

Date of Hearing: April 17, 2018

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

AB 3089 (Thurmond) – As Amended April 2, 2018

SUBJECT: Student financial aid: Chafee grant awards.

SUMMARY: Authorizes the California Student Aid Commission (CSAC), commencing with the 2019-20 award year, to provide new Chafee Grant awards to students as long as they are under the age of 28 by December 31 of the award year, and appropriates an additional \$250,000 annually from the General Fund (GF) to expand the state's allocation to the Chafee Educational and Training Vouchers (ETV) program. Specifically, **this bill:**

- 1) Authorizes CSAC, beginning with the 2019-20 award year, to make new Chafee Grant awards to students who will not be 28 years of age or older by December 31 of the award year.
- 2) Appropriates, commencing with the 2019-20 award year, an additional \$250,000 annually from the GF to expand the state's allocation to the Chafee ETV program.
- 3) Requires CSAC to annually report to the Legislature, all of the following information for the preceding award year:
 - a) The number of students that apply to receive a Chafee Grant award;
 - b) The number of Chafee Grants awarded; and,
 - c) The number of students paid through the Chafee ETV program.

EXISTING LAW:

- 1) Establishes requirements for postsecondary education institutions to participate in the Cal Grant program, and requires, for the 2017-18 and subsequent academic years, an institution to maintain a graduation rate above 30 percent and a three-year cohort student loan default rate of less than 15.5 percent (Education Code (EC) Section 69432.7).
- 2) Establishes the CSAC for the purpose of administering specified student financial programs (EC Section 69510, et seq.).
- 3) Requires, commencing with the 2017-18 academic year, CSAC to ensure that postsecondary institutions meet eligibility requirements consistent with the Cal Grant Program in order to participate in the Chafee ETV Program (EC Section 69519).
- 4) 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, Section 677).

FISCAL EFFECT: Unknown

COMMENTS: *Background.* The federal John H. Chafee Foster Care Independence Program (CFCIP) was created in 1999 to offer assistance to current and former foster care youth in achieving self-sufficiency. Federal grants are offered to States who submit a plan to assist youth in a wide variety of areas designed to support a successful transition to adulthood. The ETV for Youths Aging out of Foster Care was added to the CFCIP in 2002. ETV provides resources specifically to meet the education and training needs of youth aging out of foster care.

In California, the Chafee Grant provides up to \$5,000 in grants to foster youth. The budget for the program is about \$14.3 million, which is evenly split between federal funds and the state GF. State funding for the program is accounted for in the Department of Social Services budget, the funding is distributed to CSAC through a Memorandum of Understanding (MOU) that outlines program operations; CSAC then directs money to students pursuant to the requirements of the MOU.

Current or former foster youth qualify for the Chafee Grant if they are under age 22 and were wards of the court and living in foster care for at least one day between the ages of 16 and 18. The maximum grant is \$5,000 per academic year; the average awarded grant in 2016-17 was \$4,149. Additionally, 3,499 students were served by the grant in 2016-17.

Purpose of the measure. According to the author, research shows that only four percent of former foster youth obtain a four-year degree by the time they reach 26 years of age. The author contends that research shows a significant barrier to former foster youth obtaining a postsecondary education is their lack of financial stability.

The author states, "Unlike most financial aid programs and grants, the Chafee Grant is crucial as it allows foster youth to pay for college-related expenses beyond tuition and fees...many eligible foster youth do not enroll into college immediately after emancipation out of the foster care system. Thus, they are unable to take advantage of the Chafee program". The author contends, "Often times, foster youth do not learn of the program until they have already exceeded the age limit or are only able to benefit from the program for a limited time despite not having completed their degree".

This measure modifies the age requirements of the Chafee Grant; commencing with the 2019-20 award year, a former foster youth will be eligible to receive an award if the student is not 28 years of age or older by December 31 of the award year, rather than not being age 22 or older of the award year. Additionally, the measure appropriates, commencing with the 2019-20 award year, an additional \$250,000 annually from the GF to expand the state's allocation to the Chafee ETV program. Committee Staff understands that, due to the age eligibility requirements changing, the author intends for the augmented state allocation to the Chafee ETV program to offset the anticipated uptake in eligible foster youth accessing the Chafee ETV program.

Prior legislation. AB 2506 (Thurmond), Chapter 388, Statutes of 2016, which, in part, commencing with the 2017-18 academic year, required CSAC to ensure that postsecondary institutions meet eligibility requirements consistent with the Cal Grant Program in order to participate in the Chafee Program.

REGISTERED SUPPORT / OPPOSITION:

Support

Baby2Baby
Echoes of Hope
InsideOUT Writers
Journey House (Sponsor)
Public Counsel
1 Individual

Opposition

California Right to Life Committee, Inc.

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