

Date of Hearing: June 24, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

SB 685 (Cortese) – As Amended April 22, 2025

[Note: This bill is double referred to the Assembly Committee on Education and will be heard by that Committee as it relates to issues under its jurisdiction.]

SENATE VOTE: 36-0

SUBJECT: California State University: financial aid for homeless students: pilot program.

SUMMARY: Establishes the Financial Assistance for Students Experiencing Homelessness Pilot Program, upon an appropriation by the Legislature and until July 1, 2031, to be administered by the three participating California State University (CSU) campuses, as defined, for the purpose of increasing access to postsecondary education for students who experienced homelessness during high school. Specifically, **this bill:**

- 1) Establishes the Financial Assistance for Students Experiencing Homelessness Pilot Program, upon an appropriation by the Legislature and until July 1, 2031, to be administered by the three participating CSU campuses, as specified, for the purpose of increasing access to postsecondary education for students who experienced homelessness during high school.
- 2) Requires, commencing with the 2026-27 academic year, each participating CSU to provide financial assistance to a qualifying student for the remaining balance of the student's total cost of attendance (COA) that exceeds the amount of financial aid received by the qualifying student during the first four years that the qualifying student is enrolled in the pilot program.
- 3) Requires, in order to receive the remaining balance of financial assistance, that the qualifying student meet all of the following conditions:
 - a) Complete and submit the Free Application for Federal Student Aid (FAFSA) or the California Dream Act application, including, if applicable, acknowledging past or current experiences of homelessness;
 - b) Timely apply for all other federal, state, or institutionally administered grants or fee waivers for which the student is eligible;
 - c) Be enrolled in courses leading toward the qualifying student's first baccalaureate degree at an institution of higher education;
 - d) Be enrolled full-time, as determined by the institution; and,
 - e) Maintain satisfactory academic progress.
- 4) Requires each participating CSU to:

- a) Designate one existing employee as a liaison to serve as a point of contact for qualifying students and prospective qualifying students. The liaison can have other duties unrelated to their work as the liaison. This liaison is to provide qualifying students and prospective qualifying students with information regarding application assistance, financial assistance, support services, and other resources and assistance that are available to qualifying students;
 - b) Provide the California Student Aid Commission (CSAC) with the contact information for their respective designated liaison;
 - c) Publicize the availability of the pilot program for students experiencing homelessness on their respective websites and notify qualifying students of their eligibility to participate in the pilot program; and,
 - d) Adopt policies to administer the pilot program.
- 5) Requires the CSU Office of the Chancellor to do both of the following:
- a) Collect data from each institution that shows whether a student's participation in the pilot program improved retention rates, housing attainment, and food insecurity; and,
 - b) Submit, by December 31, 2030, a report to the Legislature, evaluating the efficacy of the pilot program based on the data collected required in this measure.
- 6) Requires CSAC to do all of the following:
- a) Enter into a data-sharing agreement with the California Department of Education (CDE) to share personally identifiable student information for the purposes of identifying and supporting prospective qualifying students. The data-sharing agreement must ensure that any personally identifiable student information shared pursuant to the agreement is shared in compliance with all state and federal privacy laws, including, but not limited to, Family Educational Rights and Privacy Act (FERPA); and,
 - b) Adopt regulations necessary to carry out its duties in accordance with the provisions in this measure.
- 7) Defines various terms for purposes of the measure including, in part:
- a) "COA" to mean the student's tuition and fees, books and supplies, living expenses, transportation expenses, and any other student expenses used to calculate a student's financial need for purposes of student aid programs under the federal Higher Education Act;
 - b) "Financial aid" to mean any private, state, or federal assistance, excluding any federal student loans, that a qualifying student, as defined, receives;
 - c) "Institution of higher education" or "institution" to mean San José State University and two additional CSU campuses to be selected by the CSU Chancellor's Office to participate in the pilot program; and,

- d) “Qualifying student” to mean a California resident or a student who is exempt from paying nonresident tuition pursuant to the specified state law who meets all of the following requirements:
- i) Has been accepted for enrollment at an institution of higher education;
 - ii) Has been identified by designated school personnel as a homeless child or youth pursuant to Section 725 of the federal McKinney-Vento Homeless Assistance Act (42 U.S.C. Sec. 11434a), while residing in California at any time between the start of 9th grade and the end of 12th grade; and,
 - iii) Will be between 17 and 26 years of age, inclusive, at the time the student receives financial assistance under the pilot program.

