

SB 305 (Reyes): Community College Financial Aid Access

SUMMARY

SB 305 establishes a systemic approach to ensuring that first-time and continuing community college students apply for financial aid (or opt-out) during their college orientation process and throughout their college journey. The bill builds on the success of California's universal financial aid completion policy for high school seniors established by AB 469 (Reyes, 2021).

BACKGROUND

In 2021, AB 469 and AB 132 (Budget Committee, 2021) were enacted to require that high schools ensure that seniors complete a FAFSA, CA Dream Act Application (CADAA), or formal opt-out form. In 2023, after just one year of implementation of this new law, California led the nation in overall growth of financial aid completion rates; 74% of high school seniors completed a FAFSA or CADAA compared to 68% the previous year.¹ Importantly, that year there was an increase of students submitting a

financial aid application for every racial/ethnic subgroup.²

In the 2023-24 academic year, only 900,000 community college students submitted a FAFSA or CADAA despite the Community College Chancellor's Office (CCCCO) reporting that more than 1.4 million students enrolled in the segment.³ Researchers estimate that nearly \$130 million in Pell Grant funding gets left on the table in a single semester.⁴

The significant increase in FAFSA and CADAA submissions among high school seniors demonstrates the success of implementing a universal financial aid completion policy. Given the success of this policy and the financial aid gap that currently exists at the community college level, there is a warranted need to expand the policy to community college students to ensure that all students, are informed and supported on how to maximize all available sources of financial aid.

¹ "Financial Aid Applications Increase by 24,000 in First Year of California's Universal Financial Aid Law and All-In Campaign." 2023. California Student Aid Commission. September 13, 2023. https://www.csac.ca.gov/sites/default/files/file-attachments/all_in_sept_5_press_release.pdf.

² The Campaign for College Opportunity, "Advancing Equity Through a Universal Financial Aid Application Policy," August 29, 2024, <https://collegecampaign.org/publication/advancing-equity-through-a-universal-financial-aid-application-policy>.

³ California Student Aid Commission. "Financial Aid Applications Increase by 24,000 in First Year of California's Universal

Financial Aid Law and All-In Campaign," September 13, 2023. https://www.csac.ca.gov/sites/default/files/file-attachments/all_in_sept_5_press_release.pdf.

⁴ Susanna Cooper, Michal Kurlaender, and Deborah Travis, "Money Left on the Table: An Analysis of Pell Grant Receipt Among Financially-Eligible Community College Students in California," *Research Brief*, vol. 3–3, April 2018, https://education.ucdavis.edu/sites/main/files/ucdavis_wheelhouse_research_brief_vol3no3_online.pdf.

CAPITOL OFFICE
1021 O STREET
SUITE 7210
SACRAMENTO, CA 95814
TEL (916) 651-4029

DISTRICT OFFICE
301 E. VANDERBILT WAY
SUITE 400
SAN BERNARDINO CA 92408
TEL (909) 888-5360

California State Senate

SENATOR
ELOISE GÓMEZ REYES
TWENTY-NINTH SENATE DISTRICT



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THIS BILL

SB 305 requires community colleges to provide all students with a declared educational goal information about the benefits of completing a FAFSA or CADAA, and to confirm that each community college student with a declared educational goal submits either a FAFSA, CADAA, or formal opt-out form provided by CSAC.

SUPPORT

California Student Aid Commission (co-sponsor)
EdTrust-West (co-sponsor)
Student Senate for California Community Colleges (SSCCC) (co-sponsor)
Faculty Association of California Community Colleges
The Institute for College Access and Success
San Bernardino Community College District
Parent Institute for Quality Education
Financial Aid for All Coalition
Alliance for a Better Community
Immigrants Rising
uAspire

CONTACT

Valerie Rodriguez, Legislative Aide
Valerie.Rodriguez@sen.ca.gov
(916) 651-4029