

Date of Hearing: July 12, 2023

ASSEMBLY COMMITTEE ON EDUCATION

Al Muratsuchi, Chair

SB 333 (Cortese) – As Amended May 13, 2024

**[Note: This bill was double referred to the Assembly Human Services Committee and was heard by that Committee as it related to issues under its jurisdiction.]**

**SENATE VOTE:** 34-4

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

**SUMMARY:** Establishes, upon an appropriation, the California Success, Opportunity, and Academic Resilience Guaranteed Income (SOAR) Program and the California SOAR Guaranteed Income Fund, to be administered by the California Department of Social Services (DSS) to provide monthly payments to homeless students in grade 12 from May 2025 to August, 2025. Also requires the DSS to work with the California Department of Education (CDE) to distribute awards to eligible participants, and to submit a report to the Legislature at the conclusion of the program, as specified. Specifically, **this bill:**

- 1) Subject to an appropriation for this purpose, requires the DSS to establish the California SOAR Guaranteed Income Program, under which an eligible participant would receive a guaranteed income of \$1,000 each month from May 1, 2025, to August 1, 2025, with payments made on the first days of each of those months.
- 2) Requires the DSS to work with the California Department of Education (CDE) to identify the number of eligible participants in a county.
- 3) Requires the DSS to award funds to a county that opts in to the program based on the number of eligible participants in the county.
- 4) Requires the DSS to award a participating county an additional 10% of the amount of funds awarded, for costs including facilitating enrollment and outreach.
- 5) Authorizes a county that does not expend all awarded program funds in 2025 to use any remaining funds to continue the program in subsequent years to fund additional eligible participants until December 31, 2027, or until those funds are exhausted, whichever occurs sooner.
- 6) Requires a homeless youth liaison in a participating county to provide all known eligible participants with program information and a county form to enroll in the program during routine initial and final communications required under the federal McKinney-Vento Homeless Assistance Act.
- 7) Requires a homeless youth liaison to ensure that the enrollment forms are confidentially distributed to both of the following:

- a) All eligible participants 17 years of age or older; and
  - b) Parents or guardians of eligible participants younger than 18 years of age.
- 8) States that homeless youth liaisons are not required to assist an eligible participant with filling out an enrollment form.
  - 9) Authorizes an eligible participant to apply for and participate in the program without a parent's or guardian's consent or approval, regardless of the eligible participant's age.
  - 10) Establishes the California SOAR Guaranteed Income Fund as the initial depository of all moneys appropriated, donated, or otherwise received for the program. Upon appropriation by the Legislature, requires the DSS to distribute moneys in the fund to participating counties in accordance with the act, and to administer the fund.
  - 11) States that, for purposes of administering the program, the DSS may accept in-kind contributions, including but not limited to, financial mentorship services for participants.
  - 12) Requires the DSS to work with at least one independent, research-based institution to identify existing, and establish new, program outcome measurements, to inform an evaluation report.
  - 13) Requires DSS to submit the evaluation report to the Legislature upon the conclusion of the program. Requires the evaluation report to include educational and economic security outcomes for award recipients, models used, and measures specific to the objectives of the program.
  - 14) Authorizes the DSS to accept and, upon appropriation, expend funds from nongovernment sources for purposes of preparing the evaluation report, a longitudinal study of the program that is in addition to the report, or both.
  - 15) States that any amount received by an individual as an award through the program shall not be considered 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. States that, with respect to a state or local program, this requirement shall be implemented only to the extent that it does not conflict with federal law relating to that program, or to the extent that any necessary waivers or exemptions are obtained and that federal financial participation, if applicable, is available and is not otherwise jeopardized.
  - 16) Requires the DSS, in consultation with stakeholders and the Legislature, to identify the California Work Opportunity and Responsibility to Kids (CalWORKs) program, the CalFresh program, the Medi-Cal program, and any other state program that implements a federal means-tested program and that would require an exemption or waiver in order for an award to be excluded from consideration as income or resources for purposes of the federal program.
  - 17) Requires a state department or agency that administers an identified program to, if possible, approve an exemption or waiver, or provide any other authority deemed necessary to

exclude the award from consideration as income or resources for purposes of the federal program, or, if the state department or agency does not have that authority, seek a federal waiver or exemption. States that the state's failure to be granted a federal exemption or waiver shall not affect the ability of the DSS to administer the California SOAR Guaranteed Income Program, and it may consider alternatives to prevent adverse consequences for participants, in consultation with the Legislature and stakeholders.

