

Date of Hearing: June 21, 2022

ASSEMBLY COMMITTEE ON HIGHER EDUCATION

Jose Medina, Chair

SB 1341 (Cortese) – As Amended May 19, 2022

**[Note: This bill is doubled 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:** 30-6

**SUBJECT:** Homeless pupils: California Success, Opportunity, and Academic Resilience (SOAR) Guaranteed Income Program.

**SUMMARY:** Establishes the California Success, Opportunity, and Academic Resilience Guaranteed (SOAR) Income Program to provide monthly payments for five months to homeless pupils in grade 12. Specifically, **this bill:**

- 1) Establishes, subject to an appropriation by the Legislature, the SOAR Guaranteed Income Program administered by the Department of Social Services (DSS) for the purpose of providing monthly payments of \$1,000 from April 1, 2023, to August 1, 2023, unless extended, for homeless pupils in grade 12.
- 2) Establishes the California SOAR Guaranteed Income Fund administrated by DSS for purposes of receiving moneys appropriated or donated for the SOAR program and requires an administrator to distribute moneys in the fund to eligible participants.
- 3) Authorizes DSS to accept in-kind donations for purposes of administering the SOAR Program.
- 4) Requires that the administrator be responsible for promulgating rules and regulations governing the administration of the SOAR Program and fund.
- 5) Requires that the administrator submit an evaluation report to the Legislature upon the conclusion of the SOAR Program and work with at least one independent, research-based institution to identify existing, and establish new, SOAR Program outcome measurements to inform an evaluation report, as specified.
- 6) Exempts the award amount from being considered as:
  - a) Financial aid or income for financial aid or other purposes and provides that the award payments received not negatively impact the award recipient's eligibility for future financial aid, as specified;
  - b) For the taxable year beginning January 1, 2023, gross income for purposes of personal income tax or earned income for purposes of eligibility for the California Earned Income Tax credit or the young child tax credit; and,
  - c) Income or resources for purposes of determining the individual's, or any member of their household's, eligibility for benefits or assistance, or the amount or extent of

benefits or assistance, under any state or local means-tested program or certain public social services program. Only applicable to the extent that provisions do not conflict with federal law, any necessary federal waivers or exemptions are obtained and that federal financial participation is available.

- 7) Requires DSS identify, in consultation with stakeholders and the Legislature, state programs including California Work Opportunity and Responsibility to Kids Program (CalWORKs), the CalFresh Program, and the Medi-Cal Program, that implement a federal means-tested program and that would require an exemption or waiver.
- 8) Requires a state department or agency that administers a program identified by DSS (as enumerated in (7) above), or by the state department or agency itself, is required to approve an exemption or waiver or to seek a waiver or exemption if necessary from the federal government.
- 9) Authorizes DSS to consider alternatives if a federal waiver or exemption is not secured to prevent consequences for participants.
- 10) Defines various terms for purposes of the bill including, but not limited to, the following:
  - a) “Eligible participant,” to mean a public school pupil who is in grade 12, has completed a Free Application for Federal Student Aid (FAFSA) or California Dream Act Application (CADAA), and is a homeless child or youth, as defined in federal law;
  - b) “Fund,” to mean the California SOAR Guaranteed Income Fund; and,
  - c) “Guaranteed income,” to mean unconditional monetary payments issued monthly with the intention of ensuring the economic security of recipients.
- 11) Sunsets the measure’s provisions on July 1, 2026.

#### **EXISTING LAW:**

*Under federal law.*

- 1) Defines, in the federal McKinney-Vento Act 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 camp grounds, 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 every local educational agency (LEA) 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 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 Youth (42 USC Section 11432(d)).
- 4) Requires the Coordinator for Education of Homeless Children and Youth to:
  - a) Gather and make publicly available reliable, valid, and comprehensive information, as specified;
  - b) Develop and carry out the state plan;
  - c) Collect data for and transmit to the federal Secretary of Education a report containing information necessary to assess the educational needs of homeless children and youth within the state;
  - d) Coordinate activities and collaborate, as specified, to improve the provision of comprehensive education and related services to homeless children and youth;
  - e) Provide technical assistance to and conduct monitoring of LEAs in coordination with LEA liaisons;
  - f) Provide professional development opportunities for LEA personnel and the LEA liaison to assist in identifying and meeting the needs of homeless children and youth; and,
  - g) Respond to inquiries from parents and guardians of homeless children and youth (42 USC Section 11432(f)).
- 5) Requires the Coordinator for Education of Homeless Children and Youth to gather and make publicly available reliable, valid, and comprehensive information on the number of homeless children and youth identified in the State, and requires this information to be posted annually on the State educational agency's website (42 USC Section 11432(f)).

