THIRD READING

Bill No: AB 2251
Author: Celeste Rodriguez (D), et al.
Amended: 5/18/26 in Assembly
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 6/17/26
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Reyes

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/13/26
AYES: Cervantes, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 5/26/26 - See last page for vote

SUBJECT: Student financial aid: Cal Grant Program: cost of attendance

SOURCE: California State Student Association
California Student Aid Commission
John Burton Advocates for Youth
The Institute for College Access & Success
uAspire
University of California Student Association

DIGEST: 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.

ANALYSIS:

Existing Federal law:

1) Requires the United States Secretary of Education to make available to the public on the College Navigator website information about each institution of higher education that participates in federal financial aid programs, including, but not limited to, the COA of first-time, full-time undergraduate students who

live on campus for those who live off–campus. Current regulations also require the College Navigator to include information on COA for residents and non-residents. (United States Code (USC) Title 20, § 1015a)

2) Defines "COA" as:

   a) Tuition and fees including cost for required equipment, materials, or supplies;

   b) The cost of books, supplies, transportation, and miscellaneous personal expenses including a computer;

   c) The cost of room and board as determined by the institution for a student living on campus, a student living off campus with their parents, and for all other students, the cost shall be based on reasonable costs incurred by students for room and board;

   d) For students enrolled less than half-time, tuition and fees and an allowance for specified additional costs;

   e) Specified restrictions for those who are either, engaged in workstudy, studying abroad, are incarcerated, have dependents, are attending online, or are disabled. (USC Title 20 § 1087II)

Existing State law:

1) Establishes the Donahoe Higher Education Act, setting forth the mission of the University of California (UC), California State University (CSU), and California Community Colleges (CCC); and, defines "independent institutions of higher education" as nonpublic higher education institutions that grant undergraduate degrees, graduate degrees, or both, and that are formed as nonprofit corporations in California and are accredited by an agency recognized by the United States Department of Education (USDE). For purposes of any code or statute, a national or regional accrediting agency recognized by the USDE as of January 1, 2025, shall retain that recognition until July 1, 2029, provided that the accrediting agency continues to operate in substantially the same manner as it did on January 1, 2025. (Education Code (EC) § 66010, et seq.)

2) 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: (1) 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; (2) 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; (3) descriptions of the data sources and methods used to calculate its estimates for each cost-of-living category; and (4) 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. (EC § 66014.2)

3) 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. (EC § 66027.82)

4) Requires, by January 1, 2020, each campus of the UC, CSU, and CCC, each independent institution of higher education, and each private postsecondary educational institution subject to the California Private Postsecondary Education Act of 2009 that participates in federal financial aid or veterans financial aid programs, to provide students with the Financial Aid Shopping Sheet developed by the USDE to inform admitted students or individuals who have been offered admission about financial aid award packages. (EC §§ 66021.3 and 94912.5)

5) 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. (EC § 66028.1)

6) 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. (EC § 66028.6)

7) 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. (EC § 69503.6)

8) Requires, commencing with the 2018-19 award year, that each higher education institution (except the CCC), to the extent feasible, send an individualized letter to their students regarding information on their student loans; and, specifies that if an institution is not able to provide a student with estimates, the institution shall inform their students in the letter that they may view their financial aid history via the National Student Loan Data System (NSLDS) and must provide the Internet Web site link to the system. (EC § 69509.6)

9) Requires the UC to report biennially to the Legislature and the Department of Finance, by October 1 of each even-numbered year, on the total costs of education at the UC; the report must identify the costs of undergraduate education, graduate academic education, graduate professional education, and research activities. Requires all four of these categories to be reported in total and disaggregated separately by specified disciplines. Additionally, existing law requires the costs to be reported on both a systemwide and campus-by-campus basis for any report submitted after January 1, 2017. Requires a report prepared after January 1, 2017, to include information on costs, disaggregated by campus, based on the methodology developed by the National Association of College and University Business Officers in its February 2002 report, and other methodologies determined by the UC. (EC § 92670)

This bill:

1) 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. It further requires institutions to comply with all of the following:

   a) 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.

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

c) Consider COA adjustments for all of the following circumstances:

   i) Housing and utility costs for reasonable living accommodations that exceed the allowance provided for in the COA budget.

   ii) The cost of purchasing a computer.

   iii) The cost of uninsured medical, dental, or optical expenses.

   iv) The cost of transportation exceeding the allowance provided for in the COA budget, including automobile expenses such as gas, repairs, and insurance.

   v) The cost of dependent care expenses for students with dependent children.

   vi) An allowance for expenses associated with a student's disability, as specified.

d) Accept electronic or hard copy COA adjustment requests.

e) 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. A delay in the review is permitted under the specified states of emergency, including a declaration of war, and within the specified timeline.

f) 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.

g) 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.

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

i) 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.

