



CPR Proposals: The Negative Impact on Students & Taxpayers

Implementation of CPR's proposals will result in the following:

- **Elimination of a key bridge to college, blowing a hole in state workforce preparation efforts**
 - The California Student Aid Commission is the cornerstone to sustaining and improving a college-going culture in California, enabling more students to access quality postsecondary training and education.
 - For many low-income students, the Commission is *the bridge* to workforce participation because they view the Cal Grant award as their ticket to college.
- **Increased taxpayer costs**
 - An Assembly Appropriations Committee analysis last year estimated it will cost taxpayers at least \$1 million to implement decentralization of the Cal Grant program, with undetermined, ongoing workload increases at each campus. One CSAC staff estimate in April 2003 outlined decentralization costs totaling at least \$4 million.
- **Elimination of an agency that operates without taxpayer dollars and instead provides relief to the General Fund**
 - Since July 2003, the Commission's entire administrative budget has been funded by revenue earned by EDFUND, a direct savings to the state General Fund.
 - Since 1997, EDFUND -generated revenue has funded more than \$253 million in public service initiatives. This includes \$52 million for programs or spending that otherwise would have been General Fund expenditures, such as the Cal Grant awareness campaign and campus-based financial aid assistance programs.
- **Dramatically reduced college access and affordability for middle- and low-income students**
 - Statewide outreach and campus- and community-based financial aid assistance preparation programs will either be eliminated or revert to General Fund expenditures. In all, EDFUND-generated revenues have financed at least \$32 million for such efforts in the past three years.
 - Commission workshops to assist students with completion of the requisite federal financial aid application form to determine financial aid eligibility will be eliminated.
 - The Commission's first-in-the-nation policy to provide students a 1% discount on federal student loans has saved EDFUND's student borrowers \$163 million to date.
Competitors have recently announced they are re-instituting the fee, costing students more.
- **A more complex and less reliable financial aid system**
 - No uniformity in determining program eligibility as each UC and CSU campus would have to verify individual student eligibility for a waiver of system-wide fees in lieu of a Cal Grant award. Students might qualify for a fee waiver at one school but not another.

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