
SENATE COMMITTEE ON EDUCATION

Senator Sasha Renée Pérez, Chair

2025 - 2026 Regular

Bill No:	SB 1006	Hearing Date:	March 25, 2026
Author:	Padilla		
Version:	March 12, 2026		
Urgency:	No	Fiscal:	Yes
Consultant:	Olgalilia Ramirez		

Subject: Student financial aid: Cal Grant B access costs award.

SUMMARY

This bill, commencing with the 2027-28 award year, modifies the method for determining the Cal Grant B access award amount and providing for annual increases based on the California Consumer Price Index (CPI), as provided.

BACKGROUND

Existing law:

- 1) Establishes the Cal Grant Program, administered by the California Student Aid Commission (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 are adjusted in the annual Budget Act and have traditionally covered all systemwide tuition and fees. (Education Code (EC) § 69430 – 69433)
- 2) Under the Cal Grant Program, established the Cal Grant B high school entitlement awards provides funds to eligible low-income high school graduates who have at least a 2.0 GPA on a four-point scale and apply either the year they graduate from high school or the following year. The award provides that the amount of the award for access costs cannot exceed \$1,551 (but provides for adjustment of this amount in the annual Budget Act) for books and living expenses for the first year and each year following for up to four years (or equivalent of four full-time years). After the first year, the award also provides tuition fee funding at qualifying postsecondary institutions. (EC § 69435.)
- 3) Defines “access costs”, for purposes of the Cal Grant Program, as living expenses and expenses for transportation, supplies, and books. (EC § 69432.5)
- 4) Under the Cal Grant Program, establishes supplemental Cal Grant access award programs available to Cal Grant A, B, and C recipients with dependent child(ren) and former and current foster youth attending the California State University (CSU), University of California (UC), or a California Community College (CCC) and qualifying private non-profit higher education institutions to assist (up to

\$6,000) with non-tuition costs such as living expenses. This amount may be adjusted in the annual Budget Act. (EC § 69465 and § 69470)

ANALYSIS

This bill, commencing with the 2027-28 award year, modifies the method for determining the Cal Grant B access award amount and provides for annual increases based on the CPI, as provided. Specifically, it:

- 1) Requires that the Cal Grant B access award be set at a minimum, at the maximum per-student level provided in the 2025-26 award year, instead of the \$1,551 capped amount established in statute. The ability for adjustments to be made through the annual Budget Act is retained.
- 2) Requires for the Cal Grant B access award including those for students with dependent children and current and former foster youth increase annually by the percentage increase, if any, in the CPI for All Urban Consumers as calculated and certificated by CSAC from data reported by the Department of Industrial Relations.
- 3) Requires that CSAC calculate and certify the percentage change using the data from the two most recent June indices, no later than January 15, 2027, for the 2027-28 academic year, and no later than September 1 of the year before each academic year thereafter. If the CPI decreases from the prior academic year, the award amounts are to remain at their most recently certified level.

STAFF COMMENTS

- 1) ***Need for the bill.*** According to the author, “For more than 50 years, programs like California’s Cal Grant have opened the doors of higher education to millions of students. However, while tuition support has kept pace, with aid for basic living expenses has not. Today, the gap between what students receive and what it actually costs to afford housing, food, transportation, and books continues to grow, leaving too many students struggling to make ends meet. When financial aid fails to keep up with inflation and the real cost of attendance, students are forced to take on more debt, work longer hours, or reduce their course loads which delays graduation and undermines the promise of college affordability. Strengthening need-based aid and indexing it to rising costs serves as a commitment to ensuring that higher education remains truly accessible. This bill expands opportunity by not only investing in tuition, but in the full cost of college, so students can achieve better outcomes and futures.”
- 2) ***Recent efforts to address full cost of college.*** In 2019, a working group, comprised of higher education institutions, advocacy partners, students, and administrative and legislative staff convened by CSAC developed recommendations to reform the state’s Cal Grant Program to better support students cover college costs. In March 2020, they released their report, “*Cal Grant Modernization: A Vision for the Future*,” which highlights several issues within the existing program. Among the issues raised is the lack of financial support provided for nontuition college expenses. The report notes that as

currently structured, the Cal Grant Program is primarily based around helping students afford tuition but does little to address living costs. It calls on the state to do more to better address the total cost of attendance beyond just tuition and fees, especially considering that living expenses (e.g., housing, food, transportation, books and supplies, childcare, and health care) are outpacing tuition and fee increases. Following this and other work, several legislative efforts focused on assisting students in maximizing financial aid and covering living, food and housing expenses to support college attendance. These include, among many others, the following:

- a) *Cal Grant Reform* (untriggered). Enacted through the 2022 Budget Act, using the AB 1748 (Medina, 2022) provisions, a broader Cal Grant reform framework to simplify the program and expand access, including increasing and restructuring access awards to better reflect student living costs. Implementation was contingent on a Budget Act appropriation and has not been triggered, leaving the current structure in place.
 - b) *Targeted nontuition support*. The state has focused on targeted increases to access awards by enhancing awards for students with dependent children and foster youth to help cover living expenses.
- 3) ***Cal Grant B high school entitlement award***. There are three different types of Cal Grant —A, B, and C. A and B Cal Grants include both the entitlement and the competitive Cal Grant awards. The provisions in this bill apply to the Cal Grant B high school entitlement award and its associated supplemental access awards designated for students with dependent children as well as for former and current foster youth.

