

Date of Hearing: June 18, 2024

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

SB 1322 (Wahab) – As Amended May 16, 2024

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

SENATE VOTE: 38-0

SUBJECT: Foster youth: Chafee Educational and Training Vouchers Program.

SUMMARY: Expands eligibility for the Chafee Grant to eligible youth who were in foster care at some time between the ages of 15 and 18, instead of 16 and 18, contingent upon an appropriation, commencing with the 2025-26 award year. Specifically, **this bill:**

- 1) Requires, commencing with the 2025-26 award year and contingent upon an appropriation of sufficient funds in the annual Budget Act, that the California Student Aid Commission (CSAC) make a Chafee grant award to a student if the student, in addition to being under the age of 26 and attending a qualifying institution as prescribed in current law, meets any of the following conditions:
 - a) The youth is or was a dependent or ward of the court, living in foster care, between the ages of 15 and 18;
 - b) The youth left foster care to Kin-Gap, a nonrelated legal guardianship, or adoption, between the ages of 15 and 18; and,
 - c) The youth was placed in out-of-home care by a tribe or tribal organization between the ages of 15 and 18.

EXISTING LAW: *Federal law.* Establishes the 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).

State law.

- 1) Establishes CSAC for the purpose of administering specified student financial aid programs (Education Code (EC) Section 69510, et seq.)
- 2) Requires CSAC, 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. 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 (a-d inclusive)).
- 3) Requires CSAC, commencing with the 2018-19 award year, and contingent upon an appropriation of sufficient funds in the annual Budget Act, to make a new Chafee Grant

award to a student only if the student will not be age 26 or older by July 1 of the award year and the student attends specified qualifying institutions (EC Section 69519 (f)(1)).

FISCAL EFFECT: According to the Senate Committee on Appropriations, while the bill's provisions would be contingent upon an appropriation, it could result in additional General Fund cost pressure in the low millions of dollars each year to lower the age of eligible foster youth under the program.

COMMENTS: *Purpose of the measure.* According to the author, "this legislation will expand eligibility for the Chafee Education and Training Voucher program, which currently only supports foster youth who were in foster care, and left care at some point, between ages 16-18."

The author contends that, "this exclusion prevents those who left care before age 16 from receiving essential financial aid for education and training. SB 1322 lowers the eligibility age from 16 to 15. This change ensures more foster youth can potentially access up to \$5,000 annually for educational pursuits, promoting higher retention and graduation rates. Moreover, it encourages caregivers to seek legal permanence sooner, fostering more stable and supportive home environments for foster youth."

Further, the author states that, "the children, youth, and families involved with child welfare are primarily from historically under-resourced communities. As of July 1, 2022, over 77% of foster youth in California have an ethnicity of Black, Latinx, Asian/Pacific Islander, or Native American. Just 45% of child welfare supervised youth who remained in foster care at 18 or older enrolled in postsecondary education. Estimates show that less than 10% of youth who have experienced foster care will complete a 2 or 4-year degree by early adulthood."

The author states that, "by expanding the California Chafee Voucher program eligibility for foster youth, we are increasing the likelihood of postsecondary educational success for this vulnerable population."

Foster youth and the Chafee Grant and Training Program. According to a March 2023 report by the Urban Institute, entitled, *Participant Perspectives on Education and Training Vouchers: How Young People with Foster Care History Experience the Education and Training Voucher Program*, "postsecondary education is important to achieving economic self-sufficiency and associated with other positive outcomes. Young people in foster care face challenges in pursuing postsecondary education, which can lead to worse outcomes than their peers, such as being less likely to enroll in college and less likely to earn a degree, even if enrolled." The report finds that the Chafee Educational and Training Voucher (ETV) program, a federal initiative is meant to address the problem.

The ETV program was created through a 2001 Congressional amendment to the 1999 John H. Chafee Foster Care Independence Act. The 1999 Foster Care Independence Act authorized \$140 million dollars to be granted to states to fund programs that help young adults currently and formerly in foster care to achieve self-sufficiency. Since 2002, the Congress has allocated funds to states and tribes to help young adults in foster care pay for postsecondary education or training programs.

The ETV program provides funds for vouchers that can be used to pay for anything included in the cost of college attendance as defined by the postsecondary institution or program, including,

but not limited to, tuition, books, room and board, and other expenses. Although the program is federally funded, states administer the program. However, states differ widely in their implementation of the program and their interpretation and application of the eligibility criteria.

Federal funding for the ETV program is allocated to states based on each state's relative share of children in US foster care. This does not necessarily align with states' need for ETV funds. Some states run out of funds every year and either have to deny young adults access to the ETV program or lower the amount of the award, while a small number of other states return unused funds. Average national amounts of ETV program budget spending have lingered around \$43 to \$45 million (\$44 million in 2023).

The ETV program has gone through several changes since its creation. The original 2001 amendment defined the eligible population as children at risk of aging out of foster care or those who exited foster care because of adoption by age 16 or older. Young people were eligible to receive funds until they turned age 21. If they received ETV funding on or before their 21st birthday, they could continue receiving funding until age 23 as long as they were enrolled in a postsecondary education or training program and were making progress toward completing the program.

With the passage of the Family First Prevention Services Act of 2018, ETV eligibility was expanded to age 26, but without additional funding. Participants could only receive ETV funding for a maximum of five years. In 2020, the Supporting Foster Youth and Families through the COVID-19 Pandemic Act increased the maximum ETV award from \$5,000 to \$12,000 per recipient and provided additional federal funding for this increase. However, the increase was temporary (from October 2020 to September 2022). The Act also temporarily extended the maximum age to 27 through September 30, 2021.

