



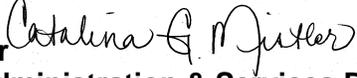
OPERATIONS MEMO

Update of the California Student Aid Commission

July 31, 2012

GOM 2012-24

TO: Financial Aid Administrators

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SUBJECT: Update on the 2012-13 State Budget Changes to the Cal Grant Program

On July 17, 2012, the California Student Aid Commission (Commission) released Grant Special Alert (GSA) 2012-24 outlining the Cal Grant program changes made by the 2012-13 State Budget. The purpose of this Operations Memo is to provide you with an update on the modifications made to the WebGrants system, the communications being released to students, and the upcoming webinar about the Cal Grant institutional eligibility and award amount changes.

Commission staff has completed the modifications in the WebGrants system to reflect the appropriate award amount changes. WebGrants rosters and screens have been updated, and students can now view their Cal Grant award amounts in their WebGrants for Students (WGS) accounts. Students are encouraged to access their WGS accounts to ensure the award amounts and their school of attendance are correct.

2012-13 Institutional Eligibility

As previously communicated in GSA 2012-24, the 2012-13 State Budget prohibited any institution with a cohort default rate (CDR) equal to or greater than 15.5 percent and/or a graduation rate equal to or less than 30 percent from receiving Cal Grant funds for new students. Communications were sent to the ineligible Cal Grant schools informing them of their status. The link to the lists of eligible and ineligible Cal Grant schools can be found on the Commission's website at www.csac.ca.gov.

Cost Estimate Screen: Schools can access the Cost Estimate Screen in WebGrants (sample screen print on next page) to view their percentages of federal student loan borrowers, cohort default rates, and graduation rates, with the 2012-13 minimum thresholds reflected in parentheses. The Cost Estimate Screen in WebGrants provides last year's rates, except for the graduation rate,



as it was not a requirement for the 2011-12 academic year. Schools not meeting the required rates are ineligible and their students cannot receive new Cal Grant awards.

	2012-2013	2011-2012
Cohort Default Rate (CDR) / Graduation Rate - threshold in parentheses		
School Eligibility	Ineligible	Ineligible
Student Loan Rate	44 (40%)	44
CDR Rate	26.14 (15.5%)	26.14
Graduation Rate	46 (30%)	

Award Amount Changes and Communications

The Commission will notify renewal and prospective Cal Grant recipients at the ineligible schools of their respective ability and inability to use their Cal Grant awards. All students affected by this issue will be provided with a list of eligible Cal Grant schools where they may access the full amount of their award.

The following communications to students will be released beginning July 31, 2012:

New Student at Ineligible School (*Any institution at or above the CDR and/or at or below the graduation rate is prohibited from receiving Cal Grant funds for new students.*): New Cal Grant applicants who listed an ineligible school as their first choice on their Free Application for Federal Student Aid (FAFSA) will continue to appear on the WebGrants roster for that ineligible school. However, a message appears on the roster that states, “*New Student in the ineligible school, cannot receive payment.*” The roster will only allow schools to make school changes to an eligible school. These affected students will receive a “7644 letter” (enclosed) by e-mail or U.S. Postal Service describing the ineligible school issue and providing instructions to access their Cal Grant award through a school change.

Renewal Student at Ineligible School (*For continuing students, the maximum tuition and fee award amount has been reduced by 20 percent.*): Renewal Cal Grant students at ineligible schools had their Cal Grant tuition/fee award reduced by 20 percent. It is important to note, the 20 percent decrease was calculated *after* the award had been reduced by 5 percent per the 2012-13 State Budget (see below). For example, the maximum tuition and fee award of \$9,708 for students at private and independent schools was reduced by 5 percent to \$9,223 for 2012-13. Renewal students at ineligible private and independent schools had their tuition/fee award reduced by 20 percent, or from \$9,223 to \$7,380. Affected renewal students will receive a “8305 letter” (enclosed) informing them of the decreased award amount.

Students at Eligible Schools (*For new and continuing students, the Cal Grant award amounts have been reduced by 5 percent.*):

New and renewal Cal Grant A and B recipients attending eligible private and independent institutions had their maximum tuition and fee award reduced from \$9,708 to \$9,223. Students affected by this award amount change will receive an e-mail (text enclosed).

New and renewal Cal Grant C recipients at eligible institutions had their tuition and fee award reduced from \$2,592 to \$2,462 and the book and supply award reduced from \$576 to \$547. Students affected by this award amount change will receive an e-mail.

New and renewal Cal Grant B recipients had their Access award reduced from \$1,551 to \$1,473. Students affected only by the Cal Grant B Access award reduction will not receive any notification.

The table below summarizes the 2012-13 Cal Grant award amount changes based on a school's eligibility as determined by the CDR and graduation rate requirement and indicates the related student communications.

Cal Grant Award Amount Changes

Segment	School Eligibility	New/Renewal	Program	2011-12 Award Amount	2012-13 Award Amount	Student Correspondence
CCC	Eligible	New & Renewal	B Access	\$1,551	\$1,473	None
			C B/S	\$576	\$547	None
UC	Eligible	New & Renewal	A	\$12,192	\$12,192	None
		New	B Access	\$1,551	\$1,473	None
		Renewal	B T/F & Access	\$13,743	\$13,665	None
CSU	Eligible	New & Renewal	A	\$5,472	\$5,970	None
		New	B Access	\$1,551	\$1,473	None
		Renewal	B T/F & Access	\$7,023	\$7,443	None
All Others	Eligible	New & Renewal	A	\$9,708	\$9,223	CSAC E-mail
		New	B Access	\$1,551	\$1,473	None
		Renewal	B T/F & Access	\$11,259	\$10,696	CSAC E-mail
	Not eligible	New	A, B, C	Ineligible payment	Ineligible payment	Letter 7644
		Renewal	A	\$7,776	\$7,380	Letter 8305
		Renewal	B T/F & Access	\$9,327	\$8,853	Letter 8305
		Renewal	C T/F & B/S	\$3,168	\$3,009	CSAC E-mail

NOTES: Based on a 9 or 10 month budget. T/F = Tuition & Fee Award. B/S = Book & Supply Award.

2012-13 Cal Grant Budget Update Webinar

Commission staff will host a webinar on **August 1, 2012**, to provide information on the changes detailed in this memo. Please visit <https://csacevents.webex.com/> for details and to register for one of the "Budget Act Update" webinar sessions.

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

Enclosures: 7644 Letter to New Cal Grant Recipients Attending an Ineligible School
8305 Letter to Renewal Cal Grant Recipients Attending an Ineligible School
E-mail Notification of 5% Award Reduction to New and Renewal Cal Grant Recipients

Working together to effectively promote education beyond high school!