



**FREQUENTLY ASKED QUESTIONS FOR INSTITUTIONS  
REGARDING THE  
CAL GRANT PROGRAM REQUIREMENTS PER SENATE BILL 70**

The Legislature recently passed, and the Governor signed on March 24, 2011, a number of budget-related bills to achieve savings in state spending, including Chapter 7 of the Statutes of 2011 ("SB 70"), which implements savings in the Cal Grant Program, among other things. Following are the initial questions from institutions related to this legislation. This document will be updated as needed.

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**1. What are the household income and asset limits for Cal Grant recipients who want to renew their Cal Grant awards?**

For renewing recipients initially awarded a Cal Grant before the 2011-12 academic year, the income and asset levels that must be met shall be the greater of:

- *The adjusted maximum levels in place in the year of renewal; or*
- *The levels in place in the 2010-11 academic year.*

For renewing recipients initially awarded a Cal Grant in the 2011-12 academic year or later, the income and asset levels that must be met shall be the greater of:

- *The adjusted maximum levels in place in the year of renewal; or*
- *The levels in place in the year of the initial Cal Grant award.*

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**2. For a renewing student, is the income level to be used for the year in which the Cal Grant was first awarded based on the income for the student's household size in that original year?**

No. The Commission will use the income, asset and household size data from the renewal year to determine if the renewal recipient meets the income and asset levels as described in question 1.

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**3. If assets were not collected on the FAFSA in the year the Cal Grant was first awarded (i.e., the student qualified for the simple needs test), is the student assumed to have met the asset ceiling even if assets are collected on the FAFSA in the current/renewal year?**

No. A student who qualified for the simple needs test when first awarded a Cal Grant is not assumed to have met the asset ceiling in a renewal year, even if assets are collected on the FAFSA in the renewal year. However, a renewal student who qualifies to be considered under the simple needs test in a renewal year is presumed to meet the annually adjusted maximum asset level in that renewal year.

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4. If a student loses eligibility for the Cal Grant award in one year (e.g., when a sophomore), can he or she be re-evaluated for eligibility and regain the Cal Grant if he or she qualifies in the following year (e.g., when a junior)? Can a student just be ineligible for payment, or could he or she opt to take a leave from payment?

Failure to meet the income or asset ceilings or minimum need for renewal of a Cal Grant will result in a student's withdrawal from the Cal Grant Program.

A student who is withdrawn for failure to meet the income or asset ceilings or minimum need may not take a leave of absence or leave from payment to avoid losing the award.

Students who are withdrawn from the Cal Grant Program, but have not exhausted their payment eligibility, may reapply for a Cal Grant award. However, applications from previously withdrawn Cal Grant students, who have not used all their Cal Grant eligibility, will be processed as new applicants for Cal Grant.

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5. For UC, does the minimum need calculation equal Federal UC system-wide fees plus \$1500 (Cal Grant A) or \$700 (Cal Grant B)? Does the student's Pell Grant have to be counted?

The minimum need calculation for Cal Grant A is the maximum award for the segment plus \$1500. For Cal Grant B, the minimum need is \$700.

For UC schools, the current (2011-12) minimum need calculation is  $\$11,124 + \$1,500 = \$12,624$  minimum need.

Pell Grant is not counted in the new renewal formula.

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6. Is minimum need also subject to the comparison between the initial award year and the renewal year?

No. Determination of minimum need for the renewal year is based on applying the formula using information for the renewal, not the initial, year of the award.

*Minimum Financial Need for Cal Grant purposes is calculated:*

*Cost of Attendance (COA)*  
*Less Expected Family Contribution (EFC)*  
*Minimum Financial Need*

Using UC as an example, if a student was awarded in 2008-09 with a \$7,126 Cal Grant A award, the student's minimum need for that year was  $\$7,126 + \$1,500 = \$8,626$ . However, in order to renew for 2011-12, the student must meet the 2011-12 minimum need calculation:  $\$11,124 + \$1,500 = \$12,624$  minimum need.

Keep in mind that as fees rise (e.g., \$7,126 to \$11,124), the cost of attendance (COA) rises dollar by dollar as well.

The Commission recommends that institutions submit accurate college cost estimate forms every January to establish true costs at the institution.

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- 7. What is the minimum need calculation for a part-time student? If the student was part-time for the first year he/she received a Cal Grant but is now full-time, would the minimum need calculation for the first year option be the original part-time calculation (and vice versa)?**

The Commission's calculation for minimum financial need has not changed under SB 70. Since cost of attendance (COA) and expected family contribution (EFC) are derived using full-time figures, the minimum need calculation is also used with full-time components, even for part-time students. Award payments are adjusted based on enrollment status.

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- 8. Since some Cal Grant renewals will have first received their Cal Grant at another institution, institutions will need to rely on the Commission to provide the income/asset ceiling and minimum need that must be used for the original Cal Grant determination. Will the Commission provide such figures for each renewal recipient? Can those figures be added to the Cal Grant roster, rather than be provided in a separate file?**

The Commission will implement the SB 70 income/asset and minimum need requirements by processing all renewals through the Grant Delivery System. Therefore, institutions will not need the income/asset and minimum need amounts for the original Cal Grant determination for each renewal recipient.

The Commission can provide income/asset ceilings for prior years to institutions, if needed. However, the Commission is not able to provide minimum need amounts for initial year awards to institutions.

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- 9. If a Cal Grant B renewal student does not meet the minimum need and income/asset ceiling requirements for a Cal Grant B in the renewal year, but does meet the requirements for a Cal Grant A in the renewal year, can the student receive a Cal Grant A?**

If the student has already received payment under the Cal Grant B program, the student's award cannot change to a Cal Grant A.

Renewing Cal Grant students may change their awards from a Cal Grant B to a Cal Grant A only if the students have not received payment on the Cal Grant B and the award year is still open.

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- 10. Some institutions feel the workload associated with building the alternative original minimum need and income/asset ceilings into their Cal Grant eligibility determination process is significant and not worth the benefit that would accrue to the small number of recipients who would be able to retain their Cal Grant. They would rather substitute another benefit such as retaining a Cal Grant A if ineligible for a Cal B renewal or allowing students to re-establish eligibility in following years or something else. What are the possibilities here?**

Since the Commission will process renewals for all Cal Grant students, the burden on institutions should be minimal. Financial aid offices should still check students who are selected for verification by the United States Department of Education (USED).

Some institutions use the income/asset ceilings and minimum need formula to project or estimate Cal Grant awards. Institutions will need to rely on the grant roster for their renewal students. The process for new students will not change.

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- 11. Have you heard anything about what we do with renewal Competitive Cal Grant B awards? Do they have to be rescored?**

Renewal students must meet income/asset ceilings and minimum need formulas, but they do not need to be rescored.