

Date of Hearing: March 18, 2025

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Mike Fong, Chair

AB 243 (Ahrens) – As Introduced January 14, 2025

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

SUBJECT: Postsecondary education: student financial aid dependency status: juvenile case file inspection

SUMMARY: Authorizes inspection of a juvenile case file by personnel at institutions of higher education to facilitate the minor’s attendance at the institution and personnel of organizations providing higher education funding to facilitate the funding of the minor’s attendance at the institution of higher education, as specified. Requires all information received by the personnel to be confidential and used for certain limited purposes, and would make an intentional violation of this confidentiality provision a misdemeanor. Specifically, **this bill:**

1) Defines the following:

- a) “Adjustment for unusual circumstances” means an unusual circumstances adjustment, as specified, regarding the dependency status of a financial aid applicant;
- b) “Applicant” means a financial aid applicant attending the California State University (CSU), California Community Colleges (CCC), or University of California (UC);
- c) “Financial aid” means any student financial aid or institutional financial aid;
- d) “Financial aid administrator” means a financial aid administrator of the CSU, CCC, or UC for purposes of determining institutional financial aid of the applicant, or the Student Aid Commission (CSAC) for purposes of determining student financial aid of the applicant, as applicable;
- e) “Institutional financial aid” means all institutional grant aid, including institutional student need-based and merit-based aid;
- f) “Local educational agency” means a school district, charter school, or county office of education; and,
- g) “Sworn attestation” means a statement signed under penalty of perjury by an authorized representative of a local educational agency, county welfare department, or probation department. The attestation must include all of the following:
 - i) The name, organization, and title of the attester;
 - ii) A declaration that the attester has provided services, instruction, or assistance to the student;

- iii) A declaration that the attester is familiar with the student's relationship with their parent or parents, as specified; and,
 - iv) A declaration that, to the best of the attester's personal knowledge, the student does not receive financial aid from their parent or parents, as specified.
- 2) Requires that, for purposes of making an adjustment for unusual circumstances of an applicant, a financial aid administrator must accept a sworn attestation as sufficient documentation if other documentation, as specified.
 - 3) Requests that the Regents of the UC adopt a policy to implement the provisions of this policy.
 - 4) Authorizes the inspection of a juvenile case file by personnel at institutions of higher education to facilitate the minor's attendance at the institution, including, but not limited to, application, registration, enrollment, financial aid or other application for financial support, disability or medical accommodations, and housing, and personnel of organizations providing higher education funding, including, but not limited to, grants and scholarships, to facilitate the funding of the minor's attendance at an institution of higher education.
 - a) Specifies that these personnel will only have access to case file information when other information, as specified, is insufficient to facilitate the minor's attendance at the institution of higher education or access to higher education funding;
 - b) Specifies that these personnel will not have access to the entire case file, but only to the information from the case file that is necessary to facilitate the minor's attendance at the institution or access to higher education funding, as determined by staff at a county welfare or probation department;
 - c) Requires that all information received by these personnel will be confidential and used for the limited purposes as specified, and will not be further disseminated by the personnel, other than a person or agency authorized to access juvenile case file information pursuant to this section;
 - d) Requires that these personnel must maintain the information in a confidential file until it is no longer needed for the limited purposes specified, or until the minor is no longer enrolled at the institution of higher education, at which time, the confidential information shall be destroyed; and,
 - e) Specifies that an intentional violation of the confidentiality provisions of this subparagraph is a misdemeanor punishable by a fine not to exceed \$500 dollars.

EXISTING LAW:

- 1) Establishes the CSAC for the purpose of administering specified student financial aid programs (Education Code (EDC) Section 69510, et seq.).
- 2) Establishes the Cal Grant program, administered by the CSAC, to provide grants to financially needy students to attend a college or university. The Cal Grant programs include

both the entitlement and the competitive Cal Grant awards. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average (GPA), California residency, and other criteria. Maximum award amounts for the California State University (CSU) and the University of California (UC) are established in the annual Budget Act and have traditionally covered all systemwide tuition and fees. Supplemental Cal Grant awards programs are available to students with dependents and former and current foster youth attending CSU, UC, or a California Community College (CCC) to assist with non-tuition costs, such as living expenses (EDC Sections 69430–69433 and Sections 69465-69470).