- 18) States that the DSS shall be responsible for promulgating rules and regulations governing the administration of the program and fund.
- 19) Exempts contracts or grants awarded pursuant to this chapter from personal services contracting requirements, the Public Contract Code and the State Contracting Manual and states that they are not subject to the approval of the Department of General Services (DGS).
- 20) States that the DSS may implement, interpret, or make specific this chapter without taking any regulatory action.
- 21) Sunsets these provisions on January 1, 2028.
- 22) States that any amount received by an individual as an award through the program shall not be considered 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 a state or local means-tested public social services program described in this division. Sunsets this provision on January 1, 2028.
- 23) States that for the taxable years beginning on or after January 1, 2025, and before January 1, 2030, gross income does not include any amount received as an award pursuant to the SOAR Guaranteed Income Program.
- 24) States that for the taxable years beginning on or after January 1, 2025, and before January 1, 2030, any amount received as an award pursuant to the SOAR Guaranteed Income Program shall not be considered earned income for purposes of eligibility for the California Earned Income Tax Credit or the foster youth tax credit.
- 25) Requires the DSS, or before March 1, 2026, to analyze and report to the Legislature both of the following:
  - a) College or workforce training program enrollment, attainment, and completion among SOAR Guaranteed Income Program participants compared to youth experiencing homelessness in previous years and compared to similarly situated youth who are not participants; and
  - b) Measures of economic security, including housing security, ability to meet basic needs, income level, and employment, among SOAR Guaranteed Income Program participants compared to youth experiencing homelessness in previous years and compared to similarly situated youth who are not participants.
- 26) Sunsets these provisions on December 1, 2030.

27) Defines the following terms for purposes of the act:

- a) “Award” means guaranteed income provided to an eligible participant for five months;
- b) “Department” means the DSS;
- c) “Eligible participant” means a public school pupil who is in grade 12 and is a homeless child or youth, as defined in the federal McKinney-Vento Homeless Assistance Act;
- d) “Fund” means the California SOAR Guaranteed Income Fund;
- e) “Guaranteed income” means unconditional monetary payments issued monthly with the intention of ensuring the economic security of recipients;
- f) “Liaison” means a local educational agency liaison for homeless children and youths and unaccompanied youths as defined in federal law; and
- g) “Program” means the SOAR Guaranteed Income Program established pursuant to this chapter.

#### **EXISTING LAW:**

Federal law:

- 1) Defines, in the McKinney-Vento Act, “homeless children and youths” as individuals who lack a fixed, regular, and adequate nighttime residence, and includes:
  - a) Children who are sharing the housing of others due to economic hardship, are living in motels, hotels, trailer parks, or campgrounds due to the lack of alternative accommodations, are living in emergency or transitional shelters, or are abandoned in hospitals;
  - b) Children who have a primary nighttime residence not designed or ordinarily used for sleeping;
  - c) Children who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
  - d) Migratory children who are living in the circumstances described above. (USC Title 42 Section 11434(a))
- 2) Defines “unaccompanied youth” to include a homeless child or youth not in the physical custody of a parent or guardian. (USC Title 42 Section 11434(a))
- 3) 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. (USC Title 42 Section 11432(g))

- 4) Provides a homeless student with specific rights and protections, including the right to immediate enrollment, and the right to continue education at the student's school of origin for the duration of the student's homelessness, according to the child's or youth's best interest. (USC Title 42 Section 11432 (g))

State law:

- 1) Provides, pursuant to McKinney-Vento, specific rights and protections for students experiencing homelessness, including:
  - a) Exemption from graduation requirements that are in addition to the statewide requirements; (Education Code (EC) 51225.1)
  - b) Full or partial credit for coursework satisfactorily completed in another school by a student who is homeless, even if the student did not complete an entire course; (EC 51225.2(b))
  - c) The option to continue their education at the school of origin through the duration of homelessness, regardless of change in residence; and (EC 48852.7)
  - d) Immediate enrollment, even if the homeless child has outstanding fees or fines due to the school last attended or is unable to produce items normally required for enrollment, including immunization history and academic records. (EC 48852.7)
- 2) Requires the CDE and the DSS to identify representatives from the CDE, DSS, and other state agencies who have experience in homeless youth issues to develop policies and practices to support homeless children and youth and to ensure that child abuse and neglect reporting requirements do not create barriers to the school enrollment and attendance of homeless children or youth. (EC 48850)
- 3) Requires the CDE to provide informational materials to LEA liaisons regarding the educational rights of homeless children and youth, updates and changes to the law regarding the rights of homeless students, the responsibilities of LEA liaisons, and the resources available to schools to assist homeless children and youth. (EC 48852.5)
- 4) Requires the CDE to provide training materials to LEA liaisons to assist them with providing professional development and other support to school personnel providing services. (EC 48852.5)
- 5) Requires, pursuant to McKinney-Vento, an LEA liaison to ensure that public notice of the educational rights of homeless children and youth is disseminated in schools that provide services pursuant to McKinney-Vento. (EC 48852.5)

