

The California Student Aid Commission sees higher education as an investment in California's future. We commend the Governor and Legislature for all they have done to date to preserve the opportunity for a college education for financially needy Californians. Education is the economic imperative of our time and the civil rights issue of our generation. Access and opportunity to higher education is the basis for the formation of our democratic society. As the stewards of access and opportunity of higher education, it is with deep regret that we feel forced, given the budget constraints facing California today, to establish this list of potential reductions to the Cal Grant Programs, should such cost savings become necessary.

**California Student Aid Commission
Priorities for Cal Grant Program Cost Savings if Needed**

<p>The following criteria were taken into consideration in developing the priorities:</p> <ul style="list-style-type: none"> > treat all students as equitably as possible > access and completion > alignment with Federal requirements > accountability > proposed reductions to federal financial aid programs > proposed higher education reductions in the State Budget > cost effectiveness 	
1	<p>Require a Cal Grant participating institution to have:</p> <ul style="list-style-type: none"> ● a cohort default rate no greater than 20% or loan repayment rate (determination based on staff analysis) and ● institutional aid of no less than 10%
2	<p>Require Cal Grant renewal recipients to meet the same income and asset ceilings and minimum need as new recipients</p>
3	<p>Withdraw a Cal Grant award immediately upon the recipient's failing to maintain satisfactory academic progress in any academic terms occurring after June 30, 2011 and totaling one academic year</p>
4	<p>Limit the number of years of eligibility to 2 years for:</p> <ul style="list-style-type: none"> ● Cal Grant A and B Transfer Entitlement recipients (3 years if enrolled in a recognized 5-year program) ● Cal Grant B recipients attending a California Community College or 2 year program at a non-public institution (3 years if enrolled in a program that requires more than 2 years to complete)
5	<p>Reduce the maximum award at for-profit institutions:</p> <ul style="list-style-type: none"> ● to the Cal Grant award amount for California Community Colleges (currently \$1,551) for recipients pursuing certificates and two-year degrees ● to the Cal Grant award equivalent for California State Universities for recipients pursuing four-year degrees
6	<p>Reduce the maximum award at independent institutions by 15%</p>
7	<p>Limit the Competitive Cal Grant award to the Access Grant amount (currently \$1,551) for all segments</p>
8	<p>Eliminate tuition/fee payments for the Top 2% of High School Entitlement Cal Grant B awards</p>
9	<p>Raise the minimum Grade Point Average for new Cal Grant awards to 2.5 for the Cal Grant Entitlement Programs</p>