- 3) Establishes, the Cal Grant Reform Act commencing in the 2024-2025 fiscal year, if General Fund moneys over the multiyear forecasts are available to support ongoing augmentations and actions, and if funding is provided in the annual Budget Act. Under the Act, the Cal Grant 2 and Cal Grant 4 programs are created. The Cal Grant 2 is for CCC students, and provides non-tuition support that grows annually with inflation. The Cal Grant 4 program is for students at the UC, CSU, and other institutions. The Act also states legislative intent that UC and CSU use institutional aid to cover non-tuition costs for their students (EDC Sections 69424, 69425, and 69428).
- 4) Requires the CSAC, through an interagency agreement with the Department of Social Services (DSS), 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. (EDC Section 69519)
- 5) Establishes the Middle Class Scholarship (MCS) Program to offset a portion of tuition costs for students attending the UC and the CSU. Starting in the 2022-23 academic year, MCS awards may be used to cover the total cost of attendance at UC and CSU (EDC Section 70020, et seq.).

The maximum annual household income to qualify for an award is \$234,000 for dependent students in 2025-26.

- 6) Specifies the categories of individuals who are authorized to inspect a juvenile case file, and authorizes only certain individuals to inspect a juvenile case file, including, among others, a local child support agency for the purpose of establishing paternity and establishing and enforcing child support orders and members of children's multidisciplinary teams, persons, or agencies providing treatment or supervision of the minor. (Welfare & Institutions Code Section 827)
- 7) Prohibits, in federal law, funds from being made available under any applicable program to any educational agency or institution that permits the release of a student's education records, or the personally identifiable information contained therein, other than directory information, without the written consent of their parents (20 U.S.C. 1232(b)).
- 8) Specifies that a financial aid administrator has the authority to, on the basis of adequate documentation, make adjustments to the data used to determine a student's financial aid eligibility, based on "special circumstances or unusual circumstances." Further specifies that, in instances when the student or the student's parents or legal guardians are incarcerated, this

documentation can be obtained with a documented phone call or a written statement from various officials, as specified, (20 U.S.C. 1087tt et seq.)

FISCAL EFFECT: Unknown

COMMENTS: *Purpose.* According to the author, “AB 243 will reduce barriers to accessing higher education for students who are involved in the child welfare and juvenile justice systems. These systems-involved youth need our help. Enrolling in higher education, seeking financial aid, or asking for an accommodation can be challenging for anyone and could be prohibitive for these youth.”

“Current law rightly prevents local agencies from disclosing information about a youth’s involvement in child welfare or juvenile justice systems, but this can also get in the way of giving necessary information for higher education. This often comes up if a student needs to show financial independence from parents for financial aid. While there have been significant efforts to streamline the financial aid application process, the lack of uniformity of what documentation colleges and universities request to confirm financial independence has led to a burdensome process of individualized letters from county office of education staff or county juvenile probation staff sent to each institution.”

“This bill would streamline this process for the youth, the school, and the county employees, while also maintaining confidentiality. AB 243 would simply let a county employee send a form or letter attesting to the financial independence of the student, without releasing detailed personal information. If that isn’t enough—for example if the problem is not financial aid—then a narrow exemption to the confidentiality rules would kick in to allow very limited case file information to be released to address the situation. This bill does not interfere with or modify the existing processes for confirming a current or former foster youth’s status for purposes of financial aid such as the California Chaffee Grant for Foster Youth program.”

Free Application for Federal Student Aid (FAFSA). All major federal and state financial aid programs, such as Cal Grant, Pell Grant, institutional aid, work- study awards, scholarships, and federal student loans, use the FAFSA as their core document to determine eligibility. In most cases, to maximize their financial aid options, students should complete the FAFSA by March 2 (traditionally) of their senior year in high school. Missing this window may reduce the amount of aid available for that student. Because financial aid for college considers the cost of attendance and a family’s ability to pay in determining eligibility, the FAFSA asks for personal information such as income, tax information, and a social security number.

