

Information/Action Item

California Student Aid Commission

Consideration of student eligibility for the California Community College Cal
Grant Transfer Entitlement

At the November 18, 2011 Commission meeting, the Commission adopted a new policy for awarding Transfer Entitlement Cal Grant awards, to allow otherwise eligible students to qualify for these awards without having attended a community college within the academic year before the award year. The Commission then directed staff to provide a detailed recommendation on when to implement the new policy.

The Governor's release of his 2012-2013 Proposed Budget, however, constitutes a significant intervening factor for the Commission's consideration. The Governor's Budget Summary provides:

Restore Uninterrupted Enrollment Requirement for Transfer Entitlement Awards — Currently, a CCC student is eligible for a Transfer Entitlement Award at a four-year institution only if the student is enrolled in a CCC in one academic year and then transfers to and enrolls at a four-year institution the next academic year. Recently, the CSAC relaxed this requirement by allowing prolonged enrollment breaks between the CCC and the four-year institution. It is estimated that this decision will result in \$70 million in new General Fund costs. The Administration proposes to maintain the uninterrupted CCC/four-year college enrollment requirement so as to avoid creating new costs at a time of limited General Fund resources.

The Governor, therefore, has formally elevated the issue to the legislative arena and has expanded it into a budget issue awaiting negotiations leading to the enactment of a final budget. Under these particular circumstances, we recommend that the Commission suspend its unilateral determination on when to implement the new policy in deference to the paramount legislative and budget authority shared by the Legislature and Governor.

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