
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anthony Portantino, Chair
2023 - 2024 Regular Session

SB 307 (Ashby) - Middle Class Scholarship Program: community colleges: current and former foster youth

Version: February 2, 2023

Urgency: No

Hearing Date: May 8, 2023

Policy Vote: ED. 7 - 0, HUMAN S. 5 - 0

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill would expand 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.

Fiscal Impact:

- This bill provides that its provisions would be implemented within the existing MCS program budget, therefore any costs exceeding that amount would result in reductions to MCS awards. The Commission estimates that the bill's impact on the existing MCS appropriation would range from \$65.7 million to \$288.9 million. On the low end, this estimate assumes there would be a minimum of 4,417 foster youth students attending community college part-time. On the high end, the estimate assumes there would be approximately 16,620 students attending community college full-time. A precise number would depend on a variety of factors, most notably student behavior and the number of students that transition from part-time or less to full-time due to the availability of the new community college MCS grant. The Commission indicates it assumed an average cost of attendance of \$25,000 for community college students and then subtracted the estimated Pell, Cal and Chafee grant amounts.
- The California Student Aid Commission estimates one-time General Fund costs of \$614,000 in the first year of implementation, and ongoing General Fund costs of \$292,000 to administer the MCS program for foster youth. These resources would be needed to support program implementation and IT systems development since the Commission's existing IT processes were not designed to communicate or interact with all of the 115 community college campuses and their different automated systems or manual processes. The Commission indicates that IT enhancements would also be necessary for the MCS programs at UC and CSU.

Background: Existing law 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.

Existing law 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. It also 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.

Existing law 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. It also 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.

Existing law 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. It also 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.

Proposed Law: This bill 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.

This bill 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.

This bill 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, and 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.

This bill 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. It also 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.

This bill 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. This bill also 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: The MCS provides undergraduate students with a scholarship, which accounts for the cost of attendance, to attend a UC, CSU or community college Bachelor's degree program. 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 determines 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. The bill also excludes the student contribution requirement (i.e. work requirement) when assessing the amount for which they are qualified which would allow for a larger award. The remainder of the MCS appropriation will be rationed among all other qualified students, which may reduce their award amounts. For the 2022-23 academic year, the average MCS awards for UC and CSU students were \$2,074 and \$2,429, respectively.

-- END --