
SENATE COMMITTEE ON EDUCATION

Senator Benjamin Allen, Chair

2017 - 2018 Regular

Bill No: SB 940 **Hearing Date:** March 14, 2018
Author: Beall
Version: March 5, 2018
Urgency: No **Fiscal:** Yes
Consultant: Olgalilia Ramirez

Subject: Student financial aid: Cal Grant Program: foster youth

SUMMARY

This bill expands eligibility for Cal Grant A and B Entitlement award for a student who is a current or former foster youth by extending the window of time for submission of an initial financial aid application up to age 26 and by increasing the total award level for this student group from 4 to 8-years of full-time attendance in an undergraduate program.

BACKGROUND

Existing law:

Authorizes the Cal Grant program, administered by the California Student Aid Commission, 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, GPA, California residency and other criteria. (Education Code § 69430 - 69433)

Provides that any California resident is entitled to a Cal Grant A and B entitlement award if in addition to meeting the specified criteria, submits a complete financial aid application, submitted and postmarked no later than March 2 of the academic year of high school graduation or its equivalent for the award year immediately following the academic year of high school graduation or its equivalent, or no later than March 2 for the 2nd award year following the year of high school graduation or its equivalent. (EC § 69434 (b)(1) and 69435.3(a)(1))

Prohibits an applicant from receiving one or a combination of program awards in excess of the amount equivalent to the award level for a total of a 4-year period of full-time attendance in an undergraduate program. (EC § 69433.5)

Authorizes, an additional year of eligibility for students enrolled in an institutionally prescribed 5-year undergraduate program or students enrolled in professional teacher preparation program, as specified. (EC § 69432.9)

Establishes the Cal Grant Competitive Award Program and provides 25,750 Cal Grant A and B awards to applicants who meet financial, academic and general program eligibility requirements. Half of these awards are reserved for students enrolled at a community college and who met September 2 application deadline. (EC § 69437).

ANALYSIS

- 1) This bill expands eligibility for Cal Grant A and B Entitlement Programs for a student who is a current or former foster youth. Specifically, it:
 - a) Provides alternative deadlines for submitting an initial financial aid application that extends beyond the existing window of not more than one year after graduating from high school for a student who:
 - i) Is a current or former foster youth, as defined.
 - ii) Applies no later than March 2 of the academic year immediately prior to the year for which funds would be applied and is attending a qualifying institution that offers baccalaureate degrees or no later than September 2 if attending a California community college.
 - iii) Is under 26 years of age as of July 1 of the award year.
 - b) Authorizes a student who is a current or former foster youth, as defined, to receive a Cal Grant A or B award in the amount equivalent to the award level for an 8-year period of full-time attendance in an undergraduate program provided that minimum financial need continues to exist. *Current law allows a total award level of 4-years of full-time attendance.*

STAFF COMMENTS

- 1) **Need for the bill.** According to the author, “by age 26, just 4 percent of former foster youth have achieved a college degree as compared to 36 percent of the same-age population of young adults. Financial aid plays a key role in student success.” The author asserts, “foster youth face three main barriers to Cal Grant access, “first foster youth receive less assistance preparing for college and do not submit the required financial aid application within one year of completing high school, as required. Second, the average length of time for a foster youth to complete college exceeds the 4-year limit of the Cal Grant. Finally foster youth attending community college often start school without completing a financial aid application, there by missing the March 2nd Cal Grant deadline.”

This bill seeks to improve college-going rates and outcomes for foster youth by relaxing certain eligibility requirements for entry into the Cal Grant Entitlement program.

- 2) **What is covered under Cal Grant A and B?** Cal Grant A provides full-tuition coverage for students enrolled at California State University (CSU) and University of California (UC) and partial tuition at private colleges and universities. Cal Grant B award comes with two payment components—access and tuition fees. The access portion covers non-tuition costs in the amount of \$1,672. This program provides full-tuition coverage except not in the first year of college for students enrolled at CSU and UC and partial tuition coverage for students enrolled at private colleges and universities.

