



STATE OF CALIFORNIA

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**CALIFORNIA STUDENT AID COMMISSION VOTES TO OPPOSE KEY PROVISIONS
OF GOVERNORS HIGHER EDUCATION BUDGET PROPOSAL**

RANCHO CORDOVA, CA. The California Student Aid Commission yesterday, 5/17/12, voted to oppose proposed Cal Grant cuts and the realignment of the Cal Grant Entitlement Program. At a time when more than 1 million college graduates are needed to fuel the State's economic recovery, the proposed Cal Grant cuts eliminate or reduce college opportunity for thousands of students.

The Governor's proposal to eliminate Cal Grant's full-fee funding at the University of California and the California State University walks away from California's historic Master Plan for Education commitment to maintain affordability. This major policy change leaves low-income students unable to afford the rising cost of public higher education.

The Governor's proposals radically alter the 50-year history of the delivery of financial aid in California by tying eligibility to the Federal Grant system already under assault in Washington. More importantly, the Commission felt strongly that these decisions should not be made within a budget process that is procedurally unable to examine the many consequences of cutting aid to California's most disadvantaged students.

Commissioner Michele Siqueiros of the Campaign for College Opportunity stated, "Cal Grant students whose families incomes are \$50,000 a year for a family of four would lose their Cal Grant award. This proposal would eliminate access for nearly 25,000 students." Siqueiros further stated, "These students are the most financially needy students who, without Cal Grant aid, would not be able to attend college."

The Commission took specific action to oppose a.) the proposal to align the Cal Grant program with federal methodology; b.) the proposal to raise GPA requirements for students for Cal Grant eligibility; c.) the proposal to reduce the amounts of Cal Grants for students at private institutions and d.) the proposal to tie the hands of the Commission by placing unreasonable limits on an independent agency's statutory authority to make important policy and operational decisions.

"These fundamental questions of access and success require more than just a couple of weeks of discussion as the impacts of these cuts will reach far into the future", added Barry Keene, Chair of the Student Aid Commission.

Following is the motion passed by the Student Aid Commission.

The California Student Aid Commission opposes proposals in the 2012-13 Budget and the May Revision to eliminate access to, and choice in, higher education for California students from low-income and working families. They undermine California's sacred commitment to collective opportunity in higher education, thus placing our economic future at risk.

Specifically, the Commission:

- 1) Opposes the proposal to align Cal Grant methodology with federal Pell Grant methodology.

This proposal disavows the Cal Grant Program's promise of opportunity for low-income and working-class students. It would eliminate the certainty that Cal Grants will pay for the full amount of mandatory system-wide fees and tuition charged by UC and CSU. It would reduce the amount of a student's Cal Grant award by referring to an unrelated federal program. This proposal requires deliberate review and consideration and, thus, should not be included in the abbreviated and time-limited budget process.

- 2) Opposes the proposal to raise grade point average requirements for students to qualify for Cal Grants.

This proposal undermines the need-based objective of the Cal Grant Program. Using a "merit" standard based on academic achievement to ration financial aid is arbitrary and unfounded. Because lower achievement is strongly correlated to poverty, the proposal will deny Cal Grants to students from the lowest-income communities, a disproportionate number of whom are Latino and African American.

- 3) Opposes the proposal to reduce award amounts for Cal Grant students at private institutions.

This proposal will effectively deny higher education to many California students, who have no other alternatives at a time when public institutions are limiting enrollments.

- 4) Opposes the proposal to limit Commission policy and operational decision-making if the fiscal effects are \$500,000 or more.

Imposing special statutory bureaucratic limits on decisions benefiting California students cannot be justified in absence of similar statutory limits on other state programs, such as those affecting prisoners.