



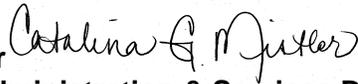
# SPECIAL ALERT

Update of the California Student Aid Commission

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GSA 2012-03

**TO:** Financial Aid Administrators  
High School Counselors

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**SUBJECT:** Governor's Proposed 2012-13 Budget and Cal Grant Awards

This Special Alert provides information related to the Governor's proposed 2012-13 State Budget released on January 5, 2012, and the potential impact on the California Student Aid Commission's (Commission) Cal Grant and Loan Assumption programs.

The Governor's proposals may affect the Cal Grant program in four ways:

- Raise the required Grade Point Averages (GPA) for Cal Grant applicants as follows:
  - Cal Grant A from 3.00 to 3.25
  - Cal Grant B from 2.00 to 2.75
  - Cal Grant Transfer Entitlement A and B from 2.40 to 2.75.
- Reduce the maximum Cal Grant tuition award amount for new and renewal students attending independent colleges or universities from \$9,708 to \$5,472.
- Reduce the maximum Cal Grant tuition award amount for new and renewal students attending proprietary schools from \$9,708 to \$4,000.
- Establish in statute the prior Commission practice of requiring uninterrupted enrollment between community college and transfer to a four-year college or university to meet Cal Grant Transfer Entitlement requirements.

In addition, the Governor proposes to phase out the loan assumption programs for teachers and nurses by:

- eliminating all new award offers,
- eliminating loan assumption payments to any participant who has not already received their first year of benefits, and
- continuing to provide loan assumption payments through 2015-16 to participants who have already received at least one year of benefits.



State of California  
Edmund G. Brown Jr.  
Governor

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Commission staff understands the uncertainty that surrounds the Governor's proposals. The Commission's practice is to release new Cal Grant award notifications using existing statutory eligibility requirements and to provide updates and final communications to students if changes to program requirements are later approved in the State Budget.

Commission staff anticipates the first 2012-13 Cal Grant California Aid Reports (CAR) will be released this week. The CAR will contain two warnings that the Cal Grant award offer and the amounts are dependent upon approval of the final State Budget. The CAR will also contain a message to establish a [WebGrants for Students](#) (WGS) account. The WGS account will display additional messages to inform students of the status of their award, including the Governor's proposed budget changes to the Cal Grant program. As the budget process evolves over the next few months, the Commission will send students periodic reminders of the proposed budget changes and that their award offer may be reduced or withdrawn depending on the outcome of the final State Budget.

Following the release of the first CARs, an Operations Memo with more details related to the awards will be sent. If you have questions regarding any of the information provided in this memo, please contact our School Support Branch at [schoolsupport@csac.ca.gov](mailto:schoolsupport@csac.ca.gov) or at (888) 294-0153.

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