

AMENDED IN ASSEMBLY JULY 10, 2025

AMENDED IN SENATE MARCH 25, 2025

SENATE BILL

No. 323

Introduced by Senator Pérez
(Coauthors: Senators Caballero and Cervantes)
(Coauthors: Assembly Members Garcia and Solache)

February 11, 2025

An act to amend Section 69508.5 of the Education Code, relating to student financial aid.

LEGISLATIVE COUNSEL'S DIGEST

SB 323, as amended, Pérez. Student Aid Commission: California Dream Act application.

Existing law exempts a student, other than a nonimmigrant alien, as defined, from paying nonresident tuition at the California State University and the California Community Colleges if the student meets certain requirements. Existing law makes a student who meets these requirements for exemption from nonresident tuition, or who meets equivalent requirements adopted by the Regents of the University of California, eligible to apply for, and participate in, any student financial aid program administered by the state to the full extent permitted by federal law. Existing law requires the Student Aid Commission to establish procedures and forms that ~~enables~~ *enable* these students to apply for, and participate in, those student financial aid programs.

This bill would require the commission, by the start of the 2026–27 financial aid cycle, to amend the California Dream Act application, and any of its grant processing systems, to clarify and ensure that the application can be used by any student eligible for state financial aid programs, regardless of their eligibility for federal financial aid. The

bill would also require the commission to consult with ~~the segments of postsecondary education in promoting~~ *California's public and private colleges and universities to promote* the California Dream Act application in a manner that maximizes the amount of federal aid that students may access while apprising students of the choices available ~~regarding which application they and their families may use.~~ *effectively and inform students and their families of their available financial aid application options, as provided.*

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69508.5 of the Education Code is
2 amended to read:
3 69508.5. (a) Notwithstanding any other law, a student who
4 meets the requirements of subdivision (a) of Section 68130.5, or
5 who meets equivalent requirements adopted by the Regents of the
6 University of California, is eligible to apply for, and participate
7 in, any student financial aid program administered by the State of
8 California to the full extent permitted by federal law. The
9 Legislature finds and declares that this section is a state law within
10 the meaning of Section 1621(d) of Title 8 of the United States
11 Code.
12 (b) Notwithstanding any other law, the commission shall
13 establish procedures and forms that enable students who are exempt
14 from paying nonresident tuition under Section 68130.5, or who
15 meet equivalent requirements adopted by the regents, to apply for,
16 and participate in, all student financial aid programs administered
17 by the State of California to the full extent permitted by federal
18 law.
19 (c) It is the intent of the Legislature that all forms of state-based
20 aid in California be made equally available to students who are
21 exempt, pursuant to Section 68130.5, from paying nonresident
22 tuition and to all other students who qualify for state-based aid in
23 this state.
24 (d) By the start of the 2026–27 financial aid cycle, the
25 commission shall amend the California Dream Act application,
26 and any of its grant processing systems, to clarify and ensure that
27 the application can be used by any student eligible for state

1 financial aid programs, regardless of their eligibility for federal
2 financial aid.

3 (e) The commission shall consult with ~~the segments of~~
4 ~~postsecondary education in promoting~~ *California's public and*
5 *private colleges and universities to promote the California Dream*
6 *Act application in a manner that maximizes the amount of federal*
7 *aid that students may access while also apprising students of the*
8 *choices available regarding which application they and their*
9 *families may use, effectively, including supporting measures to*
10 *maximize student attainment of federal financial aid, where*
11 *appropriate, while also clearly informing students and their*
12 *families of their available application options.*

13 (f) The commission shall inform students and their families of
14 their available financial aid application options, including, but
15 not limited to, by doing both of the following:

16 (1) Listing, in a prominent manner, on the commission's internet
17 website and the California Dream Act application, the application
18 eligibility criteria for the California Dream Act application, the
19 types of financial aid that each application will consider, and key
20 distinctions between the applications.

21 (2) Ensuring that applicants actively acknowledge, before
22 completing the California Dream Act application, that they will
23 not be considered for any federal student financial aid programs.