

**First Regular Session  
Seventy-Seventh General Assembly  
STATE OF SAN ANDREAS**

**REVISED**

LLS NO. 26-0711.04 Alexis Holmes x2352

**HOUSE BILL 26-006**

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**SENATE SPONSORSHIP**

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**House Committees**

Higher Education & Workforce Development

**Senate Committees**

Health, Education & Human Capital

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**A BILL FOR AN ACT**

**CONCERNING COLLEGE OPPORTUNITY GRANTS FOR IN-STATE STUDENTS.**

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**Bill Summary**

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <https://saleg.uscgov.com>)*

This bill establishes the College Opportunity Grant Fund, a state-administered financial aid program designed to expand access to higher education for in-state students attending public colleges and universities. The bill creates a dedicated fund within the State Treasury to provide need-based grants that do not require repayment.

The program is intended to reduce financial barriers for residents pursuing postsecondary education while strengthening workforce development and long-term economic growth.

Shading denotes HOUSE amendment. Underlining denotes SENATE amendment.

*Capital letters or bold & italic numbers indicate new material to be added to existing law.*

*Dashes through the words or numbers indicate deletions from existing law.*

Grants awarded under the program may be used for tuition, mandatory fees, required course materials, and other approved education-related expenses.

The Department of Higher Education is responsible for administering the program, determining eligibility, and establishing award amounts based on financial need and available funding. Priority is given to students from low- and moderate-income households. Grants may be renewed for multiple academic years if students maintain satisfactory academic progress.

The bill specifies that the College Opportunity Grant supplements existing federal, institutional, and state financial aid programs and does not replace other available assistance.

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**1** *Be it enacted by the General Assembly of the State of San*  
**2** *Andreas:*  
**3** **SECTION 1. SHORT TITLE.** This Act shall be known and may  
**4** be cited as the “College Opportunity Grant Act.” **SECTION 2.**  
**5** **LEGISLATIVE DECLARATION.** The General Assembly finds  
**6** and declares that: (a) Access to affordable higher education  
**7** strengthens the economic vitality, workforce readiness, and civic  
**8** participation of the state. (b) Rising tuition and educational costs  
**9** have created financial barriers for many in-state students seeking  
**10** postsecondary education. (c) Increasing access to higher  
**11** education opportunities promotes long-term economic growth,  
**12** reduces reliance on public assistance, and improves overall  
**13** community outcomes. (d) It is the intent of the General Assembly  
**14** to establish a stable and dedicated funding source to provide  
**15** need-based financial assistance to eligible in-state students  
**16** attending public institutions of higher education. (e) The College  
**17** Opportunity Grant Fund is intended to supplement, not replace,  
**18** existing federal, institutional, or state financial aid programs.  
**19** **SECTION 3. DEFINITIONS.** For purposes of this Act, unless the  
**20** context otherwise requires: (a) “Department” means the

1 Department of Higher Education. (b) “Eligible student” means an  
2 individual who: (I) Is classified as an in-state resident for tuition  
3 purposes under state law; (II) Is enrolled or accepted for  
4 enrollment in an eligible public institution of higher education  
5 within the state; (III) Demonstrates financial need as determined  
6 by this act through a standardized application process; and (IV)  
7 Meets satisfactory academic progress requirements established by  
8 this act. (c) “Eligible institution” means any public community  
9 college, state college, or public university, or school of trade  
10 located within the state. (d) “Grant” means financial assistance  
11 awarded from the College Opportunity Grant Fund that does not  
12 require repayment. **SECTION 4. CREATION OF THE**  
13 **COLLEGE OPPORTUNITY GRANT FUND.** (a) There is hereby  
14 created in the State Treasury the College Opportunity Grant Fund,  
15 referred to in this Act as the “Fund.” (b) The Fund shall consist  
16 of: (I) Appropriations made by the General Assembly; (II) Gifts,  
17 grants, or donations from public or private sources; (III) Interest  
18 earned on monies in the Fund; and (IV) Any other monies  
19 designated by law. (c) Monies in the Fund shall be continuously  
20 appropriated to the Department for the purposes set forth in this  
21 Act and shall not revert to the general fund at the end of any fiscal  
22 year. (d) Monies within the College Opportunity Grant Fund shall  
23 be used exclusively for student grant awards and program  
24 administration and shall not be transferred or reverted for  
25 unrelated governmental purposes, provided that administrative  
26 expenses shall not exceed five percent of total annual program  
27 expenditures. (e) The Department may maintain a reserve balance  
28 within the Fund not exceeding ten percent of annual  
29 appropriations to ensure continuity of grant awards during periods  
30 of revenue fluctuation. (f) the General Assembly shall annually  
31 appropriate funds to the program, and total grant obligations shall  
32 not exceed available appropriations. If funding is insufficient to  
33 fully fund statutory award levels, the department shall

