



# **AB 131 (CEDILLO): STUDENT FINANCIAL AID**

**AS AMENDED: MAY 27, 2011**

**MAY 2011**

## **Introduction**

The following is an analysis of AB 131 (Cedillo). This piece of legislation is intended to make state financial aid available to students who qualify for the AB 540 non-resident tuition fee waiver. AB 540 students are typically those who (1) do not have legal immigration status and thus cannot establish state residency, or (2) are United States citizens but are residents of another state.

## **Bill Summary**

AB 131 would make available, state administered financial aid to students who qualify for the AB 540 exemption. State administered financial aid includes Cal Grant Entitlement funds and student aid programs administered by the attending college or university (i.e. State University Grant, UC Grant). AB 131 would also expand eligibility for AB 540 student status.

Specifically, provisions in AB 131 would:

1. Make AB 540 students eligible to apply for and participate in:
  - a. Any state-administered student financial aid program, including institutionalized aid, to the full extent permitted by federal law.
  - b. The California Community Colleges (CCC) Board of Governors fee waiver program and declares this provision to be consistent with immigration law.
2. Stipulate that AB 540 students are not eligible for Competitive Cal Grant Awards unless funds remain available after all eligible non-AB 540 students have received the awards. AB 540 students would be eligible for Cal Grant Entitlement Awards beginning in 2013-2014.
3. Request the University of California (UC) Board of Regents and requires the California State University (CSU) Board of Trustees and the CCC Board of Governors to establish procedures and forms to enable AB 540 students to apply for and participate in all student aid programs administered to the full extent permitted by federal law.
4. Expand eligibility for the AB 540 exemption, effective January 1, 2012, to include attendance and graduation from California technical and adult schools, provided the student attended a California high school for at least one year.

Currently, students must meet the four criteria below, in order to be eligible for AB 540 status:

1. Attend a California high school for three or more years.
2. Graduate from a California high school or attained an equivalent degree.
3. Register or attend an accredited California education institution beginning after fall of the 2001-2002 academic year.
4. If an alien without lawful immigration status, have filed an affidavit stating that the student has filed an application to legalize his or her immigration status or will file such an application as soon as he or she is eligible to do so.

According to the UC, CSU, and CCC systems, in 2009-10, enrollment of AB 540 students was: 1,941 at UC (of these 32% were undocumented immigrants); 3,633 at CSU; and 36,203 at CCC. The CSU and CCC systems do not identify the immigration status of AB 540 students but believe that undocumented students make up a larger proportion of students at their institutions than at the UC system. AB 130 would make financial aid more accessible to these students.

## **Fiscal Analysis**

The Assembly Appropriations Committee states that all additional costs incurred by this bill would begin in 2012-2013.

### ***Expanding AB 540 Eligibility***

- Expanding eligibility for the AB 540 exemption would allow more students to pay in-state tuition, thus result in a loss of non-resident tuition. However, the additional enrollment could increase the amount of revenue California receives from per-student subsidy costs.

### ***Cal Grants***

- The Committee estimates that the additional annual General Fund cost of about \$13 million for Cal Grant Entitlement Awards would begin in 2013-14.
- In addition to the added grant costs, the Committee estimates that the first year implementation cost for technology programming to accommodate AB 540 students would be approximately \$700,000; in future years, the cost would be approximately \$250,000.

### ***Institutional Aid (i.e. State University Grant, UC Grant)***

- The Assembly Appropriations Committee states that making AB 540 students eligible for aid from UC, CSU or CCC systems will not increase overall spending, but may change the mix of recipients and/or the amount of funding they receive.
- At a CSU, the amount of institutional aid that is estimated will be distributed to AB 540 students is \$7.6 million.
- At a UC, the amount of institutional aid that is estimated will be distributed to AB 540 students is between \$3.8 and \$4.6 million.

### ***California Community College***

- The Assembly Appropriations Committee states that the revenue loss to the California Community College system from the CCC Board of Governors waiver will be offset by Proposition 98 funding, and is thus a direct state cost.
- Based upon an estimated population of 36,000 AB 540 students at California Community Colleges, if 45 percent of those students received fee waivers, the state cost would be \$7 million.

## **Legislative History**

- Introduced in the State Assembly on January 11, 2011.
- Passed the Assembly Committee on Higher Education (6-3) on May 27, 2011.
- **Status:** Pending Assembly floor vote.