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SB-150 Student financial aid: Chafee grant awards. (2019-2020)

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Senate Bill No. 150

CHAPTER 525

An act to amend Section 69519 of the Education Code, relating to student financial aid.

[Approved by Governor October 04, 2019. Filed with Secretary of State October 04, 2019.]

LEGISLATIVE COUNSEL'S DIGEST

SB 150, Beall. Student financial aid: Chafee grant awards.

Existing law establishes the Student Aid Commission as the state agency primarily responsible for the administration and coordination of student financial aid programs at California postsecondary educational institutions. Existing federal law establishes the Chafee Educational and Training Vouchers Program for purposes of providing financial aid to current and former foster youth who are attending qualifying postsecondary educational institutions. Existing law provides that the Student Aid Commission, through an interagency agreement with the State Department of Social Services, currently operates the program in California. Existing law authorizes the commission or the department, for the fiscal years 2018–19 to 2020–21, inclusive, to expend up to \$80,000, of any moneys appropriated by the Legislature to expand the Chafee Educational and Training Vouchers Program age eligibility of former foster youth up to 26 years of age, for outreach to newly eligible former foster youth who are at least 23 years of age, but are not yet 26 years of age.

Commencing with the 2021–22 award year, this bill would authorize the commission to make initial award offers of up to 200% of total state and federal program funding available for all awards, with the number of initial award offers and the amount of the award to be determined based on the historical rate of award acceptance. The bill would require the commission to make award offers contingent upon available funding. The bill would authorize the commission to adjust or withdraw offers to ensure that awards do not exceed available program funding. The bill would also require the commission to advise award offer recipients that offers may be withdrawn or adjusted before payment and that awards are payable to eligible students only if funding is available.

This bill would impose certain requirements on a student who fails to demonstrate satisfactory academic progress, as defined by the institution where the student is enrolled, to maintain Chafee grant eligibility, and would take away Chafee grant eligibility from a student who fails to demonstrate satisfactory academic progress, as specified. The bill would require that institutions provide an appeal process in writing and reinstate the student's Chafee grant when certain conditions are met. The bill would also provide that a student who loses Chafee eligibility and subsequently is not enrolled for one or more terms shall regain eligibility upon reenrollment. The bill would require the California Community Colleges and the California State University, and would request the University of California, to provide all Chafee grant recipients, upon release of the first payment, with information regarding available support services on campus and the process for completing an educational plan and, in that notification, to strongly encourage Chafee grant recipients to avail themselves of those services if they have not already done so. To the extent that the bill would impose new duties on community college districts, it would constitute a state-mandated local program.

This bill would limit the duration of receipt of a Chafee award to 5 years, which would not be required to be consecutive. The bill would prohibit an institution from requiring any other eligibility criteria for a Chafee grant than those described in this bill and in

specified federal law.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: yes

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 69519 of the Education Code is amended to read:

69519. (a) The commission, through an interagency agreement with the State Department of Social Services, currently operates a federally funded scholarship program, known as the Chafee Educational and Training Vouchers Program, that provides grant aid to provide access to California's current and former foster youth to postsecondary education. Funds provided through an appropriation by the Legislature shall be supplemental to funds provided by the federal government, and are designated to ensure program availability in the absence of and before the annual receipt of federal funds for this purpose. The department shall opt in, as necessary, to expand program age eligibility of former foster youth up to 26 years of age pursuant to federal program guidelines. The department shall pursue and seek possible Chafee Educational and Training Vouchers Program federal matching dollars.

(b) Funds provided for this program shall be used to assist students who are current and former foster youth, for career and technical training or traditional college courses. The commission shall operate this program in accordance with the program instructions provided by the federal Department of Health and Human Services, Administration for Children and Families, and the program guidelines developed by the State Department of Social Services.

(c) The total amount of funding and the amount of individual awards shall depend upon the amount of federal funding provided in addition to state funding. The commission, in conjunction with the State Department of Social Services, shall determine the individual award amounts and total number of students awarded on an annual basis as the amount of total annual funding is determined.

(d) Commencing with the 2021–22 award year, the commission may make initial award offers totaling up to 200 percent of the total state and federal program funding available for all awards. Each year, the commission, in conjunction with the State Department of Social Services, shall determine the number of initial awards offered, based on the historical acceptance rate of initial awards and the size of awards, so not to exceed the total amount of available funding for the full award cycle. The commission shall make an award offer contingent upon available funding, and may adjust or withdraw an award offer before payment to ensure that total award payments do not exceed the total amount of available funding for the award cycle. The commission shall inform each recipient of an award offer that the offer may be withdrawn or adjusted before payment and that an award is payable to an eligible student only to the extent that funding is available.

(e) Commencing with the 2017–18 award year, the commission shall make a new Chafee grant award to a student only if the student attends either of the following:

(1) A qualifying institution that is eligible for participation in the Cal Grant Program pursuant to Section 69432.7.

(2) An institution that is not located in California that satisfies the provisions of subparagraphs (C) and (F) of paragraph (3) of subdivision (I) of Section 69432.7.

(f) (1) Commencing with the 2018–19 award year, the commission shall make a Chafee grant award to a student only if the student meets both of the following conditions:

(A) The student will not be 26 years of age or older by July 1 of the award year.

(B) The student attends either of the following institutions:

(i) A qualifying institution that is eligible for participation in the Cal Grant Program pursuant to Section 69432.7.

(ii) An institution that is not located in California that satisfies the provisions of subparagraphs (C) and (F) of paragraph (3) of subdivision (I) of Section 69432.7.

(2) Implementation of this subdivision is contingent upon an appropriation of sufficient funds in the annual Budget Act for this purpose.

