



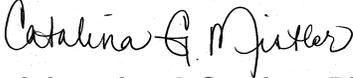
# SPECIAL ALERT

Update of the California Student Aid Commission

April 29, 2011

GSA 2011-14

**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](mailto:schoolsupport@csac.ca.gov)

**SUBJECT:** Senate Bill 70

On March 24, 2011, Senate Bill (SB) 70 was chaptered into California law amending sections 69432.7, 69432.9, and 69433.6 of the California Education Code (CEC). SB 70 also added section 69433.2 to the CEC. These changes will affect Cal Grant students and institutions beginning with the 2011-12 academic year.

The Legislative Counsel's Digest for SB 70 describes the changes to the Cal Grant Program as follows:

Existing law, the Ortiz-Pacheco-Poochigian-Vasconcellos Cal Grant Program (Cal Grant Program), establishes the Cal Grant A and B Entitlement Awards, the California Community College Transfer Cal Grant Entitlement Awards, the Competitive Cal Grant A and B Awards, the Cal Grant C Awards, and the Cal Grant T Awards under the administration of the Student Aid Commission, and establishes eligibility requirements for awards under these programs for participating students attending qualifying institutions.

Existing law sets forth the maximum household income and asset levels for participants in the various grant programs under the act. These maximum levels are set forth as they were adopted by the commission for the 2001-02 academic year, but have been annually adjusted based on the percentage change in the cost of living as defined in a specified provision of the California Constitution.

This bill would provide that the maximum household income and asset levels applicable to a renewing applicant would be the greater of the adjusted household income and asset levels or the maximum household income and asset levels at the time of the renewing recipient's initial Cal Grant award, as specified.



This bill would impose additional requirements, except as specified, on qualifying institutions, requiring the commission to certify by October 1 of each year the institution's latest 3-year cohort default rate as most recently reported by the United States Department of Education. The bill would provide that an otherwise qualifying institution that did not meet a specified 3-year cohort default rate would be ineligible for new Cal Grant awards at the institution.

This bill would require the Legislative Analyst's Office to submit a report to the Legislature by January 1, 2013, on the implementation of the 3-year cohort default rate provisions of the act, as specified.

The bill would specify that financial need, for the purposes of the act, would be determined to establish both an applicant's initial eligibility for a Cal Grant award and a renewing applicant's continued eligibility using federal financial need methodology, as prescribed.

The bill would also require participating institutions, beginning in 2012, to annually report to the commission enrollment, persistence, and graduation data, as well as job placement, salary, and wage information for undergraduate programs, as specified.

California Student Aid Commission (Commission) staff is establishing procedures to implement the new requirements for renewal Cal Grant recipients and qualifying institutions. To provide some initial guidance and basic information, the Commission has prepared the enclosed "Frequently Asked Questions for Institutions" document, which will be posted to the Commission's website. The Commission will provide periodic updates to the Frequently Asked Questions for Institutions.

Additional information regarding the implementation of SB 70 requirements will be provided in Cal Grant Operations Memos as needed. If you have any questions regarding this Special Alert, please contact the Commission's School Support Services Branch, at (888) 294-0153 or by e-mail at [schoolsupport@csac.ca.gov](mailto:schoolsupport@csac.ca.gov).

Enclosure: Frequently Asked Questions for Institutions

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