EXISTING LAW:*Federal Law.*

- 1) Defines, in the federal McKinney-Vento Homeless Assistance Act (McKinney-Vento), “homeless children and youth” as individuals who lack a fixed, regular, and adequate nighttime residence, including children who are sharing the housing of other people, living in motels, hotels, trailer parks, or campgrounds, emergency or transitional shelters, abandoned in hospitals or awaiting foster care placement, or who are living in a place not generally used for sleeping, cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, and migratory children living in the circumstances above (Title 42 United States Code (USC) Section 11434a(2)).
- 2) Requires, under the federal McKinney-Vento Act, every local educational agency to designate a local liaison for homeless children and youth, who, among other duties, is responsible for ensuring that homeless children and youth are identified by school personnel through outreach and coordination activities with other entities and agencies, and ensuring that homeless families and homeless children and youth have access to and receive educational services for which such families, children, and youth are eligible (42 USC Section 11432(g)).
- 3) Requires, under the federal McKinney-Vento Act, states that receive federal funds, to serve homeless children and youth to establish or designate in the state educational agency an Office of the Coordinator for Education of Homeless Children and Youths (42 USC Section 11432(d)).
- 4) For purposes of calculating annual average costs to attend college and determining financial need for student aid programs, defines “COA” as:
 - a) Tuition and fees normally assessed, including costs for required equipment, materials, or supplies;
 - b) An allowance for books, supplies, transportation, and miscellaneous personal expenses, including a computer;

- c) An allowance, as determined by the institution, for room and board costs, as specified;
- d) For students enrolled less than half-time, tuition and fees and an allowance for specified costs; and
- e) Allowances for students who are engaged in work study, are incarcerated, have dependents, or are disabled (20 USC Section 1087II).

State law.

- 1) Establishes the CSU administered by the Board of Trustees, and provides that the Trustees shall have the full power over the construction and development of any CSU campus and any buildings or other facilities or improvements (Education Code (EC) Section 89030, et seq.).
- 2) Establishes the CSAC as the state agency charged with administering state financial aid programs to qualifying students enrolled in institutions of higher education throughout the state (EC Section 69510, et seq.).
- 3) Defines “COA” as the monetary costs of attending college or university for the purpose of determining financial aid eligibility; including the cost of mandatory systemwide tuition and fees, books and supplies, room and board, transportation, and miscellaneous personal expenses (EC Section 66028.1(b)).

FISCAL EFFECT: According to the Senate Committee on Appropriations:

- 1) While the bill’s provisions would be contingent upon an appropriation, the CSAC estimates General Fund costs of \$283,000 to \$354,000 each year to fund the pilot program from the 2026-27 academic year until 2030-31.
- 2) The California State University (CSU) estimates General Fund costs of approximately \$188,000 for the three campuses to designate an existing employee to serve as a liaison and point of contact for qualifying students. This estimate assumes that 50 percent of the duties for each staff would be dedicated to the pilot program. The CSU also indicates there could be minor one-time costs to update the three campus websites to advertise the program, and additional unknown costs to complete the reporting requirement.
- 3) Any costs to the CSAC to adopt regulations and enter into a data-sharing agreement with CDE would be minor and absorbable within existing resources. The costs to CDE for these activities would also be minor and absorbable.

COMMENTS: *Purpose of the measure.* According to the author, “postsecondary education is increasingly essential for breaking the cycle of poverty and homelessness. Yet, youth experiencing homelessness encounter significant challenges in accessing and completing higher education, including barriers related to financial aid, college retention, and degree attainment. Without adequate support, many of these students struggle to pursue their academic and career aspirations, limiting their long-term opportunities.”

The author cites a study by the California Homeless Youth Project that underscores the severity of this issue, “while over 90% of surveyed youth had career goals requiring education beyond high school, only 16% felt confident in their ability to enroll in or complete college within five years. Systemic challenges, such as financial insecurity, unstable housing, and insufficient academic support, continue to hinder their educational progress.”

Further, the author contends that, “financial aid plays a critical role in making higher education accessible for homeless students. At institutions like the California State University (CSU), where approximately 3,200 students identified as homeless during the 2023-2024 financial aid application cycle, financial aid is often their primary means of affording tuition, housing, and basic living expenses. However, even with grants and work contributions, many students still face an unmet financial need of approximately \$10,000 annually—posing a significant obstacle to college persistence and graduation.”

Lastly, the author states that, “bridging this financial gap through additional resources and comprehensive support services is vital to improving college completion rates among homeless students. By addressing these disparities, we can empower more students to attain higher education, achieve stability, and build a future beyond homelessness.”

Cost of attendance. Cost of college attendance refers to the total direct and indirect costs of attending college each year. This total includes tuition and fees, housing expenses, transportation expenses, books, supplies, and miscellaneous personal expenses as defined in the federal Higher Education Act. Each college calculates this figure to estimate the net price of college for students and families, as well as to determine state and federal financial aid award amounts.

This measure seeks to ensure that for a period of four years the full COA is covered for a student who experienced homelessness in high school.

