



FOR IMMEDIATE RELEASE  
March 26, 2010

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## **CALIFORNIA STUDENT AID COMMISSION COMMENDS FEDERAL STUDENT AID LEGISLATION**

*RANCHO CORDOVA, CA*—The California Student Aid Commission today publicly acclaimed the landmark passage of the “Health Care and Education Reconciliation Act of 2010”, which enacts sweeping reforms in federal student loan programs.

The legislation allocates \$36 billion over 10 years to increase the maximum annual Pell Grant scholarship to \$5,550 in 2010 and to \$5,975 by 2017. Starting in 2013, the scholarship will be linked to match rising costs-of-living by indexing it to the Consumer Price Index.

Executive Director Diana Fuentes-Michel commented: “The Pell Grant increases are an important adjunct to our existing Cal Grant financial aid programs and will open the door to increased educational prospects for California’s low income population.”

The Commission previously unanimously endorsed President Obama’s proposals to increase Pell grants for students by issuing new federal student loans through the Direct Loan Program, while saving taxpayers billions of dollars by eliminating subsidies for banking industry lenders.

Director Fuentes-Michel also noted, “This historic measure offers hope, access and opportunity for students to earn the education they need to advance in this economic recession. Given the fee increases to our state colleges and universities, the passage of the federal student loan reforms is well timed, and offers valuable additional financial aid avenues for our future workforce.”

In addition to the Pell Grant increase, the legislation includes important funding for the College Access Challenge Grant program. This allocation allows the Commission to continue vital counseling to students, statewide dissemination of financial aid information and workshop programs such as the California Student Opportunity and Access Program (Cal-SOAP) and California Cash for College.

Consistent with President Obama’s vision for increased college access for our nation’s future leaders, the Commission provides resources, guidance and counseling to encourage students to pursue college or career training. From 2000 to 2009, the number of new and renewing Cal Grant recipients rose from approximately 180,000 to 303,000, a 68% increase in demand, mostly from “first generation” college students.

The California Student Aid Commission is the principal state agency responsible for the administration of financial aid programs for students attending California public and private universities, colleges and vocational schools.

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