
Review of the Commission's Reinstatement and Retroactive Leave of Absence Policies

Issue

Consistent with the Commission's current practice, Cal Grant eligible students who declined their award and planned to enroll or enrolled in a college or university in the area affected by hurricanes this year are being allowed to reinstate their Cal Grant award for the 2005-06 award year upon their return to a California institution. It is our existing policy to reinstate students who change their college choice in the initial year of their Cal Grant. Students who were awarded prior to 2005-2006 and who withdrew their award are not allowed to reinstate their award for the 2005-2006 academic year. State law requires that a recipient attend and make satisfactory academic progress at a qualifying institution in order for their award to be renewed. The relevant California Education Code is listed below. Special Alert GSA 2005-27 and Policy Bulletin GPB 2003-01 are enclosed for reference.

Background and Methodology

Cal Grant Renewal: **EDUCATION CODE SECTION 69433.5(a)**

69433.5. (a) Only a resident of California, as determined by the commission pursuant to Part 41 (commencing with Section 68000), is eligible for an initial Cal Grant award. The recipient shall remain eligible for award renewal only if he or she is a California resident, in attendance, and making satisfactory academic progress at a qualifying institution, as determined by the commission.

Qualifying Institution: **EDUCATION CODE SECTION 69432.7(I)**

(l) "Qualifying institution" means any of the following:

(1) Any California private or independent postsecondary educational institution that participates in the Pell Grant program and in at least two of the following federal campus-based student aid programs:

(A) Federal Work-Study.

(B) Perkins Loan Program.

(C) Supplemental Educational Opportunity Grant Program.

(2) Any nonprofit institution headquartered and operating in California that certifies to the commission that 10 percent of the institution's operating budget, as demonstrated in an audited financial statement, is expended for the purposes of institutionally funded student financial aid in the form of grants, that demonstrates to the commission that it has the administrative capacity to administer the funds, that is accredited by the Western Association of Schools and Colleges, and that meets any other state-required criteria adopted by regulation by the commission in consultation with the Department of Finance. A regionally accredited institution that was deemed qualified by the commission to participate in the Cal Grant Program for the 2000-01 academic year shall retain its eligibility as long as it maintains its existing accreditation status.

(3) Any California public postsecondary educational institution.

(m) "Satisfactory academic progress" means those criteria required by applicable federal standards published in Title 34 of the Code of Federal Regulations. The commission may adopt regulations defining "satisfactory academic progress" in a manner that is consistent with those federal standards.

Status

Commission staff is currently reinstating students for the 2005-2006 academic year according to the Commission's policy.



SPECIAL ALERT

Update of the California Student Aid Commission

September 7, 2005

GSA 2005-27

TO: Financial Aid Administrators

FROM: Max Espinoza 
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SUBJECT: Assistance for Victims of Hurricane Katrina

The California Student Aid Commission (Commission) is pleased to announce plans to assist students affected by Hurricane Katrina.

Consistent with the Commission's current practice, Cal Grant eligible students who declined their award and planned to enroll or enrolled in a college or university in the affected hurricane region will be allowed to reinstate their Cal Grant award for the 2005-06 award year upon their return to a California institution. It is our existing policy to reinstate students who change their college or university choice.

Students should contact the Commission's Student Support Services Branch at 1-888-224-7268 to request reinstatement of an award.

Questions on or requests for the reinstatement of any award for students on your campus may be directed to the Cal Grant Operations Branch at 1-888-294-0153.

Thank you for your continued partnership in serving students.



State of California
Arnold Schwarzenegger
Governor

For more information you may contact us at:
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website: www.csac.ca.gov email: schoolsupport@csac.ca.gov



POLICY BULLETIN

Update of the California Student Aid Commission

August 20, 2003

GPB 2003-01

TO: Financial Aid Administrators

FROM: Sarah L. Tyson
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SUBJECT: Leave of Absence and Renewal Eligibility Policy Change

This policy bulletin provides information regarding a change to the minimum number of terms that must be accounted for to establish eligibility to renew a Cal Grant.

At the request of the Grant Advisory Committee, the California Student Aid Commission adopted a policy that allows Cal Grant recipients flexibility in managing their Cal Grant eligibility without exceeding their leave of absence allowance. This policy change was initially proposed to streamline Cal Grant processing for students enrolled year-round. As implemented, it significantly reduces the number of leave transactions that schools are required to report.

