

Senate Budget Subcommittee No. 1 on Education
April 19, 2004

Assembly Budget Subcommittee No. 2 on Education Finance
April 21, 2004

Executive Director Diana Fuentes-Michel presented similar testimony at both legislative hearings. She addressed the Governor's proposed budget reductions to the Cal Grant Program and the Legislative Analyst Office's (LAO) proposal to shift \$66 million from the Student Loan Operating Fund to the University of California and the California State University systems for purposes of funding the administration of their financial aid offices.

Executive Director Michel indicated that the Commission opposes the LAO's proposal to shift funds to CSU and UC financial aid administration. She informed the Subcommittees of the Commission's concern about the potential uses of the Student Loan Operating Fund. Her remarks focused on the Commission's guarantee agency functions, the Commission's auxiliary – EDFUND, and appropriate uses of Student Loan Operating Fund revenue: that revenue be directed toward short-term, sustainable uses, and toward uses that provide a direct benefit to students.

The Executive Director concluded each testimony with three key thoughts:

1. The Commission is committed to finding ways to maintain the integrity of the Cal Grant program.
2. The Commission is committed to positioning itself and EDFUND as the long-term, self-sustaining guarantor of college access and affordability in California.
3. The Commission will continue to invest student loan revenues to grow the loan business to serve our school customers and to provide greater student and public benefits.

Executive Director Michel's remarks to both Subcommittees were essentially the same and are provided on this Web site once. Click on the [Meeting and Hearing Highlights](#) link above, then click on [Testimony before the Senate Budget Subcommittee No. 1 on Education, April 19, 2004](#).