Packaging multiple offers of student aid. When a student qualifies for more than one financial aid program, the campus financial aid office will package their aid to help meet the student’s financial need to cover the COA. A student’s total financial aid package will not exceed the student’s COA, but it may not fully cover their remaining need either.

The student aid program established in this measure seeks to bridge the remaining funding gap after accounting for other financial aid received by the student. In the absence of further aid, the remaining need informs the student of the extent to which they may need to rely on alternative sources, including increased work hours, loans, or parental contributions.

Who is eligible under the provisions of this measure? Eligible participants are those who have experienced homelessness at some point while attending a high school in California. This measure defines homeless children and youth in accordance with the definition provided in the federal McKinney-Vento Act for supporting homeless students in schools, as outlined in the background section of this analysis. Temporary shelters, hotels/motels, unsheltered situations, or situations where the youth is temporarily doubled up are examples of dwelling types these students may have experienced.

Further, the measure identifies San José State University and two other CSUs selected by the CSU Chancellor’s Office to participate in the pilot program. Only eligible students who enroll in a participating CSU may receive payments, which are administered by the campus.

Award amounts. The total unmet need of each student, after considering other forms of financial assistance, will vary. The award amount allocated under the proposed program will vary among its recipients. The author indicates that many students face an unmet financial need of approximately \$10,000 per year. This would necessitate an equivalent allocation of funding to bridge the gap.

The measure's provisions are contingent upon a budget appropriation.

Committee comments and amendments. As this State continues to grapple with a budget deficit, *this Committee may wish to examine whether it is prudent, while well intentioned, to create another financial aid program.*

Additionally, as drafted, this measure explicitly names only one CSU campus that would have to participate in the pilot, but remains silent as to the other two campus. The measure, as drafted, also lacks specificity in ensuring the financial stability of eligible students who receive the additional aid. Further, Committee Staff understands that the intent of the author is to create a pilot that can assess the merits of the created financial aid assistance for homeless students within various regions of the State. Lastly, as currently drafted, CSAC no longer has a role in the implementation of this measure; however, the measure contains unnecessary mandates to CSAC.

With this in mind, the Committee suggested, and the author agreed to accept all of the following amendments:

69850. (c) "Institution of higher education" or "institution" means ~~San Jose State University and two additional~~ **four** California State University campuses to be selected by. . . .

69851. (a) The Financial Assistance for Students Experiencing Homelessness Pilot Program is hereby established for the purpose of increasing access to postsecondary education for students who experienced homelessness during high school. The pilot program shall be administered by each institution of higher education.

(b) When the Office of Chancellor of the California State University selects participating institutions for the pilot program, pursuant to subdivision (a), one participating institution shall be selected from each of the following geographic regions of the State: Central California, Northern California, South Bay Region of the San Francisco Bay Area Region, and Southern California.

~~(d) The commission shall adopt regulations necessary to carry out its duties pursuant to this article.~~

~~(e)~~ **(d)** Each institution shall adopt policies to administer the pilot program. **Policies shall include, but are not limited to all of the following:**

(1) Parameters as to what the funds disbursed to qualifying students, pursuant to subdivision (d) inclusive, shall be used for, stipulating that they can only be used for cost of attendance purposes, as defined in subdivision (a) of 69850.

- (2) *Determining if qualifying students, pursuant to subdivision (d) inclusive, should have regularly scheduled check-ins with the appropriate entity on campus in order to assess their financial well-being.*

69852. *(b) and (c) deleted.*

Arguments in support. According to the Church State Council, “the Church State Council supports legislation that helps to bring about equality and freedom. All Americans are entitled to the fundamental rights of conscience, religious freedom, and the pursuit of happiness. The homeless youth population includes “runaway” youth, youth whose parents encouraged them to leave or locked them out of their home, and independent youth from families where irreconcilable conflicts or loss of contact have made it impossible for them to return home. Many are victims of abuse; many have spent time in foster care as children. A quarter or more of homeless children have witnessed violence, and more than half have problems with anxiety and depression.”

The Church State Council contends that, “by providing education financial support to homeless youth, we can help break the cycle of homelessness and improve their prospects for employment and success in society. This bill presents an opportunity to make a difference in the lives of our vulnerable citizens and address a societal issue with appropriate legislation.”

REGISTERED SUPPORT / OPPOSITION:

Support

Alliance for Children's Rights
 American Association of University Women - California
 Bill Wilson Center
 California Coalition for Youth
 California Faculty Association
 California Nurses Association
 Children's Fund
 Church State Council
 Generation Up
 HomeFirst Services of Santa Clara County
 Housing California
 John Burton Advocates for Youth
 National Center for Youth Law (NCYL)
 Orange County United Way
 Path (people Assisting the Homeless)
 Santa Clara County School Boards Association
 Student Homes Coalition
 Youth Alliance

Opposition

None on file.

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