- 6) Requires the school accountability system to measure the overall performance of homeless youth. (EC 52052)
- 7) Requires an LEA to identify all homeless children and youths and unaccompanied youths enrolled at the school by administering a housing questionnaire. (EC 48851)
- 8) Requires a school district, charter school, or county office of education (COE) to create a website containing a list of LEA liaisons with contact information, and information on homelessness, including educational rights and resources in that school district, charter school, or CDE. (EC 48852.6)
- 9) Requires the CDE to allocate \$1.5 million to up to three county offices of education (COEs) in different regions throughout the state for purposes of establishing technical assistance centers to foster relationships between community partners and LEAs in each region pursuant to McKinney-Vento. (EC 48857)
- 10) Requires the technical assistance centers to:
  - a) Create and implement training materials outlining the needs, challenges and barriers facing homeless children and youth. (EC 48857)
  - b) Assist counties and LEAs on best practices to support educational progress and academic outcomes of homeless children and youths; and (EC 48857)
  - c) Assist counties and LEAs on the accurate identification of homeless children and youths in local student information systems and using this data to report educational outcomes for homeless children and youths and who receive support services. (EC 48857)

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

- While the establishment of this program would be contingent upon an appropriation, this bill could result in one-time General Fund costs of approximately \$75 million dollars. A precise amount would depend on the exact number of recipients. According to the 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 could be lower.
- The DSS indicates that this bill could result in General Fund costs of approximately \$5 million for various workload activities to administer the program, including the development of the disbursement platform and completing the evaluation report.

**COMMENTS:**

*Need for the bill.* The author states, “California is a state affected by staggering inequities – we possess the most wealth, yet suffer from the highest rate of poverty. And it is our youth who are stuck in a cycle of generational poverty without the means or opportunities to advance themselves.

K-12 students experiencing homelessness receive support through the federal McKinney-Vento Homeless Assistance Act while they are in school. However, once the student graduates, they lose this support system and often times struggle to successfully transition into adulthood. In recognition of the hardship that our most vulnerable students encounter when making this critical transition, SB 333 establishes the California SOAR Guaranteed Income Program, which will equip youth experiencing homelessness with the resources needed to access higher education, employment, and financial stability.

Guaranteed income is proving to be an effective policy solution to support marginalized communities struggling to attain financial security. SB 333 follows the guaranteed income model to empower participants to use the funds as they see best fit for their individual needs- whether that be to pursue higher education or enter the workforce.”

***Guaranteed income programs.*** The SOAR program proposed by this bill is based on the guaranteed income model. These programs typically provide individuals with direct cash assistance to meet their basic needs, with no constraints on how the money is spent. Similarly, there are no restrictions on how SOAR payments can be used in this bill, and there are few qualifying requirements. Eligible high school seniors would receive a minimum of five payments in the amount of \$1,000 in the months leading up to and following graduation. Transparency measures include an evaluation that is reported to the Legislature at the end of the SOAR program, and an independent research-based institution is tasked with identifying SOAR program outcome measurements that will be used to inform the report.

The Budget Act of 2021 provided \$35 million in funding for the California Guaranteed Income Pilot Program, which is administered by the DSS. Under this program, cities and counties may apply for funds from the DSS to support local pilot programs that prioritize foster youth who have exited the foster care system. This bill creates a similar but separate program within the CDSS, with a common goal of providing direct assistance to youth in financial need with minimal eligibility requirements.

***LEA liaison for homeless children and youth.*** This bill requires a homeless youth liaison in a participating county to provide eligible participants with enrollment information about the SOAR Guaranteed Income Program during routine initial and final communications required under the federal McKinney-Vento Homeless Assistance Act.

The federal McKinney-Vento Homeless Assistance Act requires LEAs to identify homeless youth local liaisons and makes them responsible for ensuring that their schools identify youth experiencing homelessness, conduct outreach to stakeholders, and coordinate with other agencies. Local liaisons help ensure that these youth receive equal access to the same free, appropriate public education as other youth. To assure that LEAs identify all these youth, federal law requires local liaisons to coordinate with school staff to provide them with resources and training about homeless education.

