



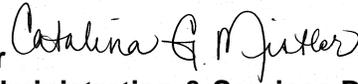
# OPERATIONS MEMO

Update of the California Student Aid Commission

May 17, 2011

GOM 2011-12

**TO:** Financial Aid Administrators  
High School Counselors

**FROM:** Catalina G. Mistler   
Chief, Program Administration & Services Division

**CONTACT:** Program Administration & Services Division  
Phone: (888) 294-0153  
Fax: (916) 464-8002  
E-mail: [schoolsupport@csac.ca.gov](mailto:schoolsupport@csac.ca.gov)

**SUBJECT:** Cal Grant Changes to WebGrants and Rosters for SB 70  
Affected Institutions

This Operations Memo provides an update of the Cal Grant operational changes affecting institutions due to the provisions of Senate Bill (SB) 70. These institutional eligibility changes affect new and renewal Cal Grant students awarded for the 2011-12 academic year. [GSA 2011-14](#), dated April 29, 2011, included the Legislative Counsel's Digest for SB 70 that describes the changes to the Cal Grant Program.

## 2011-12 Institutional Eligibility

SB 70 imposed an additional Cal Grant institutional eligibility requirement beginning in the 2011-12 academic year. Specifically, institutions must have a 3-year cohort default rate below 24.6 percent as reported by the United States Department of Education (USED). This requirement does not apply to institutions with 40 percent or less of their undergraduate students borrowing federal student loans as reported to the USED. The California Student Aid Commission (Commission) has identified the [Cal Grant institutions affected by SB 70](#) in the WebGrants system.

## Student Eligibility – New Cal Grant Students

The Commission began processing the 2011-12 Entitlement award offers in March 2011 prior to the enactment of SB 70. Students who indicated an affected institution as their first choice school on their FAFSA were initially offered a Cal Grant award prior to the WebGrants system changes. Based on the SB 70 provisions, new 2011-12 Cal Grant awards cannot be used at an affected institution. The Commission made the necessary modifications to the Cal Grant system to reset those students at an affected institution and to notify them (copy enclosed) of the changes and the necessary steps to take to receive the Cal Grant award for the 2011-12 academic year.



WebGrants and Roster changes include the following:

- The WebGrants Award Summary Screen reflects a pound symbol (#) next to the school code for students who indicate possible attendance at an affected institution.
- New Cal Grant students will appear on the affected school's roster with a message that states, "New student in the ineligible school, cannot receive payment."
- WebGrants will not allow any Cal Grant students to make school changes to an affected institution.
- Students at affected institutions have the option to process a school change to an eligible school in order to receive the Cal Grant award.

Also, affected institutions are no longer displayed on the Commission's Cal Grant Eligible School list located on the Commission's website.

### **Renewing Cal Grant Recipients**

SB 70 allows a limited exception for students renewing an existing Cal Grant award at an affected institution. Renewal Cal Grant recipients will have potential payment eligibility if they had been enrolled at the affected institution during the academic year before the 2011-12 academic year. However, the maximum tuition payment for Cal Grant A and B recipients will be reduced by 20 percent if they continue attendance at the affected institution. The Cal Grant B \$1,551 access awards for these renewal Cal Grant B recipients will not be reduced.

The Commission is presently working on implementing system changes for the renewal students at the affected institutions. A communication will be sent to those renewal students and a copy of the correspondence will be provided in an upcoming Operations Memo related to the system modifications.

You may find the latest information in [About Senate Bill 70](#) on the Commission's website. Contact the School Support Services Branch at (888) 294-0153 or at [schoolsupport@csac.ca.gov](mailto:schoolsupport@csac.ca.gov) if you have any questions related to this Operations Memo.

Enclosure: Letter to new Cal Grant recipients attending a SB 70 affected institution.

*Working together to effectively promote education beyond high school!*