The Cal Grant B entitlement award serves eligible low-income high school graduates who have at least a 2.0 GPA. It provides an “access award,” for nontuition costs for living expense such as food and housing. After the first year, the award also provides full tuition coverage for students enrolled at either CSU or UC and partial tuition coverage for students enrolled at private colleges and universities. For community college students, Cal Grant B is generally used to support access costs, and may also cover tuition and fees where applicable, such as in upper-division courses in a CCC baccalaureate degree program.

- 4) ***Increase and adjusts the access award***. Statute sets a base access award amount capped at \$1,551, which may be adjusted through the annual Budget Act. For the 2025-26 academic year, the maximum annual Cal Grant B access award has been adjusted to \$1,648 for books and living expenses. A larger award of up to \$6,000 is available for Cal Grant recipients with dependent children as well as for foster youth. The Institute for College Access and Success (TICAS), in their letter of support submitted to this committee, argues that the access award has retained only one-fifth of its original value and about half of its value since 2000-01 academic year. They also state that the standard non-tuition costs in California often exceed \$30,000 annually, before considering additional eligible expenses like childcare.

This bill seeks to provide for annual growth in access awards available to low-income students. The bill sets the minimum access award at the current funding level of \$1,648 and provides for annual increases based on inflation (CPI). The bill similarly provides for increases in the larger \$6,000 access awards for Cal Grant B recipients with dependent children and for foster youth. The bill retains existing language allowing amounts to be adjusted in the annual Budget Act. Staff notes that the Cal Grant reform framework also provides for a similar increase in access awards for CCC students to be adjusted based on the CPI.

5) **Prior and Related Legislation.**

AB 1364 (Ting, 2013) would have increased the maximum amount of the Cal Grant B access award to \$1,710, and similar to this bill would have provided for its annual adjustment upward (but prohibits its adjustment downward) based upon the CPI. AB 1364 died in the Senate Appropriations Committee.

AB 1456 (Medina and McCarty, 2021) nearly identical to this bill, was vetoed by the Governor, enacted the Cal Grant Reform Act to be operative for financial aid awarded during the 2022-23 academic year. The act made vast reforms to the Cal Grant program, the state's largest post-secondary financial aid program. AB 1456 was vetoed by the Governor whose message read:

***“Expanding access to financial aid has been a priority for my Administration. During my first year as Governor, I worked with the Legislature to provide access awards of up to \$6,000 for students with dependent children. In partnership with the Legislature, we recently made historic investments in our financial aid system, including over \$235 million in ongoing resources to expand Cal Grant eligibility for community college students, and a combined \$632 million in ongoing resources to focus the Middle Class Scholarship Program on reducing students’ total cost of attendance. This bill seeks to replace those investments prior to their full implementation.*”**

I agree with the author that making the Cal Grant program simpler to navigate would benefit our students and their families. However, this bill results in significant cost pressures to the state, likely in the hundreds of millions of dollars annually. Future changes to the financial aid system of this magnitude should be considered as a part of the annual budget process.”

AB 1746 (Medina, 2022) would have made significant reforms to the Cal Grant Program, the state's largest post-secondary financial aid program, including phasing-out existing programs and the creation of the new Cal Grant 2 Program for CCC students and the Cal Grant 4 Program for students attending UC, CSU, and eligible private institutions. Provides that the award includes an access award, covering non-tuition expenses, of no less than the per-student amount provided in the 2020-21 award year in the first award year. Similar to this bill, in subsequent years, the award amount is adjusted based on the CPI, except under certain circumstances, as provided. The contents of the bill were subsequently

amended into budget bill AB 183 (Committee on Budget, Chapter 54, Statutes of 2022).

AB 402 (Patel, 2025) sets, beginning with the 2026-27 award year, and subject to an appropriation for this purpose, the maximum tuition award amount for new Cal Grant A and B recipients attending an independent institution of higher education (ICCU) at either \$9,708 or \$8,056, with the higher amount conditioned on the achievement of the target numbers for associate degree for transfer commitments that apply for the prior award year. Authorizes a student who receives a CCC Expanded Entitlement Award and who subsequently transfers to an ICCU to remain eligible to receive the award, as specified. AB 402 is currently in this committee.

SUPPORT

The Institute for College Access & Success (sponsor)
California Competes: Higher Education for a Strong Economy
Californians for College Affordability
Campaign for College Opportunity
Children Now
EdTrust-West
Go Public Schools
John Burton Advocates for Youth
National University
Northern California College Promise Coalition
Public Advocates
University of California Student Association

OPPOSITION

None received

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