



CONTACTS: [Gina Baleria](#) 510/318-7902 [Shannon Gallegos](#) 510/318-7915 [Johanna Díaz](#) 202/371-1999

STATEMENT OF DEBBIE COCHRANE
Program Director, [The Institute for College Access & Success](#)

A Mixed Bag for Cal Grants in Final California Budget

OAKLAND, Calif., June 28, 2012 -- While it is unfortunate that any cuts were considered necessary, the 2012-13 California budget signed by Governor Jerry Brown avoids the most harmful Cal Grant proposals and creates incentives for all colleges to serve students better. In particular, the Cal Grant performance measures position California as a national leader in college accountability.

However, we are disappointed that the Governor chose to use his veto power without the same priorities in mind by making across-the-board cuts to the vast majority of Cal Grant awards. The Governor's action reduces Cal Grant B access awards to the poorest of the poor, hitting already underserved community college students. Cal Grant B access awards are already worth only about a quarter of their value when the Cal Grant program started. We hope that the Legislature will reconsider and overturn this action.

Background: The 2012-13 California budget plan includes these [changes to the state's Cal Grant program](#):

- *Prioritizes student success* by requiring colleges where more than 40% of students borrow to have a three-year student loan default rate below 15.5% and a graduation rate above 30%.
- *Phases in cuts to Cal Grant recipients attending nonprofit colleges*, from the current maximum award of \$9,708 to a new maximum of \$9,223 in 2012-13. New recipients will then see their awards reduced to \$9,084 in 2013-14, and finally \$8,056 in 2014-15.
- *Phases in cuts to Cal Grant recipients attending for-profit colleges*, from the current maximum award of \$9,708 to \$9,223 in 2012-13, and for new recipients to \$4,000 in 2013-14.

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An independent, nonprofit organization, The Institute for College Access & Success (TICAS) works to make higher education more available and affordable for people of all backgrounds. Our Project on Student Debt works to increase public understanding of rising student debt and the implications for our families, economy, and society. For more information see [ticas.org](#) and [projectonstudentdebt.org](#) or follow us on Twitter at [twitter.com/TICAS org](#).