California Community College (CCC) students primarily receive Cal Grant B access awards to cover non-tuition costs. These students would also receive CCC fee waivers (Cal Grant does not cover CCC fees). According to a related report by California College Pathways the majority of foster youth in postsecondary school in California attend community colleges and 80 percent of those students receive a California Community College fee waiver.

Since Cal Grant A only covers tuition and the majority of foster youth attend CCC where those fees are waived, **staff recommends the bill be amended** to make it applicable for Cal Grant B Entitlement award only and delete provisions relative to Cal Grant A.

- 3) **Entitlement versus competitive program.** Current law establishes those awards as an entitlement for students meeting certain eligibility criteria. This means the state automatically funds as many students as qualify. A criterion for qualification is that the initial application be submitted when the student is a high school senior or has graduated from high school within the last year. Eligible applicants who miss the application deadline or enroll well after they have graduated from high school may apply for a Competitive Cal Grant award.

However, as noted in the background of the analysis, only 25,700 Competitive Cal Grants are statutorily authorized annually. According to the California Student Aid Commission, the competitive program is oversubscribed with applicants that failed to meet the Entitlement programs (High School and Transfer), in a given year, approximately 300,000 to 350,000 applicants compete for the 25,750 awards.

The committee may wish to consider the following:

- *Cal Grant Entitlement award is designed to cover tuition for low-income students. Should eligibility requirements for Cal Grant awards be modified to consider other social-economic factors such as foster youth status or military veteran status?*
- *Is the extension of an entitlement a greater policy priority than, for example, increase the access award amount under the Cal Grant B or the number of competitive awards available?*

- 4) **Renewal and duration of awards.** The Cal Grant program currently offers awards to cover tuition costs for the equivalent of a 4-year academic period. The amount and duration of the award are based on the student's attendance status (full-time/part-time) and term (semester or quarter). This provides some flexibility to take more units within the parameters of their attendance status without losing additional eligibility. By contrast, other programs, such as institutional aid, base eligibility on the number of units and exceeding the allowed number of units would count against a student's overall eligibility. Under the Cal Grant program, there are two exceptions to the 4-year rule. An additional year of eligibility is offered to students enrolled in a mandatory 5-year program, and to students who are enrolled in a teacher credential program. This bill extends award eligibility for foster youth to an 8-year academic period (full-time 12 units or more). For a

part-time student (6 units) this bill would extend award eligibility to a 16-year academic period.

The committee may wish to consider the following:

- *How long should a student be granted an opportunity for an entitlement award to attend college?*
- *How much greater access is achieved by each additional year?*

- 5) ***Disincentive for timely completion?*** In response to concerns that students are taking longer to complete their undergraduate degrees or not at all, public postsecondary institutions and the state have focused on improving and supporting timely degree completion. Recent budget actions have charged each segment with setting goals and implementing strategies for improving transfer, 4-year and 6-year graduation rates. Some of these strategies include promoting full-time attendance (12 units or more), creating clear curricular pathways, establishing targeted support services and reducing the number of unnecessary classes that lead students off track. In addition to programmatic changes, an eligible student attending community college may now receive up to \$4,270 annually for living expenses in exchange for full-time attendance at a California Community College through the Full-Time Student Success grant which provides an annual supplemental award of \$600 to Cal Grant B and C recipients who are enrolled full-time (12 units or more) and Completion Grant, established by SB 85 (Committee on Budget, Chapter 23, and Statutes of 2017) which provides a grant award of \$2,000 annually to Full-Time Student Success recipients who complete 15 units within an academic year.

The committee may wish to consider whether expanding the ability to receive a Cal Grant award to 8 years undermine initiatives to improve completion rates.

