



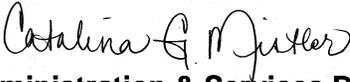
POLICY BULLETIN

Update of the California Student Aid Commission

October 27, 2010

GPB 2010-01

TO: Financial Aid Administrators

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

SUBJECT: 2010-11 Veterans Education Benefits Policy Change

On July 15, 2010, Senate Bill (SB) 1382 (Chapter 113, Statutes of 2010) was chaptered into California law. This bill removes the provision of the California Education Code (CEC) that reduces the calculated financial need for new Cal Grant awards for veterans by including veterans education benefits (VEB). This change becomes effective on January 1, 2011.

Federal Law Change

On July 1, 2009, a change in the federal law affected the treatment of VEB for federal financial aid need determination. VEB is not to be treated as estimated financial assistance (EFA) for federal Title IV student aid programs. Thus, VEB will not decrease the amount of federal need-based aid a veteran student may receive.

As a consequence of this change, the U.S. Department of Education has removed the VEB question from the Free Application for Federal Student Aid (FAFSA). With this change, the California Student Aid Commission (Commission) is no longer able to collect this information for all Cal Grant applications.

Current Need Calculation for New Recipients Who Receive VEB

California law requires the Commission to apply VEB when determining Cal Grant need for new recipients. Operations Memo 2009-15, dated May 22, 2009, and Operations Memo 2009-22, dated July 23, 2009, informed institutions that the Commission would continue to use the Cal Grant need formula to determine need for NEW Cal Grant recipients for the 2009-10 award year (COA – EFC = Financial Need – VEB = New Cal Grant Need).

SB 1382 – California Law Change

When possible, the Commission aligns its Cal Grant program guidelines with those of the U.S. Department of Education. In this effort, the Commission sought



State of California
Arnold Schwarzenegger
Governor

For more information you may contact us at:
California Student Aid Commission, Program Administration & Services Division
P.O. Box 419028, Rancho Cordova, CA 95741-9028 (888) 294-0153 Fax: (916) 464-8002
Website: www.csac.ca.gov E-mail: schoolsupport@csac.ca.gov

statutory change to exclude VEB from the Cal Grant need calculation. Through SB 1382, the Commission was successful in receiving support to make the following amendments:

- CEC 69432.9(b) “Financial need shall be determined using the federal financial need methodology pursuant to subdivision (a) of Section 69506 and applicable regulations adopted by the commission, and as established by Title IV of the federal Higher Education Act of 1965, as amended (20 U.S. C. Secs. 1070 et seq.)”
- CEC 69432.9(b)(2) “‘Financial need’ means the difference between the student’s cost of attendance as determined by the commission and the expected family contribution. The calculation of financial need shall be consistent with Title IV of the federal Higher Education Act of 1965, as amended (20 U.S.C. Secs. 1070 et seq.)”

Cal Grant Processing Procedures

Commission staff has established procedures to implement the revised financial need methodology for 2010-11 in order for students to benefit from this change and to simplify the calculation for institutions. A Special Alert will be released to provide clarification and guidance on how to proceed with the new change.

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

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