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THIRD READING

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Bill No: AB 88  
Author: Ta (R), et al.  
Introduced: 1/6/25  
Vote: 21

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SENATE EDUCATION COMMITTEE: 7-0, 7/2/25  
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

SENATE MILITARY & VETERANS COMMITTEE: 5-0, 7/14/25  
AYES: Archuleta, Grove, McNeerney, Menjivar, Umberg

SENATE APPROPRIATIONS COMMITTEE: 7-0, 8/29/25  
AYES: Caballero, Seyarto, Cabaldon, Dahle, Grayson, Richardson, Wahab

ASSEMBLY FLOOR: 78-0, 6/4/25 - See last page for vote

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**SUBJECT:** Student financial aid: Cal Grants: Middle Class Scholarship  
Program: eligibility: dependents of members of the armed services  
stationed outside of California

**SOURCE:** Author

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**DIGEST:** This bill extends eligibility for the Cal Grant and Middle Class Scholarship (MCS) Program to dependents of a member of the United States (US) Armed Forces who maintains California as their state of legal residence even if the dependent member did not graduate from a California high school and who otherwise meets all other applicable eligibility requirements.

**ANALYSIS:**

Existing law:

- 1) Creates the Cal Grant Program, and therein establishes the Cal Grant A Entitlement Awards, the Cal Grant B Entitlement Awards, the California Community College (CCC) Expanded Entitlement Awards, the California

Community College Transfer Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission. (Education Code (EC) § 69430 et al.)

- 2) Establishes the Cal Grant Reform Act, which revises and recasts the provisions establishing and governing the existing Cal Grant Program into a new Cal Grant Program. Specifies that the Act becomes operative only if General Fund moneys over the multiyear forecasts beginning in the 2024–25 fiscal year are available to support ongoing augmentations and actions, and if funding is provided in the annual Budget Act to implement the Act. (EC § 69504 et al.)
- 3) Establishes eligibility requirements for awards under the program for participating students attending qualifying institutions, including, among others, California residency requirements, as provided. (EC § 69411 and 69433.9.)
- 4) Establishes the MCS program under the administration of the Commission. Existing law makes an undergraduate student eligible for a scholarship award under the MCS if the student is enrolled at the University of California (UC) or the California State University (CSU), or enrolled in upper division coursework in a community college baccalaureate program, and meets certain eligibility requirements, including, among others, that the applicant meets the eligibility requirements for a Cal Grant. (EC § 70020 et al.)

This bill:

- 1) Extends Cal Grant and MCS Program eligibility to a student who is a dependent child or spouse of a member of the US Armed Forces stationed outside of California on active duty, if:
  - a) The member of the US Armed Forces otherwise maintains California as their state of legal residence; and
  - b) The student meets all other eligibility requirements.

## Comments

*Need for the bill.* According to the author, “AB 88 would apply to a deserving body of active service member who have been relocated outside of California but maintain their residency in California during their time in the service. With the

current law as it is, if you are a dependent of a parent or guardian who is a military member and has temporarily moved outside of California due to official orders, you are not eligible for Cal Grants or the Middle-Class Scholarship Program, even if your parents maintain a California residence and continue to pay income and property taxes to the state.”

*State of legal residence.* The federal Servicemembers’ Civil Relief Act of 2003 grants active military members certain privileges and protections that allow them to maintain legal residency in one state while physically stationed in another state or outside of the country. The State of Legal Residence (SLR) is what the military service considers to be one’s true, fixed, and permanent residence. According to the US Military’s Staff Judge Advocate document, “What You Should Know About Your State of Legal Residence,” a service member’s SLR is the location where they intend to return and their permanent home after retirement. SLR also determines where a service member votes, pays taxes, registers vehicles, has their will probated, and whether or not they receive privileges from a state.

According to an example presented in the publication, a service member with SLR in Minnesota leaves the state on military orders but intends to return to Minnesota after leaving the military. Minnesota is the service member’s SLR, even though the service member is temporarily absent from it due to military orders. The service member may never be stationed in Minnesota during his or her military career, but Minnesota would remain the service member’s SLR.

Furthermore, the publication states that changing SLR is difficult. To alter SLR, three requirements must be met: 1) one must be physically present in the new state; 2) intend to remain in the new state permanently, or treat the location as a permanent home, demonstrated by registering to vote, obtaining a driver’s license, paying taxes, among other things; 3) and must demonstrate intent to abandon the old SLR.

This bill attempts to extend state aid eligibility specifically for Cal Grant and MCS to a child or spouse of a service member with SLR in California, which can be used at qualifying California-based institutions. It is unclear whether expanding eligibility to state aid programs could result in supplanting other forms of federal student aid currently available to defray college costs for the dependents of service members.

*The consideration of the federal SLR for state student aid remains ambiguous.* Most students apply for Cal Grant awards and MCS by submitting the free

application for federal student aid (FAFSA), which is operated by the U.S. Department of Education and the Office of Federal Student Aid. An applicant may identify their SLR on the FAFSA. Seemingly, a student with a California SLR who has completed their application correctly, submitted a verified high school GPA by the deadline, and met all other eligibility requirements may receive award consideration. However, it is important to note that final determination of California residency requirements happens at the college or university. According to information provided by CSU within their system student residency is determined by their parents' residency and service members often remain residents of California after they join the service, or switch their residency to California while stationed in the state as a result pay California income taxes regardless of where they are stationed. Information from UC was not provided. It is not clear the extent to which having a California SLR has disqualified a student from California residency status for purposes of qualifying for resident tuition or aid programs. It is possible that this bill's provisions are clarifying and codifying an existing practice.

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

According to the Senate Appropriations Committee analysis, this bill would have the following fiscal impact:

- By expanding eligibility for Cal Grants and the MCS Program, the California Student Aid Commission (CSAC) indicates that this bill could result in additional General Fund costs, potentially in the low hundreds of thousands of dollars each year. However, actual costs would depend on the number of new students that qualify for the grants as well as the amount of the grants received.
- The CSAC indicates that to the extent there is a significant increase in new student eligibility, there may be additional staff time required to support program caseload, student inquiries, and manual processing of awards. This could result in additional, unknown General Fund costs depending on the number of students impacted by the bill.
- The Chancellor's Office estimates minor costs to local community college districts to update financial aid procedures.

**SUPPORT:** (Verified 8/28/25)

American Legion, Department of California  
AMVETS, Department of California  
California Association of Christian Colleges and Universities

California State Commanders Veterans Council  
Military Officers Association of America, California Council of Chapters  
Rancho Santiago Community College District  
San Jose-Evergreen Community College District  
Vietnam Veterans of America, California State Council

**OPPOSITION:** (Verified 8/28/25)

None received

**ASSEMBLY FLOOR:** 78-0, 6/4/25

**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, Kalra, Krell, Lackey, Lowenthal, Macedo, McKinnor, Muratsuchi, Nguyen, Ortega, Pacheco, Papan, Patel, Patterson, Pellerin, Petrie-Norris, Quirk-Silva, Ramos, Ransom, Celeste Rodriguez, 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:** Lee

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8/29/25 20:27:45

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