- (g) The California Community Colleges and the California State University shall, and the University of California is requested to, provide all Chafee grant recipients, upon release of the first payment, with information regarding available support services on campus and the process for completing an educational plan. In this notification, Chafee grant recipients shall be strongly encouraged to avail themselves of these services if they have not already done so.
- (h) (1) (A) If a student fails to demonstrate satisfactory academic progress, as defined by the institution where the student is enrolled, for two consecutive semesters or three consecutive quarters, or an equivalent enrollment period, the student shall meet with an appropriate college staff member to develop a plan for improving academic progress or update an existing plan, in order to ensure that the student is making satisfactory progress toward completion and to receive their remaining Chafee grant funds.
- (B) If a student with a plan pursuant to subparagraph (A) fails to meet satisfactory academic progress standards for a third consecutive semester or fourth consecutive quarter, or an equivalent enrollment period, the student shall meet with an appropriate college staff member to update the plan, in order to ensure that the student is making satisfactory progress toward completion and to receive their remaining Chafee grant funds.
- (C) Once a plan has been developed or updated pursuant to subparagraph (A) or (B), as applicable, and submitted to the financial aid office, remaining Chafee grant funds shall be released to the student for the next applicable semester, quarter, or other period, in accordance with the existing schedule for release.
- (2) A student who fails to update their plan, or who fails to meet satisfactory academic progress standards for a fourth consecutive semester or fifth consecutive quarter, or an equivalent enrollment period, shall lose Chafee grant eligibility subject to subdivision (i).
- (3) For purposes of this subdivision, a college staff member who can assist a student on their plan includes an academic counselor, a Homeless and Foster Student Liaison, as described in Section 67003.5, an Extended Opportunity Programs and Services counselor, a Cooperating Agencies Foster Youth Educational Support Program counselor, a Disabled Student Programs and Services counselor, another campus-based foster youth support program staff member, or another appropriate adviser.
- (4) This subdivision and subdivision (i) apply to any student who is otherwise eligible to receive a Chafee grant award pursuant to subdivision (f).
- (5) The California Community Colleges, the California State University, and the University of California may use existing resources to implement this subdivision and subdivisions (g) and (i), to the extent those resources may be lawfully expended for those purposes.
- (i) A student who fails to demonstrate satisfactory academic progress, as defined by the institution where the student is enrolled, for four consecutive semesters or five consecutive quarters, or an equivalent enrollment period, shall lose eligibility for a Chafee grant, subject to the following:
- (1) A student who loses eligibility may appeal the loss of the Chafee grant during any subsequent semester or quarter, or term, following the loss of eligibility.
- (2) An institution shall provide a student written notice of the process for appealing the loss of a Chafee grant, regardless of whether the institution offers an appeal process for loss of other forms of financial aid.
- (3) In reviewing the appeal of a student, an institution shall automatically reinstate a student's Chafee grant eligibility if one of the following applies:
- (A) The student achieves either a 2.0 GPA during the previous semester or quarter, or other applicable term, or a cumulative GPA of 2.0, even if the student did not meet the institution's satisfactory academic progress policy requirements.
- (B) The student demonstrates the existence of an extenuating circumstance that impeded successful course completion in the past but that has since been addressed such that the student is likely to demonstrate satisfactory academic progress in the future.
- (C) The student provides evidence of engagement with a supportive program, either on or off campus, that is assisting the student to make continued academic progress.
- (4) A student who loses Chafee eligibility by not demonstrating satisfactory academic progress and subsequently is not enrolled for one or more semesters or quarters, or another applicable term or terms, shall be eligible for a Chafee grant upon reenrollment at a qualifying institution.
- (j) A student's receipt of a Chafee grant award shall not exceed five years, which need not be consecutive.

(k) An institution shall not impose any additional eligibility criteria for a Chafee grant other than those described in this section and in Section 677(i) of Title 42 of the United States Code.

(l) Commencing with the 2018–19 award year, up to eighty thousand dollars (\$80,000) of any appropriation made by the Legislature in the annual Budget Act or another statute to expand the Chafee Educational and Training Vouchers Program age eligibility of former foster youth up to 26 years of age may be used by the commission or the State Department of Social Services for outreach to newly eligible former foster youth who are at least 23 years of age, but are not yet 26 years of age, for the 2018–19 to 2020–21 fiscal years, inclusive. Outreach may include travel, material development, printing or publication, and other costs, as necessary.

(m) The commission shall annually report to the Legislature all of the following information for the preceding award year:

(1) The number of students who apply to receive a Chafee grant award.

(2) The number of Chafee grants awarded.

(3) The number of Chafee applicants denied due to either of the following reasons:

(A) The Chafee applicant no longer meets the age requirements of the program.

(B) There is insufficient proof of the Chafee applicant's status as a current or former foster youth.

(4) The number of Chafee awardees unpaid due to any of the following reasons:

(A) Failure to meet minimum enrollment requirements.

(B) Failure to demonstrate satisfactory academic progress according to campus policy.

(C) Any other common reason that a Chafee awardee did not receive a payment.

(5) The number and age of students paid through the Chafee Educational and Training Vouchers Program.

(6) The average Chafee grant award amount.

(7) Qualifying institutions where Chafee grant awards are used.

(8) Degree levels for which Chafee grant awards are used.

(9) The amount spent on outreach and education efforts and the types of activities that the authorization in subdivision (l) funded. This information shall include the distribution of outreach funding between the commission and the State Department of Social Services, and any other entity that was involved.

SEC. 2. If the Commission on State Mandates determines that this act contains costs mandated by the state, reimbursement to local agencies and school districts for those costs shall be made pursuant to Part 7 (commencing with Section 17500) of Division 4 of Title 2 of the Government Code.