

Information/Action Item

California Student Aid Commission

Consideration of establishing Cal Grant priorities for the 2010-11 state budget

The May Revision has significantly changed the Governor's proposals affecting the Cal Grant Program from those originally presented by his January Budget. The Governor originally proposed to suspend the Cal Grant Competitive Program for 2010-11, and, if the State did not receive \$6.9 billion in federal funding, to limit Cal Grant Entitlement award growth by freezing the level of awards through decoupling the award amount from fee increases at UC and CSU and freezing the income ceilings for new Cal Grant Entitlement awards.

As described in Tab 4, the Governor's May Revision rescinds his January Budget proposal to eliminate the Cal Grant Competitive Program, and rescinds the contingent reductions to the Cal Grant Entitlement awards. Further, the May Revision proposes to use the state funds in the Student Loan Operating Fund to increase the current-year appropriation for Cal Grant awards.

Commissioners should feel free to have as much policy discussion as desired. Its purpose would be to determine generally the initial thoughts of members as far as Cal Grants, thereby providing guidance to Commission staff and consideration on the need for a future meeting.