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

AB 2422 (Caloza) - Student financial aid: delayed financial aid awards: extensions

Version: June 15, 2026
Urgency: No
Hearing Date: August 3, 2026

Policy Vote: ED. 7 - 0
Mandate: Yes
Consultant: Lenin Del Castillo

Bill Summary: This bill requires the California State University (CSU), each community college district, private postsecondary educational institutions, and independent institutions of higher education receiving financial assistance, and requests the University of California (UC), to extend enrollment and fee deadlines and refrain from imposing punitive actions to students whose financial awards are delayed due to factors outside the student's control.

Fiscal Impact: The Chancellor's Office estimates one-time Proposition 98 General Fund costs of $1.1 million to $2.2 million for all community college districts to develop and update their financial aid policies. This estimate assumes an average costs of between $15,000 and $30,000 for each of the 72 districts in the state and could be lower to the extent that existing policies meet the bill's requirements.

The UC and CSU estimate minor and absorbable costs to update financial aid policies.

Background: Existing law grants the California Student Aid Commission (CSAC) with authority to approve financial aid deadline extension requests from local education agencies and institutions of higher education when extenuating circumstances outside the control of students create adverse effects on students' ability to apply for aid by the statutory deadline. Qualifying events include natural disasters, state of emergency, delayed FAFSA opening, or labor action. The CSAC has exercised this authority in recent years, extending deadlines statewide and also using this process due to the COVID-19 emergency at the request of higher education institutions and many K-12 districts. When granting postponement of the application deadline, the CSAC is required to publicly announce it and directly notify CSU, UC, and the California Community Colleges.

Proposed Law: This bill requires, commencing with the 2027-28 academic year, the CSU, each community college district, and private postsecondary educational institutions and independent institutions of higher education that receive state financial assistance, and requests the UC, for a student whose financial aid award is delayed due to factors that are outside of the student's control, do all of the following:

Extend enrollment deadlines that may result in a student receiving a hold or being dropped from a class through the end of the academic term in which the delay occurs or until the funds are received. Once funds are received, the extension of enrollment deadlines ceases.

1. Extend financial deadlines for all required payments related to enrollment fees and costs, in the amount of the delayed financial aid award, through the end of the academic term in which the delay occurs if deemed necessary by the institution.

2. Refrain from imposing punitive actions.

This bill authorizes each institution to do either or both of the following: require documentation for students to verify delays in funding from private scholarships, grants, and loans; and if a financial aid award is delayed due to factors that are outside of the student's control beyond the term in which the delay occurred requires documentation for the student to renew enrollment and the financial aid award while the delay continues.

This bill defines "factors outside of a student's control" to mean all of the following: delays in the processing of the FAFSA or the California Dream Act application (CADAA); delays in the specified state and federal financial aid awards; delays in institutional aid; delays or process errors caused by the financial aid office; delays in scholarship or grant funding from external sources; and institutional, state, and federal backlogs.

Staff Comments: This bill seeks to establish a uniform grace period across public and private higher education institutions during the period between aid eligibility and disbursement. Specifically, the bill requires any higher education institution receiving state financial assistance to extend course enrollment deadlines that may result in a hold or being dropped from a class through the end of the academic term for students whose financial aid awards are delayed until funds are received. Institutions may require documentation for students to verify delays in student aid funding. According to the author, "financial aid is meant to lift our students up, not hold them back. Delays in disbursement leave students facing harsh penalties that drive students deeper into debt. Amid the ongoing federal uncertainty, including actions by the Trump Administration to restructure and pause financial aid programs, safeguarding students from instability is vital. AB 2422 protects our students and ensures that they are not punished for circumstances beyond their control".

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