
SENATE COMMITTEE ON EDUCATION

Senator Josh Newman, Chair

2023 - 2024 Regular

Bill No:	SB 307	Hearing Date:	March 29, 2023
Author:	Ashby		
Version:	February 2, 2023		
Urgency:	No	Fiscal:	Yes
Consultant:	Olgalilia Ramirez		

Subject: Middle Class Scholarship Program: community colleges: current and former foster youth.

NOTE: This bill has been referred to the Committees on Education and Human Services. A “do pass” motion should include referral to the Committee on Human Services.

SUMMARY

This bill: 1) expands eligibility for the Middle Class Scholarship (MCS) to community college students who are current or former foster youth pursuing transfer to a four-year postsecondary educational institution, an associate degree, an associate degree for transfer, or a certificate; 2) relaxes some MCS eligibility requirements; 3) excludes the student contribution requirement from consideration when determining a student's remaining financial need; and 4) requires that the California Student Aid Commission (Commission) set aside funds from the MCS program's total appropriation for current or former foster youth when determining the percentage of each student's remaining cost covered by the award.

BACKGROUND

Existing law:

- 1) Establishes the MCS program under the administration of the Commission. Existing law makes an undergraduate student eligible for a scholarship award under the MCS if the student is enrolled at the University of California (UC) or the California State University (CSU), or enrolled in upper division coursework in a community college baccalaureate program, and meets certain eligibility requirements. (Education Code (EC) Sections 70020 – 70023)
- 2) Provides that a student is eligible to receive an MCS award if in addition to meeting the specified criteria, submits a complete financial aid application, submitted and postmarked no later than March 2. (EC Section 70020 (a)(3)(F))
- 3) Provides that a student is eligible to receive an MCS award if in addition to meeting the specified criteria, is pursuing the student's first undergraduate baccalaureate degree or has completed a baccalaureate degree and has been admitted to, and is enrolled in, a program of professional teacher preparation at an institution approved by the Commission on Teacher Credentialing. (EC Section 70020 (a)(3)(I))

- 4) Provides that a student is eligible to receive an MCS award if in addition to meeting the specified criteria, maintains satisfactory academic progress in a manner that is consistent with the requirements applicable to the Cal Grant program. (EC Section 70020 (a)(3)(H))
- 5) Prohibits an applicant from receiving a MCS program award in excess of the amount equivalent to the award level for a total of a 4-year period of full-time attendance in an undergraduate program at UC or CSU or two-year period of full-time upper division coursework attendance in the community college baccalaureate degree program. (EC Section 70022.5 (a))
- 6) Requires that scholarships be reduced proportionately by an equal percentage for all recipients of scholarships if amounts appropriated for the MCS program are not sufficient. (EC Section 70023 (b)(3))
- 7) Provides that the maximum amount of a student's scholarship award be determined by taking the amount appropriated for the MCS program for the applicable award year, and dividing that by the sum of the projected amount computed for all eligible students, as described. (EC Section 70020 (B) and (C))
- 8) Existing federal law establishes the federal John H. Chafee Foster Care Independence Program to provide, among other benefits, education and training vouchers to qualifying current and former foster youth. (United States Code, Title 42, § 677)
- 9) Requires the Commission, through an interagency agreement with the Department of Social Services, to operate a federally-funded scholarship program that provides grant aid to California's current and former foster youth. Existing law requires funds to be used to assist students who are current and former foster youth, for career and technical training or traditional college courses. (EC Section 69519)
- 10) Prohibits Chafee funds from being released to Chafee awardees who have failed satisfactory academic progress for two consecutive semesters, three consecutive quarters, or an equivalent enrollment period, unless the student has worked with a qualified college staff member, as specified, to develop and submit an academic progress improvement plan to the Office of Financial Aid. A student who fails to update their plan, or who fails to meet satisfactory academic progress for a fourth consecutive semester, a fifth consecutive quarter, or an equivalent enrollment period, shall lose Chafee eligibility. (EC Section 69519 (h))
- 11) Requires that a student who loses Chafee eligibility due to failing satisfactory academic progress standards and subsequently un-enrolls for at least one semester, quarter, or other applicable period, is to regain Chafee eligibility upon re-enrollment at a qualifying postsecondary institution. (EC Section 69519 (i))
- 12) Defines for purposes of the Cal Grant program, "current or former foster youth" to mean a person whose dependency was established or continued by the court on or after the date on which the person reached 13 years of age.

