AB 789 (Berman)

Preserving Financial Aid for California Students

SUMMARY

AB 789 would ensure that more California students are able to keep their financial aid and achieve their higher education goals.

BACKGROUND

California has made substantial gains in ensuring low-income students receive financial aid at the onset of their higher education journey through the expansion of the Cal Grant and Middle Class Scholarship programs.

For college and university students, access to financial aid has been cited as key to improving academic outcomes as well as addressing racial inequities and basic needs insecurity. While much attention has been paid to the need to expand financial aid access at the beginning of a student's academic career, very little attention is given to whether students are subsequently able to maintain financial aid once enrolled.

In order to maintain a Cal Grant or federal financial aid, students must meet certain satisfactory academic progress (SAP) standards, governed by federal regulations, such as a minimum Grade Point Average, a maximum timeframe for completion, and a minimum course completion rate. Federal regulations also allow students to file an appeal that, if successful, results in the reinstatement of their financial aid.

A report released in July 2021, titled "The Overlooked Obstacle – How Satisfactory Academic Progress Policies Impede Student Success and Equity," found that 24 percent of first-year California community college students receiving a federal Pell Grant did not meet SAP standards during their first two consecutive academic terms. Black and Native American students were twice as likely as white and Asian students to not meet those standards. Likewise, students not meeting SAP standards was also found to be a significant issue at four-year universities.

Further, the 2021 report comparing the characteristics of students who did not meet SAP standards to those who did meet those standards found no difference in the students' motivation to attend and succeed in college. However, the students who did not meet those standards had significantly more life responsibilities, such as childcare and employment demands, and fewer resources, including access to food, housing, and reliable transportation.

Students who are deemed as not meeting their institution's SAP standards during any two consecutive academic terms or one year of enrollment must have their Cal Grant and federal financial aid terminated unless they successfully appeal that determination.

As noted, current federal regulations allow students to appeal the loss of financial aid due to special circumstances as defined by each individual postsecondary educational institution. Some postsecondary educational institutions that participate in state-funded financial aid programs do not take full advantage of federal flexibility related to

grounds for appeal, unnecessarily limiting students' ability to keep their financial aid.

As evidence of the gravity of the problem, "The Overlooked Obstacle" report revealed that 87 percent of the California community college students who did not make SAP standards during their first two consecutive academic terms either disenrolled or lost their financial aid.

Therefore, despite the critical role played by financial aid in college achievement, sizeable numbers of marginalized students lose access to financial aid due to SAP standards and it is these already marginalized students who are unlikely to return and achieve their higher education dreams.

THIS BILL

AB 789 would remove barriers that limit students' ability to keep their financial aid. It would do this by establishing a common set of standards for SAP to ensure that all California students, regardless of the postsecondary educational institution, are provided with the flexibility allowed under federal law. This would include:

- establishing minimum communication standards related to SAP policies and appeals processes
- preventing additional requirements that are more restrictive than those that are federally mandated
- specifying criteria for how SAP appeals are accepted and handled
- ensuring students with a prior SAP disqualification have the opportunity to apply to regain access to financial aid upon reentry
- requiring regular reports on SAP disqualification and appeal rates

SUPPORT

John Burton Advocates for Youth (co-sponsor)
Cal State Student Association (co-sponsor)
NextGen California (co-sponsor)
Southern California College Access Network (SoCal CAN) (co-sponsor)
Student Senate for California Community Colleges (co-sponsor)
The Institute for College Access & Success (co-sponsor)
uAspire (co-sponsor)
UC Student Association (co-sponsor)
UNITE-LA (co-sponsor)
3rd Street Youth Center & Clinic
A Better Way, Inc.
Alliance for a Better Community
American Association of University Women California
Bakersfield College - EOPS/NextUp
Barstow Community College
Beyond Emancipation
Butte College Inspiring Scholars
California African American Chamber of Commerce
California State University, Dominguez Hills Toro Guardian Scholars Program
Campaign for College Opportunity
Children Now
Children's Advocacy Institute
Children's Legal Services of San Diego
Citrus College
College Access Plan
Creative Alternatives
Cuesta College
Dolphin Guardian Scholars Program at CSU Channel Islands
EA Family Services
East Bay Leadership Council
El Monte Promise Foundation

Empowering Pacific Islander Communities
Faculty Association of California Community Colleges
Families In Schools
First Place for Youth
Foster Care Counts
Foster Love
Fulfillment Fund
GENup (Generation Up)
Glendale Community College
Haven of Hope
Heart of Los Angeles
Immigrants Rising
InnerCity Struggle
Jovenes, Inc.
Kid City Hope Place
Let's Go to College California
Los Angeles United Methodist Urban Foundation
Mary Graham Children's Foundation
Merced County Human Services Agency – The Independent Living Program
Monterey Bay Economic Partnership
Motivating Our Students Through Experience
Mt. San Antonio College
National Association of Social Workers – California Chapter
Norco College
North Bay Leadership Council
North Orange County Community College District
Operation Jump Start
Orange County Business Council
Our Voice: Communities for Quality Education
Partnership for Los Angeles Schools
Pivotal
Power to Soar Foundation
Project SOAR
Public Advocates
PUENTE Learning Center
Reedley College - EOPS
Río Hondo College
San Benito County Health & Human Services Agency – Child Welfare Division
San Gabriel Valley Economic Partnership
San Joaquin County Youth Action Board
San Jose-Evergreen Community College District
Sanctuary of Hope Los Angeles
SBCS
SchoolHouse Connection
Shasta College Inspiring & Fostering Independence
Sycamores
The Education Trust–West
TLC Child & Family Services
Transformative Action Institute
United Friends of the Children
Voice Our Independent Choices for Emancipation Support (VOICES)
Waking the Village
Walden Family Services
Woodland Community College Foster & Kinship Care Education and Independent Living Programs
Young Invincibles
Youth Law Center
Youth Leadership Institute

OPPOSITION

None on File

FOR MORE INFORMATION

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