***How many California students experience homelessness?*** California schools identify homeless students using the definition of homeless students in the federal McKinney-Vento Act, which defines “homeless children and youths” as:

- Children and youth who are sharing the housing of other persons due to loss of housing, economic hardship, or a similar reason;
- Children and youth who may be living in motels, hotels, trailer parks, or shelters;
- Children and youth who have a primary nighttime residence that is a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings;
- Children and youth who are living in cars, parks, public spaces, abandoned buildings, substandard housing, bus or train stations, or similar settings; and
- Migratory children who qualify as homeless because they are children who are living in similar circumstances as those listed above.

According to the CDE, there were over 187,000 California public school students who met the federal definition of homelessness at some point during the 2021-22 school year, representing 3.2% of the total California public school student population. According to the CDE, over 83% of students were identified because their families were temporarily doubled up in housing, while 7% were housed in temporary shelters, and 6% in hotels or motels. According to a 2020 report by the UCLA Center for Transformation of Schools titled *State of Crisis: Dismantling Student Homelessness in California*, African American and Latino students are disproportionately represented among students experiencing homelessness. As of 2020, over 17% of the students experiencing homelessness in the U.S. resided in California (Federal Data Summary, Education for Homeless Children and Youth, 2020).

A significant number of students who leave the K-12 system and enroll in public postsecondary institutions also experience homelessness. According to the *State of Crisis* report, 1 in 5 students enrolled in the California Community Colleges, 1 in 10 at the California State University, and 1 in 20 at the University of California are experiencing homelessness.

***Youth experiencing homelessness have poor educational outcomes.*** California students who experience homelessness have a significantly higher risk of poor educational outcomes than other students. In the 2017-2018 academic year, the rates of suspension (6%), chronic absenteeism (23%), drop-out (18%), and failure to graduate (31%) for California students experiencing homelessness were double the rates of the average student population, according to CDE data.

The academic outcomes for students experiencing homelessness varied greatly between the six LEAs in the audit. For example, Vallejo and Norwalk-La Mirada are both located in cities with similar populations and poverty levels, and have a similar number of students. However, Norwalk-La Mirada's youth experiencing homelessness outperformed the statewide average on all measures, with a suspension rate of 4%, chronic absenteeism rate of 14%, and a graduation rate of 88%. Vallejo, on the other hand, had a suspension rate over double the statewide average, a chronic absenteeism rate of 60%, and a graduation rate of 50% for students experiencing homelessness.

An analysis of data on homeless students enrolled in charter and non-charter public schools in Los Angeles County, published by the UCLA Black Male Institute in 2021, found that in the



2018-19 school year, charter schools identified 2% of their population as students experiencing homelessness, compared to 5% in non-charter schools. The Institute reported that 5-year cohort graduation rates for these charter school students was 45%, approximately 35 percentage points lower than their peers in non-charter schools, and that 40% of these students were chronically absent.

***Arguments in support.*** Young Invincibles writes, “Guaranteed income is proving to be a cost-effective policy solution to poverty and income inequality among marginalized communities. The Stockton Economic Empowerment Demonstration (SEED) and the Santa Clara County Transition-Aged Youth Basic Income Pilot Program have both produced life-changing results for recipients. Moreover, recent research tells us that direct cash transfers, such as guaranteed income, can play a crucial role in helping youth to sustainably exit homelessness.

SB 333 would equip youth experiencing homelessness with the financial resources to enter onto a path towards stability. The no-strings-attached income model empowers youth to utilize the funds in a way that they feel is best for them, whether that be entering into stable employment or pursuing higher education.”

***Related legislation.*** SB 1341 (Cortese) of the 2021-22 Session would have established SOAR Guaranteed Income Program to provide monthly payments for a period of four months to homeless students in grade 12. This bill was held in the Assembly Higher Education Committee.

SB 739 (Cortese) of the 2021-22 Session would have created a universal basic income pilot project for foster youth who exited foster care at 21 years of age to be administered by the CDSS. Similar provisions found in SB 739 were adopted in the budget. SB 739 was subsequently amended and its contents replaced with those related to housing. This bill was held in the Assembly Appropriations Committee.

AB 65 (Low) of the 2021-22 Session would have created a universal basic income program administered by the Franchise Tax Board. AB 65 was held in the Assembly Appropriations Committee.

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

AB 408 (Quirk Silva), Chapter 904, Statutes of 2022, requires LEAs to establish homeless education program policies consistent with federal law, requires homeless education liaisons to offer training to specified school staff, and requires the CDE to develop a risk-based monitoring plan for homeless education requirements.

AB 27 (Luz Rivas), Chapter 394, Statutes of 2021, requires LEAs and charter schools to ensure that each school identifies all enrolled homeless and unaccompanied students through a housing questionnaire.

