

CALIFORNIA STUDENT AID COMMISSION

OFFICE OF THE EXECUTIVE DIRECTOR



September 15, 2009

Dear Financial Aid and Outreach Colleagues:

On July 28th, Governor Schwarzenegger vetoed half of the California Student Aid Commission (Commission) budget to administer the Cal Grant and other financial aid programs—reduced from \$13 million to \$6.7 million.

We would like to take this opportunity to express appreciation to our colleagues for your support and advocacy efforts to restore Commission operations funding to avert serious affects to the Cal Grant program and disbursement of awards to students.

At the eleventh hour, leading up to the close of the 2009 Legislative Session, an existing bill, Assembly Bill 187, was amended by the Assembly Committee on Budget to address the Commission's budget reduction. The bill establishes a pilot alternative delivery system for the Cal Grant program and restores \$4.3 million to the Commission's operating budget in order to maintain student services statewide. Although the bill did have substantial Legislature and Administration support, it did not pass the Senate Floor before the session was ended. However, the Senate did unanimously grant the bill reconsideration for the new legislative session beginning in January.

Although we were disappointed that AB 187 was not passed to the Governor before the interim recess, the Commission remains committed to the integrity and continuation of the program.

The interest of students is our first priority.

Final resolution regarding funding remains uncertain. What is *not* uncertain is the critical need for awareness of the availability of financial aid for low income students.

During these next months, as we await the new legislative session in January, Commission staff will work within the current allocated budget and continue to administer all vital resources, specifically, the awareness, notification and disbursement processes vital to the appropriate and timely delivery of financial aid to hundreds of thousands of California students.

From 2000 to 2009, the number of new and renewing Cal Grant recipients rose from 179,860 to 301,972, a 68% increase in demand from mostly "first generation" college students.

These statistics speak for themselves. The need for the Cal Grant program is critical to California's future students and the economic future of our state.

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To that end, communication with the Governor's office in the coming months will remain a key element for the successful regeneration of the budget appropriation and maintenance of the delivery of the Cal Grant program.

We will keep you updated regarding any developments or requests for assistance.

Thank you.

Sincerely,

Diana Fuentes-Michel
Executive Director