

Date of Hearing: April 9, 2019

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 1774 (Bonta) – As Amended March 28, 2019

SUBJECT: Student financial aid: Student Aid Commission: extension of application deadlines.

SUMMARY: Authorizes the California Student Aid Commission (CSAC) to postpone an application deadline for up to 30 calendar days for any financial aid program CSAC administers. Specifically, **this bill:**

- 1) 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) 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) CSAC finds that a qualifying event, as defined in (2) below, 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, 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.
- 2) Defines “qualifying event” as any event or extenuating circumstance outside of the control of the pupils or students in an affected school district, community college district, 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. Requires the qualifying event to 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; or,
 - c) A labor action.
- 3) Requires that a postponement of an application deadline granted by CSAC shall apply to all financial aid applicants within the school district, community college district, or the area or region, such as a city or county, that was predominantly affected by the qualifying event.
- 4) Authorizes CSAC, on a permanent basis, to delegate to its elected officers, which include the chairperson, vice chairperson, secretary, and any other individuals formally elected as

officers of CSAC, the authority to grant, by a unanimous decision of all such officers, the deadline postponement.

- 5) Requires CSAC to establish procedures, which may include a standardized application form, through which a postponement of an application deadline may be requested by the entities listed in (1)(a) above.
- 6) Requires that the formal application to CSAC, per (5) above, shall be submitted no later than 10 business days after the occurrence of the qualifying event in question, and shall include, at a minimum, all of the following:
 - a) A description of the qualifying event that is the basis for the request, including how the event in question has had an adverse effect on students' ability to submit their financial aid applications by the established deadline;
 - b) A list of any financial aid outreach events, including, but not necessarily limited to, workshops or webinars sponsored by CSAC, that have been canceled or delayed due to the qualifying event; and,
 - c) When available, data showing that there has been, or is likely to be, a reduction in the number of students who have completed a financial aid application from the previous year.
- 7) Requires, 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.
- 8) Requires that the notice, per (7) above, include the approved postponed deadline, and to be sent to all of the following:
 - a) The individual who requested the extension;
 - b) The 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.
- 9) Requires CSAC, when approving a request for a postponement of an application deadline, to post all of the following on its internet website:

- a) The approved postponed deadline; and,
 - b) The public school district, community college district, or area or region, such as a city or county, to which the approved postponed deadline applies.
- 10) Specifies that CSAC's authority to grant postponements of application deadlines shall apply to all of the following programs established in statute, as well as any other state-funded financial aid programs administered by CSAC:
- a) The Cal Grant A Entitlement Program;
 - b) The Cal Grant B Entitlement Program;
 - c) The CCC Transfer Cal Grant Entitlement Program;
 - d) The Competitive Cal Grant A and B Awards Program; and,
 - e) The Middle Class Scholarship (MCS) Program.
- 11) Authorizes CSAC, with respect to application deadlines for pupils or students applying for financial aid for the 2019–20 academic year, in response to a formal request from an authorized individual that is received no later than 10 business days after the measure becomes operative, by a unanimous vote of its elective officers, to retroactively postpone these deadlines in accordance with the procedures as established in this measure.

EXISTING LAW:

- 1) Establishes CSAC for the purpose of administering specified student financial aid programs (Education Code Section 69510, et seq.).
- 2) Authorizes the Cal Grant program, to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs; eligibility is based upon financial need, grade point average (GPA), California residency and other criteria (Education Code Sections 69430 - 69433).
- 3) Establishes the MCS Program to offset a portion of tuition costs at the UC and CSU for students with annual household incomes of less than \$150,000 (EC 70020, et seq.).

FISCAL EFFECT: Unknown

COMMENTS: *Urgency clause adoption.* The Assembly Rules Committee, on April 4, 2019, approved the request of the author to have an urgency clause added to this measure. The urgency clause states, "In order for students in communities that have been recently affected by events beyond their control to apply for financial aid for the 2019-20 academic year, it is necessary that this act take effect immediately".

Need for this measure. According to the author, "There are various events that can impact the ability of a student to successfully complete their financial aid application, and current law limits

our flexibility to accommodate when such circumstances arise”. The author contends, the wildfire season in California was unprecedented in the size and scope of its devastation. The fires destroyed tens of thousands of homes and forced the evacuation of hundreds of thousands of residents.

