

ASSEMBLY THIRD READING
AB 2251 (Celeste Rodriguez)
As Amended May 18, 2026
Majority vote

SUMMARY

Requires an institute of higher education (IHE) participating in the Cal Grant program to, beginning with the 2027-28 academic year, develop and implement a cost of attendance (COA) policy and adjustment process for financial aid consistent with federal standards.

Major Provisions

- 1) Requires, by the start of the 2027–28 academic year, that a qualifying institution under the Cal Grant Program develop and implement a COA policy and adjustment process consistent with federal law.
- 2) Requires institutions to prominently display the data sources and assumptions used to calculate each component of the institution's COA budget.
- 3) Requires institutions to maintain a COA adjustment process that allows students to request adjustments for expense categories such as housing, food, transportation, books and supplies, personal expenses, dependent care, disability-related costs, uninsured medical expenses, and computer purchases.
- 4) Stipulates that if describing the potential outcomes of an approved COA adjustment request, or an approved second review request, in publicly available materials or communications, including internet websites, publications, and forms, IHEs include a statement that an approved request for a COA adjustment may result in various forms of additional financial aid, including, but not limited to, grant aid or loans.
- 5) Requires institutions to accept electronic or paper requests, complete review of completed requests within 30 business days, provide reasons for denials. If requested by a student, institutions may offer a second review which may be completed by a different reviewer.
- 6) Allows an institution to delay the review of a student's COA adjustment request for a period not exceeding an additional 30 business days in the event of a declared state of war emergency, state of emergency, or local emergency, as those terms are defined.
- 7) Prohibits institutions from imposing unduly restrictive deadlines, and requires institutions to allow students to submit COA adjustment requests throughout enrollment.
- 8) Makes these COA requirements part of the definition of a "qualifying institution" for Cal Grant participation.
- 9) Makes several legislative declarations and findings.

COMMENTS

Cost of attendance. According to the Federal Student Aid, an office of the United States Department of Education, COA is determined by the Federal Higher Education Act, Section 472,

and is not subject to regulation by the U.S. Department of Education. More specifically, the law specifies types of costs that are associated with the overall cost of attendance including tuition, fees, room and board (living expenses), books, supplies, transportation, and miscellaneous personal expenses. However how those costs are determined is left to the discretion of the individual institution as long as the costs are reasonably determined. The significance of the "COA" determination is the final fiscal number used to determine a student's overall financial aid either from the federal government, the state, or from the institution.

Existing sources of COA. The College Navigator was created in response to a federal requirement by a former U.S. Secretary of Education to make the public aware of the COA of every college that participates in federal financial aid programs. The website contains information on the cost of attendance for first-time, full-time undergraduate students and includes the cost of various categories that contribute to the overall cost of attendance including housing; however, the federal government permits each campus who provides data to determine how it calculates the cost of housing.

Uniformity. In fall of 2022, the leaders of 10 higher education associations representing college presidents, financial aid offices, and admissions and school counselors announced the formation of a task force — the College Cost Transparency Initiative (CCT) — to tackle the issue of college cost transparency by improving the clarity, accuracy, and understanding of student financial aid offers by producing a set of guiding principles and minimal standards to be used when developing aid offers. The task force developed the principles and standards with broad consultation and recommendations from the higher education community.

The organizations represented on the College Cost Transparency Initiative task force are as follows: the American Council on Education (ACE), the American Association of Community Colleges (AACC), the American Association of State Colleges and Universities (AASCU), the Association of American Universities (AAU), the Association of Public and Land-Grant Universities (APLU), the National Association for College Admission Counseling (NACAC), the National Association of Independent Colleges and Universities (NAICU), the National Association of Student Financial Aid Administrators (NASFAA), the National Association of System Heads (NASH), and the State Higher Education Executive Officers Association (SHEEO).

In September 2023, the CCT task force announced that more than 360 institutions of higher education pledged their commitment to ensuring transparency, understanding, and clarity around student financial aid offers by incorporating the CCT Standards. As of March 2026, 750 institutions of higher education have pledged to implement the CCT Standards; representing 7,078,794 students in all 50 of the United States, Puerto Rico, and Guam. As of April 2025, several California institutions of higher education have begun using CCT Standards and/or have pledged their commitment to implementing CCT Standards in the future. The CCT Standards stipulate that colleges and universities must ensure that all financial aid offers are clear about the costs and the available financial aid. Standards ensure students and families can compare financial aid offers and costs from multiple institutions.

Critical components to be included and displayed prominently on every financial aid offer include:

- 1) An estimate of a student's total COA, including a breakdown of the costs to be paid to the college or university and the costs paid to others;

- 2) The type and source of all financial aid being offered, separated into:
 - a) Grants and scholarships that do not need to be repaid;
 - b) Student loans or other financing that must be repaid; and,
 - c) Student employment or work.
- 3) An estimated net price for the student, derived by subtracting grants and scholarships from the total COA;
- 4) Information, either on the financial aid offer or by an easily identified and accessible web link, explaining whether the financial aid is being offered once or on an ongoing basis, and if the aid is renewable, any requirements that must be met for renewal;
- 5) All loans should be unambiguously labeled as such using the word "loan;"
- 6) Use commonly understood terms and definitions, using the College Cost Transparency Initiative's glossary of terms; and,
- 7) In addition, financial aid offers must include the following, either directly on the financial aid offer, as part of supplemental materials, or as easily accessible web links:
 - a) If student employment is offered, information about employment requirements and information on job placement;
 - b) If federal student loans are included, terms and conditions and information on how much such debt may cost over time; and,
 - c) Actionable next steps for students to accept or decline their financial aid or update one of the data elements used to calculate their estimated costs, such as housing, as well as important dates and contact information for the financial aid office.