- 6) ***Why is timely completion important?*** Aside from benefitting the state through increased access and more efficient movement of students through college, timely degree completion also reduces the overall cost of higher education for a student. As an example, according to a report by the Campaign for College Opportunity, a student who takes four years to earn an associate degree can spend as much as \$15,200 more on fees and other expenses, and will earn \$33,500 less than someone who graduated in two years. As a result, of these additional years, this student would incur \$48,700 in extra expenses and lost wages.
- 7) ***Supplanting other forms of aid?*** Absent the change provided by the provisions in this bill, Cal Grant recipients who exceed the 4-year period of eligibility would likely receive financial assistance from federal and/or institutional aid programs to cover the cost of tuition. The federal Pell Grant provides need-based grants to low-income undergraduate students enrolled in participating institutions for up to 6-years. Similar to the Pell Grant, most institutional assistance policies offer a 6-year period of eligibility. The California State University offers eligible undergraduates the State University Grant, which covers the cost of tuition fees for up to 150 units. According to the University of California, once a student has

exhausted their Cal Grant eligibility, the University of California (UC) subsequently fills the need gap created by the loss of the Grant. At the California Community Colleges (CCC), the Board of Governors Fee Waiver program (now CCC Promise Grant) fully covers enrollment fees for financially needy students. There is no limit to how long a CCC student can receive a waiver. The institutional aid programs do not cover non-tuition costs.

This bill could result in the Cal Grant program paying for costs that might otherwise be covered by institutional and federal financial aid programs.

8) Related Legislation.

SB 967 (Berryhill, 2018), seeks to prohibit CCC, UC and California State University campuses from charging mandatory systemwide tuition or fees to current or former foster youth, who meet certain requirements, for a total of the equivalent of attendance in a 4-year undergraduate program. SB 967 is pending referral in the Senate Rules Committee.

AB 2306 (Santiago, 2018), among other things, increasing the total award level from 4 to 6-years of full-time attendance in an undergraduate program. AB 2306 is pending in Assembly Higher Education Committee.

SUPPORT

2-1-1 San Diego/Imperial
 ACE Scholars Services, California State University, San Marcos
 Alliance for Children's Rights
 Alliance for Children's Rights
 American Academy of Pediatrics
 Bakersfield College
 Bill Wilson Center
 Cal State Fullerton, Guardian Scholars Program
 California Community College Student Financial Aid Administrators
 California Community College Student Financial Aid Administrators Association
 Casa de Amparo
 Central Valley Higher Education Consortium
 Cerritos College
 Child Advocates of Silicon Valley
 Children Now
 Children's Law Center of California
 Coalition for Responsible Community Development
 Community College League of California
 County of Santa Cruz Human Services Department
 County of Santa Cruz Human Services Department
 CSU Bakersfield Guardian Scholars Program
 Cuyamaca College
 David & Margaret Youth and Family Services
 Faculty Association of California Community Colleges
 Family Care Network
 First Place Youth
 Foster Care Counts

Fred Finch Youth Center
John Burton Advocates for Youth
Jovenes, Inc.
Laney College
Learning Rights Law Center
Los Angeles Area Chamber of Commerce
Mount San Antonio College
National Center for Youth Law
New Alternatives, Inc.
Norco College
PATH Scholars Program, CSU Chico
Peacock Acres
Peralta Community College District
Power to Soar
Redwood Community Action Agency's Youth Service Bureau
Reedley College
Reedley College-Madera Center
Saints Church Foster Care Project
Sierra College
Silicon Valley Leadership Group
StarVista
The Enriched Scholars Program at Cosumnes River College
The Institute for College Access and Success
Ticket to Dream Foundation
TLC Child and Family Services
Transitional Youth Services of the San Barbara County Education Office
United Friends of the Children
Unity Care
University of California
University of California, San Diego Hope Scholars
University of San Diego
Valley Industry and Commerce Association
Walden Family Services
Numerous individuals

OPPOSITION

None received

-- END --