

AB 791 (Berman)

Improving Access to Financial Aid

SUMMARY

AB 791 would improve access to financial aid for students by ensuring that cost of attendance budgets are accurate, the COA adjustment process is transparent, and this process is easier for students to navigate.

BACKGROUND

Cost of attendance (COA) is the amount a higher education institution determines a student must pay to attend their institution for a given year, including both tuition and non-tuition expenses like food, housing, transportation, books and supplies, and personal expenses. COA budgets are a critical component because they determine the maximum amount of financial aid that students can receive.

A recent report found that 53 percent of California public colleges and universities use COA budgets that are lower than estimated regional costs.¹ If a COA budget underestimates expenses, then students will receive financial aid packages that are less than their actual expenses. Students must cover the difference through working, support from family, private borrowing, reducing enrollment in classes, or even dropping out entirely.

The federal government has granted financial aid administrators the authority to make COA adjustments on a case-by-case basis for individual students if their expenses exceed an institution's COA budget. However, two-thirds

of California public colleges and universities do not make their COA adjustment process available on their websites. This places an undue burden on students to seek out this process on their own, if they are even aware it exists. Further, there is not a clear standard for what is considered an allowable adjustment across institutions.

THIS BILL

To ensure that higher education institutions have transparent and accurate COA budgets and adjustment policies, AB 791 would require the following as a condition of participation in the Cal Grant program:

- Ensure accurate housing costs by using an objective standard that represents at least one-half of the average rent for a two-bedroom apartment in the metropolitan area where the institution is located.
- Increase transparency of COA budgets and the COA adjustment process by ensuring institutions make COA information available on their websites, consistent with existing federal requirements.
- Make the COA adjustment process clear and consistent for all students so they can better navigate it.

This bill would make important changes to ensure that all students in California can access the financial aid they are entitled to based on their actual expenses, helping them afford their higher education.

¹ <https://jbay.org/resources/college-costs-uncovered/>

SUPPORT

John Burton Advocates for Youth
(Sponsor)
Cal State Student Association
(Sponsor)
University of California Student Association
(Sponsor)
The Institute for College Access and Success
(Sponsor)
Bill Wilson Center
California Alliance of Child and Family Services
California Competes
Children’s Advocacy Institute
Children’s Law Center of California
EA Family Services
Family Assistance Program
Fred Finch Youth and Family Services
GO Public Schools
Glenn County Office of Education Foster Youth
Services
Just in Time for Foster Youth
Kid City Hope Place
Marin County Office of Education
National Center for Youth Law
New Alternatives
NextGen California
Norco College
Power to Soar Foundation
Redwood Community Action Agency Youth
Services Bureau
Safe Place for Youth
Santa Cruz County Office of Education
SchoolHouse Connection
Student Senate for California Community
Colleges
Students Rising Above
Walden Family Services

OPPOSITION

None on file

FOR MORE INFORMATION

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