Institutions may use their own judgment when deciding which aid types should be included on financial aid offers, e.g., institutions that do not package loans, or if a student is not eligible for a specific aid type, do not need to include that aid type on the financial aid offer.

Can more be done? While a more concerted effort remains under way for ensuring students and their guardians are fully aware of COA, according to the author, "a 2024 survey collected responses from students across 104 institutions, and among their findings, they cited that students face numerous challenges to academic success, including high rates of financial fragility and having to work full-time. Institutions are required to offer an appeals process, with specific documentation, for students to modify their COA and financial aid eligibility. Despite this, students face barriers in accessing this option. Previous research by the John Burton Advocates for Youth (JBAY) in 2024, reported that nearly two-thirds of institutions don't have COA adjustment policies publicly available on their websites."

JBAY, March 2026 report, titled, *Transparency of Cost of Attendance Adjustment Processes Across California Public Colleges and Universities*, in part, finds that across all three public postsecondary education segments in the State, 57% of campus websites include a reference to the ability for students to request a COA adjustment, while 43% do not. While the overall rate of

campus websites including information about COA adjustments appears relatively low, neither Federal nor State law requires campuses to publicly post this information.

This measure, in part, will provide students with the ability to request adjustments to any expense category included in the institution's COA budget.

According to the Author

According to the author, "a college education is a significant financial investment, and costs are rising. The Cost of Attendance (COA) is the average total cost to attend college for one academic year, including tuition, fees, housing, food, books, and transportation. When colleges set the COA too low, it limits the financial aid students can receive, leaving them to pick up extra jobs, take on more debt, or even drop out. Students from low-income backgrounds, first-generation students, foster youth, and unhoused students are particularly vulnerable, and they should be top of mind if we want to ensure that higher education is accessible and equitable to everyone. AB 2251 closes the gap by ensuring students have a transparent, timely path to update their financial aid when their real-life costs don't match what's on paper."

The author states that, "this bill is about making college more affordable and more honest so students can stay focused on their education, and not just on how to afford it. Students facing financial barriers to higher education will likely be the ones to benefit the most from the implementation of this bill. Foster youth, low-income students, and students facing challenges in meeting their basic needs, such as those without stable housing, are among the groups that would benefit from maximizing financial aid. By ensuring there is information on COA publicly available and a transparent and uniform process for adjustments, students facing financial hardships will have an opportunity to receive the financial assistance that reflects their lived reality."

Arguments in Support

According to the JBAY, sponsors of this measure, "Cost of attendance (COA) is a central factor in determining the maximum amount of financial aid a student can receive. COA represents an institution's estimate of the total cost of attending college, including tuition, fees, housing, food, transportation, books and supplies, and other related expenses. Federal policy allows financial aid administrators to adjust elements of a student's COA on a documented, case-by-case basis when actual expenses exceed institutional estimates. When implemented effectively, this process ensures students can access the full financial aid for which they qualify and remain enrolled."

Further, JBAY states that, "COA adjustment practices vary widely across campuses, creating inequitable access for students with financial need. Many institutions do not make information about how COA figures are calculated publicly available, and a statewide analysis found that two-thirds of institutions do not publish COA appeal information online. As a result, students are often unaware that adjustment options even exist. This lack of transparency disproportionately impacts students who face higher costs or limited financial support, such as low-income students, students with experience in foster care or homelessness, and student parents. These students may be forced to decline urgently needed aid after reaching their COA cap, undermining their ability to meet basic needs and persist in college."

Arguments in Opposition

None on file.

FISCAL COMMENTS

According to the Assembly Committee on Appropriations:

- 1) Ongoing General Fund cost pressures in the hundreds of thousands to low millions of dollars to the California Student Aid Commission (CSAC) associated with an increase in University of California (UC) and California State University (CSU) students eligible for Cal Grant A and Cal Grant B awards and a potential increased award eligibility amount existing recipients.

By changing COA policies, this bill increases students' financial aid unmet need determination, creating both more unmet need for existing Cal Grant recipients and making more students eligible for a Cal Grant. In 2025-26, 4,912 Cal Grant applicants were disqualified for not demonstrating sufficient financial need, a measure that incorporates the COA reported by institutions. If the average COA increases by 3%, an estimated 137 of 4,912 applicants would become eligible, resulting in approximately \$805,000 in additional Cal Grant program costs. If the average COA increases by 5%, an estimated 382 of those 4,912 applicants would become eligible, resulting in approximately \$2.3 million in additional Cal Grant program costs.

- 2) Ongoing General Fund costs of an unknown amount, possibly in the low hundreds of thousands of dollars, for campuses of the UC and the CSU, collectively statewide, to update COA determination policies and process an increased number of COA adjustment requests.
- 3) Minor and absorbable state operations costs to CSAC.

VOTES

ASM HIGHER EDUCATION: 9-0-1

YES: Fong, DeMaio, Boerner, Jeff Gonzalez, Jackson, Muratsuchi, Patel, Sharp-Collins, Tangipa

ABS, ABST OR NV: Celeste Rodriguez

ASM APPROPRIATIONS: 11-0-4

YES: Wicks, Aguiar-Curry, Calderon, Caloza, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache

ABS, ABST OR NV: Hoover, Dixon, Ta, Tangipa

UPDATED

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