ANALYSIS

This bill:

- 1) Expands eligibility for the MCS program to community colleges students who are current or former foster youth pursuing transfer to a four-year postsecondary educational institution, an associate degree, an associate degree for transfer, or a certificate and who do not exceed the program's current annual household income and asset thresholds.
- 2) Relaxes the MCS eligibility requirements for community college students who are current and former foster youth as follows:
 - a) Moves the deadline for submitting FAFSA or a CADA from March 2 to September 2.
 - b) Uses the satisfactory academic progress standard established for Chafee program.
 - c) Removes the requirement that students be pursuing their first undergraduate baccalaureate degree to be eligible.
- 3) Excludes the student contribution requirement from consideration when determining a current or former foster youth's remaining financial need to cover costs associated with college attendance.
- 4) Requires that the amount necessary to fund MSC awards for community college students who are current or former foster youth be set aside when determining the percentage of each student's remaining cost covered by the award.
- 5) Establishes the maximum MCS award amount for community college students who are current or former foster youth to be the full amount for which they are eligible to receive rather than a percentage of their eligible amount as prescribed for all other recipients.
- 6) Increases the number of years an MCS award can be renewed from 4 to 8 years of full-time attendance for a current or former foster youth enrolled at the UC, CSU or the CCCs.
- 7) Exempts scholarship awards for current or former foster youth attending community college from being reduced in the manner prescribed by current law for all other MCS awards when sufficient funds are unavailable. (*Due to a drafting error, the incorrect paragraph is cited in the bill but the intent of the author is described here.*)
- 8) Requires that the Commission maintain a page on its internet website that summarizes the provisions of the Middle Class Scholarship Program that apply to current and former foster youth and title it as "The Fostering Futures Program."

STAFF COMMENTS

- 1) **Need for this bill.** According to the author, “California has been making strides to improve access to financial aid for foster youth, but more can be done. Currently, California offers the Chafee Education and Training Voucher, which provides up to \$5,000 annually to eligible foster youth, as well as a \$6,000 Cal Grant award for non-tuition costs. However, even with these investments, the state’s financial aid program has not kept pace with significant increases to the cost of living for students, and foster youth are among those hit hardest by this disparity.”

The author further asserts, “Every foster youth deserves the opportunity to achieve their college dream, but in too many cases, that dream is out of reach due to financial barriers and extreme challenges that come about in the foster system. This is simply unacceptable. SB 307 will change countless lives by guaranteeing California’s foster youth the financial resources to go to and through college.”

- 2) **New benefit for foster youth within MCS.** MCS provides undergraduate students, including students pursuing a teaching credential, with a scholarship, and was recently revamped to account for cost of attendance, to attend a UC, CSU or community college Bachelor’s degree program. Currently, a community college student pursuing an associate degree or certificate is not eligible for MCS. Students with family income and assets up to \$201,000 may be eligible. To determine each student’s award amount, the Commission will first determine each student’s remaining cost of attendance, after accounting for other available gift aid, a student contribution from part-time work earnings, and a parent contribution for dependent students with a household income of more than \$100,000. Then, the Commission will determine what percentage of each student’s remaining costs to cover based on the annual appropriation for the program. In 2022-23, the program is estimated to cover 24 percent of each student’s remaining costs.

This bill seeks to have 100 percent of each current or former foster youth’s remaining costs covered at community colleges. It accomplishes this by prohibiting award amounts from being reduced and sets aside the amount necessary to fund these awards when award amounts for other recipients are being determined. It also excludes the student contribution requirement (i.e. work requirement) when assessing the amount for which they are qualified, allowing for a larger award. These changes effectively establish a scholarship dedicated for a unique population within the MCS program’s appropriation and framework. The remainder of the MCS appropriation will be rationed among all other qualified students, which may affect their award amounts.

- 3) **Who is eligible?** Under the bill’s provisions, eligibility is extended to current and former foster youth attending a CCC who have submitted the FAFSA or a CADA application by September 2. Community college students must be pursuing transfer, an associate degree, or a certificate, and their annual household income

and assets must not exceed the threshold for the MCS program. A current or former foster youth is defined as current or former foster whose dependency was established or continued by the court after their 13th birthday.

- 4) **Foster youth.** According to information provided by the author's office, foster youth experience extremely high rates of housing insecurity, which can lead to instability that permeates to other areas of adulthood. A 2019 analysis by the Commission found that 56% of community college students in California lived with their parents. Families play an important role in the housing stability of their adult children, in particular those attending college. Foster youth, by definition, have been removed from their parents and therefore are less likely to have a parental home to fall back on. This is further borne out by research on homelessness among college students that has shown that the rate of homelessness among former foster youth (43%) is more than double that of other students (19%).

According to the letter of support submitted to the committee from John Burton Advocates for Youth, "Children and youth enter foster care due to serious abuse and neglect. This trauma is often compounded by the instability they experience while in foster care, through placement and school changes. Together, these lead to poor educational outcomes, most notably low rates of college completion: in California, just 10% of foster youth obtain a two-year or four year degree by the age of 23 compared to 36% of their non-foster youth peers. However, a recent student found that foster youth who receive a Chafee Education and Training Voucher are twice as likely to graduate as those who did not." This bill seeks to further support foster youth cover their remaining financial need associated with college attendance, including housing, transportation and materials.

