

Information/Action Item

California Student Aid Commission

Decentralization of the Cal Grant program and consolidation of the California Postsecondary Education Commission and the California Student Aid Commission

The Governor's 2009-10 Budget proposed to decentralize the Cal Grant program and consolidate the California Student Aid Commission and California Postsecondary Education Commission (CPEC). The Budget proposal estimated the savings from decentralization and consolidation to be \$2 million.

The Legislature did not include the Governor's proposals in the recently enacted 2009 Budget Act.

However, the Administration has submitted a Finance Letter dated April 1, 2009 to the Chairs of the Senate and Assembly Budget Committees proposing revisions to the Commission's 2009-10 budget, including the proposals to decentralize the Cal Grant program and to consolidate CPEC and the Commission. The Senate Budget Subcommittee 1 – Higher Education – will hold a hearing on the Governor's proposals on May 14, 2009.

The details of the proposals, however, have not yet been released to the public, thus preventing the Commission from engaging in a full, open discussion on the merits of each. It appears that some information about the decentralization proposal has been selectively provided to some parties, based on comments made by representatives of interested parties with whom Commission staff has consulted. Commission staff, however, has not received the specifics of the proposals from the Administration, and has not yet been able to discover how the Governor proposes to decentralize the Cal Grant program and how he proposes to consolidate CPEC and the Commission.

Despite this lack of detail, institutional parties affected by decentralization have been invited to participate with the Commission in a discussion of decentralization of the Cal Grant program and consolidation of CPEC and the Commission. It is hoped that the discussion will enable the Commission and the parties to identify the advantages and disadvantages for the students the Cal Grant program and the Commission serve.

The invited participants include:

Governor's Office – Office of the Secretary of Education
University of California
California State University
California Community Colleges
Association of Independent California Colleges and Universities
California Association of Private Postsecondary Schools

California Association of Student Financial Aid Administrators
California Community Colleges Student Financial Aid Administrators
Association
California Postsecondary Education Commission