



FOR IMMEDIATE RELEASE

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## **Governor Proposes Eliminating Cal Grants for More Than 200,000 Students this Fall**

### *Reverses California's Historic Commitment to College Opportunity*

Berkeley, CA – In direct contrast to federal efforts to increase college access during the current recession, today Governor Schwarzenegger proposed eliminating all new Cal Grants, along with deep cuts to public university systems and other essential state programs and services. The Cal Grant program has been an integral part of California's commitment to college access and affordability for more than 50 years. Since 2001, all qualified graduating high school students have been guaranteed a Cal Grant.

“The Governor's alarming threat to eliminate Cal Grants sends a discouraging signal about college affordability to all Californians,” said Lauren Asher, acting president of the Institute for College Access & Success. “Students and families are counting on Cal Grants in these tough times, and the proposed cuts will wreak havoc with college plans for this fall.”

The Governor seeks to cut approximately \$250 million from the state budget by:

- Eliminating *all* new Cal Grants for students at both public and private colleges; and
- Reducing the value of renewal Cal Grants for all returning University of California (UC) and California State University (CSU) recipients by lowering the share of enrollment fees their grants will cover. (Renewal Cal Grant recipients at other colleges would not experience cuts.)

**The Institute estimates that more than 200,000 students statewide – over two-thirds of all current students offered Cal Grants – would lose all or part of the Cal Grant they were counting on to help pay for college this fall. These students will see their financial aid packages reduced by between \$576 and \$9,708.** Based on the Institute's analysis, here is a snapshot of these high-achieving, financially needy students and what is at stake for them.

**At least 118,300 students would lose their entire grant, worth up to \$9,708, this fall:** Eliminating all new Cal Grants would deny approximately **118,300 students** access to aid dollars they needed and expected for the 2009-10 academic year. These students have very low to moderate incomes, and vary greatly in age and type of college, although nearly half would have attended community colleges.

- *26,000 students face cancelled Cal Grant A offers.* A typical Cal Grant A student has a 3.45 grade point average (GPA) and a family income of \$48,733.
- *84,500 students face cancelled Cal Grant B offers.* Cal Grant B students, who receive 70% of new awards and would therefore be among the hardest hit, come from much needier families. A typical Cal Grant B student earns slightly above a 3.0 GPA, and has a family income of \$17,791.
- *7,800 students face cancelled Cal Grant C offers.* A typical Cal Grant C student has a 2.67 GPA and a family income of \$21,859.
- The elimination of new awards *affects both young adults and older students:* 88,000 new High School and Transfer Entitlement students, whose average age is between 18 and 22, would lose

their grant offers, as would 30,300 new Competitive and Cal Grant C students, whose average age is between 29 and 33.

- Eliminating new awards affects students at all types of public and private colleges, but *community college students* would lose the largest share – 45 percent – of new Cal Grant offers.
- Cal Grants A and B provide four years of eligibility for students, including transfers from community colleges to four-year schools. An estimated 110,500 students would not be able to receive these new grants in 2009-10, and over four years could miss out on as much as \$38,000 each in needed aid.

**At least 90,000 returning students would lose part of their Cal Grant this fall:** An estimated additional **90,000** UC and CSU students would see their promised renewal grants reduced by up to \$600 for 2009-10, a result of the Governor’s proposal to eliminate support for fee increases.

“The loss of Cal Grants will push lower income students off the college track, delay their progress, or leave them even deeper in debt as they struggle to make ends meet. Making it harder for Californians to get the training and education they need puts our state’s troubled economy at even greater risk, now and in the future,” said Asher. The Public Policy Institute of California recently found that California needs more than a million new college-educated workers by 2025 to protect the state economy from decline.

*The Institute’s analysis is based on the distribution of 2007-08 Cal Grant offers (the best and most recent available data), as well as the Schwarzenegger administration’s projections for 2009-10, including: “2007-08 Cal Grant Program Recipients, Legislative Report Requirement”, California Student Aid Commission (CSAC), undated, and projections provided to the Institute by CSAC on May 22, 2009. The federal poverty level for a family of four is \$22,050.*

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*An independent, nonprofit organization, the Institute for College Access & Success works to make higher education more available and affordable for people of all backgrounds. By conducting and supporting nonpartisan research, analysis, and advocacy, the Institute aims to improve the processes and public policies that can pave the way to successful educational outcomes for students and for society. [www.ticas.org](http://www.ticas.org)*