

CALIFORNIA STUDENT AID COMMISSION

OFFICE OF THE EXECUTIVE DIRECTOR



March 25, 2010

Dear Cal Grant Students and Parents:

As I have discussed in previous updates, the California Student Aid Commission (Commission) remains committed to keeping students apprised of any developments relating to the status of the Cal Grant program as proposed in the Governor's budget proposal.

To review, following is a summary of proposals in the 2010-11 Budget which pertain to the Commission and the programs we administer:

- The Governor proposes to suspend the Cal Grant Competitive Program. Existing awards would be maintained. 22,500 new awards would be eliminated, for a projected savings of \$45.5 million.
- The Governor's proposal relies on \$6.9 billion of Federal funding. In the event the funding is not received, the Governor proposes an additional \$79 million reduction in the Cal Grant program by:

Freezing the level of the awards (decoupling the Cal Grant award amount from fee increases: 15% for the University of California and 10% for California State University.)

Freezing the income ceilings for new Cal Grant awards.

Additional information about the 2010-11 Governor's Proposed Budget can be located at www.dof.ca.gov.

The legislature is beginning the budget hearing process at this time. We remain optimistic that our elected representatives will recognize the vital importance of Cal Grants for your future, and the future of our state. However, at this time, we are unable to provide any specific details regarding the possible direction related to the proposed program adjustments.

We would like to remind all 2010-11 students that any Cal Grant Competitive offer should still be considered tentative, as all awards will be subject to approval of the final 2010-11 state budget.

Please continue to monitor this website and CalGrants.org (www.calgrants.org) regarding the status of State funding proposals for the Cal Grant programs. In addition, we strongly encourage you to maintain contact with the financial aid administrator's at the institution you are planning to attend this fall.

Our best wishes for your success!

Thank you.

Sincerely,

/s/ Diana Fuentes-Michel

Diana Fuentes-Michel
Executive Director
California Student Aid Commission