SB 400 (Jones), Chapter 400, Statutes of 2021, requires a liaison for homeless children and youth of an LEA to ensure identification of homeless children and youth.

AB 3218 (Quirk-Silva) of the 2019-20 Session would have required LEAs to establish homeless education program policies consistent with state laws and update them at least every three years; required LEAs to provide specified training to classified and certified personnel; and required the CDE to develop and implement a plan for monitoring the compliance of LEAs with state laws related to youth experiencing homelessness. It was held in the Assembly Education Committee.

AB 16 (Luz Rivas) of the 2019-20 Session would have required LEAs, including charter schools, to ensure that each school identifies all homeless students enrolled at the school, required the CDE to maintain 1.5 state coordinator positions for homeless education in addition to those in existence as of July 1, 2019, and required the CDE to allocate funding to three COEs to serve as technical assistance centers. This bill was vetoed by Governor Newsom, who stated:

I agree with the Legislature that it is critical that the State and schools do more to help ensure that our homeless students are receiving the support they need to succeed in school. That is why I supported increased funding in the 2019 Budget to the California Department of Education to improve the support for homeless students throughout the state. However, this bill adds additional costs which are better considered during the annual budget process.

I look forward to working with the Legislature next year on ways the State can improve its support for homeless students, one of our most vulnerable populations.

SB 445 (Liu), Chapter 289, Statutes of 2015, provided that students who are homeless have the right to remain in their schools of origin and the right to immediate enrollment.

SB 252 (Leno), Chapter 384, Statutes of 2015, prohibited CDE from charging the fee required for the high school proficiency exam and the high school equivalency tests to homeless children and youth.

AB 104 (Committee on Budget), Chapter 13, Statutes of 2015, established homeless students as a subgroup for purposes of Local Control and Accountability Plans.

AB 1166 (Bloom), Chapter 171, Statutes of 2015, allowed homeless students to be exempt from local graduation requirements even if they are not notified of this right within 30 days of enrollment, if they are no longer homeless, or if they transfer to another school or district.

AB 1806 (Bloom), Chapter 767, Statutes of 2014, extended to homeless students policies and procedures for suspension, expulsion, graduation requirements, and completed coursework to students who are homeless, that were previously only provided to students in foster care.

SB 177 (Liu), Chapter 491, Statutes of 2013, required school districts, charter schools, and county offices of education to immediately enroll homeless students.

AB 951 (Medina) of the 2013-14 Session would have required school districts that designate a liaison for homeless children and youth, as required under the federal McKinney-Vento Homeless Assistance Act, to ensure the liaison is properly trained regarding the rights of these children to receive educational services. This bill was held in the Assembly Appropriations Committee.

**REGISTERED SUPPORT / OPPOSITION:**

## Support

ACLU California Action  
Aidkit  
Aids Healthcare Foundation  
Alameda County Office of Education  
All Home  
Alliance for Children's Rights  
Bay Area Asset Funders Network  
Bill Wilson Center  
Building Skills Partnership  
California Catholic Conference  
California Coalition for Youth  
California Democratic Party  
California Federation of Teachers  
California State PTA  
Children Now  
City and County of San Francisco  
Collaborising  
Community Action Partnership of Orange County  
Community Financial Resources  
Community Health Councils  
County of Los Angeles Board of Supervisors  
County of Santa Clara  
Courage California  
Disability Rights California  
Economic Security Project Action  
Education Justice Academy  
End Poverty in California  
Five Keys  
Food Recovery Network  
Friends Committee on Legislation of California  
GenUp  
Glide  
Indivisible California  
John Burton Advocates for Youth  
LA Best Babies Network  
Los Angeles Regional Food Bank  
Michelson Center for Public Policy  
Miracle Messages  
Mission Neighborhood Health Center  
Monarch School  
National Association of Social Workers, California Chapter  
Orange County United Way  
Public Health Advocates  
Safe Place for Youth  
San Francisco Bay Area Planning and Urban Research Association  
San Francisco-Marín Food Bank  
San Jose-Evergreen Community College District

Santa Clara County Office of Education  
Santa Clara County School Boards Association  
Second Harvest of Silicon Valley  
Share Our Strength  
Silicon Valley Community Foundation  
Techequity Collaborative  
The Children's Partnership  
United Parents and Students  
United Way California Capital Region  
United Ways of California  
United Ways of California  
Universal Income Project  
Voices for Progress  
Western Center on Law and Poverty  
Young Adult Steering Council, Los Angeles Service Area 4  
Young Invincibles  
Young People to The Front  
1 individual

**Opposition**

None on file

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