



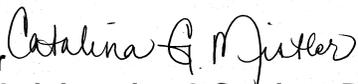
OPERATIONS MEMO

Update of the California Student Aid Commission

July 5, 2011

GOM 2011-19

TO: Financial Aid Administrators

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SUBJECT: New Cal Grant Renewal Process Due to SB 70

This Operations Memo provides an update of the Cal Grant operational changes affecting the Cal Grant renewal process as prescribed by Senate Bill (SB) 70. These student eligibility changes affect 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.

Real Time Renewal Process

As part of SB 70, renewal Cal Grant recipients, like new Cal Grant recipients, must meet the income/asset ceilings and minimum need requirements. Over the past few months, the California Student Aid Commission (Commission) staff have worked diligently to program, test, and implement the renewal process changes to the Grant Delivery System (GDS). This past weekend, the Commission ran its initial real time renewal process with the SB 70 required changes and renewed 168,620 Cal Grant award offers to current Cal Grant recipients for the 2011-12 award year.

In addition to the new SB 70 renewal requirements, students still need to establish renewal eligibility by receiving a 2010-11 payment from their school (payment must also be posted) or by requesting a leave of absence. Students who do not have a 2010-11 payment posted on WebGrants must establish their eligibility for renewal consideration or they will be withdrawn. Renewal students will be sent e-mail notifications confirming their Cal Grant eligibility and encouraging them to provide any updates to demographic or school status in WebGrants for Students (WGS).

The Commission generates the following reports on the WebGrants "Data Transfer" screen to identify students whose renewal Cal Grant eligibility is uncertain and a new report that lists disqualified students:



State of California
Edmund G. Brown Jr.
Governor

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- *Unable to Determine Roster:* Lists students with 2010-11 Cal Grant award offers who were not renewed because the Commission did not receive a 2010-11 payment request or a leave of absence request.
- *Automatic Leave Report:* Lists students with 2010-11 award offers who were renewed in spite of not having a school term accounted for or paid for during the academic year.
- *Disqualified Renewal Students Report (NEW):* Lists prior year Cal Grant recipients/students who were disqualified for failing to meet the income and asset ceilings and/or minimum need requirements.

Students who did not meet the income and asset ceilings and/or minimum need criteria during the renewal process were notified of their disqualification from the Cal Grant program through a new correspondence letter (enclosed) that lists the reason(s) for their disqualification. As with all Commission correspondence, students were notified via e-mail or paper letter if no e-mail address was provided. Students are encouraged to check their Cal Grant status by logging into WebGrants for Students at www.webgrants4students.org.

CC Reserve Students

Cal Grant A award recipients on the roster of a community college have not been processed through the new renewal financial requirements. The students will have their income, assets and financial need evaluated once they or their school enters a school change to a Cal Grant eligible non-community college. Following this practice will allow students to have their financial need verified based on the actual cost of attendance at the school where they will activate their awards. Also, if found ineligible based on the renewal financial requirements, the new school will be able to review the financial data and, if appropriate, initiate corrections or exercise professional judgment.

Renewal Changes to WebGrants

For financial aid administrators, there are several key changes to keep in mind as relates to renewal students and WebGrants:

- *Unmet/Annual Need:* Since the Commission has determined need through the renewal process, schools are no longer required to enter annual need on the payment roster in WebGrants. The annual need field had been shaded out and is no longer available for use.
- *Income and Asset Year Used:* A new "Income and Asset" field has been added to the payment roster in WebGrants. As outlined in SB 70, renewal Cal Grant students are subject to income and asset ceilings based on their entry year into the Cal Grant program. The new field will indicate which year's income and asset ceilings were used for that student. The grant record layout (enclosed) has been updated to reflect the new field.
- *Grant Record Change (G-21):* As in the case of new Cal Grant recipients, schools may use the G-21 process to withdraw renewal students who fail to meet income/asset ceilings or minimum need during the federal verification process. In the past, schools could simply insert an annual need amount of less than \$100 on the roster to withdraw a renewal student. However, since the minimum need formulas have changed through SB 70, schools can use the G-21 process in WebGrants to withdraw ineligible renewal students.
- *Renewal Corrections:* As indicated in the renewal disqualification letter, a student may be re-evaluated for the renewal process due to changing financial circumstances or an error on the FAFSA. Please follow the instructions below for renewal corrections:

Non University of California (UC) institutions: Students are instructed to contact the financial aid office of their school of attendance. Financial aid administrators who determine a FAFSA error has been made or approve professional judgment for disqualified Cal Grant students must make the ISIR correction for renewal consideration by the Commission. For the renewal cycle, the Commission will only automatically process ISIR corrections submitted by any school.

UC institutions: Students are instructed to make the ISIR correction themselves on the www.fafsa.gov website and not contact the UC financial aid office. UC financial aid administrators will determine if the ISIR correction submitted by the student will impact their Cal Grant eligibility. The UC financial aid administrator should submit a grant record change (G-21) in WebGrants for any disqualified students who need renewal re-processing. Complete the G-21 with the pertinent data, including which ISIR transaction number is to be processed in the "reason" section.

Renewal Students at Cohort Default Rate (CDR) Schools

Although SB 70 does not allow the payment of new Cal Grant awards for students attending a Cal Grant school that fell below the 24.6 percent CDR rate as reported by the United States Department of Education, a limited exception is made for students enrolled at the affected institution during the academic year before the 2011-12 academic year. 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 20 percent reduction for Cal Grant A and B tuition payments for these renewal students at affected institutions is now reflected on the payment roster in WebGrants. The renewal students at these affected institutions were mailed a letter (enclosed) on June 15, 2011, notifying them of the potential decrease in their Cal Grant award if their application meets the renewal financial requirements.

The Cal Grant B access award of \$1,551 for these renewal Cal Grant B recipients will not be reduced. The Cal Grant C award also will not be reduced.

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 if you have any questions related to this Operations Memo.

Enclosures: Renewal Disqualification Letter
Renewal Letter at Affected Institution
File Record Layout

Working together to effectively promote education beyond high school!