1 proportionally reduce awards across eligible tiers. (j) the  
2 Department shall implement verification procedures to prevent  
3 fraud, including randomized audits of applicant eligibility and  
4 income data. SECTION 5. ADMINISTRATION OF THE  
5 PROGRAM. (a) The Department of Higher Education shall  
6 administer the College Opportunity Grant Program. (b) The  
7 Department shall: (I) Establish application procedures and  
8 deadlines; (II) Determine eligibility and award amounts based on  
9 financial need and available appropriations; (III) Coordinate with  
10 existing financial aid programs to prevent duplication of benefits;  
11 (IV) Prioritize awards for students from low- and  
12 moderate-income households; and (V) Ensure equitable access to  
13 students attending community colleges, state colleges, and  
14 universities. (c) Grant awards may be used for tuition, mandatory  
15 fees, required course materials, and other education-related  
16 expenses as defined by rule. (d) Institutions of higher education  
17 shall not reduce institutional financial aid solely because a student  
18 receives a College Opportunity Grant awarded pursuant to this  
19 Act. (e) The Department shall automatically determine eligibility  
20 using information submitted through federal or state financial aid  
21 applications and shall minimize additional documentation  
22 requirements for applicants. (f) The Department shall ensure  
23 equitable geographic distribution of awards and prioritize  
24 outreach to rural, first-generation, and workforce-training  
25 students. (g) An eligible institution shall apply grant funds  
26 awarded pursuant to this Act as first-dollar financial assistance  
27 toward tuition and mandatory fees prior to the application of  
28 institutional loans or work-study requirements, unless federal law  
29 requires otherwise. (h) ~~An eligible institution shall not increase~~  
30 ~~tuition or mandatory fees at a rate exceeding the statewide~~  
31 ~~average increase for public institutions where such increase is~~  
32 ~~primarily attributable to anticipated grant funding under this Act.~~  
33 (h) an eligible institution that increases tuition or mandatory fees

1 above the statewide average shall be ineligible to receive program  
2 funds in the following academic year, unless waived by the  
3 department for good cause. (i) The Department shall provide  
4 preliminary eligibility notifications to high school students no  
5 later than the eleventh grade based upon available income data to  
6 improve college enrollment planning. **SECTION 6.**  
7 **ELIGIBILITY AND AWARD LIMITATIONS.** (a) Grants shall be  
8 awarded to eligible students enrolled at least half-time; however,  
9 the Department may authorize proportional awards for students  
10 enrolled in fewer credit hours where the student demonstrates  
11 employment obligations, caregiving responsibilities, or  
12 participation in approved workforce training programs. (b) Grant  
13 awards shall be determined according to household income levels  
14 based upon adjusted gross income reported through the  
15 standardized financial aid application approved by the  
16 Department. (c) An eligible student whose household income is  
17 fifty thousand dollars or less annually shall receive a grant equal  
18 to one hundred percent of in-state tuition and mandatory fees at  
19 the eligible institution attended, together with an annual  
20 educational support stipend of two thousand dollars for required  
21 course materials or education-related expenses. ~~(d) An eligible~~  
22 ~~student whose household income exceeds fifty thousand dollars~~  
23 ~~but does not exceed ninety thousand dollars annually shall receive~~  
24 ~~a grant equal to seventy-five percent of in-state tuition and~~  
25 ~~mandatory fees.~~ (e) ~~An eligible student whose household income~~  
26 ~~exceeds ninety thousand dollars but does not exceed one hundred~~  
27 ~~forty thousand dollars annually shall receive a grant equal to fifty~~  
28 ~~percent of in-state tuition and mandatory fees.~~ (d) ~~an eligible~~  
29 ~~student whose household income exceeds fifty thousand dollars~~  
30 ~~but does not exceed one hundred twenty thousand dollars shall~~  
31 ~~receive a grant equal to fifty percent of in-state tuition and~~  
32 ~~mandatory fees.~~ (e) ~~students with household income above one~~  
33 ~~hundred twenty thousand dollars shall not be eligible for grants~~

