



NEWS RELEASE

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California Student Aid Commission Works Hard to Assist Cal Grant Students Caught in Eligibility Dilemma

RANCHO CORDOVA, CA – The California Student Aid Commission announced today that it is doing everything possible to assist the 300 current California Community College Transfer Entitlement Cal Grant recipients who possibly did not meet California residency requirements at the time of their Cal Grant award. These 300 students, with possibly 700 additional students who are not currently in school, received letters from the Commission earlier this week notifying them that they are no longer eligible for a Cal Grant.

All students awarded a Cal Grant are required by state law to be a high school graduate (or its equivalent) and be a California resident when they graduate. The Commission recently identified this group of Transfer Entitlement Cal Grant recipients through extensive research that revealed California residency had not been confirmed at the time of their Cal Grant award. These students have attended a California Community College and are using their Cal Grant award after transferring to a four-year California college or university.

“Making this announcement is especially disheartening, but the Commission must follow state law,” said Diana Fuentes-Michel, executive director of the California Student Aid Commission. “The Commission is devoted to its mission of assisting students in gaining financial access to a higher education.”

Prior to mailing the letters to students, the Commission conducted research to identify the scope of the issue and consulted with schools and community partners. After determining there was no other course of action, the Commission mailed letters to the students involved and at the same time notified members of the state Legislature that their constituents were being affected.

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The Commission is taking steps to help students caught in this eligibility dilemma by:

- ❖ Calling each of the 300 current students to verify residency and assist with questions;
- ❖ Working with the University of California and the California State Colleges to find replacement funding support from these segments; and,
- ❖ Determining if some students could be transferred to a different kind of Cal Grant that would maintain their grant funding level.

To ensure the problem stops now, the Commission is reviewing the Cal Grant application process to include residency verification at the time of graduation. The Commission presently collects data that verifies California residency but an anomaly exists in the technology system used to determine Transfer Entitlement Cal Grant eligibility.

In addition to stopping payment of Cal Grants to students, the Commission is exploring the possibility that the Cal Grant funds to these students may need to be repaid to the state. The Commission is working with the Governor's Department of Finance and members of the state Legislature to determine options.

Students with questions or needing information should contact the Commission's Student Support Services Branch at 1-888 CA GRANT, (1-888-224-7268). To find out more about the California Student Aid Commission and its financial aid programs, visit the Commission's Web site at www.csac.ca.gov

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The California Student Aid Commission is the state's principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission's primary programmatic responsibilities include operation of the Cal Grant program, which is distributing nearly \$800 million to California's college students during the 2005-2006 school year; operation of the California Chafee Grant Program; and, several multi-million dollar targeted state scholarship and loan forgiveness programs. The 15-member Commission oversees the activities of its nonprofit student loan services auxiliary, EDFUND. The Commission is headquartered in Rancho Cordova, California.

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