



The Education Trust–West

Governor Newsom’s Proposal on Local Education Agencies (LEAs) Confirmation of FAFSA or CADAA Applications

SUMMARY

Governor Newsom’s proposed 2021-22 Education Budget included a proposal that would direct local education agencies (i.e., school districts, county offices of education, or charter schools) to confirm that all high school seniors complete a Free Application for Federal Student Aid (FAFSA), California Dream Act Application (CADAA), or opt-out of doing so.

TRAILER BILL LANGUAGE

The [trailer bill language](#) defines pupils and local education agencies (LEAs), identifies the start date as the 2021-22 school year, and provides detailed guidelines for confirming student FAFSA or CADAA completion.

LEA governing boards must confirm:

- Students complete the FAFSA or CADAA;
- Parents, legal guardians, emancipated students, or a student 18 years and older submit a written opt-out request to their LEA;
- LEAs submit an extenuating circumstance waiver request;
- LEAs connect parents and students with services or programs run by the California Student Aid Commission (CSAC) to help them complete forms;
- Information shared in compliance with this proposal abides by state and federal privacy laws.

The proposal provides LEA governing bodies discretion in how to implement these guidelines. If the Commission on State Mandates finds the proposal requires costs for a state-mandated activity, the state will be required to reimburse LEAs for those costs.

BACKGROUND

Historical data from the California Student Aid Commission indicates that underrepresented students are less likely to complete the FAFSA, thereby causing many low-income, Pell grant-eligible students to forego available state and federal financial aid funding. Recent trends have indicated that FAFSA filings among underrepresented student populations have decreased this year.

THE SOLUTION

To recover from the current pandemic and education equity crisis, California needs a laser-like focus on swiftly increasing financial aid application rates. Governor Newsom’s Budget Proposal would build upon AB 2015 (Reyes, 2018), which requires that all students receive the information necessary to complete and submit a financial aid form before they reach 12th grade. This proposal goes one step further: it calls upon LEAs to encourage the completion and submission of financial aid forms so that eligible students can access critical financial aid dollars to attend college. The proposal would give students and parents the support needed to complete and submit financial aid applications, while ensuring an easy opt-out avenue for those who choose otherwise. Furthermore, it serves as the final checkpoint for maximizing the return on investment for all of California’s financial aid completion programs and initiatives.

THE EVIDENCE

Across the nation, Louisiana, Texas, Indiana, Illinois, Tennessee, and Washington D.C have done this or something similar. In Louisiana’s first year of implementation, FAFSA application rates rose [26 percentage points](#) to an overall completion rate of over [77 percent](#), making them the state with the highest FAFSA completion rates in the nation. This was the largest year-over-year percentage change in FAFSA completion of any state. In 2017, California’s own Val Verde Unified School District integrated financial aid application completion into formal graduation procedures. In the first year, FAFSA/CADAA completion increased from [69 to 83 percent](#) with no adverse impact on high school graduation rates. In fact, Val Verde Unified School District graduation rates increased to 94.5 percent in 2019, with virtually no gap in graduation rates for Black, Latinx, White and Asian students. Last year, one of the schools in the district, Rancho Verde High, had one of the highest percentages of FAFSA/CADAA completion in California at [96 percent](#).