
UNFINISHED BUSINESS

Bill No: SB 67
Author: Seyarto (R), et al.
Amended: 9/9/25 in Assembly
Vote: 21

SENATE EDUCATION COMMITTEE: 7-0, 3/19/25
AYES: Pérez, Ochoa Bogh, Cabaldon, Choi, Cortese, Gonzalez, Laird

SENATE MILITARY & VETERANS COMMITTEE: 4-0, 4/28/25
AYES: Archuleta, McNerney, Menjivar, Umberg
NO VOTE RECORDED: Grove

SENATE APPROPRIATIONS COMMITTEE: 6-0, 5/23/25
AYES: Caballero, Seyarto, Cabaldon, Grayson, Richardson, Wahab
NO VOTE RECORDED: Dahle

SENATE FLOOR: 38-0, 5/29/25
AYES: Allen, Alvarado-Gil, Archuleta, Arreguín, Ashby, Becker, Blakespear, Cabaldon, Caballero, Cervantes, Choi, Cortese, Dahle, Durazo, Gonzalez, Grayson, Grove, Hurtado, Jones, Laird, McGuire, McNerney, Menjivar, Niello, Ochoa Bogh, Padilla, Pérez, Richardson, Rubio, Seyarto, Smallwood-Cuevas, Stern, Strickland, Umberg, Valladares, Wahab, Weber Pierson, Wiener
NO VOTE RECORDED: Limón, Reyes

ASSEMBLY FLOOR: 61-0, 9/13/25 – Roll call vote not available.

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

SOURCE: Author

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.

Assembly Amendments of 9/9/25 add language to avoid chaptering conflicts with SB 148 (Committee on Budget and Fiscal Review, 2025) and AB 148 (Committee on Budget, 2025).

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

- 1) *Need for this bill.* According to the author, “California is home to many active-duty military personnel and Veterans who made the courageous decision to dedicate their lives to service and protecting our nation’s freedoms. This weighty commitment often takes them and their families far away from the state they call their home for extended periods of time, whether it be across state lines or across the globe.

‘The fact that these families are stationed out of state does not make them any less Californian. California is their home, they pay the same taxes and they contribute in all the same ways as any other resident and then some with their added commitment to our nation. Cal Grant was meant to make education more accessible to all Californians regardless of their socioeconomic status or background. SB 67 will ensure our military families are afforded that same access to education for their children.’

- 2) *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.

This bill attempts to expand Cal Grant and MCS eligibility to a child or spouse of a service member with SLR in California to be used at qualifying California-based institutions.

- 3) *The current use of SLR to qualify students for state aid is unclear.* 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 servicemembers 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. 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 Assembly Appropriations Committee analysis, this bill would have the following fiscal impact:

- Unknown, potentially significant, ongoing General Fund costs to provide additional Cal Grants or MCSP to newly eligible students. Costs would depend on the number of students newly qualifying for Cal Grants and MCSP and the amount of their grant received. For example, if 15 students each received a tuition awards to attend UC at the 2024-25 academic year tuition cost of \$14,436, costs would be about \$216,540.
- Minor and absorbable General Fund costs to the California Students Aid Commission (CSAC) to accommodate these changes to Cal Grant and MCSP.

SUPPORT: (Verified 9/12/25)

American Legion, Department of California
AMVETS-Department of California
California Association of County Veterans Service Officers
California State Commanders Veterans Council
California State University, Office of the Chancellor
Junior Leagues of California State Public Affairs Committee
Military Officers Association of America, California Council of Chapters
Peace Officers Research Association of California
San Jose-Evergreen Community College District

OPPOSITION: (Verified 9/12/25)

None received

Prepared by: Olgalilia Ramirez / ED. / (916) 651-4105
9/13/25 1:43:18

**** **END** ****