

FAST BLAST



OUR MISSION: "Make education beyond high school financially accessible to all Californians."

DIANA FUENTES-MICHEL, *Executive Director, California Student Aid Commission*

January 16, 2009

A Message from Executive Director, Diana Fuentes-Michel

Happy New Year! All of us here at the Commission hope you had a pleasant holiday season.

2009-10 Governor's Proposed Budget

On Friday, January 9, the Governor released his 2009-10 Proposed Budget. The following is a bulleted summary of significant issues proposed in the Budget that relate to the Commission:

- Eliminating 22,500 new Competitive Cal Grant awards;
- Partially decoupling the current fee-financial aid policy by not providing Cal Grant aid to cover increases at the University of California and the California State University; CSU maximum Cal Grant award will be \$3,240 regardless of increases in systemwide fees; UC maximum award will be \$7,542 regardless of increases in systemwide fees;
- Reducing the maximum Cal Grant award for new students enrolling at the State's independent and private institutions from \$9,708 to \$8,322;
- Rolling back the current income ceiling for 2009-10 to 2008-09 levels thereby reducing the number of qualifying Cal Grant awards for 2009-10;
- Consolidating the California Postsecondary Education Commission with the California Student Aid Commission and decentralizing financial aid administration to the higher education segments;
- Recognizing deficit funding of \$62 million in Cal Grant fund due to anticipated unfunded growth; and
- Eliminating the revenue assumption that \$500 million in new revenue will be received by the State of California from the sale or alternative arrangement from EdFund. (In a separate letter to the Joint Legislative Budget Committee, the Department of Finance (DOF) has indicated that the "value and timing of the EdFund sale are very uncertain at this point." DOF has selected the firm FBR Capital Markets to advise on the sale or alternative transaction.)

With the proposed elimination of the Competitive Cal Grant Program, 22,500 students will not be offered a Cal Grant award for 2009-10. Another estimated 2,110 students would no longer qualify for a Cal Grant award due to the policy change of freezing the Cal Grant income eligibility limits at the 2008-09 levels. Commission staff is still reviewing the affect of the remaining proposals on California's students.

The Commission staff will continue to monitor the Budget process and to advocate for the Cal Grant program and other Commission specialized financial aid programs aimed at providing equal access to higher education. We are anticipating that the Commission will meet in late January to take a position on the Governor's Proposed Budget.

You may find additional information on the 2009-10 Governor's Proposed Budget at www.dof.ca.gov.

Nearly 500 Cash for College financial aid workshops are scheduled to take place in communities across California up until the March 2 Cal Grant deadline. To direct students to a workshop in your community, visit www.calgrants.org/workshops. High school seniors who attend a workshop and apply for a Cal Grant by the March 2 deadline could cash in on an extra \$1,000 scholarship provided by the College Access Foundation of California.

Cal Grant Processing Update

Student Notifications

In late January, a notice of non-payment or leave absence postcard will be sent to all Cal Grant participants for whom no fall term payment or fall term leave of absence has been reported. Students may report a school change or report a leave of absence using WebGrants for Students.

In early February, a notice of non-confirmed high school graduation will be sent to new Entitlement Cal Grant awardees who have not confirmed their high school graduation. Students may confirm their high school graduation status using WebGrants for Students.

Year-End Withdrawals

Students who did not activate their Cal Grant award for the 2007-08 academic year will be withdrawn from the program.

Year-End Cal Grant Invoices

The Commission is mailing invoices to institutions that have received Cal Grant funds in excess of their reconciled amount for the 2007-08 year. Invoices must be paid to continue participation in the Cal Grant program.

For additional information please contact Tom Panages, Grant Operations, at 916.464.2645 or tpanages@csac.ca.gov.

2009-10 Academic Year Processing

New Entitlement award processing for 2009-10 will begin March 1, 2009. This will allow schools additional time to budget data for the completion of the College Cost Estimate form.

As a result of changes to the 2009-10 Free Application for Federal Student Aid (FAFSA), the Commission will not receive expected 2009 veterans education benefits information. Therefore, the Commission will not give veterans benefits consideration when selecting new participants into the Cal Grant program. However, schools will continue, for 2009-10, to treat veterans benefits as a student resource when determining whether a student has enough financial need to receive a Cal Grant payment.

College Cost Estimate Reminder

Participating Cal Grant institutions must submit College Cost Estimate information on the WebGrants College Cost Estimate screen by Tuesday, February 17, 2009. Failure to do so will result in the Commission using previously reported cost data for awarding 2009-10 Cal Grants and may disqualify a student from receiving a full award consideration.

For additional information, schools may contact School Support Services at 916.294.0153.

Cal Grant Roster Data Change Implementation

The Commission, in consultation with the Real-time Database Advisory Committee, is making changes to the weekly Cal Grant roster output data files which provide updates on processed Cal Grant roster transitions. To

use the new roster data file fields, institutions must first modify their systems.

For additional information on the Cal Grant Roster Data Change Implementation, please refer to [Operations Memo GOM 2009-02](#). If you have additional questions, please contact Debi Jackson at (916) 464-8180 or djackson@csac.ca.gov.

It is critical to report any concerns or potential problems to the Commission by January 16, 2009, as we anticipate implementing the new roster data changes on January 23, 2009.

Cal Grant Processing Update

The Commission has been notified by the State Controller's Office that it may take up to thirty days before Spring Semester Cal Grant Term Advance is disbursed. The timing of payment will depend on the resolution of the current state budget issues.

The Commission will not have legal authority to reimburse institutions for any expenditure that exceeds the Commission's authority once the funds become available. In addition, if an institution chooses to advance funds to students prior to the approval of the Spring Semester Term Advance, the institutions should recalculate any refund that may be due based on the institutions' refund policy when a student withdraws, drops out, or is expelled from the term.

We appreciate your assistance in supporting students during these uncertain times and will continue to keep you informed on any budget actions that may affect the Commission's programs.

If you have any questions regarding this issue, please contact Tom Panages at 916.464.2645, or at tpanages@csac.ca.gov or Tae Kang at 916.464.2954, or at tkang@csac.ca.gov.

The Commission remains dedicated to keeping you apprised of any new information that may affect our programs. Please forward your ideas and comments to Fastblast@csac.ca.gov