2) Makes an institution's compliance with the bill's provisions a condition for qualifying for the Cal Grant program.

3) Makes various legislative findings and declarations relative to the total COA.

Comments

Need for the bill. 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. 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."

Cost of attendance. The cost of college attendance refers to the total direct and indirect costs of attending college each year. Each college calculates this figure to estimate the price of college for students and families, as well as to determine state and federal financial aid award amounts. Current law, for purposes of determining financial aid, defines COA as the mandatory systemwide fees, books and supplies, room and board, transportation, and miscellaneous personal expenses for an undergraduate California resident student. This bill seeks to establish minimum standards governing how Cal Grant participating institutions calculate COA estimates and process student requests for COA adjustments.

Awareness and accessibility of COA adjustments. Current law requires institutions to provide students with a process for requesting COA adjustments in certain circumstances. However, students may not be aware that adjustments are available or understand how to request them. 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. According to the John Burton Advocates for Youth, some institutions do not currently make this information readily available on their websites, which may make it more difficult for students to identify available adjustment options. The author argues that greater awareness of adjustment opportunities could help students access available financial aid and better meet their educational expenses. This measure requires that institutions publicly post information regarding their COA adjustment policies and processes. It additionally provides for greater consistency in how institutions communicate COA adjustment opportunities and procedures to students.

Establishes statewide standards for COA adjustment policies. Current law provides institutions with discretion in developing processes for evaluating COA adjustments consistent with federal requirements. 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.

Conditions of compliance with Cal Grant Eligibility. Existing law establishes institutional eligibility criteria for participation in the Cal Grant program, including maintaining a specific student loan default rate and reporting enrollment, persistence, and graduation data for Cal Grant recipients. These standards were established to address concerns that state funds may be encouraging some students to attend poorly performing schools. This bill introduces new standards relating to administrative procedures for determining COA in order for institutions to maintain Cal Grant eligibility. This bill establishes a common set of standards for institutions' participation in the Cal Grant program. As a result, the bill's requirements would apply across public, nonprofit independent, and participating private postsecondary institutions seeking to maintain Cal Grant eligibility. Failure to comply could result in an institution losing eligibility for the Cal Grant program. If this occurs, students will be unable to use their Cal Grant award at that institution. Participation in the Cal Grant program provides a significant incentive for most institutions to comply with state requirements. This bill would use that incentive to encourage compliance with its COA requirements. Any addition to these eligibility standards for colleges participating in Cal Grant programs should be carefully considered to ensure that they warrant the use of the enforcement mechanism for noncompliance.

FISCAL EFFECT: Appropriation: No Fiscal Com.: Yes Local: No

According to the Senate Appropriations Committee analysis, this bill would have the following 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.

SUPPORT: (Verified 8/14/26)

California State Student Association (co-source)
California Student Aid Commission (co-source)
John Burton Advocates for Youth (co-source)
The Institute for College Access & Success (co-source)
uAspire (co-source)
University of California Student Association (co-source)
Allies for Every Child
California Alliance of Caregivers
California Alliance of Child and Family Services
California Competes: Higher Education for a Strong Economy
CFT – A Union of Educators & Classified Professionals, AFT, AFL-CIO
Children Now
Children Youth & Family Collaborative
Creative Alternatives
EdTrust-West
Foster Youth Pre-College Collective
Hispanas Organized for Political Equality

Journey House
Los Angeles Unified School District
NextGen California
Ohlone College NextUp
Public Advocates
Santa Ana College Guardian Scholars Program
Santa Clara County Office of Education
Santa Cruz County Office of Education
SchoolHouse Connection
Southern California College Attainment Network
Student Senate for California Community Colleges
UCLA CalKIDS Institute
United Friends of the Children

OPPOSITION: (Verified 8/14/26)

None received

ASSEMBLY FLOOR: 78-0, 5/26/26
AYES: Addis, Aguiar-Curry, Ahrens, Alanis, Alvarez, Arambula, Ávila Farías, Bains, Bauer-Kahan, Bennett, Berman, Boerner, Bonta, Bryan, Calderon, Caloza, Carrillo, Castillo, Chen, Connolly, Davies, DeMaio, Dixon, Elhawary, Ellis, Flora, Fong, Gabriel, Gallagher, Garcia, Gipson, Jeff Gonzalez, Mark González, Hadwick, Haney, Harabedian, Hart, Hoover, Irwin, Jackson, Johnson, Kalra, Krell, Lackey, Lee, Lowenthal, Macedo, McKinnor, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Michelle Rodriguez, Rogers, Blanca Rubio, Sanchez, Schiavo, Schultz, Sharp-Collins, Solache, Soria, Stefani, Ta, Tangipa, Valencia, Wallis, Ward, Wicks, Wilson, Zbur, Rivas
NO VOTE RECORDED: Muratsuchi, Celeste Rodriguez

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8/15/26 13:50:40

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