There are currently three kinds of Cal Grants, A, B and C, of which eligibility is determined by the FAFSA or California Dream Act Application, a student’s verified Cal Grant GPA, the type of California colleges a student listed on their FAFSA, and whether they are a recent high school graduate. Students are considered for a Cal Grant A, B, or C after they either establish eligibility for an Entitlement award (if they graduated from high school less than one year ago or transfer from a community college before age 28) or secure one of a limited number of Competitive awards (for any students that do not qualify for an Entitlement).

Federal changes. As part of federal COVID-19 related legislation signed into law in late December 2020, the process for applying for and receiving federal aid was simplified. The federal changes, initially were to commence with the 2023-24 academic year. However, the

changes were delayed in June 2021, and are just going into effect commencing with the 2024-25 academic year. In part, the changes do the following:

- 1) *Simplify the FAFSA form.* The FAFSA is the form students need to complete in order to receive any financial aid from the federal government to help pay for college.

Each year, over 13 million students who file the FAFSA get more than \$120 billion in grants, work-study, and low-interest loans from the U.S. Department of Education. Additionally, many states, including California, and colleges use the FAFSA to determine which students will receive state and institutional financial aid—and how much they will receive.

Simplifying the FAFSA will not only make the form easier to fill out by eliminating two-thirds of the questions, but it will also affect the determination of financial need for low, middle, and high-income students.

- 2) *Change the Expected Family Contribution (EFC) to the Student Aid Index (SAI).* While the SAI is similar in nature to the EFC, according to the Institute for College Access and Success, the name change will more accurately reflect the meaning of the calculation when determining student aid eligibility rather than an expectation of what a family can afford to pay for college. Under the new model, a student applicant's SAI can be as low as -\$1,500; however, the lowest EFC under the existing model is \$0.

Unusual circumstances. As part of the changes made to simplify the FAFSA form, institutions of higher education have additional flexibility to assist students with unusual circumstances by adjusting their federal student aid eligibility to reflect their unique situation more accurately. These adjustments may include updating the student's dependency status (commonly known as a dependency override) and the information the student must provide on their FAFSA form. Students with unusual circumstances are defined as:

- 1) A student for whom a financial aid administrator makes a documented determination of independence by reason of unusual circumstances and in which the student is unable to contact a parent or where contact with parents poses a risk to such student, which includes circumstances of:
 - a) Human trafficking, as described in the Trafficking Victims Protection Act of 2000;
 - b) Legally granted refugee or asylum status;
 - c) Parental abandonment or estrangement; or,
 - d) Student or parental incarceration.

In providing guidance to college financial aid administrators and counselors, the Federal Student Aid Handbook emphasizes that documentation of the unusual circumstances is “critical” and that “schools must ensure that any supporting documentation they collect is adequate to document the student's circumstances.” According to information provided by the author and sponsor, higher education institutions frequently ask for documentation in the form of written letters from the county department or LEA that provides services to the youth. Because each institution is responsible for documenting the unusual circumstance, county departments and LEAs may

receive multiple requests for letters for each youth. In addition, each institution has different expectations around the content required to document unusual circumstances.

Responding to these letters has the potential to impose a burden on both the youth, who may need to coordinate with several institutions, and on staff who need to respond to several potentially distinct requests for each youth. The Santa Clara County Office of Education reports that college liaisons at the two court schools in Santa Clara write a total of 40 to 50 letters each year for students who qualify for special circumstances on the FAFSA each year. They've written around 200-250 letters total since the 2022-23 academic year.

Continued challenges with the rollout of the new FAFSA application. As noted in the *Federal changes* section of this analysis, the U.S. Department of Education (USDE) made myriad changes to the federal FAFSA. While the changes seek to simplify the application form by reducing the number of questions students and families need to answer and transfer data directly from their previous tax filings, after over a year delay in implementing or launching the form, the USDE still did not release the new form for the 2024-25 award year until three months later than all prior years (released on December 30, 2023, instead of October 1, 2023).