Additionally, the author states, “Given current tuition levels, it is more important than ever for the state to ensure that all students can fill out financial aid forms. To prepare for future unprecedented events, California should provide the Student Aid Commission with the necessary flexibility to accommodate students”.

This measure authorizes the CSAC to extend an application deadline of up to 30 calendar days for any financial aid program administered by CSAC. To note, this authority would apply only if CSAC receives a formal request to extend a deadline from a designated educational official and the CSAC finds that a qualifying event has occurred that, in the judgment of the CSAC, has had an adverse effect on the ability of students within a school district, community college district, 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.

Additionally, in order to attempt to assist students for the 2019–20 academic year financial aid application deadlines, this measure authorizes CSAC, by a unanimous vote of its elective officers, to retroactively extend the deadline.

Financial aid application process. To apply for a Cal Grant, a student must complete and submit two forms: the Free Application for Federal Student Aid (FAFSA) and the Cal Grant GPA Verification Form between October 1st and March 2nd of the year immediately before the fall term in which the student would like to use the student’s Cal Grant. Additionally, if a student is not eligible to fill out the FAFSA, the California Dream Act Application (CADAA) allows students interested in attending eligible California colleges, universities and career education programs to apply for state financial aid. The deadline to submit the CADAA falls within the same timeframe as the FAFSA.

Financial aid application data. As alluded to in the “Need for this measure” section of this analysis, various events can impact the ability of a student to successfully complete their FAFSA or CADAA. Over the course of the last several months, mostly during the window of when these applications were due to CSAC, students up and down this state faced extremely challenges, from wildfires to labor strikes, subsequently causing many to have the inability to complete and submit their FAFSA and/or CADAA. Some of the most affected regions of the state include the counties of: Alameda, Butte, and Los Angeles.

The table on page five reflects the number of FAFSA/CADAAs received from students for whom CSAC received a high school GPA verification and an overall on-time application for Oakland Unified, Paradise Unified, and Los Angeles Unified School Districts (all major school districts in the aforementioned affected counties). The table also reflects statewide numbers, from the most recent application season (2019-20) and going back four previous years.

District		2019-20	2018-19	2017-18	2016-17	2015-16
01-61259	Oakland Unified	3,440	3,459	3,136	3,080	3,046
04-61531	Paradise Unified	139	224	145	139	123
19-64733	Los Angeles Unified	48,603	36,162	34,183	32,150	30,648
All Schools		391,357	370,414	329,502	314,106	301,183

As evidenced above, both Oakland and Paradise Unified School Districts experienced a decrease in their submitted applications this year compared to previous years (though it was only 19 in Oakland, or about 0.5% of the total, vs. a much more significant 38% decrease from Paradise). Los Angeles Unified School District experienced an increase, which could be due to a variety of factors, but in and of itself, per CSAC, that district comprises a large share of the overall 5.7% statewide increase in FAFSA and CADAA submissions.

Committee comments. As presently drafted, this measure requires CSAC to submit to various entities, including the President of the UC, the Chancellor of the CSU, and the Chancellor of the CCC, the notice of the postponement of an application deadline. However, the measure does not list a representative for the independent California colleges and universities, to receive the notice from CSAC.

Moving forward, the author may wish to amend this measure to include the President of the Association of Independent California Colleges and Universities to the list CSAC must send the notice of the postponement of an application deadline.

Additionally, the Chair of this Committee and the Chair of the Assembly Budget Subcommittee No. 2 on Education Finance, have authored AB 1314, which will be heard by this Committee on April 23, 2019. This measure seeks to completely reform the Cal Grant Programs.

Moving forward, the author should work with the aforementioned authors in determining whether or not double jointing amendments will be necessary.

REGISTERED SUPPORT / OPPOSITION:

Support

California Department of Education (Co-Sponsor)
California Student Aid Commission
City of Oakland
Oakland Unified School District
The Education Trust-West

Opposition

None on file.

Analysis Prepared by: Jeanice Warden / HIGHER ED. / (916) 319-3960