1 under this section. (f) An eligible student whose household  
2 income exceeds one hundred forty thousand dollars but does not  
3 exceed two hundred thousand dollars annually shall receive a flat  
4 annual grant of two thousand dollars applicable toward tuition or  
5 required institutional fees. (g) Grant awards established in this  
6 section constitute minimum statutory award amounts and shall not  
7 be reduced by rule except to prevent financial assistance  
8 exceeding the student's total cost of attendance. (h) Grants may be  
9 renewed annually for up to four academic years, or the equivalent  
10 for part-time enrollment, provided the student maintains  
11 satisfactory academic progress. (i) Nothing in this Act shall  
12 prohibit an eligible student from receiving federal, institutional, or  
13 other state financial aid in addition to a grant awarded under this  
14 section. (j) Students enrolled at public community colleges who  
15 successfully complete at least twenty-four credit hours within an  
16 academic year shall receive an additional completion incentive  
17 grant of seven hundred fifty dollars. (k) Beginning July 1, 2028,  
18 and every two years thereafter, income thresholds and stipend  
19 amounts established in this section shall be adjusted by the  
20 Department to reflect increases in the consumer price index for  
21 higher education costs. (l) The Department may provide an  
22 additional annual workforce incentive grant not exceeding one  
23 thousand five hundred dollars to students enrolled in degree or  
24 certificate programs identified by the Department of Labor as  
25 experiencing critical workforce shortages within the state. (m) A  
26 student transferring from a public community college to another  
27 eligible institution shall retain grant eligibility and award tier  
28 status for the duration of remaining eligibility under subsection  
29 (h). (n) An eligible student completing an associate or bachelor's  
30 degree within the standard program length shall receive a  
31 one-time completion award of one thousand dollars. (o) an  
32 eligible student must maintain a minimum cumulative grade point  
33 average of 2.0 on a 4.0 scale, or equivalent, to retain eligibility for

1 renewal. (p) priority shall be given to students enrolled in  
2 programs leading to employment in high-demand occupations as  
3 identified annually by the department of labor. SECTION 7.  
4 REPORTING AND ACCOUNTABILITY. (a) On or before  
5 January 15 of each year, the Department shall submit a report to  
6 the Governor and the General Assembly that includes: (I) The  
7 number of students receiving grants; (II) Average grant award  
8 amounts; (III) Distribution of awards by institution type; (IV)  
9 Student retention and completion data, where available; and (V)  
10 Recommendations for program improvement. (b) The report shall  
11 be made publicly available on the Department's website. (c) The  
12 Department shall maintain a publicly accessible online dashboard  
13 displaying aggregate program participation, completion outcomes,  
14 geographic distribution, and workforce placement data while  
15 protecting student privacy. **SECTION 8. RULEMAKING**  
16 AUTHORITY. The Department of Higher Education may  
17 promulgate rules necessary to implement and administer this Act.  
18 **SECTION 9. PROGRAM REVIEW AND SUNSET.** (a) The  
19 General Assembly shall review the effectiveness of the College  
20 Opportunity Grant Program five years following enactment. (b)  
21 The Department shall submit a comprehensive evaluation  
22 including student debt reduction, completion rates, and workforce  
23 outcomes. (c) Unless reauthorized by the General Assembly, this  
24 Act shall repeal July 1 following completion of the review.  
25 **SECTION 10. EFFECTIVE DATE.** This Act shall take effect  
26 July 1, 2026, and shall initially operate as a three-year pilot  
27 program subject to annual appropriation.