Effective with the 2003-04 renewal process, Cal Grant recipients must have a transaction (i.e., RP, RA, LA, etc.) posted for at least one term at a semester- or trimester-based school, or transactions for at least two terms at a quarter-based school, during the 2002-03 academic year to be eligible for renewal. The last term of the award year is always excluded from this calculation. This replaces the previous renewal policy that required recipients to have a valid transaction posted for all terms prior to being renewed for the next award year.

The Commission's basic Leave of Absence policy remains unchanged. Implementation of this policy eliminates the need to post a "Leave from Payment." For example, a student attending a semester institution who wishes to retain Cal Grant eligibility until attending a higher cost institution may be renewed by simply having one leave of absence posted for the year. The student will be considered to be on "automatic leave" for the other two terms of that award year. The Commission's Grant Delivery System will automatically calculate the student's eligibility for leave pursuant to this new policy. Because of this flexibility, the Commission no longer requires or processes leave from payment requests from students.

Further guidance on the implementation of this policy will be communicated through a Commission Operations Memo. For questions concerning this policy, please contact Gloria Falcon at 916-526-8238.



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Arnold Schwarzenegger
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For more information you may contact us at:
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NEWS RELEASE

FOR IMMEDIATE RELEASE
September 14, 2005

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California Student Aid Commission/EDFUND Initiate Measures in Support of College Students Affected by Hurricane Katrina

RANCHO CORDOVA, CA – The California Student Aid Commission and EDFUND, its auxiliary, announced policies earlier this week that assist college students affected by Hurricane Katrina. The Commission, the state agency that administers the Cal Grant program, will reinstate Cal Grant eligibility to students who declined their grant award because they planned to enroll in a college located in an area affected by Hurricane Katrina. These students may enroll in a California college or university and still get a Cal Grant to help with tuition and other expenses. EDFUND, the nation's second largest provider of student loan guarantee services under the Federal Family Education Loan Program, is continuing attempts to reach delinquent borrowers and counsel them on various options for financial relief.

“The Commission can only feel compassion for those affected by the devastation of Hurricane Katrina, especially for students who enrolled in colleges in the affected areas,” said Diana Fuentes-Michel, executive director of the California Student Aid Commission. “Affording a college education today is itself a challenge without the added financial barriers and challenges brought on by a natural disaster. The Commission is doing everything it can to assist affected students in getting back on track and getting back to their college education.”

Cal Grant eligible students who declined their award and planned to enroll, or enrolled, in a college or university in the affected hurricane region may reinstate their Cal Grant award for

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the 2005-2006 school year upon their return to a California school. EDFUND's default prevention counselors continue to attempt to reach delinquent borrowers and counsel them regarding various options for relief, now including Disaster Area Forbearances.

"It's our goal to provide timely support and information to student borrowers who may not be aware of their options in the wake of this tremendous tragedy," stated Sam Kipp, Interim President of EDFUND. "The federal student loan program offers a variety of options for relief for students who are unable to make payments. At the same time, we have directed our collections staff to stop all calls and mailings to students in the affected areas who have defaulted student loans for an initial period of three months."

Students with questions or needing information about their Cal Grant reinstatement should contact the Commission's Student Support Services Branch at 1-888-224-7268. To find out more about the California Student Aid Commission and its financial aid programs, visit the Commission's Web site at www.csac.ca.gov To find out more about EDFUND, visit www.edfund.org

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The California Student Aid Commission is the state's principal provider of intersegmental statewide grant aid to postsecondary students. Founded in 1955 as the California State Scholarship Commission, the Commission's primary programmatic responsibilities include operation of the Cal Grant program, which is distributing nearly \$760 million to California's college students during the 2004-2005 school year; operation of the California Chafee Grant Program; and, several multi-million dollar targeted state scholarship and loan forgiveness programs. The 15-member Commission oversees the activities of its nonprofit student loan services auxiliary, EDFUND. The Commission is headquartered in Rancho Cordova, California.

EDFUND, a nonprofit public benefit corporation, is the nation's second largest provider of student loan guarantee services under the Federal Family Education Loan Program. EDFUND offers students a wide range of financial aid and debt management information while supporting schools with advanced loan processing solutions and default prevention techniques. Operating as an auxiliary corporation of the California Student Aid Commission, EDFUND processes more than \$7.1 billion in student loans annually (including Consolidation loans) and manages a portfolio of outstanding loans valued at \$24 billion. EDFUND is headquartered in Rancho Cordova, California with regional offices located throughout the nation.

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