



OPERATIONS MEMO

Update of the California Student Aid Commission

October 29, 2010

GOM 2010-23

TO: Financial Aid Administrators

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SUBJECT: New Treatment of 2010-11 Veterans Education Benefits

The purpose of this Operations Memo is to provide important information on the change in the treatment of veterans education benefits (VEB) for Cal Grant need determination. This change becomes effective on January 1, 2011.

In Policy Bulletin 2010-01, dated October 27, 2010, the California Student Aid Commission (Commission) reported that Senate Bill (SB) 1382, chaptered on July 15, 2010, eliminates the requirement that the Commission calculate new Cal Grant need according to the methodology in place during the 2001-02 academic year. VEB is included in that methodology. The new law excludes VEB when calculating financial need, and thus allows a student's Cal Grant award to not be reduced.

Since the effective date is in the middle of the award year, Commission staff has developed methods for schools to use when calculating **new Cal Grant financial need for the 2010-11 academic year**:

1. For those terms beginning prior to January 1, 2011, institutions must consider veteran's benefits when calculating Cal Grant payment eligibility. If the student still has financial need with the inclusion of VEB, any Cal Grant payments would be reported as they are now.
2. For those terms beginning prior to January 1, 2011, where the student does not have enough need for a Cal Grant payment due to inclusion of VEB, the school will use the new "VB" adjustment reason code. Use of this code will defer the student's Cal Grant award eligibility to the next term and assure that the student is not withdrawn due to lack of financial need.
3. For any terms starting after January 1, the student should be paid a Cal Grant without factoring in VEB. Cal Grant payments will be treated as if no VEB were paid to the student, and payment reporting will be made similar to any student who is not receiving VEB.



State of California
Arnold Schwarzenegger
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SCENARIO
 Cost of Attendance (COA) – \$20,000
 Expected Family Contribution (EFC) – \$5,000
 Veterans Education Benefits (VEB) – \$6,000
 New Cal Grant A Recipient at Private School - \$9,708

EXAMPLE 1
 In this example, the student did not meet the minimum financial need (\$11,208) required for a new Cal Grant A due to the VEB. However, after January 1, 2011, when VEB is no longer part of the Cal Grant need formula, the student will have a new financial need that will allow him to meet the minimum need.

<u>New Cal Grant Need Determination</u>		<u>Minimum Need for Award</u>	
COA	\$20,000	Max Cal A tuition	\$9,708
EFC	-\$5,000		+\$1,500
VEB	-\$6,000		
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\$9,000 Financial Need		\$11,208 Minimum Need	

EXAMPLE 2
 In this example, the student is now eligible for his Cal Grant A award since VEB is no longer counted. However, he is only eligible for a payment after January 1, which typically represents the spring term.

<u>New Cal Grant Need Determination without VEB</u>		<u>Minimum Need for Award</u>	
COA	\$20,000	Max Cal A tuition	\$9,708
EFC	-\$5,000		+\$1,500
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\$15,000 Financial Need		\$11,208 Minimum Need	

On the payment roster in WebGrants, this student's payment should look like this:

FALL - VB (adjustment code)
SPRING - \$4,854 – PD code (assuming full time payment)

As a reminder, when determining the student's eligibility, please be sure to use your segment's minimum need for Cal Grant A and Cal Grant B. Please review Chapter 5 of the Cal Grant manual should you need a reference.

Since VEB information is excluded from the 2010-11 Institutional Student Information Record (ISIR), the Commission is not able to provide a list of those Cal Grant participants who have indicated VEB participation.

If you have any questions regarding this Operations Memo, please contact School Support Services at (888) 294-0153 or at schoolsupport@csac.ca.gov.

Working together to effectively promote education beyond high school!