*Under state law.*

- 1) Requires the California Department of Education (CDE) and the DSS to identify representatives from CDE, DSS, and other state agencies that have experience in homeless youth issues to develop policies and practices to support homeless children and youths and to ensure that child abuse and neglect reporting requirements do not create barriers to the school enrollment and attendance of homeless children or youths, including but not limited to, ensuring that a student who is a homeless child or youth is not reported to law enforcement by school personnel if the sole reason for the report is the student's homelessness (Education Code (EC) Section 48850).
- 2) Requires a LEA to ensure that each school within the LEA identifies all homeless children and youth and unaccompanied youth enrolled at the school pursuant to federal law (EC Section 48851(a)).

- 3) Requires the governing body of a LEA to confirm that a pupil completes and submits a Free Application of FAFSA or a CADAA (EC Section 51225.8).
- 4) Establishes the California Student Aid Commission (CSAC) for the purpose of administering specified student financial aid programs (EC Section 69510, et seq.).

**FISCAL EFFECT:** According to the Senate Committee on Appropriations:

- 1) While the establishment of this program would be contingent upon an appropriation, this bill could result in ongoing General Fund cost pressure of approximately \$85 million each year to provide the monthly payments. According to the California Department of Education (CDE), there were approximately 15,000 students in grade 12 for the 2020-21 school year who at one point met the federal definition of homelessness. To the extent that in-kind donations are received for purposes of administering the program, the General Fund costs would be lower.
- 2) This bill could result in General Fund costs in the low hundreds of thousands each year for the Department of Social Services to administer the program.

**COMMENTS:** *Purpose of this measure.* According to the author, “Postsecondary education has become increasingly necessary for people to exit homelessness and poverty and enter into financial stability. However, the significant costs associated with enrolling in postsecondary education poses a substantial barrier to low-income individuals, especially youth experiencing homelessness who often have no income. Experts who work with students experiencing homelessness report that the majority aspire to attend postsecondary education. Moreover, data tells us that an overwhelming majority of youth (over 90%) experiencing homelessness wish to pursue careers that require some form of postsecondary education. In the end, only half (50%) of these students do enroll in college.”

Additionally, the author contends that, “In recognition of the need to support youth experiencing homelessness during their transition out of high school, SB 1341 establishes a statewide guaranteed income program to provide direct, unconditional cash payments to these youth through the summer months following high school graduation.”

The author argues that, “Guaranteed income is proving to be a cost effective policy solution to poverty and income inequality among marginalized communities like youth experiencing homelessness. Direct cash assistance can serve to stabilize this population through a tumultuous transition period and expand their access to higher education and employment.”

Further, the author states, “The McKinney-Vento Act is a key legislative support for students experiencing homelessness in preK-12 education, providing them with clothing, hygiene supplies, and other basic needs in addition to academic and social emotional enrichment.”

The author states, “However, the law only applies to currently enrolled students, meaning that all support ceases when a student exits or graduates from high school. There are currently no ongoing state resources dedicated specifically for youth experiencing homelessness to support them during the bridge between high school and post-secondary education or employment, a critical transition period.”

The author contends that, “SB 1341 addresses the gap in current law by providing students experiencing homelessness with direct cash assistance during the transitional period after high school.”

*How many?* According to CDE, there were over 183,000 (15,000 in grade 12) California public school students in the 2020-21 school year who at one point during that school year met the federal definition of homelessness, representing about 3.8% of the total student population. This is a 9.2% decrease in cumulative enrollment from the 2019-20 school year, when there were 194,709 homeless students identified.

