SENATE COMMITTEE ON APPROPRIATIONS
Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 2251 (Celeste Rodriguez) - Student financial aid: Cal Grant Program: cost of attendance

Version: May 18, 2026	**Policy Vote:** ED. 7 - 0
Urgency: No	**Mandate:** No
Hearing Date: June 29, 2026	**Consultant:** Lenin Del Castillo

Bill Summary: This bill adds a new condition for Cal Grant institutional eligibility by requiring qualifying postsecondary institutions, by the 2027-28 academic year, to develop and implement a cost of attendance (COA) policy and adjustment process that estimates and adjusts COA information consistent with federal standards.

Fiscal Impact:

- The California Student Aid Commission (CSAC) estimates General Fund costs ranging from $805,000 to $2.3 million in additional Cal Grant awards due to COA increases. On the low end, this estimate assumes an average COA increase of 3 percent resulting in 137 additional applicants that would be eligible. If the COA increased by 5 percent, an estimated 382 applicants would become eligible resulting in approximately $2.3 million in additional Cal Grant program costs. However, the actual costs will be determined by how much each institution increases the COA.

- The California State University indicates there could be minor one-time costs related to updating campus policies and webpages and a light to moderate increase in administrative workload for financial aid staff.

- The University of California (UC) estimates ongoing General Fund costs of $300,000 and .25 full-time equivalent positions per campus to perform additional COA reviews.

Background: Existing law requires each campus of the CSU, and requests each campus of the UC, to post on its internet website on or before February 1, 2020, and on or before February 1 each year thereafter information about the market cost of 2-bedroom apartments and one-person bedrooms in private houses in the areas near that campus where its students commonly reside; separate estimates of other cost-of-living categories, including, but not limited to, living at home or in a permanent residence, food, transportation, books and supplies, miscellaneous expenses, tuition, and mandatory student fees; descriptions of the data sources and methods used to calculate its estimates for each cost-of-living category; and a statement emphasizing the variability of actual costs for individual students and encouraging prospective students and their families to consider how their own costs might differ from those given in the estimates.

Existing law requires the CCC and CSU, and requests the UC, on or by July 31, 2025, to develop a policy for estimating and adjusting COA budgets for student parents, as specified.

Existing law defines "COA" as the mandatory systemwide fees, books and supplies, room and board, transportation, and miscellaneous personal expenses for an undergraduate California resident student, as used in determining financial aid eligibility.

Existing law requires the UC Regents and the CSU Trustees to annually provide the Legislature, by February 1 of each year, detailed information regarding expenditures of revenues derived from student fees and uses of institutional financial aid, and provide information regarding the systemwide average total COA per student.

Existing law requires each institution of higher education with a physical presence in this state to separately list the cost of institutionally operated housing and meal plans on all websites and documents it provides to students for purposes of advertising or otherwise displaying the student costs associated with institutionally operated housing.

Proposed Law: This bill adds a new condition for Cal Grant institutional eligibility by requiring qualifying postsecondary institutions, by the 2027-28 academic year, to develop and implement a COA policy and adjustment process to estimate and adjust COA information consistent with federal standards.

This bill requires institutions to comply with the following:

1. Prominently display the data sources and assumptions used to calculate each component of the institution's COA budget on the institution's webpage that contains information about their COA budget.

2. Implement a COA adjustment process that allows for adjustments to any student expense category included in the institution's COA budget, as specified.

3. Consider COA adjustments for specified circumstances, including housing and utility costs for reasonable living accommodations that exceed the allowance provided for in the COA budget, the cost of purchasing a computer, and the cost of uninsured medical, dental, or optical expenses.

4. Accept electronic or hard copy COA adjustment requests.

5. Complete the review of a student's COA adjustment request and notify the student within the specified timeline. Rejected requests must include a description of the reason for the denial.

6. Allow students to submit a COA adjustment request during their enrollment. The institution is prohibited from imposing COA adjustment request deadlines that are earlier than three weeks before the end of each term or limit the number of requests that may be submitted.

7. If requested by the student, an institution may provide a second review process for an adjustment for a request that has been denied and by a different reviewer.

8. Prominently display information about the institution's COA adjustment process in the manner prescribed.

9. When describing potential outcomes of an approved COA adjustment request in materials or communications include a statement that an approved request for a COA adjustment may result in additional financial aid, as specified.

This bill makes an institution's compliance with these provisions a condition for qualifying for the Cal Grant program.

Staff Comments: The COA is a key factor in determining the maximum amount of financial aid that a student may receive. Current law requires institutions to provide students with a process for requesting COA adjustments in certain circumstances. However, students may not be aware that these adjustments are available. According to information provided by the author's office, because COA serves as a cap on the amount of financial aid a student may receive, students whose actual expenses exceed institutional estimates may be eligible for additional aid through an adjustment. This bill would establish minimum statewide requirements governing institutional COA adjustment policies, including the categories of expenses that must be considered, timelines for reviewing requests, information that must be provided to students, and requirements related to the submission and review of requests. This bill also provides new standards regarding administrative procedures for determining COA in order for institutions to maintain Cal Grant eligibility.

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