional five days to submit a request for a financial aid extension for their students after a qualifying event, as defined. Specifically, **this bill:**

- 1) Authorizes the CSAC director to approve extension requests, as enumerated in the summary above.
- 2) Provides an extra five days for a formal request to be submitted to CSAC, from 10 business days after the qualifying event, as enumerated in the summary above, has occurred or concluded to 15 business days.
- 3) Requires CSAC to annually report:
 - a) Total number of deadline postponement requests that were granted; and,
 - b) Total number of statewide financial aid applications received after the established application deadline.
- 4) Makes clarifying and technical changes to existing law.

EXISTING LAW:

- 1) Establishes the CSAC for the purpose of administering specified student financial aid programs (Education Code (EC) Section 69510, et seq.).
- 2) Authorizes CSAC to grant up to an additional 30 calendar days beyond an application deadline for any financial aid program administered by CSAC at the discretion of CSAC, if both of the following conditions are met:
 - a) The CSAC receives a formal request to postpone the application deadline from either the superintendent of a school district or community college district or from the president or chancellor of a California institution of higher education that is eligible to receive state funds for student financial assistance; and,
 - b) The CSAC finds that a qualifying event, as defined, has occurred that, in the judgment of CSAC, has had an adverse effect on the ability of pupils or students within the school district, community college district (CCD), or an area or region within the state, such as a city or county, to successfully complete and submit their financial aid applications by the established application deadline.

- 3) Defines “qualifying event” to mean any event or extenuating circumstance outside of the control of the pupils or students in an affected school district, CCD, or area or region that, in the judgment of CSAC, has had an adverse effect on the ability of students within the district to successfully complete and submit their financial aid applications by an established statutory deadline. The qualifying event must have occurred or been ongoing during the period for which financial aid applications were available to submit for the following academic year, and includes, but is not necessarily limited to, any of the following types of events:
 - a) A natural disaster;
 - b) A state of emergency declared by the Governor or the President of the United States; and,
 - c) A labor action.
- 4) Authorizes CSAC to establish procedures, which may include a standardized application form, through which a postponement of an application deadline may be requested, as specified. The formal application to CSAC must be submitted no later than 10 business days after the occurrence of the qualifying event in question, or, if the qualifying event is ongoing, no later than 10 business days after the conclusion of the qualifying event, and may include, at a minimum, all of the following:
 - a) The authority to grant postponements of application deadlines, to all of the following programs established in statute, as well as any other state-funded financial aid programs administered by CSAC:
 - i) The Cal Grant A Entitlement Program;
 - ii) The Cal Grant B Entitlement Program established;
 - iii) The California Community College Transfer Cal Grant Entitlement Program;
 - iv) The Competitive Cal Grant A and B Awards program; and,
 - v) The Middle Class Scholarship Program (MCS).
- 5) Requires CASC, if CSAC approves the request for a postponement of an application deadline, to issue a written notice of the postponement of the deadline within 24 hours of granting the request. The notice must include the approved postponed deadline, and must be sent to all of the following or their respective designees:
 - a) The individual who requested the extension;
 - b) The State Superintendent of Public Instruction;
 - c) The Governor;

- d) The Director of Finance;
 - e) The President of the University of California (UC);
 - f) The Chancellor of the California State University (CSU);
 - g) The Chancellor of the California Community Colleges (CCC); and,
 - h) The chairpersons of the relevant fiscal and policy committees of the Legislature.
- 6) Requires that when CSAC approves a request for a postponement of an application deadline, CSAC must post all of the following on the CSAC website:
- a) The approved postponed deadline; and,
 - b) The public school district, CCD, or area or region, such as a city or county, to which the approved postponed deadline applies (EC Section 69513.2).

FISCAL EFFECT: Unknown

COMMENTS: *Background.* Existing law authorizes CSAC to grant and approve financial aid application extensions if local educational agencies (LEAs) and IHEs submit formal requests. According to CSAC, LEAs have been underutilizing requests for financial aid deadline extensions. This has resulted in students submitting late applications, leaving large amounts of financial aid on the table and contributing to lower rates of college enrollment, especially among students in rural areas of the State.

Further, CSAC indicates that between March 3 and April 1, 2018, of the 6,343 students who submitted late financial aid applications, 4,106 (65%) would have been eligible for extensions due to emergency conditions. Students who submit late applications lose out on tens of thousands of dollars in aid. Students attending the UC and CSU are missing out on up to \$19,276 and \$9,718 in state aid (Cal Grants and MCS) respectively.

According to CSAC, in 2022-23, 17 eligible counties submitted zero extension requests, with 16 of them being rural counties. The majority of extension requests came from urban and suburban counties in Southern California. Rural counties saw a higher percentage of students submitting late applications, 32% more compared to urban, and 20% more compared to suburban.

Lastly, in 2023-24, only 775 (6.5%) of the possible 10,342 eligible students benefited from the extensions.

Purpose of this measure. According to the author, “financial aid plays a crucial role in expanding access to higher education, which continues to be the state’s strongest tool for increasing the social mobility and financial stability of millions of families. However, sometimes due to circumstances outside of their control, thousands of eligible students submit late financial aid applications, forfeiting thousands of dollars in aid.”

This measure makes it easier for education officials to request, and for CSAC to grant, the extensions necessary for students affected by unforeseen events to receive financial aid. It allows CSAC's executive director to grant extensions without a meeting of commissioners, extends the period that requests for extensions can be made, and streamlines extensions in cases of declared emergencies.

The author notes that, "higher education is a proven tool for social and economic mobility, and equity. Rural students in particular, in addition to smaller school districts, are underrepresented in higher education for a number of reasons - social stigma, distance to institutions of higher education, access to the internet, and more. CSAC's data shows that rural districts are not utilizing extension requests despite being eligible, experiencing a higher percentage of late applications and less aid being awarded. This bill helps underrepresented students access higher education."

Arguments in support. According to CSAC, sponsors of this measure, "this bill amends statutes established by AB 1774 (Bonta, 2019) that allow the Commission to grant extensions of up to 30 days to the financial aid deadline in certain qualifying events. AB 2500 streamlines and adds flexibility to the extension request process for institutions, while improving the Commission's ability to quickly review such requests."

Further, CSAC states that, "AB 2500 increases the efficiency of this process through authorizing the Executive Director of the Commission to approve requests, automatically applying extensions in the case of emergencies declared by the Governor or President, and adding additional time for school districts and institutions of higher education to submit requests. The amendments are a step forward in ensuring equitable access to higher education by giving students affected by emergencies the time they need to apply for financial aid. Especially for smaller, rural school districts that may not be aware of this option, these amendments would help increase participation and student access to thousands of dollars in state aid that would otherwise be left unused."

Prior legislation. AB 1774 (Rob Bonta), Chapter 524, Statutes of 2019, in part, authorizes CSAC to postpone an application deadline of up to 30 calendar days for any financial aid program it administers for regions that have experienced natural disasters, states of emergency, or labor actions.

REGISTERED SUPPORT / OPPOSITION:

Support

California Student Aid Commission (Sponsor)
Citrus College
Faculty Association of California Community Colleges
Institute for College Access & Success; the
John Burton Advocates for Youth
Lake Tahoe Community College
Mt. San Antonio College
Office of The Riverside County Superintendent of Schools
Riverside County Public K-12 School District Superintendents
Santa Rosa Junior College Student Financial Services

Southern California College Attainment Network
Unite-LA, Inc.
University of California
Young Invincibles

Opposition

None on file.

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