*Committee comments.* As currently drafted, this measure authorizes DSS to administer the SOAR Fund and Program but does not specify what entity will distribute specified monthly awards to eligible individuals. Further, eligibility, in part, is based on data via a completed FAFSA or CADAA form, but if it is the author’s intent for DSS to distribute the funds, it is presently unclear how DSS will have access to the data from the financial aid forms. These forms are submitted to CSAC, who administers all forms of state financial aid (as meant for higher education purposes).

*Should this measure move forward, the author may wish to consider specifying what state entity will distribute the funds to eligible individuals. Further, the author may wish to consider having CSAC distribute the funds to eligible individuals. However, if the author’s intent is for DSS to not only administer the Fund and Program, but also distribute the funds to eligible individuals, the author may wish to change the eligibility requirements from completed financial aid forms. Federal law prohibits CSAC from sharing FAFSA data to any entities except for postsecondary institutions of higher learning.*

Additionally, as currently drafted, this measure seeks to provide monthly payments for five months to eligible homeless pupils in grade 12, but the bill is silent as to how the eligible individuals will be made aware of this Fund and Program. Further, the author contends that postsecondary education is a way for unhoused students to circumvent their homeless status, but this measure does not require recipients of funds from the Program to have a plan to enroll in postsecondary education.

*Should this measure move forward, the author may wish to consider including a method by which the appropriate entity notifies potential individuals of their eligibility to benefit from this new Fund and Program. That is to say, the author may wish to include a marketing strategy for this Fund and Program so that eligible individuals are made aware of these benefits and how they can apply to the Program and receive the monthly payments. Additionally, the author may wish to add a condition of eligibility, that individuals show proof or intent of enrollment in a California college or university the fall of the year they receive funds from the Program.*

Further, as currently drafted, this measure requires DSS to work with at least one independent research-based institution to identify existing, and establish new program outcome measurements. It is presently unclear what is meant by “independent research-based institution.” Is it an institution of higher learning or perhaps even a non-profit research based organization? How will DSS establish a partnership with this independent research-based institution? What is the criteria DSS must adhere to when selecting the independent research-based institution? What are the qualifications the independent research-based institution must have in order to be eligible to collaborate with or be selected by DSS (or the entity who ultimately implements this measure) for this work?

*Should this measure move forward, the author may wish to define “independent research-based institution” and provide guidance and specificity so that the entity that implements this measure is able to secure the appropriate assistance. Further, the author may wish to provide specificity and suggested metrics the entities should look for in their program outcome measurements.*

Lastly, as currently drafted, this measure specifies that after the initial five payments are dispersed (from April 1, 2023, to August 1, 2023) to eligible individuals, the Program may be extended by statute or by DSS. However, it is unclear as to who and how a determination to extend the Program will be made. Further, the entire Act (as established by this measure) sunsets July 1, 2026. Additionally, the bill requires DSS to prepare an evaluation report of the Program and submit the report to the Legislature upon the conclusion of the Program.

*Should this measure move forward, the author may wish to consider providing specificity on how it will be determined, and by whom, the funds should continue to be dispersed in subsequent years before the Fund and Program sunsets. Further, the author may wish to consider DSS providing the Legislature an interim report and a final report of the Fund and Program with a specified due date sure.*

*Prior legislation.* SB 739 (Cortese) of 2021, which is pending action in the Assembly Committee on Appropriations, in part, creates a universal basic income pilot project for foster youth who exited foster care at 21 years of age to be administered by the DSS.

On June 13, 2022, SB 739 was substantially amended to address an issue with private golf courses.

AB 65 (Low) of 2021, which was held on the Suspense File in the Assembly Committee on Appropriations, would have created a universal basic income program administered by the Franchise Tax Board.

AB 153 (Assembly Committee on Budget), Chapter 86, Statutes of 2021, the public social services trailer budget bill, established a guaranteed income pilot program and required the DSS to administer the program to provide grants to an eligible city or county to provide income payments to participants. AB 153 required DSS to prioritize funding for pilots that serve residents exiting the extended foster care program and pregnant individuals.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

California Coalition for Youth  
Economic Security Project Action (Co-Sponsor)  
National Association of Social Workers, California Chapter  
Young Invincibles (Co-Sponsor)

### **Opposition**

None on file.

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