The USDE, on March 12, 2024, announced that it had made long-awaited technical updates that would enable mixed-status families to submit the FAFSA. However, the USDE also indicated that it had, “uncovered separate issues that still need to be resolved.”

The 2025-26 cycle was also delayed. The USDE announced on August 7, 2024, that the upcoming FAFSA form would not be open to all students until December 1, 2024 – about two months later than the typical release date. There was also a phased rollout, including a testing period in which a limited number of students and institutions had access to the form beginning October 1, 2024, as a way to preventively address potential problems before it officially went live.

Arguments in support. The County of Santa Clara, the sponsor of AB 243 (Ahrens), wrote that “under existing law, information related to a minor in juvenile court proceedings and child welfare systems is highly confidential, and access to case files is restricted to authorized individuals. Due to this, youth involved in the juvenile justice or child welfare systems often encounter challenges when required to obtain proof of their financial independence, medical, disability, or other accommodations as part of their application or enrollment in higher education. These barriers disproportionately impact Latino and Black communities, which are overrepresented among system-involved youth. Currently, institutions of higher education in California are requesting a variety of different types of documentation from youth of financial independence.”

“AB 243 addresses the challenges these youth face in providing necessary information during admissions, financial aid, enrollment, and accommodation processes. By requiring financial aid administrators at public higher education institutions in California to accept an attestation from local educational agencies, county probation departments, or welfare departments as sufficient documentation of financial independence, the bill streamlines access to affordable education for these students. This attestation approach also promotes consistent treatment of required information from students. For the rare instances in which the attestation is not sufficient, or where other information is needed to support the youth’s successful enrollment and education,

the bill allows higher education institutions to access limited casefile information provided by county probation or welfare staff to verify information provided to the institution by the youth.”

The California Chamber of Commerce also wrote in support, noting that AB 243 (Ahrens) “will facilitate some of California’s most vulnerable—those in the juvenile justice system—having the same access to postsecondary education and good careers as their peers. California’s economy needs every worker available to maintain our world-renowned economic leadership. And that need is particularly great for skilled workers – but those the education underlying those skills usually requires financial aid. Here, we see AB 243 as ensuring that an unintentionally excluded population can access that necessary financial aid, despite the protected nature of their records.”

“In other words: AB 243 is a targeted fix that is essentially no-cost, but potentially high-value for both the individuals who will now have a chance at higher education, and for the employers who may one day hire them.”

Arguments in opposition. The Youth Law Center (YLC) sent a letter opposing AB 243 unless it is amended, stating that the legislation “unnecessarily intrudes on the confidentiality of youth by allowing access to their juvenile case file and there are less intrusive measures that can be taken to help facilitate access.”

The YLC adds that existing law “allows for limited access to juvenile case files to protect the privacy rights of the child. Only a limited set of individuals are authorized to inspect the case file, such as a youth’ dependency or delinquency attorney, social worker, probation officer, or multidisciplinary team. Others may only inspect a juvenile case file by petitioning the court. Juvenile case files are rightfully protected as they can include sensitive information including investigations of abuse and neglect, private health and mental health information of the youth and/or their parents, and protected education records. Confidentiality is necessary to protect foster and juvenile justice youth from being denied various opportunities, to further their rehabilitative efforts, and to prevent the lifelong stigma that results from having a child welfare case and/or juvenile police record. The negative collateral consequences—many unintended—of failing to protect juvenile records and case files unfortunately has been well-documented.”

“The FAFSA Simplification Act, which took effect in 2023, aims to simplify the [FAFSA] process and make it easier for students to access federal financial aid. It also includes new provisions to support access for students who may face unusual circumstances that prevent them from providing parental information including an interview between the youth and the financial aid administrator, a phone call or written statement from an attorney, or a phone call or written statement from a person serving in a similar capacity. All youth in the juvenile justice system are represented by an attorney and thus already have multiple pathways for applying for unusual circumstances.”

REGISTERED SUPPORT / OPPOSITION:

Support

California Association for Bilingual Education (CABE)
California Chamber of Commerce
County of Santa Clara

Santa Clara County Office of Education

Opposition

None on file.

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