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**AB-2165 Pupil instruction: financial aid application.** (2023-2024)

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**Assembly Bill No. 2165**

**CHAPTER 702**

An act to amend Section 51225.7 of the Education Code, relating to pupil instruction.

[ Approved by Governor September 27, 2024. Filed with Secretary of State September 27, 2024. ]

**LEGISLATIVE COUNSEL'S DIGEST**

AB 2165, Reyes. Pupil instruction: financial aid application.

Existing law requires the governing body of a school district, county office of education, or charter school to confirm that a grade 12 pupil who has not opted out, as specified, completes and submits a Free Application for Federal Student Aid (FAFSA) or, if the pupil is exempt from paying nonresident tuition under existing law, completes and submits a form for purposes of the California Dream Act, as provided. Under existing law, a local educational agency that determines that a pupil is unable to complete these requirements is required to (1) exempt the pupil or, if applicable, the pupil's parent or legal guardian, from completing and submitting a FAFSA, a form for purposes of the California Dream Act, or an opt-out form, and (2) complete and submit an opt-out form on the pupil's behalf.

This bill would require a local educational agency, before exempting a pupil or the pupil's parent or legal guardian from the above-described requirement to complete and submit a FAFSA, a form for purposes of the California Dream Act, or an opt-out form, to provide specified information to the pupil and the pupil's parent or legal guardian, as provided. The bill would also require a local educational agency that exempts the pupil from the above-described requirement to notify the pupil's parent or legal guardian. By imposing new duties on local educational agencies, the bill would impose a state-mandated local program.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Section 51225.7 of the Education Code is amended to read:

**51225.7.** (a) For purposes of this section, the following definitions apply:

(1) "Local educational agency" means a school district, county office of education, or charter school.

(2) "Opt-out form" means a form developed by the Student Aid Commission that permits parents, legal guardians, a legally emancipated pupil, a pupil who is 18 years of age or older, or a local educational agency on a pupil's behalf to not fill out a Free Application for Federal Student Aid or California Dream Act Application for any reason.

(3) "Outreach program" means a nonprofit entity that is exempt from taxation pursuant to Section 501(c)(3) of the United States Internal Revenue Code or a public entity with experience in either or both of the following:

(A) Assisting pupils with financial aid application completion.

(B) Serving pupils who are eligible to submit a California Dream Act Application.

(4) "Pupil" means a pupil in grade 12 attending a high school maintained by a local educational agency.

(5) "Transcript-informed pupil accounts" means accounts available to grade 9 to 12, inclusive pupils that use data provided to the California College Guidance Initiative by local educational agencies, in accordance with data specified in the California High School Transcript and Student Record Portability Standard, as acknowledged by the Office of Cradle-to-Career Data.

(6) "Universal basic pupil accounts" means accounts available on the CaliforniaColleges.edu platform for grade 6 to 12, inclusive, pupils that use data provided to the California College Guidance Initiative by the department that are not inclusive of courses and grades.

(b) Commencing with the 2022–23 school year, except as provided in subdivisions (c) and (d), the governing body of a local educational agency shall confirm that a pupil complies with at least one of the following:

(1) The pupil completes and submits to the United States Department of Education a Free Application for Federal Student Aid.

(2) If the pupil is exempt from paying nonresident tuition pursuant to Section 68130.5, the pupil completes and submits to the Student Aid Commission a form established pursuant to Section 69508.5 for purposes of the California Dream Act.

(c) The parent or legal guardian of the pupil, or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, may opt out of the requirements of this section by filling out and submitting an opt-out form, as defined in subdivision (a), to the local educational agency. The Student Aid Commission shall make the opt-out form available to all local educational agencies pursuant to subdivision (h).

(d) (1) If the local educational agency determines that a pupil is unable to complete a requirement of this section, the local educational agency shall exempt the pupil or, if applicable, the pupil's parent or legal guardian from completing and submitting a Free Application for Federal Student Aid, a form established pursuant to Section 69508.5 for purposes of the California Dream Act, or an opt-out form pursuant to subdivision (c).