- 5) **Award renewals.** This bill, in addition to the benefits provided to community college students, increases the number of years an MCS award can be renewed for current or former foster youth at UC or CSU by four years. This is similar to the renewal limits established in state's Cal Grant program for foster youth. Unlike the Cal Grant, MCS is not an entitlement program and not all eligible students will get their full scholarship. The Commission estimates there to be 200 foster youth at UC, 800 at CSU and 3,000 at community colleges. It is unclear to staff whether extending the eligibility period in this manner would have a significant impact on MCS.
- 6) **Relaxes some eligibility requirements.** This measure also relaxes some MCS eligibility rules specifically for current and former foster youth, including changes that could make the program available to students pursuing a second baccalaureate degree, extends the application deadline, and employs a less stringent process when failing to meet satisfactory academic progress standards. These changes do not apply to non-foster youth.
- 7) **MCS implementation concerns.** The 2021 Budget Act significantly changed the MCS program. The Legislative Analyst's Office (LAO) assessment of the MCS noted various challenges as the Commission and campus financial aid offices implemented the redesigned MCS program for the first time this year. In Spring

2022, when students considered admissions offers, the Commission had no data to anticipate MCS award levels under the new approach. Students and families were not informed of their award amounts in time to affect college enrollment or financial planning. According to the LAO Assessment, some of the MCS implementation issues that the Commission and campus financial aid offices faced in 2022-23 are expected to be resolved over time. The Commission and the segments, however, indicate that other challenges may persist under the current program structure. MCS award amounts change often. These modifications may occur to reflect new student gift aid (such as merit scholarships or emergency grants), to comply with federal financial aid packaging rules, or to maintain MCS expenditure within the annual appropriation. These changes increase the workload on the Commission and campus financial aid offices. Furthermore, they cause student frustration and potential hardship, especially when award amounts are reduced mid-year.

Making changes to the MCS to better serve those with the greatest financial need such as current or former foster youth is a worthy goal, but doing so in the manner prescribed by the bill may present implementation challenges, given the difficulties mentioned in the above paragraph. Additionally, because the bill grows the program at the community colleges, it is unclear whether the community college financial aid offices are prepared or equipped to participate in this program, given that they do not currently administer MCS at the proposed level. *Should the bill move forward the author may wish to consider working with the Commission to ensure that implementation is feasible so that newly eligible current or foster youth, as well as other students, receive awards in a timely manner and campuses and the Commission are equipped to administer the program. As such, the author may wish to consider extending the bill's implementation date.*

- 8) **Drafting error.** Due to a drafting error, the incorrect paragraph is cited in Education Code Section 70023 (b)(3) of the bill. Should the bill move forward, the author may wish to correct the error by referencing the appropriate subdivision.

SUPPORT

John Burton Advocates for Youth (Sponsor)
 3rd Street Youth Center & Clinic
 A Better Way, INC. - Permanency Program
 Alameda County Office of Education
 Barstow Community College
 Berkeley Hope Scholars
 Beyond Emancipation
 Butte College Inspiring Scholars
 California Alliance of Caregivers
 California Chamber of Commerce
 California State University, Dominguez Hills - Toro Guardian Scholars Program
 Casa Pacifica Centers for Children and Families
 Center for Public Interest Law/children's Advocacy Institute/university of San Diego
 Cerritos College
 Children Now - Child Welfare

Children Youth & Family Collaborative
Children's Institute
Children's Legal Services of San Diego
College of The Desert - Foster Youth Services
Cuesta College - Financial Aid
Doing Good Works
EA Family Services
Emmanuel Gomez, President, Associated Students of Pasadena City College
FASD Network of Northern California
FASD Now! a California Alliance
Foster Care Counts
Haven of Hope
Jovenes, INC.
Mary Graham Children's Foundation
Merced County - Children's Services Branch
Monterey County Office of Education - Foster Youth Services
Mt. San Antonio College
Mt. San Antonio College Reach
National Association of Social Workers, California Chapter
Norco College - Special Funded Programs
North Orange Community College District
Northern California College Promise Coalition
Oak Grove Sanctuary Palm Springs
Pivotal
Power to Soar
Razing the Bar
Reedley College - EOPS
Rio Hondo College
Riverside City College
San Benito County - Health & Human Services
San Diego City College - Nextup Program
Shasta College - Inspiring & Fostering Independence (SCI*FI)
Smart Justice California
Sonoma County - Family Youth & Children's Services
Students Rising Above
TLC Child & Family Services - Transition Age Youth Housing
Together We Rise DbA Foster Love
Unite-la, INC.
United Friends of The Children
USC Rossier Pullias Center for Higher Education
Voices - Solano
Waking the Village
Walden Family Services
Wind Youth Services
Woodland Community College Foster & Kinship Care Education
Youth Law Center
Youth Leadership Institute

OPPOSITION

None received

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