



SPECIAL ALERT

STATE OF
CALIFORNIA




Update from the California Student Aid Commission

October 20, 2020

GSA 2020-40

TO: Financial Aid Administrators

FROM: Catalina Mistler 
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SUBJECT: **COVID-19 Disaster Relief Emergency Funds**

This Special Alert from the California Student Aid Commission (Commission) provides an update to Cal Grant participating institutions regarding disaster relief emergency funds.

The 2020-21 Budget Act ([SB 116, SEC. 5, Article 22.5](#)), suspends the Dreamer Service Incentive Grant Program for the 2019-20 and 2020-21 award years and redirects funds previously allocated for this program to provide disaster relief emergency funds for students at public colleges and universities in California. The Commission is directed to distribute \$11 million to the California Community Colleges (CCC), \$3 million to the California State University (CSU) and \$1 million to the University of California (UC). The State Controller's Office has transferred these funds to the public higher education segment offices today.

Based on this legislation, the funds have been transferred to the CCC Chancellor's Office, CSU Office of the Chancellor and UC Office of the President. The Budget Act also requires that the CCC Chancellor's Office distribute these funds to colleges that request funding for this program based on the number of students enrolled who are exempt from paying nonresident tuition under Section 68130.5 (AB 540) and apply for a fee waiver or apply for financial aid through other means established by their college. Each community college that receives funding under this program is required to report to the CCC Chancellor's Office on the number of students served, the total amount of financial aid provided, and the average award amount provided.

Institutions may provide disaster relief emergency aid to students, according to the following criteria:

*"...shall be used to provide disaster relief emergency student financial aid to students at the University of California, the California State University, and the California Community Colleges with identified financial need who are exempt from paying nonresident tuition under Section 68130.5, and who apply for financial aid using the application established by the commission pursuant to subdivision (b) of Section 69508.5, apply for a fee waiver pursuant to subdivision (g) of Section 76300, or who apply for financial aid by other means established by their college or university."
"The funds shall supplement, and not supplant, existing student financial aid provided to qualifying students".*

Reporting Requirements

On or before January 31, 2021, the CCC Chancellor's Office, CSU Office of the Chancellor and UC Office of the President, shall report to the Department of Finance and the Joint Legislative Budget Committee the number of students served, the total amount of financial aid provided, and the average award amount provided to qualifying students.

Treatment of Students' Receipt of Emergency Aid

- Consistent with California Education Code Section 69432.9, and to mirror the flexibility provided under the federal CARES Act, emergency aid awarded to a student shall not be included in any financial need calculation when awarding state financial aid. This would mean that any distribution of state emergency aid would not result in a state financial aid over-award.
- Institutions may use these funds for direct emergency grants to students and should not be used for other purposes.

In auditing campuses for the 2020-21 academic year, the Commission will consider the flexibilities outlined above.

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