How many? According to CSAC, in the 2022-23 award year, CSAC provided 4,330 Chafee awards to eligible students. The average award amount was \$3,593.

The chart below, provides a detailed breakdown of Chafee spending from 2018 to the most recent award year (AY), 2023.

Chafee Spending Break Down AY 2018-Present						
	AY 2018	AY 2019	AY 2020	AY 2021	AY 2022	AY 2023
Annual Allocation	\$17,623,	\$17,223,	\$17,461,	\$17,471,	\$17,669,	\$17,947,
Annual Allocation	\$17,623,	\$17,223,	\$22,791,	\$23,471,	\$18,042,	\$19,594,
State Share	\$12,669,	\$12,669,	\$12,669,	\$12,669,	\$12,669,	\$12,669,
Total Federal Share	\$4,954,0	\$4,554,0	\$10,121,	\$10,801,	\$5,372,8	\$6,924,3
Base Federal Share	\$4,954,0	\$4,554,0	\$4,791,8	\$4,801,7	\$5,000,0	\$5,278,2
Additional Federal			\$5,329,9	\$6,000,0	\$372,822	\$1,646,0
Number Awarded	10,465	8,761	9,318	8,049	9,136	8,578
Number Receiving	4,249	4,221	4,495	4,304	4,709	4,019
Average Award	\$4,013	\$4,042	\$3,724	\$4,559	\$3,593	\$3,020
Awarded Not Paid	104	3	333	193	447	1978

Committee comments. Currently, the Chafee grant program is being fully utilized in California. In fact, more students are applying for the grant than there is money to fund the program. Further, some Chafee grants are awarded but not paid for various reasons, including, but not limited to the following: (1) the student stopped attending their postsecondary program or

training; (2) did not maintain satisfactory academic progress; (3) was not enrolled at least half time; (4) was not in an accepted program; and, (5) not attending an eligible institution

This measure will expand the eligibility for application of a Chafee grant to youth who were in foster care from age 15, increasing the pool of people competing for the same limited amount of funds. As noted above, the Chafee funds are already fully utilized, it is presently unclear how many additional students, if any, will receive a Chafee grant under the provisions of this measure. Committee Staff understands that with the Chafee ETV 2023 COVID-19 Relief assistance funds no longer available, it is presently unknown what the revised Chafee fund will entail.

Moving forward, with an even larger pool of applicants and less available resources, the author may wish to work with CSAC in order to determine how awards are provided to eligible applicants in a method that is equitable for all.

Arguments in support. According to John Burton Advocates for Youth (JBAY), “SB 1322 addresses a critical issue facing foster youth in our state by lowering the age of eligibility for the California Chafee Voucher. Currently, foster youth can only become eligible at the age of 16, resulting in many younger foster youth missing out on crucial financial support during their formative years. This limitation has significant consequences, as evidenced by the Urban Institute's findings that students with foster care history who attend school without Chafee Voucher assistance have lower completion rates compared to those with Chafee Voucher assistance.”

Further, JBAY states that, “SB 1322 aligns the structure of the California Chafee Voucher with the Federal Chafee Voucher by lowering the age of eligibility to 15. By removing obstacles for foster youth to receive assistance, this bill aims to ensure that more foster youth receive support for educational pursuits and job training, ultimately increasing their chances of academic success and future stability.”

Lastly, JBAY states that, “passing SB 1322 is crucial for promoting educational equity and opportunity for foster youth in California, and empowering them to pursue their educational and career goals with confidence. We believe that investing in the education and well-being of foster youth is not only the right thing to do but also essential for the future prosperity of our state.”

Related legislation. SB 307 (Ashby) of the 2023-24 Legislative Session, which, by request of the author, has been held by this Committee, would extend awards under the Middle Class Scholarship program (MCSP) to community college students who are current or former foster youth pursuing transfer to a 4-year postsecondary educational institution, an associate degree, an associate degree for transfer, or certificate and meet other MCSP requirements, as provided.

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

AB 3089 (Thurmond and Quirk-Silva), Chapter 594, Statutes of 2018, in part, authorizes CSAC, commencing with the 2018-19 award year, to provide Chafee grant awards to students as long as

they are not 26 years of age or older by July 1 of the award year; and, requires CSAC to annually report to the Legislature specified information regarding Chafee grant awards.

SB 150 (Beall, et al.), Chapter 525, Statutes of 2019, in part, revises a component of the eligibility requirements for the Chafee Educational and Training Vouchers program to allow recipients to continue to be eligible for the award while failing to demonstrate satisfactory academic progress for two consecutive years. If a student is failing to meet satisfactory academic progress after the second semester or third academic quarter, or an equivalent time period, students are required to work with an appropriate staff member to develop an educational improvement plan as a condition of Chafee funds being released for that semester.

REGISTERED SUPPORT / OPPOSITION:

Support

Alameda County Board of Supervisors (Sponsor)
Alameda County Office of Education
Alliance for Children's Rights
California Alliance of Caregivers
California State Association of Counties
Chief Probation Officers' of California (CPOC)
Children Now
County Welfare Directors Association of California
First Place for Youth
John Burton Advocates for Youth
Los Angeles County Office of Education

Opposition

None on file.

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