
SENATE COMMITTEE ON APPROPRIATIONS

Senator Sabrina Cervantes, Chair
2025 - 2026 Regular Session

AB 402 (Patel) - Student financial aid: Cal Grant Program and the California Community College Expanded Entitlement Program

Version: May 23, 2025

Urgency: No

Hearing Date: June 15, 2026

Policy Vote: ED. 7 - 0

Mandate: No

Consultant: Lenin Del Castillo

Bill Summary: This bill increases the Cal Grant award for students attending a California independent institution of higher education (ICCU) from \$9,358 to \$9,708 when associate degree for transfer (ADT) goals are achieved. The bill also expands eligibility for the California Community College (CCC) Expanded Entitlement Program to award recipients who subsequently transfer to an ICCU.

Fiscal Impact:

- The California Student Aid Commission (CSAC) estimates General Fund costs ranging from \$12.1 million to \$13.9 million for the increased Cal Grant awards for recipients attending ICCUs and the additional transfer students that would now be eligible for an award. This estimate assumes a 0.5 percent transfer rate to independent institutions of the 157,000 Entitlement Cal Grant awards that were paid to community college students this year, yielding an additional 785 students that could receive an average award amount of either \$8,930 (Cal Grant A) or \$11,213 (Cal Grant B). This estimate also assumes that approximately 29,000 students attending ICCUs would be eligible for an award at a cost of about \$5.1 million each year. The bill's provisions are subject to an appropriation.
- The CSAC estimates one-time General Fund costs of \$90,000 and 0.5 temporary positions to implement changes to its grant processing system.
- The Chancellor's office estimates minor one-time Proposition 98 General Fund costs for community colleges to update financial aid materials to reflect the change to the Expanded Entitlement Program. However, because the award is based on students' total cost of attendance, this bill would create ongoing cost pressures.

Background: Existing law establishes the Cal Grant program, administered by the CSAC, to provide grants to financially needy students to attend a college or university. The Cal Grant programs include both the entitlement and the competitive Cal Grant awards. The program consists of the Cal Grant A, Cal Grant B, and Cal Grant C programs, and eligibility is based upon financial need, grade point average (GPA), California residency, and other criteria. Maximum award amounts for the California State University (CSU) and the University of California (UC) are established in the annual Budget Act and have traditionally covered all systemwide tuition and fees. Supplemental Cal Grant awards programs are available to students with dependent children and former and current foster youth attending CSU, UC, or a CCC to assist with

non-tuition costs, such as living expenses. The law sets the maximum Cal Grant A and B tuition award amount for new recipients in the 2023-24 award year, who attend an ICCU, at \$9,358.

Existing law establishes the CCC Expanded Entitlement Program which eliminates the age and time out of high school Cal Grant eligibility requirements for eligible community college students. The law provides that CCC Expanded Entitlement Awards may retain their Cal Grant Award when they transfer to a UC or CSU.

Proposed Law: This bill increases the Cal Grant award for students attending ICCUs from \$9,358 to \$9,708 when ADT goals are achieved, commencing with the 2026-27 year.

This bill authorizes a student who receives an Expanded Entitlement Award and who subsequently transfers to an ICCU to remain eligible to receive the award, thereby making students transferring to an ICCU newly eligible.

The bill's provisions would be subject to an appropriation.

Staff Comments: The CCC Expanded Entitlement Program broadened eligibility by allowing community college students to receive a Cal Grant entitlement award regardless of the number of years since high school graduation. However, students who transfer to private institutions are not eligible to use the remainder of their expanded entitlement award. This bill would extend eligibility to those students who transfer to qualifying ICCUs.

This bill would also increase the Cal Grant award amount to students attending Western Association of Schools and Colleges (WASC) accredited non-public ICCUs. These institutions are generally members of the Association of Independent California Colleges and Universities which represents about 85 private, nonprofit, WASC-accredited colleges and universities headquartered in California.

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