

# AB 2500 by Asm. Mike Fong

## Emergency Extension Equity In Financial Aid



### SUMMARY

AB 2500 amends existing statute ([AB 1774](#), Bonta, 2019), that allows an extension to the financial aid application deadline by 30 days in the event of an emergency. AB 2500 improves access to this option for K-12 schools and colleges, giving first-time financial aid filers who are affected the time they need to apply. AB 2500 streamlines how extensions are granted, simplifies the CA Student Aid Commission's procedures to approve extension requests, while giving institutions increased time to submit requests.

### BACKGROUND

[AB 1774](#) was enacted to give flexibility to local education agencies and students experiencing traumatic conditions that would hinder their ability to submit financial aid applications on time. UC and CSU students could miss an estimated \$17,142 and \$9,377 in state aid respectively, by failing to apply on time. The current extension request process is labor intensive and requires proactive effort by schools impacted by emergencies at a time they may be facing numerous urgent needs. Additionally, education agencies have only 10 days after an emergency to submit a request before the Commission must conduct an overly lengthy approval process.

### PARTICIPATION GAPS

Since 2021, the Commission has received extension requests and sent information regarding the option to CA institutions. Small, rural agencies are less likely to request extensions. These areas lack resources, face low high school enrollment rates, and are likely to not have access to higher education

institutions such as a community college, UC, or CSU. Additionally, data from the 2023-24 financial aid period showed a large disparity between the number of eligible students, and students who actually received an extension. In this period, the Commission received only 5 extension requests despite 10,342 eligible students submitting late applications and not receiving financial aid. The 5 requests benefited just 775 students, 7.5% of the possible students who could've received extensions.

**Students that would benefit the most from extension are currently in areas not requesting this option, signifying the need for a streamlined process for these underserved areas impacted by natural disasters and other emergencies.**

### THIS BILL

AB 2500 enhances the state financial aid deadline emergency extension process by:

- **Authorizing the Commission to automatically grant extensions in the event of an emergency declared by the Governor or President.**
- **Providing institutions an additional 5 days to submit a request in the event of an emergency (from 10 to 15 days).**
- **Allowing the Commission's executive director to approve requests directly.**

AB 2500 will give more students the time they need to apply for financial aid with support from their school or college.

**For more information or questions about this bill, please contact Johnny Vu ([johnny.vu@csac.ca.gov](mailto:johnny.vu@csac.ca.gov)).**