(2) (A) A local educational agency, before exempting the pupil or the pupil's parent or legal guardian pursuant to paragraph (1), shall comply with both of the following:

(i) Provide the information described in subparagraph (B) to the pupil through a meeting between a school counselor and the pupil or, if no school counselor is employed at the school, between the pupil and other school staff, through written material, or by other means of communication.

(ii) Provide, to the pupil's parent or legal guardian or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, the information described in subparagraph (B) and notification of the date by which the pupil will be opted out by the local educational agency if no action is taken. This notice shall be provided with sufficient time for the parent or legal guardian or the pupil if the pupil is a legally emancipated minor or 18 years of age or older, to act before the local educational agency opts out the pupil.

(B) The information to be provided, as required in subparagraph (A), shall be all of the following:

(i) The purposes and benefits of the Free Application for Federal Student Aid or a form established pursuant to Section 69508.5, which include consideration for financial aid.

(ii) The consequences of not completing and submitting a Free Application for Federal Student Aid or a form established pursuant to Section 69508.5.

(iii) The option to complete a Free Application for Federal Student Aid or a form established pursuant to Section 69508.5 after an opt-out form has been submitted.

(3) If the local educational agency exempts the pupil from having to complete the requirements of this section, the local educational agency shall complete and submit the opt-out form, as defined in subdivision (a), on the pupil's behalf and notify

the pupil's parent or legal guardian of the pupil's exemption.

(e) The governing board or body of the local educational agency shall ensure both of the following:

(1) The local educational agency directs each high school pupil and, if applicable, the pupil's parent or legal guardian to any support and assistance services necessary to comply with the requirement described in subdivision (b) that may be available through outreach programs, including, but not limited to, those programs operated by the Student Aid Commission, postsecondary immigration resource centers, college readiness organizations, community-based organizations, and legal resource organizations.

(2) Information shared by parents, legal guardians, and pupils under this section is handled in compliance with the federal Family Educational Rights and Privacy Act of 2001 (20 U.S.C. Sec. 1232g) and applicable state laws, including Chapters 493 and 495 of the Statutes of 2017, regardless of any person's immigration status or other personal information, in order to protect all pupil and parent data to the fullest extent possible so that schools and all personal data remain safe.

(f) It is the intent of the Legislature that high school pupils have the support and assistance services to help pupils successfully complete and submit a Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act.

(g) On or before September 1, 2022, and each year thereafter, the Student Aid Commission and the department shall facilitate the completion of the Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act in the following manner:

(1) The department shall share the current school year's roster of pupils with the Student Aid Commission.

(2) The Student Aid Commission shall match the data described in paragraph (1) with a pupil's application status based on the data possessed by the Student Aid Commission related to submission of the Free Application for Federal Student Aid and the form established pursuant to Section 69508.5 for purposes of the California Dream Act.

(3) The Student Aid Commission shall provide, to the extent permissible pursuant to state and federal law, the California College Guidance Initiative, described in Section 10861, with the data necessary, as determined by the California College Guidance Initiative, in consultation with the department, to inform the educator reports available through the CaliforniaColleges.edu platform to improve educator access to the information needed to determine whether each individual pupil has successfully completed and submitted their Free Application for Federal Student Aid or California Dream Act application.

(4) Upon participation of a local educational agency in the California College Guidance Initiative's implementation of transcript-informed accounts for pupils in grades 9 to 12, inclusive, on the CaliforniaColleges.edu platform, and to the extent permissible pursuant to state and federal law, the California College Guidance Initiative shall provide pupil grade point average information necessary, for each participating pupil in the local educational agency, to ensure that each pupil successfully completes and submits their Free Application for Federal Student Aid or California Dream Act application, to the Student Aid Commission in accordance with the privacy requirements of the federal Family Educational Rights and Privacy Act of 2001 (20 U.S.C. Sec. 1232g).

(h) The Student Aid Commission shall, on or before July 1, 2022, adopt regulations that include, but are not limited to, model opt-out forms and acceptable use policies for the purpose of providing guidance on the requirements relating to state law in paragraph (2) of subdivision (e). The Student Aid Commission shall post and make available any model opt-out forms and policies established pursuant to this subdivision on its internet website.

(i) A pupil who does not fulfill the requirements of this section shall not be penalized or punished and this section shall not affect a pupil's ability to graduate.

**SEC. 2.** If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.